

8 July 2023

RISING
CAPITAL



METaverse, NFT & WEB3 GAMING REPORT

JUNE EDITION

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NFT Overview

The NFT markets as a whole had a pretty disappointing month in June. With wash trading excluded, NFT market volumes on major blockchains were \$632 million, a 4.6% decrease from the previous month. In addition, the floor prices of well-known NFT projects fell sharply, on average by 28%, marking a moment of large scale selloff at the end of June.

NFT volumes on well-known blockchains like Ethereum and Solana had noticeable growth in June, but Bitcoin's volumes saw the worst dip, dropping by 46% in the preceding month. Ordinals however have been continuing to attract NFT investors and has been gaining attention in June largely due to the significance of them being built on Bitcoin. Bitcoin continues to overtake Solana to hold the title of second-largest chain for NFT trading. Focusing on the NFTs themselves, June proved to be a forgettable month for the space as many NFT collections faced capitulation. A combination of Azuki's Elementals reveal along with knock on effects on lending markets contributed to large scale sell off among NFTs. Azuki hyped up its Vegas event over the month followed by the announcement of its new collection 'Elementals'. Approximately \$39 million in liquidity rushed to purchase their new collection, only to discover upon reveal that the artwork was strikingly similar to the original collection, leading to disappointment among original collectors. This sparked widespread hysteria across the industry, which led to a large number of sales and liquidations. Demand for bluechip NFTs in general also dried up over the month. The past few months have been marked by a steady slide for NFTs, and this seems to be one of the first bigger moves down that we have not seen quite a while. NFT markets could face more pain in the future, but in the meantime, this situation seems like a good opportunity to look for undervalued collections in the following weeks and months. Amidst the decline in prices, certain sub-sectors within the NFTFi markets have gained prominence, particularly NFT perpetual protocols. These protocols have experienced a surge in volumes and warrant close attention as market dynamics unfold in the next month, as well as with the new v2 version coming out from NFTperp.

In terms of funding, the NFT sector attracted \$35.4 million in funding, down 28% MoM. Largest funding over the month went to Mnemonic and TradingLeagues, raising \$10 million and \$2.5 million in funding respectively.

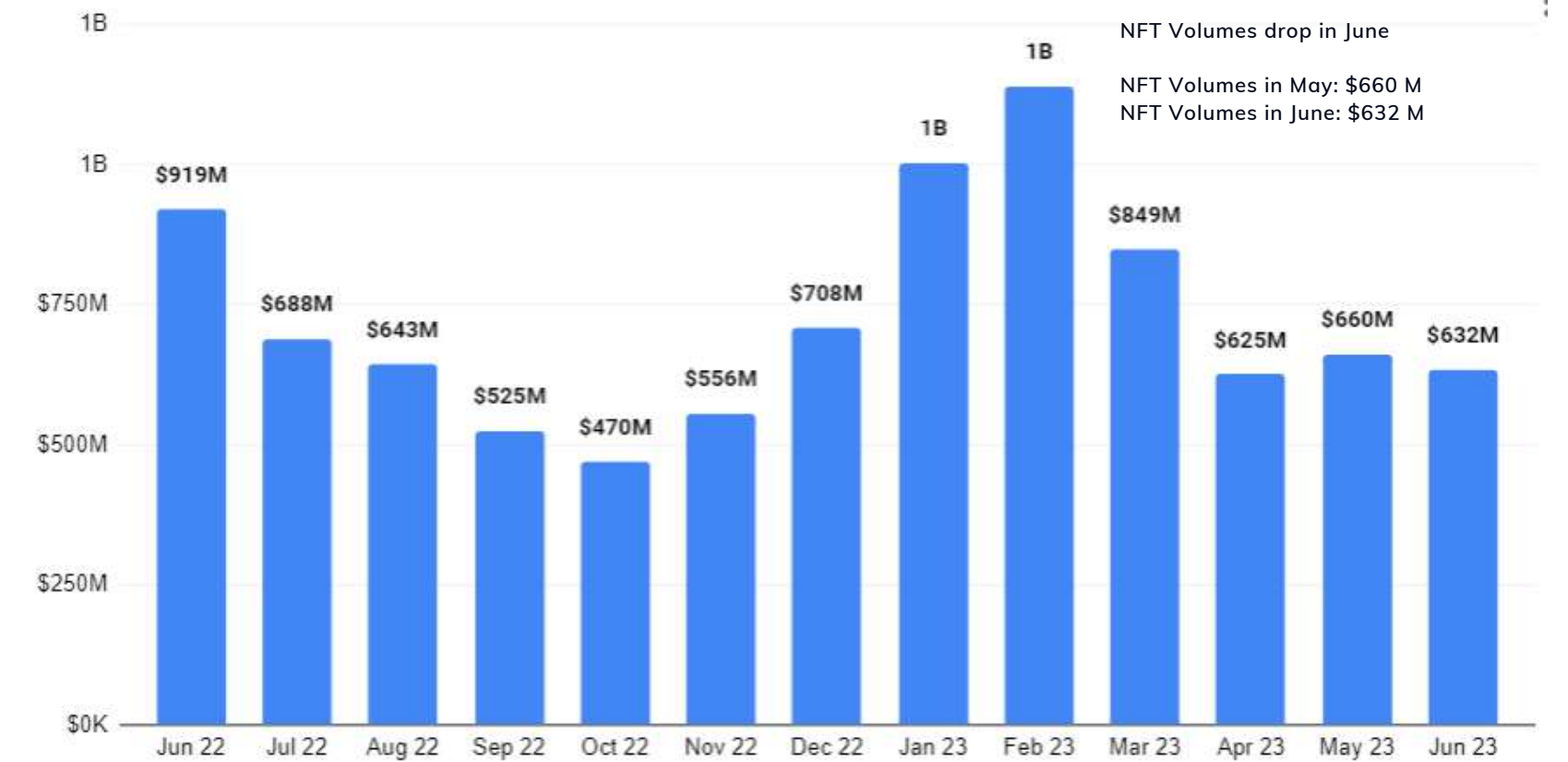
NFT Recent Developments

- Louis Vuitton To Release \$39,000 Physical-Backed NFTs sold as soulbound tokens ([Coindesk](#)). As part of the token's utility roadmap, holders will receive a physical replica of their digital Treasure Trunk, unlocking access to upcoming Louis Vuitton products and immersive events.
- Popular NFT platform used by creators and Brands to mint NFTs, Zora launches creator-focused Layer 2 Blockchain ([Coindesk](#)). Built on Optimism's tech stack, the new network will make minting on its platform "faster, cheaper and more enjoyable" with a focus on gas efficiency and scalability.
- Polygon and Warner Music Group merge brains to accelerate blockchain music ([NFT Plazas](#)). The two have combined their resources to launch blockchain music accelerator program to spearhead innovation in the sector.
- Crypto Community Lashes out at Chiru Labs After Azuki NFT Copycat Release ([BeinCrypto](#)). The Azuki Elemental pre-sale received huge community anticipation, but as the artwork was revealed, the community found it too similar to the original Azuki collection.
- Puma, Gutter Cat Gang and LaMelo Ball team up to release NFT sneakers ([Coindesk](#)). The sneaker collection welcomes a "new era for hoops apparel and fashion," and was designed by Ball as a part of MB, his fashion collaboration with Puma
- Mercedes Benz ventured into NFTs by partnering with Fingerprints DAO and artist Harm van den Dorpel. The unique collection of 1,000 pieces were inspired by automotive concepts.
- Animoca Brands' NFT membership collection Mocaverse launches a Rarible powered NFT marketplace ([Animoca Brands](#)). The marketplace will offer 0% marketplace fees and abide by the royalties on all sales.
- Bankrupt Hedge Fund Three Arrows Capital Sells NFT Collection at \$4.6M Loss in Sotheby's Auction for \$10.9M ([MPost](#)). The auction included 37 NFTs purchased by 3AC for \$15.5 million worth of cryptocurrency in 2021.



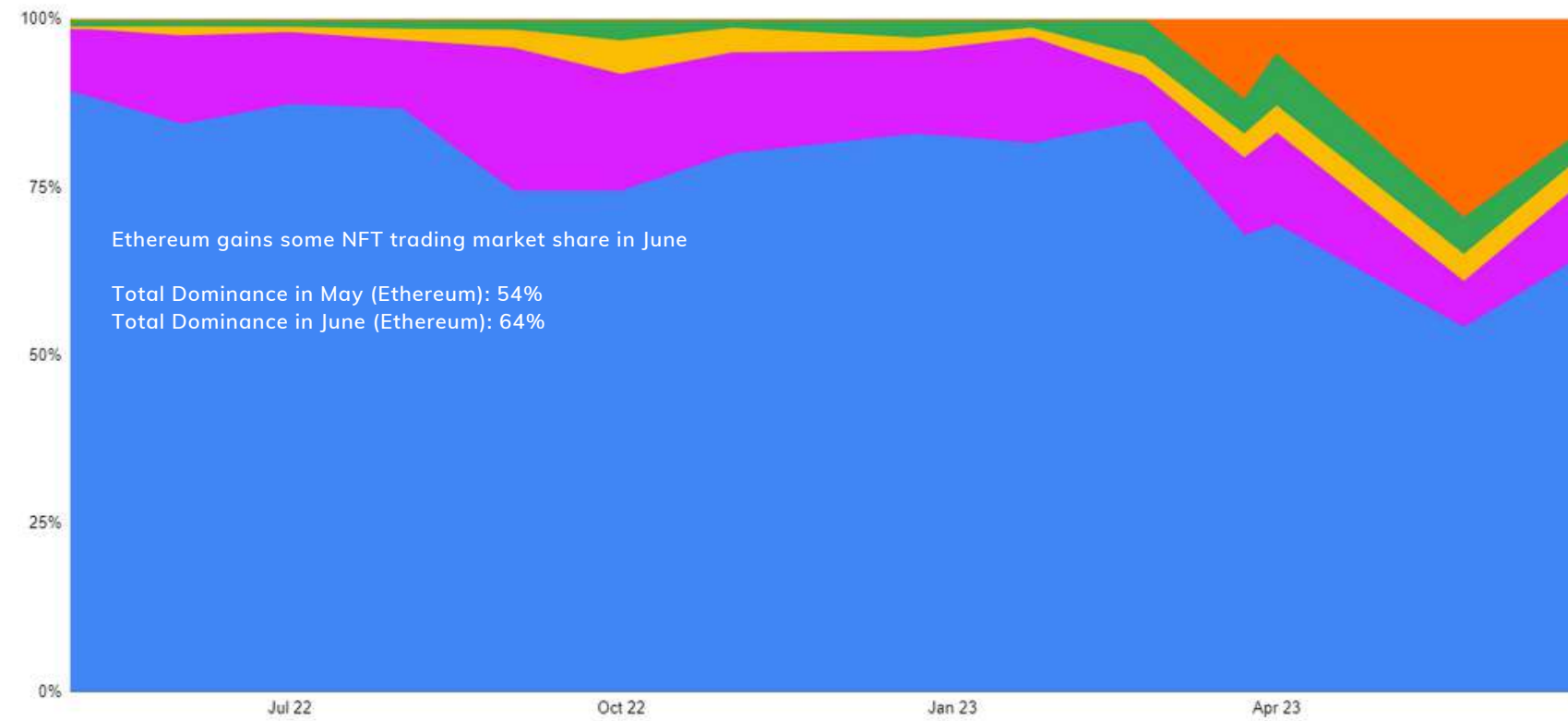
Monthly NFT Stats

NFT SALES VOLUMES ACROSS MAJOR BLOCKCHAINS (NON-WASHTRADED)



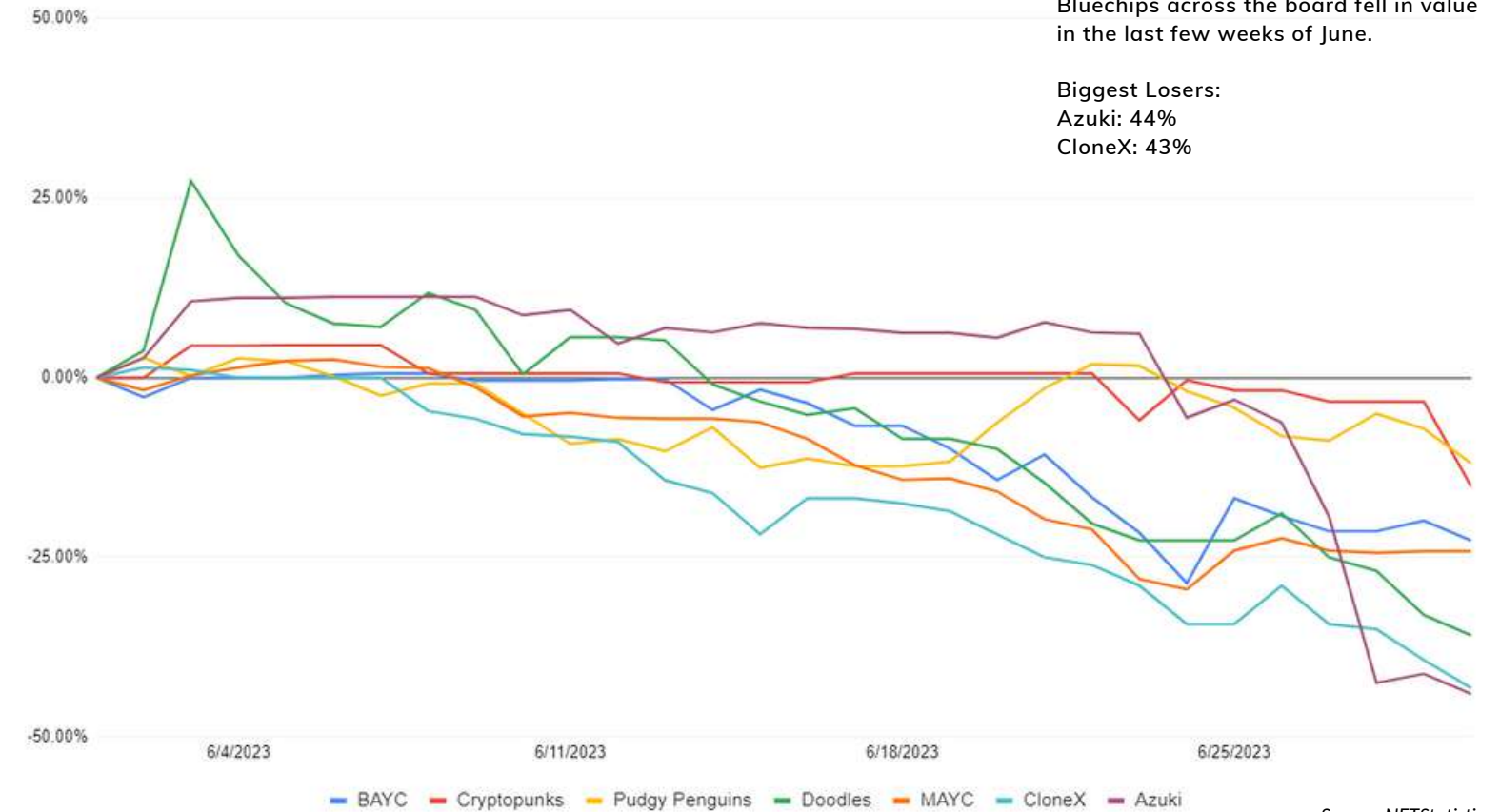
Source: CryptoSlam (Data as of 4th)

NFT SALES VOLUME DISTRIBUTION ACROSS CHAINS



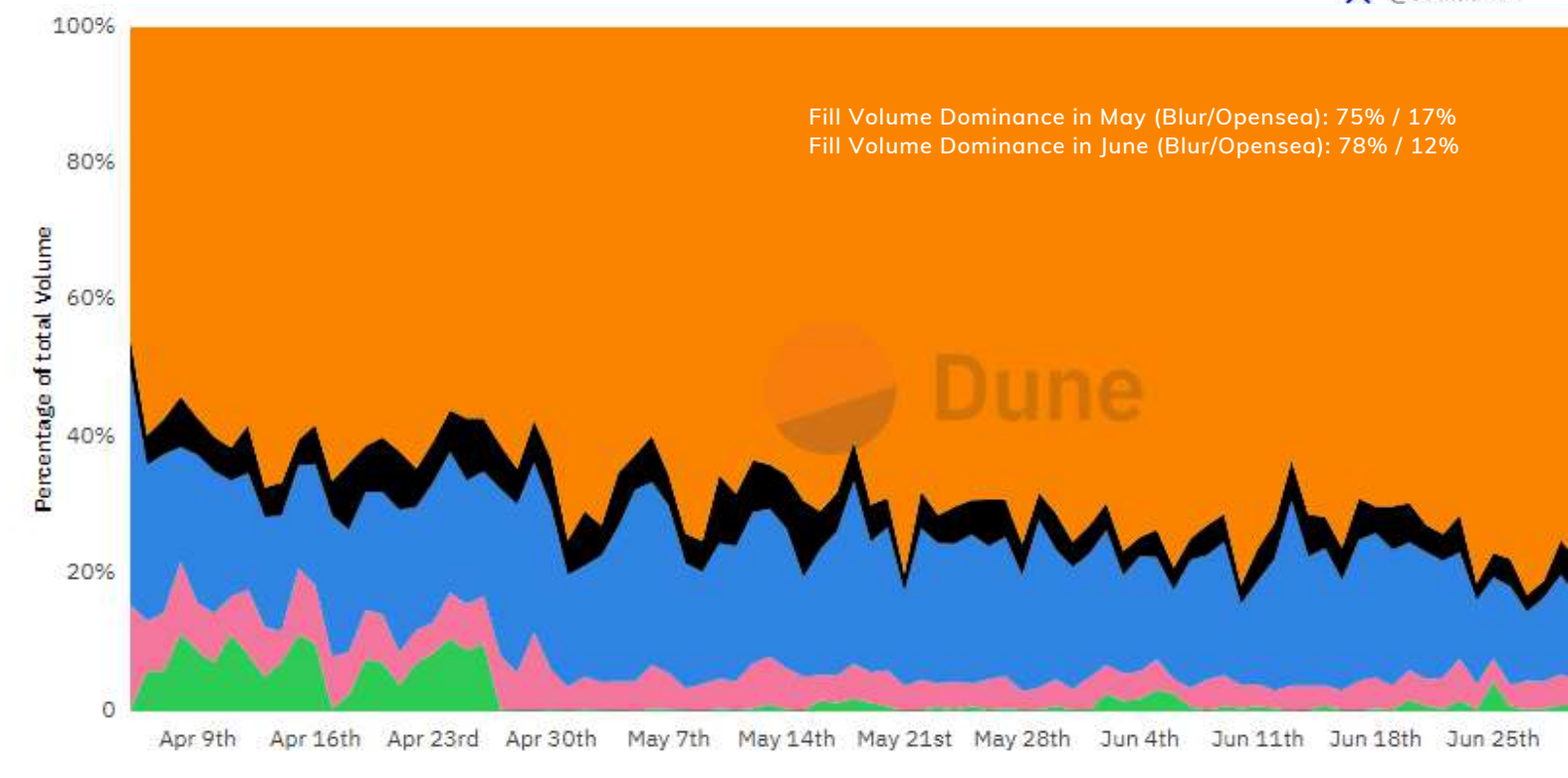
Source: CryptoSlam (Data as of 4th)

BLUECHIP PRICE COMPARISON IN JUNE (ETH)



Source: NFTStatistics

% VOLUMES BY NFT FILL SOURCE

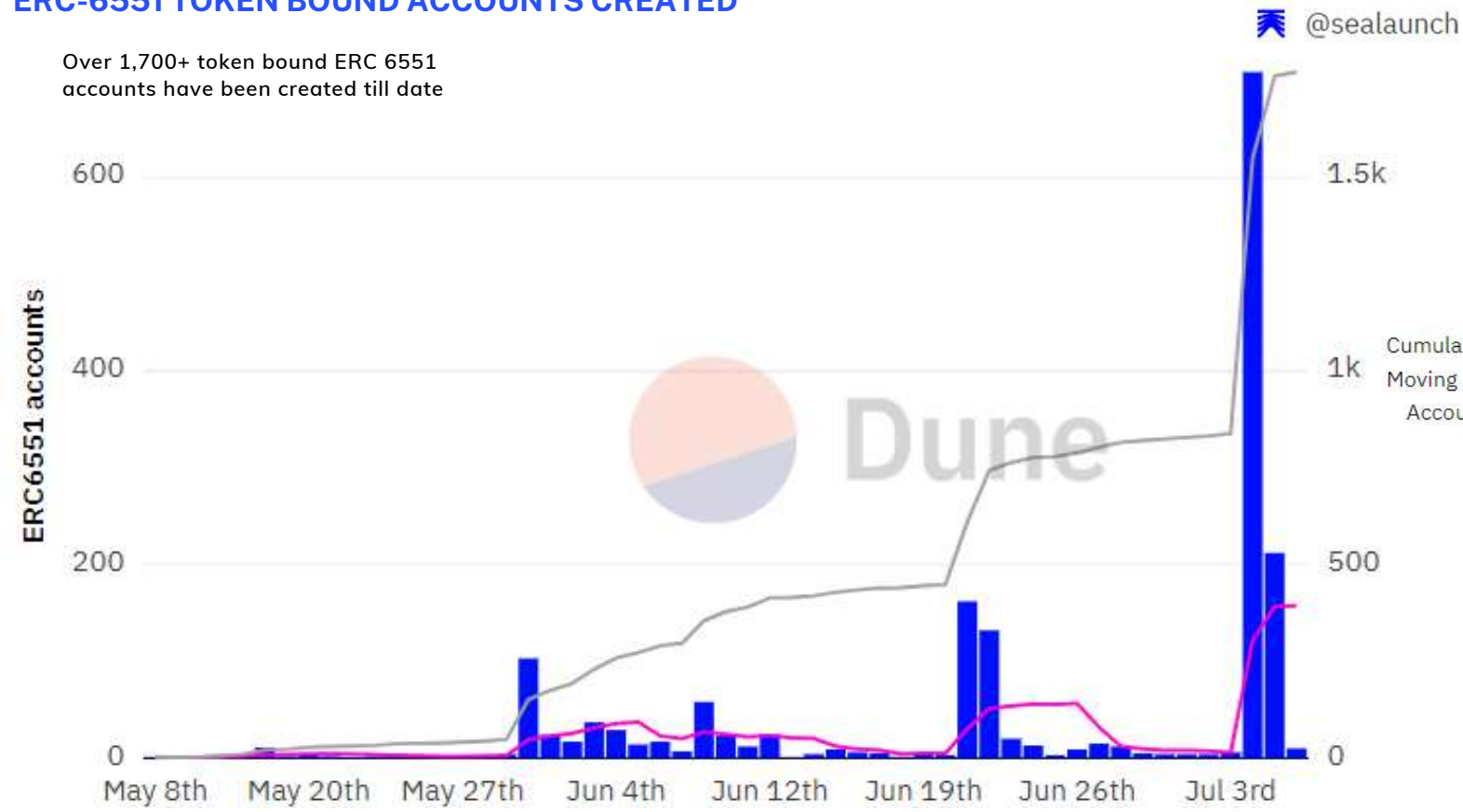


Source: Sealaunch

Monthly NFT Stats

ERC-6551 TOKEN BOUND ACCOUNTS CREATED

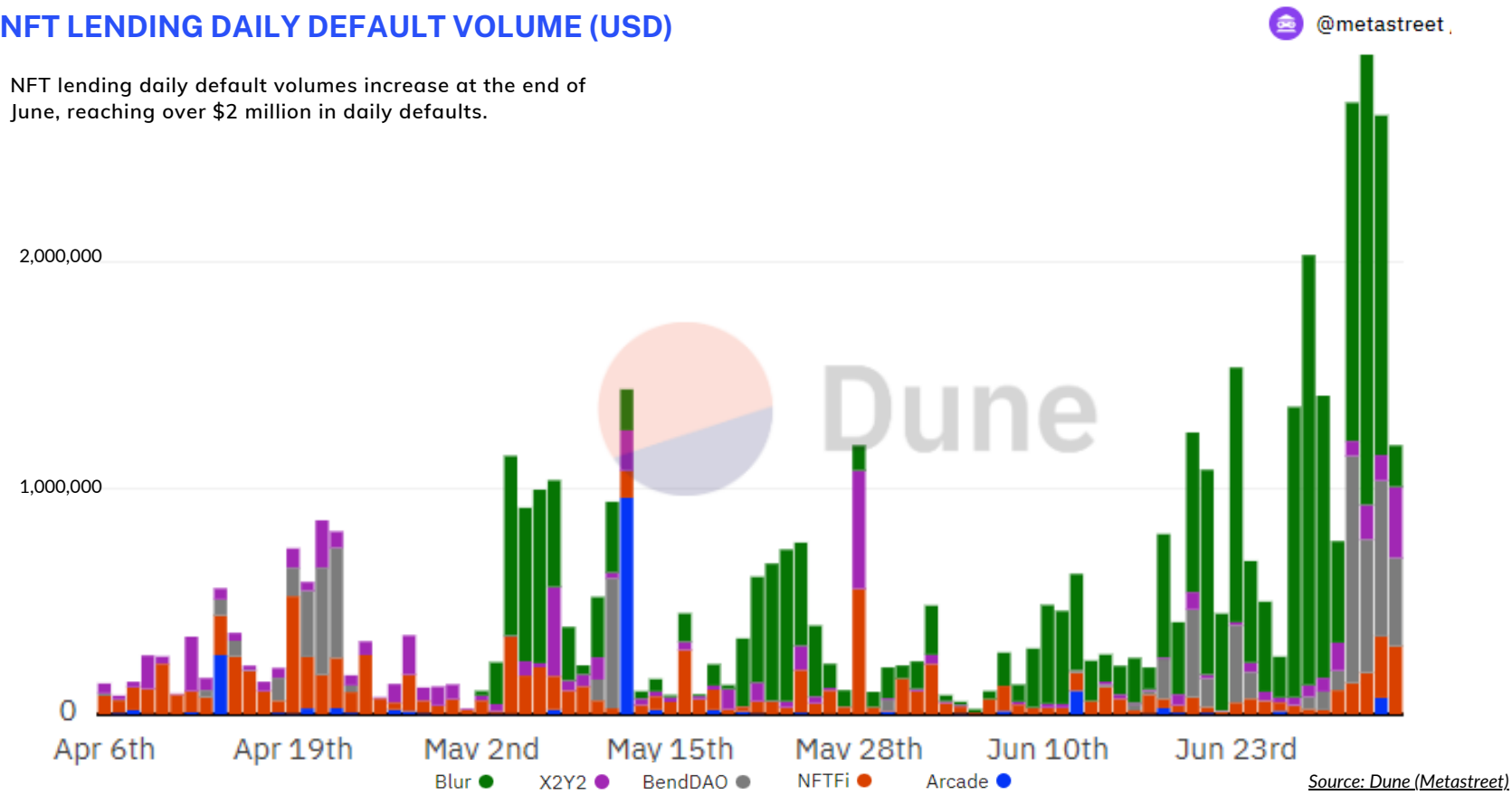
Over 1,700+ token bound ERC 6551 accounts have been created till date



(Source: Sealaunch)

NFT LENDING DAILY DEFAULT VOLUME (USD)

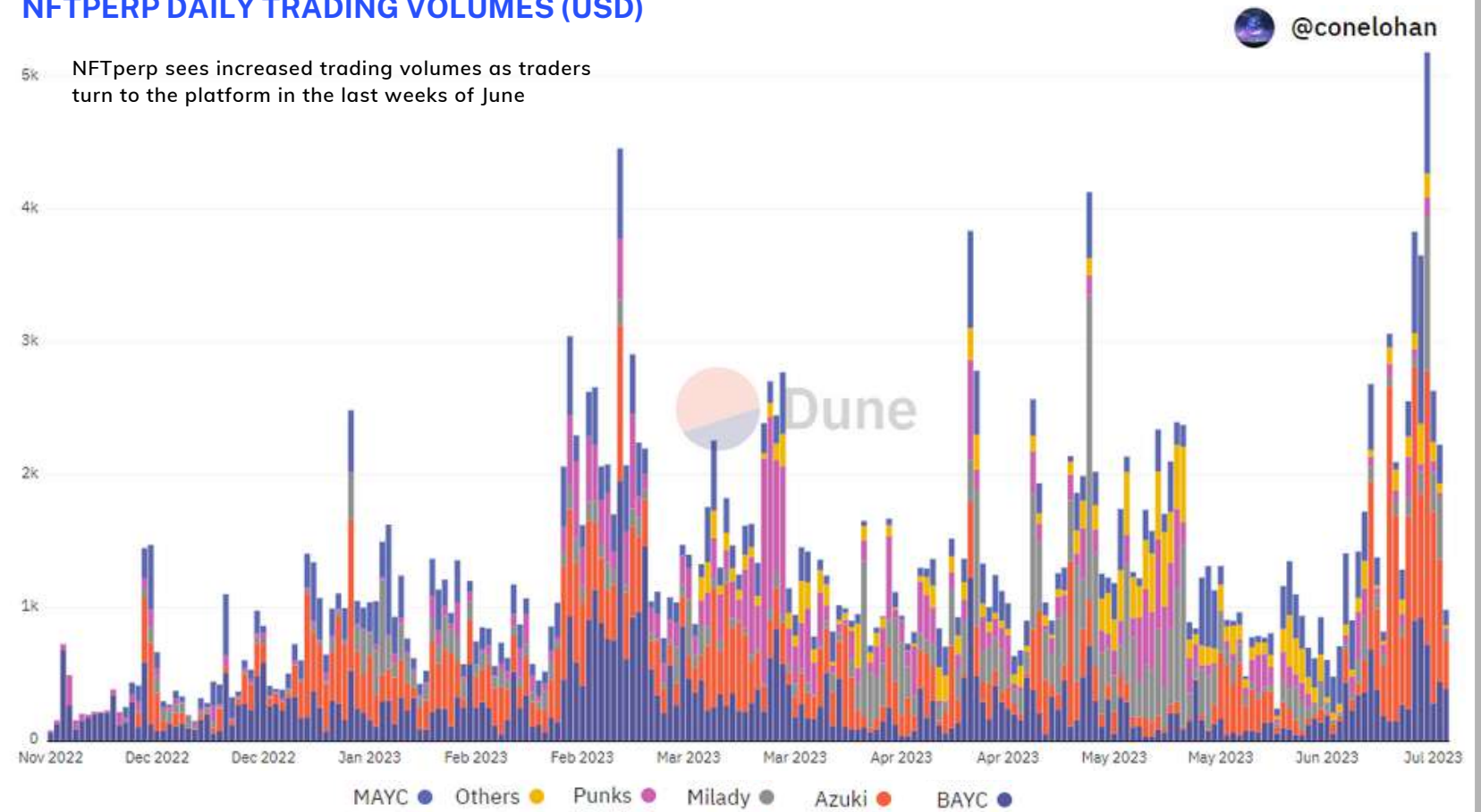
NFT lending daily default volumes increase at the end of June, reaching over \$2 million in daily defaults.



(Source: Dune (Metastreet))

NFTPERP DAILY TRADING VOLUMES (USD)

NFTperp sees increased trading volumes as traders turn to the platform in the last weeks of June

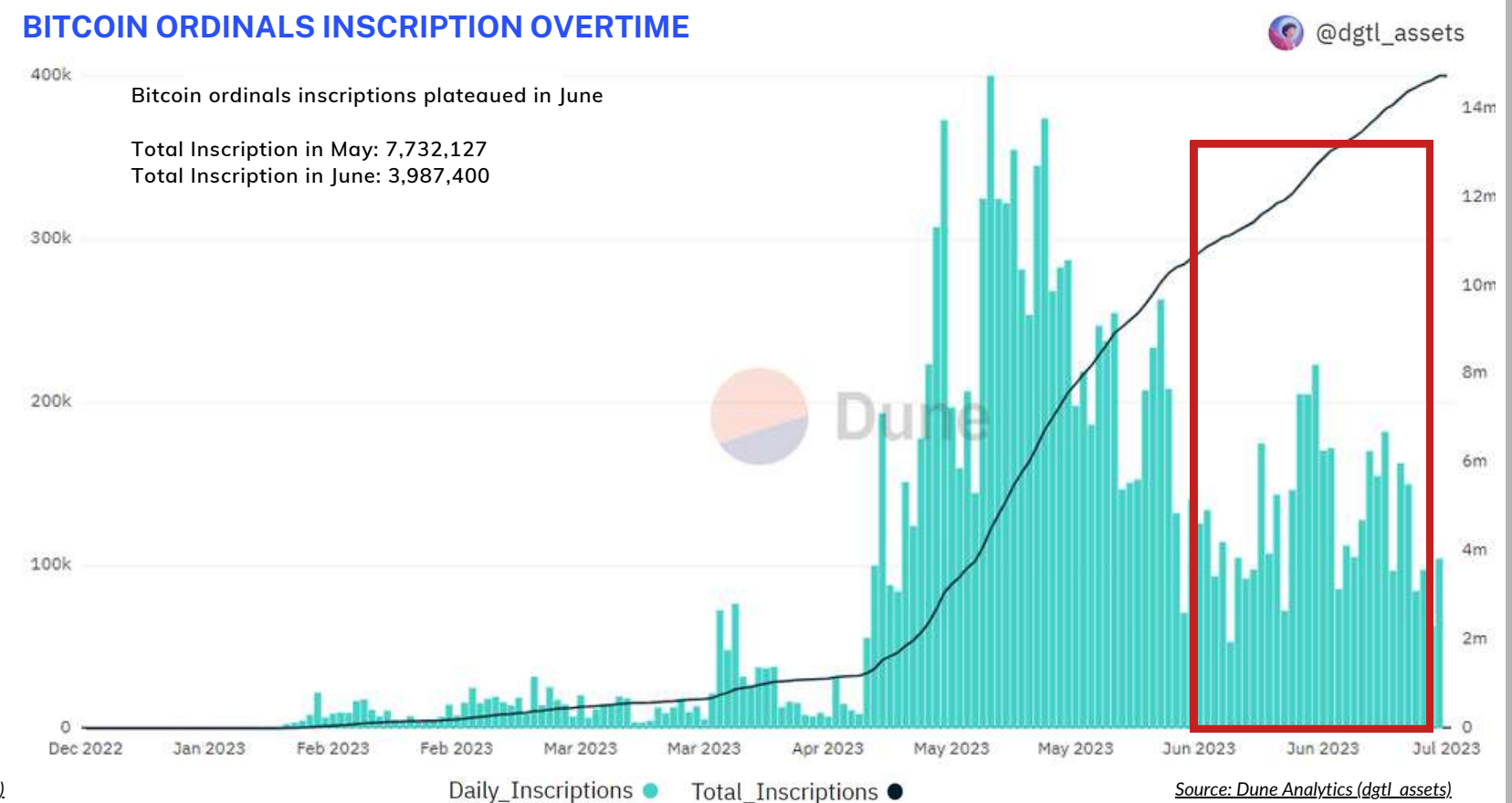


(Source: Dune (Conelohan))

BITCOIN ORDINALS INSCRIPTION OVERTIME

Bitcoin ordinals inscriptions plateaued in June

Total Inscription in May: 7,732,127
Total Inscription in June: 3,987,400



(Source: Dune Analytics (dgtl_assets))



Web3 Gaming Overview

June turned out to be a modest month for the gaming sector with a considerable number of positive announcements in the space. The gaming daily UAW decreased 1.5% in June to make up 698,585 average gaming unique wallet interactions over the month.

The Oasys blockchain released a number of noteworthy updates and announcements during the month of June. One of the most important developments was its unveiling of updates with multiple well-known gaming and internet firms, including Ubisoft. Ubisoft, recognized for popular game franchises like Assassins Creed and Far Cry, took a bold step by joining forces with Oasys blockchain to announce their first-ever original tactical RPG title called 'Champions Tactics: Grimoria Chronicles' on the blockchain. Having already experimented with NFTs and blockchain through projects like the Quartz platform in 2021 and investments in Web3 games like 'Cross the Ages,' this move exemplifies Ubisoft's growing embrace of the technology. Along with Ubisoft, Korean mobile game developer Com2uS has revealed plans to port their game "Summoners War: Chronicles" to the Oasys blockchain, further fostering the development of the Oasys blockchain ecosystem. Furthermore, two games within the blockchain ecosystem hit important milestones in June. Within two months of its release on the Google Play and App Stores, Mythical Games' football video game NFL Rivals had more than 1 million downloads. NFTs are used in the game in the form of player cards, which are obscured behind the scenes for players. Popular NFT TCG game Gods Unchained also launched on the Epic games store in June, improving accessibility to the wider audience/ gamer base. Overall, lots of positive developments in the gaming space in June.

On the funding end, the gaming sector saw a sizable increase in funding amounts compared to the previous month. We saw a funding inflow of \$60.6 million, up 43% MoM. The largest funding amounts went to Mythical Games and Hyperplay, drawing in \$37 million and \$12 million, respectively.

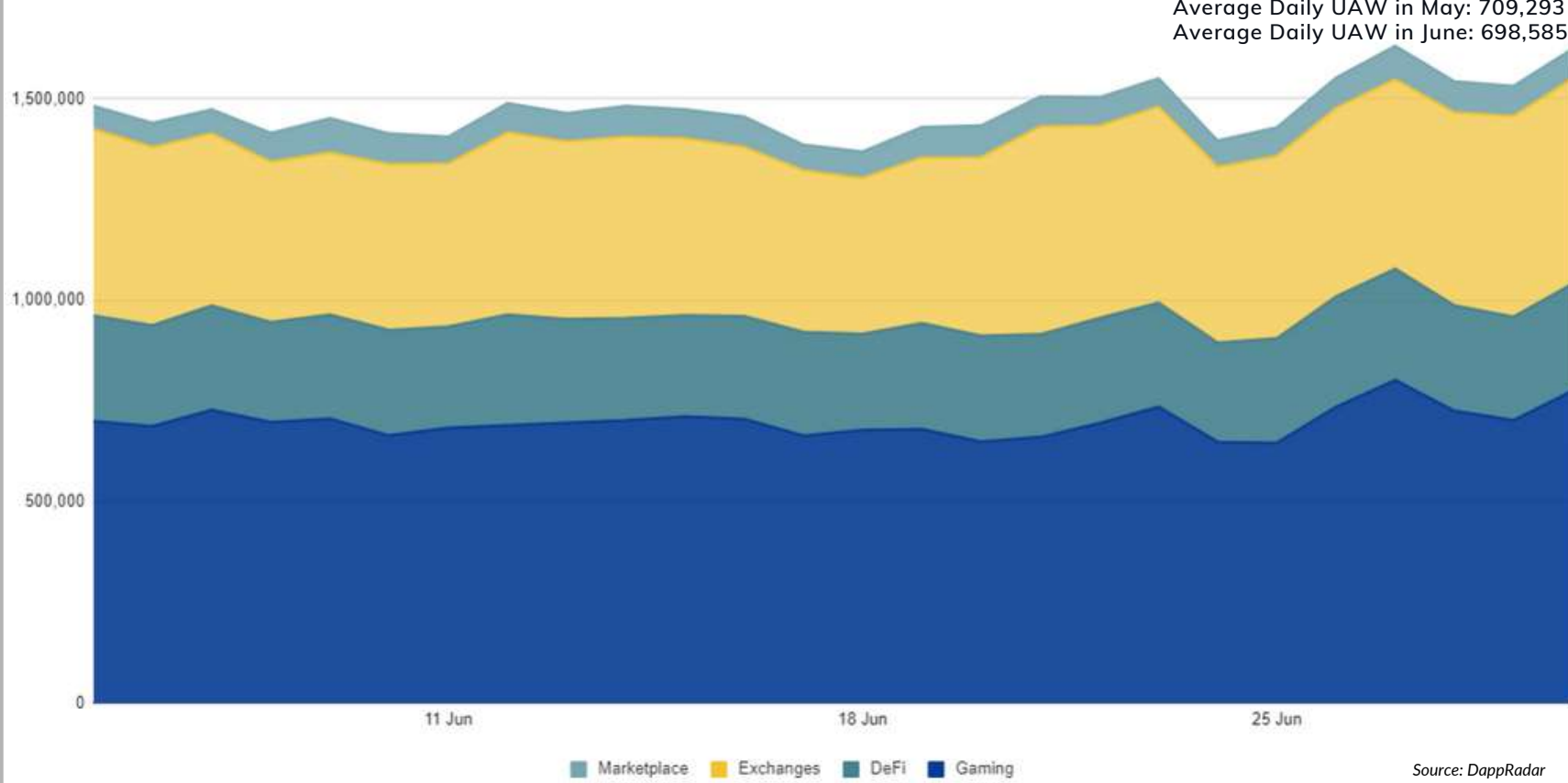
Gaming Recent Developments

- Nike Virtual Studios and EA SPORTS Will Bring .SWOOSH Virtual Creations to EA SPORTS Experiences ([Nike](#)). Nike's partnership with EA SPORTS will look to build new immersive experiences and unlock brand new levels of customization within the EA SPORTS ecosystem.
- NFL Rivals Scores 1M Downloads for NFT-Based Mobile Game since its release in the Google play and Apple stores ([Coindesk](#)). NFL Rivals has seen nearly 15 million matches played and that on average, players have six gaming sessions per day, showing the stickiness.
- Illuvium and Gamestop joined forces for an exclusive NFT sale. The Illuvium x GameStop D1SKs offer more than just unique Illuvitars. Each Promo GameStop D1SK also grants beta access to Illuvium's creature collector game, Illuvium: Overworld, and their strategic auto-battler, Illuvium: Arena.
- Gods Unchained Brings NFT Card Game to Epic Games Store ([Klick.gg](#)). The version of Gods Unchained available on the Epic Games Store will offer the same immersive experience as the one accessible through the game's website.
- Oasys Announces Major Blockchain Gaming Updates, featuring leading Game Developers ([Yahoo](#)). Several games such as Summoners War: Chronicles, and Champions Tactics: Grimoria Chronicles from Ubisoft will be launched on the blockchain gaming ecosystem.
- Yuga Labs launched the 1st season of HV-MTL forge web3 crafting game ([Venture Beat](#)). The HV-MTL (pronounced Heavy Metal) Forge is a creative, social, competitive crafting game for holders of HV-MTL non-fungible tokens (NFTs).
- Ava Labs Launches a Mentorship Program for Game Developers ([Metaverse Post](#)). Avalanche Arcad3 is a collaborative initiative that aims to assist "web2" game developers in exploring blockchain technology game integrations.

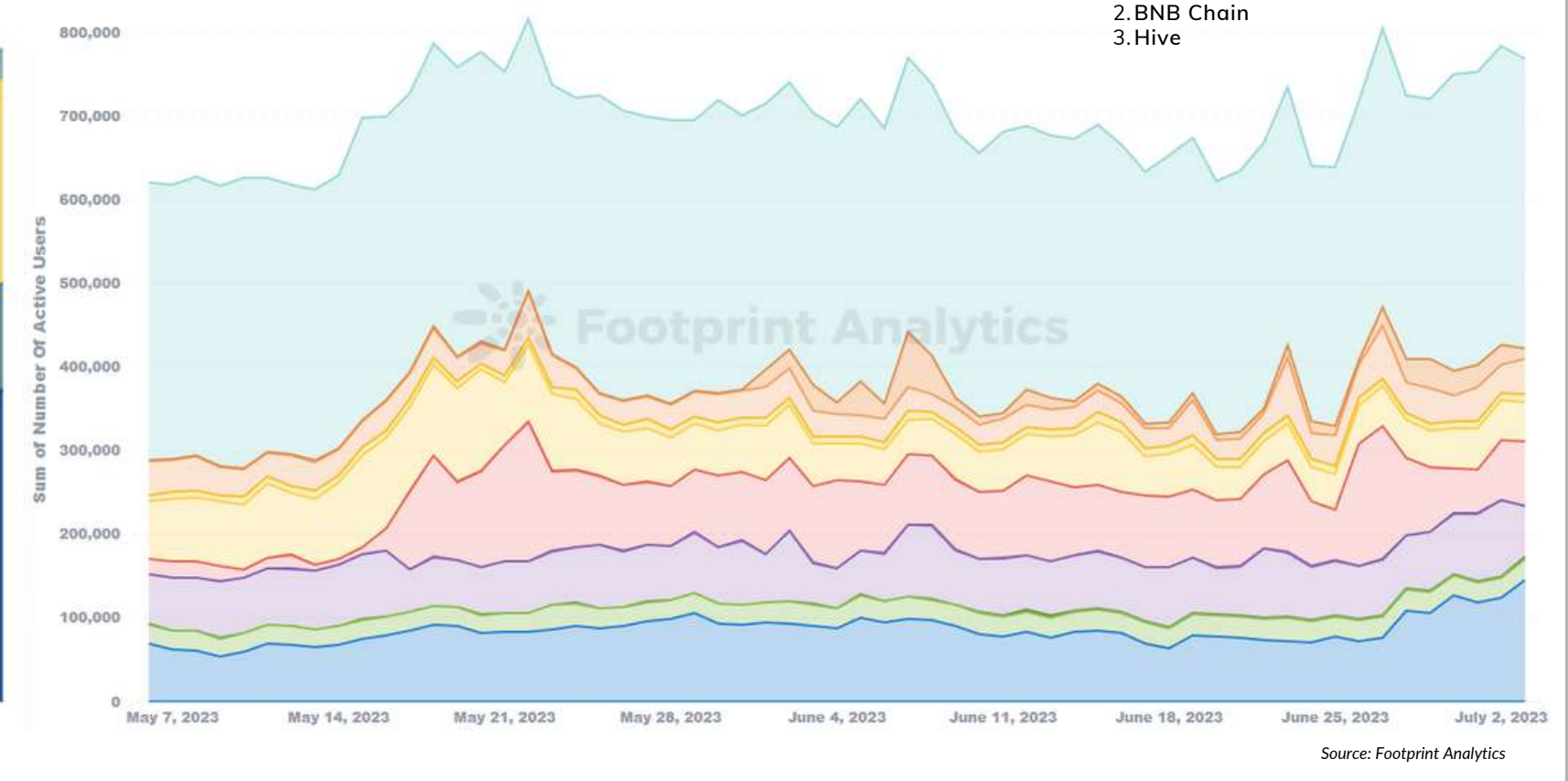


Monthly Gaming Stats

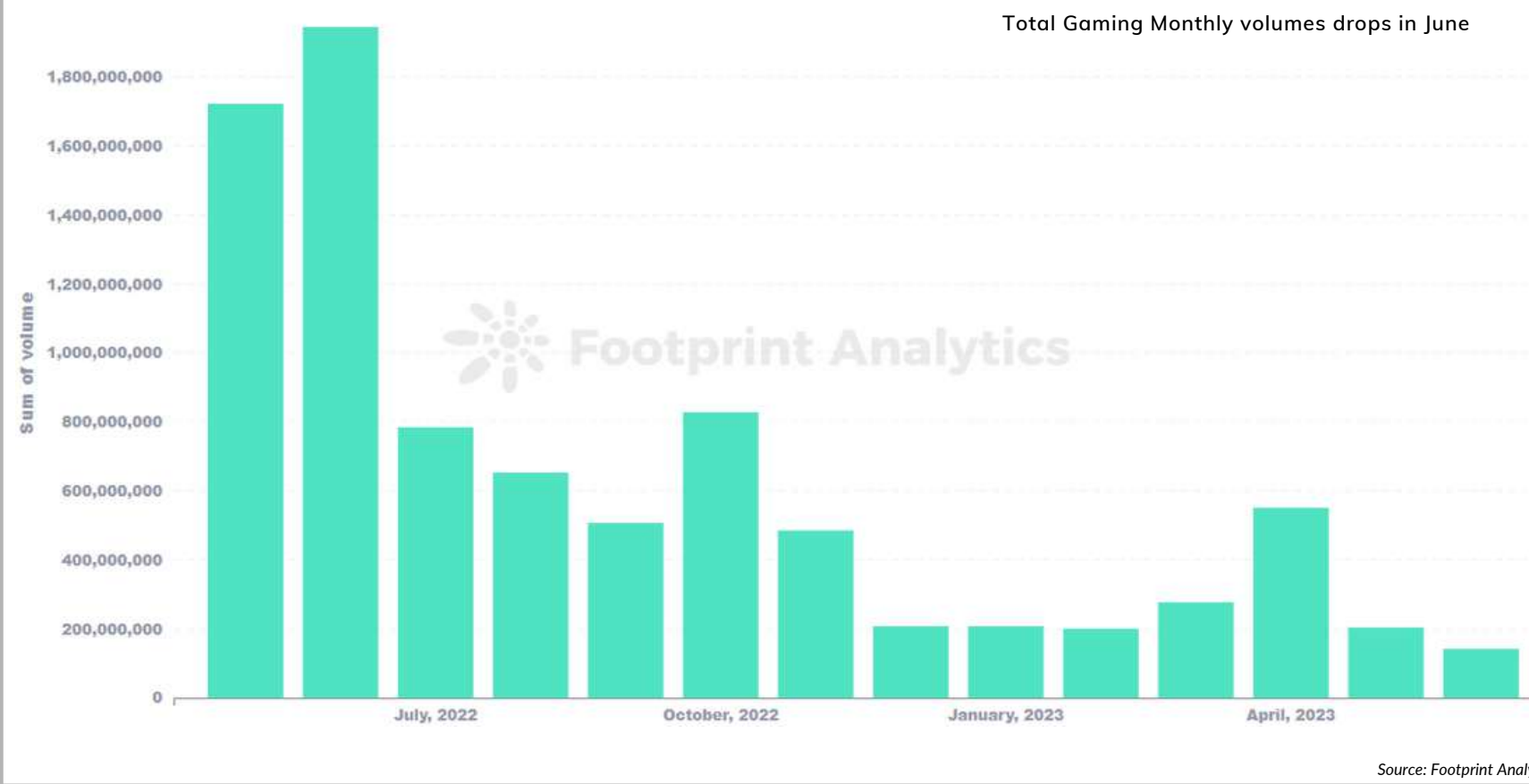
BLOCKCHAIN USERS ACROSS SECTORS



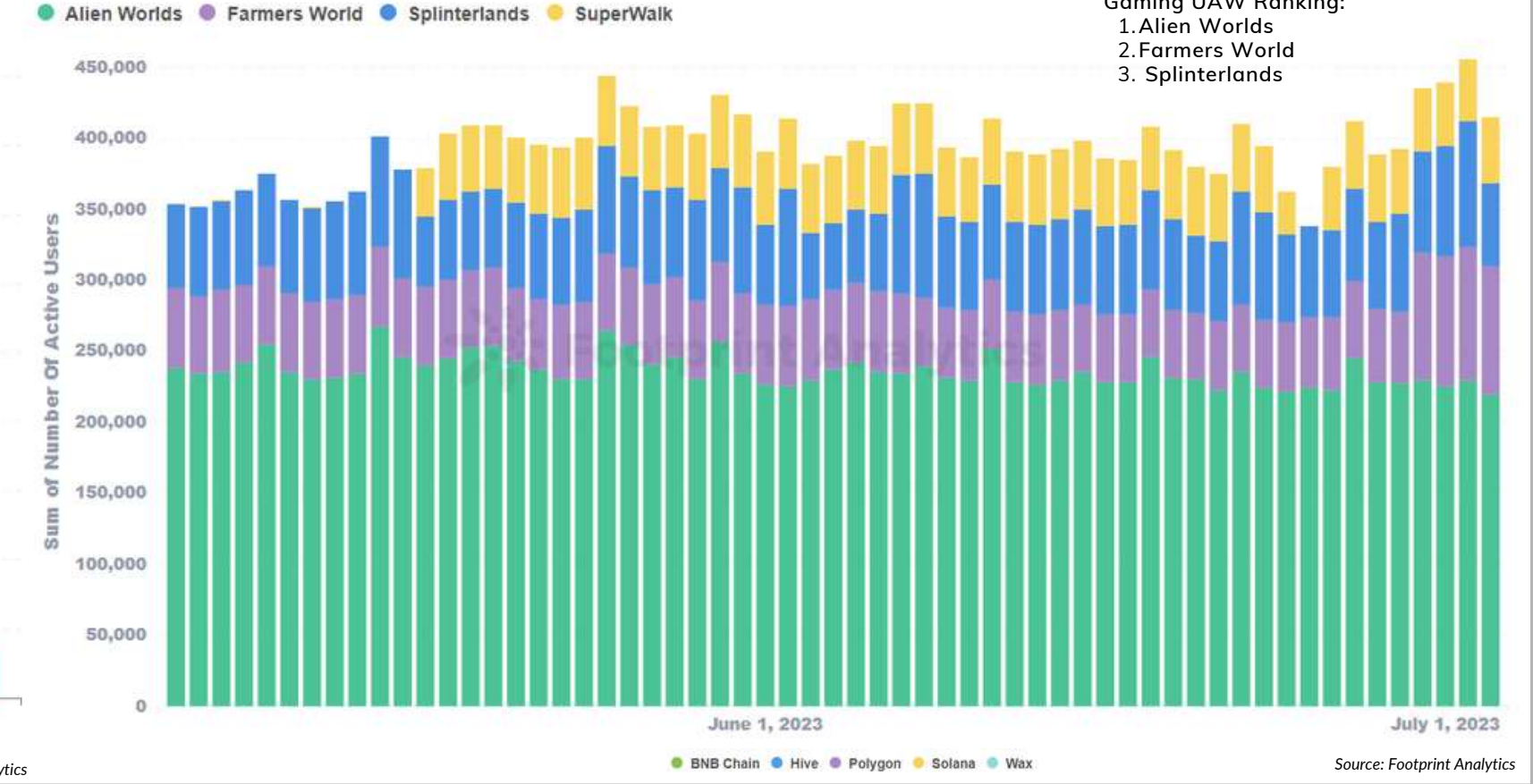
WEB3 GAMES CHAIN RANKING






















GAMING MONTHLY VOLUMES



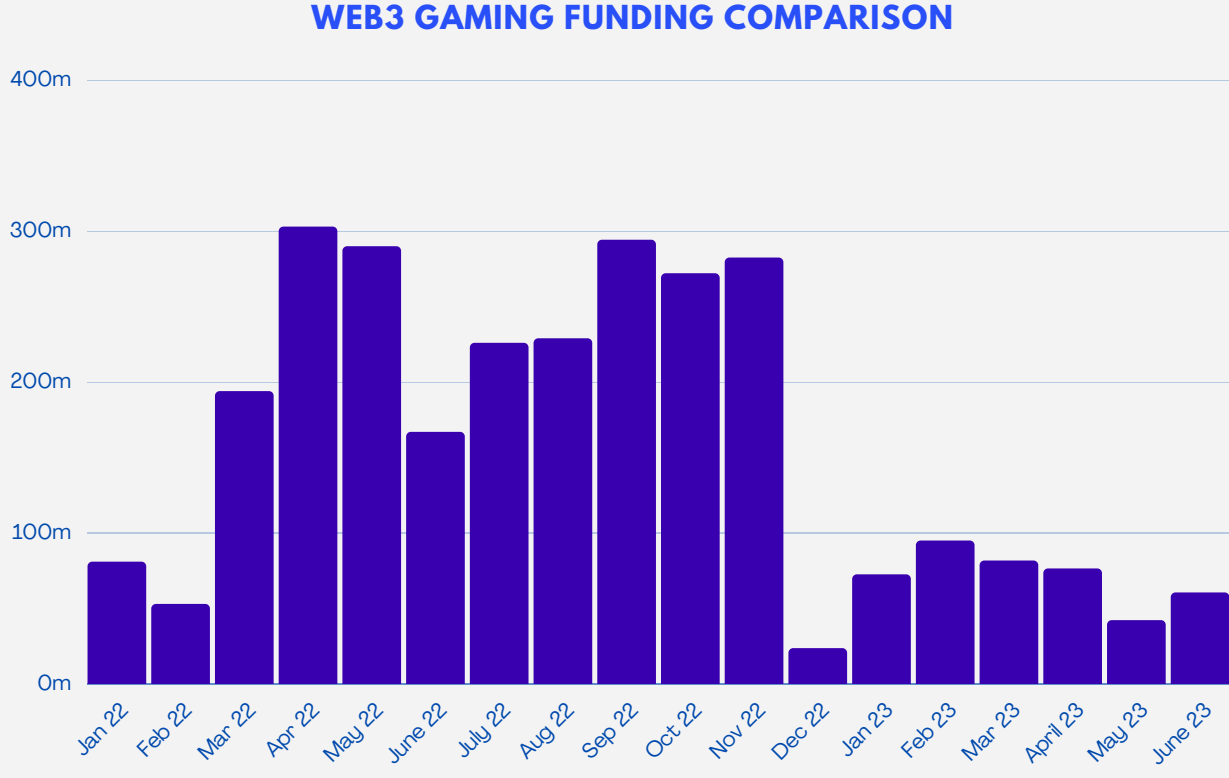
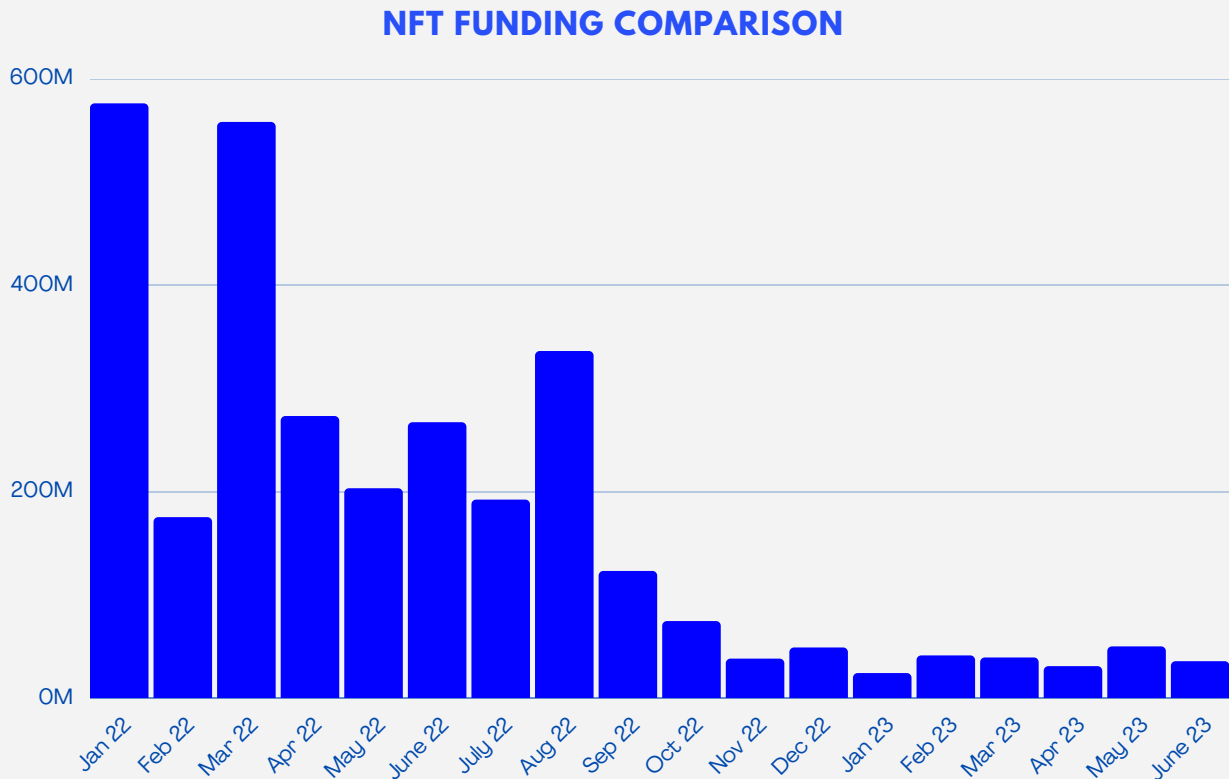
GAMING DAW IN TOP CHAINS



NFT & Web3 Gaming Project Raises in June

 <p>MYTHICAL MYTHICAL GAMES</p> <p>GAMING SERIES C \$37 MILLION</p>	 <p>HyperPlay HYPERPLAY</p> <p>NFT SERIES A \$12 MILLION</p>	 <p>ARGUS</p> <p>GAMING SEED \$10 MILLION</p>	 <p>mnemonic MNEMONIC</p> <p>NFT SEED \$10 MILLION</p>
 <p>FUSIONIST FUSIONIST</p> <p>GAMING SEED \$6.60 MILLION</p>	 <p>FABLEBORNE FABLEBORNE</p> <p>GAMING SEED \$5.50 MILLION</p>	 <p>TradingLeagues TRADINGLEAGUES</p> <p>NFT PRE-SERIES A \$3.5 MILLION</p>	 <p>hook HOOK</p> <p>NFT ANGEL \$3 MILLION</p>
 <p>PWN PWN</p> <p>NFT UNKNOWN \$2 MILLION</p>	 <p>GAMEON GAMEON</p> <p>NFT UNKNWON \$1.70 MILLION</p>	 <p>ANICHESS ANICHESS</p> <p>GAMING SEED \$1.50 MILLION</p>	 <p>DEW DROPS DEW DROPS</p> <p>NFT PRE-SEED \$1.50 MILLION</p>
 <p>Spinamp SPINAMP</p> <p>NFT UNKNOWN \$1.20 MILLION</p>	 <p>OPEN FOODIE OPEN FOODIE</p> <p>NFT SEED \$500 K</p>	 <p>CAT PARADISE CAT PARADISE</p> <p>GAMING SEED TBD</p>	 <p>Delysium DELYSIUM</p> <p>GAMING STRATEGIC TBD</p>
 <p>TEGRO TEGRO</p> <p>NFT UNKNOWN TBD</p>	 <p>SPARKLE SPARKLE</p> <p>GAMING PRE-SEED TBD</p>	 <p>D.G.PALS D.G.PALS</p> <p>GAMING STRATEGIC TBD</p>	

Funding Comparison



Source: Messari



Metaverse Overview

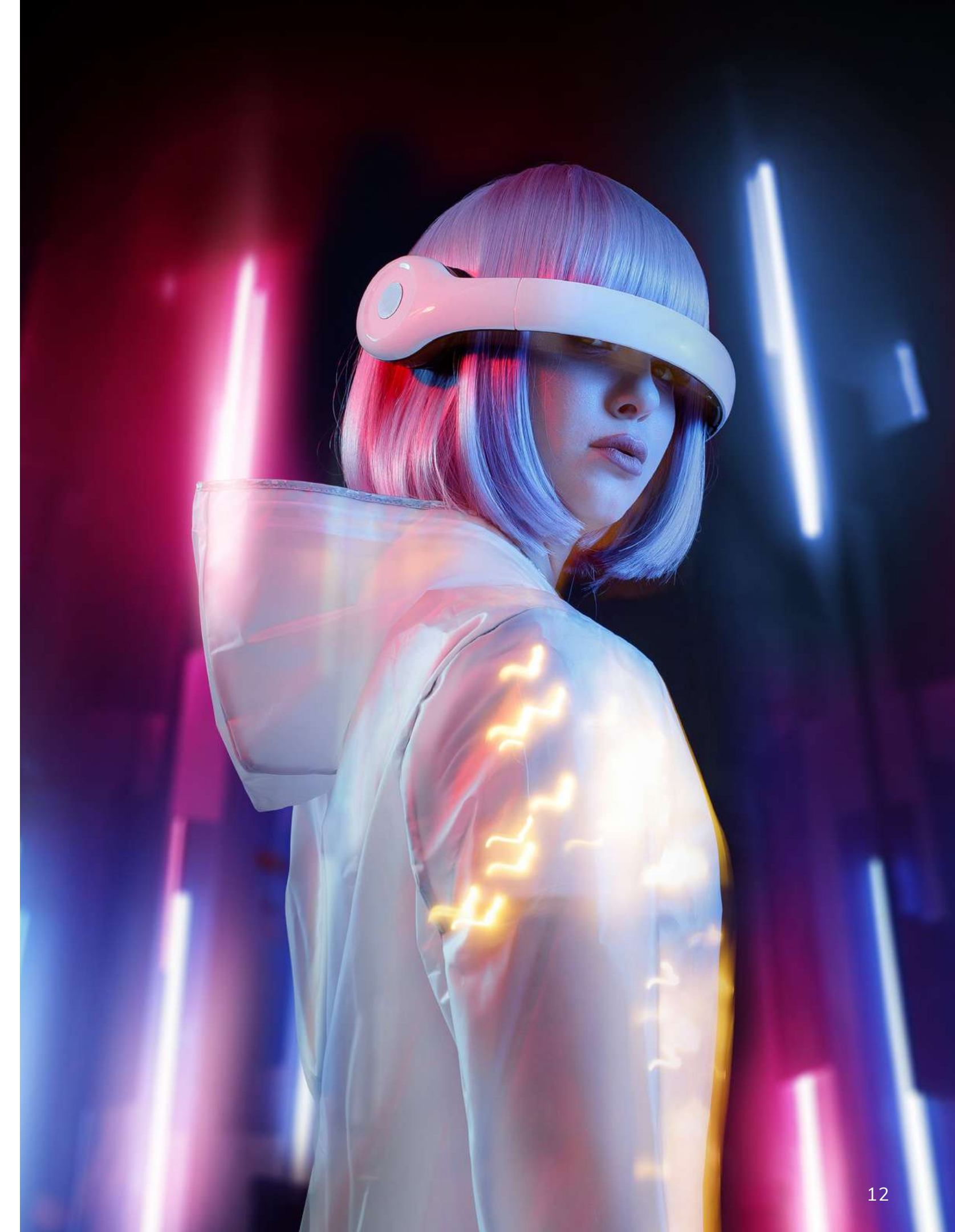
The Metaverse industry had a generally slow month in June with average performance. Sales of Metaverse parcels were \$5.8 million over the month, a 21.62% decrease from the previous month. The number of parcels sold increased positively by 8.48%, nonetheless, as most Metaverse worlds saw a minor increase in their sales figures.

During this time, significant news from outside the decentralized metaverse realm sparked some interest in the sector. One noteworthy event was the much-anticipated announcement of the mixed reality wearable device, the Apple Vision Pro headset. In their keynote, Apple did not specifically address the "metaverse" when they unveiled the \$3,499 headset. But the Apple Vision Pro created a lot of excitement and demonstrated the enormous potential for immersive experiences, especially in gaming and the metaverse. Apple has already announced it was working with Unity to integrate 3D applications based on unity to gain access to the VisionOS, which is extremely promising as a starting point. Another major key event was the opening up of Improbable's technology. Popular for being the tech company behind the Otherside Metaverse, Improbable has opened up early access to MSquared (M²) tools which would allow developers to build creative outputs. Given Improbable is one of the biggest leaders in the Metaverse building market, this could be monumental for the innovation and allows more access and experience building for more people to experience the Metaverse.

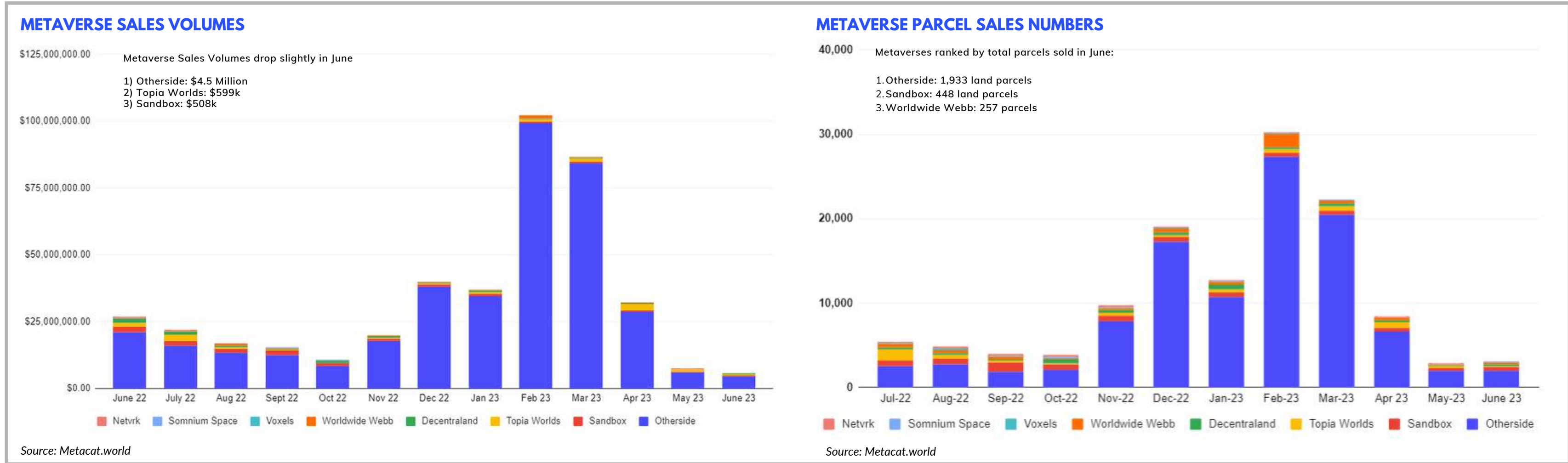
In the decentralized metaverse domain, Decentraland, Roblox, and Spatial jointly organized the inaugural Metaverse Beauty Week. Popular cosmetics companies like Neutrogena participated in this six-day event and showcased their virtual experiences for their audiences in an effort to engage them and draw online shoppers. In terms of funding, June saw a large drop in inflow as only one metaverse project announced its round. Overall, important events like Apple's entry and Improbable's technology opening up have rekindled interest and emphasized the immense promise of immersive experiences in the metaverse, despite the sluggish performance of the Metaverse sector in June.

Metaverse Recent Developments

- Apple introduces Apple Vision Pro: Apple's first spatial computer ([Apple](#)). Vision Pro creates an infinite canvas for apps that scales beyond the boundaries of a traditional display and introduces a fully three-dimensional user interface controlled by the most natural and intuitive inputs possible — a user's eyes, hands, and voice.
- China Mobile launches Metaverse industry alliance ([Forkast](#)). Announced at the [2023 Mobile World Congress](#) in Shanghai on Wednesday, the alliance aims to boost collaborations across metaverse content creation, extended reality (XR) terminals, computing networks, and technological research
- Kakao Healthcare to build metaverse healthcare platform ([KEDGlobal](#)). The project aims to overcome the spatial and temporal constraints of the metaverse and healthcare services and promote national health and create future food.
- Shanghai targets US\$6.9 billion metaverse revenue from culture, tourism projects ([Forkast](#)). Shanghai aims to build 30 culture and tourism metaverse projects by the end of 2025 to focus on what it calls smart tourism
- Footwear conglomerate Puma launches a 3D Web3 experience, Black Station ([CoinTelegraph](#)). Black Station is an “experiential home” for product drops built to provide “unbridled access” for Puma Pass nonfungible token (NFT) holders



Monthly Metaverse Stats



Latest Brands to Enter the Metaverse



Puma entered the Metaverse by revealing Black station, its first Metaverse website experience



Neutrogena entered the Metaverse by hosting a number of gamified experiences during Metaverse Beauty Week



Multi brand retailer Flannels participated in the Metaverse Beauty Week in June




Motown Records entered the Metaverse for the first time through a partnership with Second Life



Celio India is set to enter the Metaverse to launch an exclusive collection in partnership with Emiway Bantai

Metaverse Raises in June

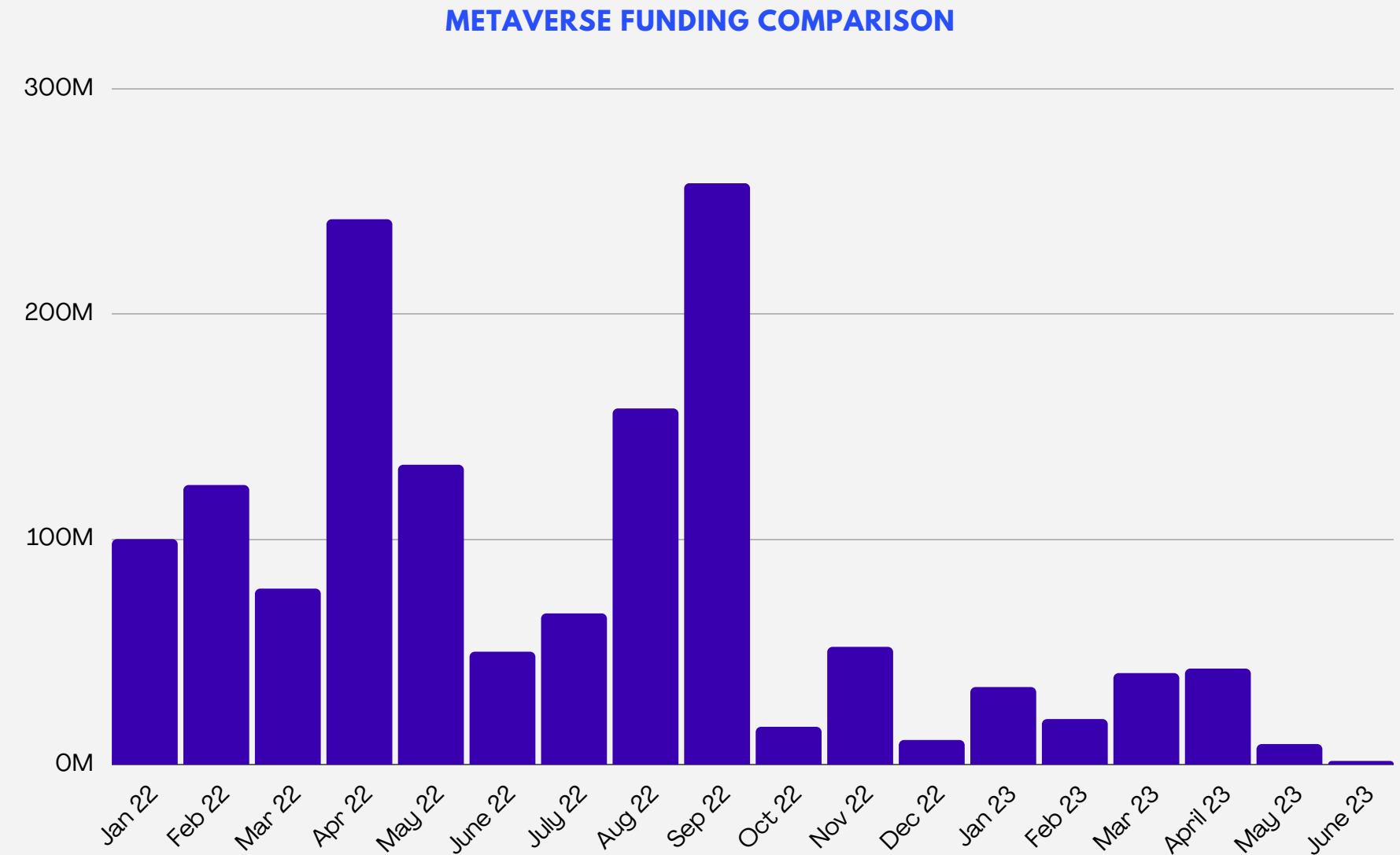


AVATARLIFE

AVATARLIFE

METaverse **SEED** **\$1.50 MILLION**

Funding Comparison



Source: Venture Analytics, Messari Research

Crypto Funding Overview

\$362M
IN FUNDING IN JUNE

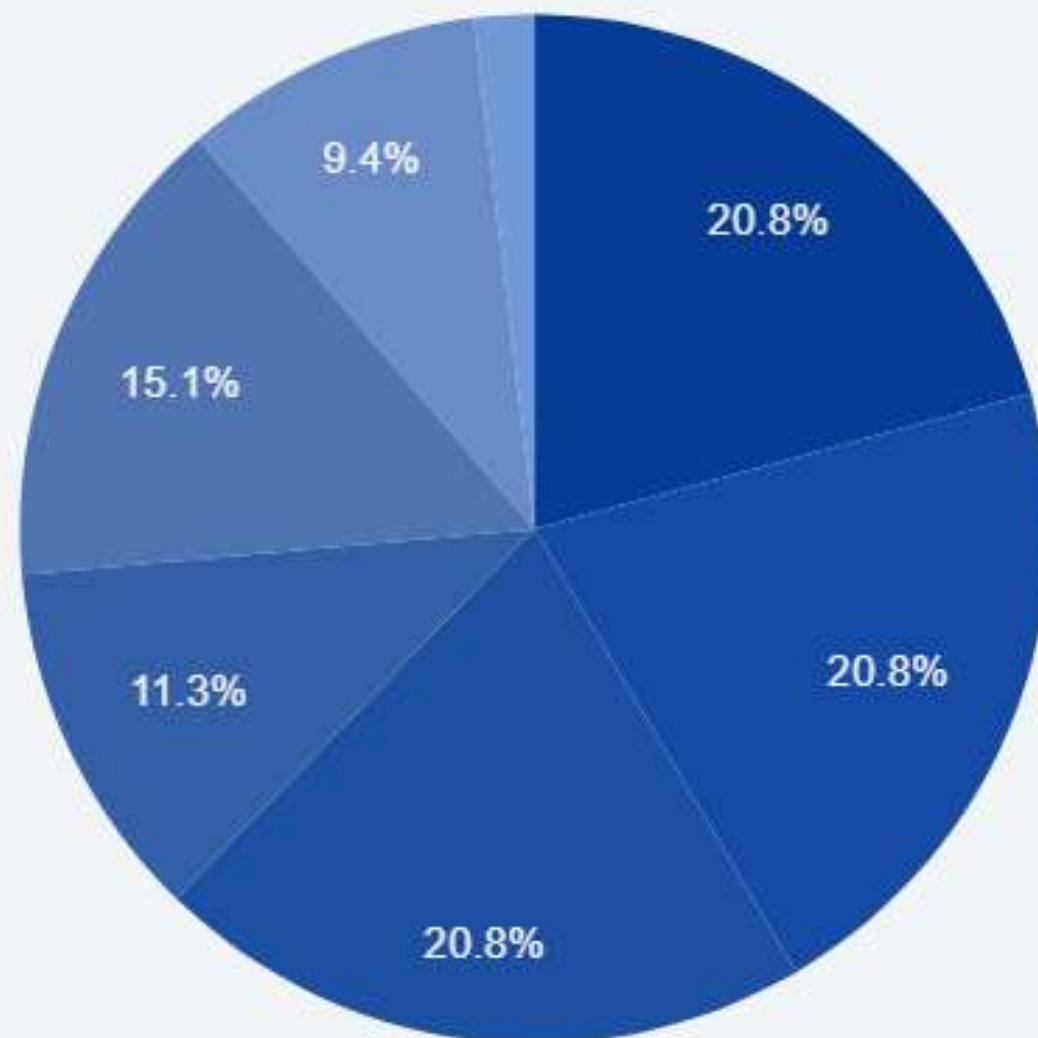
53
FUNDING ROUNDS IN JUNE

Biggest Funding Rounds in June

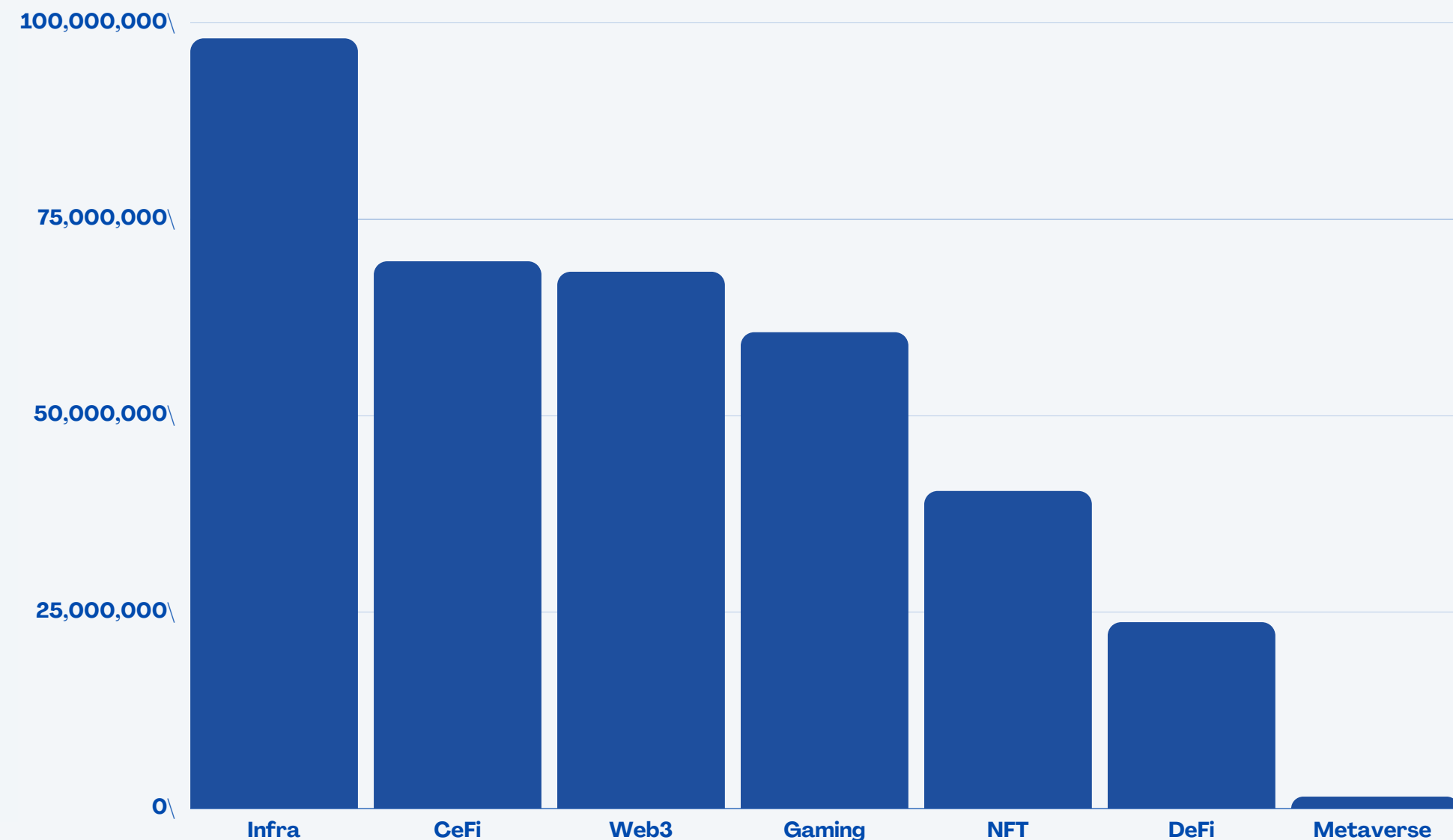
Gensyn	\$43 Million	Infrastructure
Mythical Games	\$37 Million	Gaming
One Trading	\$32.7 Million	Infrastructure

JUNE FUNDING ROUNDS CATEGORISED BY SECTORS

- Web3
- Infra
- NFT
- DeFi
- Gaming
- CeFi
- Metaverse



JUNE FUNDING CATEGORISED BY SECTORS



Source: Venture Analytics & Messari Research

Metaverse, NFT & Web3 Gaming Report: June 2023

About Rising Capital

Rising Capital is a Singapore head-quartered 'Digital Assets Management' firm focused on early stage blockchain investments (Rising Funds) and venture building studio (Rising Studios) in South & South East Asia. Since 2013, the team has built, operated and sold several crypto ventures before setting up 'Rising' to capture significant return asymmetries by picking and investing in brilliant founders, while keeping a majority of investments in liquid assets.

Talk to us

Our experience & global network allows us to be at the forefront of changing narratives in crypto such as NFT, Gaming, Metaverse, L1s and L2s, along with advancements in blockchain protocol technologies by conducting thorough research on the "next big things" while managing risk with proper licenses, audits, compliance and security management.

Have an interesting idea or working on a startup? Email us at hello@risingcap.co

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