

August 13, 2024



Stamps Protocol

Monthly Update. August 2024 Release

Content

Key Takeaways	02
Stamps Protocol: Refresher	03
Key Stats	03
Network Fees and Layer 1 Usage of the Stamps Protocol	08
Recent Developments	12
Concluding Remarks	13
Provide Feedback	14
Disclaimer	14

Note to Readers: *This PDF report contains hyperlinks to various reference sources and additional reading material for your convenience and further education. We have carefully selected these sources, believing them to be credible and genuine in their content. Please take advantage of these links to expand your understanding of the subject matter.*

Key Takeaways

- Stamps Protocol achieved another strong month despite wild moves witnessed in the Bitcoin market. The Stamps activity was mainly fueled by SRC-20 transactions, primarily driven by SRC-20 transfer operations.
- In July, there were 66,611 Stamp transactions, and the total mint count hovered just below the 600,000 mark. However, that milestone was reached in early August, and the activity appears to reach 700,000 mints as early as September.
- In the past month, the number of Classic Stamps minted increased slightly, with 136 OLGA stamps created, bringing the total to 4,902. This was the most economical month for stamp minting, with an average cost of just 10.36 Sats per Byte.
- Judging by the activity so far, the Stamps community will likely see a more robust August.

Stamps Protocol: Refresher

Stamps is a blockchain protocol created by [MikelInSpace](#) that enables storing images on-chain on Bitcoin transaction outputs. It utilizes the Counterparty platform, a long-standing Bitcoin meta layer, to broadcast Stamping transactions to the Bitcoin Network. The protocol enables the creation of Bitcoin NFTs, especially low-resolution pixel art.

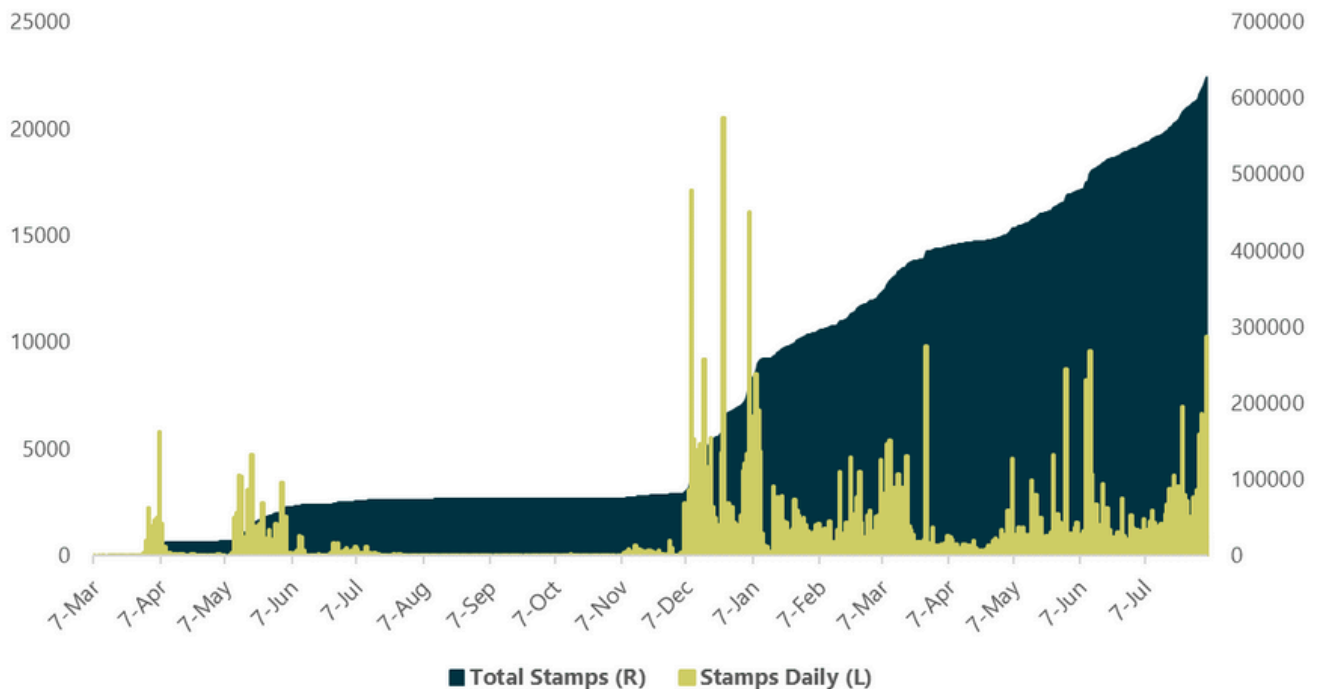
In our initial research paper, we dived into the details of the Stamps Protocol, accessible via this [link](#). We cordially recommend studying the comprehensive report.

Our monthly update reviews important milestones and developments in July 2024. If you missed our last reports, please visit this [link](#) to catch up.

Key Stats

The Stamps Protocol witnessed another active month in July 2024, with strong SRC-20 activity propelling the minting activity. A total of **66,611 mints** took place during the month, bringing the overall mint count to 598,807. By early August, the number of mints surpassed 600,000, and as of now, the total count stands at **644,906**.

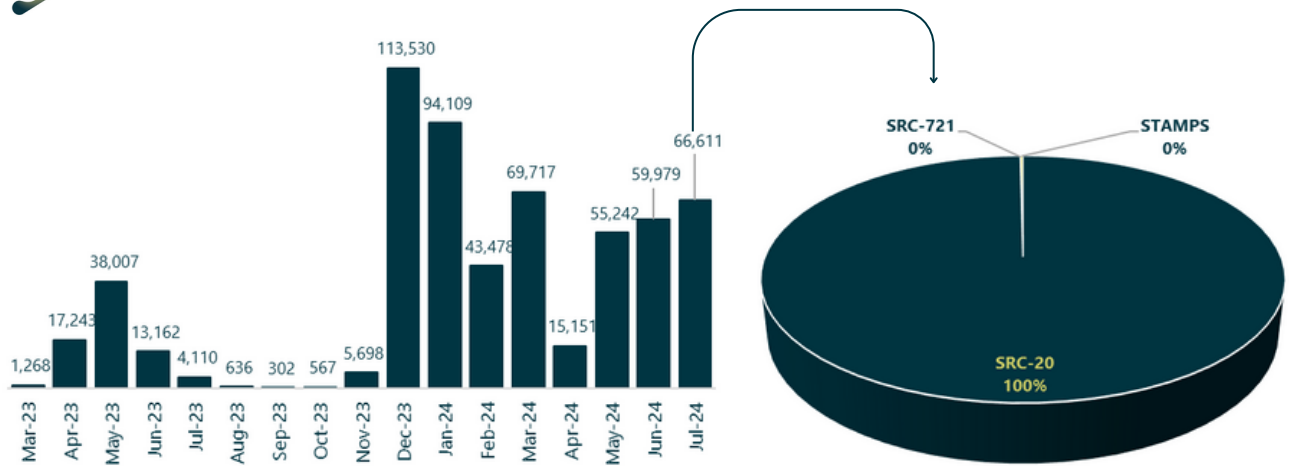
Total Bitcoin Stamps Minted



Source: SQRR Research. Data: stampchain.io.
Data as of 04 August 2024.

As has been the case for many months, the majority of the mints in the month were SRC-20 transactions. There was a slight increase in mint activity across both Classic Stamps and SRC-721, although the numbers are still very low at 121 and 15, respectively. All those mints were of the OLGA-stamps type.

Minting Trend (monthly) & July 2024 Mint Types

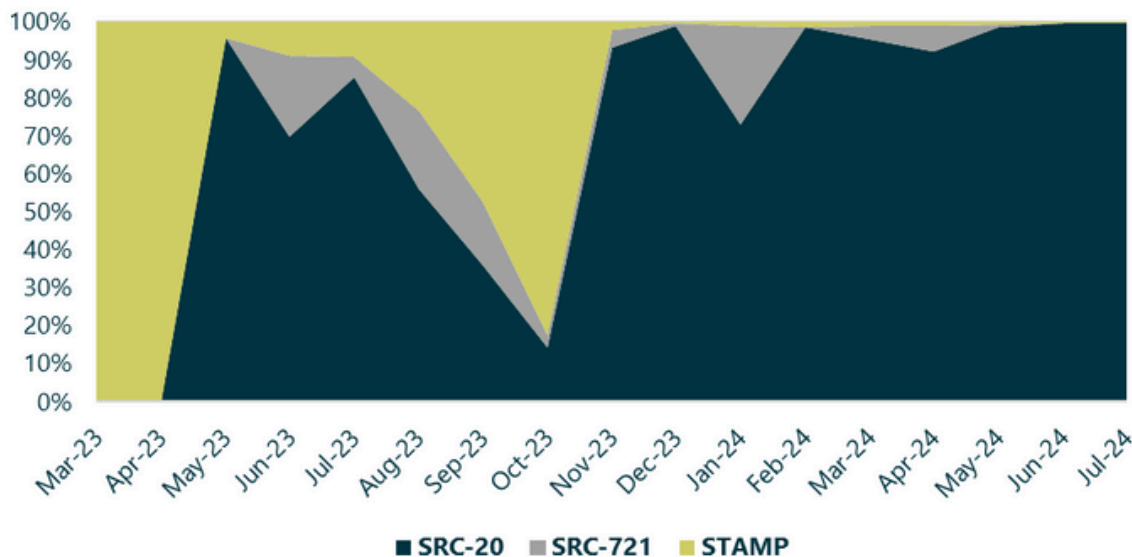


Source: SQRR Research. Data: stampchain.io.
Data as of 04 August 2024.



Of all the SRC-20 mints in the month, approximately 76% were SRC-20 transfer operations, while another 23.5% were mint operations. There were about 169 deploy transactions as well. The top ten tokens accounted for 81% of the transfer activities. Similarly, ten token projects accounted for 94% of the total mints in the month.

Minting Trend of Stamp Types

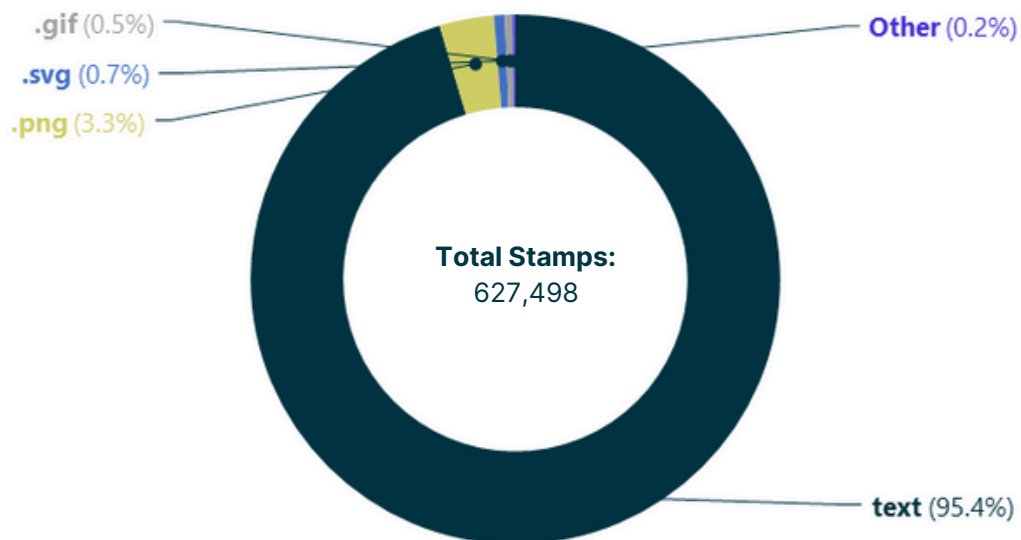


Source: SQRR Research. Data: stampchain.io.
Data as of 04 August 2024.



The total number of SRC-20 mints has now reached 90.3% of all the mint transactions since the protocol launch. There have only been 25,296 Classic Stamps mints and 32,877 SRC-721 mints in total.

Bitcoin Stamps by Type

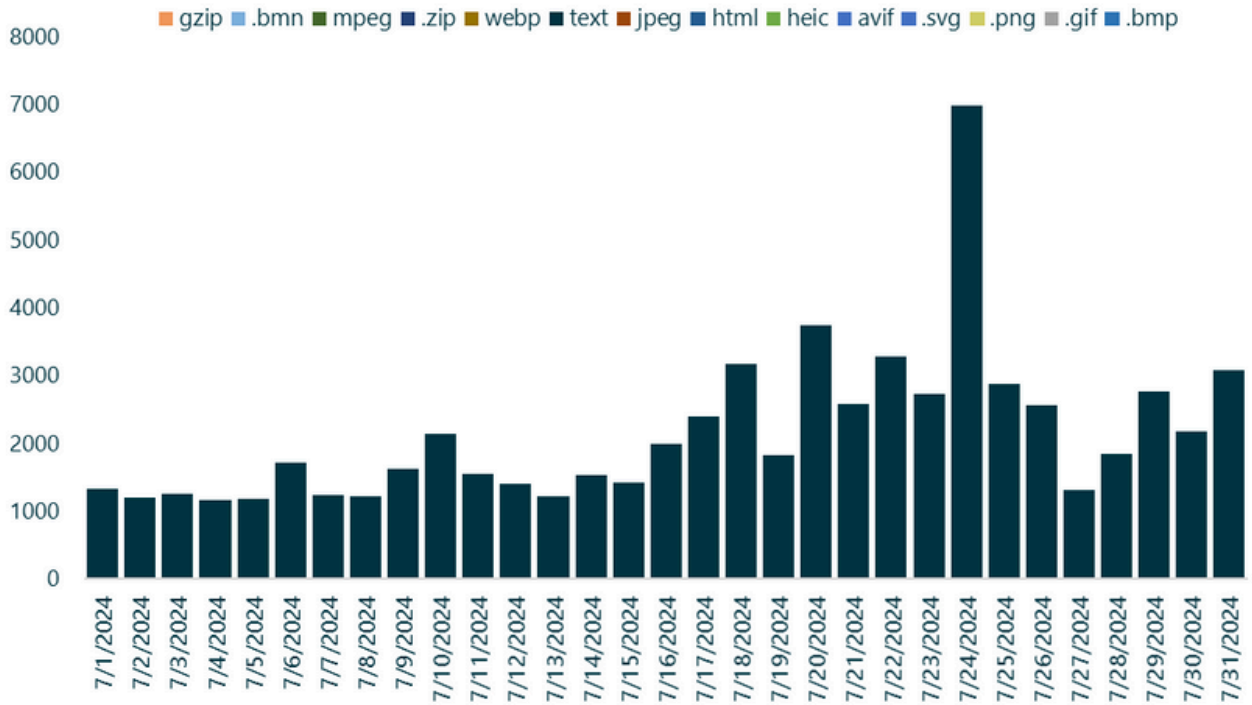


Source: SQRR Research. Data: stampchain.io.
Data as of 04 August 2024.



There is no variation in the usage of MIME types from month to month or in the overall numbers. In July, most OLGA-stamps were of the 'png' type.

Bitcoin Stamps by Type (overtime)

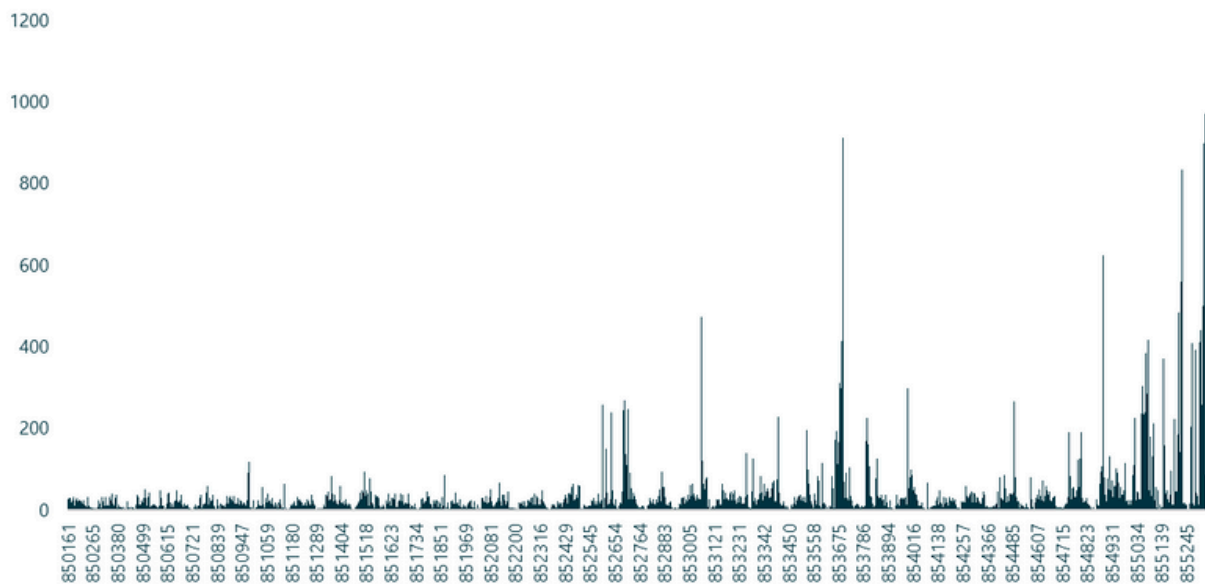


Source: SQRR Research. Data: stampchain.io.
Data from 01 July to 31 July 2024.



The July block data indicates increased activity in the latter part of the month. Minting activity was observed for 186 tokens; token transfers occurred for 141 tokens. Among these, 71 tokens had less than five transfer events each.

Number of Stamps by Block



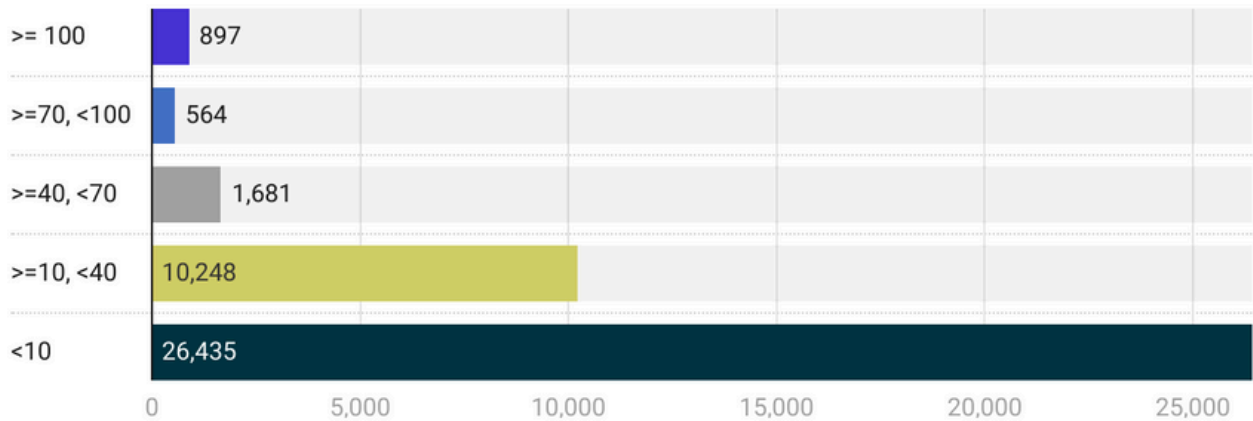
Source: SQRR Research. Data: stampchain.io.
Data as from 01 July 2024 to 04 August 2024.



It is worth noting that the prevalence of SRC-20 has led to a rise in the number of blocks containing 10-40 mints per block. In July, there were 1,507 blocks in this category, reflecting a 17.24% increase from the previous month. In comparison, 1,597 blocks had fewer than 10 mints per block in the month.

The miner earned \$1844 from the highest-paying block of the month, while only four blocks paid over \$1000.

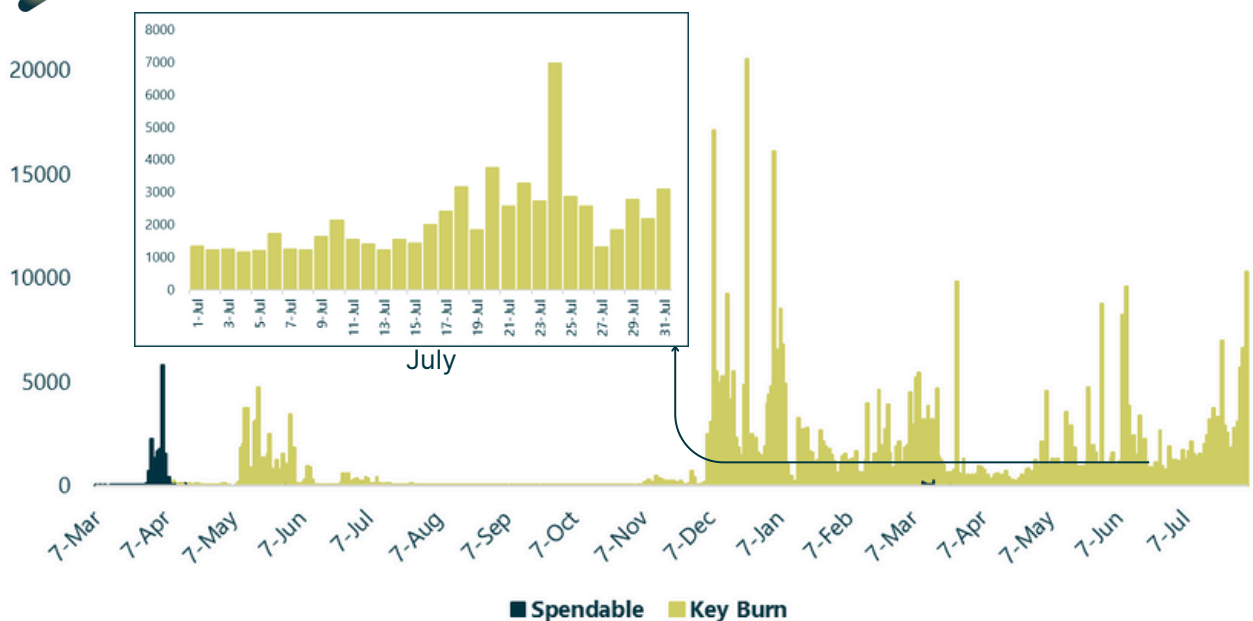
Number of Blocks with Stamps (in Slabs)



Source: SQRR Research. Data: stampchain.io. Created with: Datawrapper. Data as of 04 August 2024.

In the month, all of the outputs were sent to burn addresses by minters.

Key Burn vs Spendable Outputs

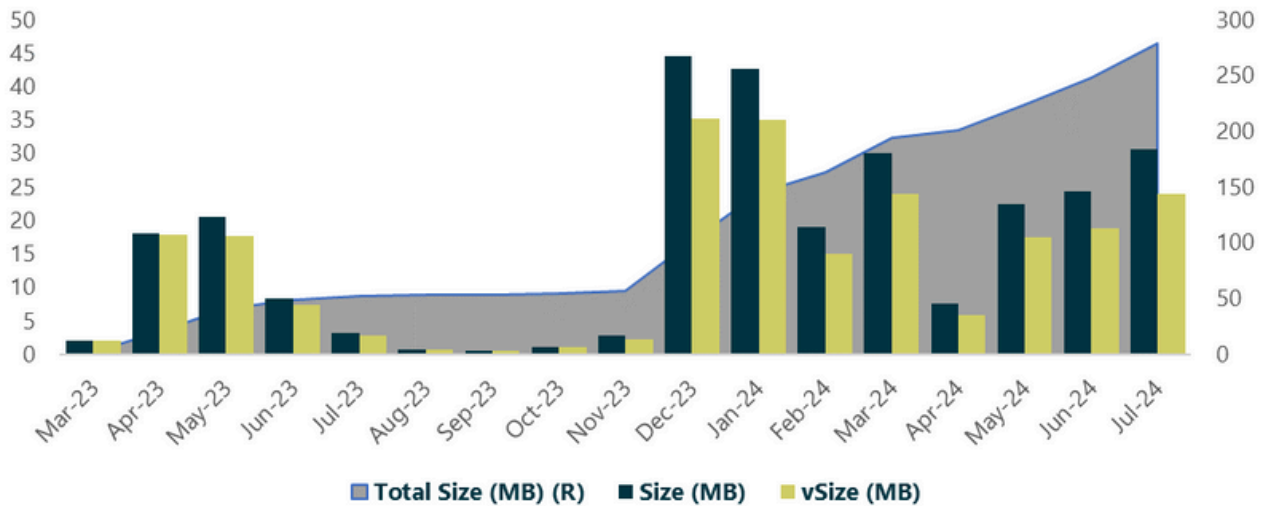


Source: SQRR Research. Data: stampchain.io. Data as of 04 August 2024.

Network Fees and Layer 1 Usage of the Stamps Protocol

By the end of July, the Stamps Protocol had contributed 278.53 MB of data to the Bitcoin blockchain, which now has a size of 590.03 GB. During the month, the total size of the blockchain increased by 7.37 GB, representing a growth of 1.26% compared to the previous month. The Stamps Protocol's contribution of 30.67 MB in the month accounted for 0.42% of the total chain size growth.

Addition to the Blockchain Size (in Megabytes)

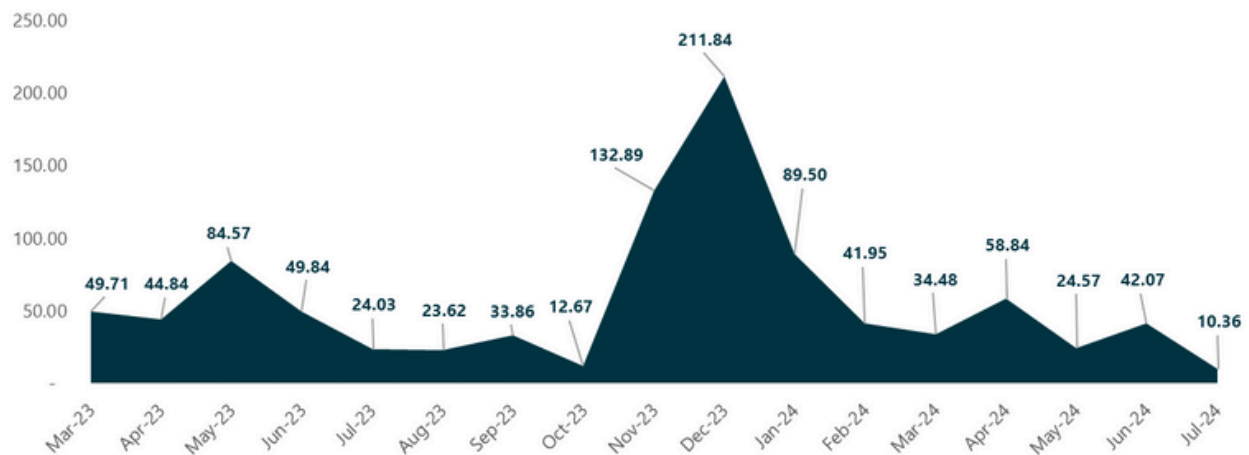


Source: SQRR Research. Data: stampchain.io, Flipsidecrypto.
Data as of 31 July 2024.



The average minting fee decreased by 75% to 10.36 Sats per Byte in July compared to the previous month. Notably, the July monthly average minting fee is the lowest ever recorded since the protocol's launch.

Fee (Sats) per Byte



Source: SQRR Research. Data: stampchain.io, Flipsidecrypto.
Data as of 31 July 2024.



In July, the most expensive and data-intensive OLGA-stamp was identified by the ID 595648. This stamp incurred fees of \$166.52 and utilized \$240 worth of Bitcoin Dust. It was associated with 1058 outputs.

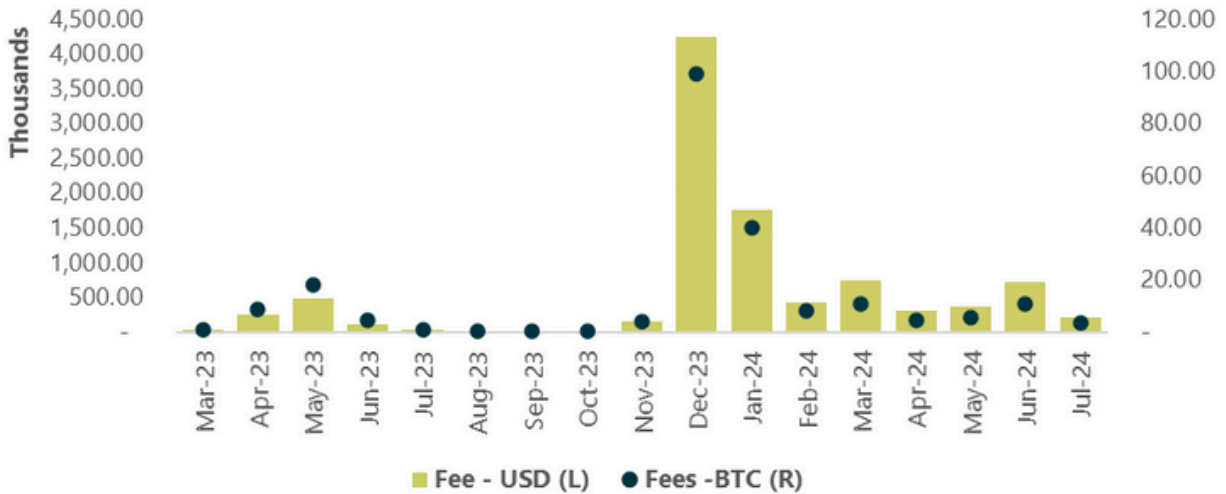
Interesting Stamps (July 2024)

Item	Size (Bytes)	Fees (BTC)	Fees (\$)	Multi-sig Outputs	Dust (BTC)	Dust (\$)	Stamp ID
Largest Size	45,783	0.0025	166.52	1058*	0.0037	239.90	595648
Most Expensive	45,783	0.0025	166.52	1058*	0.0037	239.90	595648

Source: SQRR Research. Data: stampchain.io, Flipsidecrypto, Bitcoinvisuals. Data as of 30 June 2024. * - An OLGA Stamp (UTXOs are not multi-sig)

Stamps minters paid 3.3 BTC in fees in the month, the lowest monthly fee since November 2023. This brings the total miner fees paid by minters to 220.08 BTC (or \$9.82 million).

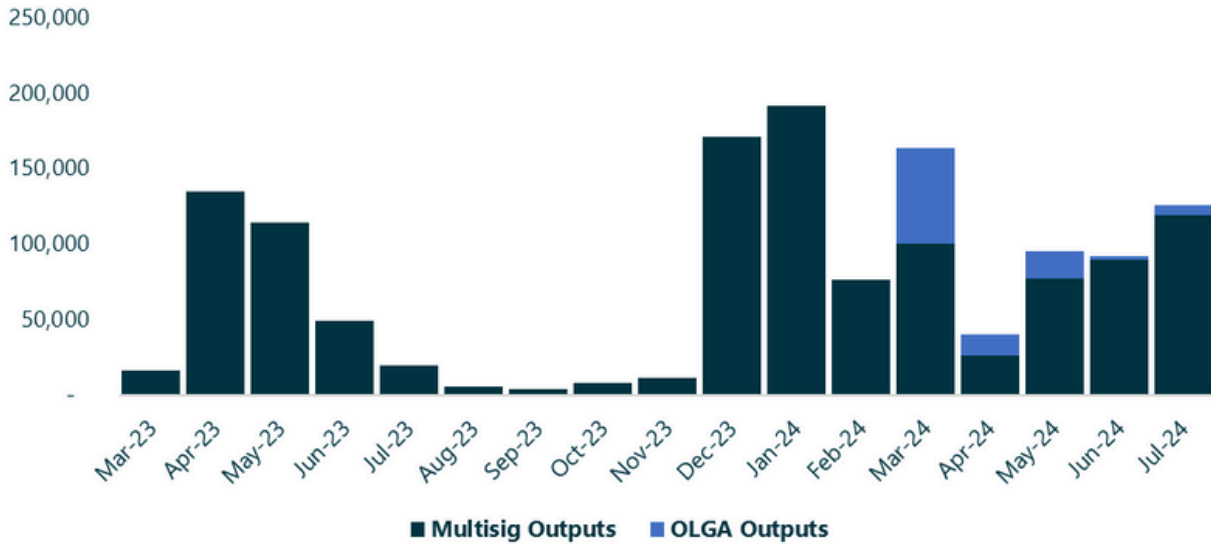
Monthly Total Fees (in BTC and USD)



Source: SQRR Research. Data: stampchain.io, Flipsidecrypto, Bitcoinvisuals. Data as of 31 July 2024.

The total number of multi-sig outputs resulting from Stamps minting in the month was 118,768, bringing the total multi-sig count to 1.2 million. OLGA-stamps contributed 7,228 outputs, compared to 2,965 in the previous month. The total outputs contributed by OLGA-stamps have now reached 106,434.

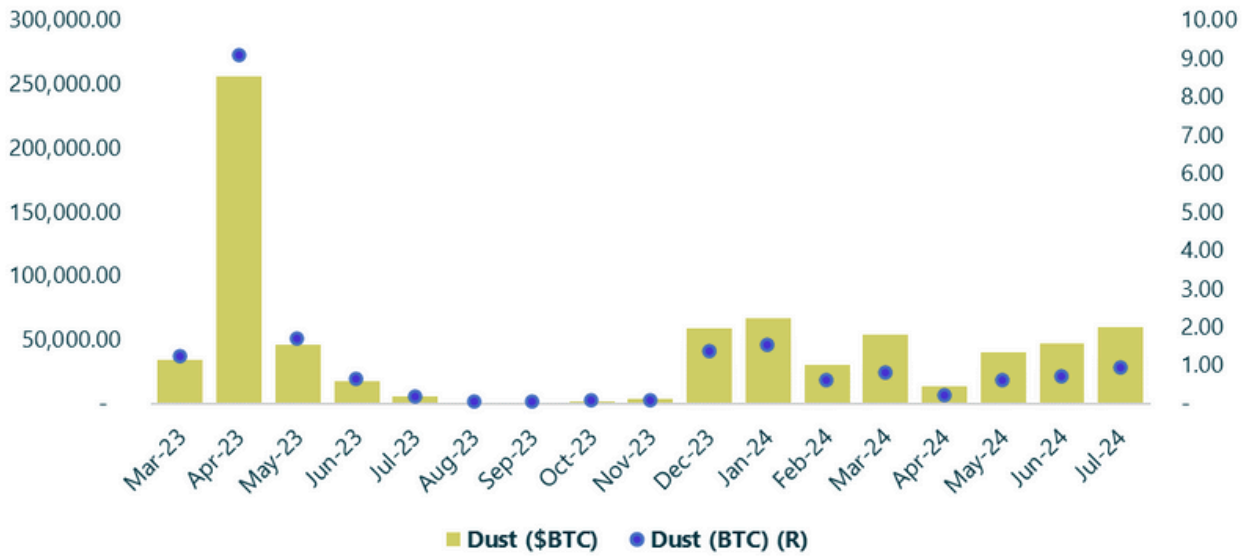
UTXO expansion



Source: SQRR Research. Data: stampchain.io, Flipside, Bitcoinvisuals.
 Data as of 31 July 2024. Note: OLGA outputs include change outputs also.

The total amount of BTC burned due to dust assignment to outputs in the month was 0.94 BTC, the highest since January 2024. The total amount of dust assigned to outputs is now 19.85 BTC, approximately \$1.2 million at the current BTC/USD price.

Dust Used in Multi-Sig Outputs



Source: SQRR Research. Data: stampchain.io, Flipside, Bitcoinvisuals.
Data as of 31 July 2024.



Even though the amount of dust assigned to Spendable outputs is still higher than the dust assigned to the burn addresses, the difference is getting narrower each month. At the current rate, eliminating the difference should only take another three months.

UTXO expansion and Dust Used in Multi-Sig Outputs (Aggregate)

Item	Multi-sig Outputs	Dust (BTC)	Dust (\$)
Spendable	174,809	11.5484	432,613.47
Burn	1,076,376	8.5973	324,726.37
Total	1,251,185	19.0809	688,983.48

Source: SQRR Research. Data: stampchain.io, Flipside, Bitcoinvisuals.
Data as of 04 August 2024.



Recent Developments

The Stamps Development Fund

The Stamps Development Fund had no activity during the period, and its balance was 0.18632994 BTC, valued at \$11,159.29.

Concluding Remarks

It's impressive to see that even after 15 months, SRC-20 continues to show consistent activity, although it is mostly speculative in nature. As previously mentioned, it seems that the activity is focused on a smaller number of tokens. The shift towards a dominance of token transfer activities, rather than deployments and mints, is desirable. The interesting question is which direction it will take in the future.

In terms of Stamps, the original use case for the Stamps Protocol, the focus is quality rather than quantity. Therefore, the community's efforts to build an active ecosystem around Stamps are encouraging. It's also worth noting the emergence of Counterparty as an actively contributed protocol. Is it fair to say that Stamps played a vital role in reviving the Counterparty protocol?

Provide Feedback

We value your feedback and strive to enhance our content and offerings based on your suggestions. Let us know what you enjoyed about this report and if there is anything we may have overlooked. We're eager to receive feedback and encourage you to share your thoughts with us at research@sqrr.xyz.

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