

June 11, 2024



Stamps Protocol

Monthly Update. June 2024 Release

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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

- With Bitcoin's strong momentum continuing, Stamps Protocol saw renewed user excitement in May, setting the stage for a robust June unless unexpected market surprises dampen sentiment.
- During the month, 627 OLGA-Stamps were minted, compared to 1,165 mints in the previous month. The total number of OLGA-Stamps minted since the launch of the specification in March now stands at 4,731. It's interesting to note that outside of SRC-20 mints, all of the SRC-721 and Classic STAMPS were of the OLGA-Stamps specification in May.
- It is anticipated that June could bring more activity to a competitive fee market.

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.

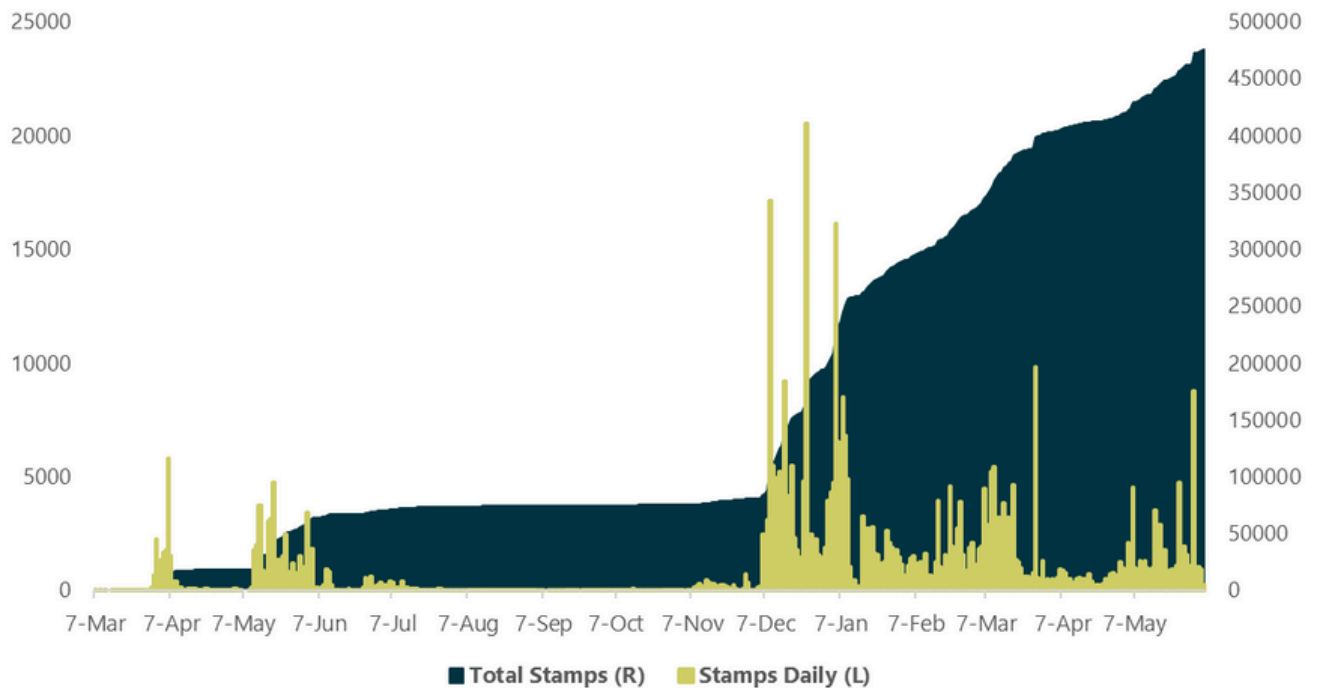
In our initial research paper, we dived into the details of the Stamps Protocol, accessible via this [link](#). We cordially recommend studying the comprehensive report.

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

Key Stats

May 2024 brought a return to the usual activity level for the Stamps Protocol, primarily aided by the SRC-20 action. During the month, there were 55,242 mints, contributing to reaching the 475,000 mints milestone by early June. The monthly mint figure is the fourth highest since the protocol's inception. As of this writing, the current total mints stand at 492,111 with the possibility of reaching the 500,000 mints mark by the middle of June.

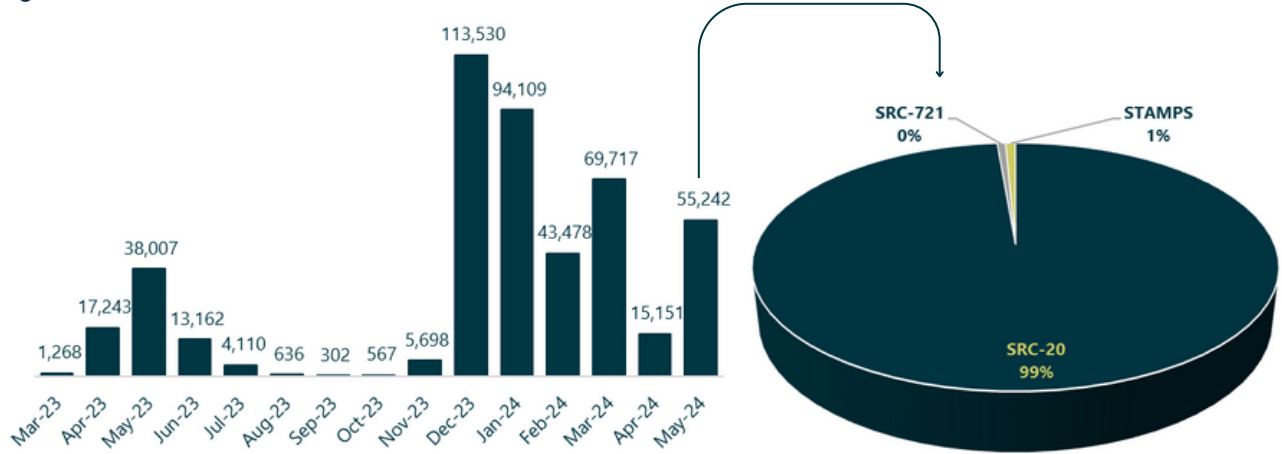
Total Bitcoin Stamps Minted



Source: SQRR Research. Data: [stampchain.io](#).
Data as of 04 June 2024.

It is interesting to note the shift in favor of OLGA stamps instead of original-method Stamp mints. In May, all the SRC-721 and Classic STAMPS were OLGA stamps. However, only 1.14% of all mints were SRC-721 and STAMPS, while the rest were SRC-20 mints.

Minting Trend (monthly) & May 2024 Mint Types

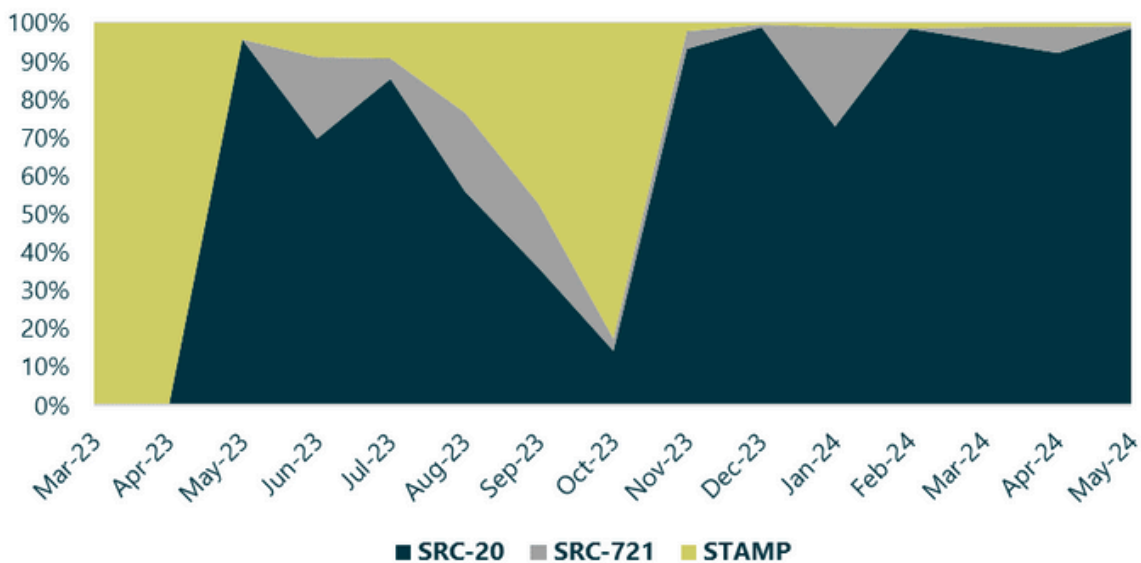


Source: SQRR Research. Data: stampchain.io.
Data as of 31 May 2024.



It's worth noting that despite an overall increase in the total number of mints, the growth was not evenly distributed. Only SRC-20 and Classic STAMPS saw a month-over-month increase in number. However, SRC-721 experienced a decrease in mints, dropping to 289 from 1,011 in the previous month. Additionally, while the Classic STAMPS category saw a doubling of total mints compared to the previous month, the number was still low at 338 mints in May.

Minting Trend of Stamp Types

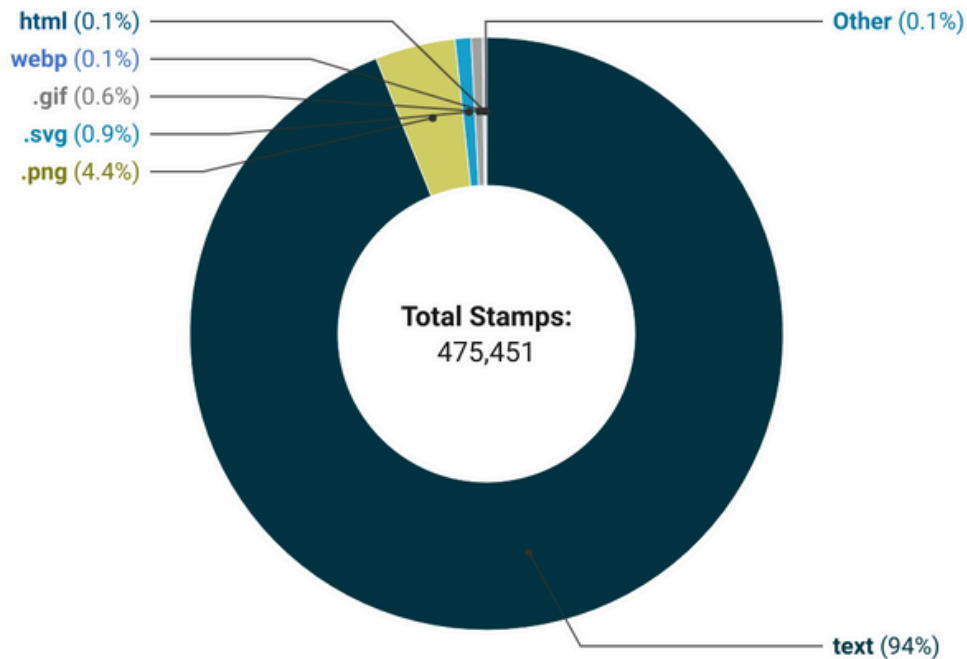


Source: SQRR Research. Data: stampchain.io.
Data as of 31 May 2024.



Due to SRC-20 dominance, the 'text' MIME type accounted for almost 99% of the mints. Interestingly, OLGA-Stamps minters utilized multiple MIME types, with SVG and PNG being the most popular.

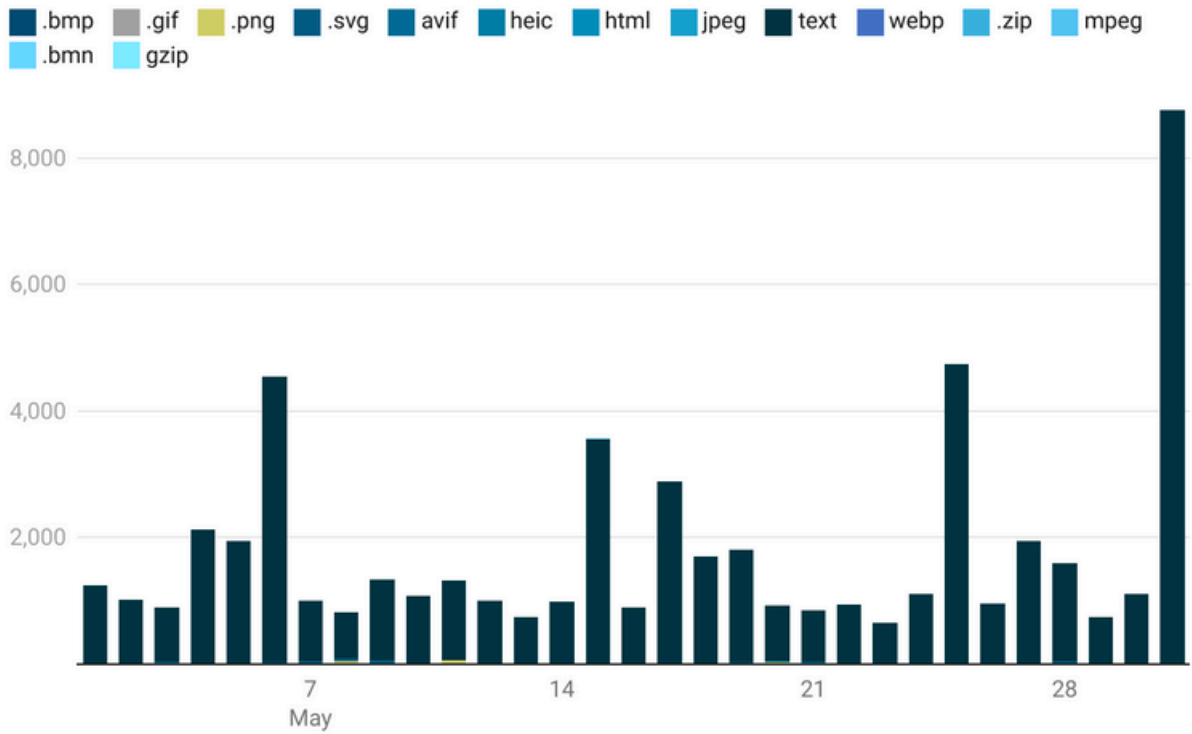
Bitcoin Stamps by Type



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

According to the data since the protocol's inception, SRC-20 mints made up 88% of the total mints as of the end of May, with the majority being transfer operations. SRC-721 mints represented only 7% of all mints, constituting 32,852. The remaining 5% of mints were accounted for by Classic Stamps, with only 25,156 mints since the protocol's inception.

Bitcoin Stamps by Type (overtime)

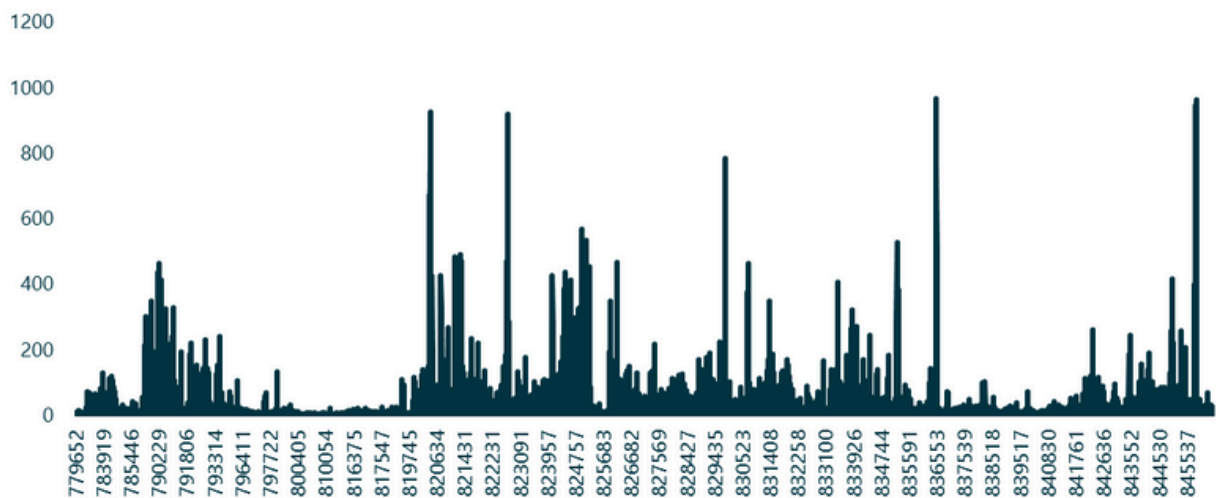


Source: SQRR Research. Data: stampchain.io. Created with: Datawrapper.
Data as of 31 May 2024.



In the month, miners included Stamps transactions in 3,761 blocks, bringing the total number of blocks containing Stamps transactions to 32,102. On average, each block had approximately 14 Stamps transactions in May.

Number of Stamps by Block

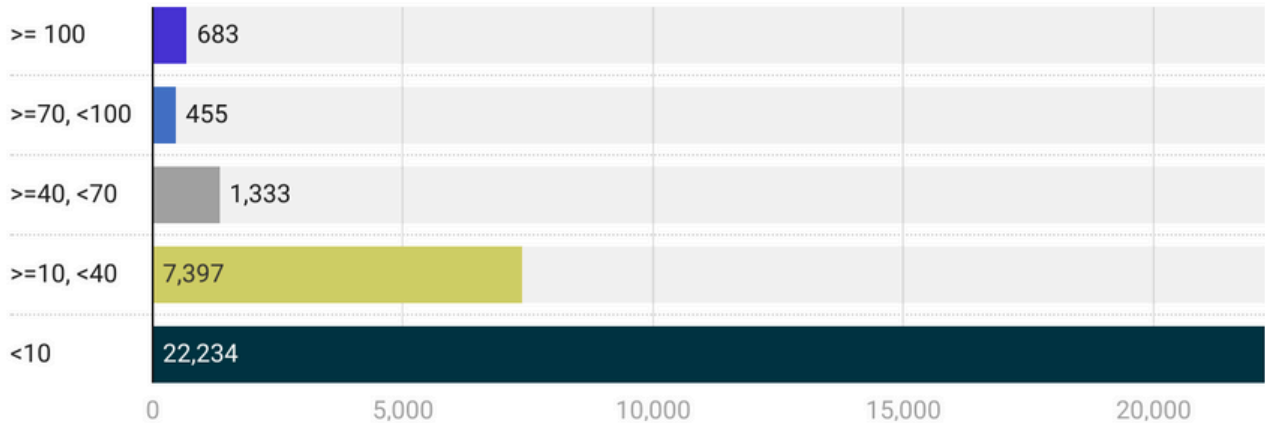


Source: SQRR Research. Data: stampchain.io.
Data as of 04 June 2024.



In block number 845,868, there were 964 SRC-20 transactions, the highest number of Stamps transactions in a block for the month. Two blocks contained 20 SRC-721 transactions each. Additionally, block number 843,030 had 25 Classic STAMPS transactions, marking the highest number of transactions for that type in a block in the month. The top-paying block for the month paid the miner ~\$5,907. Only three blocks paid over \$5,000 in miner fees in the month.

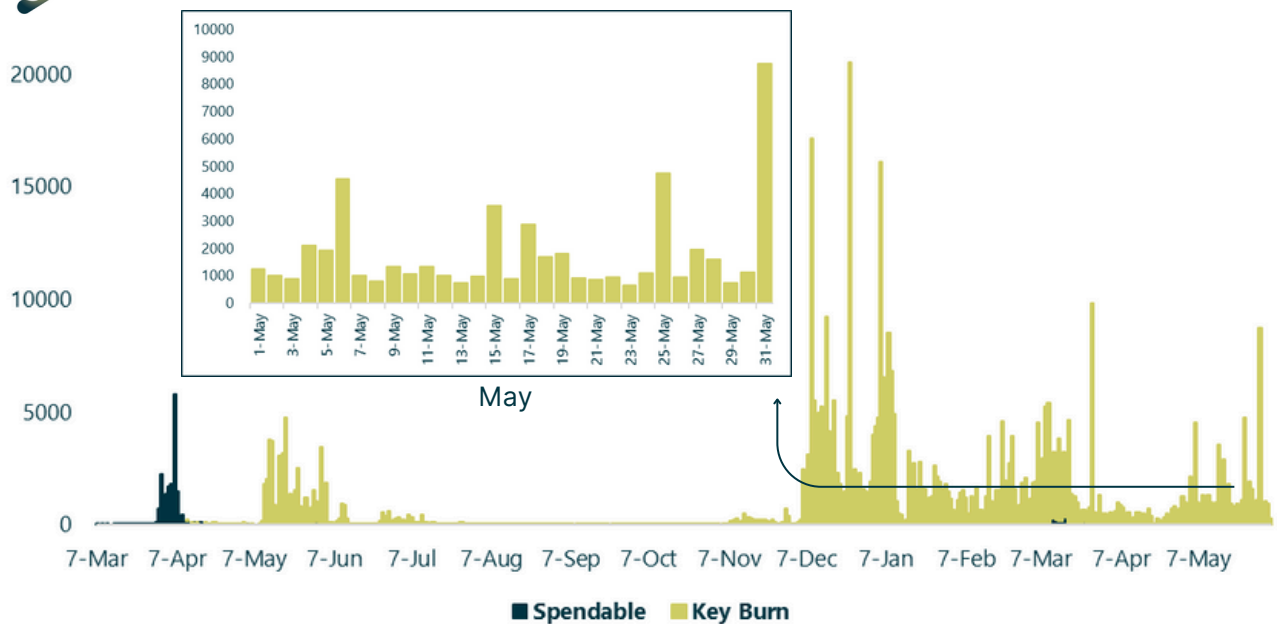
Number of Blocks with Stamps (in Slabs)



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

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

Key Burn vs Spendable Outputs



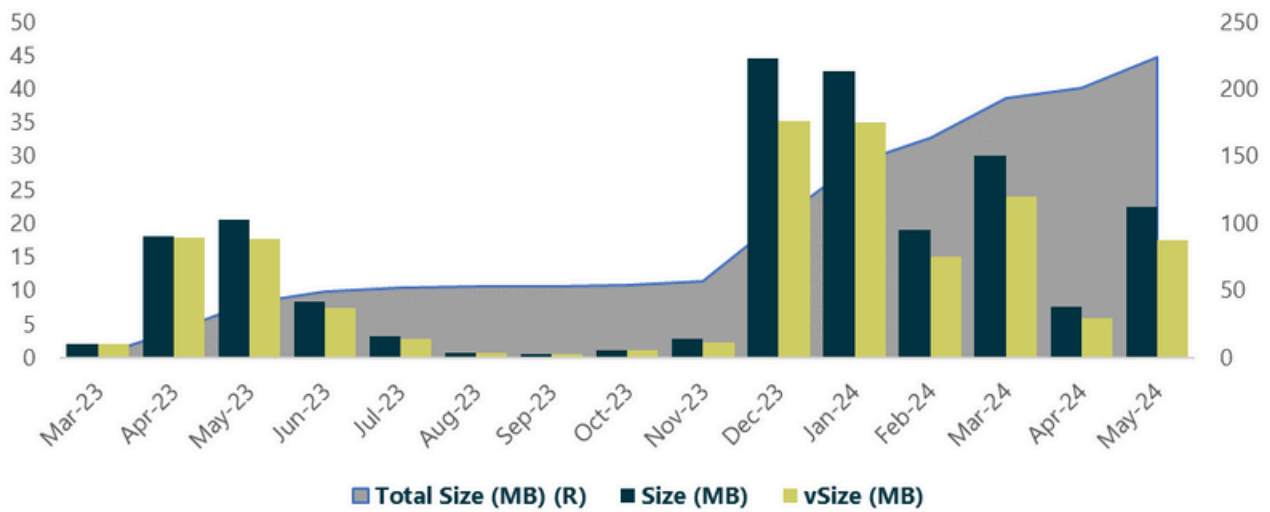
Source: SQRR Research. Data: stampchain.io. Data as of 04 June 2024.

Network Fees and Layer 1 Usage of the Stamps Protocol

Stamps Protocol added 22.37 MB of data to the Bitcoin network in the past month, whereas only 7.51 MB was added in the previous month. The entire network expanded by 1.25% to 576.1 GB, an increase of 7.1 GB for the month. This means that Stamps Protocol contributed 0.32% to the overall chain size growth in the month.

Since its launch, the Stamps Protocol has contributed 223.58 MB of data to the network, accounting for only 0.04% of the total chain size.

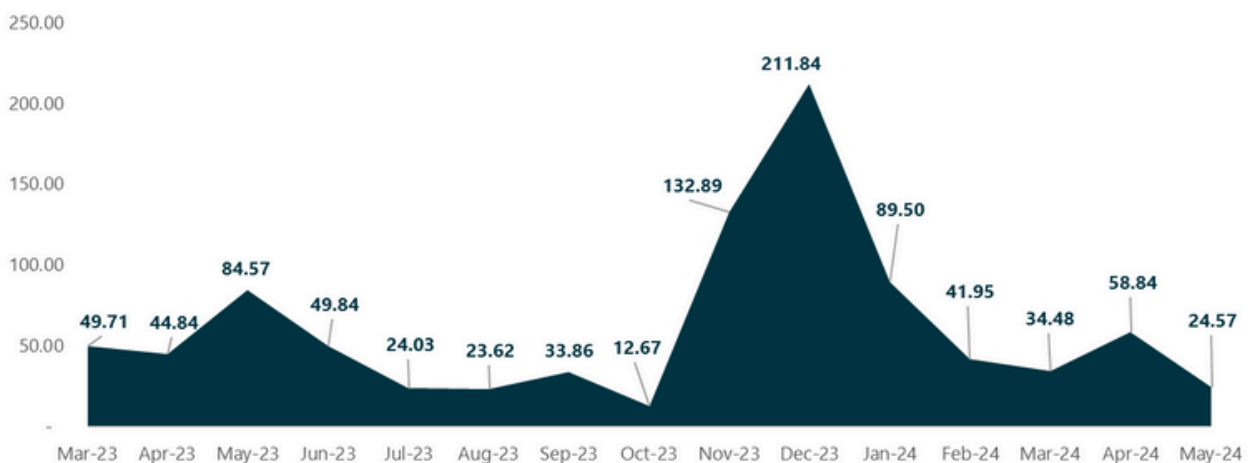
Addition to the Blockchain Size (in Megabytes)



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

The average minting fee decreased by 58% to 24.57 Sats per Byte in May. This is the lowest monthly average minting fee seen after October 2023.

Fee (Sats) per Byte



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

The OLGA-Stamps 434095 required 1188 UTXOs to mint, making it the month's largest and most expensive mint. Classic STAMP 446229 emerged as the stamp that required the highest number of multi-sig outputs to mint.

Interesting Stamps (May 2024)

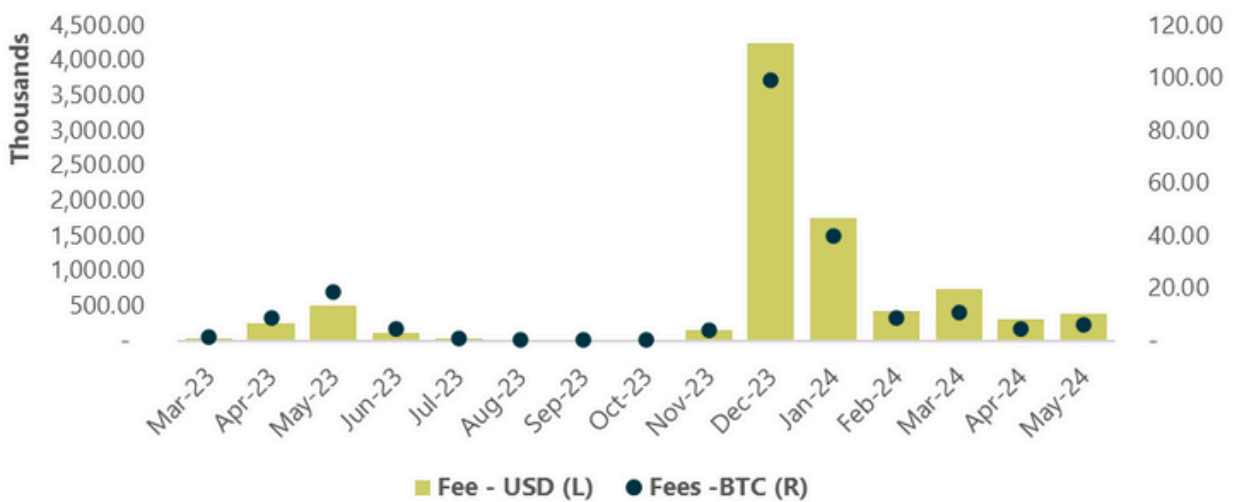
Item	Size (Bytes)	Fees (BTC)	Fees (\$)	Multi-sig Outputs	Dust (BTC)	Dust (\$)	Stamp ID
Largest Size	51,522	0.0064	390.33	1188*	0.0004	246.25	434095
Most Expensive	51,522	0.0064	390.33	1188*	0.0004	246.25	434095
Most Multi-sig outputs	6,689	0.0003	19.31	57	0.00057	38.16	446229

Source: SQRR Research. Data: stampchain.io, Flipsidecrypto, Bitcoinvisuals. Data as of 31 May 2024. * - An OLGA Stamp (UTXOs are not multi-sig)



Stamps minters paid a total of 5.76 BTC in fees to miners during May, a significant 24% increase from the previous month. Since the beginning of Stamps, miners have earned BTC 206.04 in total fees, exceeding \$8.8 million.

Monthly Total Fees (in BTC and USD)



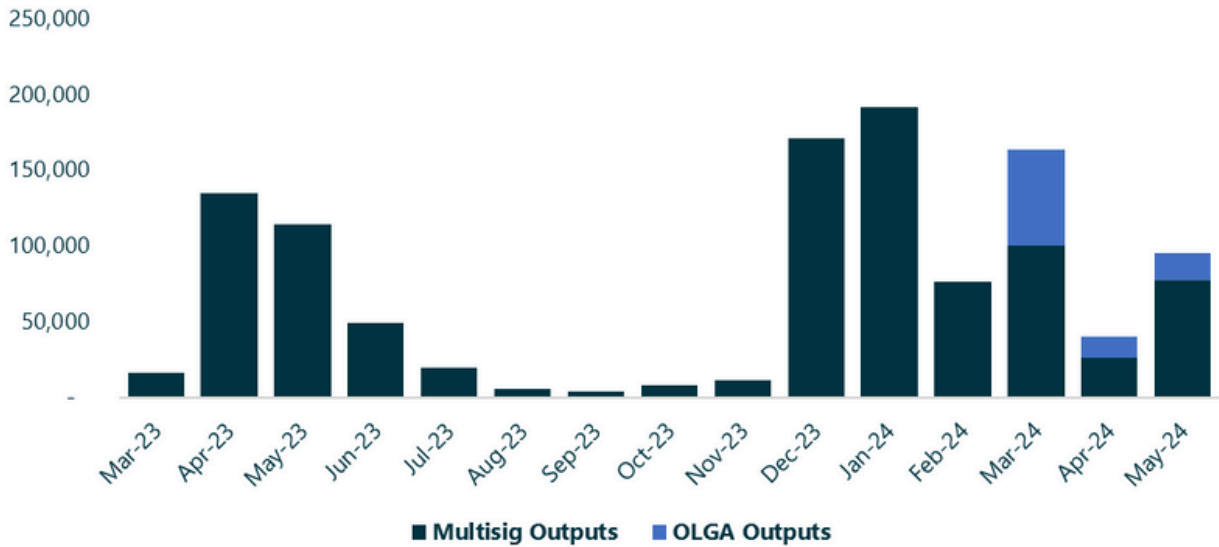
Source: SQRR Research. Data: stampchain.io, Flipsidecrypto, Bitcoinvisuals. Data as of 31 May 2024.



The average cost of minting an SRC-20 token was \$6.70, compared to \$21.34 in April. The cost of minting an SRC-721 increased marginally to \$3.83 from \$3.19 last month. Classic Stamps had a minting cost of \$19.43.

The cumulative multi-sig outputs from Stamps activity exceeded 1 million, adding 76,924 multi-sig outputs in the month. The OLGA-Stamps added 18,284 UTXOs, including the change outputs, bringing the total UTXO count to 96,241.

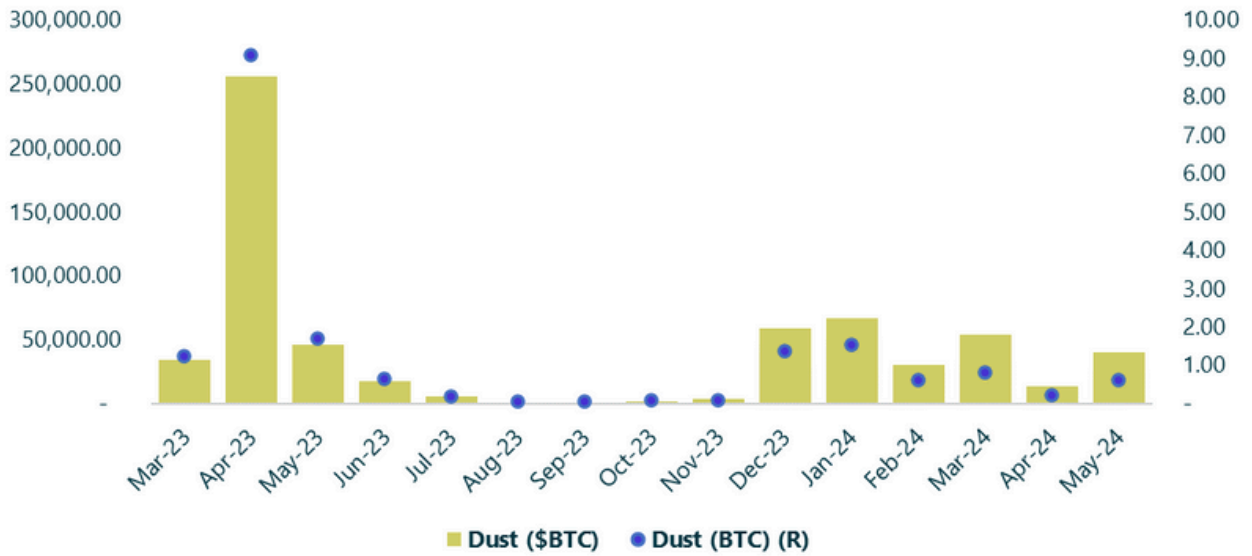
UTXO expansion



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

The data indicates that the multi-sig outputs mentioned above contained 0.61 BTC worth of Dust, worth \$40,065. All multi-sig outputs held 18.20 BTC worth of Dust, totaling \$631,618. At the current market value of BTC, which is \$69,271, the total Dust locked in is equivalent to \$1.26 million.

Dust Used in Multi-Sig Outputs



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



Of the total dust locked in multi-sig outputs, amounting to 18.2491 as of 4 June 2024, 63% was in spendable outputs, while the rest has been sent to burn addresses.

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

Item	Multi-sig Outputs	Dust (BTC)	Dust (\$)
Spendable	174,809	11.5484	324,182.08
Burn	837,800	6.7007	310,298.83
Total	1,012,609	18.2491	635,025.20

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



Recent Developments

The Stamps Development Fund

The on-chain data indicates that the Stamps Development Fund only received some Stamps inflows, and there were no spending transactions from the wallet. The address currently holds 0.18632994 BTC, valued at \$13,011.05.

Concluding Remarks

Stamps Protocol had another successful month, boosted by the renewed activity of SRC-20 tokens. OLGA-Stamps have proven to be popular among minters for the third consecutive month. With the growing interest in Bitcoin layer-2 and other solutions built on top of Bitcoin, it is probable that the Stamps ecosystem will continue to see strong activity and innovative approaches to address existing challenges.

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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