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As XEN Crypto Degens Dips, Ethereum Deflationary Trend Continues

Original:

<https://www.btcc.com/en-US/academy/research-analysis/as-xen-crypto-degens-dips-ethereum-deflationary-trend-continues>

On the weekend, a new [cryptocurrency](#) project surpassed all others in transaction fees consumed, causing a deflationary trend in [Ethereum](#)'s issuance. A new project called [XEN Crypto](#) has consumed nearly half of Ethereum's block space, resulting in a decrease in network issuance and an increase in gas prices.

It has been reported by [DeFi](#) analyst '@0xfoobar' that users have spent nearly \$1.8 million in gas fees interacting with the token contract, which is worth \$500,000 at the current exchange rate.

As a result, there has been a consistent drop in Ethereum supply since October 8th. Ultrasound.dashboard Money's shows that the supply has grown by -0.41% recently, suggesting that the asset is now deflationary.

More than 1,300 ETH, or about \$1.7 million, have been destroyed by [XEN](#) Crypto in the past 24 hours.

ETH is turning deflationary again thanks solely to a token named XEN, which has consumed half of all Ethereum blockspace over the last day

Users have paid almost \$1.8 million in gas fees to interact with the token contract, which has a marketcap of \$500k pic.twitter.com/gJ8h2Zl0IF

— foobar (@0xfoobar) [October 9, 2022](#)

What is XEN?

Jack Levin, an early Google employee who focused on cloud infrastructure, is a supporter of the XEN project developed by the "Fair Crypto Foundation." The token has no pre-mint, CEX listings, admin keys, or immutable contracts and is designed to put power in the hands of its users.

For example, “Foobar” speculated that it “copies a couple of HEX-like mechanics, but the important thing is that an APY exists,” implying that it shared characteristics with Ponzi schemes.

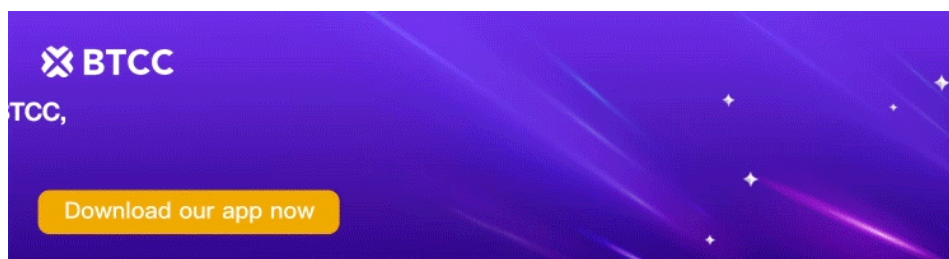
Launched on October 8th, XEN is based on the founding principles of cryptocurrency, including decentralization, transparency, trust via consensus, and permissionless value exchange without counterparty risk.

Since its inception on Saturday, the XEN Network has seen 369,515 minters actively processing transactions. There will be a maximum of 174 million tokens in circulation, and those who stake them will receive a 20% annual percentage yield. As the degenerate demand for this new token drives up gas prices, minting costs are offset.

Levin made a bullish remark about the impact on Ethereum, but he acknowledged that it could be bad news for people who now have to pay more for their transactions.

When XEN launched — Ethereum supply shows reduction from Oct 8th onward... (Note 50% of Ethereum gas fees get burned). Bullish for Ethereum.
pic.twitter.com/vA51H4rum5

— Jack Levin 🇺🇸 (@mrJackLevin) [October 9, 2022](#)



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Response of XEN’s Price

According to Coinmarketcap, which has just added the token, the price spiked to \$1 shortly after genesis before crashing to its current value of \$0.0032.

It is currently only available for trading on Uniswap, where there is very low liquidity and some people have speculated that it may be a scam. Only time will tell if crypto’s newest “hot cake” is just another scam.