Rating Report

ETH - Ethereum

Q4 2024

Free report

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Issued by

c4r

The purpose of this report is to gather all the important characteristics of the cryptocurrency or token. The report is performed in the following order:

1. Basic information
2. Analysis
3. Conclusion

Note that the result of this report should be interpreted as an independent analysis, not as a signal to buy or sell an asset. Please, always DYOR.

1. Basic information

ETH (Ethereum) is a cryptocurrency and blockchain platform created by Vitalik Buterin and launched in 2015. Its primary purposes are:

- **Native Currency for Decentralized Applications (dApps)**. ETH serves as the primary fuel for transactions fees and smart contract execution on the Ethereum blockchain.
- **Smart Contract Functionality**. Unlike Bitcoin, Ethereum introduced programmable blockchain technology, allowing developers to create complex, self-executing contracts and decentralized applications (dApps) using its native programming language, Solidity.
- **Staking and Network Security**. With Ethereum's transition to Proof of Stake (PoS) in 2022 (instead the original PoW), ETH can be staked by holders to validate transactions, secure the network, and earn potential rewards, transforming it from a purely transactional asset to a key component of blockchain infrastructure.

The project has evolved into a foundational technology platform that enables complex decentralized ecosystems. However, the expensive fees remain a significant problem that has not yet been fully solved. The reasons this project remains alive are, due to its ecosystem, the security obtained through experience, and being the pioneer of smart contracts.

2. Analysis

In the following tables we will show the different areas researched, such as tech, strategy and economy.

ETH						
Tech	**Type**	**Cryptocurrency**		Token		Others
	Layer	0	**1**	2	3	Others
	Blockchain	**Ethereum**	Cosmos	Solana	BNB Chain	Others
	Category	**Utility**	Security	Stable	Meme	Others
	Consensus	PoW	**PoS**	PoA	PoB	Others
	ISO	Yes			**No**	
	Bug Bounty	**Yes**			No	
	Audits	**Yes**			No	
	Auto Audit (1)	0	1	2	3	**4**	5

*(1) The auto audit score is performed by 6 different digital audits: Certik Skynet, Quick Intel, Go Plus, Honeypot, Token Sniffer and StaySAFU through the DEXTools app

On the one hand, the tech block shows that the project is a layer 1 cryptocurrency with a PoS consensus protocol. Knowing that ETH was a PoW, we could affirm that it's an improvement in this case. However, even with the PoS improvement, as we said at the beginning of this report, the fees are too high and are problematic for projects and users who want to increase their activity on the Ethereum blockchain.

In addition, although it is a digital asset categorized as 'utility' with multiple cybersecurity audits executed by renowned companies like ConsenSys Diligence and Trail of Bits, it has not been subject to ISO certifications, so this aspect prevents it from achieving a higher score in this block. Furthermore, the project has a bug bounty program in place, encouraging security researchers to identify and report vulnerabilities, which adds an extra layer of protection.

ETH					
Governance	Centralized		**Decentralized**	Others	
Open Source	Yes			No	
Roadmap	Yes			No	
Partnerships	Yes			No	
Public Team	Yes			No	
Social media	Abandoned		**Active**	Others	
CAPED (2)	0	1	2	3	4	5

*(2) The CAPED score is an analysis of capitalization, trader's activity, price performance, development and engagement. This analysis was deployed initially by the Alpha Intelligence team of Hacken

On the other hand, with regard to the strategy block, being an already consolidated project with a comprehensive ecosystem, it is normal for the CAPED score to be moderate. The project boasts a public team, outstanding partnerships with major tech and financial companies, and highly active social networks with significant engagement.

It also features decentralized governance, allowing token holders to participate in key decision-making processes through proposals and voting, ensuring a more community-driven approach. Additionally, the project is either totally or partly open source, providing transparency and enabling developers to contribute to its evolution.

ETH					
Supply	Limited		**Infinite**		
Burn	**Yes**		No		
Collateral	Yes		**No**		
Buybacks	Yes		**No**		
Tokenomics (3)	0	1	2	3	4	5

*(3) The tokenomics score is performed by COIN4RATING considering factors as supply, burn mechanism, distribution, vesting and possibility of staking/liquidity pools

Finally, let's look at the token economy. Despite having an infinite supply and implementing a burn mechanism, the tokenomics score remains relatively low due to expensive fees inside their blockchain. The higher the fees, the more problematic it could be to deploy an efficient DApp with smart contracts through the EVM (Ethereum Virtual Machine).

It's also worth noting that the project does not currently have a buyback program in place, which could otherwise help manage token supply and demand dynamics.

Overall, the analysis has been carried out satisfactorily.

3. Conclusion

The report provides a comprehensive yet concise analysis of the project's key characteristics. After thorough investigation, we confidently assess the project's performance as achieving the following rating:

BBB+

(*) Note: Rating is from AAA+ to C- scoring.

QR verification: