Rating Report

SNX - Synthetix

Q2 2025

Free report

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

Synthetix (SNX) is a decentralized finance (DeFi) protocol built primarily on Ethereum and Optimism, designed to enable the creation and trading of synthetic assets, or "Synths." These Synths track the value of real-world assets—such as fiat currencies, commodities, stocks, and cryptocurrencies—without requiring users to hold the underlying assets. It's primary purposes are:

- **Collateral for Synthetic Assets (Synths)**: SNX is used as collateral to mint Synths, which are ERC-20 tokens representing synthetic versions of real-world assets.
- **Staking and Governance**: Holders participate in decentralized governance through Synthetix Improvement Proposals (SIPs) staking SNX. Stakers who lock SNX to mint Synths earn rewards in two forms: Inflationary SNX emissions (the protocol distributes newly minted SNX to stakers as an incentive) and with trading fees (a portion of fees generated from Synth trades on platforms is distributed to stakers .

From its origins as a stablecoin project to becoming a backbone of DeFi derivatives, Synthetix has cemented SNX as a multifaceted token with utility in collateralization, governance, and liquidity provisioning. Its ongoing upgrades (e.g., V3) and cross-chain expansions position it as a key player in the future of on-chain finance.

2. Analysis

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

SNX							
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 SNX is a layer 3 token built on Ethereum and Optimism, utilizing Ethereum's proof of stake consensus. While it does not operate as an independent layer 1, its integration with Ethereum provides security, and its expansion to Optimism enhances scalability with lower fees. Classified as a utility token, it has undergone audits by firms like SlowMist and Iosiro, reinforcing its technical reliability. It also maintains a bug bounty program on Immunefi to address potential vulnerabilities.

However, the absence of an ISO certification prevents it from achieving a higher score in this block.

SNX					
Strategy	**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, the strategy block reveals SNX as a decentralized project with established governance through DAOs. Unlike newer projects, it does not have a public roadmap, which is not uncommon for mature protocols. Its public team, including founder Kain Warwick, and partnerships with industry leaders like Chainlink, Wormhole, and Infura, demonstrate its integration within the broader blockchain ecosystem. Active social media engagement further solidifies its presence in this category.

SNX					
Economy	**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, the token economy of SNX features a limited supply capped at approximately 343.89 million tokens. While it lacks a buyback or burn mechanism, its role as collateral for synthetic assets provides inherent utility.

These factors contribute to a strong tokenomics score, though the absence of deflationary mechanisms slightly limits its potential.

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:

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

QR verification: