

HYPE: The \$18 Billion Question — Can Hyperliquid Outgrow Its Valuation?

The Tokenomics, Valuation and Risk Behind Hyperliquid's Buyback-and-Burn Flywheel

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A full-picture research note for any trader or investor evaluating HYPE — Hyperliquid's native token — before taking a position. Prepared August 27, 2026; sourcing was independently re-verified and several corrections applied August 28, 2026 (see Section 15), without shifting the analysis's reference date — all "as of," "days from now," and similar framing throughout this piece is anchored to August 27, 2026 unless stated otherwise. Sourcing and methodology are disclosed throughout and consolidated in Section 16, with a plain-language glossary in the Appendix.

Executive Summary

On August 27, 2026, HYPE closed at a fresh all-time-high close of \$84.68— a marginal new high over the \$83.53 intraday level reached the previous session, August 26 — before pulling back to \$80.92 by August 28; the move capped a rally of roughly 63% over the trailing month. That price move outran the underlying business by a wide margin: Hyperliquid's trailing 30-day annualized protocol revenue peaked at roughly \$866 million in mid-February 2026, when HYPE itself traded near \$29 — about a third of today's price — and had fallen to roughly \$594 million by August 27, even after a partial recovery in the rally's final weeks (Section 5). The business is generating meaningfully less trailing revenue today than it was six months ago, while the token trades nearly three times higher than it did at that revenue peak. What actually moved the price in the most recent stretch was a sequence of regulatory headlines landing within a single nine-day window — a joint SEC comment letter proposing a new regulatory category for pre-IPO perpetual-futures markets ("IPOP"), a presidential statement naming the CFTC chairman as working to bring Hyperliquid onshore, and a policy-center filing citing \$480 billion in cumulative trading volume. That gap, between what happened to the price and what happened to the business, is the single most important fact in this report, and it is where anyone evaluating HYPE right now should start (Section 8).

Set that gap aside, though, and Hyperliquid has built a structurally distinctive economic mechanism. HYPE is not equity — holders have no legal claim on Hyperliquid Labs' cash flows — but roughly 99% of protocol fees are automatically used to buy HYPE on the open market and burn it permanently, through a mechanism called the Assistance Fund (Section 3). That is a direct link between platform activity and token scarcity, and this version of the report measures it directly for the first time rather than describing it only qualitatively: the Assistance Fund's on-chain balance is growing at a pace equivalent to roughly \$714 million a year, an implied acquisition yield of about 3.9% against HYPE's current market capitalization — a single-window estimate, not a guaranteed run-rate (Section 3). This is a more direct and mechanically transparent link between revenue and supply reduction than most publicly disclosed buyback programs, in crypto or otherwise, though this piece has not conducted a systematic cross-program comparison to verify that claim quantitatively.

The problem is that the market already knows this and is pricing it accordingly. Depending on which of four legitimate annualized-revenue readings is used, HYPE currently trades at a revenue multiple of somewhere between 25.1x and 32.2x (Section 5) — a range that sits above, at, or below the peer average of traditional exchange operators such as CME, CBOE, Interactive Brokers, and Coinbase depending on both the revenue reading and which peer-average calculation is used (Section 5 identifies a likely arithmetic error in the most commonly cited peer-average source). That peer group's businesses are generally more diversified across products and

revenue lines than Hyperliquid's, though several of them — Coinbase in particular, as a U.S. public company operating under direct SEC and state-level oversight and with its own history of SEC enforcement action (Section 6) — also carry meaningful regulatory exposure of their own. Hyperliquid remains, on most measures, a fast-growing platform even though trailing revenue specifically has recently declined from its February peak (Section 5); the question this report is built to answer is not whether the platform is growing in the aggregate, but whether revenue growth, HYPE acquisition, and product diversification can outpace dilution and the multiple compression that typically follows a re-rating this fast (Section 7).

The numbers that matter, at a glance:

- **Price and momentum:** ~\$80.92–84.68 across Aug 27–28; a fresh all-time high closed at \$84.68 on August 27, 2026 (intraday levels ran to roughly \$86.7), capping a +63% trailing-month rally, before pulling back to \$80.92 by August 28.
- **Valuation:** \$18.34B market cap; revenue multiple of 25.1x–32.2x depending on methodology, versus a peer average 21Shares states as ~24.5x but which this report calculates as 30.45x from 21Shares' own listed inputs (Section 5).
- **The buyback mechanism:** ~\$714M annualized HYPE acquisition by the Assistance Fund, a ~3.9% acquisition yield — real, but not a legal claim or a guaranteed run-rate.
- **The supply overhang:** 76.7% of total supply is not yet circulating on a single consistent count; two scheduled unlocks arrive in the days after this was written — 14.18M HYPE on Aug 29 (two days out) and 9.92M HYPE on Sep 6 (ten days out) — though actual claim rates have run far below scheduled amounts.
- **Market structure right now:** open interest and funding stayed flat through the rally to the all-time high — the market is not showing the leverage buildup that typically precedes a speculative blow-off, which tempers but does not eliminate downside risk, and does not by itself offset the valuation-multiple argument above (Section 13).
- **What would prove this thesis wrong:** a proposed, not-yet-testable kill condition: core protocol revenue failing to grow for two consecutive quarters while circulating supply keeps expanding (Section 14).

This report is written to answer one practical question for two different audiences: is HYPE worth buying, holding, or avoiding, and on what basis? A trader focused on the next few weeks should look first to Section 13, which shows the rally to the all-time high was not accompanied by the leverage buildup that typically precedes a blow-off top — a fact that tempers, but does not eliminate, downside risk. An investor considering a multi-quarter position should look first to Sections 5 and 7, which lay out exactly what has to be true — on revenue, multiple, and supply — for today's price to be justified, and to Section 10, which catalogs every material loss event and unresolved risk to date, none of which has so far been a core smart-contract exploit.

This report does not publish a price target and is not investment, financial, or legal advice — it lays out the assumptions, data, and open questions needed to reach an independent conclusion, consistent with the sourcing discipline set out in Section 15. Its own bar for being wrong is explicit and stated above. The remainder of the report builds this case in four parts: Part I establishes what HYPE is worth and why; Part II identifies what could change that valuation, and what already has; Part III examines what the market is actually doing right now, separate from the fundamentals; and Part IV synthesizes all of it into a single falsifiable thesis.

Snapshot

Metric	Value	As of
Spot price	~\$80.92–84.68 across Aug 27–28, 2026; a separate ~\$82.89 intraday snapshot on Aug 27 is used for this piece's market-cap and multiple calculations below (Section 15)	Aug 27–28, 2026
All-time high	\$84.68 close; intraday levels ran to roughly \$86.7 (CoinGecko)	Aug 27, 2026
Trailing month	+63% (from ~\$50 support zone); sharp recovery from \$56.88 low on Aug 15	through Aug 27, 2026
Market capitalization	\$18.34B (CoinGecko — used as the single consistent market-data source throughout this piece; see Section 4 methodology note)	Aug 27, 2026, CoinGecko
Circulating / total / max supply	222.446M / 955.307M / 1.00B HYPE (CoinGecko, used consistently throughout — other vendors report materially different circulating-supply figures under different methodologies; see Section 4)	Aug 27, 2026, CoinGecko
Fully diluted valuation	~\$82.45B (implied from the \$18.34B market capitalization and 222.446M circulating supply, extended to the 1.00B maximum supply — not a separately-pulled figure, and not the same \$82.89 intraday price point used in Section 3's Assistance Fund calculation)	Aug 27, 2026, CoinGecko
Annualized protocol revenue	Four legitimate readings on the table: \$568.9M / \$610.6M / \$728M / \$729.6M, depending on methodology — see Section 5	various, see Section 5
Cumulative protocol fees / revenue (all-time)	~\$1.51B fees / ~\$1.22B revenue	Aug 27, 2026, DeFiLlama
HYPE-token perpetual open interest (aggregated across ~38 venues)	~\$3.46–3.56B, roughly flat over 24h despite the price rally	Aug 26, 2026, CoinGlass
Hyperliquid platform-wide open interest (all markets, not just HYPE)	~\$12–13B	mid-Aug 2026
24h HYPE futures / spot volume	~\$4.3–4.5B futures / ~\$277–298M spot (perps trade roughly 15x spot volume)	Aug 26, 2026
Average 8h funding rate (HYPE perp, cross-venue)	+0.0029% (mild, not extreme; range -7.2bp to +19.6bp across individual venues)	Aug 26, 2026, 16:14 UTC

Part I — What is HYPE worth?

1. The asset being valued is not equity

The first mistake an investor can make with HYPE is to treat Hyperliquid as if it were a publicly traded exchange. It is not. HYPE does not represent ownership of Hyperliquid Labs, and HYPE holders do not possess the conventional residual claim that shareholders of an exchange such as Coinbase possess. For an equity investor, the chain runs revenue → operating income → free cash flow → shareholder value. For HYPE, it runs network activity → protocol fees → HYPE acquisition → supply reduction. The second mechanism can be economically powerful without creating a legal ownership claim, and it should prevent investors from applying a conventional discounted-cash-flow model to Hyperliquid as though it were a corporation. HYPE is better analyzed as a network asset with an unusually direct economic value-capture mechanism — a more interesting, and more difficult, valuation problem than a standard equity multiple.

2. The business/economic engine

Hyperliquid generated more than \$1.51 billion of cumulative trading fees and approximately \$1.22 billion of cumulative protocol revenue as of the latest available data [Ref. 3]. Thirty-day perpetual-futures ("perp") volume across the whole platform has run in the \$200–245 billion range through the second half of 2026, depending on the exact window measured. The revenue mix is informative: Q2 2026 gross protocol revenue was approximately \$202 million, of which perpetual-futures fees accounted for about \$179 million, "Builder Code" fees (revenue shared with third parties who route order flow to Hyperliquid) contributed about \$16 million, and spot-market fees contributed about \$5.6 million. Two things follow. First, perpetuals remain the overwhelming economic engine — this is a platform whose revenue is concentrated almost entirely in one product. Second, additional monetization channels (spot, builder fees, and now AQA2's stablecoin-yield contribution — Section 9) are beginning to develop, which matters because a single-product platform is inherently more exposed to competitive or structural shifts in that one product than a diversified one.

3. The Assistance Fund flywheel

The defining feature of Hyperliquid's economic model is the Assistance Fund: approximately 99% of protocol fees are allocated to a mechanism that automatically purchases HYPE on the open market. This is not merely an accumulating treasury balance. A Hyperliquid governance vote — proposed December 16, 2025, closed December 24, and confirmed December 27, 2025, with 85% of staked weight in favor — formally recognized the Assistance Fund's holdings as permanently burned, and declared that all future fees routed there are burned on an ongoing basis as well [Ref. 4]. This is independently corroborated in an SEC-filed exhibit from Hyperliquid Strategies Inc. (Nasdaq: PURR), filed May 7, 2026, which states plainly that HYPE tokens acquired by the Assistance Fund "are burnt and permanently removed from circulation" [Ref. 5]. (Some data vendors still display a running "Assistance Fund holdings" balance; this is because burned tokens are sent to an unspendable address rather than deleted from the blockchain's ledger, so the address still shows an on-chain balance even though the tokens are, by governance decision and by practical effect, permanently inaccessible.)

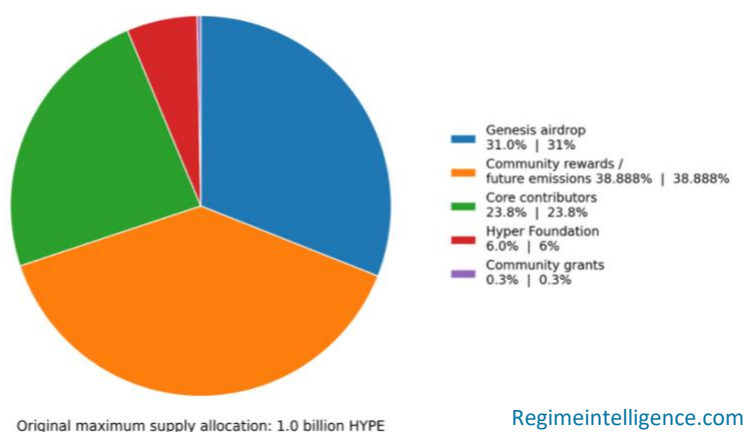
The resulting loop is simple: trading activity generates protocol fees, fees flow to the Assistance Fund, the Fund buys HYPE on the open market, and the purchased HYPE is burned. This creates an endogenous demand mechanism — the protocol does not need a marginal buyer to believe in "crypto adoption" in the abstract; as long as economic activity generates fees, a portion of that activity is mechanically converted into HYPE demand and supply reduction. That differs from many major crypto assets, whose investment case often rests more heavily on anticipated future utility than on a present, measurable mechanism.

This mechanism can now be measured directly rather than described only qualitatively. Per a live tracker reading Hyperliquid's own public API, the HYPE balance recorded at the Assistance Fund's on-chain system address stood at approximately 46.81 million HYPE as of August 27, 2026 — a balance, not a spendable treasury, since those tokens are, per Hyperliquid's own disclosure and the governance vote above, already treated as permanently

burned — and that address's balance increased by approximately 707,610 HYPE over the preceding 30 days [Ref. 6]. Annualizing that 30-day pace on a day-count basis ($\times 365/30$, the same convention used for the 7-day figure below, for consistency) gives roughly 8.61 million HYPE acquired per year; at the August 27 price of approximately \$82.89, that is approximately \$714 million of annualized HYPE acquisition — the hardest empirical estimate of the mechanism's current scale available in this piece. This is an annualized extrapolation of the observed increase in the Assistance Fund's on-chain address balance, not an estimate of Hyperliquid's current annual protocol revenue (Section 5); the two figures measure different things by different methods and are not directly comparable, so the fact that \$714 million exceeds this piece's freshest 30-day-trailing revenue read of \$568.9 million (Section 5) should not be read as an inconsistency. (The trailing 7-day pace, approximately 277,560 HYPE, annualizes on the same $\times 365/7$ basis to a notably faster ~ 14.5 million HYPE, or roughly \$1.2 billion; a single 7-day window is too short to annualize reliably and is reported here only to show the pace is not decelerating, not as a forward estimate.) Using this piece's single CoinGecko-sourced market capitalization of \$18.34 billion (Section 4), the 30-day pace implies a HYPE acquisition yield of approximately 3.9% annualized — a constructed analytical metric, not a yield paid to holders, and one that should be read as a snapshot of a single recent window rather than a guaranteed run-rate.

4. Supply dynamics — a genuine overhang, and a single-source methodology

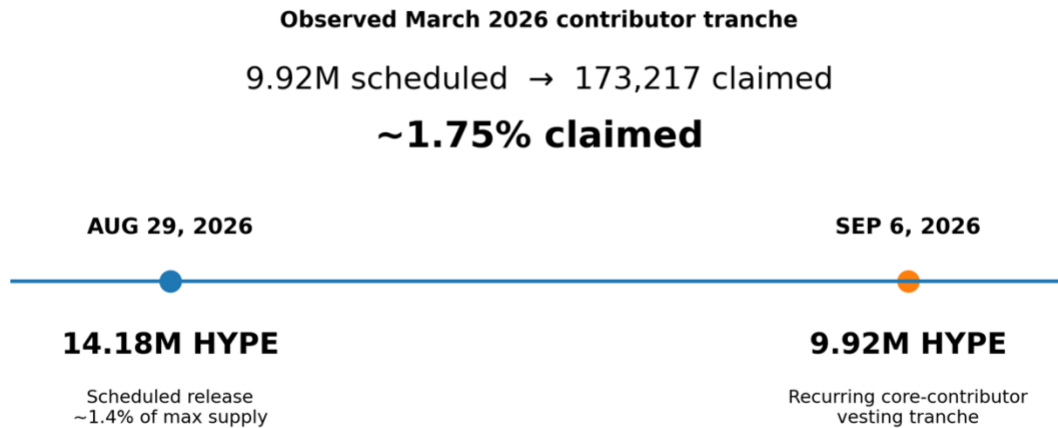
Genesis allocation, as consistently reported by token-tracking services [Ref. 11]: 31.0% of the 1 billion maximum supply was distributed as a genesis airdrop (November 29, 2024, no private sale, no venture-capital round); 38.888% was reserved for community rewards and future emissions, undated and discretionary; 23.8% was allocated to core contributors under a one-year cliff followed by linear vesting through 2028; 6.0% to the Hyper Foundation; and 0.3% to community grants (these five figures sum to 99.988%, not a clean 100%, which this piece attributes to rounding in the underlying tracker rather than to a missing category). The zero-VC, zero-private-sale structure is accurate and does distinguish HYPE from most Layer-1 and DeFi tokens, most of which allocate a meaningful share of supply to venture investors. But approximately 76.7% of total supply is still outside the circulating supply under CoinGecko's current methodology, creating a substantial medium-term supply overhang [Ref. 1] — and that 76.7% is not one monolithic bucket. It spans tokens still under the core-contributor vesting schedule (23.8% of total supply, vesting through 2028), the Hyper Foundation and community-grant allocations (6.3% combined, undated), the large community-rewards/future-emissions bucket (38.888%, discretionary and undated), and a residual portion of the genesis allocation that CoinGecko's circulating count does not yet treat as liquid. These categories carry different release timing and different probability of near-term market impact, and this piece does not currently have a verified, source-consistent breakdown of exactly how much of each specific bucket remains locked today — that finer split is flagged as an open item in Section 15 rather than asserted here. What is defensible is the top-line fact itself: the "no VC overhang" marketing claim coexists with a real overhang from a different, and more heterogeneous, source.

HYPE Original Supply Allocation

Market-data vendors currently disagree materially on HYPE's circulating supply, and the disagreement is large enough that it cannot be casually blended into a trend. CoinGecko and Tokenomist [Ref. 8] both read circulating supply near 222–223 million as of late August 2026; another live tracker reading Hyperliquid's own API (HypeBasis [Ref. 6]) showed approximately 299 million on August 25; and two SEC filings add two more precisely dated points that are lower still: a Grayscale HYPE Trust S-1 disclosed approximately 256 million as of March 31, 2026 [Ref. 9], and Hyperliquid Strategies Inc.'s Exhibit 99.2 disclosed approximately 236 million as of April 29, 2026 [Ref. 5]. (A ~253 million figure "as of July 31, 2026" appears in some secondary research material reviewed while preparing this piece, but traces to no primary filing this piece could identify — it is not used here.) An earlier version of this analysis stitched several of these together — a CoinGecko read, a CoinGlass read, and two dated SEC filings — into an apparent declining-supply trend. That trend did not survive a same-source check: the sources were never measuring the same thing the same way, and presenting them as one time series was a methodology error, not a real finding. This piece corrects that by adopting one consistent policy going forward: circulating supply and market capitalization are cited from CoinGecko throughout (222.446 million circulating, 955.307 million total, 1 billion maximum, as of August 27, 2026); token-allocation percentages and vesting mechanics are cited from SEC filings and Hyperliquid's own documentation, which are the appropriate source for those specific mechanics rather than for a live supply count; and protocol economics (fees, revenue) are cited from Hyperliquid/DeFiLlama with the specific methodology stated each time (Section 5). No historical circulating-supply trend is asserted anywhere in this piece, because one cannot currently be reconstructed cleanly across a single consistent source — only a dated snapshot. What is not in dispute is the medium-term structural fact: roughly 733 million tokens (76.7% of total supply) are not yet circulating on CoinGecko's own count, and how the 38.888% emissions bucket and the multi-year contributor vesting schedule get released will matter far more to HYPE's supply picture over the next two to three years than any single month's unlock event.

HYPE also faces near-term supply events, and — unlike the multi-vendor circulating-supply disagreement above — these resolve cleanly once correctly separated. A scheduled 14.18 million HYPE unlock (roughly 1.4% of total supply), comprising a blend of early-investor, community, and foundation allocations, is set for August 29, 2026 — two days after this analysis, and the more immediately relevant of the two events at the time of writing. It is followed by the recurring 9.92 million HYPE core-contributor vesting tranche on September 6, 2026, which CoinGecko identifies explicitly as the next scheduled core-contributor unlock and which has recurred on a similar monthly cadence since at least February 2026. These are not competing estimates of the same event: they are two separate scheduled releases, one week apart, drawn from different components of the token distribution, and both should be tracked independently rather than reconciled into a single figure.

HYPE Near-Term Unlocks vs. Observed Claiming



Key distinction: scheduled ≠ claimed ≠ sold. The 1.75% observation is a single-month data point, not a forecast for the Sep. 6 tranche.

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Scheduled vesting should not be equated one-for-one with effective market supply, and there is now a concrete data point for why. The Hyper Foundation announces the actual claimed amount from each monthly core-contributor tranche, and in March 2026 only 173,217 HYPE — approximately 1.75% of that month's scheduled 9.92 million tranche — was reportedly claimed, per Forbes reporting on the Foundation's disclosure [Ref. 7]; subsequent reporting indicates claims have consistently run well below the scheduled amount on this recurring tranche. Claimed is not the same as sold, and a low claim rate in one or several months is not a guarantee the pattern holds for the September 6, 2026 tranche — but it is a material reason to treat the headline unlock figures in this section as a ceiling on potential new supply rather than a forecast of actual circulating-supply growth.

5. Valuation frameworks — and why the multiple moves so much

Adapting standard equity-style vocabulary to a token whose value-capture mechanism is a burn rather than a dividend or buyback-and-retire-as-treasury-stock, three lenses are useful. The revenue multiple is the simplest and least complete: market capitalization divided by annualized protocol revenue. HYPE acquisition yield — the dollar value of HYPE acquired and burned by the Assistance Fund over a period, divided by market capitalization — measures how much economic activity is being converted into supply reduction relative to the value assigned to the token; it is informative but should not be read as a dividend yield, since it confers no legal or cash claim on holders (Section 3 computes this directly from the Assistance Fund's own on-chain balance). Net supply pressure — new tokens entering circulation versus tokens burned — is conceptually the most important of the three, because a protocol can grow rapidly while its token performs poorly if dilution outpaces value capture, and vice versa. It is deliberately not computed as a number in this piece: a reliable current net-supply-pressure calculation cannot yet be produced, because the available circulating-supply series (Section 4) are not sufficiently consistent across observation dates to isolate realized new issuance from changes in vendor methodology. This is therefore treated as a monitoring variable for future updates of this piece, not a current point estimate — a deliberate refusal to manufacture precision the underlying data does not support.

The revenue multiple itself is unusually unstable right now because four legitimate-methodology annualized-revenue figures are on the table simultaneously: \$568.9M (a fresh 30-day-trailing DeFiLlama pull, annualized, taken August 27), \$610.6M (a first-half-2026-annualized "core protocol revenue" figure that nets out a larger

share of HIP-3 fee dilution), \$728M (a 30-day-trailing DeFiLlama pull that this piece can now date precisely against DeFiLlama's own daily revenue history: it corresponds almost exactly to the trailing-30-day annualized figure as of June 30, 2026 — roughly eight weeks before the \$568.9M reading, not the three to four weeks an earlier draft of this piece assumed; see the correction noted in Section 15), and \$729.6M (a cumulative-life-to-date-annualized figure: total protocol revenue since Hyperliquid's December 2024 inception, divided by elapsed days and annualized, as of August 27, 2026). An earlier draft of this piece used \$840M for this fourth reading; recomputing it directly from DeFiLlama's full revenue history found that \$840M was a stale calculation dating to approximately late November 2025, not August 2026 — see the correction noted in Section 15. Coincidentally, the corrected \$729.6M figure lands within 0.2% of the unrelated \$728M 30-day-trailing figure above, despite the two using entirely different methodologies and reference periods — a sign that Hyperliquid's current run-rate sits close to its own all-time average pace, even as the freshest 30-day reading (\$568.9M) and the H1-2026 reading (\$610.6M) both come in meaningfully lower. Recomputing the trailing-30-day annualized figure directly across DeFiLlama's full 2026 daily revenue history (the same data underlying Figure 1) shows the fuller trajectory: it peaked at approximately \$866M around February 10, 2026, when HYPE traded near \$29; fell to a 2026 low of approximately \$353M in mid-August; and had recovered to only approximately \$594M by August 27, even as price reached a fresh all-time high close of \$84.68 that same week. (This \$594M same-day recomputation and the \$568.9M DeFiLlama-pulled figure above both describe the trailing-30-day annualized rate near the same date but are not identical: DeFiLlama's own dashboard pull reflects its typical one-to-two-day revenue-reporting lag — consistent with a window ending on or about August 25 rather than August 27 — while \$594M is this piece's own same-day recomputation from the raw daily series; the roughly 4% gap between them is explained by that lag, not by any additional discrepancy.) Whichever pair of snapshots is compared, the pattern holds: Hyperliquid's trailing revenue run-rate remains well below its own year-to-date peak while HYPE trades multiples higher than it did at that peak — direct evidence for the Part II argument that the recent rally has been driven by regulatory catalysts rather than by the underlying fee engine.

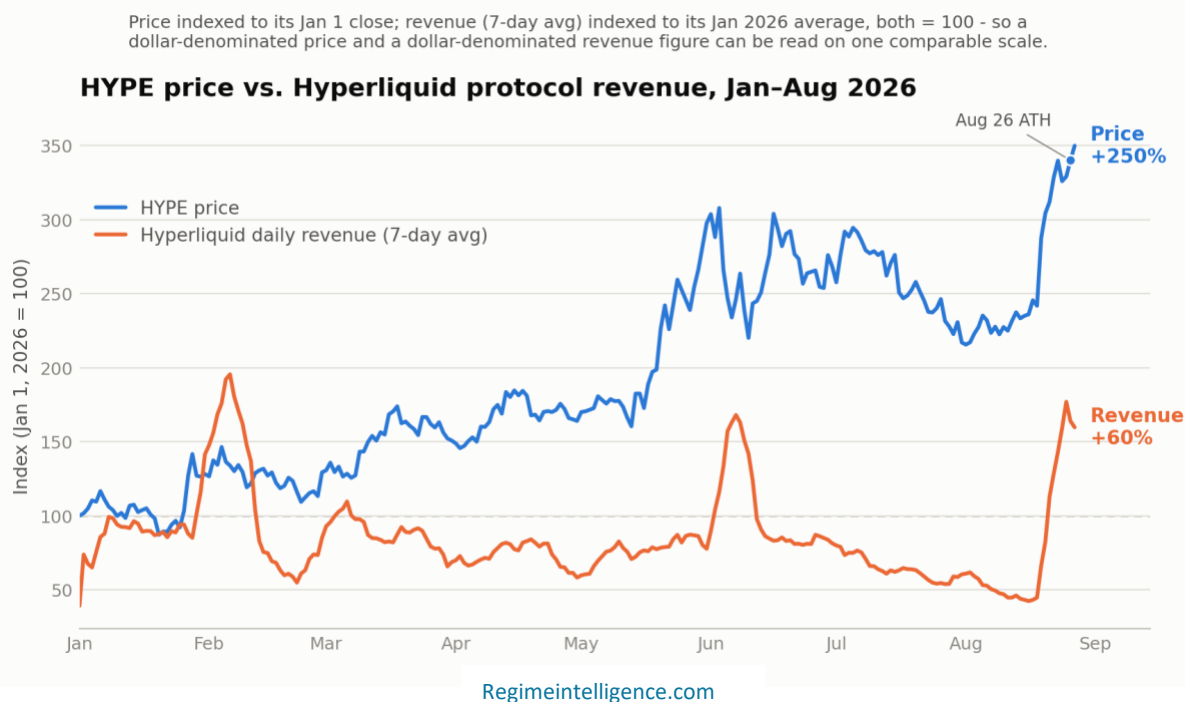


Figure 1. HYPE daily closing price (CoinGecko) versus Hyperliquid's daily protocol revenue, 7-day trailing average (DeFiLlama, Perps + Spot Orderbook), January 1 through August 27, 2026 — the most recent complete daily revenue observation available from DeFiLlama at the time this piece was prepared (DeFiLlama's revenue data typically posts with a one-to-two-day lag; both series in this figure are capped at the same August 27 date so they

cover an identical window). Both series are indexed to 100 for comparability: price to its January 1, 2026 close, revenue to its January 2026 average (a single day was judged too volatile a base for a fee-driven series — see Section 15). Over this window price rose to an index level of roughly 350, a gain of about +250 points from its starting level, while revenue, even with its own late-window uptick coinciding with the rally, rose only to an index level of roughly 160 — a gain of about +60 points, materially smaller — and for most of the year the two lines were not just diverging in degree but often moving in opposite directions entirely.

Revenue multiple, using \$18.34B market cap (CoinGecko)	÷ \$568.9M	÷ \$610.6M	÷ \$728M	÷ \$729.6M
Implied multiple	32.2x	30.0x	25.2x	25.1x

For reference, a peer-comparison exercise published by 21Shares on August 20, 2026, done at a lower spot price (~\$58, before the most recent rally), placed HYPE's revenue multiple at 15.6x on a raw basis and 23x on an "issuance-adjusted" basis, against a stated peer average of 24.5x across CME (18.7x), CBOE Global Markets (20.7x), Interactive Brokers (34.3x), and Coinbase (48.1x) — concluding HYPE traded slightly below the average P/E of its listed exchange peer group at that price [Ref. 12]. That 24.5x figure appears to be an arithmetic error in 21Shares' own published source: the simple mean of the four peer multiples they list is 30.45x, not 24.5x, and this piece could not identify any weighting or adjustment disclosed by 21Shares that would produce 24.5x from those same four inputs. This piece flags rather than silently corrects a directly quoted source figure, consistent with the sourcing discipline set out in Section 15. The distinction changes HYPE's apparent standing: measured against 21Shares' own stated 24.5x, three of the four revenue-multiple readings above sit at or above it; measured against the arithmetically correct 30.45x, only the richest reading (32.2x, using the freshest \$568.9M revenue figure) clears it, and the other three — including the 25.1x cumulative-life-annualized reading — sit below. The conclusion has moved from "reasonably valued" toward "priced for continued growth" substantially on the price move of the last two weeks, without a proportional change in the underlying fee engine — in fact, on the freshest reading, while it was decelerating.

6. Competitive position — two lenses

Trading-venue lens: Hyperliquid's volume share of the perpetual-DEX category (roughly 36.5% on one recent reading) runs materially lower than its open-interest share of that same category (above 50%, and as high as ~60% at an earlier reading) [Ref. 21] — a divergence worth taking seriously, since open interest measures capital actually committed to positions while volume can be manufactured with incentive programs and low-cost churn. Aster, a CZ-endorsed, YZi-Labs-incubated challenger, reached a peak market share of roughly 70% before collapsing to about 15% by April 2026 as its launch incentives normalized; over that same window Hyperliquid's average open interest ran roughly five to six times Aster's (approximately \$5.15 billion versus approximately \$899 million) — consistent with Aster's volume being substantially incentive-driven rather than sticky [Ref. 21]. HIP-3 (builder-deployed perpetual markets, live since October 2025, requiring a 500,000 HYPE stake per deployed market) is extending this moat on a separate axis: open interest in HIP-3 markets grew from roughly \$793 million in late January 2026 to approximately \$3 billion by early June 2026 [Ref. 21]. This piece could not independently verify two further claims that circulate about HIP-3 — that it captures as much as 48% of platform volume on peak days, and that only half of gross HIP-3 fees are returned to the core protocol — against a single traceable source, and does not assert either figure here; if the fee-sharing claim is accurate, it would mean the same growth vector extending Hyperliquid's platform reach is simultaneously diluting the revenue base its valuation depends on, which is worth monitoring even without a confirmed number attached.

Tokenomics-mechanism lens: the more useful comparison set for HYPE's value-capture design is not another Layer-1 token but other assets where network activity converts into token value through a comparable

mechanism. BNB has the largest-scale precedent for this kind of mechanism at real size — its latest quarterly Auto-Burn (July 2026) removed approximately 1.616 million BNB, worth roughly \$932 million at execution, on top of its separate, ongoing real-time BEP-95 gas-fee burn [Ref. 14] — but the Auto-Burn amount itself is substantially formulaic (calculated from BNB's price and BSC block production against a declining target) rather than directly tied to real-time protocol economics the way HYPE's Assistance Fund mechanism is. Solana has enormous economic activity, but only part of its fee structure benefits the token directly through burning, with a significant share flowing to validators instead, and Solana still carries ongoing issuance. Ethereum's issuance can offset its fee burns, working against net deflation. Coinbase is the cleanest contrast of all: Coinbase shareholders own equity with a residual claim on cash flows; HYPE holders do not, but HYPE has a protocol-level mechanism automatically converting network activity into token purchases and permanent supply reduction that Coinbase shareholders have no equivalent of. Coinbase's other side of that trade is direct regulatory exposure that HYPE, as a token rather than a listed equity, does not carry in the same form: Coinbase is a U.S. public company under direct SEC and state money-transmitter oversight, and was the subject of a since-resolved SEC enforcement action — the kind of company-level regulatory risk the peer-multiple comparison in Section 5 does not otherwise adjust for. These are genuinely different claims, and the comparison illuminates HYPE's design rather than ranking it against unlike assets; a fully quantified cross-asset multiple table (BNB/SOL/ETH revenue multiples against HYPE's) is deliberately not presented here, because a clean same-date, same-provider dataset for all four was not yet available at time of writing (Section 15).

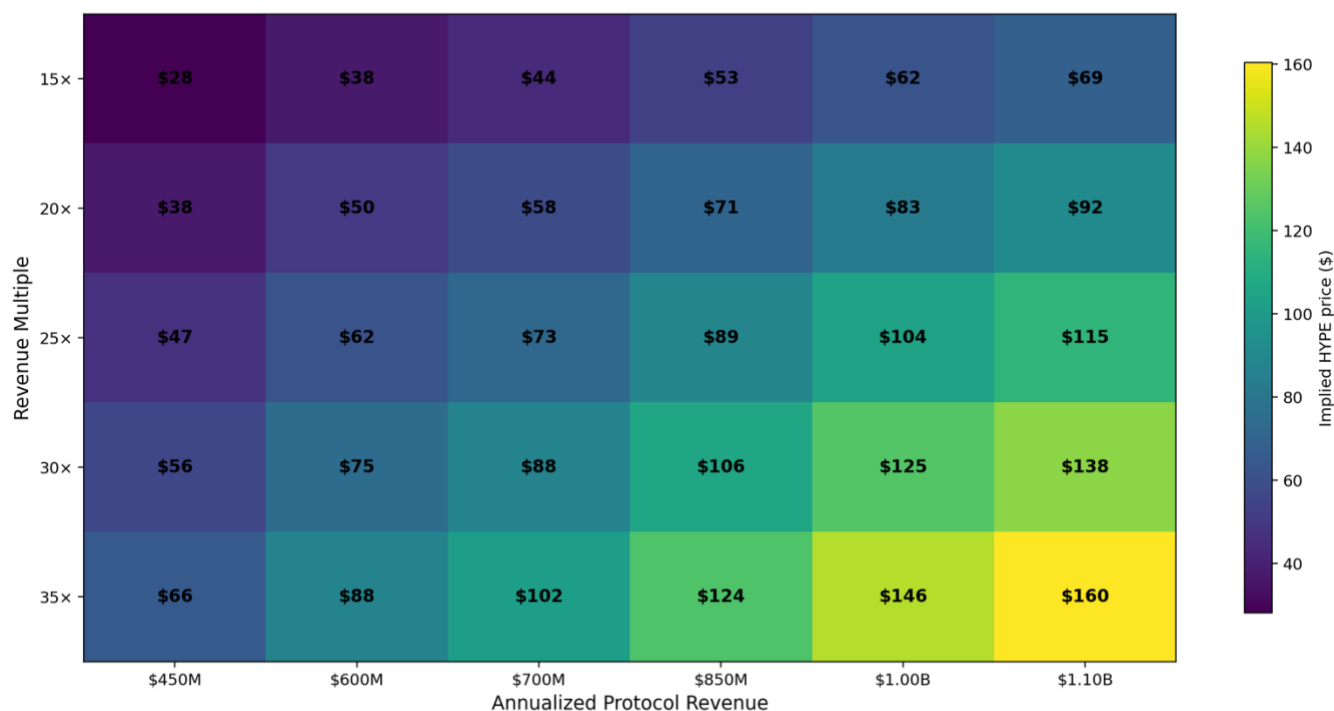
7. Quantified scenarios — what has to be true for today's price to be justified

Rather than asserting a price target, the useful exercise is to state explicit assumptions for market share, revenue, valuation multiple, and supply, and derive an implied value — so the thesis is falsifiable against real inputs rather than asserted. The following is a 12-month-forward illustration, not a forecast; every assumption is stated so it can be individually challenged and updated. The input ranges below are grounded in the market-share, revenue, and supply figures already established in Sections 4–6 rather than independently sourced projections; no new data is introduced in this table.

Assumption	Bear	Base	Bull
Perp-DEX category volume share (from ~36.5% today)	Falls to ~25% — onshore CFTC-regulated venues and rival DEXs take share	Holds ~35–38% — roughly current level defended	Expands to ~45%+ — HIP-3/HyperEVM extend the moat faster than competitors erode it
Annualized protocol revenue (from ~\$569–730M range today)	\$450M — share loss plus continued fee-mix dilution from HIP-3	\$700M — modest growth; AQA2 and HIP-3 volume growth roughly offset fee-share dilution	\$1.1B — crosses the "\$1B+ sustainable" milestone flagged as the key medium-term threshold
Valuation multiple (revenue basis)	15x — re-rates toward traditional-exchange peer levels as growth stalls	25x — compresses modestly from today's ~25–32x as the regulatory-narrative premium fades but a durability premium persists	35x — re-rates upward as durability and multi-product diversification get proven out

Assumption	Bear	Base	Bull
Circulating supply in 12 months (from 222.446M today, CoinGecko)	260M — unlocks/emissions outpace burns	240M — modest net increase; burns partially offset ongoing vesting	215M — burns outpace new issuance, a genuine deflationary flywheel takes hold, dipping below today's level
Implied market cap	\$6.75B	\$17.5B	\$38.5B
Implied price	~\$26	~\$73	~\$179

HYPE Valuation Sensitivity: Revenue × Multiple



Illustrative price values use 240M circulating HYPE, consistent with the article's Base Case supply assumption. They are not price targets.

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The current price (~\$82) sits modestly above this base case and well below the bull case — which is itself informative, and a more moderate reading than an earlier version of this table produced, now that both sides of the comparison are anchored to the same single data source (CoinGecko) rather than mixing vendors. It suggests the market is pricing in somewhat more than "hold current share, grow revenue modestly, multiple compresses somewhat" — tilted toward the bull-case trajectory, on the back of regulatory catalysts (Part II) rather than on realized revenue growth, which on the freshest data is moving the other way. Changing any single assumption above — the market-share trajectory, the multiple, or the supply path — moves the implied price meaningfully, which is the point: this table is meant to be argued with and updated, not treated as a target.

Part II — What could change that valuation?

8. Regulation is the swing factor — and it drove the actual rally

Treating the August rally as fundamentals-driven would be a significant analytical error. The evidence points much more strongly to regulatory catalysts than to a contemporaneous improvement in the fee engine — this piece cannot prove that none of the price appreciation was fundamental, but every discrete repricing event identifiable in the two weeks before this was written traces to a regulatory or political headline, not to an observed change in volume, fees, or buybacks: on August 18, 2026, the Hyperliquid Policy Center and trade[XYZ] filed a joint comment letter with the U.S. Securities and Exchange Commission (SEC) proposing "IPOPs" — pre-IPO perpetual-futures markets for price discovery ahead of public listings [Ref. 17]. HYPE rose 22% the following day, August 19, against Bitcoin's +6.2% and Ethereum's +9.5%; that same day, at a White House meeting with crypto and technology executives, President Trump said of Hyperliquid, "I understand Mike [Selig] is also working to bring [Hyperliquid] into the United States in a fully compliant and legal fashion" — referring to CFTC Chairman Michael Selig — and HYPE moved from roughly \$66 into the \$70s within days [Ref. 18]; on August 24, the Hyperliquid Policy Center filed a comment letter on the final day of the CFTC/SEC public comment window, citing \$480 billion in cumulative perpetual-futures volume traded on the platform over the prior ten months [Ref. 19]; and HYPE's rally continued through August 26–27, compounding the prior catalysts alongside sustained inflows into the Bitwise, 21Shares, and Grayscale HYPE ETFs that had launched in May 2026 [Ref. 23].

What this cluster obscures is a real structural threat: Hyperliquid's entire value proposition has been regulatory arbitrage — offering U.S. traders leveraged perpetuals a compliant domestic venue could not. That arbitrage is now closing from the other direction. The CFTC approved the first U.S.-listed perpetual-futures contract on May 29, 2026, and Kalshi launched a regulated bitcoin perpetual on June 3, 2026, with more than a dozen additional onshore products reportedly planned. A separate, unresolved CME Group lawsuit challenges whether perpetual futures should be classified as swaps rather than futures at all. The asymmetry worth holding onto: Hyperliquid's own regulatory lobbying, if successful, legitimizes the entire product category — including every CFTC-regulated competitor it also enables. Regulatory clarity is not unambiguously bullish for HYPE specifically; it is unambiguously bullish for perpetual futures as a category, and Hyperliquid currently captures most of that category's volume largely because almost nobody else could offer it compliantly onshore until now.

9. Revenue diversification: AQAv2 and HyperEVM

Hyperliquid tried, and abandoned, vertical integration into its own stablecoin: USDH launched in September 2025 via Native Markets, stalled near \$100 million in supply by May 2026 while USDC liquidity on the platform grew to roughly \$5 billion, and was wound down on May 14, 2026, when USDC became the platform's default "Aligned Quote Asset" and Coinbase became the official treasury deployer of platform USDC reserves. That was stage one. Stage two, AQAv2, began accruing reserve yield on August 26, 2026 — a mechanism routing approximately 90% of yield earned on that Coinbase-held USDC into the Assistance Fund on 30-day accrual cycles. That date marks the start of accrual, not a cash event: the first actual payment to the Assistance Fund is expected on October 3, 2026, and characterizing August 26 as when AQAv2 "activated" should not be read as implying immediate incremental cash flow that day.

CoinGecko's August 25, 2026 analysis [Ref. 2] lays out the base case and its sensitivity to the reserve-yield assumption, using \$6.74 billion of USDC reserves and Hyperliquid's approximate 90% share: at an assumed 3% annualized reserve yield, CoinGecko's own calculation runs incremental revenue at \$498,575 per day, or approximately \$182.0 million annualized — an estimated 18.06% uplift to the protocol's current revenue run rate. This materially updates and should replace an earlier, lower estimate of \$135–160 million circulated elsewhere; all figures below are CoinGecko's estimate, not an official Hyperliquid forecast or realized revenue, and should not be capitalized into today's valuation as though already recurring. One reconciliation problem this piece could not resolve: an 18.06% uplift on a \$182.0 million contribution implies a revenue base of approximately \$1.01 billion, which does not match any of the four annualized-revenue readings used elsewhere in this piece (\$568.9M–\$729.6M, Section 5); the same implied ~\$1.01 billion base recurs consistently across all three of CoinGecko's own

scenarios (2%, 3%, and 5% yield) below, so it is not an arithmetic slip within their analysis, but this piece could not determine which revenue definition CoinGecko used as the denominator. The uplift percentages are therefore reported here for reference only and should not be read as directly comparable to the revenue multiples in Section 5.

Assumed reserve yield	Annualized AQAv2 contribution	Estimated uplift to protocol revenue
2%	\$121.3M	12.04%
3% (base case)	\$182.0M	18.06%
5%	\$303.3M	30.09%

Longer-term, HyperEVM — an Ethereum-compatible execution environment within Hyperliquid, with HYPE as its native gas token and transaction fees burned — represents a growth option rather than current revenue: a successful application ecosystem built on it could create additional HYPE demand and burning independent of perpetual-trading volume, diversifying the token's value-capture mechanism away from pure derivatives activity. That diversification, if it happens, is strategically important, because it would reduce HYPE's dependence on the single product line (perpetuals) that currently generates the overwhelming majority of protocol revenue.

10. Risk register: what has actually gone wrong, and what remains unresolved

Every documented loss event to date has been either user-side (phishing, stolen credentials), a market-structure/governance failure, or an exploit of a third-party application built on Hyperliquid's infrastructure — not an exploit of Hyperliquid's own core protocol contracts.

Date	Event	Outcome	Category
Dec 2024	Addresses linked to Lazarus (a North Korean state-sponsored hacking group) traded on the platform; no funds stolen [Ref. 10]	~\$250M net outflows on the scare alone	Perception/governance, not an exploit
Mar 12, 2025	A trader using 50x leverage opened a \$200M position on Ethereum, then withdrew collateral, forcing a liquidation onto Hyperliquid's own market-making vault (HLP)	HLP absorbed ~\$4M loss; trader profited ~\$1.86M; maximum leverage subsequently cut	Mechanism design, not a hack
Mar 26, 2025	The JELLY memecoin was manipulated, squeezed 400%+, forcing a losing short position onto HLP	Peak unrealized loss of ~\$12–13.5M before validators halted and delisted the market; HLP's position was then settled at \$0.0095/JELLY, leaving it with a final realized profit of ~\$703K rather than a loss	Manipulation; exposed validator-set power to freeze markets

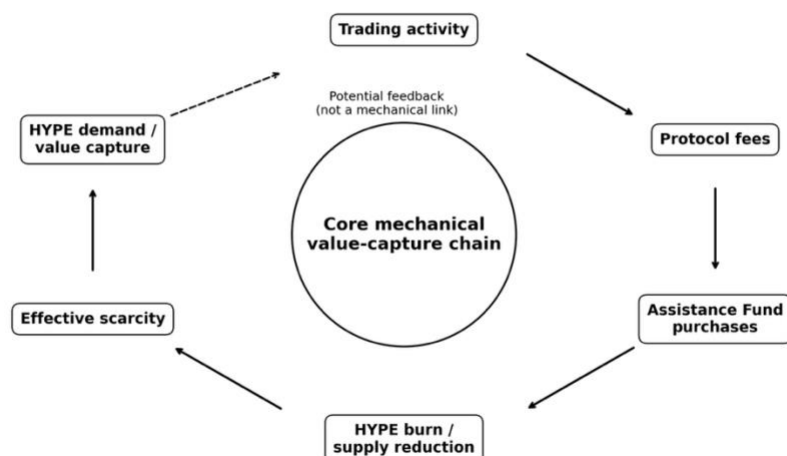
Date	Event	Outcome	Category
Sep 2025	Hyperdrive, a third-party lending app built on Hyperliquid's technology, suffered a router exploit	~\$782K drained	External application, not core protocol
2025–2026	Phishing / stolen-credential incidents	Individually \$12K–\$21M; user-side losses	Off-protocol, user security

Validator concentration has genuinely improved — the active validator set grew from roughly 4 at launch to 27 by mid-2026 — but remains a live governance risk: five Hyper Foundation-linked validators alone still control approximately 49% of staked HYPE (down from over 81% in early 2025), with the remaining roughly 51% spread across 22 independent operators [Ref. 16]. The JELLY episode already demonstrated this concentration is sufficient to freeze and delist a market unilaterally. Separately, Hyperliquid's USDC bridge has been audited by the security firm Zellic, but that audit's scope explicitly excludes off-chain components, front-end infrastructure, and key custody — the areas where the phishing/stolen-credential and Hyperdrive incidents in the table above originated; the March 2025 liquidation-mechanism and JELLY incidents were on-chain protocol and governance issues instead, which a bridge audit would not be expected to cover in any case [Ref. 15].

11. The reflexivity risk

The same mechanism that creates HYPE demand also creates its central vulnerability: that demand is cyclical. If trading activity declines, volume falls, fees fall, and Assistance Fund purchases fall in direct proportion — HYPE's value-capture mechanism is strongest precisely when the trading environment is strongest, and weakest precisely when it is weakest. During a strong crypto market, trading volumes, protocol revenue, HYPE purchases, and supply reduction all reinforce each other upward; during a severe downturn, the same loop runs in reverse. That makes HYPE fundamentally different from a conventional company with diversified revenue streams that can cushion a downturn in any single line of business — and because perpetual-futures trading still generates the large majority of Hyperliquid's protocol revenue (Section 2), with roughly 99% of whatever fees are collected automatically flowing to the Assistance Fund (Section 3), a sustained decline in trading activity would proportionally reduce both the fee base and the demand mechanism the current valuation depends on. This reflexivity is currently masked by the fact that HYPE's price action has decoupled from broader crypto conditions altogether: the rally into the August all-time high tracked regulatory headlines (Section 8), not a strengthening trading environment — meaning the reflexive downside case has not yet been tested by the current price level.

HYPE's Value-Capture Mechanism and Reflexivity Risk



In a downturn, the mechanical chain weakens as trading activity and fees fall. The article treats reflexivity as a risk mechanism, not as proof that HYPE price appreciation mechanically creates more trading activity.

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Part III — What is the market doing right now?

12. Macro backdrop and beta

As of late August 2026: Bitcoin trades near \$79,000, Ethereum near \$2,500, Solana near \$102, and XRP near \$1.42; total crypto market value is approximately \$2.76 trillion. Bitcoin's 2026 record on Federal Reserve interest-rate-decision (FOMC) days has skewed bearish — three of five decision days this year produced bearish price pivots, a thin sample but a consistent one so far — and the September 15–16 FOMC meeting, against a 10-year Treasury yield near 4.7% and a 30-year yield above 5.2%, sits on that same pattern [Ref. 20]. HYPE's own move this month — roughly +63% over the trailing month into a fresh all-time high — has almost nothing to do with that backdrop; every catalyst behind it was idiosyncratic and regulatory (Section 8). That is the risk worth naming plainly: HYPE has spent the past two weeks trading like a single-name regulatory event, not like a high-beta crypto asset, and a hawkish September Fed outcome or a broad crypto deleveraging event would not be offset by HYPE's regulatory narrative if it hits leveraged positioning platform-wide. A secondary, slower-moving tailwind: total stablecoin supply, near \$310 billion in mid-2026 and projected toward \$420 billion by year-end under the 2025 GENIUS Act, is a direct liquidity input to Hyperliquid now that USDC is its default trading currency [Ref. 20].

13. Market structure — positioning, technicals, and the volatility regime

This layer has not been present in prior versions of this analysis and is addressed here directly. As of August 26, 2026 (16:14 UTC), HYPE's perpetual-futures market — aggregated across roughly 38 reporting venues — showed open interest of approximately \$3.46–3.56 billion [Ref. 13], essentially flat over the prior 24 hours (+0.0%) even as price rallied toward its all-time high, alongside 24-hour futures volume of roughly \$4.3–4.5 billion (spot volume, by contrast, ran only \$277–298 million — perps trade at roughly 15 times spot volume, underscoring how derivatives-dominated this asset's price discovery is). The average 8-hour funding rate across venues was a mild +0.0029% (ranging from -7.2 basis points at one venue to +19.6 basis points at another) — well below levels associated with genuinely crowded, over-leveraged long positioning. Twenty-four-hour liquidations totaled a modest \$4.68 million, with no evidence of a large forced-liquidation cascade accompanying the rally to the all-time high.

Read together, this is a meaningful finding: HYPE's move to a fresh all-time high was not accompanied by a surge in open interest or funding, the two clearest signatures of a leverage-driven speculative blow-off. That is consistent with, among other possibilities, spot-driven demand (inflows into the Bitwise/21Shares/Grayscale HYPE ETFs [Ref. 23], the Assistance Fund's own buying, or short-covering) rather than with a wave of new leveraged longs chasing the regulatory headlines — which somewhat tempers (though does not eliminate) the risk of an imminent leverage-driven unwind, even as the valuation-multiple argument (Section 5) still stands on its own.

On technical structure: as of August 26, 2026, HYPE was tracing an ascending triangle on shorter-timeframe charts, with rising trendline support underneath price and horizontal resistance near \$83 — a level price closed above the very next session (Aug 27 close: \$84.68) before pulling back to \$80.92 by Aug 28, illustrating how quickly a single day's technical levels can go stale in a fast-moving market; the support levels below were dated the same way and should be treated with the same caveat. Immediate support levels cluster at \$77.85, \$76.78, \$75.75, and \$74.68, with deeper accumulation zones near \$72.74 and a broader historical reference band at \$50–60 (the level HYPE traded at as recently as mid-August, before the rally). Shorter-term momentum indicators had moved into overbought territory at the time of writing, consistent with the possibility of near-term consolidation even within an intact uptrend [Ref. 22]. This piece deliberately does not extend that chart structure into a technical price target (e.g., a measured move above resistance): the scenario framework in Section 7, built from explicit market-share, revenue, multiple, and supply assumptions, already provides a more analytically defensible basis for a valuation range than a chart pattern's projected distance.

On volatility and options: HYPE options exist on Deribit (cash-settled in USDC, standard call/put structures across multiple expiries), but available data shows no meaningful open interest or quoted implied volatility for HYPE specifically — this options market exists but is not yet liquid enough to draw a positioning read from, which is itself the honest answer to whether options data is usable here. On realized volatility: this piece attempted to trace a specific realized-volatility and maximum-drawdown statistic for HYPE to a named SEC-registered fund prospectus, but could not confirm those exact figures against a single, checkable filing, and declines to publish an unverified number rather than present false precision. Qualitatively, HYPE is nonetheless a very high-volatility asset by design — a newly launched, thinly-optioned, narrative-sensitive token — and both the bull and bear scenarios in Section 7 should be read with that in mind even without a precise historical anchor.

Part IV — Synthesis

14. What must go right, and the falsifiable thesis

For today's valuation to be durably justified rather than a regulatory-headline spike, several things need to happen roughly together: Hyperliquid must maintain substantial derivatives market share against both DEX rivals and newly credible onshore competitors; annualized protocol revenue needs to move sustainably toward and past the \$1 billion mark rather than continuing to swing within the wide band observed over the past year (a 2026 low of roughly \$353 million to a peak of \$866 million, with four current methodology-dependent readings clustering between roughly \$570 million and \$730 million, Section 5); the ecosystem needs to genuinely diversify (spot, builder fees, HIP-3, HyperEVM, and AQA2's stablecoin-yield contribution becoming meaningful rather than optionality); HYPE burns need to outpace effective new supply on a sustained basis, tracked consistently against the single-source (CoinGecko) supply baseline adopted in Section 4 rather than a blend of vendors; and the valuation multiple needs to hold even as revenue growth normalizes, since strong revenue growth can still produce poor token returns if the market simultaneously derates the multiple it is willing to pay.

- **Bull case:** the CFTC and SEC deliver the reference-asset classification Hyperliquid's own lobbying is requesting without disproportionately empowering onshore competitors; core protocol revenue re-accelerates past \$700M annualized; AQA2's first payment (expected October 3, 2026) and subsequent

accruals confirm something close to CoinGecko's ~\$182M base-case annual contribution; HIP-3 and HyperEVM growth begin showing up as diversified, durable revenue rather than fee-share-diluting volume. Trigger: a confirmed, single-source annualized core-revenue read above \$700M, or a disclosed (not estimated) AQA2 contribution figure.

- **Bear case:** onshore, CFTC-regulated perpetual venues capture meaningful U.S. institutional flow that would otherwise route through Hyperliquid; the perp-DEX category volume share slips well below its current ~36.5%; a hawkish September FOMC or a broad deleveraging event hits crypto risk appetite generally, and HYPE — despite currently subdued funding and open interest — is not insulated given how concentrated its own open interest is on a single venue. Trigger: category volume share below 25%, or a sustained (not one-off) sequential decline in core protocol revenue across two consecutive quarters.

Proposed kill condition: this thesis is wrong if core protocol revenue fails to grow sequentially for two consecutive quarters while circulating supply — tracked consistently on the CoinGecko baseline adopted in Section 4 (222.446 million as of August 27, 2026) — keeps expanding; i.e., if the burn mechanism is structurally outrun by issuance rather than temporarily lagging it. It is labeled "proposed" rather than a settled kill condition because the methodology question that previously blocked this test has only just been resolved by adopting a single consistent supply source; what has not yet happened is the passage of enough time to observe two consecutive quarters on that consistent basis, so this is a forward monitoring rule rather than a condition that can be confirmed or refuted from the data on hand today.

15. Gaps, methodology notes, and sourcing discipline

- Circulating supply is now reported on a single consistent source throughout this piece — CoinGecko (222.446 million circulating, 955.307 million total, as of August 27, 2026) — rather than blended across vendors. Other trackers (Tokenomist [Ref. 8], ~222–223M; HypeBasis [Ref. 6] reading Hyperliquid's own API, ~299M as of August 25; a Grayscale HYPE Trust S-1, ~256M as of March 31, 2026; Hyperliquid Strategies Inc.'s Exhibit 99.2, ~236M as of April 29, 2026) remain visible for context in Section 4 but are not combined into a time series, since each reflects a different methodology and/or date. No historical circulating-supply trend is asserted anywhere in this piece.
- Four annualized-revenue figures (\$568.9M / \$610.6M / \$728M / \$729.6M) reflect genuinely different methodologies (30-day-trailing vs. H1-annualized vs. cumulative-life-annualized) rather than errors — state which methodology is used every time the figure appears, and do not let a single headline number stand unqualified. A prior version of this piece dated the \$728M reading to "roughly three to four weeks" before the August 27 pull, a claim inherited from an earlier draft and never checked against a full time series; recomputing directly against DeFiLlama's daily revenue history (the data underlying Figure 1) dates it to approximately June 30, 2026 instead — about eight weeks earlier. This correction changes only the elapsed-time claim attached to the \$728M figure, not the multiple table itself or the \$728M figure's value.
- A prior version of this piece used \$840M for the fourth (cumulative-life-to-date-annualized) revenue reading. Recomputing it directly from DeFiLlama's full revenue history found \$840M was a stale calculation dating to approximately late November 2025, not the August 27, 2026 date it was presented alongside; the correct as-of-August-27 value is \$729.6M, which has replaced \$840M throughout this piece (Section 5 revenue-multiple table, Snapshot, Sections 7, 9, 14, and this section).
- A prior version of this piece stated HYPE's all-time high as \$83.53, set August 26, 2026. Recomputing directly from this piece's own CoinGecko price series found the token closed at \$84.68 the very next day (August 27) — a marginal new high — before pulling back to \$80.92 by August 28; intraday levels on August 27 ran higher still, to roughly \$86.7 per CoinGecko. The all-time-high figure and the Section 13 technical-resistance framing have been corrected accordingly throughout this piece; note that this

piece's market-capitalization and revenue-multiple calculations remain anchored to a separate ~\$82.89 intraday snapshot taken during August 27 (Section 3), which is neither the day's close nor its intraday high — three different, each clearly labeled, price points from the same trading day.

- A prior version of this piece attributed the August 18, 2026 SEC comment letter proposing "IPOP's" to "Hyperliquid and trade[XYZ]." Verification against contemporaneous reporting found the actual filer was the Hyperliquid Policy Center (a distinct entity from Hyperliquid the protocol/company, and the same entity correctly named for the separate August 24, 2026 letter in the same section) and trade[XYZ]. Section 8 and Ref. 17 have been corrected accordingly.
- The unlock calendar is resolved: the 14.18 million HYPE event (August 29, 2026) and the 9.92 million HYPE core-contributor tranche (September 6, 2026) are two separate, non-competing scheduled releases from different components of the token distribution, laid out together in Section 4.
- The AQA v2 ~\$182M base-case annual estimate (CoinGecko, 3% reserve-yield assumption; range \$121.3M–\$303.3M across 2–5% yield) is an estimate, not an official Hyperliquid figure or realized revenue, and should not be capitalized into valuation as confirmed recurring revenue until the October 3, 2026 first payment and subsequent accruals are observed. Separately, CoinGecko's own stated uplift percentages (12.04% / 18.06% / 30.09%) imply a revenue base of approximately \$1.01 billion that this piece could not reconcile with any of the four annualized-revenue readings used in Section 5 (\$568.9M–\$729.6M); this is flagged rather than blended with those readings (Section 9).
- The Assistance Fund's ~3.9% annualized HYPE acquisition yield (Section 3) is a single-window estimate: it annualizes a 30-day on-chain observation (on a $\times 365/30$ day-count basis, the same convention used for the 7-day figure in the same section) against this piece's CoinGecko-sourced market capitalization, and should be recomputed as new observation windows and, ideally, a second corroborating on-chain source become available.
- A peer-comparison figure quoted from 21Shares in Section 5 (a stated 24.5x average across four named exchange peers) appears to reflect a likely arithmetic error: the simple mean of those same four peer multiples, which this piece calculates as 30.45x, does not match. This piece could not identify a disclosed adjustment that reconciles the two, so it reports the discrepancy rather than silently correcting a directly quoted source, and shows HYPE's standing against both figures in Section 5.
- The JELLY incident entry in Section 10's risk register previously cited an 'Est. \$0.7–13.5M loss range' for HLP. On verification against primary reporting, the \$12–13.5M figure is the peak unrealized loss before validators intervened, and the ~\$703K figure is HLP's final realized profit after the market was delisted and the position settled at \$0.0095/JELLY — not a loss at all. Section 10 has been corrected accordingly.
- The Hyperliquid/trade[XYZ] joint SEC comment letter (Section 8) was previously dated August 19, 2026, matching the date of HYPE's 22% price move. Verification against primary reporting on the filing shows the letter was filed August 18, 2026, with the price move and the same-day presidential statement both occurring the following day, August 19. Section 8 and Ref. 17 have been corrected accordingly.
- The price-vs-revenue chart in Section 5 (Figure 1) indexes revenue to its January 2026 average rather than to its January 1, 2026 value specifically, because daily protocol revenue is fee-driven and volatile enough that a single day is not a representative base (January 1, 2026 happened to be a below-average day); price does not carry the same single-day distortion risk and is indexed to its January 1 close, the conventional start-of-year anchor. Revenue is also shown as a 7-day trailing average (a partial average for the first six days) to make the underlying trend legible against day-to-day noise; the raw daily figures are DeFiLlama's own, unsmoothed elsewhere in this piece.
- The March 2026 core-contributor unlock claim rate (173,217 of 9.92 million scheduled, ~1.75%; Section 4) is drawn from Forbes reporting on the Hyper Foundation's own monthly disclosure. It establishes that claimed and scheduled amounts differ materially in at least one observed month; it is not yet a large enough sample to assert what fraction of the September 6, 2026 tranche will be claimed.

- SEC filings cited throughout this piece (the Hyperliquid Strategies Inc. exhibit; the Grayscale HYPE Trust S-1) contain disclosures written by the filer and reviewed, not authored, by the SEC. Language should always be attributed to the specific filer, never characterized as "the SEC says" or "the SEC describes."
- A quantified cross-asset revenue-multiple table (HYPE vs. BNB, Solana, and Ethereum, on one measurement date and one data provider) was investigated but deliberately excluded from Section 6: the underlying BNB annualized-burn figure, Solana's 30-day revenue read, and Ethereum's comparable figure could not be verified to a single, clean, same-date dataset at time of writing. Only the specific, verified BNB quarterly Auto-Burn figure (Section 6) is published; a full comparative table is a candidate for a future update once one provider's same-date figures for all three assets are confirmed.
- Team-size and founder personal-holdings claims trace to single, unverified sources and are excluded from this draft rather than repeated without corroboration.
- The Section 7 scenario table is an illustrative framework with stated assumptions, not a price forecast — it should be revisited whenever any of its four input assumptions (market share, revenue, multiple, supply) materially changes.
- The finer breakdown of the 76.7% non-circulating share of total supply (Section 4) into exactly how much of each specific category — core-contributor vesting, foundation/grants, community emissions, and residual genesis allocation — remains locked today has not been verified against a single primary source at time of writing. The categories and their original allocation percentages are sourced [Ref. 11]; the current-lockup fraction within each is not, and should not be asserted with more precision than that until verified.

16. References and data sources

This section consolidates the named sources cited throughout the piece, numbered for cross-reference from the bracketed citations in the body text ([Ref. N]). Most claims in this piece already carry an inline named source and date; this list exists so a reader can audit those claims in one place rather than reassembling them section by section. Most entries below name a specific outlet, filing, or dataset and a publication or access date; exceptions are explicitly identified where an exact date was not available. With one exception (Ref. 11) flagged explicitly as not traceable to the SEC-filing provenance an earlier draft of this piece claimed for it, in the interest of the same source discipline applied elsewhere in this piece.

Ref.	Source
1	CoinGecko — HYPE market data (price, market capitalization, circulating/total/max supply, fully diluted valuation), including the daily closing-price series (January 1–August 27, 2026, the range underlying Figure 1 in Section 5) as well as later price levels through August 29, 2026 cited elsewhere in this piece. Data compiled as of August 27, 2026; sourcing re-verified August 29, 2026 during pre-publication audit, with no change to the Figure 1 data cutoff.
2	CoinGecko — AQA2 reserve-yield sensitivity analysis (2%/3%/5% scenarios). Published August 25, 2026.
3	DeFiLlama — Hyperliquid protocol fees and revenue dashboard (30-day and cumulative figures), including the daily protocol-revenue series (Hyperliquid Perps + Spot Orderbook, January 1–August 27, 2026) underlying Figure 1 in Section 5. Data compiled as of August 27, 2026; sourcing re-verified August 29, 2026 during pre-publication audit, with no change to the Figure 1 data cutoff.

Ref.	Source
4	Hyperliquid governance forum — Assistance Fund burn-recognition proposal and vote record. Proposed December 16, 2025; closed December 24, 2025; confirmed December 27, 2025 (85% of staked weight in favor).
5	Hyperliquid Strategies Inc. (Nasdaq: PURR) — SEC filing Exhibit 99.2 (accession no. 0001193125-26-212109), describing the Assistance Fund mechanism and burn treatment and separately disclosing circulating supply of approximately 236 million HYPE as of April 29, 2026. Filed May 7, 2026.
6	HypeBasis — live tracker reading Hyperliquid's public API; used in this piece for two distinct readings: the HYPE balance at the Assistance Fund's on-chain system address (accessed August 27, 2026, Section 3) and a separate circulating-supply reading (accessed August 25, 2026, Section 4).
7	Forbes — reporting on the Hyper Foundation's monthly core-contributor unlock claim disclosures, including the March 2026 figure of 173,217 HYPE claimed. 2026.
8	Tokenomist — HYPE token unlock schedule and circulating-supply tracker. Accessed August 2026.
9	Grayscale HYPE Trust — SEC Form S-1 registration statement, SEC EDGAR, disclosing circulating supply of approximately 256 million HYPE as of March 31, 2026.
10	CryptoTimes — "Hyperliquid Faces \$250M Outflow After N. Korea Hacker Claim." Published December 24, 2024.
11	Tokenomist — HYPE genesis token-allocation and distribution breakdown (31.0% genesis airdrop, 38.888% community rewards/future emissions, 23.8% core contributors, 6.0% Hyper Foundation, 0.3% community grants). This piece could not trace these percentages to a specific SEC filing or an official Hyperliquid document beyond this tracker's own reporting; they are presented on that basis, not as SEC-sourced. Accessed August 2026.
12	21Shares — "Hyperliquid's H1 2026 earnings: dominant onchain, priced fairly against Wall Street peers." Published August 20, 2026 (source of the CME/CBOE/Interactive Brokers/Coinbase peer-multiple comparison in Section 5).
13	CoinGlass — HYPE perpetual-futures open interest, funding rates, and liquidation data across approximately 38 venues. Snapshot taken August 26, 2026, 16:14 UTC.
14	BNB Chain — official Auto-Burn transaction data (July 2026 quarterly burn of approximately 1.616 million BNB) and BEP-95 real-time gas-fee burn documentation.
15	Zellic — security audit report of Hyperliquid's USDC bridge (scope and exclusions as cited in Section 10).
16	crypto.news — "Who actually runs Hyperliquid? The governance audit." Published July 27, 2026 (source of the validator-count and Hyper Foundation stake-concentration figures in Section 10; the December 2024 Lazarus-incident outflow figure in the same section is sourced separately at Ref. 10).
17	Hyperliquid Policy Center and trade[XYZ] — joint comment letter to the U.S. Securities and Exchange Commission proposing "IPOPs." Filed August 18, 2026.
18	The Block — "HYPE token surges after Trump says CFTC is working to bring Hyperliquid to US in 'fully compliant fashion.'" Published August 19, 2026 (reports Trump's statement, made at a White House meeting with crypto and technology executives, naming CFTC Chairman Michael Selig).

Ref.	Source
19	Hyperliquid Policy Center — comment letter to the CFTC/SEC citing \$480 billion in cumulative perpetual-futures volume. Filed August 24, 2026.
20	AMBCrypto — "September FOMC is coming: Bitcoin's 2026 track record reveals why it's bad news," published August 23, 2026 (source of the FOMC bearish-pivot count and Treasury-yield figures); and Spark Research — "Stablecoin Supply Is Approaching \$420 Billion: What's Driving the Surge," published June 18, 2026 (source of the stablecoin-supply and GENIUS Act figures).
21	FinanceFeeds — HIP-3 open interest reaching approximately \$793 million, published January 27, 2026; The Block — "Hyperliquid hits record share of global perps market as HIP-3 tops \$62 billion monthly volume," published June 3, 2026 (source of the ~\$3 billion HIP-3 open-interest figure); and BlockEden.xyz — "Hyperliquid's \$180B Month: When Volume Lies and Open Interest Tells the Truth," published April 28, 2026 (source of the Aster peak-market-share and open-interest comparison figures).
22	BraveNewCoin — "Hyperliquid (HYPE) Price Prediction: Ascending Triangle Breakout Could Open Path Toward \$90." Published August 26, 2026 (source of the chart-pattern description in Section 13; this piece does not adopt the article's price target — see Section 13).
23	Decrypt — "Hyperliquid ETFs Draw \$172M Since Launch as HYPE Hits All-Time High." Published June 16, 2026; cites SoSoValue for ETF flow data.

Appendix: Glossary — plain-language reference

Every term below reappears in the sections above, spelled out again at first use there. Use this as a quick lookup if a term is unfamiliar.

Term	Plain-language meaning
Hyperliquid	A decentralized cryptocurrency exchange — a trading platform for crypto that runs on blockchain code and a network of independent computers ("validators"), rather than being operated by one company the way Coinbase or a bank is.
HYPE	The native token (cryptocurrency) of Hyperliquid — the subject of this analysis.
Perpetual futures ("perps")	A leveraged trading contract that lets someone bet on an asset's price using borrowed money, with no expiration date and no requirement to ever own the underlying asset. This is Hyperliquid's core product.
DEX — Decentralized Exchange	A trading venue run by blockchain code rather than a company holding customer funds (contrast with a "CEX," or centralized exchange, like Coinbase or Binance).
Open interest (OI)	The total dollar value of leveraged positions currently open (not yet closed) — a measure of capital actually committed, as opposed to volume, which just measures activity. Distinct from trading volume; both are used in this piece and are labeled carefully because they measure different things.

Term	Plain-language meaning
Funding rate	A small periodic payment perpetual-futures traders make to each other (not to the exchange) that keeps the contract's price tethered to the real spot price. Positive funding means traders holding "long" (betting the price rises) are paying traders holding "short"; a persistently high funding rate signals crowded, leveraged optimism.
Liquidation	The forced closing of a leveraged position when losses exceed the trader's posted collateral. A "liquidation cluster" is a price level where many traders' positions would be forcibly closed at once, which can accelerate a move once triggered.
Realized vs. implied volatility	Realized volatility measures how much an asset's price actually moved in the past; implied volatility is what options prices say the market expects it to move in the future. The gap between them is a standard way traders judge whether options are "cheap" or "expensive."
Open interest vs. volume	Volume counts every trade that happens; open interest counts only positions still open. High volume with flat open interest can mean positions are being opened and closed quickly (churn) rather than new money entering the market.
FDV — Fully Diluted Valuation	What the total market value would be if every token that will ever exist were already in circulation today — a more conservative (larger) figure than the everyday "market cap," which only counts tokens already in circulation.
HIP-3 — Hyperliquid Improvement Proposal 3	A 2025 protocol upgrade that lets outside developers launch and run their own trading markets on top of Hyperliquid's infrastructure.
Builder Code	A Hyperliquid fee-sharing arrangement in which a portion of trading fees is routed to third-party "builders" who direct order flow to the platform, rather than being retained entirely by the protocol (Section 2).
IPOPs — pre-IPO perpetual futures	A regulatory category the Hyperliquid Policy Center and trade[XYZ] proposed to the SEC (Section 8): perpetual-futures contracts referencing a private company's shares, intended to let traders get regulated price discovery on a company before it goes public.
HLP — Hyperliquid Liquidity Provider vault	The protocol's own in-house fund that supplies buyers/sellers for trades and can absorb losses when large trades go against it.
Assistance Fund / buyback	The mechanism that uses trading-fee income to repurchase HYPE tokens from the open market and permanently burn them — economically similar to a public company buying back and retiring its own stock.
HYPE acquisition yield	A metric constructed in this piece (not an official Hyperliquid or vendor term, and not a yield distributed to holders): the dollar value of HYPE acquired/burned by the Assistance Fund over a period, divided by HYPE's market capitalization — a rough analogue to a buyback yield, though it confers no legal or cash claim on holders.
Net supply pressure	A metric this piece defines conceptually — new tokens entering circulation (from scheduled unlocks/emissions) against tokens removed via burning, the single most important gauge of whether HYPE's supply is expanding or

Term	Plain-language meaning
	contracting — but does not currently compute as a number (Section 5), because the available circulating-supply data isn't yet consistent enough across dates to isolate real issuance from vendor-methodology noise.
Staking / validator	A "validator" is a computer that helps run and verify the network; "staking" means locking up tokens as collateral to participate in that process (or, for HIP-3, as a good-faith deposit to launch a market).
Vesting / cliff / unlock	Tokens promised to the founding team or early backers are released gradually ("vesting"), often after an initial waiting period ("cliff"). Each scheduled release is an "unlock."
CFTC — Commodity Futures Trading Commission	The U.S. federal regulator overseeing futures and derivatives markets.
SEC — Securities and Exchange Commission	The U.S. federal regulator overseeing stocks and securities markets. Note: a company's SEC filing contains disclosures written by that company, reviewed but not authored by the SEC — this piece is careful to attribute filing language to the filer, not to "the SEC" as a source.
FOMC — Federal Open Market Committee	The Federal Reserve committee that sets U.S. interest-rate policy.
P/E-style multiple	A valuation yardstick (market value ÷ earnings or revenue) borrowed from equity analysis and adapted here to compare HYPE's market value to Hyperliquid's fee revenue.
USDC	A "stablecoin": a cryptocurrency issued by Circle designed to maintain a 1:1 peg to the U.S. dollar (though stablecoins, including USDC, have briefly de-pegged during past market stress). USDC is Hyperliquid's default trading currency (Section 9).
GENIUS Act	A 2025 U.S. federal law establishing a regulatory framework for stablecoins, cited in this piece as a tailwind for the stablecoin-supply growth that indirectly benefits Hyperliquid's USDC-denominated trading (Section 12).
AQAv2 — Aligned Quote Asset v2	The mechanism that routes yield earned on Hyperliquid's USDC reserves into the Assistance Fund buyback. Reserve-yield accrual began August 26, 2026; the first actual payment to the Assistance Fund is expected October 3, 2026.
HyperEVM	An Ethereum-compatible execution environment built into the Hyperliquid network, letting outside developers build applications there; HYPE is its native "gas" token, and transaction fees paid in it are burned.
BTC / ETH / SOL / XRP	Bitcoin, Ethereum, Solana, and XRP (Ripple) — used here as the broader crypto market backdrop.
ATH — All-Time High	The highest price an asset has ever traded at.
VC — Venture Capital	Professional early-stage investment firms; "no VC allocation" means no tokens were sold privately to such investors before public launch.

Term	Plain-language meaning
Hyperliquid Labs / Hyper Foundation / Hyperliquid Strategies Inc.	Three distinct entities this piece refers to: Hyperliquid Labs is the development entity behind the Hyperliquid protocol (referenced in Sections 1 and Executive Summary regarding legal claims on cash flows); the Hyper Foundation is a separate body that administers token vesting/unlock disclosures and, through affiliated validators, participates in network governance (Sections 4 and 10); Hyperliquid Strategies Inc. (Nasdaq: PURR) is an unrelated, separately SEC-reporting public company referenced only for its own disclosures about the Assistance Fund and circulating supply (Section 3, Section 4, Ref. 5). None of the three confers equity-style ownership of the Hyperliquid protocol itself.