

CryptoPunks



Table of Contents

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Introduction	3
Brand Overview	5
CryptoPunks	6
Related Collections	7
Market Overview	9
Community Statistics	13
Team	14
Tokenomics	15
Art / Licenses & Intellectual Property	16
News / Announcements	17
Industry Comparison	18
Report Analysis	19
Resources	20



Introduction

Cryptocurrency was made famous by Bitcoin, but Bitcoin is designed just to transact and store the cryptocurrency itself. On the other hand Ethereum allows for arbitrary computer code to be executed on the blockchain and the results of the execution to be stored forever.

CryptoPunks was developed by the New York-based firm Larva Labs, founded by cryptocurrency veterans Matt Hall and John Watkinson. The CryptoPunks project started as an experiment on the Ethereum blockchain and launched on June 23, 2017, making them some of the earliest examples of crypto collectibles. In fact, CryptoPunks were created prior to the development of the ERC-721 standard, meaning they do not follow the same technical framework used by the majority of other NFTs on the market today.

Hall and Watkinson created 10,000 CryptoPunks in total, with 9,000 Punks being released to the public for free while Larva Labs held on to the remaining 1,000 Punks.

Thanks to the small data size of each image, CryptoPunks is one of the few NFT collections to be stored fully “on-chain” today, meaning both the NFT and the images themselves are kept on the Ethereum blockchain. On-chain media storage is a rarity among NFT collections, which often host the images associated with each NFT in a non-blockchain based repository.

Prices of CryptoPunks skyrocketed with the boom of the wider NFT market in 2021, leading to several sales in excess of \$1 million for each Punk. CryptoPunks owners include high-profile celebrities, influencers and companies. Jay-Z, Gary Vaynerchuk and even Visa have bought CryptoPunks NFTs, with Visa buying Punk #7610 to add to its “collection of historic commerce artifacts.”

CryptoPunks were among the first NFT collections to make the leap from online forums to prestigious auction houses such as Sotheby’s and Christie’s. They have since grown famous among esteemed art critics who see the collection as an important cultural artifact from the early days of blockchain technology and cryptocurrency. To many NFT enthusiasts, the collection represents the true start of the broader NFT movement and a shift in the wider perception of digital ownership.

CryptoPunk controversies

While Punks may be one of the top NFT projects of all time, the team behind the endeavor wasn’t immune to controversy. When Larva Labs first created the now-iconic CryptoPunks back in 2017, the first batch of Ethereum NFTs was made with buggy code. So they were scrapped and replaced with the so-called “V2” versions.



Late last year, enterprising members of the CryptoPunks community created a “wrapper” program that effectively rescued the V1 versions and turned them into new NFTs that could be traded on their own, separate from the official (V2) CryptoPunks.

The V1 Punks are visually identical to the official versions, aside from a unique background color added by the wrapper. (<https://opensea.io/collection/official-v1-punks>)

Larva Labs pushed back against the V1 Punks in January 2022, but at the same time, wrapped and sold some of its owned V1 Punks before issuing a DMCA takedown notice to OpenSea claiming a copyright violation.

Larva Labs ultimately spent the funds buying up official V2 Punks NFTs from owners and donated a matching amount to charity, but the clumsy situation left a bad taste in the mouths of some Punks owners.

Larva Labs also faced backlash for allegedly attacking valid projects that aren't actually trying to scam people and also for failing to clarify what Intellectual Property (IP) rights users have in relation to the CryptoPunk NFT they own.

CryptoPunks acquisition by Yuga Labs

In March 2022, YugaLabs, the team behind the wildly popular Bored Ape Yacht Club NFT collection (and its many spin-off collections) acquired the intellectual property (IP) rights for both CryptoPunks and Meebits from the Larva Labs team. The first thing they did was transferring IP, commercial, and exclusive licensing rights to the individual NFT holders, addressing one of the major controversies, as users were finally told what rights they have in relation to their CryptoPunk NFT.

As for the V1 Punks, Yuga Labs appeared uninterested in pursuing the DMCA, which expired, and the V1 Punks returned to OpenSea.



Brand Overview

Brand name: YugaLabs

Description: Shaping Web3 through storytelling, experiences and community. We believe that the potential of web3 can be realized when we start with imagination, not limitations. No borders, no rulers, just people making cool shit, together. In the Yugaverse, fans and players are owners and creators, and in the game of web3, everyone can create and play together on one team.

Sector: Mixed Media

Website: <https://yuga.com/>

Discord: <https://discord.gg/3P5K3dzgdB>

Members: 168K

Instagram: <https://www.instagram.com/boredapeyachtclub/>

Followers: 661K

Twitter: <https://twitter.com/yugalabs>

Followers: 362K

Useful links: -



CryptoPunks

Collection: CryptoPunks
Creator: Larva Labs
Blockchain: Ethereum (ETH)
Project info: 10,000 unique collectible characters with proof of ownership stored on the Ethereum blockchain. The project that inspired the modern CryptoArt movement. Selected press and appearances include Mashable, CNBC, The Financial Times, Bloomberg, MarketWatch, The Paris Review, Salon, The Outline, BreakerMag, Christie's of London, Art|Basel, The PBS NewsHour, The New York Times in 2018 and again in 2021.

The Cryptopunks are one of the earliest examples of a “Non-Fungible Token” on Ethereum, and were the inspiration for the ERC-721 standard that powers most digital art and collectibles.

Sector: Mixed Media
Category: PFP
Type: ERC-721
Total Supply: 10,000
Created: Jun 23, 2017
Method: Fixed Price Mint
Mint Price: Free
Creator fee: 0%

Utilities: The utility is the Art and they are considered a status symbol. People in the NFT community tend to see CryptoPunks owners as builders and visionaries. Rightly or wrongly, they are viewed as people who foresaw where NFTs were going and got in ahead of the curve. As a result, they are given the presumption of trust and status. In fact, a number of collectors have created entire personas, projects, communities, and brands around a single CryptoPunk NFT.

Roadmap: -

Marketplace: <https://cryptopunks.app/#>
<https://opensea.io/collection/cryptopunks>
Contract: <https://etherscan.io/address/0xb47e3cd837ddf8e4c57f05d70ab865de6e193bbb>
Website: <https://cryptopunks.app/#>



Related Collections

Collection: Meebits

Created: May 3, 2021

Project info: The Meebits are 20,000 unique 3D voxel characters, created by a custom generative algorithm, then registered on the Ethereum blockchain.

Marketplace: <https://opensea.io/collection/meebits>

Collection: Bored Ape Yacht Club

Created: Apr 24, 2021

Project info: The Bored Ape Yacht Club is a collection of 10,000 unique Bored Ape NFTs—unique digital collectibles living on the Ethereum blockchain. Your Bored Ape doubles as your Yacht Club membership card, and grants access to members-only benefits, the first of which is access to THE BATHROOM, a collaborative graffiti board. Future areas and perks can be unlocked by the community through roadmap activation. Visit www.BoredApeYachtClub.com for more details.

Marketplace: <https://opensea.io/collection/boredapeyachtclub>

Collection: Bored Ape Kennel Club

Created: Jun 18, 2021

Project info: It gets lonely in the swamp sometimes. That's why every ape should have a four-legged companion. To curl up at your feet. To bring you a beer. To fire a missile launcher at that bastard Jimmy the Monkey. That's why we've started the Bored Ape Kennel Club, and why we're offering up a dog NFT for adoption to every single member of the BAYC – for free (you only pay gas). Any royalties we accrue on secondary sales will be donated to charity. Learn more at: <http://boredapeyachtclub.com/#/kennel-club>

Marketplace: <https://opensea.io/collection/bored-ape-kennel-club>

Collection: Mutant Ape Yacht Club

Created: Aug 29, 2021

Project info: The MUTANT APE YACHT CLUB is a collection of up to 20,000 Mutant Apes that can only be created by exposing an existing Bored Ape to a vial of MUTANT SERUM or by minting a Mutant Ape in the public sale.

Marketplace: <https://opensea.io/collection/mutant-ape-yacht-club>



Collection: Otherside

Created: Apr 30, 2022

Project info: Otherdeed is the key to claiming land in Otherside. Each has a unique blend of environment and sediment — some with resources, some home to powerful artifacts. And on a very few, a Koda roams.

Marketplace: <https://opensea.io/collection/otherdeed>



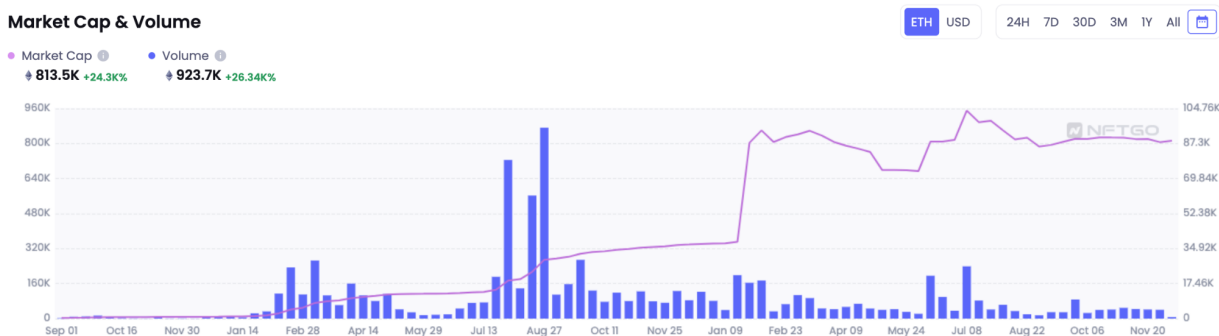
Market Overview

Note: The data below represents a snapshot of the market taken on 11th Dec, 2022
Source: <https://nftgo.io/collection/cryptopunks/overview>
Volume: 927,810 ETH
Floor price: 64.9 ETH
Listed: 10.45% (1045)
Owners: 36.64% (3663)

Volume analysis and price movements:



If we consider the whole period CryptoPunks have been around it is clear how early CryptoPunks were, long before marketplaces were born and trading NFTs became a thing.

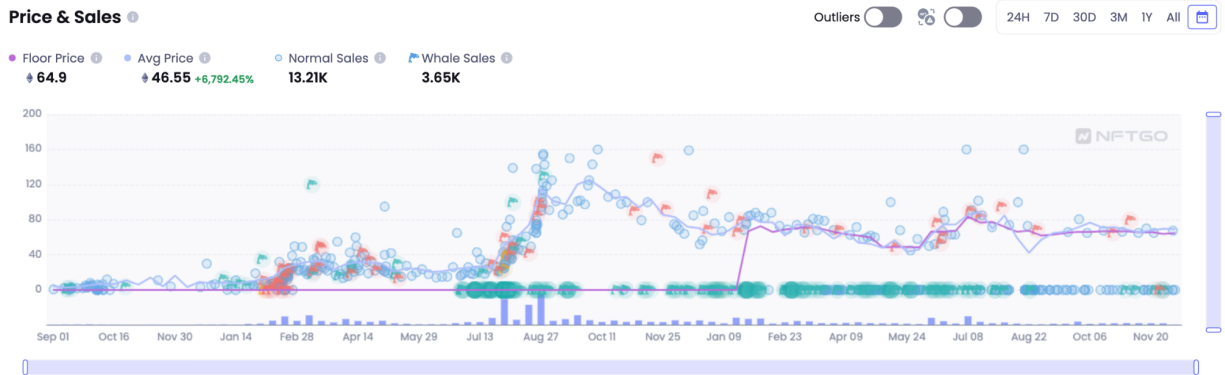


Volume began to show movements in late 2020, and started to pick up at the beginning of 2021. The first evident increase was in February 2021 when 104 CryptoPunks came up for auction at Sotheby's on February 23rd. Price moved from a range of 5 ETH to above 20.

The highest volume happened in the period June-August 2021 after Sotheby's sold CryptoPunk #7523 for a record \$11.8M, on June the 9th. In the following week the total volume was more than 30K ETH. The price rose quickly to above 100 ETH and although it was followed by a retraction around 70 ETH it never came back down to previous levels. At that point it became quite evident to everyone that CryptoPunks had entered the realm of legends becoming a valuable archaeological cryptoart and a status symbol.



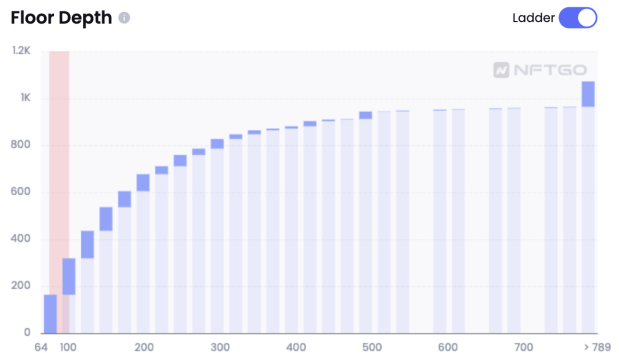
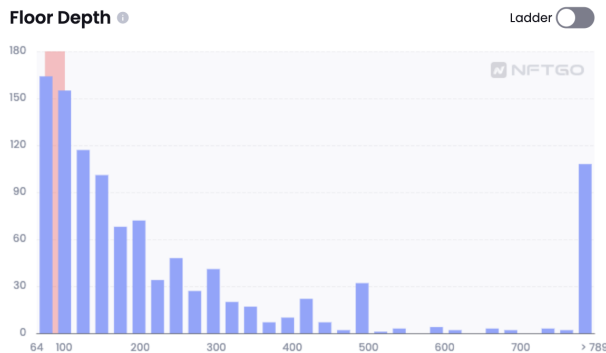
In 2022, On March the 11th YugaLabs announced the acquisition of CryptoPunks IP rights and that day alone the collection saw a volume of almost 12K ETH. Another one of the biggest daily spikes was on June the 18th, and the subsequent day when it was publicly announced that NFT apostle Noah Davis left Christie's for CryptoPunks (more than 15K on both days).



Throughout the period of the bear market, the price of punks remained stable (in ETH terms at least) and now sits at 64.9 ETH.

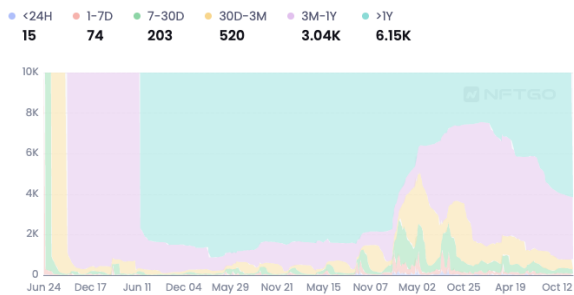
Floor depth analysis:

The total number of CryptoPunks listed is 1,045/10,000 but only 0.47% are listed at floor (within 15% from collection floor price, to indicate a holder intention to sell). Above the floor price we can observe a consistent number of listings (339) up to 114 ETH. Here we can find the intensive range, highlighted in red, which has 227 listings, between 74.85 and 101 ETH. Above 114 the listing starts to decrease rapidly up to the 500 ETH mark. From that point, where 10% of the listings are, the price starts to increase exponentially.

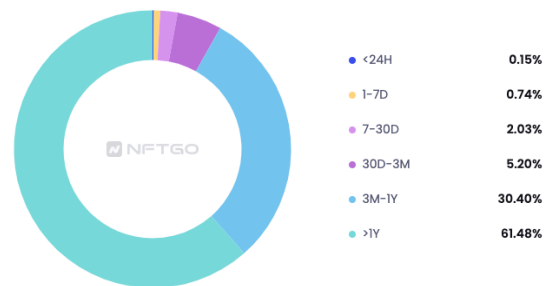


Holding distribution and top holders:

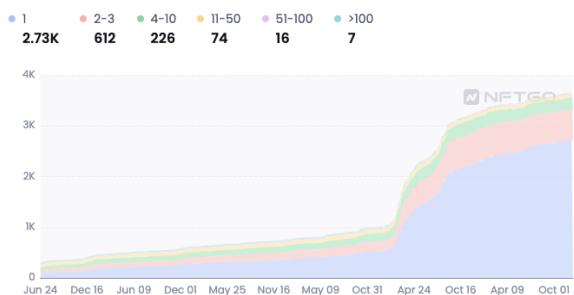
Holding Period Trends



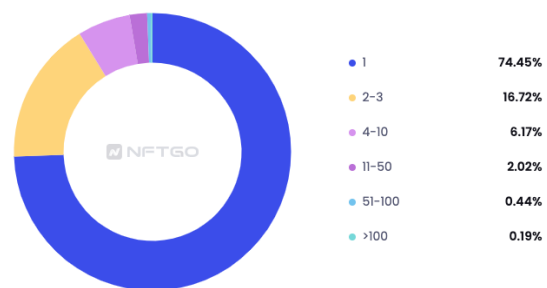
Holding Period Distribution



Holding Amount Trends



Holding Amount Distribution



The distribution over the period is unparalleled. With over 61% of its holders who held for more than one year it is quite clear how long CryptoPunks are around and that there are people willing to hold them for that long. It would be interesting to see the distribution above that mark but data is not easily retrievable.

If we include the 3+ months period, more than 90% have continued to hold them regardless of the continuous movement of the FPs. This is a hallmark of the longevity of the project and the long-term mindset of its owners. A good 5% is holding for more than 3 months which could represent possible new long term holders. The remaining 1%, most probably, represents the traders.

Regarding the amount distribution, the vast majority of the holders, given the entry price, can only afford one NFT, but there is still a good number of people who have around 2-3 NFTs (16.72%), which is a good sign of conviction in the project. The number of people who have between 4 and 10 NFTs is not negligible either, reaching 6.17%. About 5% have 4-10 NFTs The remaining 2% hold more than 10 NFTs and around 10 wallets go beyond the 100 threshold.



Top Holders Contract Top Holders Whales Blue Chip Holders

#	Address	NFTs	Estimated Value	Avg Cost	PnL	Unrealized Profit	Realized Profit	Last Deal
01	Wrapped Cry...	525 5.25%	35.96K	23.48	22.04K	23.64K	-16K	Aug 02, 2021
02	0xA858DD	422 4.22%	28.91K	0.4047	28.74K	28.74K	0	--
03	0xB88F61	218 2.18%	14.93K	2.69	14.35K	14.35K	0	--
04	wilcox.eth	215 2.15%	14.73K	0.0161	19.54K	14.72K	4.82K	Jul 17, 2022
05	0x577eBC	155 1.55%	10.62K	0.2522	22.61K	10.58K	12.03K	Nov 10, 2022
06	sovpunk...	146 1.46%	10K	0.1529	9.98K	9.98K	0	--
07	0x26f744	141 1.41%	9.66K	0	9.66K	9.66K	0	--
08	CryptoPunks	137 1.37%	9.38K	0.9964	10.51K	9.25K	1.26K	3 hours ago
09	0x2bE665	100 1.00%	6.85K	55.42	1.31K	1.31K	0	--
10	0x4084df	98 0.98%	6.71K	0	6.71K	6.71K	0	--

The top holder is a contract called Wrapped Cryptopunks (<https://www.wrappedpunks.com/>). (to not confuse it with CryptoPunks V1 (wrapped) which is a different collection). Since CryptoPunks were created long ago they do not follow the ERC-721 standard, on which most of the current marketplace work with. Wrapped Cryptopunks allows you to convert your CryptoPunks into ERC-721 tokens and lets you trade and exchange them for ETH.

The second contract holds the CryptoPunks that YugaLabs received as part of the deal with Larva Labs (at the time 423 CryptoPunks and 1711 Meebits).

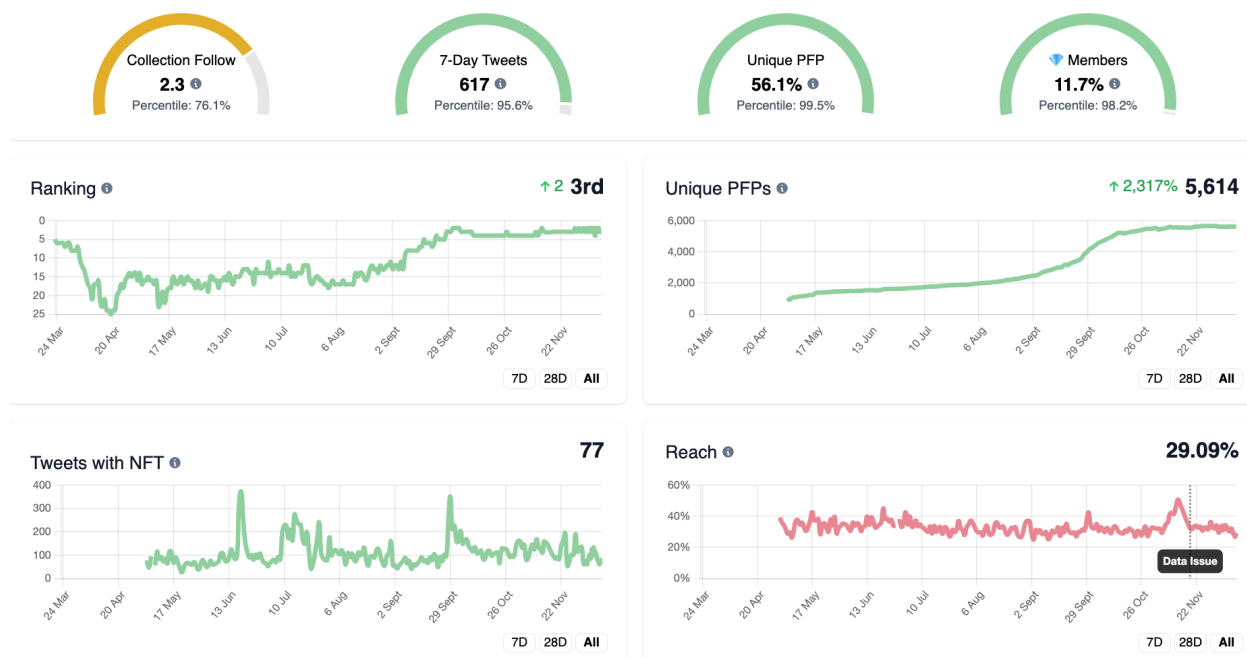
Influential supporters and critics:

Coming soon!



Community Statistics

Source: <https://www.nftinspect.xyz/collections/0xb47e3cd837ddf8e4c57f05d70ab865de6e193bbb>



The community strength, calculated on different social signals is placed 3rd and in the last 3 months it has remained quite stable.

While the number of members who follow each other do not reach the top 10%, the number of times the project is mentioned during the week is in the top 5%, with 617 mentions per week and the times you can see the image of a CryptoPunks NFT, in a tweet, is on average 77 times a day.

The number of PFPs is over 5600, making CryptoPunks quite widespread, in fact it is in the top 1%. Since the data was available, from May 2022, the number of unique PFPs have notably increased over time, indicating that many people want to flex their CryptoPunk avatar.

Even though the OG members are in the top 2% they represent “only” the 11.7% of the total members. This is only because this data is calculated on holders who have been in the collection for more than 75% of its lifetime, which was in the far 2017. These are the real OGs of Web3.

The reach of the community in the Web3 space is very good, almost 30%.



Team

The project was launched in June 2017 by the Larva Labs studio, a two-person team consisting of Canadian software developers Matt Hall and John Watkinson. The experimental project was inspired by the London punk scenes, the cyberpunk movement, and electronic music artists Daft Punk.

Doxxing: Doxxed

Co-Founder: <https://twitter.com/matthall2000>

Followers: 18K

Co-Founder: <https://twitter.com/pents90>

Followers: 26K

Following the CryptoPunks acquisition, YugaLabs hired in June 2022, Noah Davis, who left his digital sales manager position at Christie's to work on the CryptoPunks collection.

Brain Lead: <https://twitter.com/NonFungibleNoah>

Followers: 49K



Tokenomics

Description: Not relevant at this time

Name:

Contract:

Overview:

Market cap:

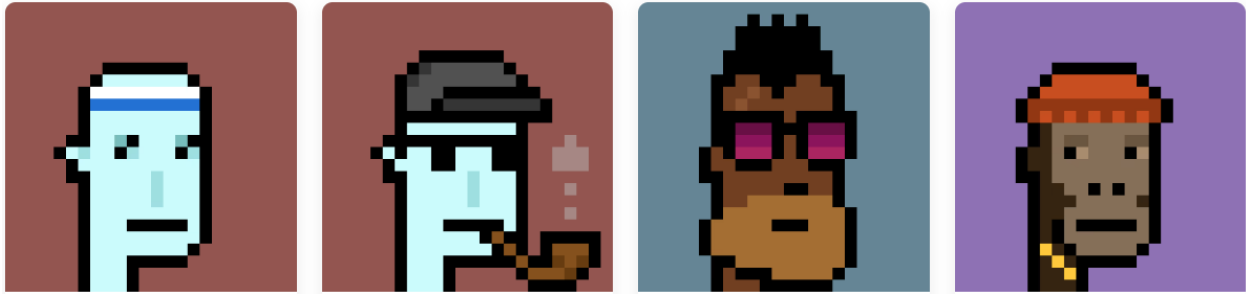
Price:

Website:

Twitter:



Art / Licenses & Intellectual Property



Art:

Hall and Watkinson developed the punk concept behind the NFT collection as an homage to the cypherpunk movement that drove the earliest stages of cryptocurrency adoption. Each Punk is a blend of attributes that draw inspiration from the cypherpunk subculture and its diverse members.

CryptoPunks were initially conceptualized for use in games and apps, but their artistic approach to portrait images have since inspired many other profile picture (PFP) NFT collections like the Bored Ape Yacht Club, World of Women and Cool Cats (to name a few).

The pixel art aesthetic direction of the collection has become immediately recognizable thanks to its creative simplicity and diversity. There are 10,000 unique 24×24 pixel art images that depict mostly humans (6,039 male and 3,840 female). However, there are several other unique types, which are considered more valuable because of their rarity. These include zombies (88), apes (24), and aliens (9).

Each CryptoPunk can exhibit a combination of 87 unique attributes: skin color, hairstyle, accessories, etc. Certain traits have emerged as more desirable, and therefore more valuable within the collection. This scarcity of specific traits has been a driver of collectibility. For example, there are only 44 Punks wearing a beanie, 48 wearing a choker and 78 with buck teeth. Some of them have extremely rare attributes and CryptoPunks that have multiple rare traits are generally more sought after in the market and often command higher prices. Punk #5822 (\$23.7M) is the most expensive punk to date.

Licenses & IP:

When YugaLabs announced the acquisition of the IP rights for the CryptoPunks and Meebits NFT collections from Larva Labs, the first thing they did was giving full commercial rights to the NFT holders, just like was done for BAYC and MAYC owners.



News / Announcements

Below you can find the list of the most relevant news, especially those that have had a significant effect on the value of the collection.

- May 12, 2021 Christie's sold 9 CryptoPunks for just under \$17M.
<https://news.artnet.com/market/sothebys-to-offer-cryptopunk-nft-single-lot-evening-sale-30-million-high-estimate-2069936>
- Jun 9, 2021 Sotheby's sold CryptoPunk #7523 for a record \$11.8M.
<https://cointelegraph.com/news/sotheby-s-auction-sets-new-world-record-for-11-8m-cryptopunk-sale>
- Jan 25, 2022 Larva Labs push back against the V1 Punks
<https://twitter.com/cryptopunksnfts/status/1486092138534387712>
- Feb 23, 2022 The Largest Group of CryptoPunks (104) auctioned at Sotheby's
<https://cointelegraph.com/news/cryptopunks-have-changed-the-history-of-art-says-panel-at-sotheby-s-auction>
- Mar 11, 2022 YugaLabs acquires from Larva Labs CryptoPunks and Meebits IPs.
<https://twitter.com/yugalabs/status/1502420714527334406?lang=en>
- Jun 19, 2022 NFT apostle Noah Davis leaves Christie's for CryptoPunks
<https://twitter.com/NonFungibleNoah/status/1538584141419143168>



Industry Comparison

Coming soon! This section will look at 3 or more similar projects and compare them to determine their relative strengths and weaknesses.



Report Analysis

With major art auctioneers expressing their interest in CryptoPunks, the collection has been a lucrative investment for many that recognized their aesthetic appeal and cultural significance early on.

For those looking to claim a piece of what many perceive to be a groundbreaking digital art, you may consider purchasing a CryptoPunk.

For others looking to flex their affiliation with a well-known and established community... you may consider purchasing a CryptoPunk.

Finally for those looking for a long-term investment with stable value but great growth potential, you may consider purchasing a CryptoPunk.

I find no better way to conclude this report than to quote two CryptoPunks enthusiasts who spoke during Sotheby's auction.

The panelist Rabinovitz, who produced a documentary about the team in 2018, began by lauding CryptoPunks as the first project “to get everything right.” From the aesthetics to its marketplace, Larva Labs “sprinkled their magic” on an experiment to test digital ownership. He added that the beauty of CryptoPunks goes “beyond the pixels and the cultural payload”, and that the code is “gorgeous” enough to print, frame and hang on the wall.

“Another panelist Schachter, on the other hand, discovered NFTs and CryptoPunks much later in 2020, admitting he didn't like it at first. “I think one of the most important things in life is to relate and try to understand why you don't like what you don't like”, he said, adding that he eventually learned to fall in love with CryptoPunks.

He explained: “They've become a paradigm shift in the history of culture, something which is a hybrid between Fine Art and collectibles. They have changed the history of art without even intending to be an art piece in the first place.”

In NFTs, there's nothing quite as punk as owning a CryptoPunk. A status symbol, a piece of Internet history, and an unspeakably valuable asset. Regardless of what one might think of CryptoPunks, it is beyond question that they have become a Web3 benchmark. In addition to being a status symbol, they can be considered archaeological cryptoart. Their value is firmly tied to the health of Web3, and if you firmly believe in its success, you can rest assured that CryptoPunks will do the same.

CryptoPunks may be the most important NFT project there is.



Resources

Below you can find the list of sources, divided by sections, that have been used to compile the report:

Introduction:

<https://www.kraken.com/learn/what-are-cryptopunks>

<https://nftnow.com/guides/cryptopunks-guide/>

<https://decrypt.co/100692/v1-cryptopunks-rarible-marketplace-larva-labs-dispute>

Brand Overview:

<https://yuga.com/>

CryptoPunks:

<https://cryptopunks.app/#>

<https://opensea.io/collection/cryptopunks>

Related Collections:

-

Market Overview:

<https://nftgo.io/collection/cryptopunks/overview>

Community Statistics:

<https://www.nftinspect.xyz/collections/0xb47e3cd837ddf8e4c57f05d70ab865de6e193bbb>

Team:

<https://observer.com/2022/08/nft-expert-noah-davis-on-beeple-cryptopunks-and-the-comfort-of-knowing-nothing/>

Tokenomics:

<https://luckytrader.com/articles/how-to-earn-milk-token-in-the-new-cool-cats-cooltopia-nft-game>

Art / Licenses & IP:

<https://www.kraken.com/learn/what-are-cryptopunks>

<https://nftnow.com/guides/cryptopunks-guide/>

<https://twitter.com/yugalabs/status/1502420714527334406?lang=en>

<https://cryptopunks.app/cryptopunks/terms>

News / Announcements:

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Report Analysis:

<https://cointelegraph.com/news/cryptopunks-have-changed-the-history-of-art-says-panel-at-sotheby-s-auction>

