PERMIAN CAPITAL MANAGEMENT

Ethereum: The Global Settlement Layer for Financial Markets

TradFi Migration Forecast & Valuation Scenarios | June 2025

Tradfi Onchain Migration Forecast 2030-2040

ASSET CLASS	2030 ADOPTION	2040 ADOPTION	KEY DRIVERS
EQUITIES	15-20%	55-65%	Tokenized ETFs, regulatory clarity (2027-28)
GOV'T DEBT	8-12%	45-55%	CBDC initiatives, automated treasury auctions
CORPORATE BONDS	20-25%	60-70%	Smart contract automation, reduced issuance costs
REAL ESTATE	10-15%	40-50%	Fractional ownership, on-chain property registries
DERIVATIVES	25-35%	70-80%	24/7 trading, reduced counterparty risk

Claude

Ethereum: Network Effects & Economic Moats

NETWORK SCALE METRICS

Total Value Locked (TVL)	**$63.2B**	+127% YoY
Active Developers (Monthly)	**4,200+**	+31% YoY
Deployed Smart Contracts	**47M+**	+185% YoY
Daily Active Addresses	**1.3M**	+89% YoY
Layer 2 Solutions	**15+**	Production Ready
Institutional Validators	**850K+**	$27B Staked

DEFENSIVE MOATS

DEVELOPER ECOSYSTEM

Largest blockchain developer community with established tooling, frameworks, and institutional support infrastructure

LIQUIDITY CONCENTRATION

57% of DeFi TVL concentrated on Ethereum creates self-reinforcing liquidity advantages

INSTITUTIONAL INFRASTRUCTURE

Mature custody, compliance, and regulatory frameworks reduce switching costs for institutional adoption

NETWORK SECURITY

$27B+ economic security through Proof-of-Stake creates highest cost of attack among smart contract platforms

NETWORK EFFECTS REINFORCEMENT LOOP

MORE DEVELOPERS
Larger talent pool, better tooling, faster innovation cycles

→

MORE APPLICATIONS
Increased utility, use cases, and user value propositions

→

MORE USERS & TVL
Higher transaction volume, network activity, fee generation

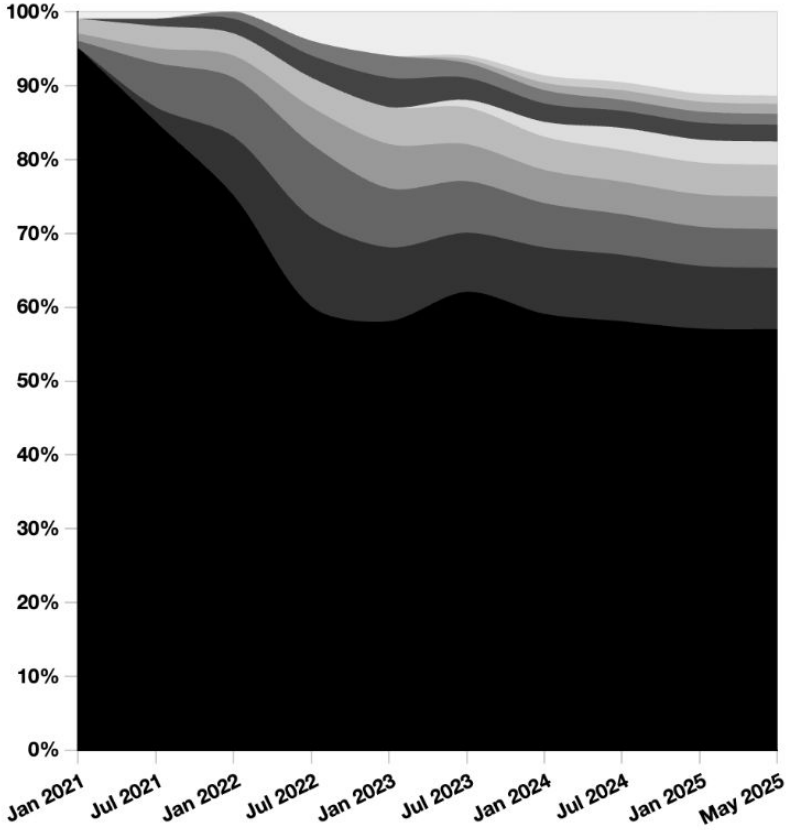
→

MORE SECURITY & VALIDATORS
Enhanced network security, institutional confidence, lower risk

INFRASTRUCTURE BUILD-OUT COST COMPARISON

INFRASTRUCTURE TYPE	TRADITIONAL BUILD COST	TIME TO DEPLOY	ETHEREUM EQUIVALENT	COST ADVANTAGE
Global Payment Network	$15-25B	10-15 years	Smart Contract Deployment	**99.9%+ reduction**
Trade Settlement System	$5-10B	5-8 years	DeFi Protocol	**99.8%+ reduction**
Cross-Border Clearing	$8-12B	7-12 years	Bridge Protocol	**99.9%+ reduction**
Asset Custody Network	$3-7B	3-5 years	Multi-sig/Smart Custody	**99.5%+ reduction**

Ethereum hosts 55-60% of onchain assets



MARKET SHARE BREAKDOWN

Ethereum	**56.92%**
Solana	**8.3%**
BSC	**5.25%**
Tron	**4.41%**
Bitcoin	**4.31%**
Base	**3.16%**
Arbitrum	**2.29%**
Avalanche	**1.46%**
Sui	**1.35%**
Aptos	**1.11%**
Others	**11.43%**

Valuations: Ethereum vs JPMorgan vs Swift

METRIC	ETHEREUM (2040 EST.)	JPMORGAN (2024)	SWIFT (2024)
ASSETS SECURED	$232.5T	$3.4T	$150T+ (messages)
MARKET CAP	$4–37T (depending on method)	~$550B	N/A
TRANSACTIONS PER DAY	1M+ (and scaling)	~50M	~42M messages/day
SETTLEMENT FINALITY	12 minutes or less	1–2 days	2–5 days
OPEN ARCHITECTURE	Yes	No	No

ETH Price Targets: $39k Base Case, $310k at JPMorgan Efficiency

SCENARIO	SECURED ASSET VALUE	ETH MONETIZATION RATE	ETH MARKET CAP	EST. ETH SUPPLY	PRICE PER ETH
BASE CASE (2% monetization)	$232.5T	2%	$4.65T	120M	$38,750
AGGRESSIVE (3% monetization)	$232.5T	3%	$6.98T	120M	$58,167
JPMORGAN ANALOG (16% monetization)	$232.5T	16%	$37.2T	120M	$310,000

KEY ASSUMPTION

Assumes 60% on-chain migration of TradFi assets by 2040 with Ethereum as dominant infrastructure layer. Scenarios vary by monetization efficiency: Base case 2% (conservative), Aggressive 3% (moderate growth), JPMorgan Analog 16% (matching traditional financial institution efficiency at monetizing secured assets).

SCENARIO PROBABILITIES

Base Case (2%)	**60%**
Aggressive (3%)	**30%**
JPMorgan Analog	**10%**

EXPECTED VALUE ANALYSIS

Probability-Weighted Price	**$72,325**
Median Scenario	**$38,750**
Conservative Floor	**$38,750**
Upside Potential	**8x - 12x**