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## [ PDF Database Document ] - BTCC Cryptocurrency Exchange

Original:

<https://www.btcc.com/en-US/academy/guide/tge-≠-get-rich-from-hype-traps-to-overpriced-valuations-its-time-to-understand-the-structure>

### **TGE ≠ Get Rich: From Hype Traps to Overpriced Valuations, It's Time to Understand the Structure**

"If everyone is chasing fireworks, then the real gold mine is often hidden in silence." Whether in Web3 or real life, few will tell you this truth. But investing is never a magic show—flashy appearances cannot hide the data and logic you fail to see. Let's remove the filter and look at the real picture behind token listings.



## **Social Hype Is Not a Profit Engine**

According to a systematic study by Simplicity Group on the top 40 token launches before 2025, social engagement (likes, shares, comments, etc.) has virtually no statistically significant correlation with post-listing token returns. The  $R^2$  of the regression analysis is only 0.038, even slightly negative, showing that "social hype" is practically useless in predicting market performance.

In other words, if investors use social media popularity as their main basis for judgment, they are likely to fall into a hype trap. Projects with tens of thousands of shares and trending hashtags often feature persona marketing, inflated data, bot traffic, and other signs of "false prosperity."

This is like an on-chain wallet with a fancy address—though it looks prominent, it doesn't mean it's making money. In the meme space, there's no shortage of loss-heavy yet high-heat "vanity wallets" whose bubbles can be popped with real data.

## **Low Circulating Supply $\neq$ Undervalued; High FDV Usually Means Selling Pressure**

A trending narrative in recent years is "low circulating supply + high FDV (Fully Diluted Valuation)" to create a sense of scarcity and drive up early prices.

Simplicity Group's research also noticed that this logic of "low float equals opportunity" doesn't hold water.

There is no significant correlation between initial circulating ratio and market returns, but Initial Market Cap (IMC) is one of the strongest variables affecting performance, with an  $R^2$  of 0.273. A higher IMC often means the project's valuation has been overly "priced in" even before launch, resulting in greater selling pressure and limited upside.

For rational investors, the key metric to monitor is the actual circulating market cap at launch, not the "only 2% unlocked" style of misleading low-float messaging.



## **VC-Backed Projects Don't Guarantee Price Gains**

Many retail investors mistakenly believe that having prominent VC investors means a project is "safe" and "bound to rise."

This is a serious misconception. The correlation between VC funding amounts and token performance is weak and statistically insignificant—and may even carry hidden risks.

Larger funding rounds often mean higher valuations, which also brings a lower price ceiling. Combined with unlock expectations and institutional arbitrage mechanisms, these projects can easily become sources of early sell pressure after listing.

# Hype Is Not a Moat

A widely used “launch template” includes: coordinating with major social media influencers on listing day, airdrop leaderboard campaigns, KOL hype rotations—all designed to instantly max out attention and create a collective FOMO of “buy now or miss the moonshot.”

However, the reality is often brutal.

According to tracking data from the April 2025 joint report by Arkham Intelligence and Dune Analytics, over 72% of projects saw community activity plunge by over 60% within one week of launch. Average on-chain trading volume shrank by 54.3%, and over 80% of those tokens dropped below their initial offering price within 30 days.

The core reason for this is that most of these projects “peak at launch,” lacking real user engagement or product stickiness. Once the marketing push slows, users vanish, and the market valuation collapses.

In contrast, projects with usable products and on-chain interaction records prior to launch show completely different trajectories.

Take Astria and Ether.fi as examples:

Astria adopted an “engage-to-airdrop” strategy during its testnet phase and accumulated over 130,000 genuine user interactions (source: Dune @zk-airdrop-tracker dashboard, 2025-03).

Ether.fi enabled early access to its LSD module before listing, and user locked asset value continued to rise above \$600 million (TokenTerminal data, 2025-04).

Both projects achieved over 20% positive returns within 30 days post-listing, with on-chain active address retention rates exceeding 68%—well above the 23.4% average of “social-media-driven” projects.



The conclusion is clear: truly valuable projects start “building momentum” before they go live—not whipping up waves at the last moment.

# Quantifiable Fundamentals Matter More Than Vanity Metrics

In H1 2025, Simplicity conducted an in-depth study of 40 new token listings, covering over 50,000 on-chain transactions and social media interactions. The results show that what determines early performance isn't the number of likes, shares, or total funds raised—but quantifiable structural fundamentals:

## **Actual Product Utility: The Core Driver of User Retention**

Projects that truly attract and retain users tend to deliver clear practical value. For example, Bubblemaps visualizes wallet address concentration to help investors identify whales and risky entities; Kaito leverages semantic search and AI to empower on-chain data. Unlike purely narrative-driven meme tokens, these tool-based platforms create reusable content and genuine demand on-chain, leading to stronger user stickiness and institutional interest.

## **On-Chain Transaction Retention Rate: A Key Health Metric**

Projects that maintain trading activity on day 7 and day 30 post-launch show more controlled price movements and steadier trends. Using Spearman rank correlation, Simplicity found that tokens with higher retention rates significantly outperformed low-retention ones in the short term, with statistical significance at  $p = 0.014$ . This demonstrates that hype-driven short-term volumes can't sustain a stable price structure.

## **Reasonable Initial Market Cap (IMC): Core to Risk-Reward Evaluation**

IMC is the strongest predictor of early token price performance. When initial market cap doubles, the average return in the first week drops by about 1.37 times. In other words, the higher the valuation, the more likely it is to create "overhang pressure," becoming a major sell zone. Reasonable initial valuation is thus fundamental to long-term project development.

## **Project Team's Operational Style**

For example, the Walrus project gained 357% in its first month post-listing by combining sincere, humorous update communications with synchronized feature rollouts. Hyperlane saw a 533% gain due to consistent and transparent roadmap updates.

In contrast, Powerloom, despite raising \$5.2 million, exaggerated its claims and misrepresented its roadmap—resulting in a 77% drop in the first week and a cumulative 95% loss, a textbook example of a burst "vanity bubble."

## **Clarity of Regulatory Path**

According to the June 2025 "Compliance Readiness Tracker" by DeBank, projects that disclosed legal counsel support or proactively pursued major exchange listings had a 6-month median return of 34%. In contrast, projects without any compliance disclosure saw an average drop of 12.5%. Hyperlane Protocol, for instance, drew sustained market interest by regularly updating its legal structure and advocating for ETF support, achieving over 5x cumulative returns.





## Outlook

Under the spotlight of the crypto market, too many projects emerge in a blaze of hype and airdrops—only to fade into silence once the data dries up. Social metrics, float engineering, VC endorsements—these shiny labels often obscure real value judgments. Studies already show that a project’s success isn’t determined by share counts—but by the “invisible” fundamentals that form the true logic for outperforming the market.

The essence of investing is not betting on fireworks, but identifying the spark. In an age of information overload, judgment scarcity matters more than information scarcity. May we all learn to remove the filter, set aside emotions, and build our own “firewalls” with data and common sense. The next bull run may not belong to the loudest voices—but to those who see the clearest and choose the wisest.

**Risk Disclaimer:** The above content is for reference only and does not constitute any investment advice or trading recommendation. The market carries risks; please exercise caution and ensure proper risk management.

For more detailed market analysis, strategies, and educational resources, visit [BTCC Academy](#) and stay ahead of the curve in the rapidly evolving crypto space.

# How to Trade Crypto on BTCC?

This brief instruction will assist you in registering for and trading on the BTCC exchange.

## Step 1: Register an account

The first step is to hit the “Sign Up” button on the BTCC website or app. Your email address and a strong password are all you need. After completing that, look for a verification email in your inbox. To activate your account, click the link in the email.

**Limited time only. Claim your 10,055USDT welcome reward**

08h : 39m : 07s

→

**Stay Ahead, Stay Secure, with BTCC**

<b>250X</b> Leverage	<b>300+</b> Cryptocurrencies	<b>0.045%</b> Max. fee	<b>0.01%</b> Min. fee
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👑 Upgrade to VIP for amazing privileges!

### Create Account

Registration takes only 30 seconds

Email Mobile

Email address

Create a password

Referral code (optional) ▼

Register now

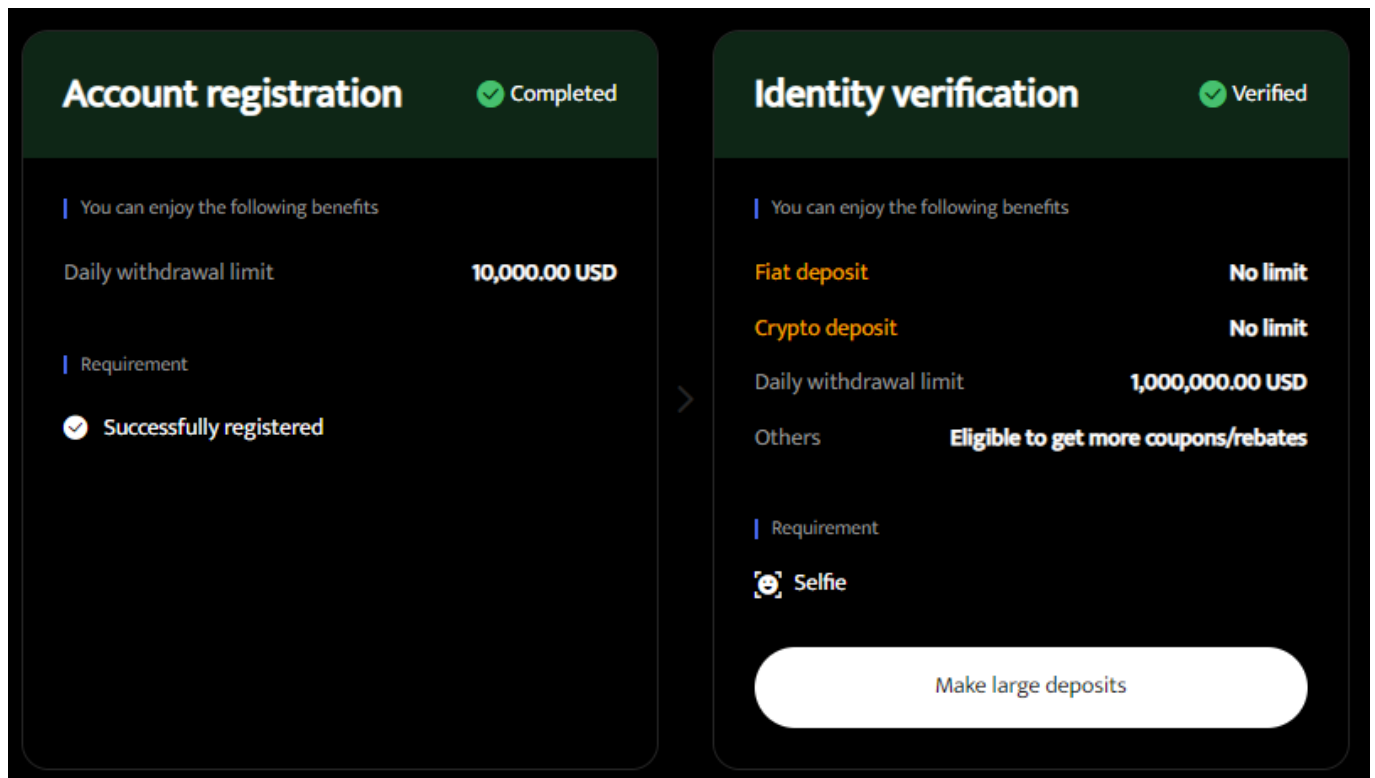
Or register via

Google Apple Telegram

By creating an account, I agree to BTCC's [Privacy Policy](#) and [User Agreement](#).

## Step 2: Finish the KYC

The Know Your Customer (KYC) procedure is the next step after your account is operational. The main goal of this stage is to maintain compliance and security. You must upload identification, such as a passport or driver's license. You'll receive a confirmation email as soon as your documents are validated, so don't worry—it's a quick process.



### Step 3. Deposit Funds

After that, adding money to your account is simple. BTCC provides a range of payment options, such as credit cards and bank transfers. To get your money into your trading account, simply choose what works best for you, enter the amount, and then follow the instructions.

- **Fiat Deposit.** Buy USDT using Visa/Mastercard (KYC required).
- **Crypto Deposit.** Transfer crypto from another platform or wallet.

## Fund Your Account



I don't have crypto assets



### Fiat Deposit

Fund your account with USDT using  
Visa/Mastercard



### P2P

Buy and sell cryptos with flexible payment  
methods and 0 transaction fees.



I have crypto assets



### Crypto Deposit

Get the deposit address for BTC,ETH,or any  
other crypto and deposit via the blockchain.



## Step 4. Start Trading

If you wish to follow profitable traders, you might go for copy trading, futures, or spot trading. After choosing your order type and the cryptocurrency you wish to trade, press the buy or sell button. Managing your portfolio and keeping track of your trades is made simple by the user-friendly interface.





Look more for details: [How to Trade Crypto Futures Contracts on BTCC](#)

## BTCC FAQs

### Is BTCC safe?

Based on its track record since 2011, BTCC has established itself as a secure cryptocurrency exchange. There have been no reports of fraudulent activity involving user accounts or the platform's infrastructure. By enforcing mandatory know-your-customer (KYC) and anti-money laundering (AML) procedures, the cryptocurrency trading platform gives consumers greater security. For operations like withdrawals, it also provides extra security features like two-factor authentication (2FA).

### Is KYC Necessary for BTCC?

Indeed. Before using BTCC goods, users must finish the Know Your Customer (KYC) process. A facial recognition scan and legitimate identification documents must be submitted for this process. Usually, it is finished in a few minutes. This procedure has the benefit of strengthening the security of the exchange and satisfying legal requirements.

Because their accounts will have a lower daily withdrawal limit, those who do not finish their KYC are unable to make deposits. It should be noted that those who present a legitimate ID without a facial recognition scan will likewise have restricted withdrawal options.

### Is There a Mobile App for BTCC?

Indeed. For users of iOS and Android, BTCC has a mobile app. The exchange's website offers the mobile app for download. Since both the web version and the mobile app have the same features and capabilities, they are comparable.

## **Will I Have to Pay BTCC Trading Fees?**

Indeed. BTCC levies a fee for trade, just like a lot of other centralised exchanges. Each user's VIP level, which is unlocked according to their available money, determines the different costs. The BTCC website provides information on the charge rates.

## **Can I Access BTCC From the U.S?**

You can, indeed. According to its website, BTCC has obtained a crypto license from the US Financial Crimes Enforcement Network (FinCEN), which enables the cryptocurrency exchange to provide its services to investors who are headquartered in the US.

According to BTCC's User Agreement document, its goods are not allowed to be used in nations and organisations that have been sanctioned by the United States or other nations where it has a licence.

### **BTCC Guide:**

- [How to Trade Crypto Futures Contracts on BTCC](#)
- [BTCC Guide-How to Deposit Crypto on BTCC?](#)
- [What is Crypto Futures Trading - Beginner's Guide](#)
- [What is Leverage in Cryptocurrency? How Can I Trade at 100X Leverage?](#)
- [BTCC Review 2024: Best Crypto Futures Exchange](#)

### **Crypto Buying Guides:**

- [How To Buy Bitcoin \(BTC\)](#)
- [How To Buy Picooin](#)
- [How To Buy Ethereum \(ETH\)](#)
- [How To Buy Dogecoin \(DOGE\)](#)
- [How To Buy Pepe Coin \(PEPE\)](#)
- [How To Buy Ripple \(XRP\)](#)

### **Crypto Prediction:**

- [Ethereum \(ETH\) Price Prediction 2024, 2025, 2030 — Will ETH Reach \\$10,000?](#)
- [Ethereum Price Prediction 2024, 2025, 2030: How High Can ETH Go in 2024?](#)
- [Bitcoin \(BTC\) Price Prediction 2024, 2025, 2030 — Is BTC a Good Investment?](#)
- [Ripple \(XRP\) Price Prediction 2024, 2025, 2030 — Will XRP Reach \\$1 After SEC Lawsuit?](#)
- [Pi Coin Price Prediction 2024,2025,2030 — Is Pi Coin a Good Buy?](#)
- [Pepe \(PEPE\) Price Prediction 2024, 2025, 2030 - Will PEPE Reach \\$1](#)