KNTQ · Kinetiq on Hyperliquid · $112M market cap at entry · Updated November 9, 2026

Kinetiq: Hyperliquid's New Economic Engine

Long KNTQ at a $0.35 entry, targeting $1.00 by December 2027.



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Track
Long positions under $250M MC (circulating)

DATA FROM

Hyperliquid · HyperEVM · DefiLlama · CoinGecko · Blockworks · Allium

SCAN FOR THE LIVE MODEL

matsuresearch.com/kinetiq-model

Franklin Crypto Research Competition, UBC 2026

Informational only. Not investment advice.

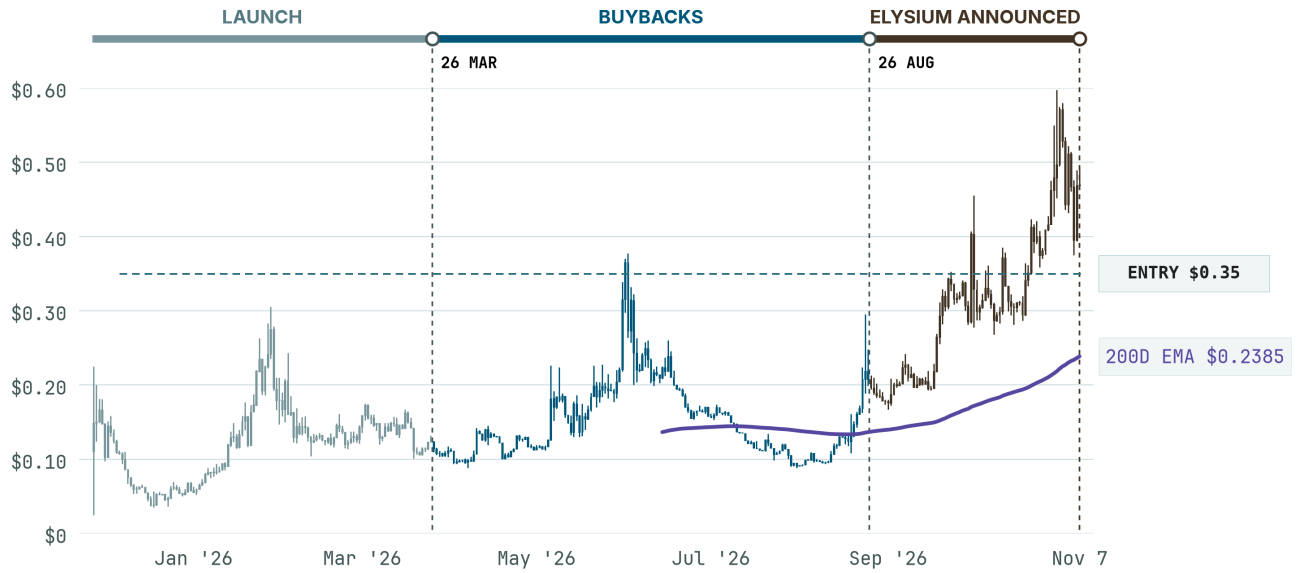
Executive Summary

Kinetiq is the largest liquid staking protocol on Hyperliquid, solving HyperEVM's throughput bottleneck for DeFi activity by building Elysium, Hyperliquid's first layer 2, which launched on November 9. We believe KNTQ, Kinetiq's native token, is undervalued on liquid staking multiples as it rerates into the single value-capture asset for both L2 sequencer fees and liquid staking revenue.

Key Takeaways

- Kinetiq has built two products: **kHYPE**, Hyperliquid's largest LST, and **Elysium**, Hyperliquid's first L2. kHYPE holds **~23%** of Hyperliquid L1's TVL, about **$766M**, with **77%** of its liquid staking market, and Kinetiq has earned **$3.30M** of revenue in the trailing 12 months.
- KNTQ is an **asymmetric bet on Hyperliquid adoption** that wins from both ends. It moves **1.37x** HYPE's daily returns as HYPE has gained **150%** against BTC. Staking grows as conviction in HYPE grows, while Elysium pays gas in HYPE and sends **50% of its sequencer revenue** to buy KNTQ on the open market, with **no separate Elysium token**. At our **$0.35 entry**, KNTQ's market cap is **34x** its trailing 12-month revenue, near the **10.5x** median for liquid staking tokens and far below the **176x** median for L2 tokens.
- We believe the market overweights the token unlocks starting **November 27**, which vest **12.92M KNTQ a month** for the next 24 months. Elysium's launch could create a pump for investors to exit into, though we expect its partner launches to carry demand beyond the cliff. Even if half of every unlock is sold, selling averages **$3.65M a month**, and buyers from KNTQ's Jan-Oct 2026 trading cover **92%** of it. We expect sequencer buybacks and a growing buyer base to close that gap.
- Hyperliquid's dual-block design suits perps but congests HyperEVM for DeFi, where swaps have cost as much as **$20**. Elysium launched with **100-millisecond blocks**, a **token pipeline** to HyperCore listings, and Uniswap, Pump.fun, fomo and Derive on board. Their activity drives the sequencer fees we value; additionally, certain partners have pledged **40%** of their revenue to KNTQ buybacks.
- We hold KNTQ to a **$1.00** target by December 2027, **186% above our $0.35 entry**, which assumes about **$750K a month** of KNTQ buybacks: Blast-level sequencer fees from Elysium plus our estimate of partner buying. We value those buybacks at **54.6x** holder revenue and grow buyers an average **4% a month**. Our base case puts KNTQ at **$0.66**; our bear case, at the comparable median, **$0.25**.

Figure 1. Kinetiq price and catalysts



Source: Hyperliquid (KNTQ/USDH to May 20, 2026, then KNTQ/USDC), Kinetiq blog and docs. Daily UTC candles through November 7, 2026; the dashed line marks our $0.35 entry, the November 9 low.

Project Overview

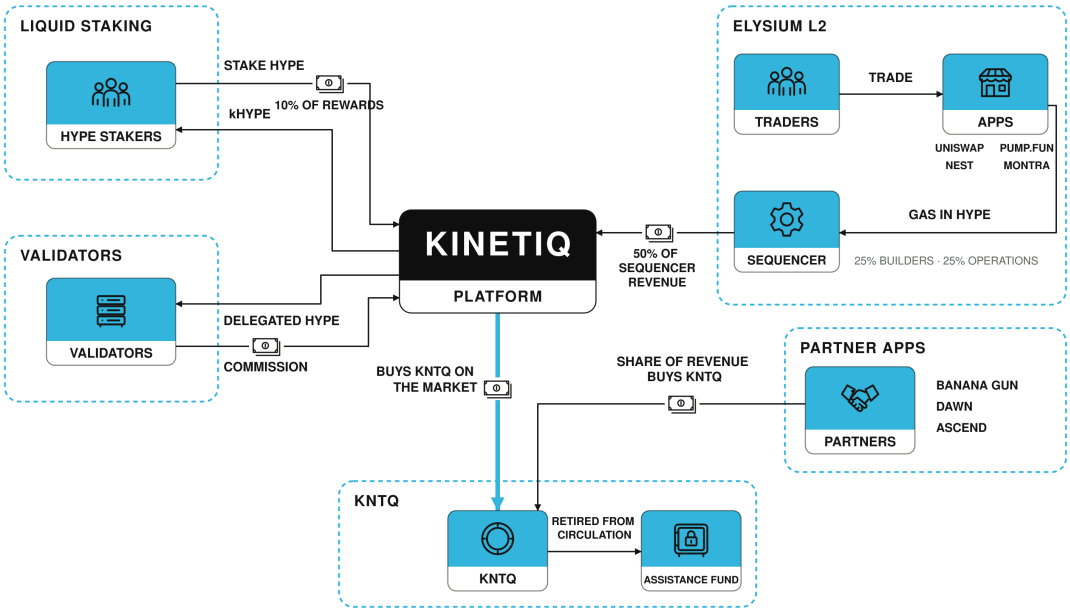
Kinetiq: Becoming Hyperliquid's Economic Engine

At first glance, Kinetiq's fundamentals are lackluster. kHYPE's $766M in TVL is small next to Lido's $18.7B. Even with over 80% of Hyperliquid's liquid staking market, only $910K of Kinetiq's $3.3M in protocol revenue reached KNTQ holders. But Elysium is where Kinetiq's growth potential lives. Elysium is built as an Arbitrum Orbit chain that settles on HyperEVM and uses HYPE as gas. KNTQ stays the single value-capture asset, so if Elysium draws real activity, Kinetiq no longer depends mainly on staking revenue for its buybacks. Robinhood Chain and Base launched on large customer bases, though few of those customers use DeFi; Robinhood Chain still earned $47.7M in fees in its first four months. Elysium launches with fomo and Pump.fun, opening it to over 3 million lifetime users. That audience is smaller, so we treat Robinhood Chain and Base as the ceiling: at their fee levels, KNTQ buybacks would grow more than 10x within 12 months, a **$27M to $57M annual bid** against a **$112M** market cap token.

Kinetiq Infrastructure: kHYPE & Elysium

On HyperEVM, users stake HYPE for kHYPE and Kinetiq delegates it across scored validators, keeping 10% of staking rewards and spending 70% of that on KNTQ buybacks and burns, about $106K a month including other products. Elysium runs a single sequencer, whitelisted validators and an AnyTrust data availability committee. It also features a **token pipeline**: tokens launch on a long-tail Elysium AMM, move to PropAMMs, graduate to a HyperCore spot order book and then get a HIP-3 perp, from the trenches to perps, all paying gas in HYPE. Sequencer revenue splits 25% to builders, 25% to the Kinetiq treasury and **50% to open-market KNTQ buybacks** (Figure 2).

Figure 2. Kinetiq business model



Analyst: Dhru Patel.

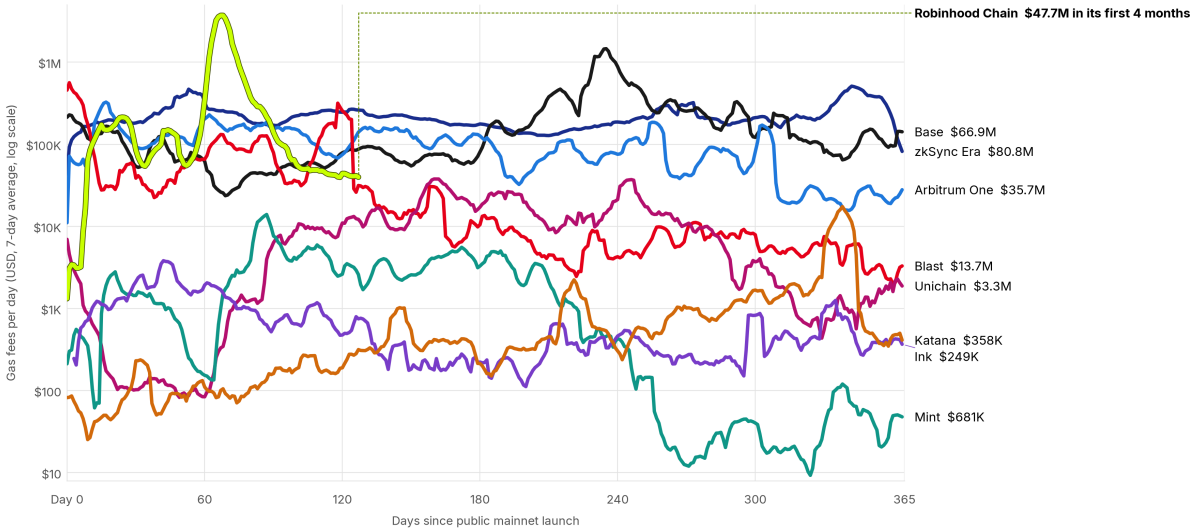
Why Hyperliquid Needs Elysium

Hyperliquid utilizes a **dual-block architecture**, which is advantageous for perps as it keeps HyperEVM contracts in step with HyperCore. However, it causes congestion on HyperEVM, where fast blocks are limited to 3 million gas a second and simple swaps have cost as much as $20. Ethereum had the same issue, and it sparked the growth of Ethereum L2s. However, on Hyperliquid, DeFi TVL fell 63%, from $2.35 billion in August 2025 to $869 million today. Elysium's goal is to bring that DeFi activity back, in what supporters call “a unionization effort” by builders who believe in Hyperliquid's general-purpose vision.

Kinetiq's Position: Base Chain and L2

On the base chain, Kinetiq holds **77%** of liquid staking, a market with room to grow: in April, 23.16 million HYPE sat in liquid staking tokens against 405.78 million staked directly. On the L2 side, fees fade once incentives end. For example, zkSync Era earned $80.8 million in fees in its first 365 days, much of it from users farming its airdrop, versus $368,623 in the last 12 months. Elysium's answer is distribution, supporting consumer apps from day one, with fomo as its exclusive trading partner, Pump.fun live from launch, and support from 0x, KyberSwap, Nest Exchange, Derive and Uniswap.

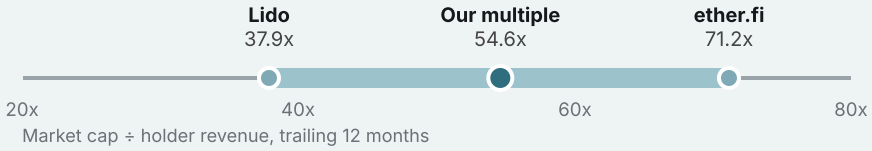
Figure 3. Rollup sequencer fees, first 365 days



Source: DefiLlama daily chain fees, 7-day average (Robinhood Chain: 128 days).

Our Multiples

Traditional L2 tokens pass nothing to holders, so we value KNTQ's buybacks on two staking tokens that do: Lido, a pure staking business, and ether.fi, which added a faster-growing business, as Kinetiq is doing with Elysium.



What Elysium Adds

Elysium runs the same EVM apps as any Arbitrum chain, but its advantage lies in its direct line to HyperCore's oracle prices, which lets market makers quote tighter prices on Hyperliquid trades. With 100-millisecond blocks and cheap gas, **PropAMMs**, pools run by professional market makers, can reprice off Hyperliquid's oracle several times a second, narrowing spreads in a way HyperEVM's 3 million gas a second cannot support. On Solana, PropAMMs carry over 60% of SOL-USDC volume, because cheap, constant updates let makers quote tight spreads without getting picked off. Elysium is tuned so refreshing quotes five to ten times a second stays cheap, and about a month after launch, an ArbOS upgrade lets makers read **HyperCore's live order books** and hedge onto them in one call. No Ethereum L2 or Solana app can do that without a bridge, which is how Elysium can tighten spreads on Hyperliquid spot, where its share against Binance recently hit a 15-month low.

Elysium's Distribution

Elysium starts with a smaller audience than Base or Robinhood Chain, but few of those chains' parent customers ever trade onchain, while Elysium's partners bring users who already do. Robinhood Chain averaged about **275,000 daily active accounts** in late July, under 1% of Robinhood's **28.7 million** funded customers, and Base averaged **458,000** daily active addresses in March, against Coinbase's **8.2 million** monthly transacting users. Hyperliquid's active perp traders hit a record **263,666** on August 6, close to Robinhood Chain's daily count, and every one already holds assets onchain. Elysium reaches them through its Hyperliquid connection and its partners: fomo, with over 625,000 users, and Pump.fun, which opened Elysium trading in its app on launch day. Partners also buy KNTQ directly: Ascend, a launchpad that uses KNTQ as its token, spends **72%** of its fees on KNTQ, and Banana Gun and Oku pledged **40%** of their net trading fees to KNTQ buybacks and burns.

Leveraged Exposure to Hyperliquid

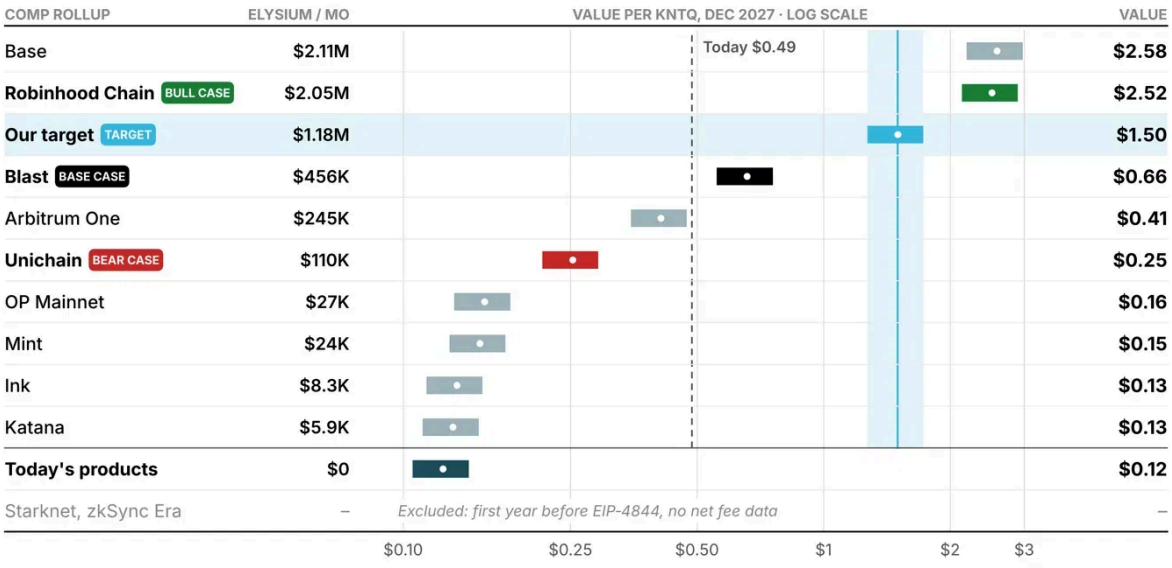
KNTQ is a leveraged position on Hyperliquid itself: it moves **1.37x** HYPE's daily returns, and over the year to November 8, 2026, HYPE gained **78%** in dollars and **150%** against BTC (Appendix B). Both of Kinetiq's businesses grow with that trend, funding more KNTQ buybacks.

What KNTQ is Worth

Mature L2 tokens trade at high multiples of chain revenue, with ARB at 157x and OP at 299x while giving nothing back to token holders. However, their multiples price ecosystems built over four to five years, so we measured comparable L2s on their first-year sequencer fees and our staking token multiple.

For our multiple, we value KNTQ on market cap to holder revenue, with Lido and ether.fi as comparables, since both run a staking business and return its revenue to holders through buybacks. Lido is a pure liquid staking token and trades at 37.9 times holder revenue, while ether.fi earns 62.5% of its revenue from its Cash card and the rest mostly from staking, so it trades closer to a neobank at 71.2 times (Appendix A). Kinetiq sits between the two, adding Elysium on top of staking as ether.fi added its card, so we value KNTQ at their 54.6 times median (Figure 4). At Lido's multiple alone, our target falls to $0.70, still 99% above entry.

Figure 4. What each comparable rollup makes KNTQ worth



Source: DefiLlama, Kinetiq.

We read the speculative demand around Elysium's launch as positive sentiment toward its price and onchain activity: implied net buying reached $133.4M in September and $98.6M in October (Appendix C). In our base case, we expect demand for KNTQ to grow an average 4% a month, near the 4.6% median growth in KNTQ's HYPE-adjusted value across six 2026 windows (Appendix A). Appendix D sets out our valuation model.

Risks: Unlocks, Timing, Partners and Fee Decay

Unlocks are the largest risk: the cliff starts November 27, 18 days after Elysium's launch, and the October kPoints paid claim already released 33.71 million KNTQ from the growth vault with no lockup. The timing invites a fair reading that the launch is a strategically timed pump for insiders to exit into, and if activity fades once they sell, sequencer fees decay with it. Against that, insider tokens unlock at 12.92 million KNTQ a month for two years, so a launch rally only helps them sell the first month's share, and the HyperCore integration that makes Elysium useful lands after the cliff.

Partners carry day one; if fomo and Pump.fun flow does not stay, the 25% builder share is Elysium's only retention tool. Fees can decay: Robinhood Chain's DEX volume fell from $54 billion in September to $25.7 billion in October. And because KNTQ moves 1.37 times HYPE's daily returns, a HYPE drawdown would hit KNTQ harder regardless of how Elysium performs.

What to Watch in the Next 90 Days

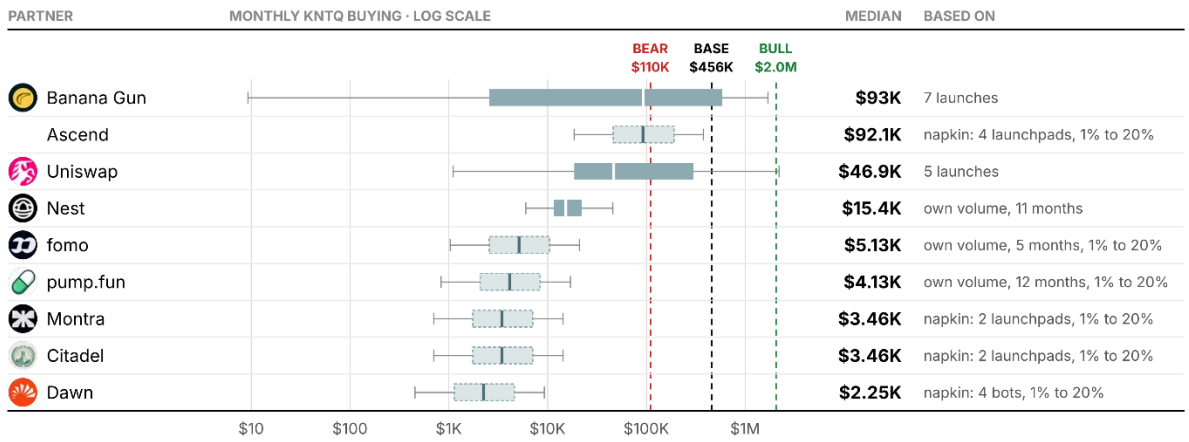
Elysium launched November 9, unlocks start November 27 and the HyperCore upgrade follows about four weeks later. We will watch sequencer revenue and the first post-launch buyback through the December and January tranches, and track outputs against our model.

Investment Proposal

We recommend a long position in KNTQ entered at **$0.35**, the November 9, 2026 low, and held to December 31, 2027 or our price target of **$1.00, 186% above entry**.

Hyperliquid already runs most of crypto's onchain perp trading, and HIP-3 is taking it past crypto: on October 29, ICE, the parent of the New York Stock Exchange, agreed to bring Hyperliquid perps on equities, indices and commodities to US traders through trade.xyz, pending regulatory approval. Those traders will want to do more with their assets than HyperEVM can host, and Elysium is built to carry that activity while routing tokens back to HyperCore. KNTQ already moves 1.37 times HYPE, so it offers **leveraged exposure to Hyperliquid's growth**, with Elysium's sequencer revenue on top.

Figure 5. Monthly KNTQ buying by partner

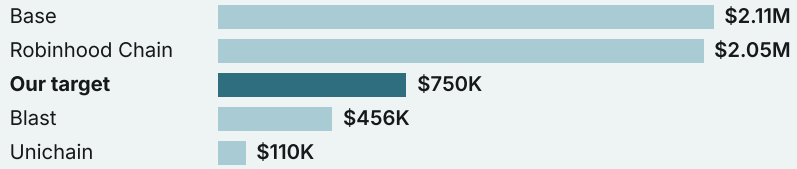


Source: DefiLlama, Kinetiq, Bankless, Montra.

We see Robinhood Chain as Elysium's closest design comparable: an L2 built for an exchange's traders, on the same Orbit stack, that earned $47.7M in fees in its first four months. Our target needs about **$750K a month** of buybacks from Elysium and its partners: Blast-level sequencer fees of $456K plus about $266K of partner buying, the sum of the partner medians in Figure 5. Launch partners start that activity on day one, and at the top of our estimates, Uniswap and Banana Gun alone approach the bull case. KNTQ's order book is thin enough for buybacks to move it: a $100K market buy lifted the price **3.37%** on November 6 (Appendix E). The bear case, at the comparable median, is $0.25, down 28% from entry, and the bull case, at Robinhood Chain's level, is $2.52, up 619%. We would exit if Elysium's buybacks stay **below $110K a month through March 2027**.

What Our $1.00 Target Needs

Monthly buybacks from Elysium and partners that $1.00 needs, against each comparable rollup's first-year level: more than Blast, a third of Robinhood Chain.



Conclusion

Kinetiq is an asymmetric bet on Hyperliquid adoption that wins from both ends. It holds over 80% of liquid staking, moves 1.37 times HYPE, and Elysium, its L2, sends half its sequencer revenue to KNTQ. The model shows the November 27 cliff outweighs comparable-rollup buybacks on their own, so the position works if Elysium's buybacks reach the base case's $456K a month and buyers keep growing; at our $0.35 entry, the base case alone returns 88%. We will be monitoring how Elysium's sequencer revenue accrues over time and adjust our position accordingly.

Appendix

Appendix A. Valuation

Peer	Group	Market cap	Holder revenue	MC ÷ holder rev.	MC ÷ revenue
Lido (LDO)	Liquid staking	$267.9M	$7.06M	37.9x	7.7x
ether.fi (ETHFI)	Liquid staking and neobank	$584.7M	$8.22M	71.2x	13.3x
Staking peers with holder revenue: median				**54.6x**	
JustLend, Sanctum, Rocket Pool	Liquid staking		None reported	n/a	10.5x median (with Lido, ether.fi)
ARB, OP, STRK, ZK, BLAST	L2 tokens		None reported	n/a	157x to 315x; 176x median
Hyperliquid (HYPE)	Reference	$18.78B	$682.8M	27.5x	27.5x
Kinetiq (KNTQ), Nov 7 price	Subject	$154.8M	$0.91M	170x	46.9x
Kinetiq (KNTQ), $0.35 entry	**Subject**	**$112.2M**	**$0.91M**	**123x**	**34.0x**

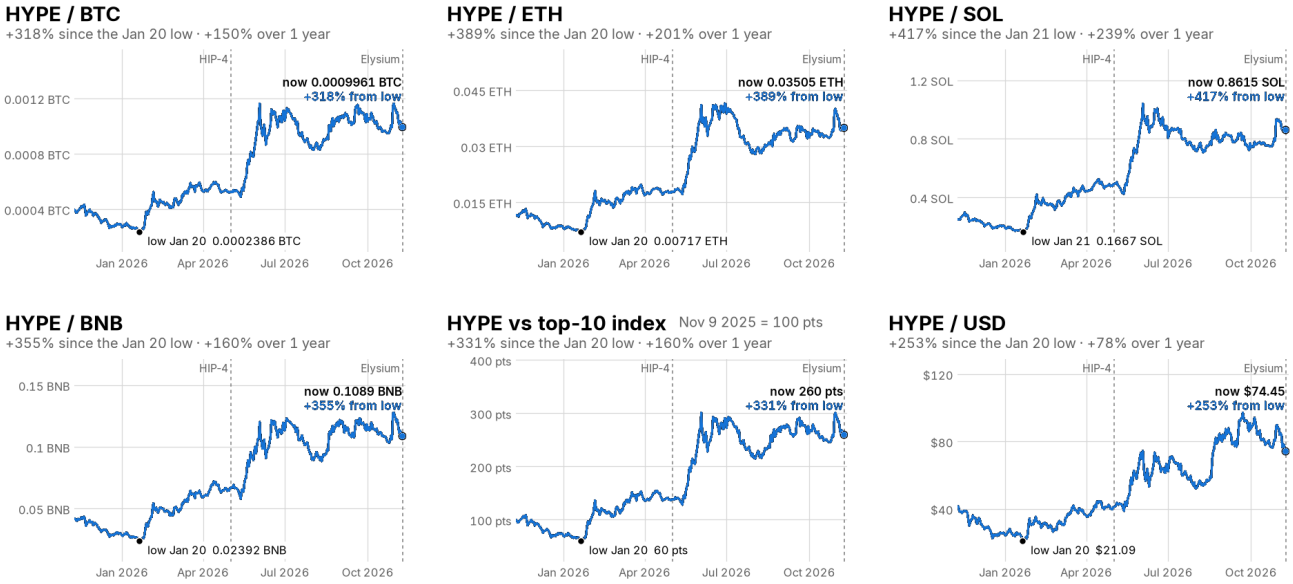
Value per KNTQ in December 2027 at each multiple. Value = (existing buybacks of $106K + Elysium and partner buybacks) × 12 × multiple ÷ 560.5M KNTQ in December 2027.

Case	Elysium and partner buybacks a month	Lido 37.9x	Median 54.6x	ether.fi 71.2x	HYPE 27.5x
Bear (comparable median)	$110K	$0.18	$0.25	$0.33	$0.13
Base (Blast's first-year fees)	**$456K**	**$0.46**	**$0.66**	**$0.86**	**$0.33**
Target (base plus partner buying)	**$750K**	**$0.70**	**$1.00**	**$1.30**	**$0.50**
Bull (Robinhood Chain median month)	$2.05M	$1.75	$2.52	$3.28	$1.27

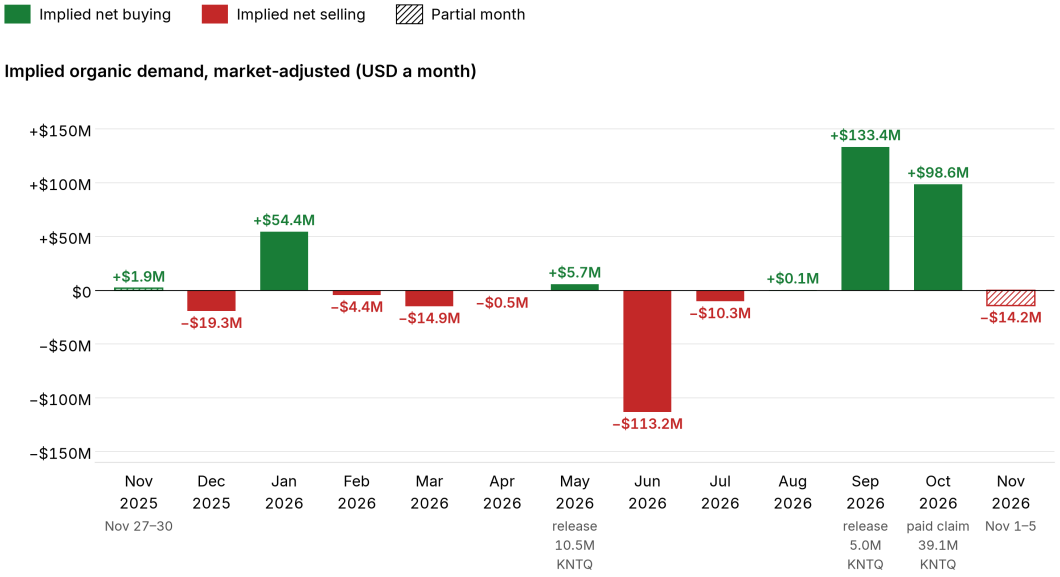
Buyer growth. Monthly growth in KNTQ's market value by window, from KNTQ Model v1.2 (Buyers tab). Economic circulating KNTQ, staked share held constant; HYPE-adjusted divides by HYPE's move raised to KNTQ's 1.37 beta. Our cases grow buyers 4% a month.

Window, to Oct 31, 2026	Months	Growth a month, HYPE-adjusted	Growth a month, raw
Dec 2025 to Oct 2026	11	+1.0%	+14.6%
Jan to Oct 2026	10	+7.7%	+27.6%
Feb to Oct 2026	9	−1.2%	+15.8%
Mar to Oct 2026	8	+1.6%	+21.2%
Apr to Oct 2026	7	+8.7%	+29.1%
May to Oct 2026	6	+12.2%	+34.6%
Median of the six windows		**+4.6%**	**+24.4%**

Appendix B. HYPE's performance over the past year



Appendix C. KNTQ implied net flow by month



Appendix D. KNTQ model overview

BEAR · COMPS MEDIAN
$0.25 −48%
Median comp: **$110K a month** of Elysium buybacks. Buyers fade 12% a month.

BASE · COMPS 75TH
$0.66 +35%
75th-percentile comp: **$456K a month** of buybacks. Buyers grow 4% a month.

BULL · ROBINHOOD CHAIN
$2.52 +417%
Robinhood's median month: **$2.0M a month** of buybacks. Buyers grow 23% a month.

WHAT WE MEASURED

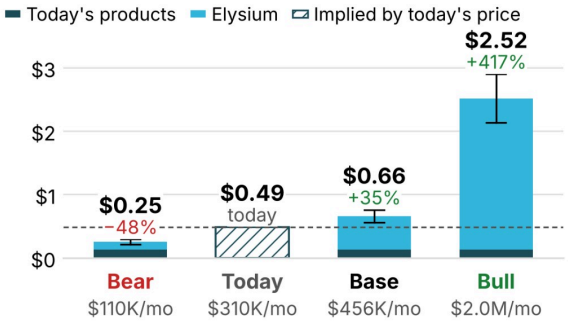
Price · Oct 31 high	**$0.4862 · $0.5719**
Market cap · FDV	**$154M · $486M**
Circulating → Dec 2027	**321M → 560M**
Unlocks + vault, a month	**12.9M + 4.5M**
Buybacks, 90-day run rate	**$106K/mo**
$100K order: buy · sell	**+3.4% · −4.9%**
Comp fees kept: median	**$2.6M/yr**
Comp fees kept: 75th	**$11.0M/yr**
Robinhood Chain (88th pct)	**$49.1M/yr**
Mcap ÷ holder rev: KNTQ	**170×**
Lido · ether.fi	**37.9× · 71.2×**
HYPE	**27.5×**

HOW WE BUILT THE RANGE

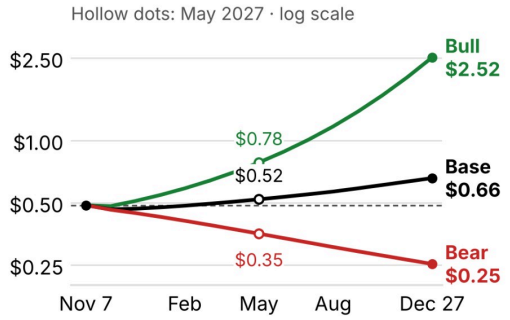
1. **Measured KNTQ's tokenomics:** Split all 1B KNTQ into locked, staked, held and float, then projected unlocks, vault releases and buybacks monthly for the token supply over time.
2. **Measured liquidity:** Measured daily volume ($4.81M), volatility (8.8%) and net buying since launch ($10.0M a month), plus buyers' margin of $3.4M: the net dollars buyers add a month, fit to 2026 prices.
3. **Estimated buybacks from fee comps:** Scored 30 rollups on seven pre-launch tests and kept 11: Robinhood Chain, Unichain, Ink, Starknet, Blast, Base, Arbitrum One, OP Mainnet, zkSync Era, Mint and Katana. Measured their yearly sequencer fees × **80% kept** × Elysium's **50%** to buybacks set each case.
4. **Ran buybacks through supply and liquidity.** Bought KNTQ is retired and adds to net buying; against half of unlocks sold, that sets the price path.

VALUATION EVIDENCE

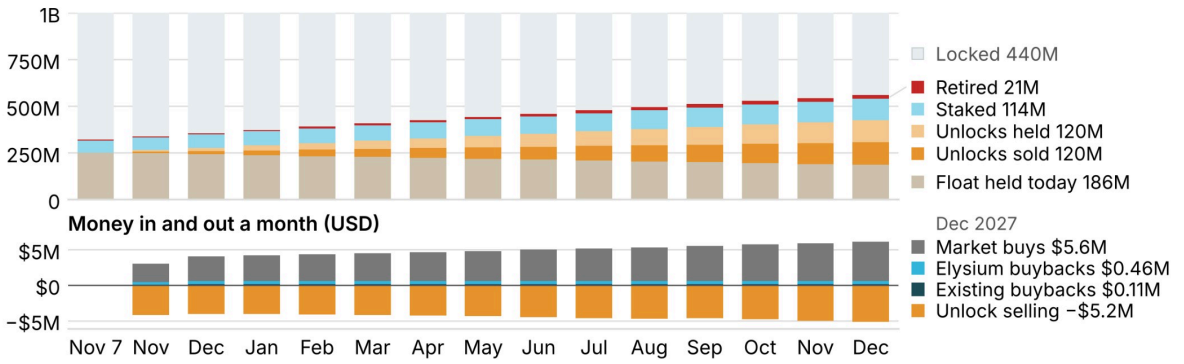
Value per KNTQ by Elysium buyback level



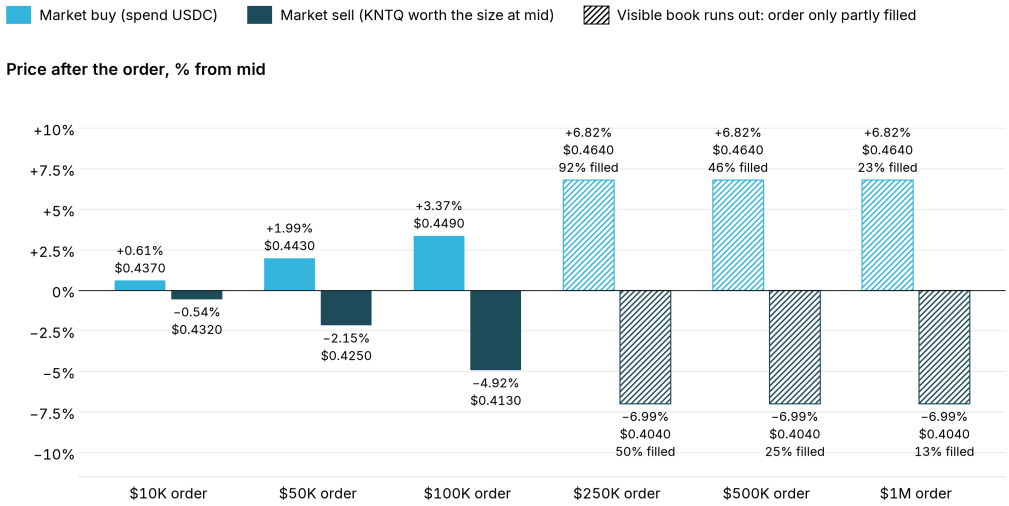
Price path to each value



THE MODEL · KNTQ UNLOCKS & DEMAND, BASE CASE TO DEC 2027



Appendix E. KNTQ price impact by order size



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