

Tokenomics Audit — Morpho (MORPHO)

Tokenomics Desk · 2026-10-13T19:21:32Z · Chain: base · Contract: 0xbaa5cc21fd487b8fcc2f632f3f4e8d37262a0842

Verdict: Fragile

Red-flag score: 74.5/100 — High

Disclaimer (short form). Economic triage based on public on-chain and aggregator data. Not a smart-contract security audit. Not financial advice. No price predictions. See the closing section for full disclaimers.

1. Executive summary

Verdict: Fragile. The three findings that matter most:

- **CRITICAL — Concentration & governance risk:** Top holder control 49.6% of total supply — a single wallet can move the market unilaterally. (Raw on-chain figure; the wallet may be a contract, exchange, or vesting vault — labels are UNKNOWN to the engine.)
- **HIGH — Concentration & governance risk:** Top 10 holders control 81.1% of total supply.
- **MEDIUM — Supply schedule & issuance:** Contract has a live owner address — privileged functions may exist; the engine does not audit code, so the owner's powers are UNKNOWN beyond the owner() read.

2. Token snapshot

Total supply (global)	1,000,000,000
Supply on base (on-chain)	26,233,855
Circulating supply	700,535,346
Max supply	1,000,000,000
Circulating ratio	70.0%
Price	\$2

Market cap	\$1,665,643,926
FDV	\$2,377,672,925
Holder count (this chain)	167,821
Top 1 holder share	49.6%
Top 10 holder share	81.1%
DEX liquidity (all pairs)	\$2,990,417
DEX volume 24h	\$2,514,181
DEX pairs	25
Contract owner	0xcba28b38103307ec8da98377fff9816c164f9afa

Sources: CoinGecko (market/supply), chain RPC (on-chain reads), Blockscout (holders, EVM), DEXScreener (liquidity/volume), DefiLlama (fees; emissions when tracked). Accessed 2026-10-13T19:21:32Z.

3. Findings — ranked by severity

1. **CRITICAL** Concentration & governance risk

Top holder control 49.6% of total supply — a single wallet can move the market unilaterally. (Raw on-chain figure; the wallet may be a contract, exchange, or vesting vault — labels are UNKNOWN to the engine.)

Evidence: top1 share = 49.55% of total supply

2. **HIGH** Concentration & governance risk

Top 10 holders control 81.1% of total supply.

Evidence: top10 share = 81.14% of total supply

3. **MEDIUM** Supply schedule & issuance

Contract has a live owner address — privileged functions may exist; the engine does not audit code, so the owner's powers are UNKNOWN beyond the owner() read.

Evidence: owner() = 0xcba28b38103307ec8da98377fff9816c164f9afa

4. **LOW** Vesting & unlock calendar

Unlock schedule is UNKNOWN — the protocol is not tracked by DefiLlama emissions and no schedule was machine-readable. Missing evidence: a published unlock/vesting schedule from the project's docs.

Evidence: DefiLlama emissions endpoint is paywalled (HTTP 402 at last check) or the protocol is untracked there

4. Analysis

Holder concentration — FAIL

Top 10 wallets hold 81.1% of supply on this chain (raw on-chain; includes contracts, bridges, vesting vaults — wallet labels are a manual-review step).

Insider concentration

UNKNOWN — insider allocation % requires the project's published allocation docs (manual checkpoint).

- Live contract owner — privileged control exists; its powers need a code read (out of engine scope).

Unlock risk

70% of supply circulates; 30% is locked or unissued — future unlock pressure exists even where the calendar is unpublished.

Value accrual

The protocol charges real fees (DefiLlama). Whether any of that value reaches token holders — buyback, burn, revenue share — is UNKNOWN without the project's docs (manual checkpoint).

Annualized protocol fees (24h × 365): **\$279,093,965** · fees/FDV = 11.74%

Peer comparison

Peer	FDV	Circulating	ATH change
Aave (AAVE)	\$2,584,652,587	96.5%	-75.6%
Compound (COMP)	\$230,685,664	100.0%	-97.3%

Subject FDV \$2,377,672,925 vs peers \$230,685,664–\$2,584,652,587.

5. Methodology, limitations & disclaimers

Public sources only: the aggregators and chain data named above, accessed on the date shown. No internal cap tables, no private agreements, no team-wallet labels beyond what sources publish. Checkpoints requiring project documentation (initial allocation, holder capture of fees, demand drivers) are graded in the manual review layer; the engine grades only what it measured and marks the rest UNKNOWN rather than guessing. Figures are a snapshot; tokenomics change — re-check before acting.

1) **Not a security audit** — no contract code, custody, or operational security was reviewed. 2) **Not financial advice** — no recommendation to buy, sell, or hold any token. 3) **No price predictions** — supply mechanics only; valuation figures are arithmetic, not forecasts. 4) **Public sources** — errors in source material propagate; verify independently. 5) **No outcome guarantees** — a Sound grade does not imply performance; a Fragile grade does not imply failure. 6) **Independence** — prepared without engagement from the project team beyond the review fee, which does not influence grades.