

What is the Official Trump meme coin all about?



Image source: iStock/KREA

On Friday night, President Donald Trump launched a Solana meme coin named \$TRUMP, which exploded in price in a matter of 48 hours.

“My NEW Official Trump Meme is HERE! It’s time to celebrate everything we stand for: WINNING! Join my very special Trump Community. GET YOUR \$TRUMP NOW”, Trump’s official X account posted.

The coin's official website looks like those which used to sell and promote his past NFT collections and is credited to CIC Digital, the same official he licensed his NFTs.

Out of 1 billion coins, the website notes that 80% are locked and will gradually be unlocked over the course of three years. As such, the circulating supply will only be 200 million tokens, putting the fully diluted valuation of USD \$74 billion at its peak on Sunday. That makes the coin worth more than Royal Caribbean Cruises, Schlumberger, Target, Hilton, Metlife, Aflac, Snowflake, General Motors, Allstate, Barclays, and Occidental Petroleum.



My NEW Official Trump Meme is HERE! It's time to celebrate everything we stand for: WINNING! Join my very special Trump Community. GET YOUR \$TRUMP NOW. Go to gettrumpmemes.com — Have Fun!



Source: X

On paper, President Trump increased his wealth by USD \$60 billion in 48 hours, based on peak price...

\$TRUMP's meme coin just traded at \$74. The total Supply is 1B, and 200M is in circulation. As such, total market cap is USD \$74 billion. On paper, President Trump's unrealised profit is roughly USD \$60 billion, 80% of which is not in circulation. It took just 36 hours to generate this paper profit!

To put this in perspective:

- › SBF's peak crypto paper profit was ~ USD \$30 billion.
- › Satoshi's wallet had a paper profit of ~ USD \$50 billion in October, now ~ USD \$110 billion. Remember, that took 15 years, not just a part of a weekend.

He is now likely the greatest living crypto-billionaire in history. President Trump's gains are now more than the S&P 500 back to 1947. Friday afternoon, President Trump's net worth was estimated at ~ USD \$9.2 billion, half of that was the meme stock \$DJT. Sunday morning, it is ~ USD \$70 billion. What a weekend! NB: An 80% stake of the Donald Trump memecoin, \$TRUMP, is owned by Trump Organiza-

tion affiliates, per Bloomberg. These affiliates are called CIC Digital LLC and a related entity called Fight Fight Fight LLC. A total of 800 million coins will unlock over the next 3 years. At \$500 Trump will become richer than Elon Musk. At USD \$2,100 President Trump will overtake bitcoin. All without producing anything of economic value⁹.

Obviously, the TRUMP meme coin weekend story has raised a lot of eyebrows. How can a financial instrument be worth USD \$70 billion without having economic value or tangible assets behind it, and happening in less than 48 hours?

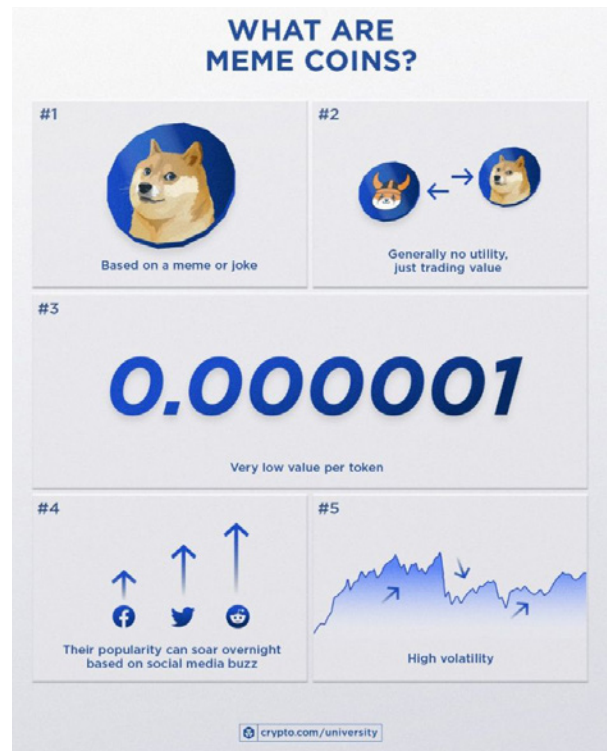
How can the new President of the United States be behind this meme and make so much (unrealised) gains in 48 hours?

Behind these legitimate remarks, let's be a bit controversial and ask ourselves if there is any financial logic behind these memes.

First, what are meme coins?

Meme coins, their popularity largely driven by pop culture, often have an abundant supply and are generally highly volatile.

- ▮ Dogecoin and Shiba Inu are the leading meme coins, though there are hundreds of others available.
- ▮ Having a thorough understanding of a meme coin requires verifying that liquidity pools are tied to burn addresses, ensuring third-party audits have been completed on the project, and confirming no one single entity owns more than 5% of the total supply.
- ▮ Meme coins' reputation of offering no clear use case or benefits is changing with the emergence of utility meme coins.



Source: www.crypto.com

Meme coins: bridging brand recognition and social capital

While bitcoin remains the cornerstone of the crypto ecosystem, the rise of alternative tokens, particularly meme coins, has garnered significant attention: initially described as “shitcoin” and pure speculative bet, meme coins such as Dogecoin, Shiba Inu and others have become a sizeable segment of the crypto space. Their unique ability to blend, social media culture, community-driven momentum and financial speculation has opened new possibilities for investors – especially retail ones.

Meme coins possess an inherent advantage in their widespread brand recognition.

Here’s my point: how many investors can name the largest tech companies in Spain, Japan or Brazil? Most likely very few. Yet, millions of investors around the world have heard about Dogecoin, memorising the Shiba Inu dog icon, and being influenced by the credit given to this meme coin by Elon Musk. This highlights an attribute unique to meme coins: their ability to captivate attention on a global scale and engaging in audiences in ways traditional financial assets cannot.

As mentioned in a dedicated report by Murad Mahmudov, traditional asset theories assume that investors are fully rational and leverage all available information when choosing between risky assets. However, extensive research, such as Kahneman’s seminal work on attention (1973), highlights the limitations of human attention and cognitive capacity in decision-making. Meme coins capitalise on these limitations by appealing to emotions, humour, and shared cultural narratives, rather than solely relying on utility or fundamentals, Mahmudov added.

It is important to note that there is no equivalent to meme coins in the Web 2 ecosystem. Meme coins stand apart as a uniquely Web 3 phenomenon, blending decentralised technology with cultural and social capital in a way that traditional Web 2 frameworks cannot replicate.

Four advantages of meme coins

In the same aforementioned report, Mahmudov highlights some key advantages of meme coins.

1. Affordability

Millennials and Gen Z are increasingly drawn to cryptocurrencies like meme coins, viewing them as high-risk, high-reward opportunity for wealth generation. The low initial price per token reinforces the affordability aspect. Some experts believe we might see the “hyper-memecoinisation” before we see hyper-bitcoinisation.

2. Accessibility

Meme coins can be traded 24/7 on centralised exchanges like Binance and Coinbase as well as decentralised exchanges platforms like Uniswap. The constant availability and access make meme coins far more accessible to digital natives than traditional asset classes.

3. Transparency

Dogecoin does not claim to replace fiat currency or traditional payment systems. Yet, it has found niche cases, such as facilitating value transfers in some countries and enabling traders to move funds between exchanges for arbitrage opportunities. The transparency and simplicity of “honest meme coins” have appealed to retail investors disillusioned with overpromised utility coins.

4. Regulatory compliance

Developers of utility coins with real-world applications often expose themselves to scrutiny and potential penalties from regulatory bodies.

By contrast, meme coins that position themselves as humorous, low-stakes tokens signal their lack of utility and non-security status, minimising regulatory risk. This appeals even more to retail investors, although there are also a lot of scams in the space.

Conclusion

Beyond some of the shocking and controversial aspects of the Official Trump meme launch over the weekend, we believe that this event could actually boost the meme coin phenomenon as more celebrities, famous athletes, and thought leaders might be encouraged to launch their own meme coins.

The real winner of this meme coin craze could potentially be Solana (SOL). The token hit a USD \$275 lifetime peak as the choice of Solana as the issuance network by President Trump bumped demand and sentiment for Solana blockchain and token. Ethereum’s well-established ecosystem, supported by ongoing upgrades, continues to dominate the DeFi and NFT sectors, while Solana’s focus on high-speed, low-cost transactions is redefining blockchain scalability.



Source: TradingView

For further information

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