Twinstake

Monthly Validator Digest

September 2025

Executive Market Lens

Macro Context (August 2025)

- ETH rotation stole the show. U.S. spot ETH ETFs saw ~$4.0B net inflows in August, flipping the script as BTC funds recorded outflows . ETH surged to a new ATH near $4,955 on Aug 24 before easing into month-end .
- Liquidity pressure peaked. Ethereum's exit queue hit >1M ETH (~18 days) by Aug 28–29, highlighting how validator churn can become a liquidity bottleneck .
- Macro tailwinds. At Jackson Hole (Aug 22), Fed Chair Powell's comments kept rate-cut expectations alive, fueling risk-on flows across digital assets .
- Solana strengthened its institutional case. No outages (100% uptime) and Firedancer reliability updates (Aug 6) improved client diversity confidence . On Aug 22, VanEck filed for a JitoSOL ETF, the first attempt to package Solana staking + MEV yield into a U.S. ETF .
- TON broadened its footprint. Robinhood listed TON on Aug 28, expanding U.S. retail access . Earlier in the month, a public company adopted TON as a treasury reserve asset (Aug 4), signaling early institutional-style positioning.

Twinstake Validator POV: ETH | SOL | TON performance snapshot

- Across ETH, SOL, TON, Twinstake validators held 99.9%+ uptime, with the Activation & Exit Calculator ensuring clients avoided redemption mismatches.
- On Solana, Twinstake validators benefitted from stability and MEV-aware staking configs, aligning with VanEck's ETF momentum.
- TON validator growth continued, positioning Twinstake for flows as U.S. retail listings drive fresh demand.

Why It Matters

ETF Managers

August's stabilizing ETH exit queues were disrupted by September's Kiln validator exit following its API exploit, pushing queues above 1.6 million ETH and extending exit times beyond a month. This volatility shows how external validator events directly impact fund liquidity operations. Mass unstaking to meet ETF redemptions can force issuers to borrow against lines of credit while waiting in the exit queue, adding carrying costs that compound daily.

ETF managers must implement ongoing queue monitoring, coordinated validator capacity planning, and robust contingency frameworks with staking partners to maintain redemption integrity during stress periods. As detailed in our research report "Redemption Ready: A Liquidity Blueprint for Staking-Enabled ETFs," standing credit lines and clear operating playbooks outperform ad-hoc responses in stressed conditions. **Twinstake's Activation & Exit Calculator** provides proactive visibility into these queues, helping ETF managers anticipate liquidity challenges, size buffers, and adjust redemption timelines accordingly.

Custodians

This past month reinforced that custody now includes liquidity engineering, not just safekeeping.The institutional staking landscape continues to mature rapidly. Qualified custodians are expanding their staking coverage and wrappers across the ecosystem: Anchorage now offers STRK custody plus staking support (which Twinstake is already prepared to start supporting), BitGo has formalized staking terms for clients already under custody agreements (where Twinstake serves as a preferred validator partner for many institutional clients), while Komainu provides regulated staking service and Zodia enables Solana staking access via Marinade (where Twinstake maintains top-tier performance metrics as a leading SOL validator).

Resilience expectations are also rising as large venues adopt distributed validator technology, with Kraken's full DVT deployment on Ethereum signaling a shift toward fault-tolerant validator architectures that custodians will be asked to match or interoperate with. Integration platforms remain a gating factor for scale, which is why Fireblocks' staking partner ecosystem continues to feature in RFPs and operational runbooks.

The practical takeaway for custodians is to embed queue telemetry and event-driven triggers into staking SLAs, pre-agree liquidity fallbacks with clients during elevated queues, and validate counterparties on validator redundancy and DVT readiness so redemption timelines remain predictable when delegation churn spikes.

Why It Matters

DATCOs (Digital Asset Treasury Companies)

August reinforced that staking returns are becoming predictable treasury income streams and infrastructure choices constitute fiduciary risk. SOL accumulation through optimized validator operations demonstrates how purpose-built infrastructure enhances reliability. For DATCOs, this means validator selection, network connectivity, uptime metrics, and exit queue management directly influence yield reporting, capital efficiency, and stress resilience.

Treasury stakeholders should incorporate infrastructure due diligence alongside traditional risk assessments. Twinstake's SEC-compliant reporting framework provides NASDAQ-listed companies with audit-ready documentation, facilitating seamless integration of staking rewards into quarterly financial statements while maintaining the transparency standards required by public company disclosures.

The sector is entering an institutional growth phase, with TON-focused treasuries (Alpha Sigma, Dalma, Kingsway/TON Foundation) and ETH-heavy players (SBET/Sharplink, Metaversal/Ether X) pushing commitments from hundreds of millions into billions. These firms typically run lean teams with limited crypto expertise yet demand auditor-grade reporting, compliance-aligned income recognition, and clear validator selection frameworks as they progress from basic staking to liquid staking and eventually DeFi yield.

Validator Performance

Uptime Snapshot

ETH
99.34%

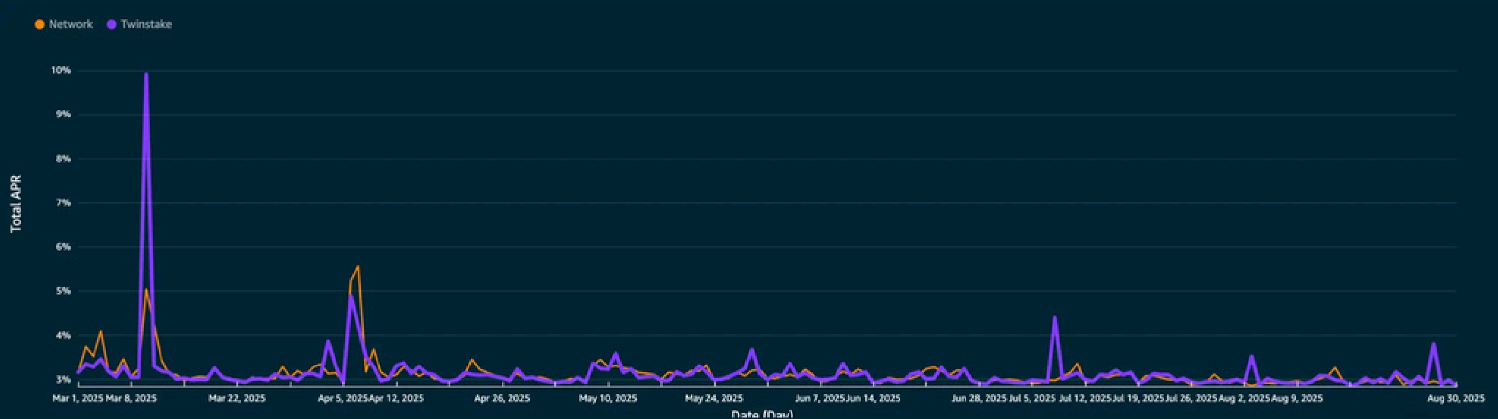
TON
97.68%

SOL
99.74%

APR Trendlines (YTD)

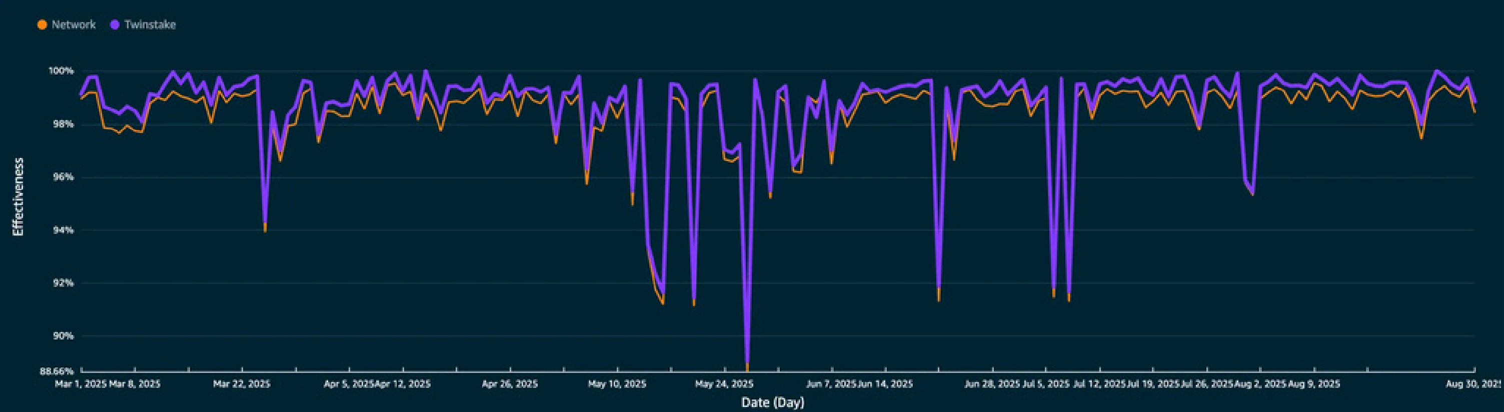
ETH

Total APR



Twinstake's APR closely tracks and exceeds the Ethereum network average, highlighting consistent performance.

Uptime



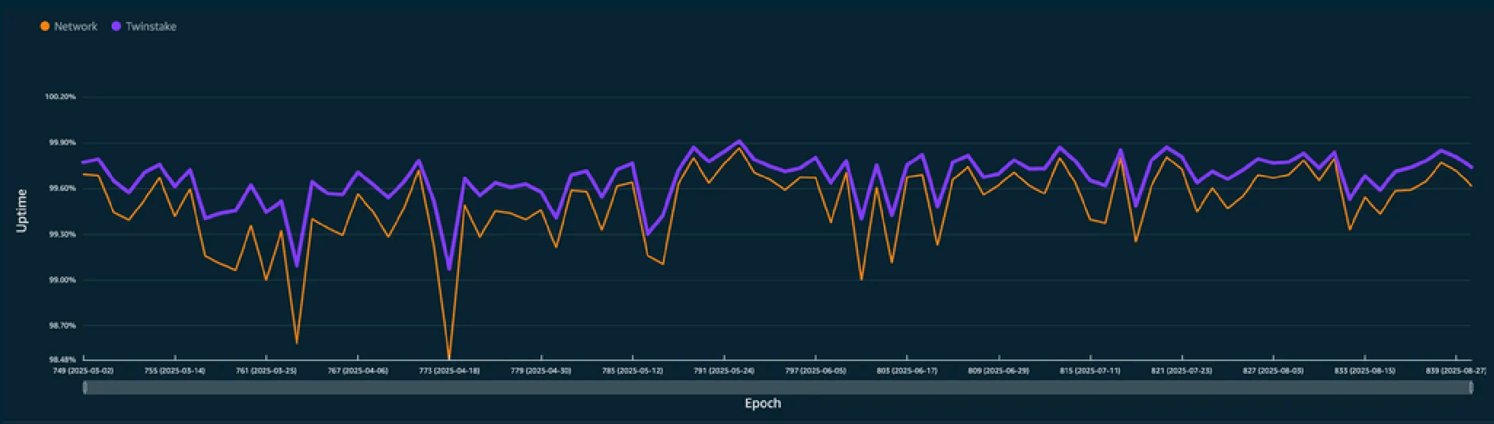
Over six months, Twinstake's ETH validator outperformed network effectiveness, proving its reliability for institutional needs.

SOL

Total Delegator APY

From March to August 2025, Twinstake's uptime line sits above the network in most epochs, with smaller drawdowns during late March and mid April and a stronger close in August. This reliability aligns with the Q2 Solana report, where Twinstake delivered 8.39% Delegator APY vs 8.26% for the network.

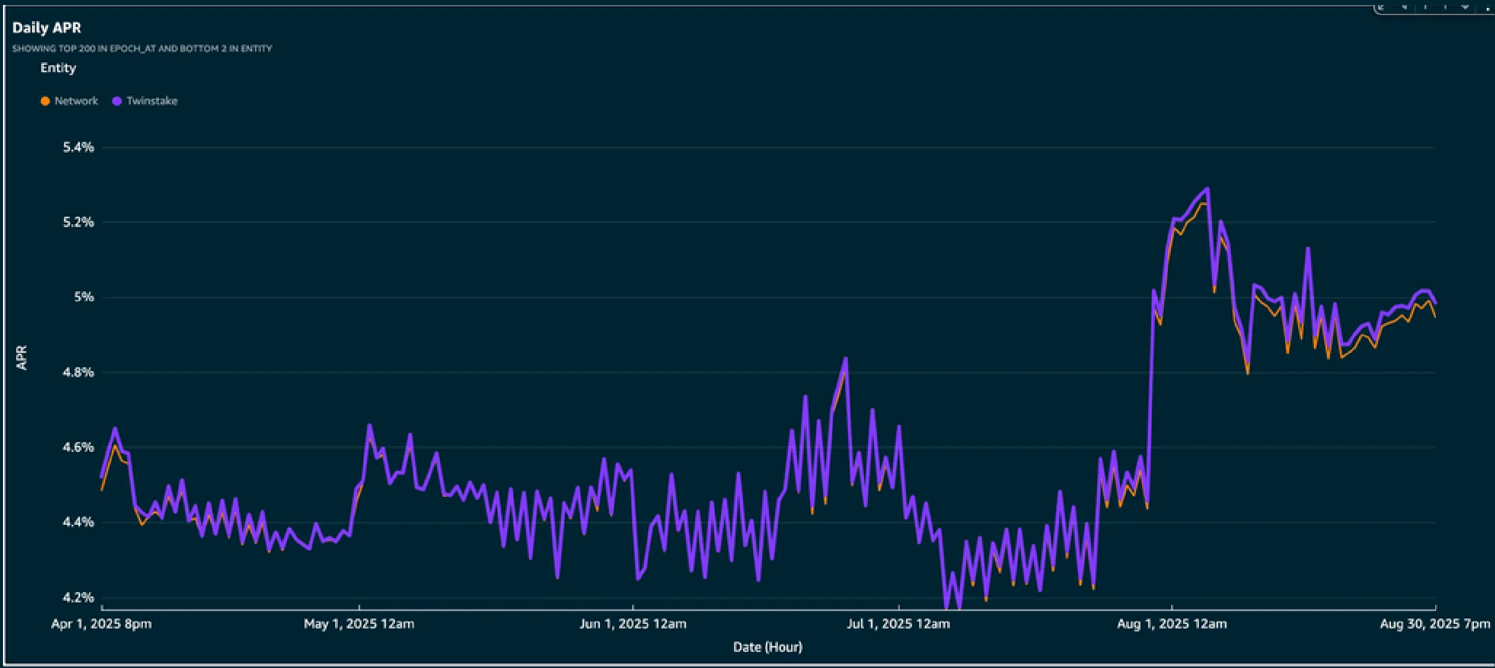
Uptime



Twinstake consistently sustained higher uptime than the network average, underscoring its reliability in maintaining validator availability even through periods of network volatility.

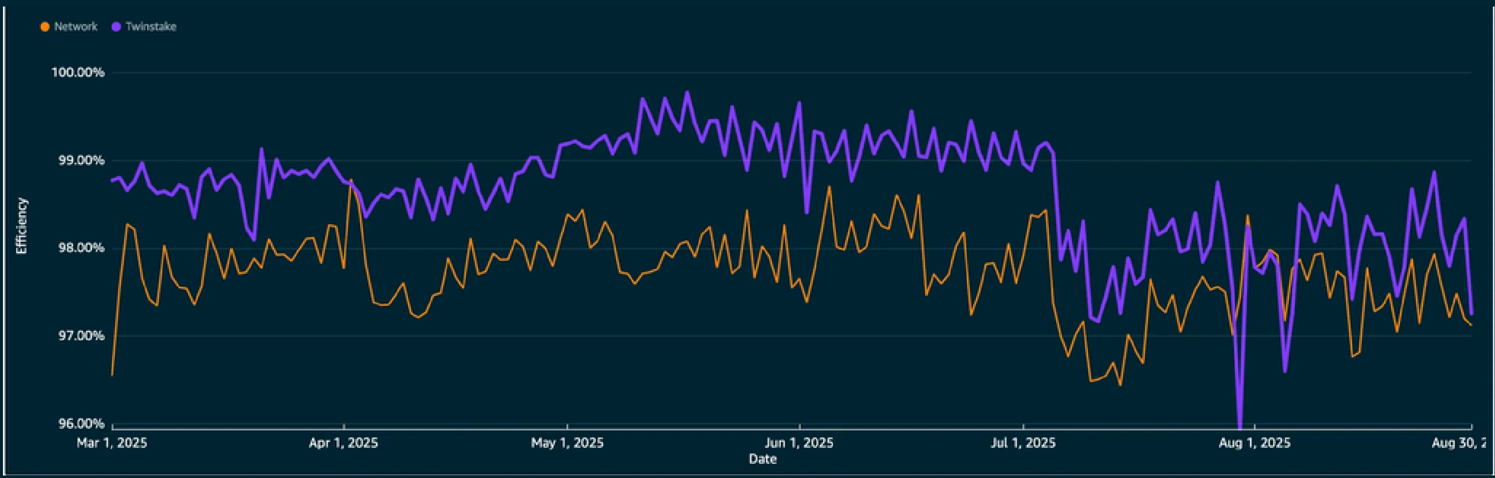
TON

Delegator APR



Twinstake's TON validator continues to deliver stable APRs that edge above the broader network average, underscoring disciplined infrastructure performance and consistent returns for delegators.

Uptime



Twinstake's stronger uptime above network average signals infrastructure edge

Liquidity & Queue Tracker

ETH Activation & Exit Queues (as of 22/09/25 11:05 UTC)

We've seen a positive feedback loop on the ETH exit queue, with concerns about not being able to meet redemption times spiking as Kiln rotates all of their ETH keys driving increased exits, which in turn drives the queue up and leads to more exits to meet redemption times. Already historically high, 2.7% of total circulating ETH are in the exit queue.

The entrance queue, though high, is nowhere near as pronounced, at a manageable 9 days, and is dropping from a recent high of ~1M ETH. The entrance queue could see a similar spike if exiting ETH is redeployed into staking.

	Length (time)	Length (size)	Trending (7d)
Entrance Queue	5 days 18 hours	332,395 ETH	↘
Exit Queue	~44 days	2,351,658 ETH	↗

Intelligence Brief

↘

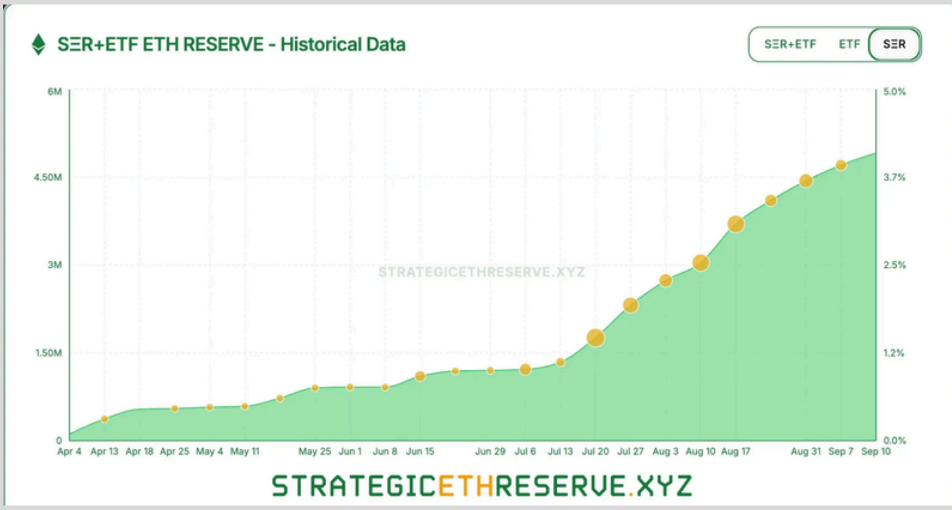
DATCOs Deep Dive

- **Shared DNA:** Both ETFs and DATCOs demand compliance, liquidity alignment, and performance at scale.
- **Treasury Focus:** Twinstake supports DATCOs with audit-ready reporting, custody flexibility, and SOC2-backed validator infra.
- **Institutional Proof:** Already powers 40% of Europe's staking ETPs and the validator behind the REX-Osprey Solana ETF, the first staking-enabled U.S. ETF.

> **"Staking isn't just yield, it's the cornerstone of institutional ETFs and Digital Asset Treasury Companies."**
>
> Read our DATCOs Deep Dive on twinstake.com

Market Radar

- **DATCOs go on-chain:** Digital treasuries now hold >$4B in ETH, with staking as a primary yield engine. (Galaxy Digital)



- **Corporate treasury pivot:** Ethereum staking strategies are entering boardrooms, framing yield as non-dilutive income alongside BTC reserves. (Yahoo Finance)

Institutional Signals at a Glance

Segment	Actionable Insight
ETFs	Pre-sign exits & schedule redemptions to shield NAVs during high ETH queue periods.
DATCOs	Adopt audit-grade staking reports & custody-agnostic integration to formalize rewards in corporate treasuries.
Custodians	Package SLAs + compliance protocols into treasury & fund onboarding collateral.
Crypto-Native Funds	Queue-aware reallocation + MEV-aware strategies mirror DATCO best practices.

Why This Matters Now

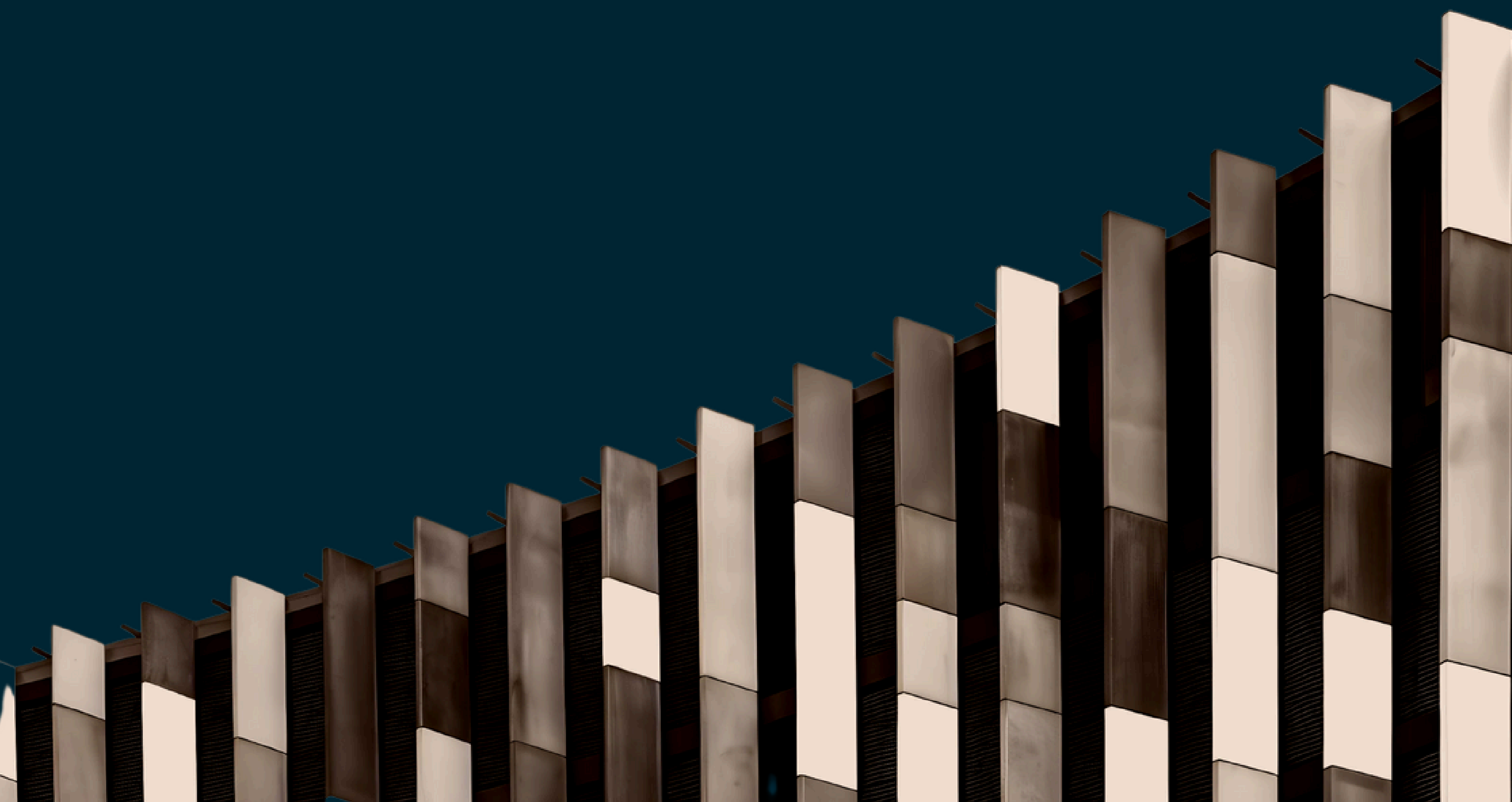
- ETF desks face redemption bottlenecks as ETH queues expand.
- DATCOs can now anchor yield to treasury management standards.
- Custodians gain stickier relationships by offering compliance-ready staking channels.

Monthly Comparative Table: Twinstake vs. Market

Chain	Twinstake APR (%)	Network Avg APR (%)	Delta	Validators	Institutional Edge
ETH	3.04	2.99	+5bps	10,000+	Pectra-ready, no slashing
SOL	7.70	7.50	+20bps	800+	Validator expansion, MEV edge
TON	4.72	4.69	+3bps	150+	MEV pilot, growth momentum

Coming Next

Validator Alerts: Real-time notifications for validator status changes and slashing risks to help you keep your assets secure without constant monitoring, coming soon to Twinstake.



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2. Twinstake Insights. Staking: The Cornerstone for ETFs and Digital Asset Treasury Companies. Link.
3. Yahoo Finance. The $100 Billion Bitcoin Bet: Treasury Strategies for Institutions. Link.
4. UK Legislation. Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (SI 2005/1529). Link.
5. Twinstake Research. Redemption Ready: A Liquidity Blueprint for Staking-Enabled ETFs. Link.
6. Ethereum Validator Exit Queue Spikes 150% as Kiln Unstakes All Its ETH. Link.

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