# As ETH burning picks up speed, Ethereum sets a record for supply deflation

The burning of Ethereum is growing in volume. Because of this, the issue has experienced the largest level of deflation ever, which is reducing the quantity of ETH. The supply of Ethereum is depleting at its quickest rate ever. Inflation has reached historic lows as ETH burning picks up speed.

In order to maximise gas usage, the burning was first implemented with EIP-1559 in mid-September. As a result, more Ethereum is burned through generated network activity. This indicates that issuance is deflationary or negative.

The Ultrasound.Money Ethereum tracker shows that supply growth over the last month was -0.33%. Deflation is currently closer to -0.5% on a daily time scale.

## Supply of Ethereum declines by 72,000 ETH

The supply of Ethereum has reduced by 72,186 ETH, or about $130 million at the current exchange rate, since the Merge on September 15.

The Ethereum supply should drop by another 1.3 million ETH to approximately 119 million by this time next year. Over 123 ETH are burned each hour at the moment in Ethereum. Moreover, Uniswap currently consumes the most gas, accounting for 15% of the total burn.

There are 17.9 million ETH locked on the Beacon Chain in terms of staked Ethereum. This amounts to an estimated figure of $32 billion, equating to around 15% of all currently circulating supply. There were concerns regarding a surge in ETH prices after next month's Shanghai upgrade. The staggered release procedure, as recently detailed by BeInCrypto, makes this unlikely to occur.

On April 12, "Shapella" will receive an upgrade. It includes the "Shanghai" updates to the consensus layer and the "Capella" upgrades to the Ethereum Virtual Machine (EVM). The Engine API, which connects the two layers, has also improved.

Industry supporter Ryan Berckmans published a list of accomplishments for the ecosystem's young age on March 30.

## Future pricing of ETH

Over the previous day, there has been little movement in Ethereum pricing. But, as of this writing, the asset has reclaimed $1,800.

The prices of ETH continue to follow the market trends of their bigger brother in considerable part. Although the asset has increased by about 8% over the last two weeks, it was still down 63% from its top in November 2021.

## Is there backing for ETH dips?

The $1,780 level and the trend line offer some initial protection against a downward move. The area around $1,745 or the 61.8% Fib retracement level of the upward movement from the $1,686 swing low to the $1,828 high serves as the next significant support.

The $1,700 region is currently the main area of assistance. The price may continue to fall towards $1,665 if a break is below $1,700. The $1,620 mark may need to be tested if there are any additional losses.