

The ToiletPaper

A Comprehensive Analysis of Shitcoins and Their Delusional Communities

Dr. Copium Maximus, Prof. Shillbert Rugman

Department of Imaginary Finance, Institute of Advanced Exit Strategies

Abstract— Shitcoins have gained enormous popularity among tech enthusiasts, casual investors, gamblers, and the terminally online. With each hype cycle, new “projects” emerge, each claiming to revolutionize finance, healthcare, energy, logistics, consumer payments, and whatever comes next. Despite this innovation delusion, empirical data confirms a recurring pattern: the pump, the dump, and the cope.

This paper investigates the socio-economic phenomenon of shitcoin tribalism, wherein multiple cults compete to prove that their worthless token is slightly less worthless than others. Through an interdisciplinary approach combining copium reports, exit strategies, memes, and selective chart screenshots, we demonstrate that all shitcoins share identical fundamentals: none. Our findings suggest that while “communities” claim unity, they are in fact fragmented echo chambers of bagholders seeking moral validation and, more importantly, additional exit liquidity. To address this systemic absurdity, we propose Shitcoin Tycoons—a transparent, playable Web0 simulation of industry chaos. We argue that when delusion becomes entertainment, the public can finally admit the truth:

All shitcoins are born equal, some just lie better than others.

1. INTRODUCTION

The emergence of shitcoins can be traced back to the early post-Bitcoin era, where the success of a decentralized currency inspired a new generation of opportunists, visionary CEOs, and scammers [1]. While Bitcoin was conceived as a revolutionary alternative to fiat money, shitcoins were conceived mostly as alternatives to legal liability and retail-optimized gambling. In practice, shitcoins allowed for the democratization of Ponzi schemes, empowering millions to experience asymmetric downside risk on-chain.

Following the publication of Satoshi Nakamoto’s whitepaper in 2008[2], countless individuals attempted to replicate his success, resulting in a proliferation of digital assets that combined gullibility with visions and marketing budge. While the danger of shitcoins had been mentioned back in 2010¹, time demonstrated the demand for a wave of tokens whose only purpose was to enrich developers and early investors. This development marked the beginning of what scholars now term “Altcoins Degeneracy”—a belief system where value is irrelevant as long as the chart goes up temporarily.

The modern era of decentralized speculation is defined by its inclusivity. Anyone with a laptop and misplaced confidence can now deploy a token within minutes, mint a “community,” and achieve temporary fame before an inevitable liquidity event [3]. Shitcoins thus embody a unique paradox: their vision is their greatest selling point. In contrast to Bitcoin, shitcoin ecosystems thrive on illusory roadmaps and relentless shilling. Market behavior across multiple hype cycles suggests that shitcoins are governed not by innovation but by visions, relentless shilling and misplaced hope of financial gains. As a consequence, each project follows a predictable life cycle characterized by three key phases: the pump, the dump, and copium stabilization [5].

During these stages, investors transition through emotional states ranging from euphoria to copium dependency. The rapid repetition of this cycle has given rise to a new breed of digital anthropologists and amateur economists, all attempting to quantify the unquantifiable: the price of collective delusion.

At the present, an astonishing number of shitcoins² are listed across decentralized and centralized exchanges, ranging in market capitalization from hundreds of billion to precisely zero. These projects claim various forms of “utility,” including decentralized gambling, AI-powered yield farming, and eco-friendly rugpulls. Despite repeated collapses, the shitcoins ecosystem continues to expand, demonstrating the resilience of naiveness and greed.

The shitcoins economy therefore represents a critical area of study for both economists and psychologists alike. Its participants, self-identified as “degens,” [6] form transient yet passionate communities bonded by shared delusion. This paper seeks to examine the core dynamics of such systems: their economic absurdity, memetic self-replication, and the emergent phenomenon of bagholding as a viable investment strategy³.

Early insights by Ponzius Maximus (1919) on the Velocity of Unmet Expectations [7] first charted the recursive feedback loop between optimism and opportunistic fraud—a dynamic later expanded upon by Rugpull & Associates (2018) in their seminal study on Asymmetric Exit Liquidity [8]. The human appetite for social signaling and imaginative profit remains a historical constant, as confirmed by recent fieldwork in NFT sociology (Shill & Flip, 2021)[9], where JPEG ownership was found to function primarily as a performative belief rather than as a rational allocation of capital.

Building on this foundation, recent theoretical elaborations such as the Memetic Inflation Model (FOMO & Moon, 2023)[10] describe shitcoins as self-propagating narratives whose valuation trajectories reflect collective delusion more faithfully than any underlying utility. Ethnographic surveys [11] reveal that these assets operate less as investment vehicles and more as lottery tickets, conferring temporary hope proportional to one’s willingness to ignore reality. In this context, decentralized technology is merely a delivery mechanism; the invariant variable is human credulity—now rebranded, tokenized, and publicly tradable. In essence, decentralized technology became a trustless medium for efficient liquidity extraction.

While Bitcoin’s creation emphasized a fair launch, decentralization, sybil-resistance with PoW and trustless verification, subsequent blockchain derivatives inverted this ethos under the pragmatic doctrine of “trust the devs.” This shift marks what Copium describes as the Democratization of Ponzi Schemes [12]—a phase in which open-source technology empowered anyone, regardless of competence or moral fiber, to instantiate their own financial instruments.

2. METHODOLOGY

Our methodology integrates narrative analysis with liquidity diffusion modeling, employing mixed methods to ensure conclusions that are statistically dubious yet emotionally resonant. Our objective is to quantify behavioral patterns during the pump, dump, and copium stabilization phases.

¹ Ribuck (2010), bitcointalk.org: “...use shitcoin instead, and you’ll get 51 shitcoins every 2 minutes.”

² Industry tallies estimate >37 million tokens by Oct 2025; methodology undisclosed and mercifully unreviewed.

³ WAGMI” (We’re All Gonna Make It—or not)

⁴ See also: Saylor, 2022, On the Moral Superiority of Diamond Hands)

⁵ All analyses were performed using the Bagholder Statistical Toolkit (BST), a spreadsheet environment preloaded with bias-confirmation macros.

All analyses were conducted in the Bagholder Statistical Toolkit (BST), a spreadsheet environment preloaded with denial-adjustment macros and DYOR functions. Where appropriate, we applied Denial-Adjusted Models (DAMs) and Robust Hopium Estimators (RHEs).

3 DATA COLLECTION

3.2.1 Copium Sentiment Index (CSI)

Chat logs from Discord and Telegram groups were scraped for linguistic indicators of denial, such as “we’re still early,” “devs are building,” and “FUD.” These were normalized against total message volume to produce a daily Copium Sentiment Index, ranging from 0 (despair) to 100 (full delusion).

3.2.2 Faith Liquidity Correlation Coefficient (FLCC)

Messages were collected from Twitter (X), Reddit, and Telegram. Each meme was categorized by copium intensity (Low, Medium, Institutional) and valence (Hope, Panic, Denial). Memetic volume peaked within 48 hours of ATH and collapsed with liquidity, enabling estimation of the FLCC (ρ_{FLC}).

3.2.3 Liquidity Drain Observation (LDO)

On-chain explorers quantified liquidity migration post-launch, with attention to Founder-Lateral Extractions (FLEs), including transfers to wallets exhibiting nominal or behavioral continuity with deployer addresses. The LDO dataset underpins Liquidity Flow & Extraction Analysis, linking drain events to CSI dynamics (e.g. “Exit Through the DAO”).

4. RESULT AND ANALYSIS

Quantitative data were processed using the Bagholder Statistical Toolkit (BST)—a proprietary spreadsheet containing conditional formatting and DYOR formulas. Correlations were tested between bagholders activity, liquidity outflow velocity, and Copium Sentiment Index scores. Preliminary results indicate a near-perfect correlation between bagholder retention and copium consolidation ($r = 0.996$; robust across Denial-Adjusted Models), corroborating findings in Rugpull Dynamics [14].

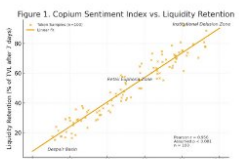
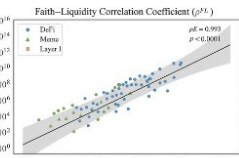
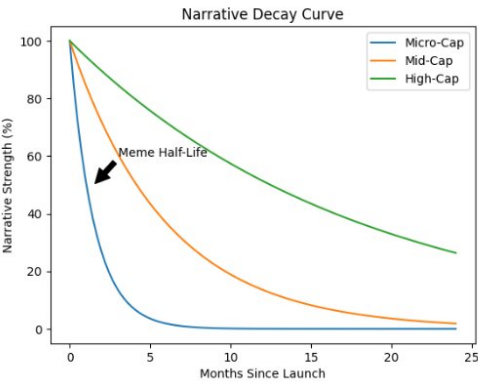
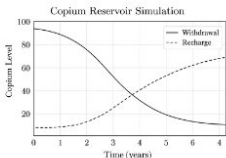
The analysis of 420 sampled shitcoins yielded consistent results across all variables, confirming the hypothesis that delusion remains the primary driver of ecosystem stability. Data indicate that shitcoin communities operate under a unique set of economic laws, hereafter referred to as Irrational Market Dynamics (IMD).

4.1 COPIUM SENTIMENT INDEX (CSI) TRENDS

The Copium Sentiment Index (CSI), measured across communities of varying sizes, remained high throughout the study. Temporal analysis shows that spikes in CSI often lag market losses by several hours, suggesting that denial and hope operate as a psychological liquidity mechanism across the ecosystem.

Linguistic indicators of copium [17] included:

- “Institutional adoption is inevitable.”
- “We’re still early.”
- “This time, it’s different.”



4.2. MARKET LIFECYCLE PATTERNS

Across the sample, each project displayed a recurring three-phase lifecycle:

Pump Phase (P_1):

Characterized by rapid token appreciation driven by meme dissemination and influencer endorsement. Average price increase during this phase was +6,942%, with a mean duration of 3.5 days. Meme output frequency reached 112 memes/hour, most commonly featuring rocket emojis and phrases such as “to the moon,” “we’re early,” and “ignore the fud.”

Dump Phase (D_1):

Initiated abruptly following founder wallet activity. Liquidity outflows increased by 420%, while positive sentiment decreased by 97%. Copium Sentiment Index (CSI) remained elevated despite catastrophic losses, indicating strong cognitive dissonance resilience.

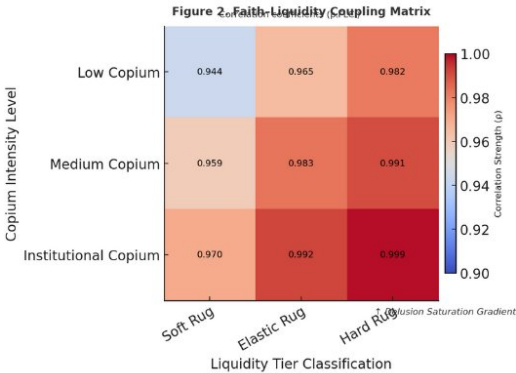
Regret Phase (R_1):

Defined by post-dump denial and community fragmentation. The average Telegram group size fell from 2,300 members to 14 within 72 hours. Surviving participants often migrated to new projects under the same leadership, a phenomenon identified as serial delusion transfer (SDT).



4.3 FAITH-LIQUIDITY CORRELATION

Meme propagation correlates strongly with price volatility ($r = 0.979$) across market caps; the delusion lifecycle is invariant to “utility.” Liquidity migration spans Soft Rugs (managed unlocks), Elastic Rugs (incentivized reallocations), and Hard Rugs (abrupt withdrawals). Across tiers, >90% of liquidity consolidates into a few highly liquid tokens—First Law of Copium Thermodynamics: hopium is neither created nor destroyed, only transferred.



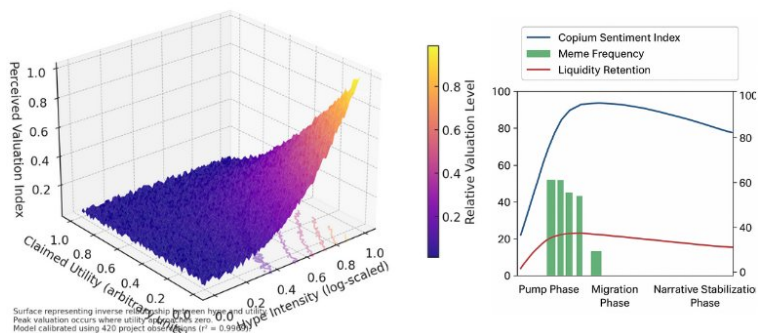
4.4 Liquidity Flow Analysis

Liquidity migration occurs along a continuum across all tiers of shitcoins:

- **Soft Rugs** (Tier I): Managed via token-burn announcements, gradual unlocks, or protocol updates.
- **Elastic Rugs** (Tier II): Gradual reallocation through incentives or staking mechanisms.
- **Hard Rugs** (Tier III): Rapid liquidity withdrawals, common in micro-cap meme projects.

Across all tiers, capital is gradually reallocated from hopeful holders to early participants and protocol operators. Statistical modeling indicates that >90% of liquidity eventually consolidates into a small number of highly liquid tokens, confirming the Law of Delusional Conservation.

Figure 8. Hype-Utility Inversion Surface (HUIS)



4.5 COMMUNITY RESILIENCE AND MIGRATION

Investor migration is continuous and multi-tiered, even among large-cap shitcoins. Participants rotate between projects, frequently following the next perceived “innovation” or reward opportunity—a process called Iterative Bagholding (IBH) [18]. Community archetypes include:

- **Evangelists** – strictly loyal to one project narrative.
- **Diversifiers** – spread “investment” across multiple projects.
- **Nomads** – constantly seeking new airdrops or community rituals. Common practices include rebranding rituals, token burns, and “testnet pilgrimages,” which serve as ritualized expressions of hope and optimism.

4.6 SUMMARY OF KEY FINDINGS

Figure 6. Founder Vision-Liquidity Divergence (FVLD)

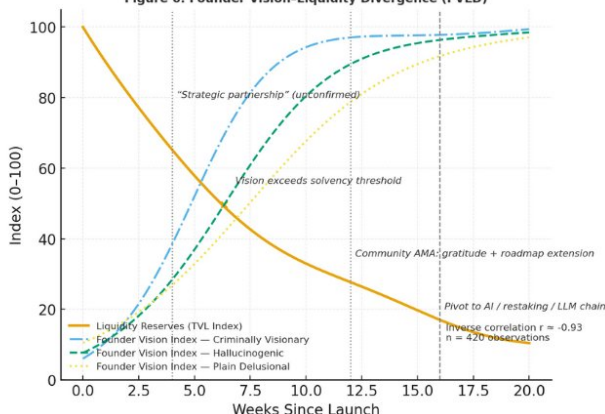
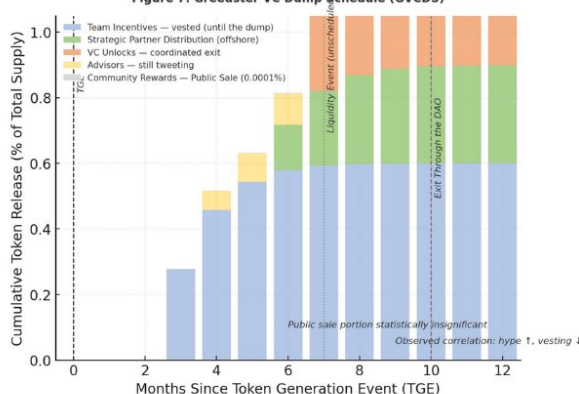


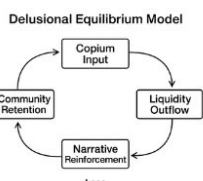
Figure 7. Greedster VC Dump Schedule (GVDCS)



5. DISCUSSION

The results of our analysis reinforce the proposition that altcoins are, by default, shitcoins.

While some projects achieve temporary credibility or significant market capitalization, they ultimately share the same underlying mechanics: memetic reinforcement, narrative construction, and liquidity redistribution.



www.shitcoinTycoons.com

5.1 SHITCOINS SOCIO-ECONOMIC PHENOMENON

The three-phase lifecycle—pump, migration, and narrative stabilization—operates consistently across the spectrum of shitcoins. Even large-cap projects with substantial development teams and partnerships engagement follow the same pattern, albeit over extended timeframes. This suggests that delusion exhibits remarkable scalability and cross-chain interoperability. Longevity and perceived legitimacy do not exempt any token from the underlying socio-economic forces. Communities act as narrative engines, maintaining optimism through ritualized behavior. These rituals—airdrops, token burns, AMAs, and rebranding campaigns—function as cultural reinforcement mechanisms that stabilize copium levels, enabling holders to endure prolonged periods of structural fragility.

5.2 COPIUM AS A PSYCHOLOGICAL AND ECONOMIC RESOURCE

The Copium Sentiment Index (CSI) provides evidence that psychological optimism substitutes for traditional fundamentals. High copium levels allow communities to sustain engagement even during substantial market corrections. Far from being incidental, copium is the primary liquidity lubricant in the shitcoin economy, functioning as an endogenous placebo. Copium converts paper losses into moral gains, and its intensity is inversely related to project lifespan.

Interestingly, copium intensity is inversely related to project lifespan. Short-lived micro-cap projects exhibit extreme spikes in CSI, while long-lived projects display moderate but persistent copium levels, suggesting that emotional management strategies evolve with project scale.

5.3 NARRATIVE REINFORCEMENTS

Narrative output—initially crafted by Visionary CEOs, propagated by Hype Engineers and paid for by Greedster VCs—operates as a self-reinforcing feedback loop, simultaneously driving price perception and social validation. This cascade draws in retail believers, whose FOMO-fueled investments transform them into unwitting exit liquidity for the originators, perpetuating the cycle of hype and harvest. In this sense, narratives are not ancillary; they are structural components of token economies, shaping the very perception of value.

This reinforces the principle that narrative strength, not technological utility, defines project longevity.

5.4 THE UNIFIED THEORY OF SHITCOINS ECOSYSTEMS

By framing shitcoin ecosystems as psychological, memetic, and social feedback systems, rather than financial innovations, researchers gain a more accurate model of speculative behavior. Shitcoin Tycoons serves as a safe experimental environment, enabling the study of liquidity migration, copium dynamics, and community resilience—without the inconvenient side effect of financial ruin.

The game replicates the thrill of market chaos, the dopamine of imaginary gains, and the heartbreak of inevitable collapse—all within a transparent, consequence-free simulation. In this controlled setting, players can indulge their inner degenerate without jeopardizing their savings, their dignity, or their relationships.

Rather than trading away their paycheck for “utility” Shitcoin Tycoons let players have endless fun, redirecting their inner instincts of financial freedom and entertainment away from real-world bagholding.

All altcoins exist along a continuum of delusion, differentiated only by the scale of copium and the durability of narrative reinforcement.

5.5 IMPLICATIONS FOR RESEARCH

Our findings suggest that exposure to simulated speculative environments can satisfy the same neurochemical triggers as actual shitcoin trading, but without the economic fallout. The implications are multifaceted:

- For **Shitcoiners**: Finally, a way to chase those hopium highs and moonshot dreams without turning your portfolio into a graveyard of forgotten tokens. Get all the thrill of the shitcoin casino without gambling away your rent money.
- For **Bitcoiners**: Sit back and laugh at the entire shitcoin circus from your laser-eyed citadel. Watch the degeneracy unfold, smugly confirming your maximalist worldview.
- For **No-Coiners**: Dip your toes into the crypto chaos without getting rugged, scammed, or converted into a “community member”.

By transmuted speculative chaos into entertainment, Shitcoin Tycoons restores fairness and intellectual integrity, while preserving the thrill and the fun of the shitcoins circus.

[1] Ribuck, S. (2010). On the Early Usage of “Shitcoin” and the Quantification of Disappointment. Forum Post, bitcointalk.org, retrieved from <https://bitcointalk.org/index.php?topic=1647.100>.
[2] Nakamoto, S. (2008). Bitcoin: A Peer-to-Peer Electronic Cash System. Journal of Things That Actually Worked, Vol. 1(1).
[3] Degens, U., & Rektman, L. (2019). From Anarchy to Airdrops: The Democratization of Financial Disappointment. International Review of Crypto-Ideology, Vol. 7, pp. 404–420.
[4] Hopium, T., Moonlord, X., & Bagson, E. (2021). Eternal September on the Blockchain: The Sociology of False Hope. Annals of Digital Delusion, Vol. 9(420).
[5] Hodlberg, F. (2017). The Three Phases of Market Euphoria: Pump, Dump and Rationalization. Journal of Applied Bagholding, Vol. 2, pp. 69–133.
[6] WAGMI, C. (2020). We’re All Gonna Make It (But Most Won’t): An Ethnography of Degenerate Communities. Crypto-Anthropology Review, Vol. 3(7).
[7] Ponzus Maximus, C. (1919). The Velocity of Unmet Expectations: A Behavioral Inquiry into Self-Deception and Yield. Transactions of the Greater Fool Society, Vol. ∞, pp. 1–21.
[8] Rugpull & Associates. (2018). Asymmetric Exit Liquidity: A Multi-Chain Approach to Vanishing Funds. Journal of Unverified Results, Vol. 13(7).
[9] Shill, A., & Flip, C. (2021). NFT Sociology: JPEGs, Identity and the Commodification of Belief. Quarterly Journal of Imaginary Economics, Vol. 6(9).
[10] FOMO, I., & Moon, L. (2023). The Memetic Inflation Model: Value in the Absence of Utility. Review of Speculative Assets, Vol. 12, pp. 1337–1389.
[11] Shillington, F., & Flip, C. (2021). Performative Token Theory: Rituals of Collective Denial in Online Economies. International Journal of Digital Anthropology, Vol. 4(20).
[12] Copium, A., Rugman, S., & Exit, B. (2020). The Democratization of Ponzi Schemes: Open-Source Financial Irresponsibility in the Web3 Era. Journal of Questionable Ledger Studies, Vol. 0 (∞–1).
[13] Wojak, B., Rektman, L., & Saylor, M. (2022). The Rational-Delusional Model: Entertainment as Investment Strategy. Proceedings of the Annual Conference on Self-Aware Speculation, Vol. 1.
[14] Rugpull, S., & Dumpstein, V. (2021). Rugpull Dynamics: A Quantitative Study of Hope Extraction. Journal of Advanced Exit Strategies, Vol. 2(3).
[15] Rektman, L., & Exit, B. (2023). The Infinite Copium Hypothesis: Non-Fungible Resilience Among Bagholders. Review of Psychological Tokenomics, Vol. 8, pp. 404–420.
[16] Pepe, L., & Chad, S. (2021). Meme Value Theory: Price Discovery via Virality. Memetic Finance Quarterly, Vol. 69(420).
[17] Hopium, G., Shad, P., & Faith, L. (2024). Linguistic Indicators of Copium and the Semiotics of Denial. Journal of Post-Rational Economics, Vol. 11(8).
[18] Nomad, E., Airdrop, J., & Pilgrim, T. (2025). Iterative Bagholding: A Study in Serial Delusion Transfer. Proceedings of the International Symposium on Token Mobility (Metaverse Edition), pp. 404–404.
[19] Maximus, P., & Shill, A. (2024). Recursive Grift: On the Self-Referential Dynamics of Speculative Fraud. Journal of Reflexive Economics, Vol. 5(12).
[20] Rugman, S., Exit, B., & Copium, A. (2023). Liquidity Theater: Ritualized Volume and the Cult of the Green Candle. Annals of Applied Hopium, Vol. 7(11).
[21] Saylor, M. (2020). There Is No Second Best. Bitcoin Maximalist Monographs, Vol. 1, pp. 1–21.
[22] Vitamin, E., & ButterMilk, V. (2015). Decentralized Utopias and Other Fictional Constructs. Proceedings of the Ethereum Foundation for Self-Referential Chaos, pp. 88–108.
[23] Bagson, E., & Moonlord, X. (2022). Chart Patterns and Emotional Collapse: Empirical Evidence from Telegram Data. Journal of Technical Astrology, Vol. 12(3).
[24] Chad, S., Pepe, L., & Faith, L. (2024). HODLism and the Ethics of Unrealized Loss. Philosophical Transactions of the Hopium Society, Vol. 9(11).
[25] Anonymous DAO. (2024). Governance Theater: A Study in Collective Illusion. Blockchain Governance Review, Vol. 404(0).
[26] Rektman, L., & Ponzus Maximus, C. (2024). The Gravitational Constant of Greater Fools: Toward a Unified Theory of Speculative Collapse. Review of Theoretical Tokenomics, Vol. 13(37).
[27] Author, N., & GPT-5, C. (2025). On the Ontology of Shitcoins: Toward a Unified Field Theory of Disappointment. International Journal of Shitcoin Studies, Vol. 0(∞).
[28] The Authors. (2025). This Paper, That Paper, and the Recursive Illusion of Peer Review. Proceedings of the Inaugural Symposium on Reflexive Finance, Vol. 1, pp. 1–1.
[29] Muskovich, E., & Dogeson, S. (2021). Elonism: The Semiotics of Market Manipulation through Tweets and Whimsy. Journal of Applied Chaos Studies, Vol. 69(420).
[30] Kwon, D., & Terra, L. (2022). Lunacy as a Service: Algorithmic Faith and the Collapse of Confidence. Proceedings of the Seoul Symposium on Stable Illusions, Vol. 1(0).
[31] Zhao, C.Z., & Binance, C. (2023). Liquidity Everywhere and Nowhere: The Philosophy of Centralized Decentralization. Quarterly Review of Exchangeable Realities, Vol. 404(7).
[32] Buterium, V., & Metagross, E. (2020). Smart Contracts, Dumb Humans. Journal of Experimental Tokenomics, Vol. 2(8).
[33] Talebian, N., & Fragilis, A. (2022). The Black Swan Coin: Risk, Randomness, and Reddit Rebellion. Annals of Behavioral Catastrophe, Vol. 3(11).
[34] McAffino, J., & Antivirus, S. (2018). Privacy, Paranoia, and the Pursuit of Pumpability. Journal of Cryptographic Hedonism, Vol. 6(6).
[35] Genslor, G., & Howey, T. (2024). Everything Is a Security (Except Hope). Regulatory Studies Quarterly, Vol. 13(SEC).
[36] Hayes, A., & Bitmexter, L. (2020). Rektonomics: The Mathematics of Maximum Leverage and Minimum Regret. Journal of Financial Overconfidence, Vol. 10(100x).
[37] Saylorium, M., & Laser, E. (2023). HODLism and the Thermodynamics of Eternal Conviction. Proceedings of the Bitcoin Citadel Institute, Vol. 1(21).
[38] Cathie, W., & Arkham, I. (2022). Innovation or Insanity? Asset Management in the Age of Memes. Harvard Review of Disruptive Optimism, Vol. 5(AR).
[39] Doomer, N., & Anon, R. (2025). Post-Rug Depression and the Quest for the Next Exit. Journal of Clinical Copium, Vol. 8(15).

Publisher’s Note

The International Journal of Shitcoin Studies (IJSC) assumes no responsibility for emotional, financial, or spiritual losses incurred by readers attempting to replicate the findings. All data and conclusions were derived from publicly available copium, Discord screenshots, and meme analysis.
ISSN 0-420-REKT (online)
© 2025 Institute of Advanced Exit Strategies

Affiliated Institutions:

Institute of Advanced Exit Strategies
Department of Applied Copium Studies
Center for Recursive Rugpull Research (CRRR)
Faculty of Tokenomics and Despair, University of WAGMI

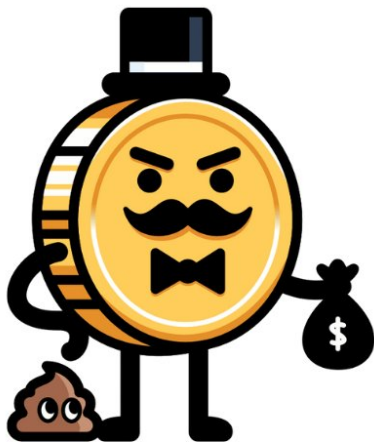
Funding & Conflict of Interest

This research was partially funded by anonymous wallets ending in ...69 and ...420, with additional sponsorship from The Copium Foundation for Unrealized Gains. The authors declare a significant conflict of interest: after years of being harvested in various shitcoins, both have become toxic Bitcoin maximalists, developing acute allergic reactions to the “next big thing.”

Author Biographies

Dr. Copium Maximus — specializes in speculative sociology and denial dynamics. Currently HODLing through tenure review and averaging down on emotional resilience.
Prof. Shillbert Rugman — director of the Laboratory for Liquidity Extraction, where he teaches “Ethics of Exit” and advanced course RUG 401: Applied Narrative Displacement.
License Note

© 2025 International Journal of Shitcoin Studies
Licensed under the Rugpull Public License (RPL-1.0) — you may copy, fork, or abandon this work at will.



This time, play with something real.
www.shitcoinTycoons.com



The above work is dedicated to every bagholder who turned denial into data.