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Crypto Platform Pump.fun Faces Backlash Over Buybacks

July 31, 2025

– Categories: Crypto



Solana-based token launchpad Pump.Fun is under scrutiny after its native token \$PUMP surged 24%, driven by an aggressive buyback campaign. Despite the spike, market observers are questioning whether the strategy can sustain momentum or if the rebound is short-lived.

Pump.fun enables users to instantly create and trade memecoins using automated bonding curves. In July 2025, it conducted one of the year's fastest fundraising events, selling 150 billion \$PUMP tokens at \$0.004 each and raising an estimated \$500 million within 12

minutes. The token was immediately listed on major global exchanges, including Kraken, KuCoin, and OKX.

However, post-ICO, \$PUMP's price faced severe volatility. Initial enthusiasm pushed it above \$0.0068, but whales reportedly moved over \$160 million worth of tokens to exchanges, triggering sell-offs. Delays in a promised airdrop further shook investor confidence.

In response, Pump. Fun initiated large-scale buybacks using daily revenue. In mid-July, the platform repurchased 111,953 SOL, roughly \$18.3 million, in an attempt to stabilise price action. Yet analysts have raised concerns about the long-term sustainability of using treasury funds to prop up the token.

To boost engagement, Pump. Fun also launched a trading incentive campaign in partnership with OKX, offering users rewards for participating in \$PUMP-related trades. Despite this, order flow data still shows significant selling pressure.

On-chain data reveals Pump.fun has earned about 2,016,391 SOL (around \$398 million), forming a substantial treasury. While this financial reserve provides flexibility, the project's future depends on maintaining confidence and market interest.

Technically, \$PUMP recently completed a “double bottom” pattern, a classic bullish signal breaking above the \$0.00310 resistance level. Trading volume and price action suggest cautious optimism, but support must hold for the move to continue. Any failure to sustain above this level could see the price fall toward \$0.00295.

Analysts caution that without consistent buyer follow-through, the recent recovery may be temporary. While Pump. Fun's approach has succeeded in generating attention; long-term credibility will depend on transparent communication, responsible treasury management, and user trust.