Exchange Review

JULY 2024

About CCData

CCData is an FCA-authorised benchmark administrator and global leader in digital asset data, providing institutional and retail investors with high-quality real-time and historical data. Leveraging its track record of success in data expertise, CCData's thought-leadership reports and analytics offer objective insights into the digital asset industry.

About This Report

CCData's Exchange Review aims to capture the key developments within the cryptocurrency exchange market. Our review focuses on analyses related to exchange volumes, including those related to crypto derivatives trading, market segmentation by exchange fee models, and crypto to crypto vs fiat to crypto volumes. We also analyse bitcoin trading into various fiats and stablecoins, the top crypto exchange rankings by spot trading volume, as well as how volumes have developed historically for the top centralised and decentralised exchanges.

CCData's Exchange Review is conducted on a monthly basis and caters to both the crypto enthusiast interested in a broad overview of the crypto exchange market, as well as investors, analysts, and regulators interested in more specific analyses. Please note that in certain circumstances, historical figures found in previous monthly reports may be updated in more recent reports to reflect the most up-to-date data.

For questions related to our research or any potential requests, feel free to contact our research department at research@ccdata.io

Explore the Data on CCData's API

If you're interested in cryptocurrency trade data, order books, blockchain details, social metrics, or historical information on thousands of cryptocurrencies and over 200 exchanges, explore CCData's API and data solutions here.

Disclaimer

Due to the nature of exchange API endpoints and the practice of backfilling data, there may be data discrepancies between this edition and previous reports. The data presented below is correct up to the release date of this report.

Note: We are constantly developing our products to ensure the most value to our readers. Recently we have applied more filters to ensure all volumes reported are as truly representative of the market ecosystem as possible, and have greatly increased the scope of this report, as such, this month's data will not be directly comparable to last. **All data included in this report is up to the 31st of July 2024, unless stated otherwise.**

Contents

Key Market Insights

Trading Volumes Rises For The First Time in Four Months

In July, the combined spot and derivatives trading volume on centralised exchanges rose 19.0% to $4.94tn, recording the first increase in four months. The surge in volume follows multiple bullish catalysts in July, including the launch of spot Ethereum ETFs in the US and the bullish sentiment voiced by U.S. political figures at the Bitcoin conference held in Nashville, Texas.

Monthly spot and derivatives trading volumes on centralised exchanges recorded their first increase since March, rising 14.3% and 21.0% to $1.44tn and $3.50tn, respectively. The derivatives market share is currently at 70.9%, the highest level since December 2023. This increase comes as traders looked to capitalise on multiple catalysts, with major digital assets rallying to range highs last month.

Bybit Spot Market Share Hits All-time Highs While Binance Slips

Spot trading volume on Bybit rose 22.9% to $132bn in July, recording the third-highest monthly volume for the exchange on record. Bybit retained its position as the second largest spot exchange in the industry, with a new all-time high market share of 9.18%. Binance remains the largest spot exchange with a market share of 28.1%, a decline of 4.90% since last month.

Binance also continues to lead in the derivatives markets, with a market dominance of 43.5%, followed by OKX and Bybit with a market share of 19.0% and 15.1%, respectively. Crypto.com was among the highest gainers in month-on-month trading volume, recording an increase of 104% and 102% to $68.9bn and $75.6bn in the spot and derivatives markets respectively.

CME Volumes Surge Amidst the Launch of Spot Ethereum ETFs in US

In July, the derivatives trading volume on the CME exchange rose 23.7% to $130bn, recording the second-highest monthly volume of the year. BTC futures on the exchange recorded a trading volume of $101bn, an increase of 24.0% from last month, while ETH futures rose by 15.0% to $20.7bn.

Meanwhile, options trading volume on the exchange surged to a new all-time high volume of $3.69bn, rising 93.6% from June. BTC options rose by 89.8% to $2.72bn while the ETH options volume on the exchange increased by 122% to $897mn, recording the second-highest volume for the instrument in the exchange’s history. The surge in ETH options trading activity highlights the institutional interest in the asset ahead of the launch of spot Ethereum ETFs in the US last month.

Daily Trading Volumes Reach Highest Level Since May 2021

On August 5th, the prices of digital assets slumped towards new range lows over fears of the aftermath of the Japanese Yen carry trade and recession in the global markets. Bitcoin retraced as low as $49,202 – recording an intraday drawdown of 15.4%, the highest since the FTX collapse on November 9, 2022. The uptick in volatility naturally resulted in a surge in trading activity with CEXs recording the second highest daily spot trading volume since May 19, 2021, when China banned Bitcoin mining.

July Exchange News

COMPANY	STORY	DATE
Coinbase	U.S. Marshals Service Chooses Coinbase To Safeguard, Trade Its Large Cap Digital Assets Portfolio	July 1
Gemini	Gemini Signs Five-Year Sponsorship Deal With Real Bedford	July 1
Binance	U.S. Federal Judge Rejects Main Claims by SEC Against Binance	July 2
Bitstamp	Build Your Crypto Routine With Our New Recurring Buy & Sell in the Bitstamp App	July 10
Kraken	Kraken Co-Founds Blockchain Security Standards Council	July 10
Coinbase	The New Coinbase Wallet Web App: Your Home for Everything Onchain	July 11
Kraken	Kraken Custody Is Now Available to Institutional Clients in the UK and Australia	July 18
Bitstamp	Bitstamp Partners With Banque Delubac & Cie To Offer Crypto Exchange Services	July 23
Gemini	Gemini Is Proud To Be the Custodian for VanEck's Spot Ethereum ETP	July 23
Coinbase	Coinbase and FCA Reach Agreement To Resolve Investigation Into Voluntary Requirement Breaches	July 24
Deribit	Deribit Becomes Newest Member of Zodia Custody's Interchange Network	July 30

Exchange Benchmark Analysis

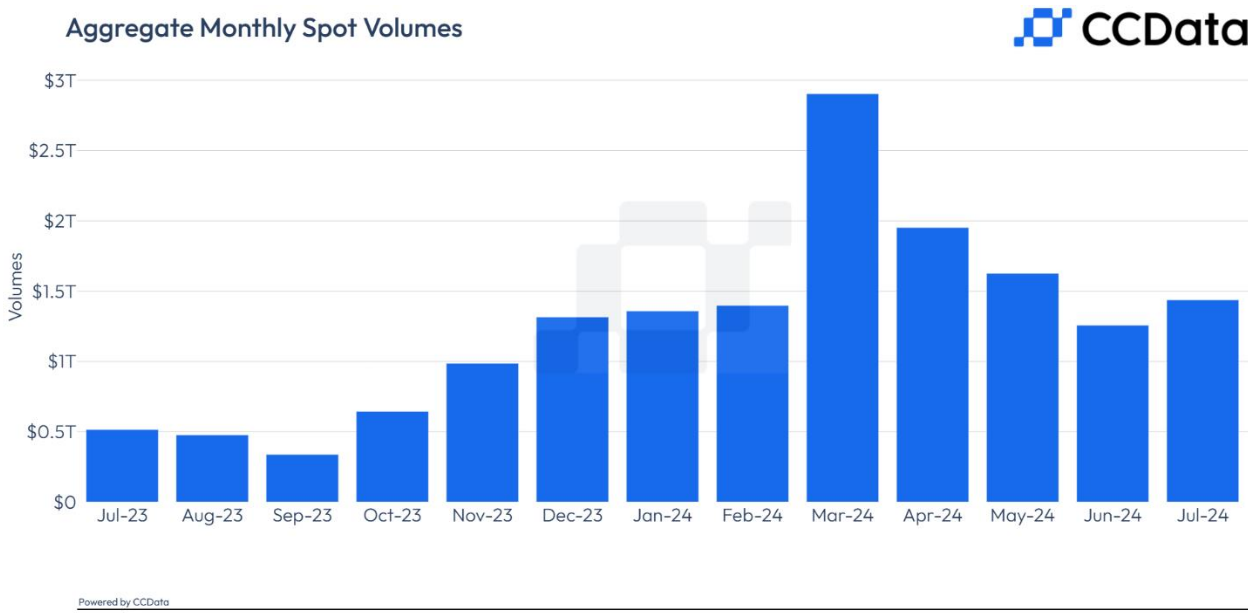
CCData's biannual Exchange Benchmark aims to serve investors, regulators and industry participants by scoring and ranking exchanges based on risk. This includes operational transparency, security, operational quality, regulatory standing, data provision, management team, and the ability to monitor trades and illicit activity effectively.

We hence refer to the notion of "Top-Tier" vs "Lower-Tier" volumes and exchanges, as explained in greater detail in the Exchange Benchmark Report methodology.

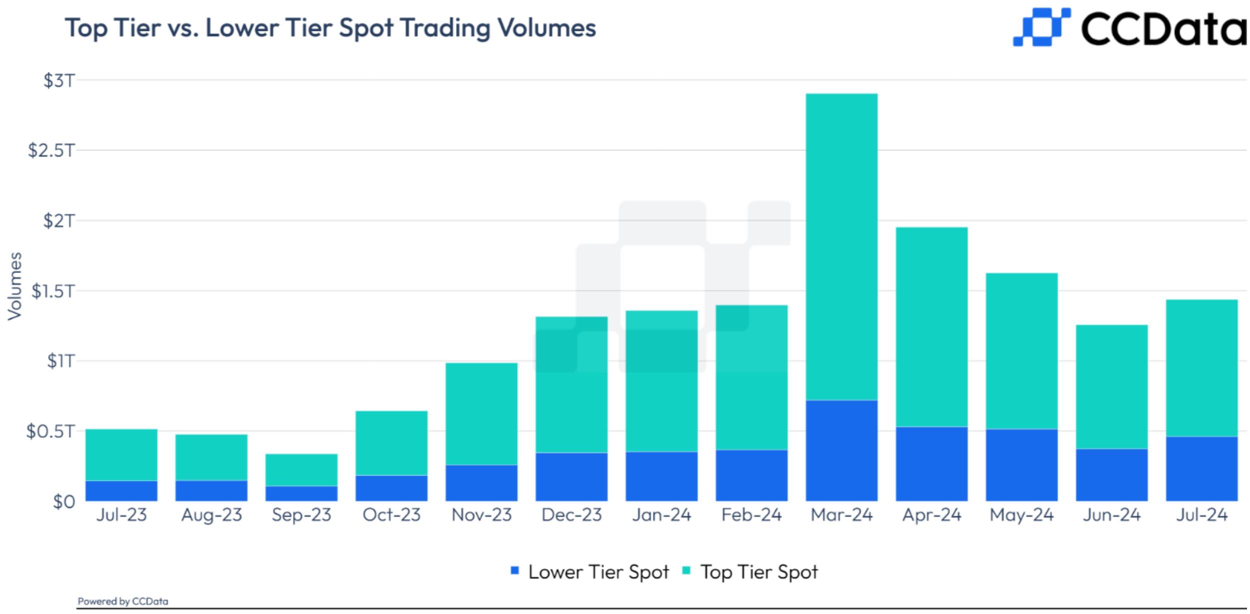
Explore the Exchange Benchmark here

This report assesses exchange activity via the above segmentation, particularly for spot markets. We also assess the market segmentation between different exchanges and assets, derivatives, and dive deeper into CME data, one of the largest derivatives exchanges across multiple asset classes.

Spot Trading

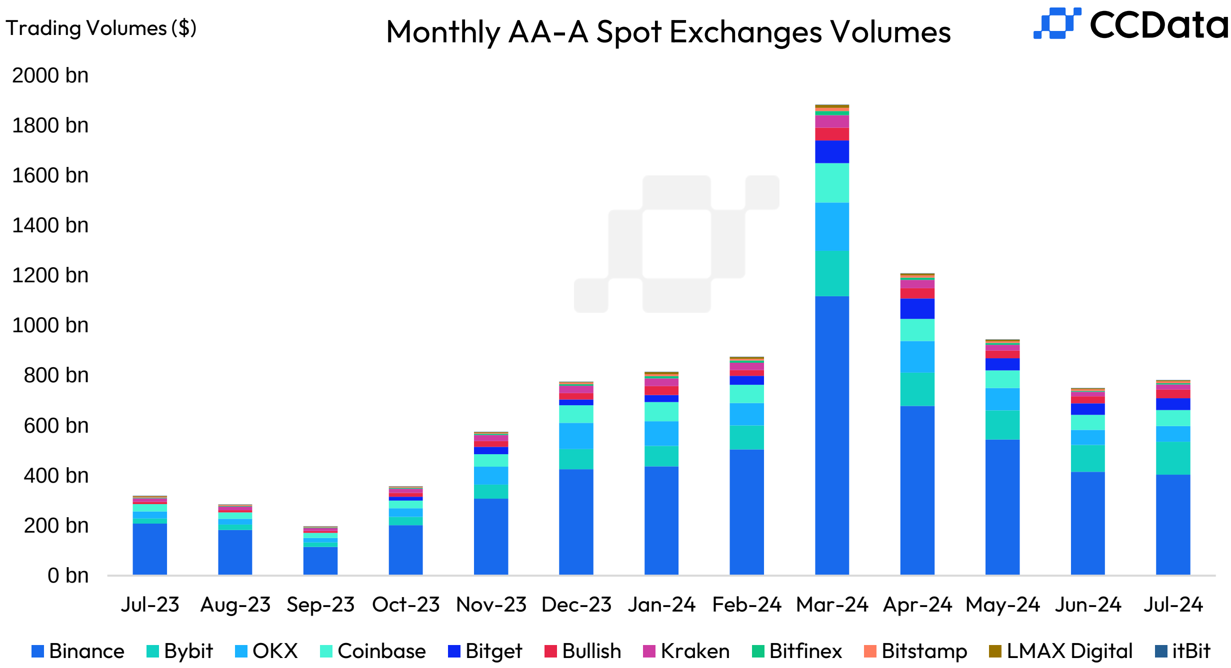


In July, total spot trading volumes rose 14.3% to $1.44tn, recording the first increase in four months. The increase in trading activity comes after a surge in volatility, driven by the launch of spot Ethereum ETFs in the U.S. and the optimistic outlook expressed by presidential candidates at the Bitcoin Conference in late July. Despite this, trading activity on centralised exchanges remains lower compared to previous months.



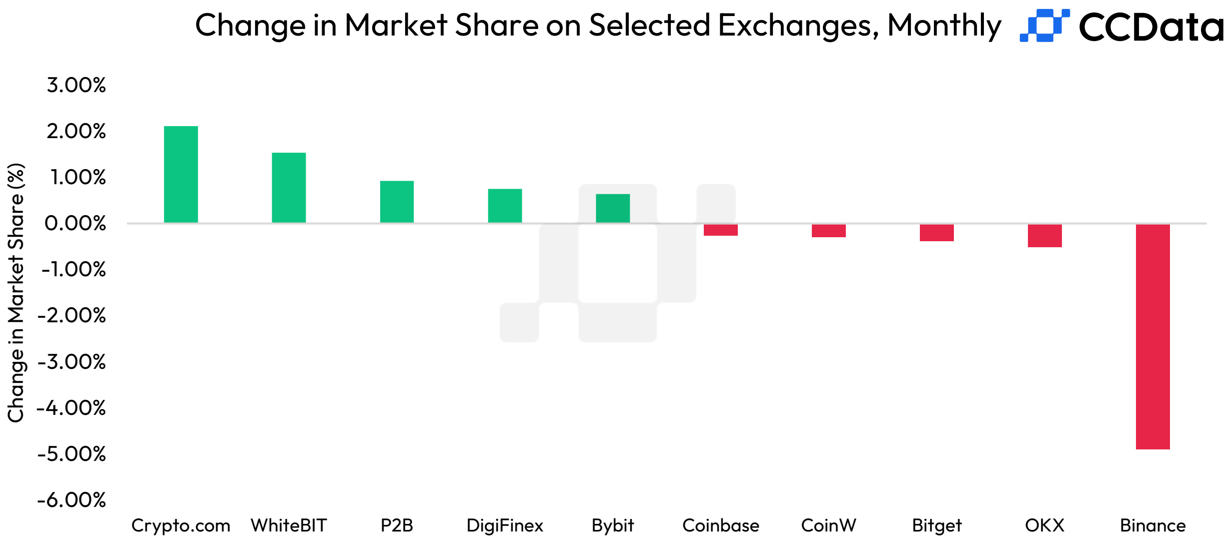
Top-Tier spot volumes rose 10.5% to $975bn, and Lower-Tier spot volumes rose 23.5% to $462bn. Top-Tier exchanges now represent 67.9% of total spot volume based on CCData's latest April 2024 Exchange Benchmark Ranking, compared to 70.2% last month. This is the lowest market share for top-tier exchanges since September 2023. Top-Tier exchanges are selected based on our rigorous [Exchange Benchmark Methodology](#).

Macro Analysis and Market Segmentation

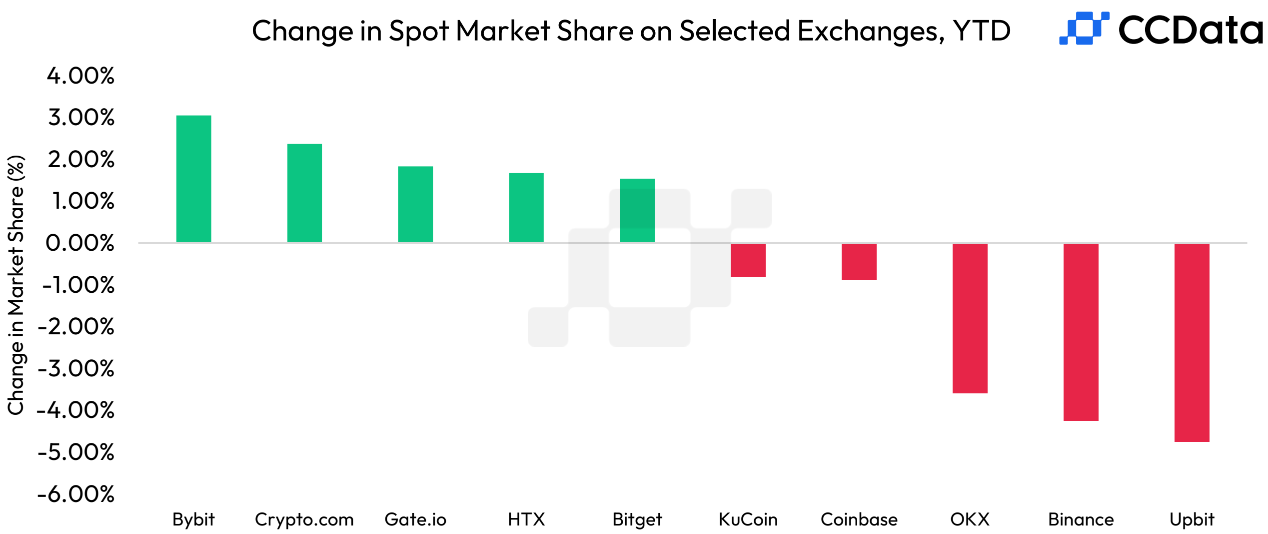


In July, spot volume from the 11 graded AA-A exchanges rose by 4.24% compared to June, with aggregated spot volumes totalling $781bn. Binance, Bybit, and Coinbase were the top exchanges in terms of spot volume in July relative to other AA-A graded exchanges. Among the Top-Tier exchanges, they represented approximately 61.5% of total volume (vs 65.9% in June).

Considering individual exchanges, Binance (Grade A) was the largest Top-Tier spot exchange among AA-A graded exchanges by volume in July, trading $403bn (down 2.62%). This was followed by Bybit (Grade AA) trading $132bn (up 22.9%) and Gate.io (Grade BB) trading $74.5bn (up 27.5%). Crypto.com (Grade BB) and Coinbase (Grade AA) followed, trading $68.9bn (up 104%) and $64.0bn (up 7.91%) in monthly volumes, respectively.

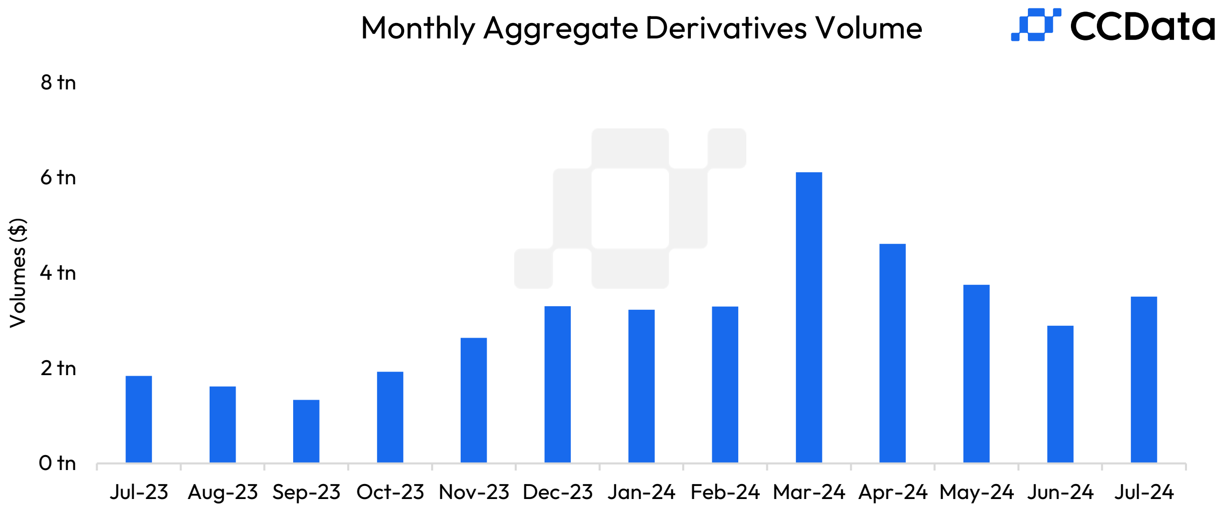


Compared to last month, Crypto.com and WhiteBit made the largest gains in market share, rising 2.11% and 1.53% to 4.80% and 5.01% respectively. P2B, DigiFinex and Bybit also made considerable gains, rising 0.92%, 0.75% and 0.64% respectively. Meanwhile, Binance and OKX saw their market share decline the most in July, falling by 4.90% and 0.51% to 28.1% and 4.37% respectively.

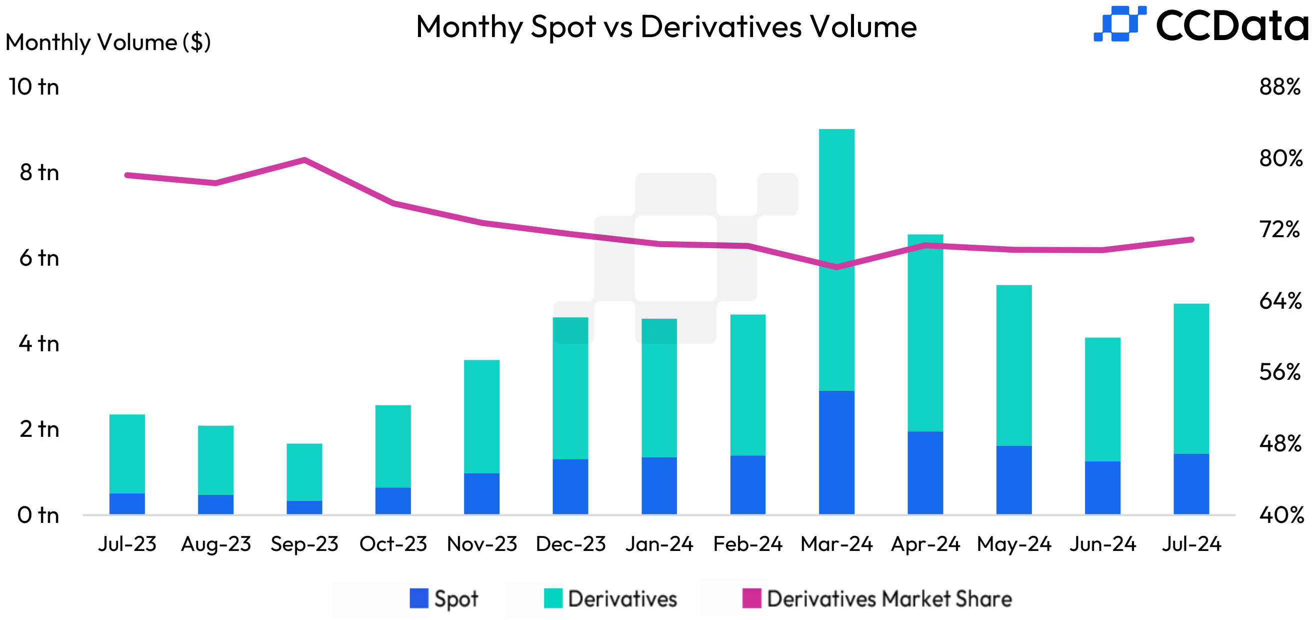


Year-to-date, Bybit has made the largest gains in the spot markets, increasing its market share by 3.06% to 9.18%. Crypto.com, Gate.io and HTX also made strong progress this year, seeing their market share rise by 2.37%, 1.83% and 1.68% to 4.80%, 5.18% and 5.22%. Upbit, Binance, and OKX have seen the largest decline in market share, declining by 4.74%, 4.24% and 3.58% to 2.36%, 28.1% and 4.37% respectively.

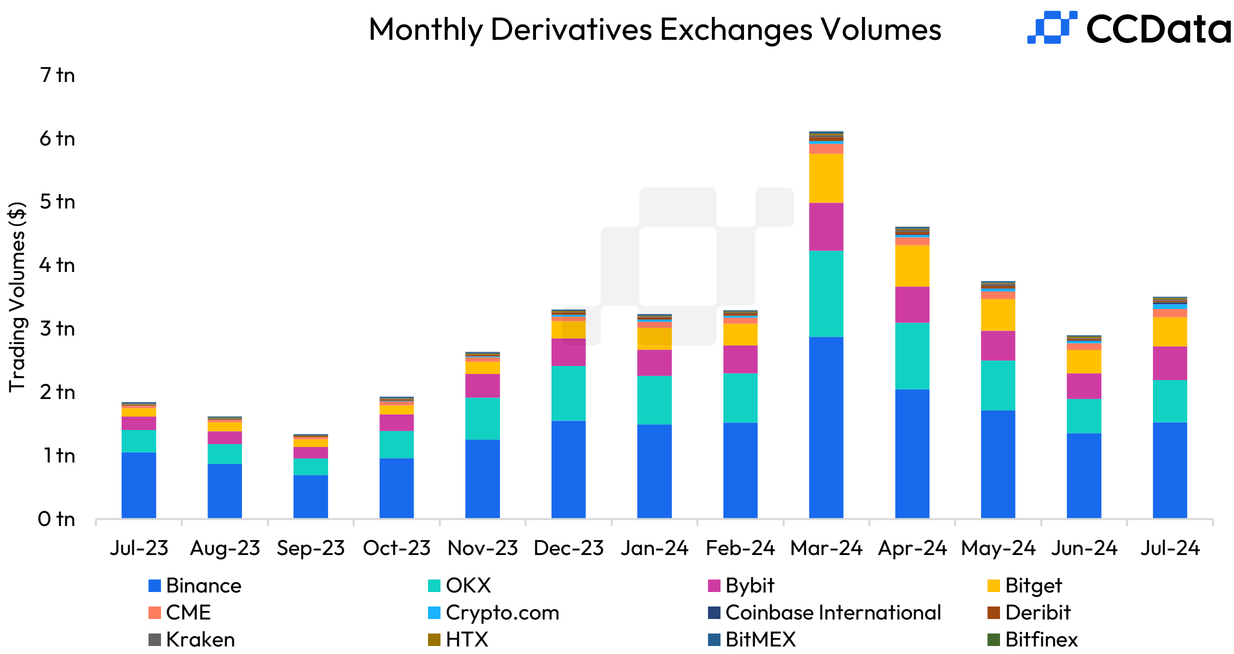
Derivatives



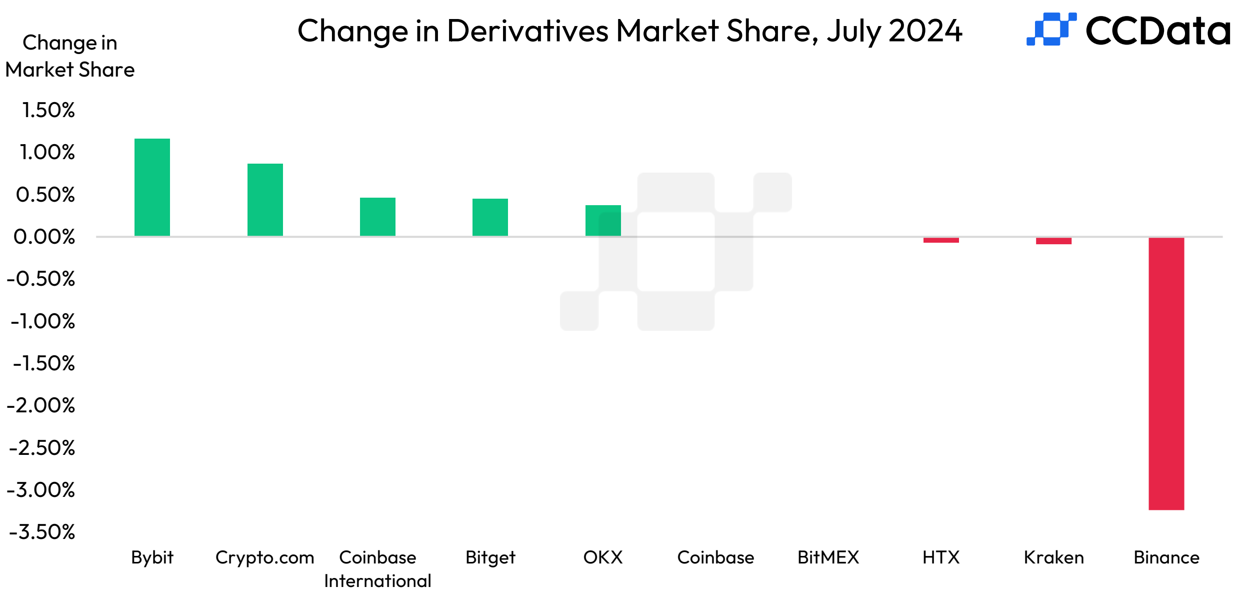
Derivatives volumes increased by 21.0% in July to $3.50tn, recording the first increase in four months. The increase in derivatives trading activity followed the bullish catalysts including the launch of spot Ethereum ETFs in the US and the Bitcoin conference which included presidential candidates' voicing their support for the asset class.



The derivatives market now represents 70.9% of the entire crypto market (vs 69.7% in June). This is the highest derivatives market share since December 2023.

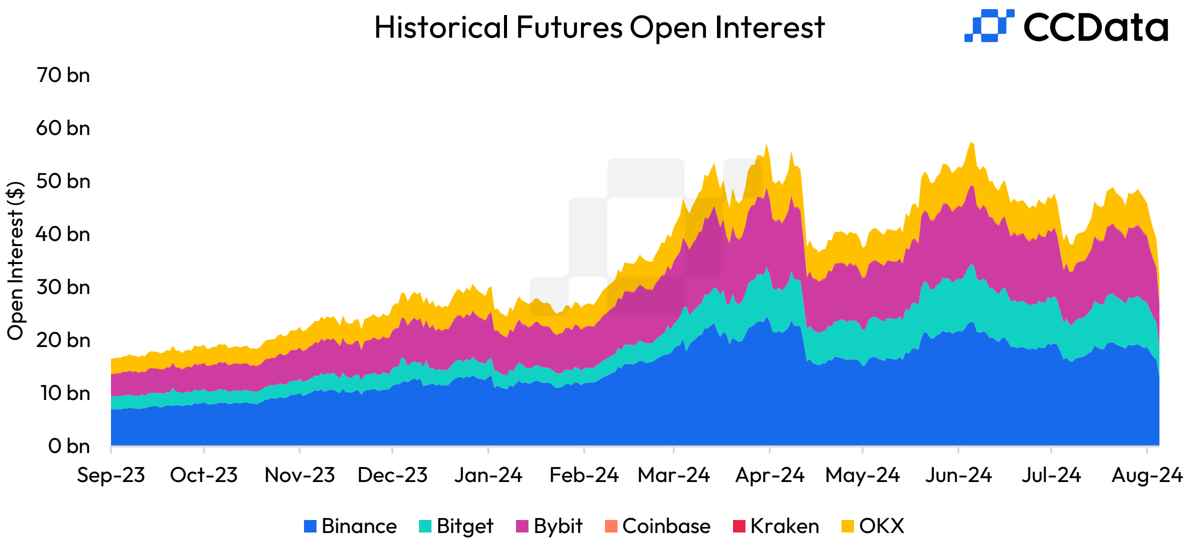


Binance was the largest derivatives exchange in July by monthly volume, trading $1.52tn (up 12.6% compared to June), followed by OKX ($666bn, up 23.4%) and Bybit ($530bn, up 31.1%). Coinbase International and Crypto.com were the best-performing derivatives exchanges based on month-on-month change, recording a volume increase of 181% and 102% to $28.3bn and $75.6bn, respectively.

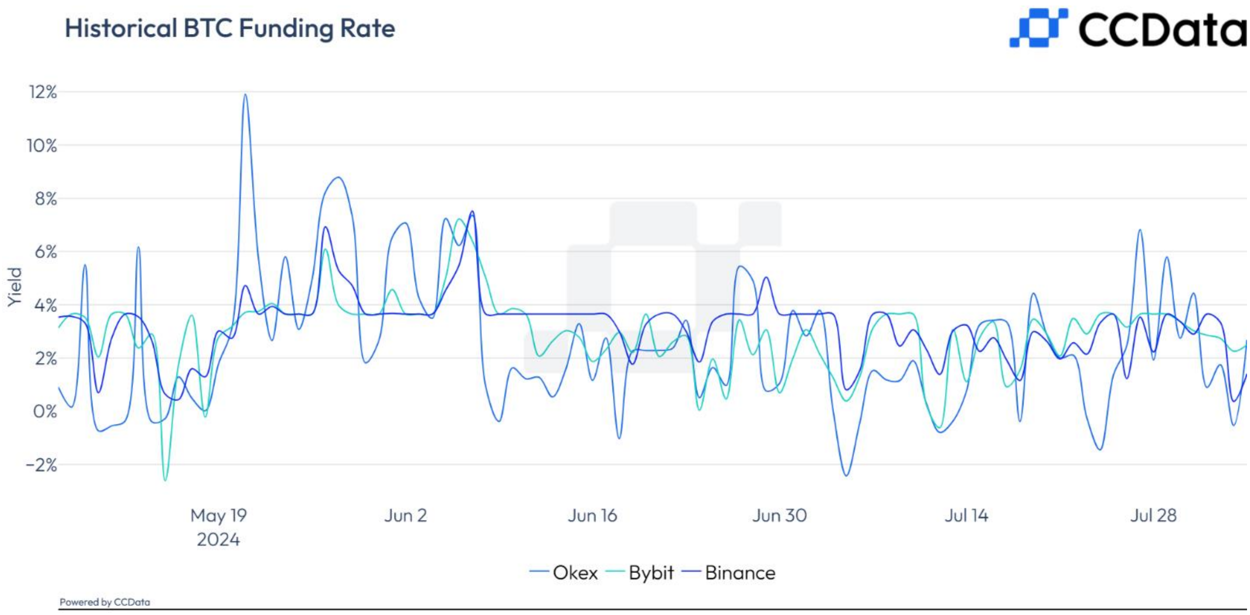


Among the top 14 derivatives exchanges, Binance leads with a market share of 43.5% of total volumes in July. This was followed by OKX with a market share of 19.0% and Bybit with a dominance of 15.1%.

Bybit and Crypto.com saw the largest increase in market share, rising by 1.16% and 0.87% to 15.1% and 2.16%, respectively. Meanwhile, Binance and Kraken saw the greatest decline in market share last month, falling by 3.24% and 0.09% to 43.5% and 0.56% respectively.



In July, the open interest on retail derivatives exchanges fell 0.60% to $46.8bn, as volatility spiked following the launch of spot Ethereum ETFs with major digital assets rallying towards the range highs. Open interest on Binance fell by 4.35% to $18.6bn while, OKX, Bybit, and Bitget all saw the open interest on their exchanges rise by 1.02%, 4.21%, and 1.67% to $12.7bn, $6.45bn, and $8.89bn, respectively.

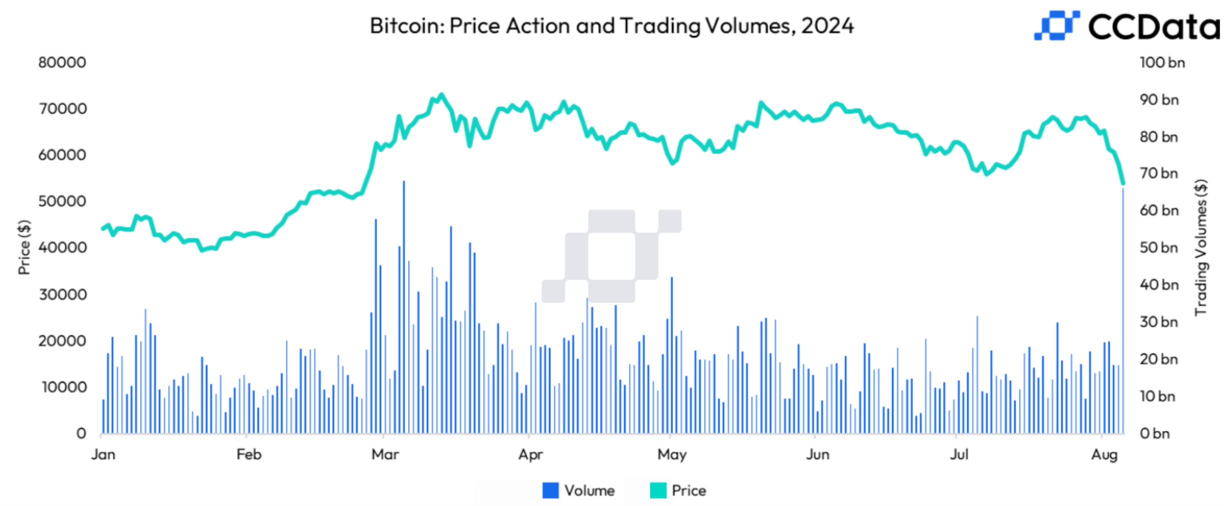


Average funding rates continued to decline across the three analysed exchanges, reaching 2.38%. The funding rate remains low compared to previous months as digital assets fail to break key range highs following multiple bullish catalysts.

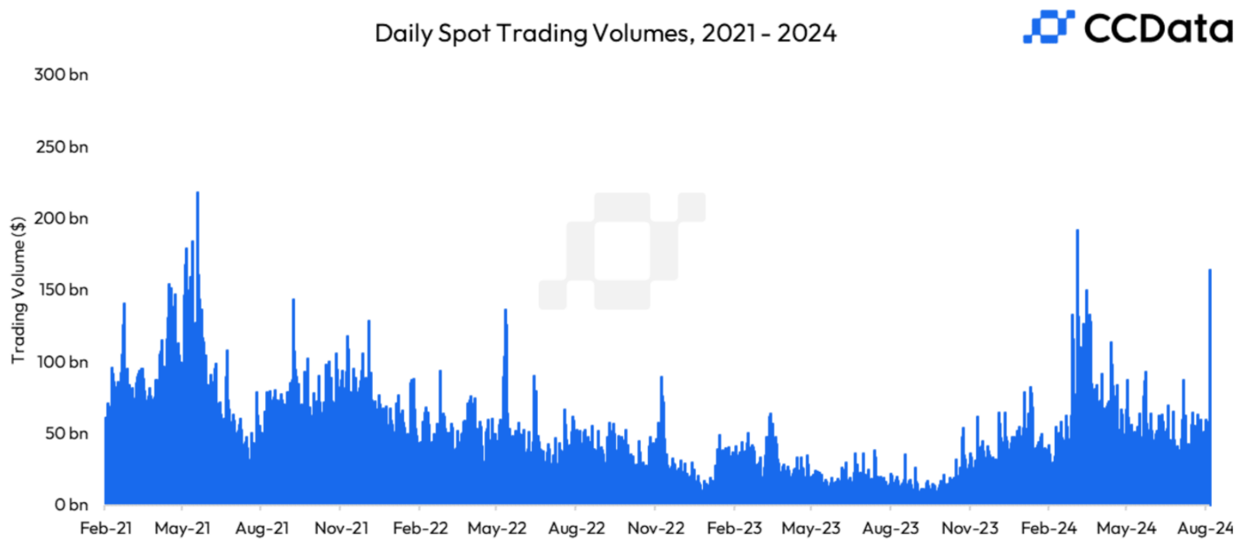
The average funding rate for BTC instruments on Binance and Bybit derivatives exchange is at 2.55% and 2.71% respectively.

August 5th Analysis

On August 5th, the prices of digital assets slumped towards new range lows over fears of the aftermath of the Japanese Yen carry trade and recession in the global markets. Bitcoin retraced as low as $49,202 – recording an intraday drawdown of 15.4%, the highest since the FTX collapse on November 9, 2022. Altcoins, as higher beta assets suffered even more volatile moves, with Ethereum dropping as low as $2,121 – an intraday drawdown of 21.1%, the highest since May 2021.



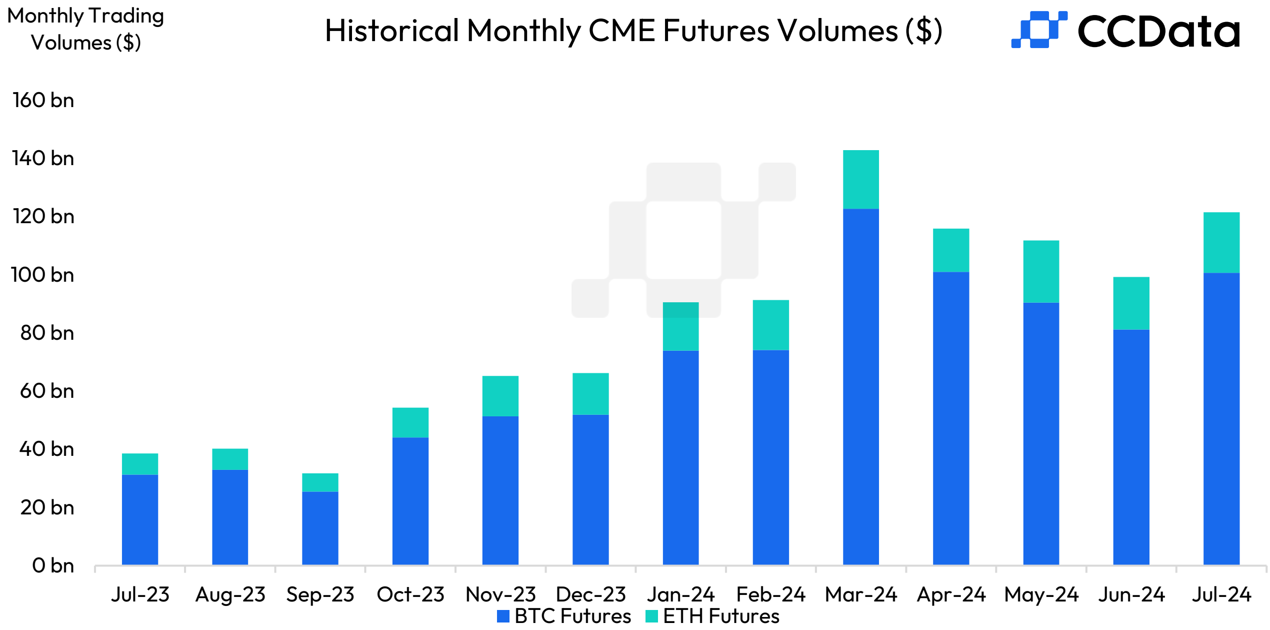
The uptick in volatility naturally resulted in a surge in trading activity with CEXs recording the second highest daily spot trading volume since May 19, 2021, when China banned Bitcoin mining.



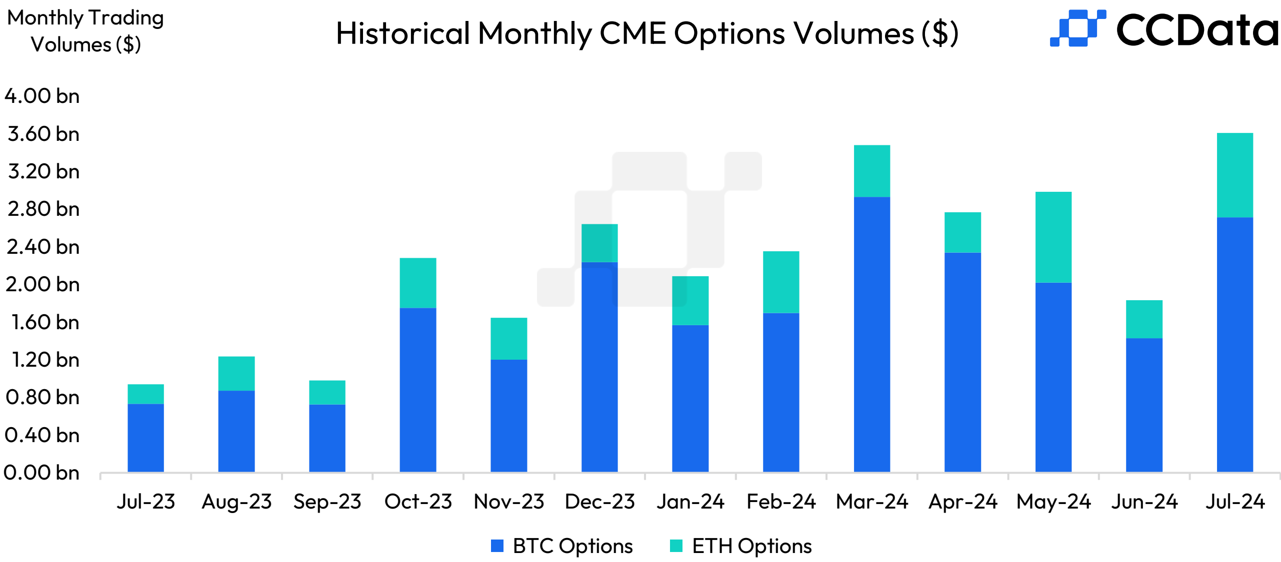
Meanwhile, the excessive leverage in the market and the sudden retrace meant the markets recorded over $1bn in liquidations. The open interest on the centralised exchanges dropped by 18.4% on the day to $31.9bn, the highest open interest wipeout since August 2023.

With prices retracing at a pace, the orderbook liquidity on centralised exchanges dropped to the lowest level since October 2023, with the 5% market depth for BTC and ETH trading pairs declining by 50.3% from last week's peak.

CME Institutional Volume



In July, the total derivatives trading volume on CME rose 23.7% to $130bn, recording the highest volume on the exchange since March. The BTC futures volumes on the exchange rose by 24.0% to $101bn, whereas the ETH futures volume on the exchange rose 15.0% to $20.7bn.



Meanwhile, the options trading volume on the exchange rose to an all-time high in July, rising 93.6% to $3.69bn. The BTC options volume traded on the exchange rose 89.8% to $2.72bn in trading volume, recording the highest monthly total since March. The ETH options volume traded on the exchange rose 122% to $897bn, highlighting the increased institutional interest in Ethereum ahead of the launch of spot Ethereum ETFs in July.

Conclusion: In July, the combined trading volume of spots and derivatives on centralised exchanges rose 19.0% to $4.94tn, as major crypto assets including Bitcoin and Ethereum rallied to their range highs amidst the bullish catalysts including the launch of spot Ethereum ETFs in the US.

Definitions

Metric	Definition
Top Tier Exchanges	Exchanges that have scored Grade BB and above in CCData's biannual Exchange Benchmark.
Lower Tier Exchanges	Exchanges that have scored Grade B and below in CCData's biannual Exchange Benchmark.
Spot Volumes	Trading volumes on crypto assets with immediate delivery.
Derivatives Volumes	Trading volumes on crypto assets via derivative contracts (futures and options).
Futures Contracts	Derivative contracts where two parties agree to exchange the underlying asset at a specified (Calendars) or unspecified (Perpetuals) date in the future.
Options Contracts	Derivative contracts that give the holder the right, but not the obligation, to buy or sell an asset by a certain date at a specified price.
Open Interest	US-dollar value of outstanding derivative contracts that have not been settled for an asset.

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Report	Description
Exchange Review	Captures key developments within the cryptocurrency exchange market — providing readers with an in-depth analysis of exchange volumes, trading activity, and derivatives open interest.
Exchange Benchmark	Brings clarity to the crypto asset exchange sector. Two years on, it has become the industry standard for assessing and evaluating cryptocurrency exchanges, with the methodology and rankings now being utilised to help create financial products and indices.
Market Outlooks	A quarterly report that identifies the most important developments of the last quarter, which may thereafter set the tone for key trends to look out for in the following months. This includes references to the macroeconomic environment, DeFi, NFTs, stablecoins, and more.
Stablecoins and CBDCs	Captures the key developments within the stablecoins and CBDCs sector – providing analysis relating to the market capitalization and trading volume of stablecoins, segmented by their type based on collateral.