

Exchange Review



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 conduct an analysis of bitcoin trading into various fiats and stablecoins, an additional overview of top crypto exchange rankings by spot trading volume, as well as a focus on how volumes have developed historically for the top trans-fee mining and decentralized 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 our most up to date database information.

For questions related to our research or any potential requests, feel free to contact our research department at <u>research@CCData.io.</u>

Explore the Data on CCData's API

For those interested in accessing CCData's API and data solutions for their own purposes, including cryptocurrency trade data, order book data, blockchain data, social data or historical data across thousands of cryptocurrencies and 200+ exchanges, please take a look at CCData's API 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 30th of September 2024, unless stated otherwise.



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Key Market Insights

Trading Volumes Decline as Seasonality Period Nears End

In September, the combined spot and derivatives trading volume on centralised exchanges fell 17.0% to \$4.34tn, recording the lowest monthly trading activity on centralised exchanges since June. The drop in monthly trading volume aligns with the final month of the seasonality period, which is typically marked by lower trading activity.

Monthly spot trading volumes on centralised exchanges fell by 17.2% to \$1.27tn, recording the lowest level since June. Similarly, derivatives trading volumes on centralised exchanges fell by 16.9% to \$3.07tn, also reaching their lowest point since June. With catalysts such as increased market liquidity following the Federal Reserve's interest rate cut and the upcoming U.S. election, trading activity on centralised exchanges is expected to rise in the coming months. Historically, Q4 has recorded the highest quarterly volumes in six of the last 10 years.

Binance Market Share Slides to The Lowest Level Since Sept 2020

In September, Binance's spot trading volume dropped by 22.9% to \$344bn, marking the lowest monthly spot volume on the exchange since November 2023 and its lowest spot market share (27%) since January 2021. Derivatives trading volume also fell 21.0% to \$1.25tn, the lowest since October 2023. Binance's share of the derivatives market now stands at 40.7%, its lowest since September 2020. In the combined spot and derivatives markets, Binance's overall market share has declined to 36.6%, also the lowest since September 2020.

Meanwhile, Crypto.com continued its recent surge in trading activity with its spot and derivatives volumes rising 40.2% and 42.8% to \$134bn and \$149bn respectively, an all-time high for the exchange. The combined spot and derivatives market share for the exchange has surged to 11.0% in September, now making it the fourth largest centralised exchange by volumes.

Open Interest Surges Following Federal Reserve's Interest Rate Cut

In September, the aggregate open interest on centralised exchanges surged by 32.1% to \$52.4bn, rising to the highest levels seen since June 10th. The rise in open interest coincided with the increase in the average funding rate for BTC instruments across selected exchanges, which spiked to 1.21% from 0.70% last month. This highlighted the optimism and bullish sentiment in the market following the Federal Reserve's decision to cut interest rates by 50bps earlier in the month.

The derivatives market share rose to 70.7% as traders looked to capitalise on the shift in market sentiment. Meanwhile, the derivatives volumes on the CME exchange fell 11.8% to \$114bn, recording the lowest volume since June. The options volume on the exchange dropped by 43.0% to \$1.70bn with September marking the end of the quarter.



September Exchange News

COMPANY	STORY	DATE
ОКХ	We've Simplified Crypto Arbitrage With Enhanced 'Smart Arbitrage' <u>Trading Bot</u>	September 2
Binance	Binance Labs Invests in OpenEden To Drive the Growth of Tokenized Real-World Assets in DeFi	September 12
PancakeSwap	PancakeSwap Launches First IFO on Arbitrum Featuring Eigenpie	September 18
Kraken	Kraken Strengthens European Business With Completion of BCM Acquisition	September 24
OKX	We've Launched Elite Circle: Crypto's First Tier-Based Rewards and Community Program for Lead Copy and Bot Traders	September 25
Binance	Introducing Binance Fixed Rate Loans: Borrow and Supply With Your Chosen Fixed Interest Rate	September 27
Binance	Binance Kazakhstan: The First To Secure a Full Regulatory License From AFSA	September 30
ОКХ	Introducing 'OKX OS': A Toolkit for Developers To Build on Any Chain	September 30



Exchange Benchmark Analysis

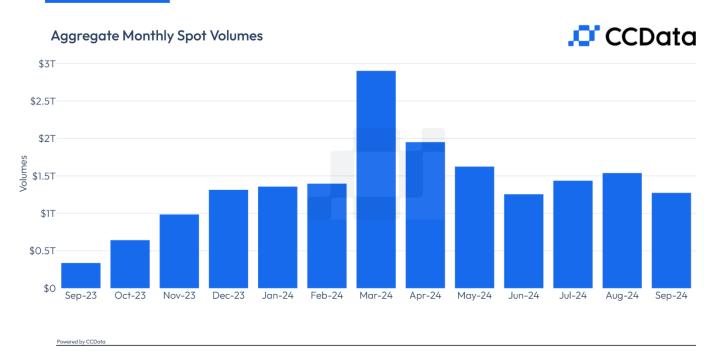
CCData's biannual Exchange Benchmark aims to serve investors, regulators and industry participants by scoring and ranking exchanges based on risk. This includes operational transparency, security, operational quality, regulatory standing, data provision, management team, and the ability to monitor trades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



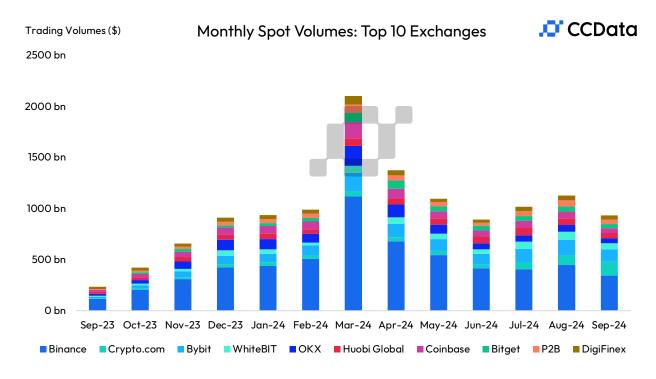
In September, total spot trading volumes fell 17.2% to \$1.27tn, recording the first decline in three months for the monthly trading volumes on centralised exchanges. The decline in trading activity marks the end of the seasonality period with catalysts – including the Federal Reserve's first interest rate cut since March 2020 – likely to spark the next leg up in the current cycle.





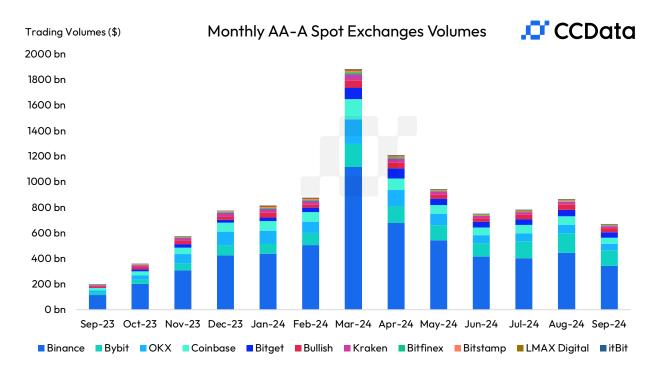
Top-Tier spot volumes fell 15.7% to \$883bn, and Lower-Tier spot volumes fell 20.2% to \$391bn. Top-Tier exchanges now represent 69.3% of total spot volume based on CCData's latest April 2024 Exchange Benchmark Ranking, compared to 68.2% last month. Top-Tier exchanges are selected based on our rigorous **Exchange Benchmark Methodology**.

Macro Analysis and Market Segmentation



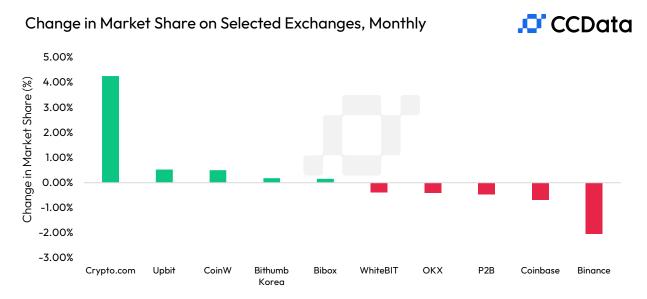
Considering individual exchanges, Binance (Grade A) was the largest spot exchange among centralised exchanges by volume in September, trading\$344bn (down 22.9%). This was followed by Crypto.com (Grade BB) trading \$134bn, rising 40.2% and Bybit (Grade AA), trading \$122bn (down 19.6%).





In September, spot volume from the 11 graded AA-A exchanges fell by 22.6% compared to September, with aggregated spot volumes totalling \$668bn. Binance, Bybit, and OKX were the top exchanges in terms of spot volume in September relative to other AA-A graded exchanges. Among the Top-Tier exchanges, they represented approximately 61.1% of total volume (vs 63.4% in August).

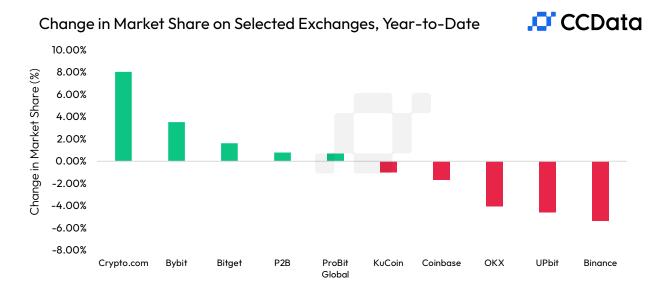
Considering individual exchanges, Binance (Grade A) was the largest Top-Tier spot exchange among AA-A graded exchanges by volume in September, trading \$344bn (down 22.9%). This was followed by Bybit (Grade AA) trading \$122bn (down 19.6%) and OKX (Grade A) trading \$49.8bn (down 24.7%).



Compared to last month, Crypto.com and Upbit experienced the largest gains in market share, rising 4.30% and 0.53% to 10.5% and 2.51%, respectively. CoinW and Bithumb Korea also made considerable gains this month, rising 0.52% and 0.18% to 2.46% and 0.99%.

Meanwhile, Binance and Coinbase saw the most severe declines in market share in September, falling by 2.02% and 0.68% to 27.0% and 3.66%, respectively.



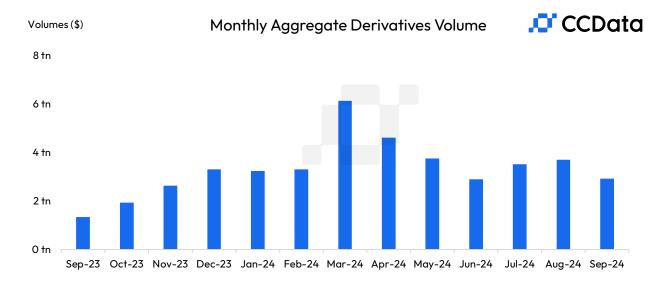


Year-to-date, Crypto.com has made the largest gains in the spot markets, increasing its market share by 8.08% to 10.5%. Bybit and Bitget also made strong progress this year, seeing their market share rise by 3.48% and 1.59% to 9.60% and 3.34%.

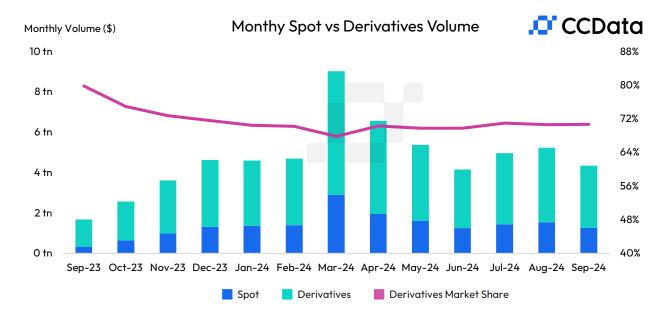
Binance, Upbit and OKX have lost the most market share, declining by 5.34%, 4.60% and 4.04% to 27.0%, 2.50% and 3.91% respectively.



Derivatives

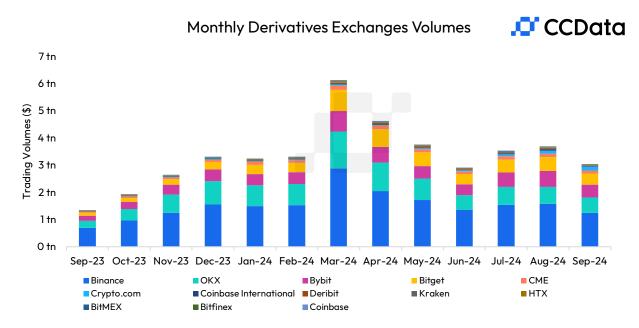


Derivatives volumes decreased 17.0% in September to \$3.07tn, recording the first decline in monthly volumes in three months. The decrease in trading volumes coincides with the end of the seasonality period which is often accompanied by low trading activity on centralised exchanges. With catalysts such as the Federal Reserve's 50 bps interest rate cut and the upcoming US election, volatility and activity on centralised exchanges is likely to increase in the coming months.

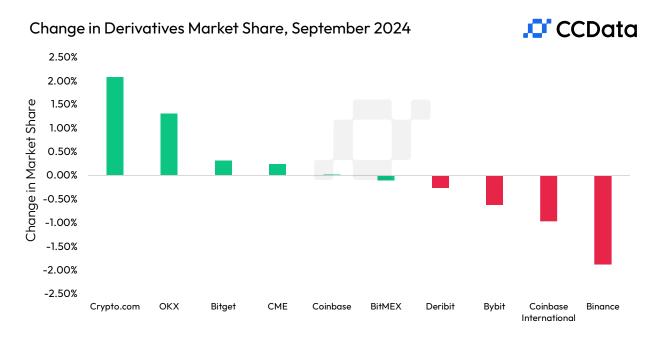


The derivatives market share recorded the second consecutive decline in September, now representing 70.7% of the entire crypto market (vs 70.6% in August).





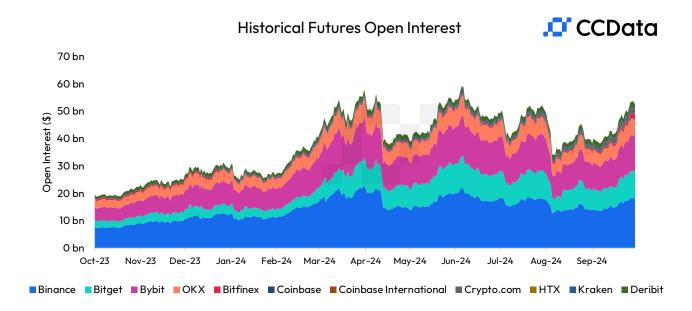
Binance was the largest derivatives exchange in September by monthly volume, trading \$1.25tn (down 20.6% compared to August), followed by OKX (\$565bn, down 10.3%) and Bybit (\$469bn, down 20.0%). Crypto.com and Coinbase were the best-performing derivatives exchanges based on month-onmonth change, recording an increase of 42.8% and 7.05% to \$149bn and \$1.88bn respectively.



Among the top 14 derivatives exchanges, Binance leads with a market share of 40.7% of total volumes in September. This was followed by OKX with a market share of 18.4% and Bybit with a dominance of 15.3%.

Crypto.com and OKX saw the highest increase in market share, rising by 2.03% and 1.38% to 4.86% and 18.4% respectively. Meanwhile, Binance and Coinbase International saw the highest decline in market share last month, falling by 2.05% and 0.96% to 40.7% and 0.62% respectively.





In September, the open interest on the retail derivatives exchanges increased 32.1% to \$53.8bn, as traders looked to further speculate on the market with the Federal Reserve's decision to cut the interest rate by 50bps set to bring further capital into the markets.

Open interest on Binance rose by 27.5% to \$18.0bn while, Bitget, OKX and Bybit saw the open interest on their exchanges rise by 28.2%, 32.0% and 28.5%, to \$9.65bn, \$12.8bn and \$5.97bn respectively.

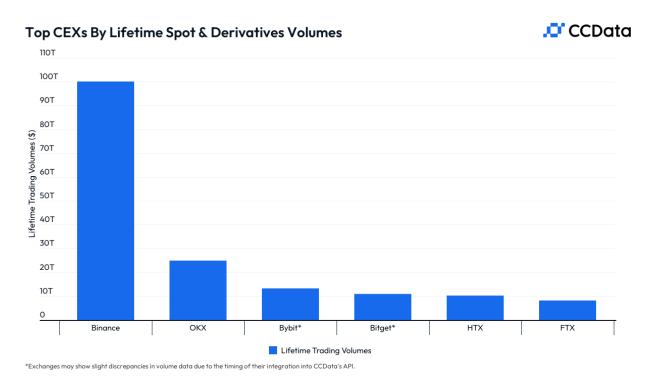


Across the three exchanges analysed, the average funding rates for BTC instruments rose to 1.21% from 0.70% in August. The rise in funding rates highlights the increased optimism in the market following the Federal Reserve's decision to cut interest rates.





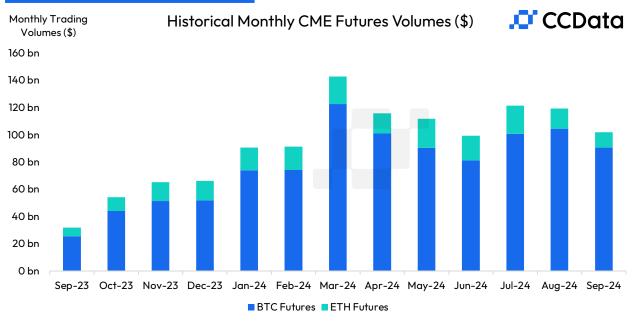
Analysing the combined spot and derivatives markets, Binance leads the centralised exchange landscape with a market dominance of 36.6%. OKX, Bybit, and Bitget followed with a market share of 14.1%, 13.6%, and 11.0%. Crypto.com climbed up to the fourth largest CEX by volume, recording a market share of 6.48%.



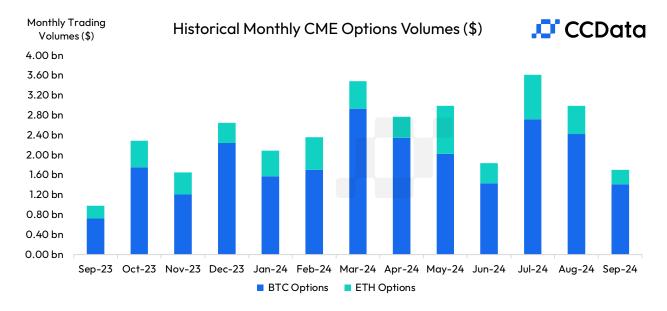
Earlier in the month, Binance became the first centralised exchange to surpass over \$100tn in lifetime volumes. OKX follows with a lifetime trading volume of \$25 trillion. Bybit, Bitget, and HTX rank next among the largest exchanges. Notably, FTX still holds the sixth-largest all-time volume, despite ceasing operations in November 2022.



CME Institutional Volume



In September, the total derivatives trading volume on CME fell 11.8% to \$114bn, the lowest since June. The BTC futures volumes on the exchange fell by 9.04% to \$95.0bn, whereas the ETH futures volume on the exchange fell 19.0% to \$11.9bn.



Meanwhile, the options trading volume on the exchange, fell 43.0% to \$1.70bn, recording the lowest monthly trading volume for the instruments since November 2023. The BTC options volume traded on the exchange fell 41.8% to \$1.41bn in trading volume, the lowest since November. The ETH options volume traded on the exchange fell 48.6% to \$292bn, the lowest since September 2023.

Conclusion: In September, the combined spot and derivatives trading volume on centralised exchanges fell 17.0% to \$4.34tn, recording the lowest monthly trading activity on centralised exchanges since June. The decline in monthly trading volume coincides with the last month of the seasonality period which is often accompanied by low trading activity.



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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Recurring Reports:

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.