



EXCHANGE REVIEW

December 2020



About

CryptoCompare's Exchange Review aims to capture the key developments within the cryptocurrency exchange market. Our review focuses on analyses that relate to exchange volumes, which include 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.

CryptoCompare'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.

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

Explore the data on the CryptoCompare API

For those interested in accessing CryptoCompare's data 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 CryptoCompare's API here: <https://min-api.cryptocompare.com>

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Key Market Insights

Derivatives Volumes Reach All-Time Monthly High

Derivatives volumes increased 8.6% in December to an all-time monthly high of \$1.43tn. Meanwhile, total spot volumes increased by 30% to \$1.19tn. The derivatives market now represents almost 54.6% of the total crypto market (vs 60% in November).

Top-Tier Spot Exchanges Gain Market Share and Set Daily Volume Record

In December, Top-Tier volumes increased 32.2% to \$818.3bn while Lower-Tier volumes increased 23.8% to \$355.7bn. Top-Tier exchanges now represent 69.7% of total volume (vs 68.29% in November).

Top-Tier exchanges also traded a daily maximum of \$51.2bn on the 17th December, which represents a new all-time high. The previous record occurred last month where \$46.2bn was traded on the 24th of November.

CME Had the Highest BTC Futures Open Interest in December

CME had the highest open interest for BTC futures at \$1.31bn (up 36.5%) followed by OKEx at \$1.11bn (up 27.6%).

However, on aggregate across all futures products for various cryptocurrencies, OKEx had the highest open interest on average at \$1.8bn (up 0.6% vs November). This was followed by Binance (\$1.7bn, down 20%) and CME (\$1.3bn, up 36.5%).

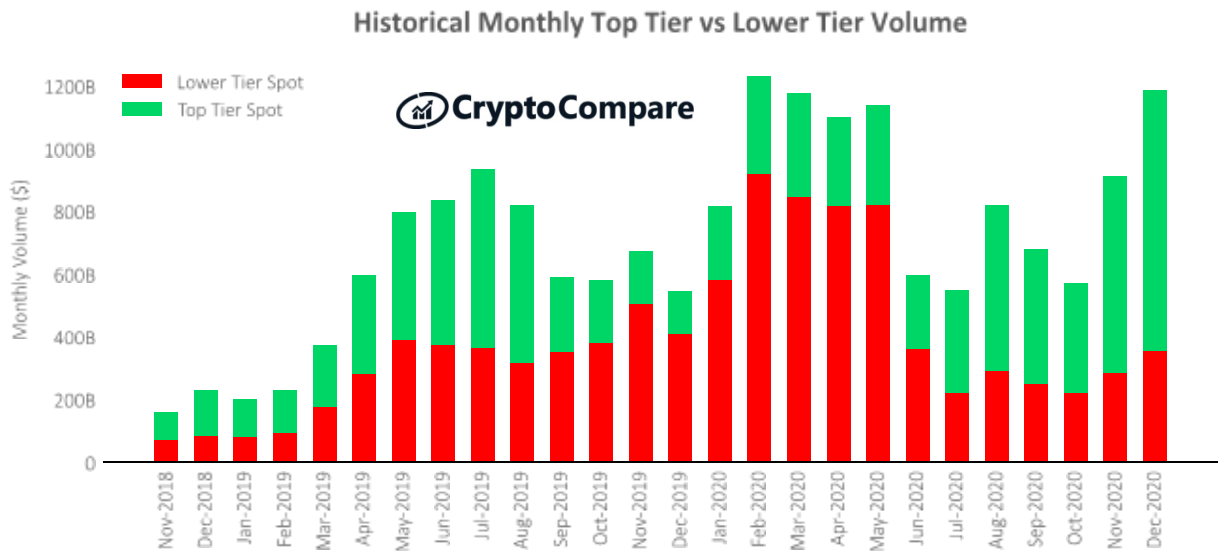
December Exchange News

COMPANY	STORY	DATE
BitMEX	100x Group Appoints Alexander Höptner As Chief Executive Officer	December 1
Deribit	Deribit is live for Cryptocurrency Futures and Options Blocks Trades on skewTrading	December 3
Gemini	Gemini Opportunity Fund Launches to Support Bitcoin Core Developers	December 3
Kraken	API Traders: Introducing Cancel Only Mode	December 4
Binance	Binance Supports ETH 2.0 Staking	December 8
BitMEX	BitMEX Improves Bitcoin Integration	December 11
Kraken	A Need for Speed: Kraken to Launch Bitcoin Lightning Integration in 2021	December 16
Coinbase	Coinbase Announces Confidential Submission of Draft Registration Statement	December 17
Bitstamp	XRP Trading and Deposits to Be Halted for US Customers	December 25
OKEx	OKEx Announces Mainnet Launch of OKExChain	December 29

Exchange Benchmark Analysis

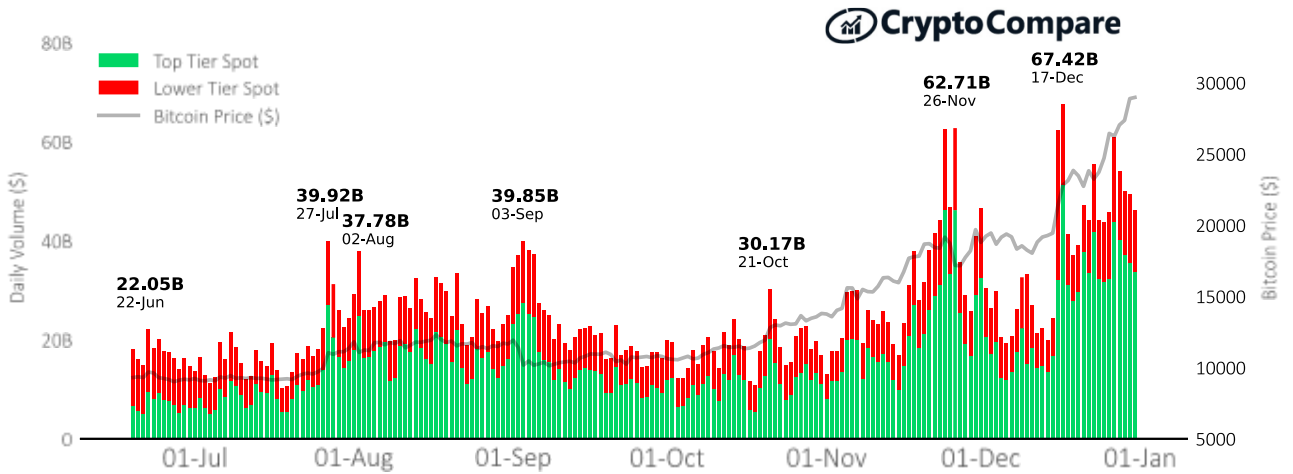
CryptoCompare’s Exchange Benchmark aims to serve investors, regulators and crypto enthusiasts by scoring exchanges in terms of transparency, operational quality, regulatory standing, data provision, management team, and their ability to monitor trades and illicit activity effectively. Rather than drawing attention specifically to bad actors, we instead highlight those that behave in a manner that is conducive to maintaining an efficient and fair market, ensuring greater safety of investors. We have hence introduced the notion of “Top-Tier” vs “Lower-Tier” volumes.

[Explore the Exchange Benchmark here](#)



In December, Top-Tier volumes increased 32.2% to \$818.3bn while Lower-Tier volumes increased 23.8% to \$355.7bn. Top-Tier exchanges now represent 69.7% of total volume (vs 68.29% in November).

Daily Top Tier vs Lower Tier Spot Volumes

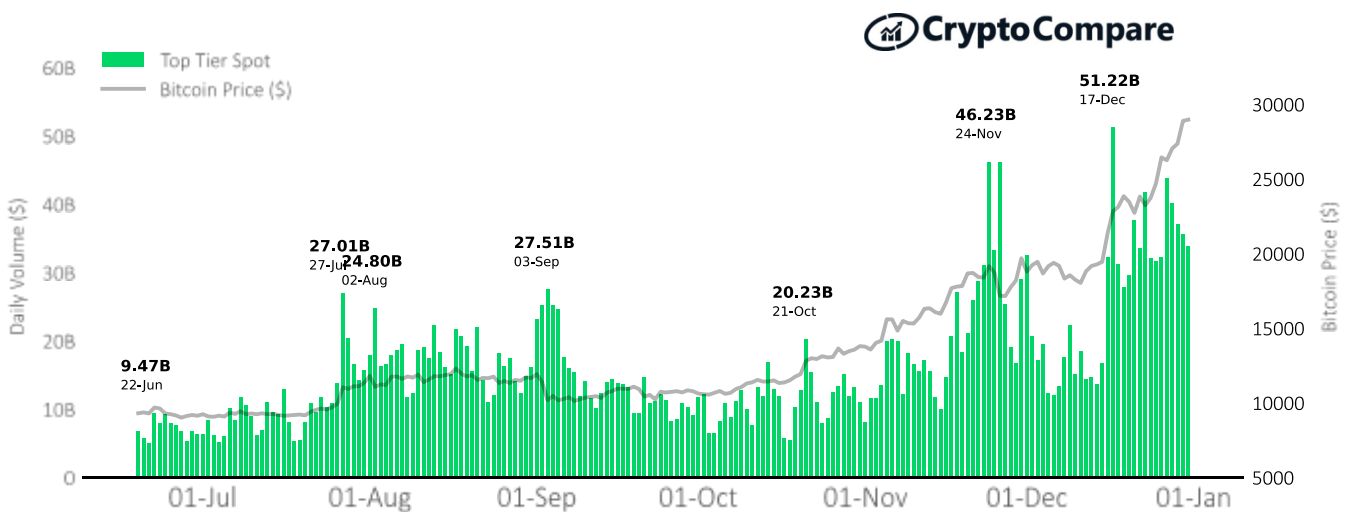


Trading activity across all spot markets throughout December increased as Bitcoin approached a price of \$30,000. A daily volume maximum of \$67.42bn was traded on the 17th of December (7.5% higher than November’s \$62.71bn) following a sharp increase in the Bitcoin price on that day.

Despite a surge in volumes, a new record for daily spot volume was not achieved as volumes traded on the 13th of March this year capped \$72.5bn.

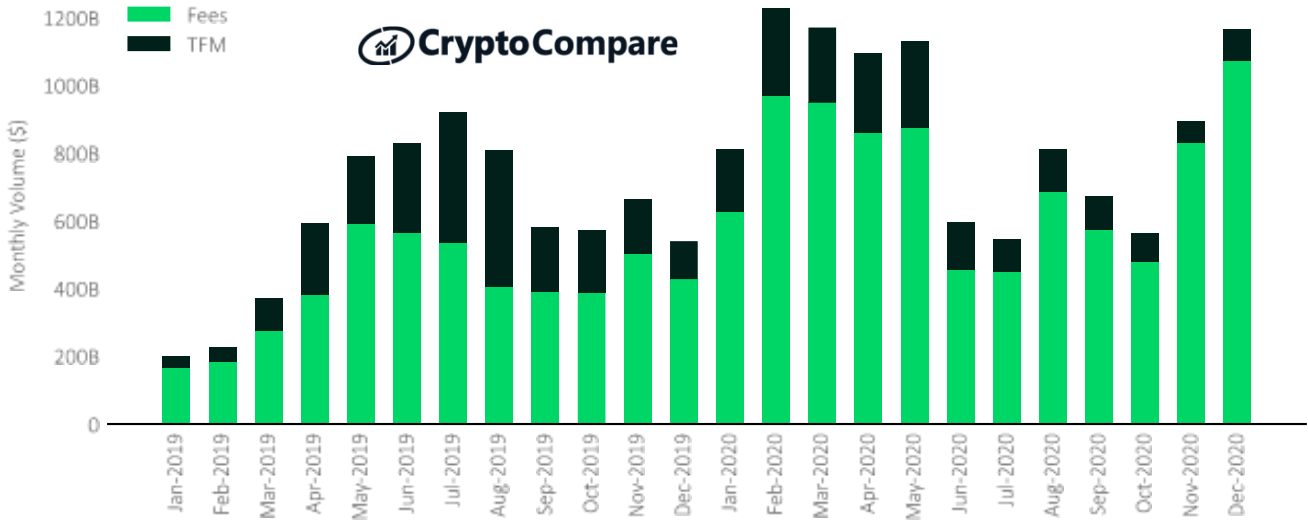
Top-Tier exchanges traded a daily maximum of \$51.2bn on the 17th December, which represents a new all-time high. The previous record was \$46.2bn traded on the 24th of November. Top-Tier exchanges are selected based on our rigorous [Exchange Benchmark Methodology](#).

Daily Top Tier Spot Volumes



Macro Analysis and Market Segmentation

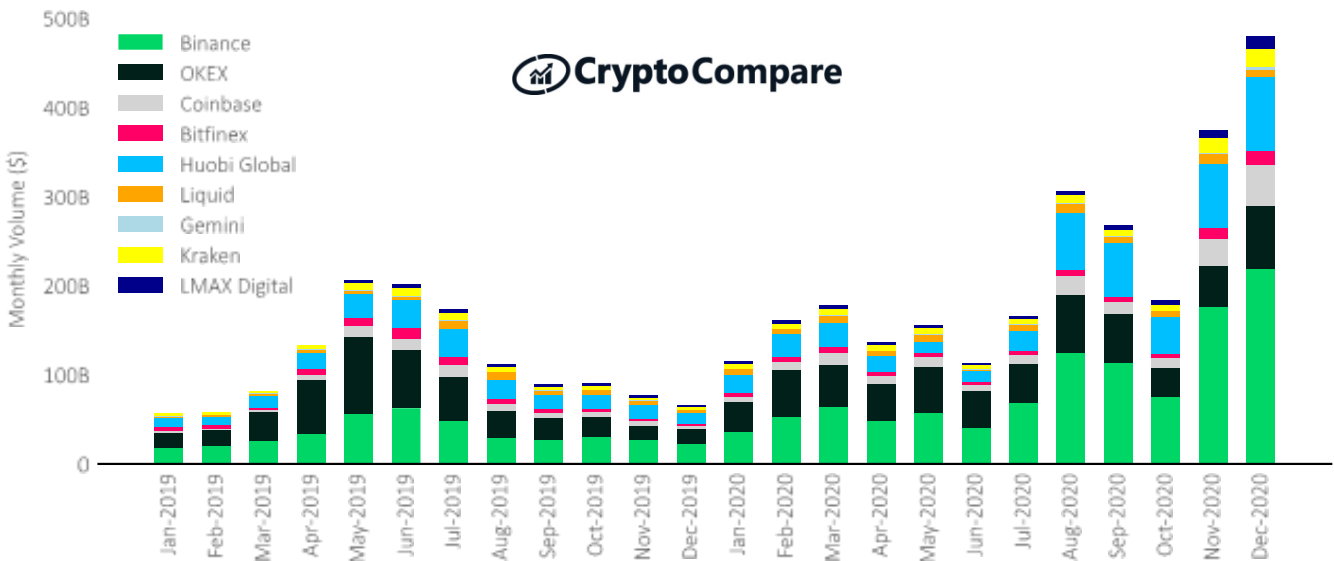
Historical Volume by Fee Model



Exchanges that charge traditional taker fees represented 92.12% of total exchange volume in December (vs 92.91% in November), while those that implement Trans-Fee Mining (TFM) represented less than 7.88%.

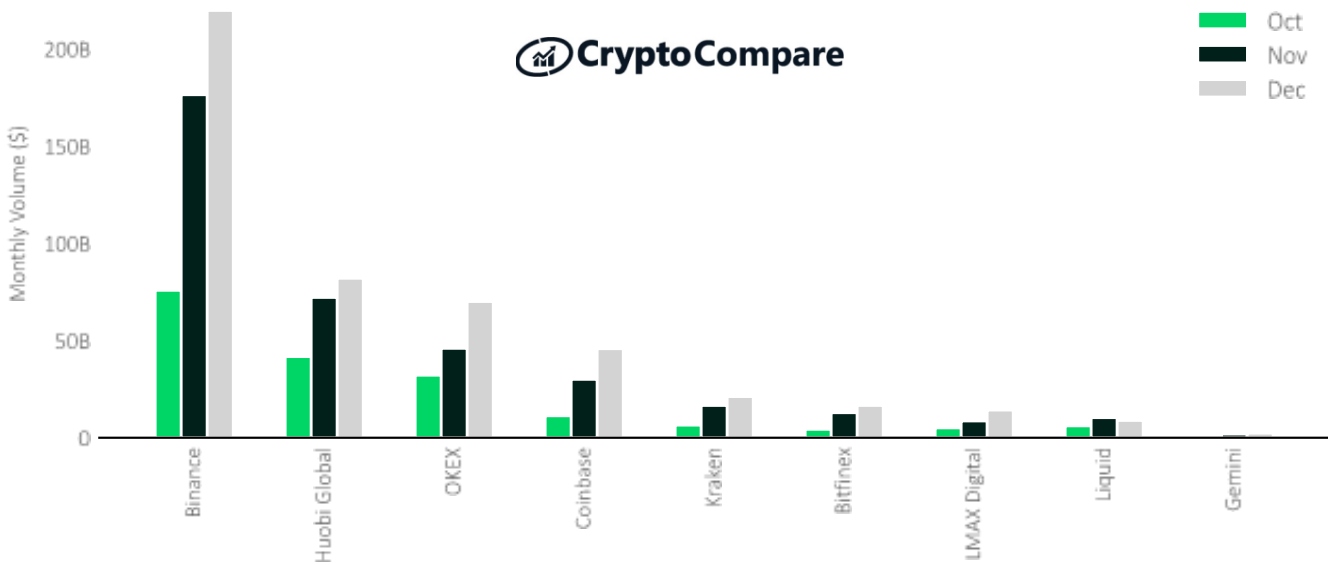
Fee-charging exchanges traded a total of \$1072.2bn in December (up 28.9% since November), while those that implement TFM models traded \$91.7bn (up 44.5% since November).

Monthly Top Tier Spot Volume



In December, volume from the 15 largest Top-Tier exchanges increased 32% on average (vs November).

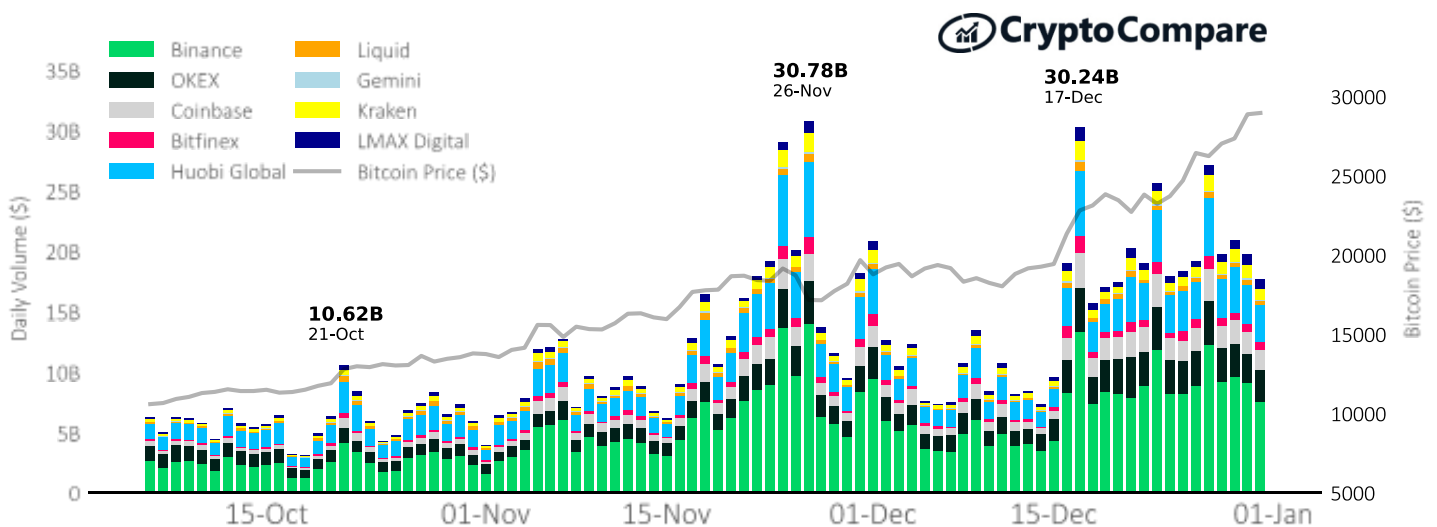
Historical Monthly Top Tier Spot Volume - 3 Months



Binance (Grade A) was the largest Top-Tier exchange by volume in December, trading \$219.6bn (up 25%). This was followed by Huobi Global (Grade BB) trading \$81.9bn (up 14%), and OXEX (Grade BB) trading \$70.0bn (up 52%).

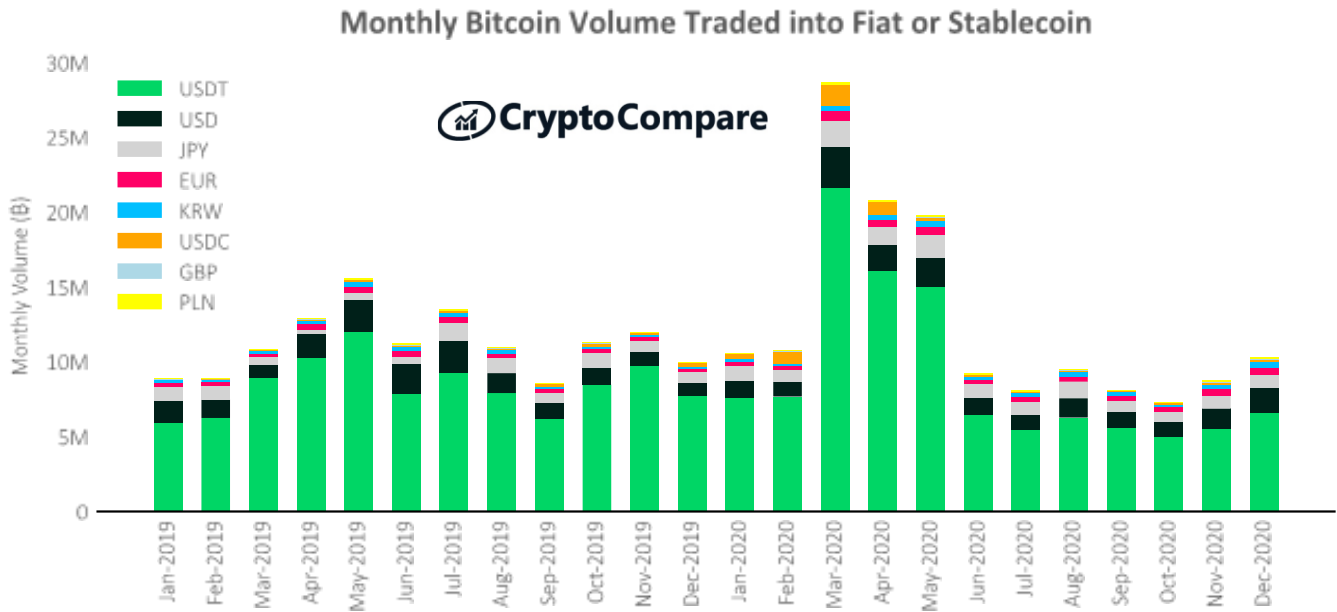
Exchanges Coinbase (AA) and Kraken (A), and Bitfinex (A) followed with \$45.7bn (up 53%), \$21.1bn (up 28%) and \$16.6bn (up 29%).

Daily Top Tier Spot Exchange Volumes



Binance (A), OXEX (BB) and Huobi Global (BB) remained the top players in terms of volume in December relative to other Top-Tier exchanges. Among the top 15 Top-Tier exchanges, they represent approximately 70% of the volume (vs 73% in November).

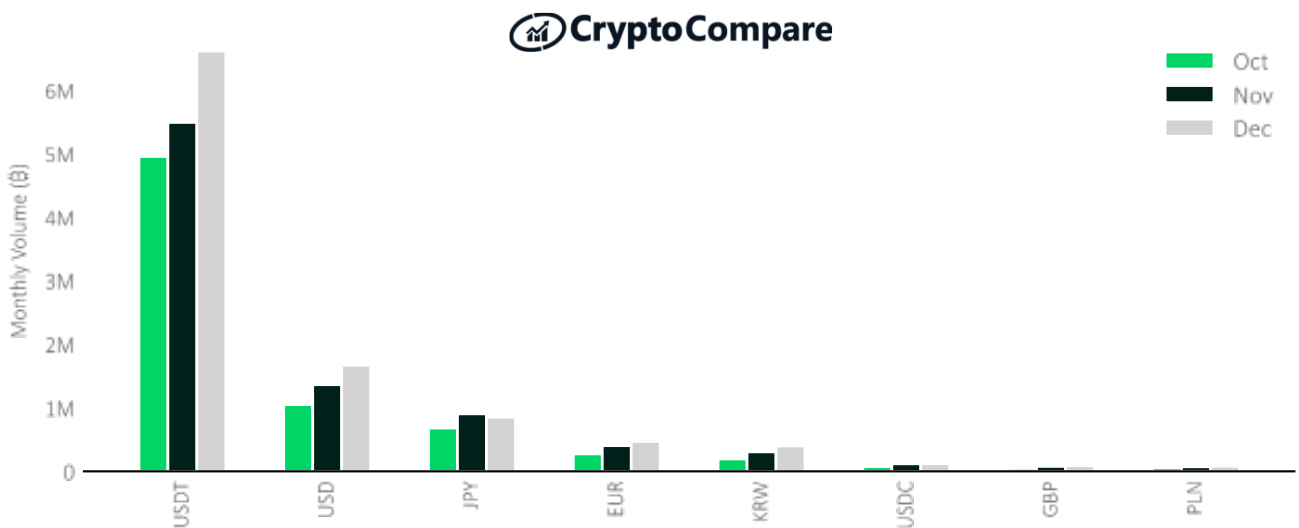
Bitcoin to Fiat Volumes

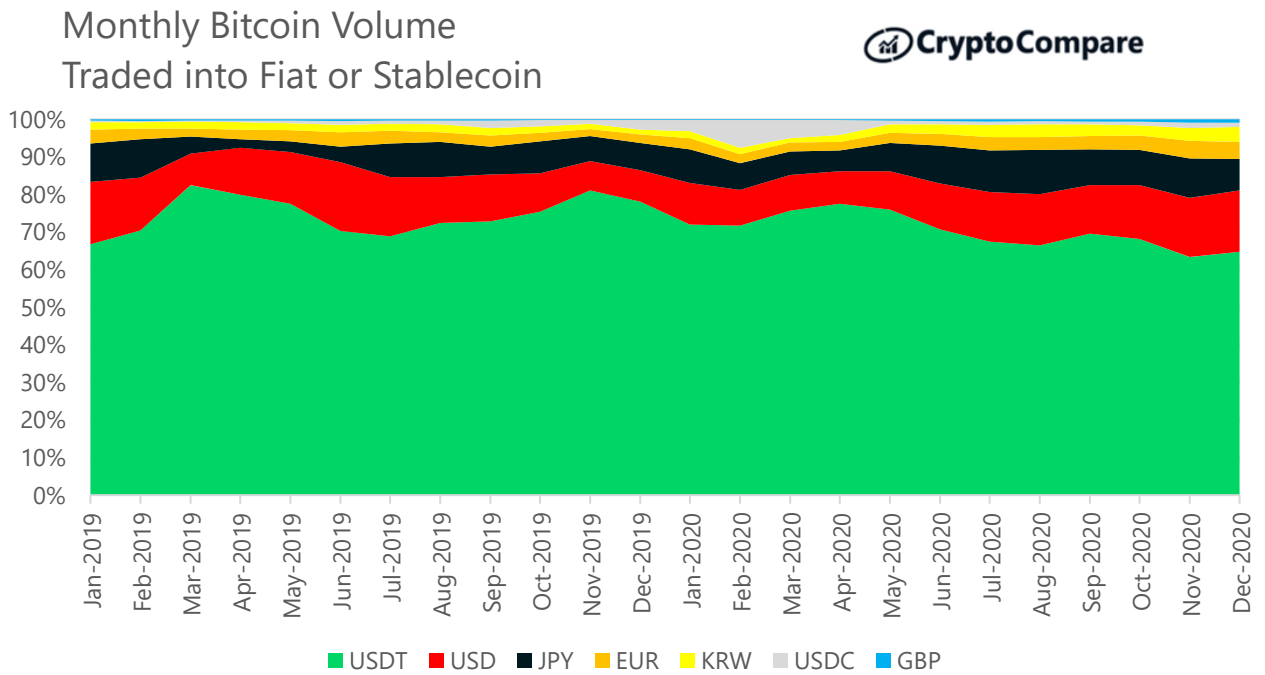


BTC trading into USDT increased 20.5% in December to 6.62mn BTC vs 5.49mn BTC in November. Trading into USD increased to 1.67mn BTC (up 22.4%) while trading into JPY decreased to 0.85mn BTC (down 5.7%). EUR markets increased 16.5%, while BTC trading into KRW increased 30.3%.

Stablecoin markets BTC/USDC and BTC/PAX traded 120,000 BTC (up 1.8%) and 20,000 BTC (up 8.5%) respectively in December.

Monthly Bitcoin Volume Traded into Fiat or Stablecoin - 3 Months

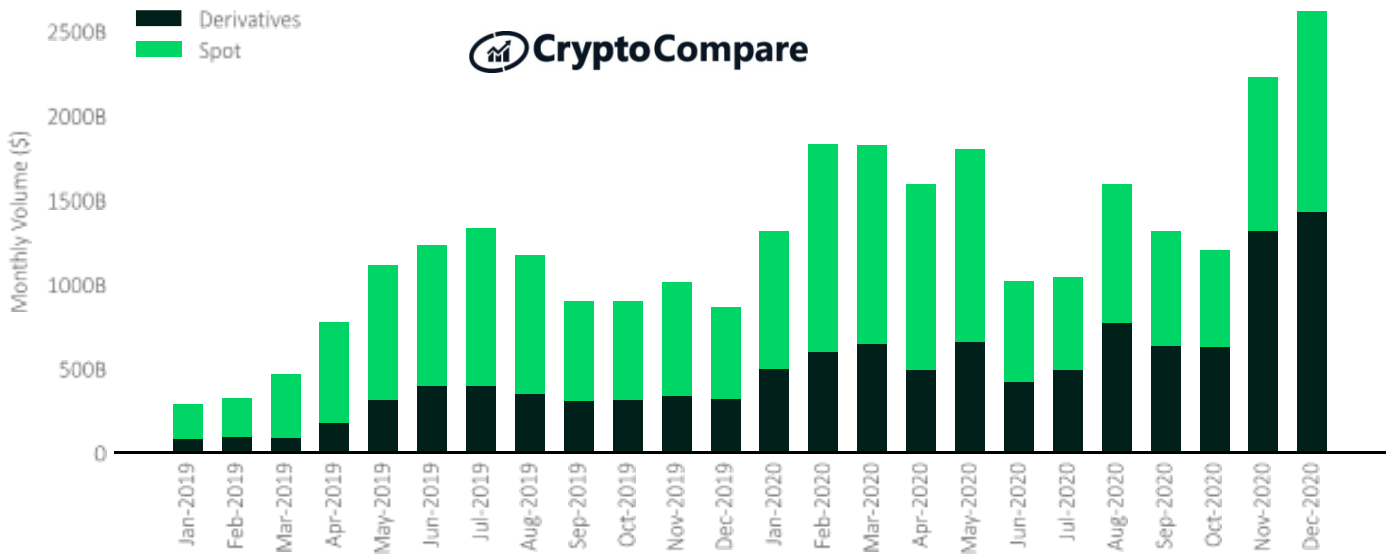




The BTC/USDT pair still represents the majority of BTC traded into fiat or stablecoin in December at 63.0%. Its proportion of total volume in November was 61.8%.

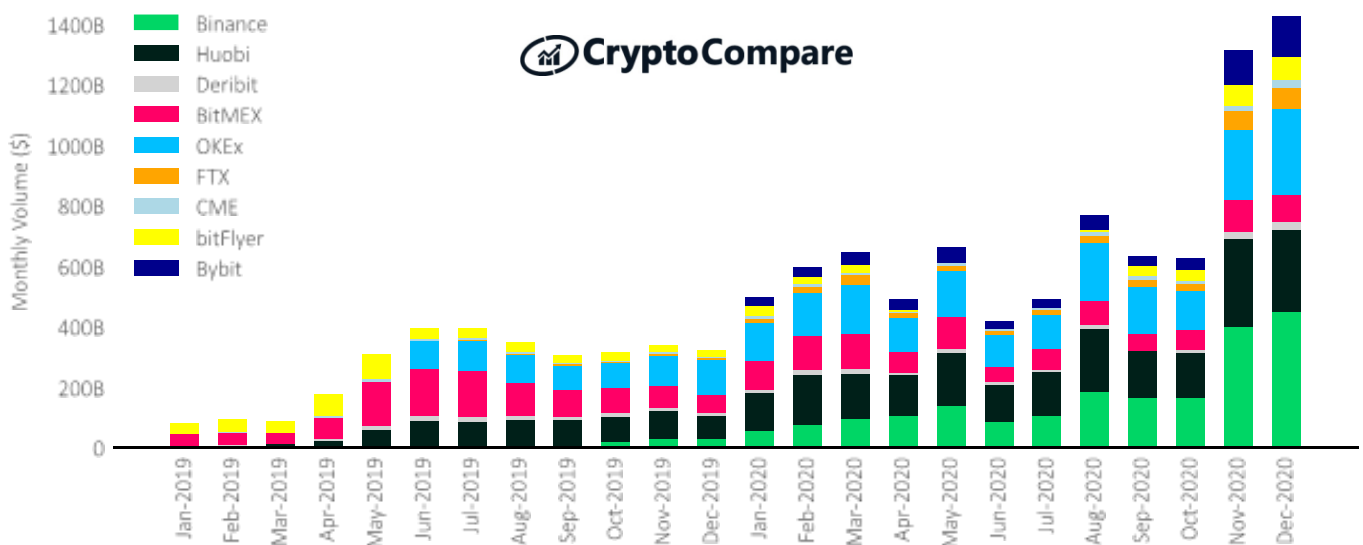
Derivatives

Monthly Spot vs Derivatives Volume

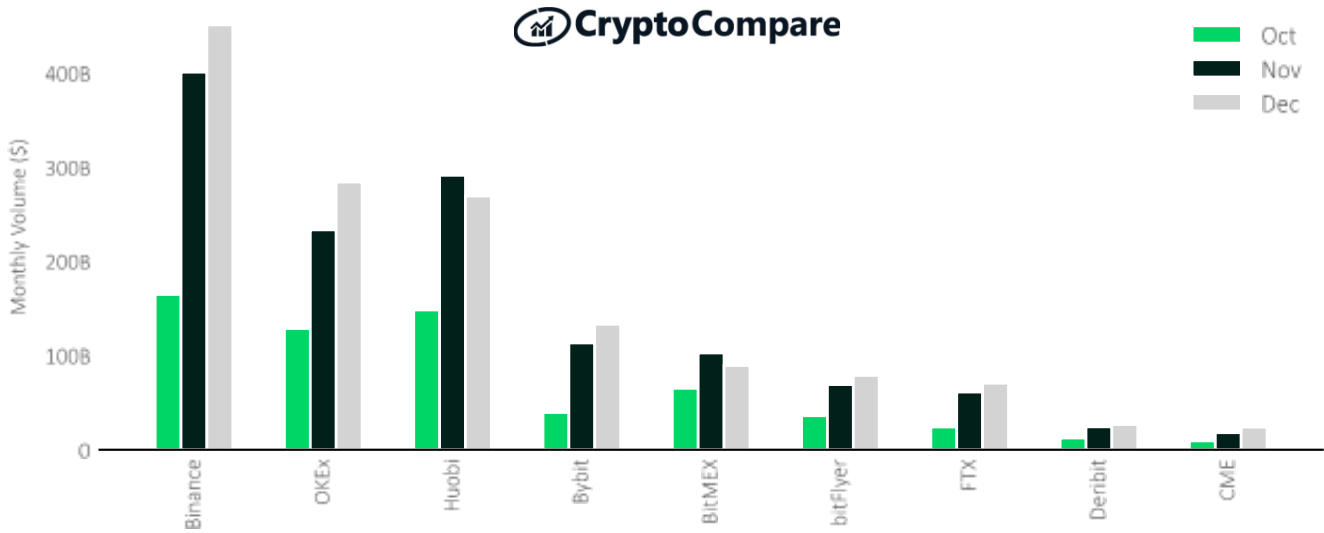


Derivatives volumes increased 8.6% in December to an all-time monthly high of \$1.43tn. Meanwhile, total spot volumes increased by 30% to \$1.19tn. The derivatives market now represents almost 54.6% of the total crypto market (vs 60% in November).

Historical Monthly Derivatives Volume



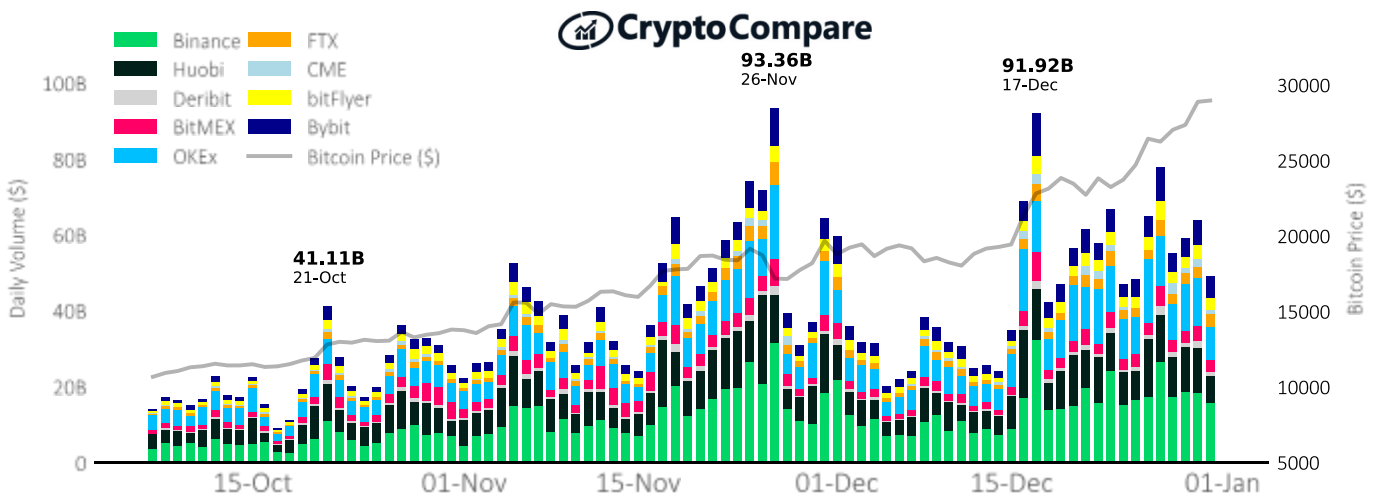
Historical Monthly Derivatives Volumes - 3 Months



Binance was the largest derivatives exchange in December by monthly trading volume with \$451bn¹ (up 12.5% since November).

OKEx (up 21.8%), Huobi (down 7.6%) and Bybit (up 17.5%) followed with \$284.2bn, \$269.3bn and \$133.2bn traded respectively.

Daily Derivatives Exchange Volume



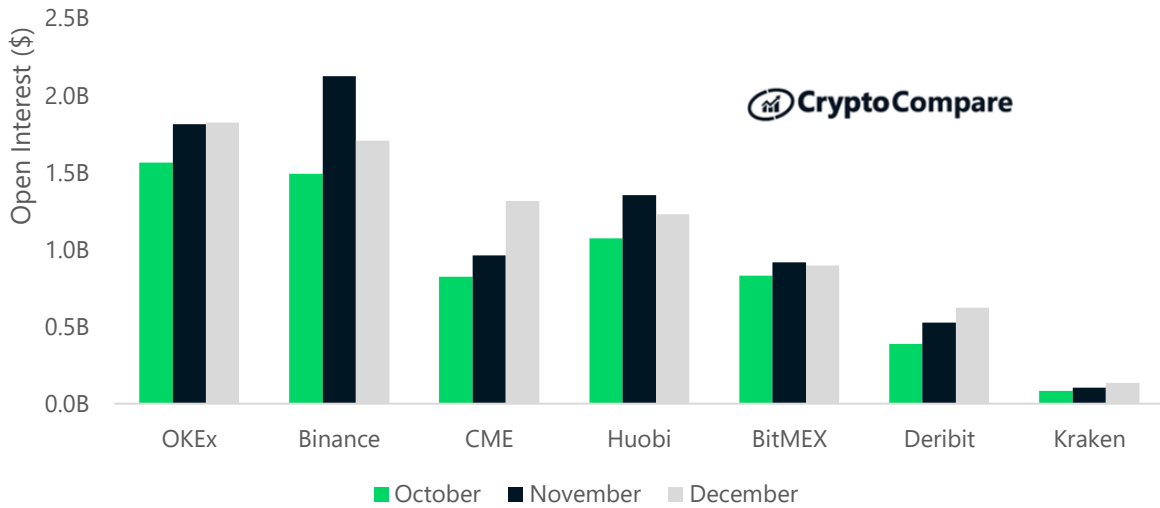
Derivatives exchanges traded a daily maximum of \$91.92bn on the 17th of December. While significant, this does not break the previous record set last month on the 26th of November with \$93.36bn. The top 4 exchanges Binance, OKEx, Huobi, and Bybit represented 76.8% of the volume traded on this day.

¹ Based on USDT-M Futures

Open Interest

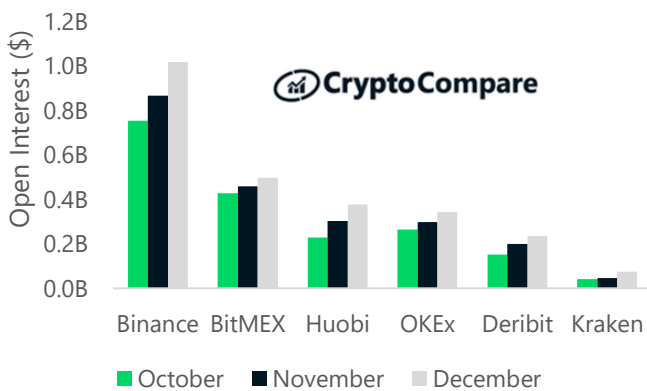
In December, OKEx had the highest open interest across all derivatives products on average at \$1.8bn (up 0.6% vs November). This was followed by Binance (\$1.7bn, down 20%) and CME (\$1.3bn, up 36.5%).

Aggregate Derivatives Open Interest (\$)

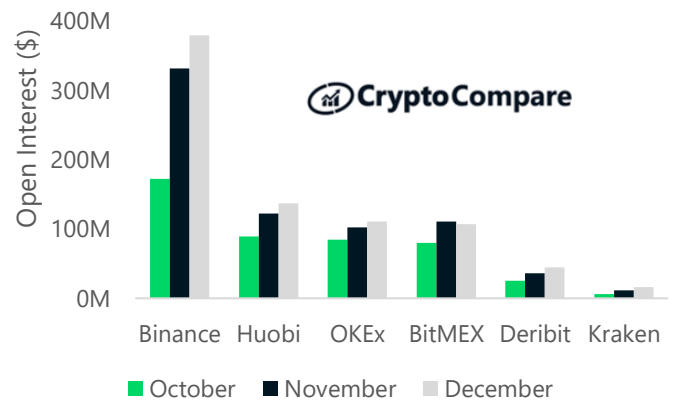


In terms of BTC perpetual futures, Binance had the highest open interest at \$1.02bn (up 17.4%) followed by BitMEX at \$498mn (up 8.7%). Binance also has the highest open interest figures for ETH perpetual futures contracts at \$379mn (up 14.4%), followed by Huobi at \$137mn (up 11.7%).

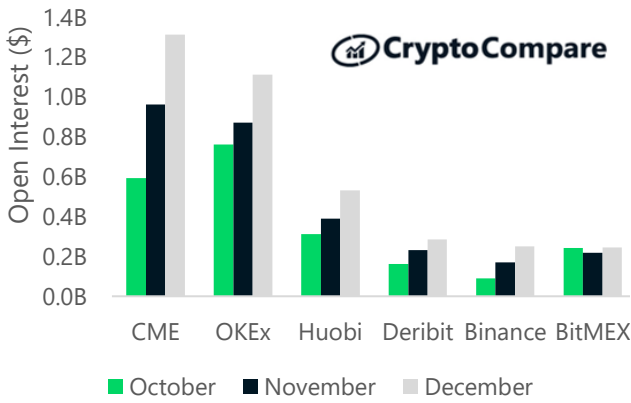
Perpetual BTC Open Interest (\$)



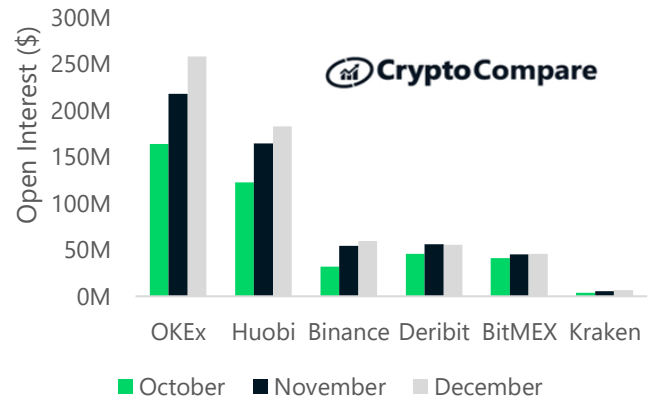
Perpetual ETH Open Interest (\$)



BTC Futures Open Interest (\$)



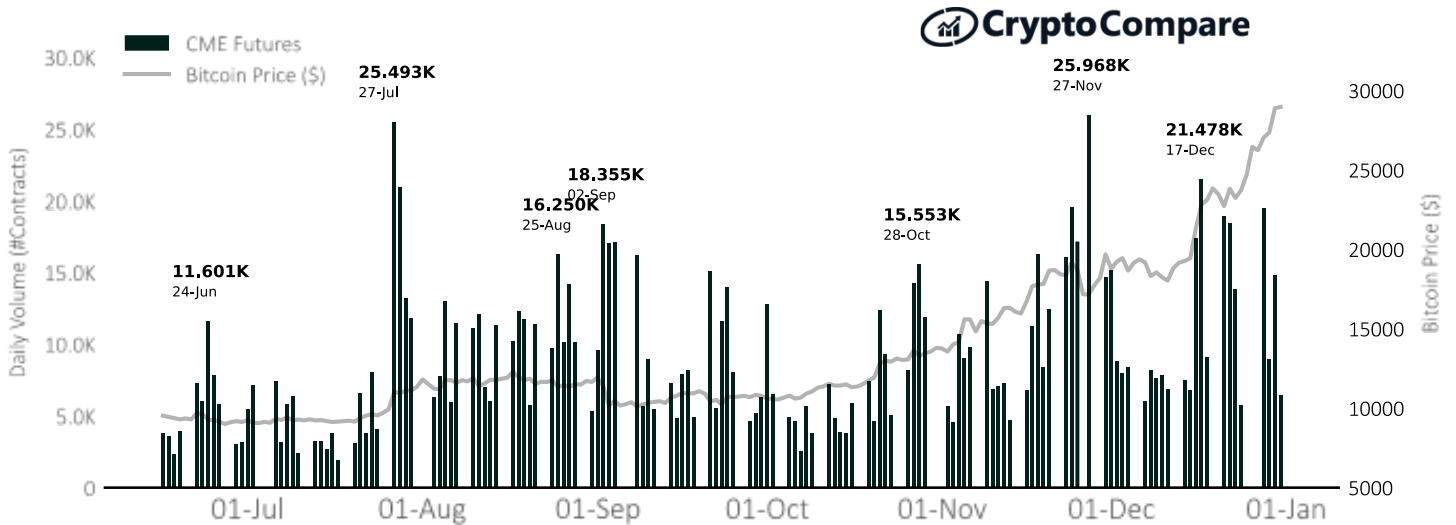
ETH Futures Open Interest (\$)



Meanwhile, regulated futures exchange CME had the highest open interest for BTC futures at \$1.31bn (up 36.5%) followed by OKEx at \$1.11bn (up 27.6%). OKEx had the highest open interest figures for ETH futures contracts at \$258mn (up 18%), followed by Huobi with \$183mn (up 11%).

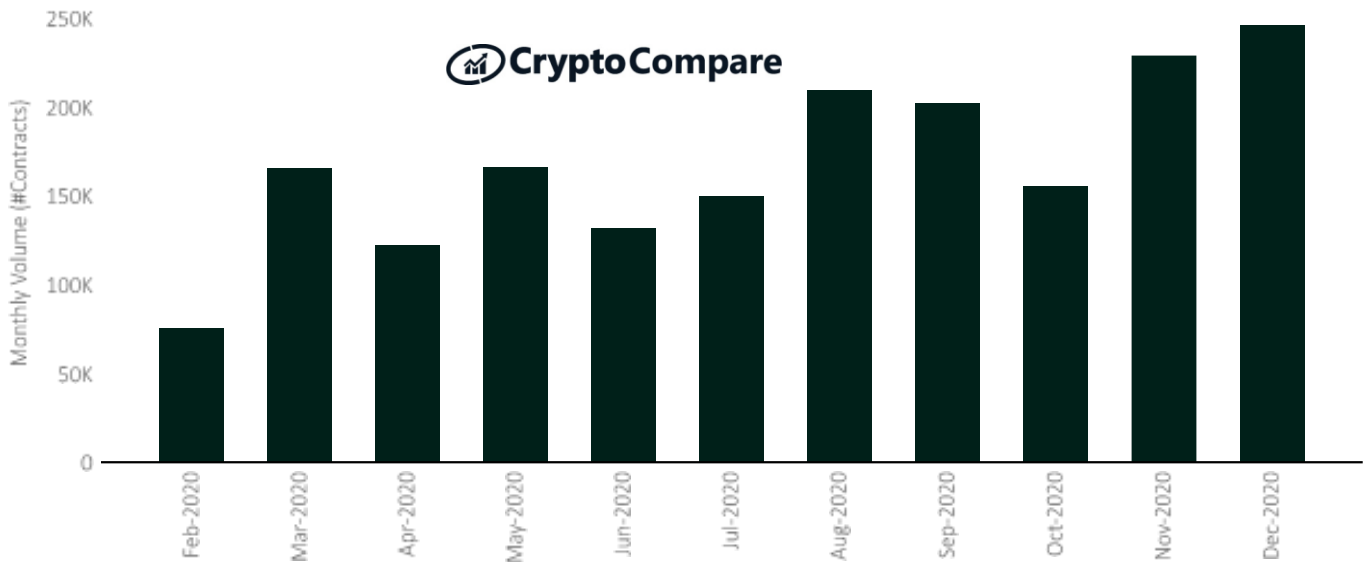
CME Institutional Volume and Open Interest

Daily CME BTC Futures Contract Volumes

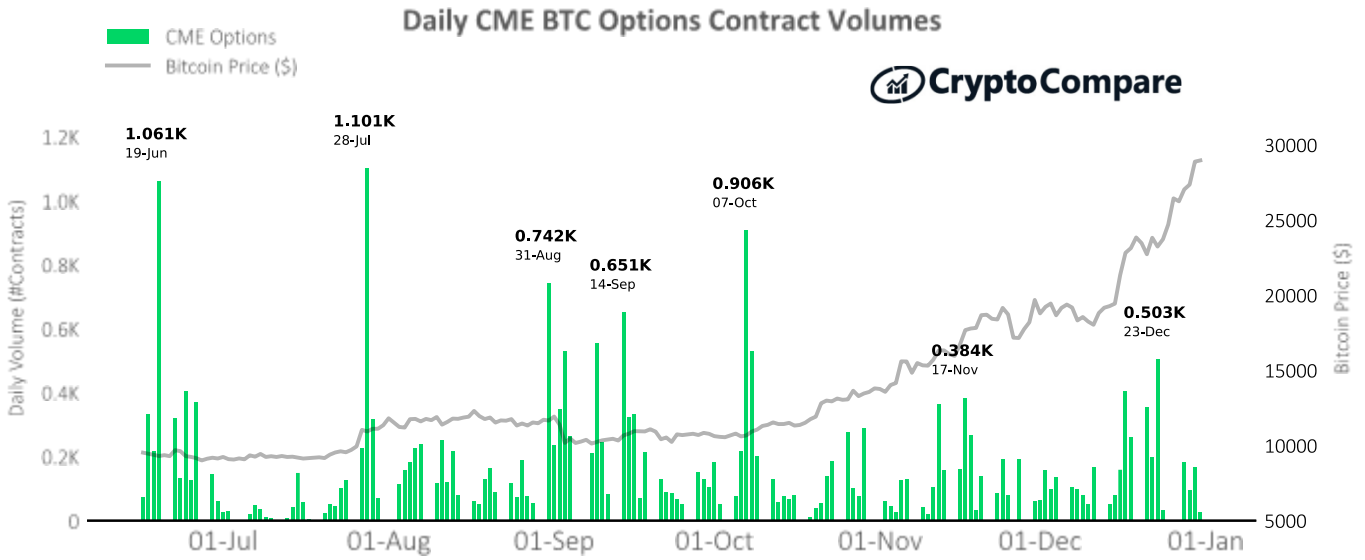


A daily maximum for the month was achieved on the 17th of December where 21,478 BTC futures contracts were traded.

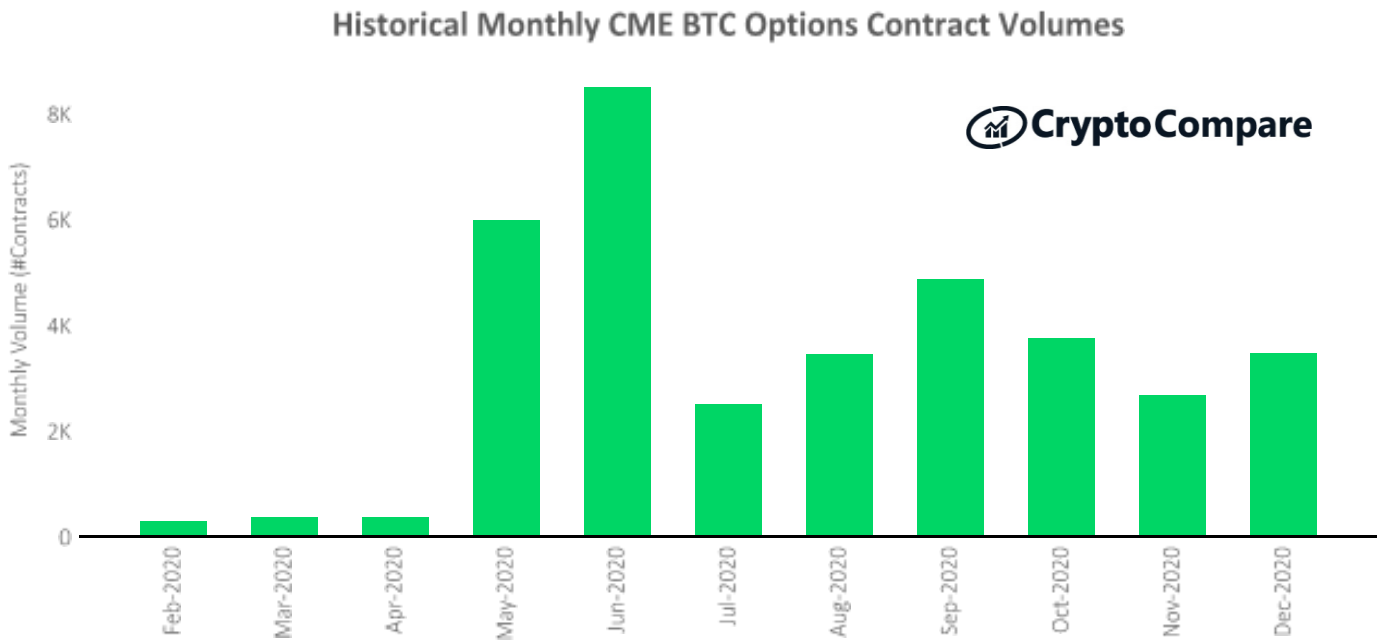
Historical Monthly CME BTC Futures Contract Volumes



In terms of monthly contract volumes, roughly 246,000 contracts were traded in December (up 7.5% since November).

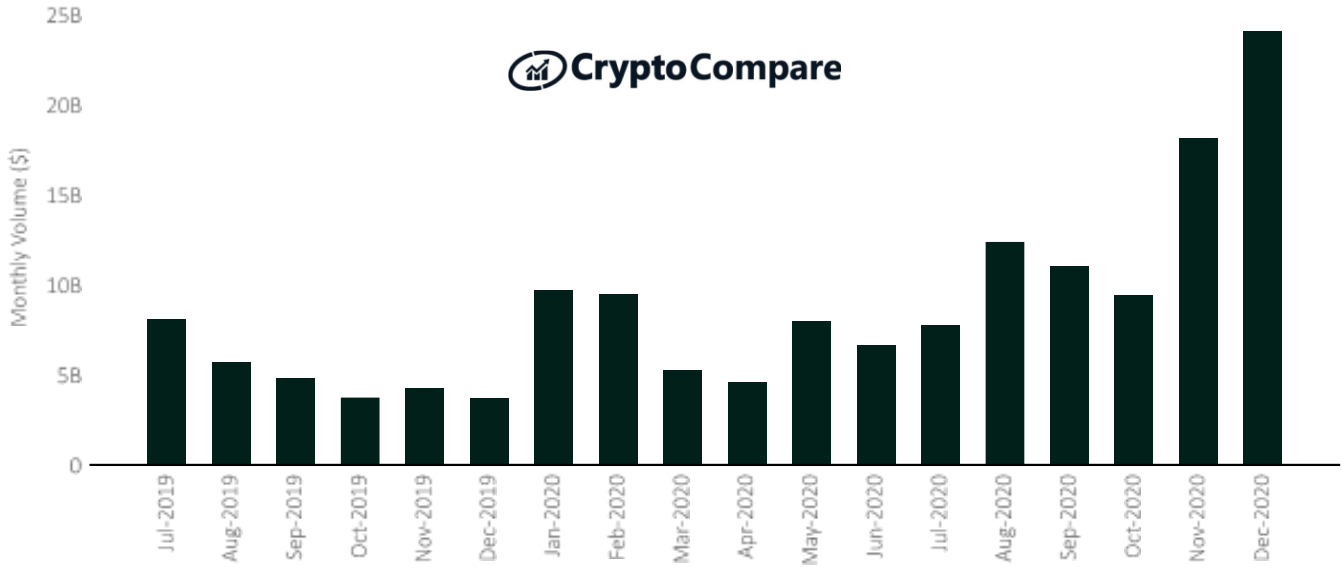


CME options contract volumes increased 30.3% in December to 3,476 contracts traded. Options contract volumes reached a daily maximum of 503 contracts traded on the 23rd of December.



In terms of total USD trading volume, CME’s crypto derivatives volumes increased by 32.9% to \$24.0bn in December.

Historical Monthly CME Volumes



CME’s average open interest figures increased by 37.5% to \$1.31bn on average in December.

CME BTC Futures Average Open Interest (\$)

