



# EXCHANGE REVIEW

NOVEMBER 2022

## About CryptoCompare

CryptoCompare is an FCA authorised and regulated 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, CryptoCompare's thought-leadership reports and analytics offer objective insights into the digital asset industry.

## About This Report

CryptoCompare'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.

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.

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 [research@cryptocompare.com](mailto: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>.

## 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.

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## Key Market Insights

In November, the crypto markets fell significantly after the collapse of one of its largest centralised exchanges, FTX. This resulted in a market wide sell-off with Bitcoin falling 16.3% to \$16,978. As a result, trading activity across centralised exchanges rose sharply with spot and derivatives trading volume increasing by 13.7% and 10.1% respectively in November.

### Trading Volumes Hit New Highs Amidst FTX Collapse

As panic spread across the market while FTX faced a liquidity crisis before its eventual demise, the trading activity across crypto markets hit new record highs, with spot and derivatives trading on centralised exchanges rising 13.7% and 10.1% to \$1.06tn and \$2.44tn respectively. This was the largest volume recorded for spot and derivatives markets since September.

November 8<sup>th</sup> saw the largest trading volume of the month, as the insolvency of FTX was established to be true with Binance announcing its letter of intent to acquire the distressed exchange. The total spot trading volume on centralised exchanges reached \$90.1bn on this day, the highest spot trading volume recorded since June. Meanwhile, total derivatives trading volume hit \$297bn on November 8<sup>th</sup>, recording the second largest derivatives trading day in digital asset history, only next to May 19<sup>th</sup> 2021, which traded \$384bn.

### Binance's Market Dominance Continues to Rise

With the trust in centralised exchanges having taken a hit, users have migrated their assets and trading activity to more reputable and established exchanges that are deemed safer. As a result, the market leader, Binance, has seen an influx of trading activity, with the spot and derivatives trading on the exchange rising 29.5% and 19.0% to \$506bn and \$1.45tn respectively.

In November, Binance solidified its position as the market leader in spot trading markets, having increased its market share to 52.9% - its largest-ever market dominance. The data from December so far highlights that the exchange also recorded its highest market share in the derivatives trading markets with a dominance of 67.2%. The consolidation of trading volume on Binance may create new concerns for an industry that encourages the decentralisation of power.

### BTC Spot Trading with Fiat Currencies Spikes

Fears of market contagion spread across the market following the collapse of FTX. During this period, BTC spot trading data suggests that investors preferred fiat trading pairs to minimize any further damage from depegging of stablecoins. While the spot trading volume across exchanges rose because of the sell-off, BTC spot trading with UST and USDC fell -0.27% and 11.0% to 12.9mn and 190k BTC respectively. However, BTC spot trading with BUSD rose 32.7% to 4.72mn BTC, reflecting the rise in trading activity on Binance.

Meanwhile, the BTC spot trading with major fiat currencies increased significantly with JPY, EUR and KRW trading pairs rising 35.7%, 50.4%, and 46.0% to 283k, 254k, and 211k BTC respectively. USD remained the largest BTC-fiat trading pair with 2.80mn BTC in volume, rising 10.6% from October.

## November Exchange News

COMPANY	STORY	DATE
Binance	<a href="#">Binance Partners With Ledger To Enable Even Smoother Crypto Purchases</a>	November 2
Kraken	<a href="#">Kraken NFT is now live for beta testers</a>	November 3
Gemini	<a href="#">Gemini Now Live in Croatia, Cyprus, Hungary, Romania, and Slovenia</a>	November 7
Bitfinex	<a href="#">Depositing and Withdrawing Tether Tokens at Bitfinex Made Even Simpler</a>	November 9
KuCoin	<a href="#">Learn and Earn With KuCoin Rewards Hub 2.0</a>	November 14
Kraken	<a href="#">How Kraken is setting the standard for Proof of Reserves</a>	November 18
BitMEX	<a href="#">BitMEX Bitcoin Proof of Reserve &amp; Proof of Liability Snapshot</a>	November 22
Kraken	<a href="#">Build your crypto portfolio with recurring buys</a>	November 23
KuCoin	<a href="#">KuCoin signed Business Agreement with Xangle, the Virtual Asset Data Research Platform</a>	November 29
Gemini	<a href="#">Gemini Secures Regulatory Approvals to Operate in Italy and Greece</a>	November 30

## Definitions

Metric	Definition
<b>Top Tier Exchanges</b>	Top Tier Exchanges refer to those that have scored Grade B and above in CryptoCompare's biannual Exchange Benchmark.
<b>Lower Tier Exchanges</b>	Lower Tier Exchanges refer to those that have scored Grade C and below in CryptoCompare's biannual Exchange Benchmark.
<b>Spot Volumes</b>	Volumes of trade where the financial assets are purchased or sold for immediate delivery.
<b>Derivatives Volumes</b>	Volumes of trade where the contract between two parties which derives their value or price from an underlying asset purchased or sold.
<b>Futures Contracts</b>	Derivatives contracts that oblige parties to trade an asset at a predetermined price and date.
<b>Options Contracts</b>	Derivatives contracts that give the holder the right, but not the obligation, to trade an asset by a certain date at a specified price.
<b>Open Interest</b>	Number of outstanding derivative contracts that have not been settled for an asset.

## Exchange Benchmark Analysis

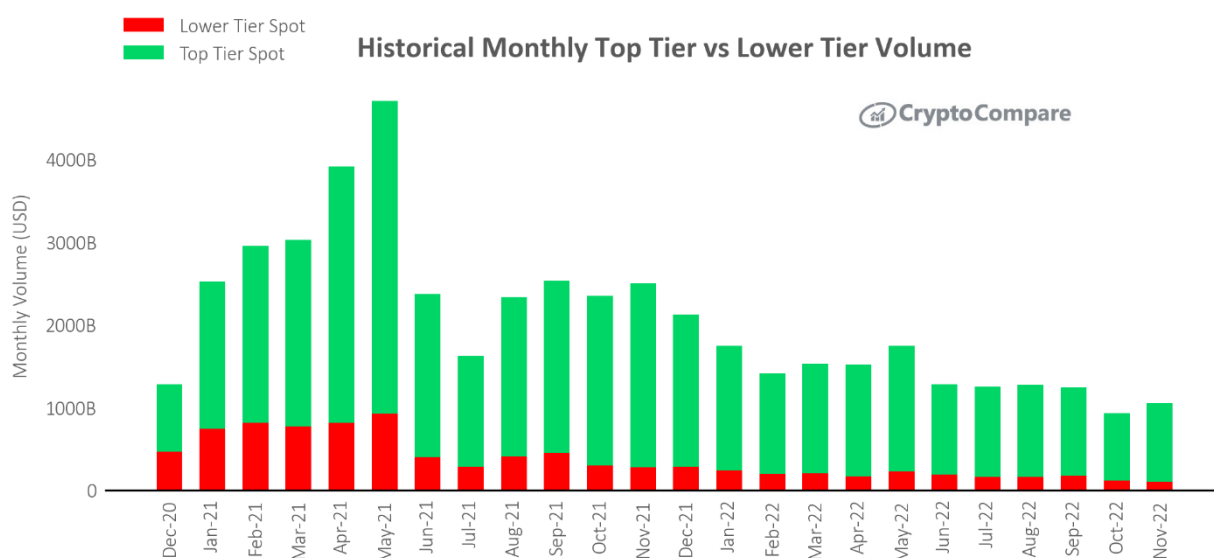
CryptoCompare's biannual Exchange Benchmark aims to serve investors, regulators and industry participants by scoring and ranking exchanges based on their operational transparency, security, operational quality, regulatory standing, data provision, management team, and ability to monitor trades and illicit 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](#)

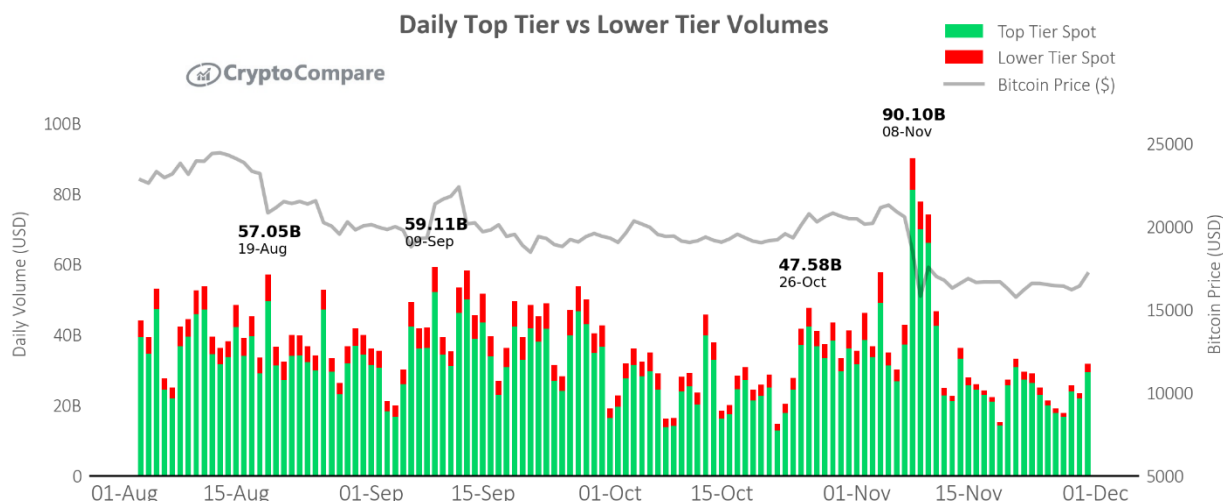
This report assesses exchange activity via the above segmentation, particularly for spot markets. Apart from this, we study the market segmentation between different exchanges and assets, derivatives, and dive deeper into CME data, one of the largest derivatives exchanges across multiple asset classes.

## Top Tier vs Lower Tier Exchange Volumes



In November, total spot trading volumes increased 13.7% to \$1.06tn. Top-Tier spot volumes increased 17.9% to \$817bn, and Lower-Tier spot volumes decreased 15.4% to \$99.7bn. This is the lowest spot trading volume recorded for Lower-Tier exchanges since June 2018.

Top-Tier exchanges now represent 90.6% of total spot volume based on CryptoCompare's new Exchange Benchmark Ranking. This is the highest market share Top-Tier exchanges recorded in its history.

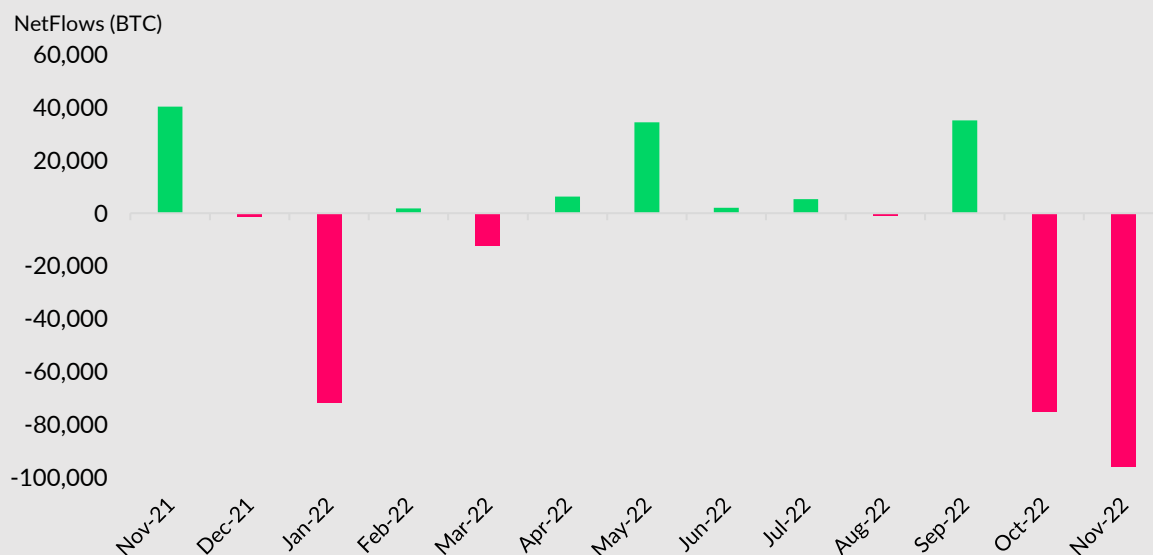


Trading activity across spot markets increased in November, reflecting the market-wide sell-off following the collapse of exchanges FTX and FTX.US. The bankruptcy filing of FTX raised concerns over the liquidity of other exchanges, which led to the downward price action of crypto assets, including Bitcoin, which closed the month at \$17,162, falling 16.3% in November.

Coincidentally, a daily volume maximum of \$90.1bn was traded on the 8<sup>th</sup> of November, up 89.4% from the intra-month high in October.

### *BTC Netflows Record Largest Outflows from Exchanges Following FTX Collapse*

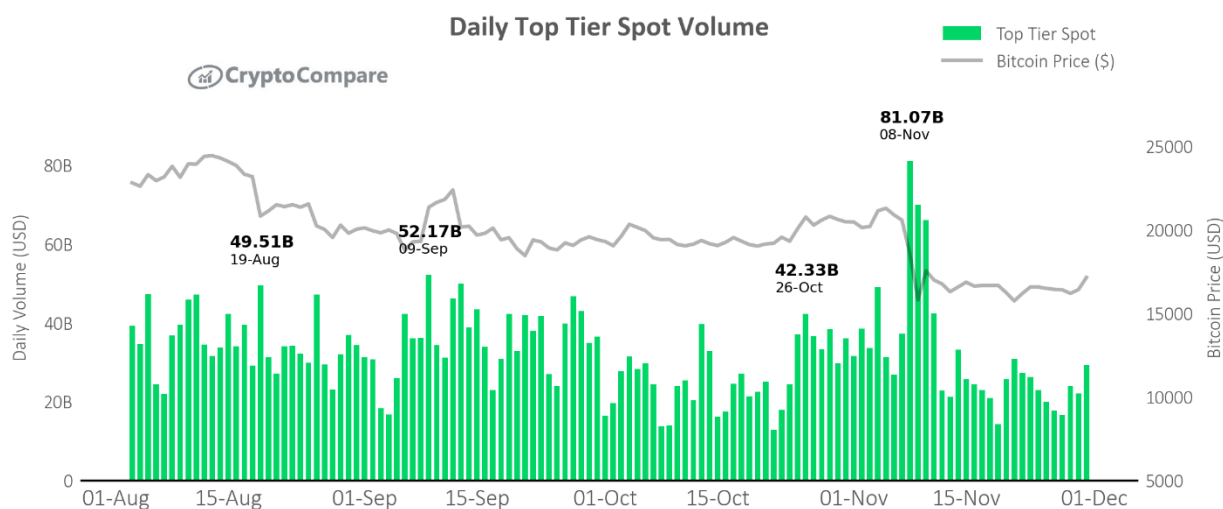
Following the collapse of FTX on November 8, centralised exchanges have seen a string of outflows as investors panic over the safety of their deposits on the platforms. In November, BTC Netflows recorded the largest negative flow from the CEXs in its history with a netflow of -91,363 BTC.



It is likely that we will see a continuation of this trend in the short term as the 'not your keys, not your coins' narrative takes over the crypto markets. However, centralised exchanges have taken a number of measures, including releasing their Proof of Reserves audit to establish trust and credibility with users.



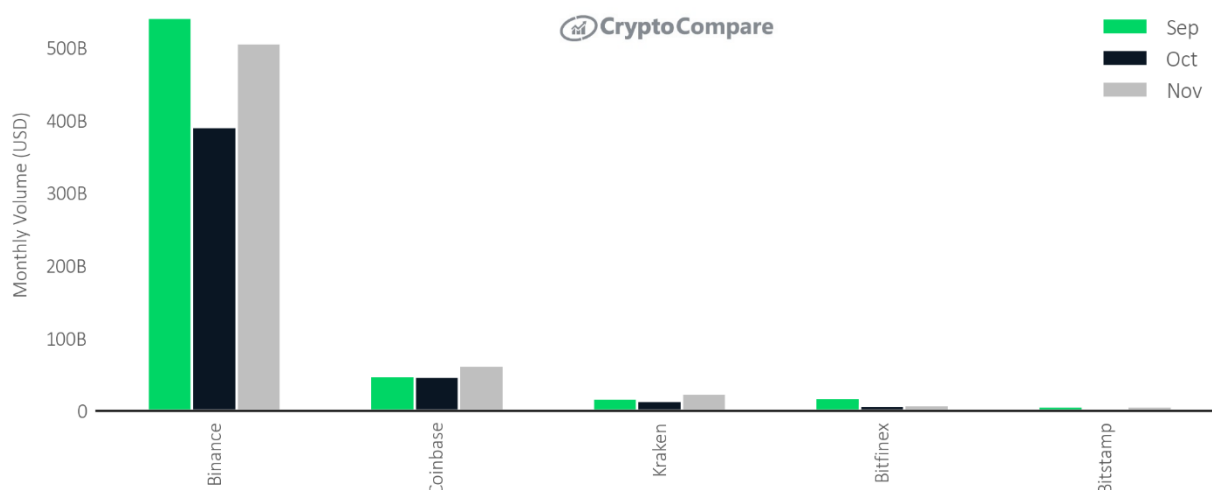
Top-Tier exchanges traded a daily volume maximum of \$81.1bn on the 8<sup>th</sup> of November, up 91.5% from October. Top-Tier exchanges are selected based on our rigorous [Exchange Benchmark Methodology](#).



## Macro Analysis and Market Segmentation

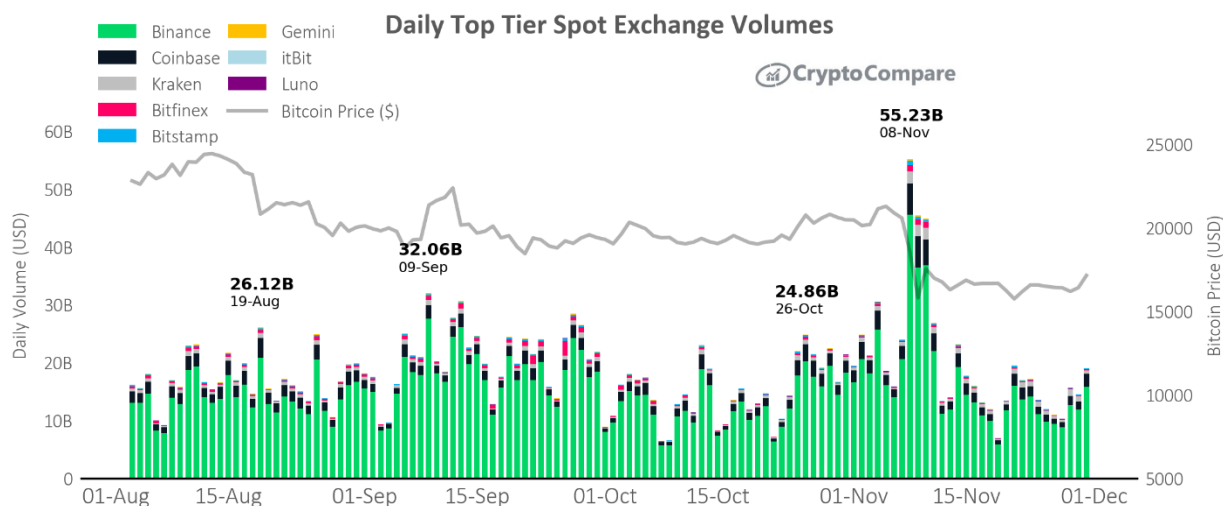
In November, spot volume from the 8 graded AA-A exchanges increased by 31.1% compared to October, with total spot volumes of \$608bn.

Historical Monthly Top-Tier Spot Volume - 3 Months



Considering individual exchanges, Binance (Grade A) was the largest Top-Tier spot exchange by volume in November, trading \$521bn (up 29.5%). This was followed by Coinbase (Grade A) trading \$6.07bn (up 32.3%) and Kraken (Grade A) trading \$28.5bn (down 29.6%).

Bitfinex (Grade A) and Bitstamp (Grade AA) followed, trading \$7.82bn (up 15.1%) and \$5.71bn (up 48.6%), respectively.



Binance, Coinbase, and Kraken were the top exchanges in terms of spot volume in November relative to other AA-A graded exchanges. Among the top tier exchanges, they represented approximately 61.9% of total volume (vs 55.6% in September). Binance remains the market leader, with 52.9% of the market share.

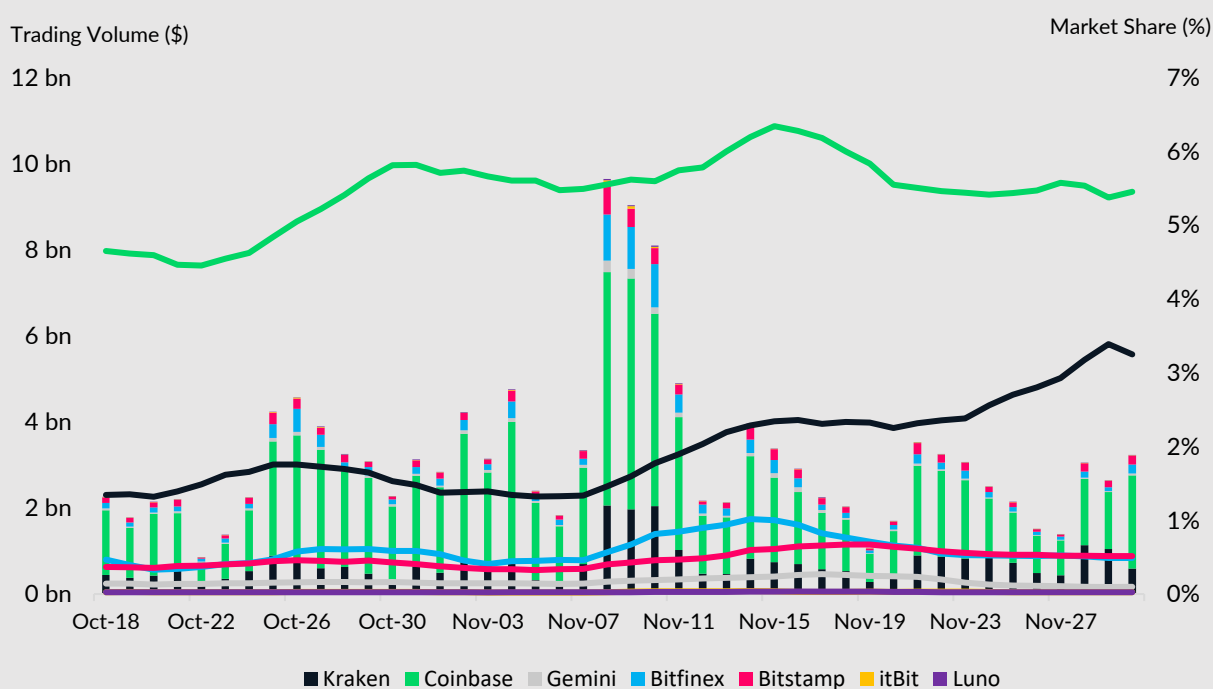
### Kraken – Among the Beneficiary of the FTX Debacle

Binance has undoubtedly been the biggest beneficiary of crypto trading activity following the collapse of FTX. The exchange has now recorded its highest market share in spot and derivatives trading with a dominance of 52.9% and 62.7% respectively. However, it is not the only one who have seen an influx of trading volume since the bankruptcy filing of FTX.

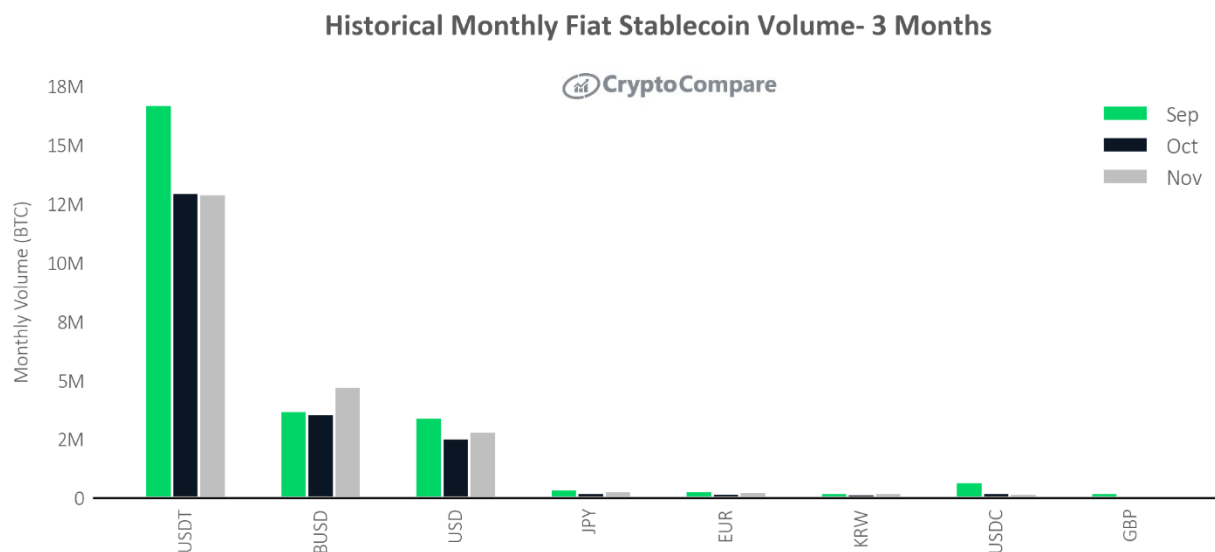
Launched in 2013, Kraken is one of the oldest and most prominent centralised exchanges. It has also been one of the few centralised exchanges that have come out of the recent FTX collapse positively. The exchange's CEO, Jesse Powell, has been a key figure in the industry who has been vocal about the importance of self-custody and transparency in the industry, long before the FTX debacle. Kraken was also one of the very few exchanges that provided a Proof-of-Reserves dashboard and audit before it became the new wave in the industry. Jesse Powell, who was a consultant to the infamous Mt Gox exchange, before launching Kraken, has been a commanding figure recently, voicing his opinions on the safety and transparency of centralised exchanges.

Analysing the trading volume following the bankruptcy of FTX, the 7-day average market share of Kraken has increased to 3.25% from 1.46% on November 8th. This suggests that more users are concerned about transparency and metrics such as the Proof of Reserves of CEXs, with Kraken seemingly able to establish trust and credibility, courtesy of their early initiatives.

Among the A-AA graded exchanges, Bitstamp is the only other exchange to join Binance and Kraken that have seen their market share rise since the collapse of FTX. The exchange which secured the highest rating in CryptoCompare's latest exchange benchmark saw its market share rise to 0.52% from 0.40% during the same period.

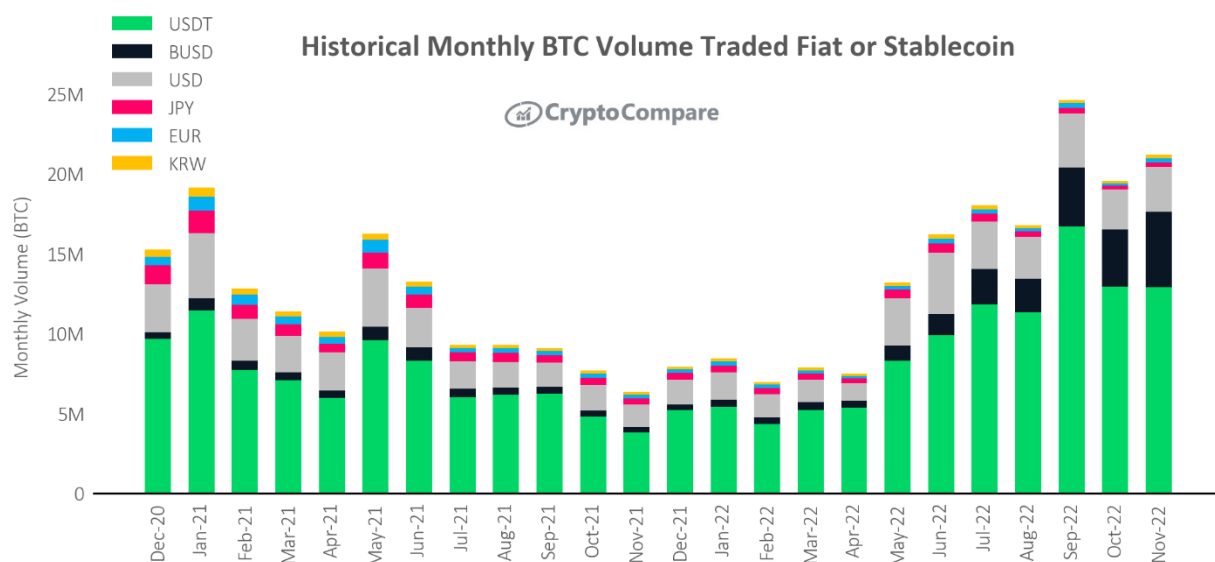


## Bitcoin to Fiat Volumes



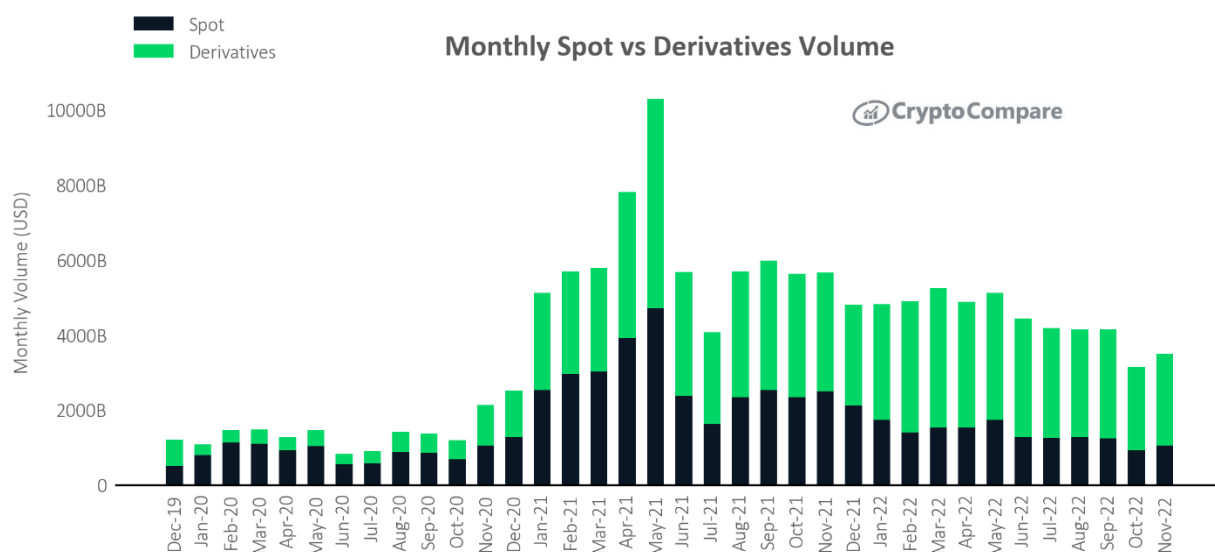
BTC spot trading with USDT remained relatively consistent to last month, decreasing 0.27% in November, to 12.9mn BTC. BTC spot trading into BinanceUSD (BUSD) and USD followed, rising 32.7% and 10.6% to 4.71mn BTC and 2.80mn BTC, respectively. The rise in BUSD trading volume reflects the increase in trading volume on Binance following the collapse of FTX.

USDC remained the next favoured stablecoin, falling 11.0% to 190k BTC, while BTC spot trading into USDK rose 5.62% to 25.1k BTC.

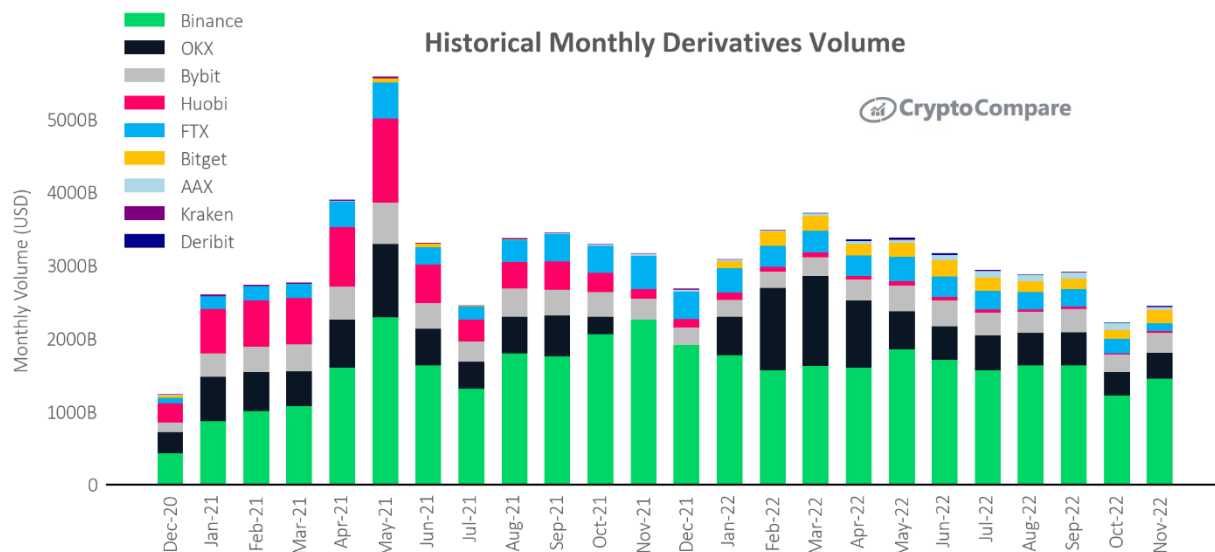


In November, BTC/USDT trading continues to represent the majority of BTC traded into fiat or stablecoin spot markets. Its dominance has decreased to 59.7% from 64.7% in October. The data suggests that investors preferred fiat trading pairs over stablecoins during the sell-off amid concerns over any impact on the stability of stablecoins including Tether which briefly depegged as low as 0.9978 on November 10.

## Derivatives

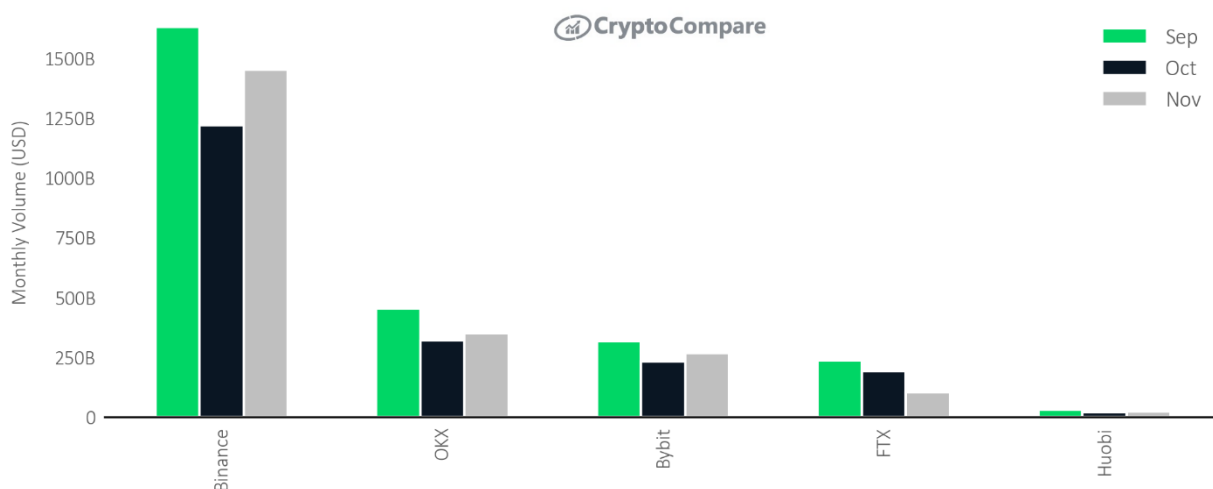


Derivatives volumes increased by 10.1% in November to \$2.44tn. The derivatives market now represents 69.8% of the entire crypto market (vs 70.5% in October).

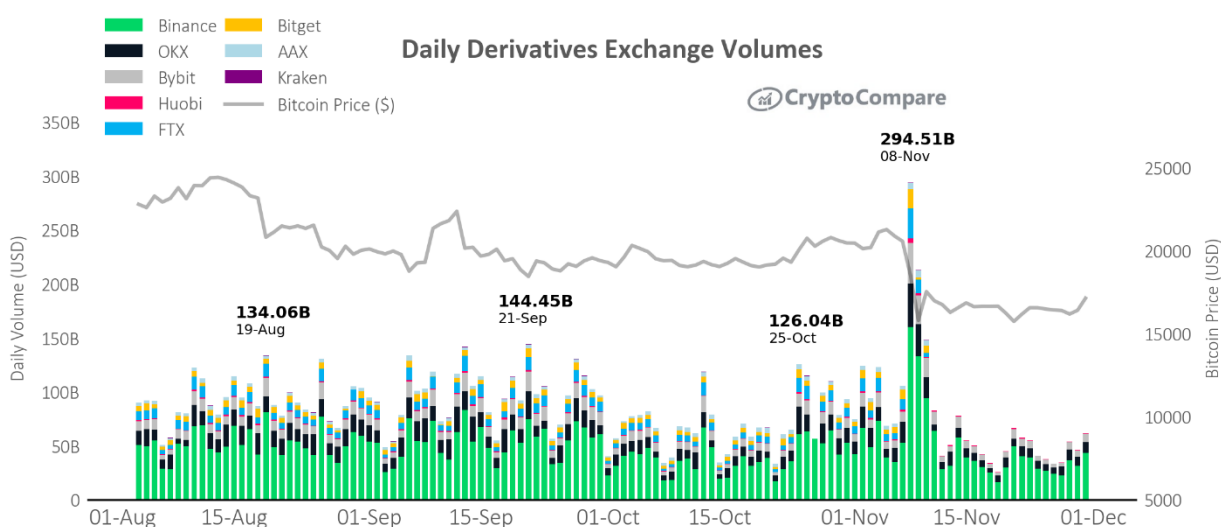


Among the top 9 derivatives exchanges, Binance leads market share with 59.4% (\$1.45tn) of total volumes in November. This was followed by OKX (14.4% market share, \$351bn) and Bybit (11.0% market share, \$268bn).

## Historical Monthly Derivatives Volumes - 3 Months

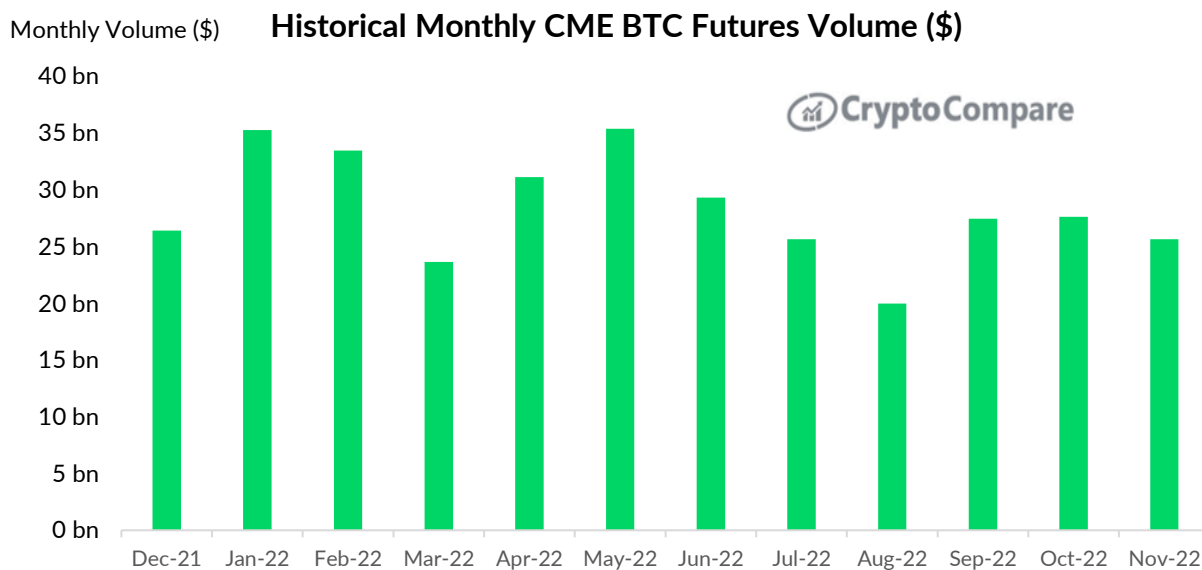


Binance was the largest derivatives exchange in November by monthly volume, trading \$1.45tn (up 19.0% since October), followed by OKX (\$351bn, up 9.89%), Bybit (\$268bn, up 14.6%) and FTX (\$104bn, down 45.7%).

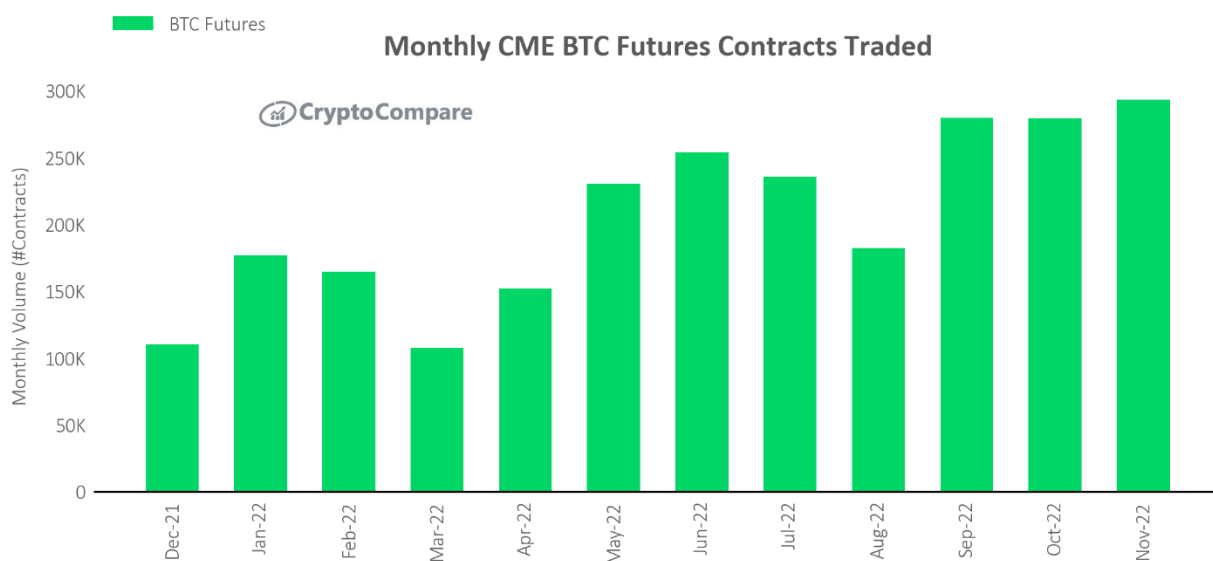


Derivatives exchanges traded a daily maximum of \$294bn on the 8<sup>th</sup> of November, up 134% from October's intra-month high of \$126bn.

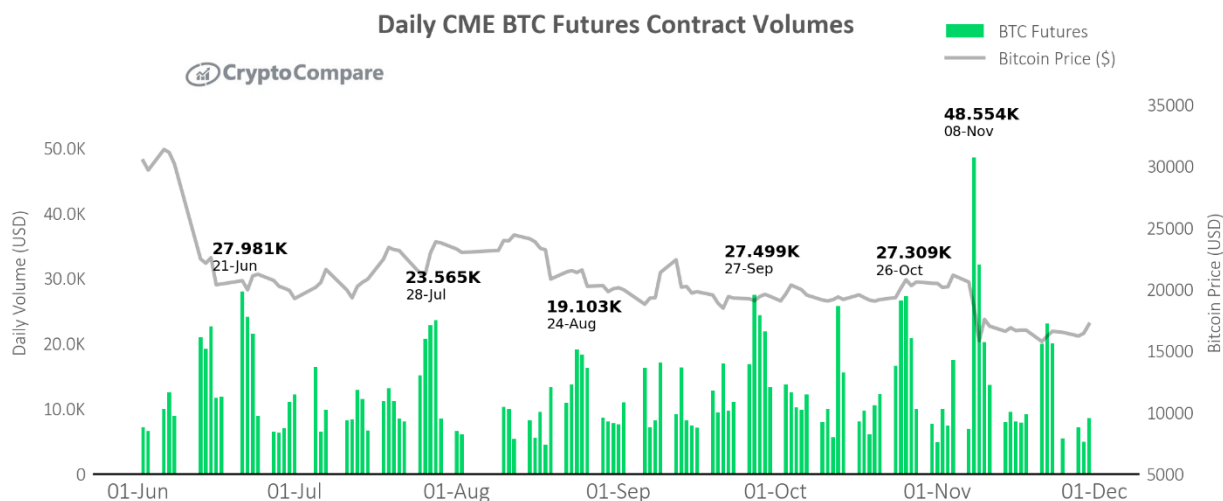
## CME Institutional Volume



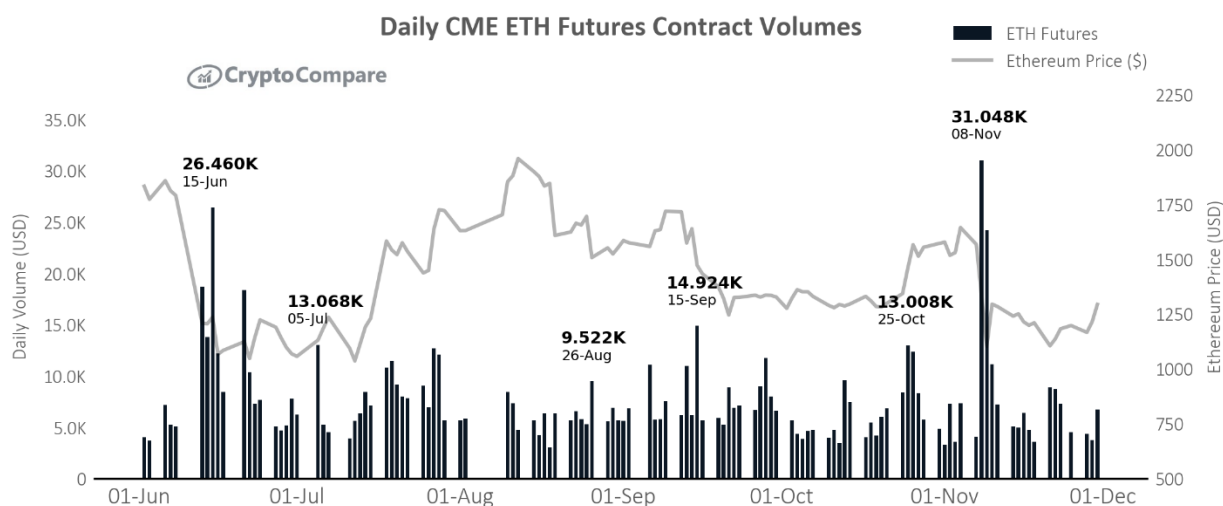
In November, CME's BTC futures volume fell 7.14% to \$25.7bn, recording the lowest volume since August earlier this year.



293,332 BTC futures contracts were traded in November, up 4.99% since October. This was the largest number of BTC futures contracts ever traded on the CME.



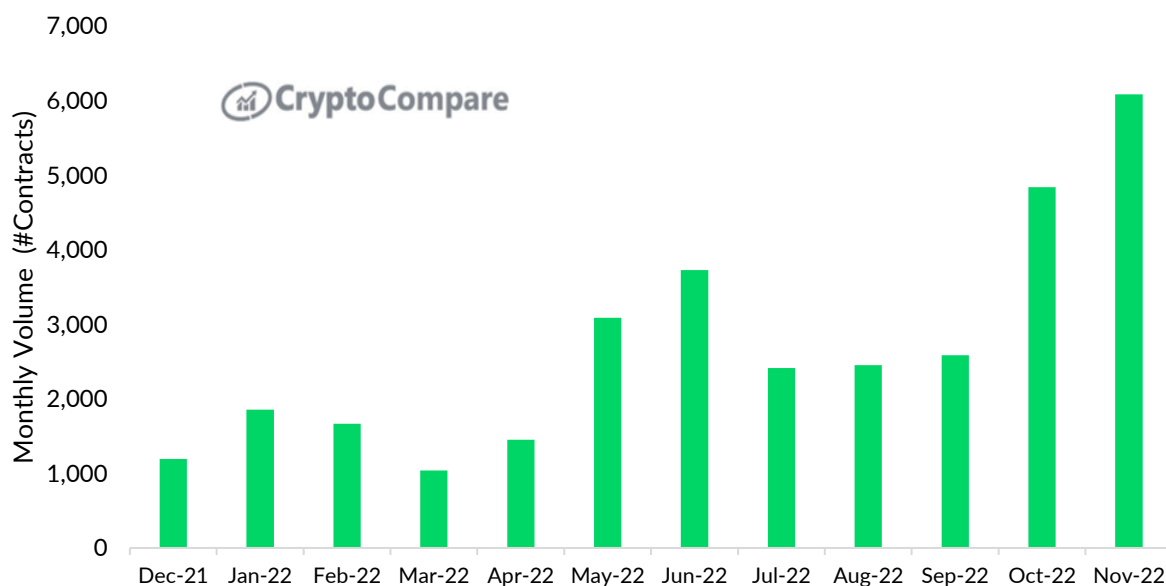
48,554 BTC futures contracts were traded on the 8<sup>th</sup> of November, a daily maximum for the month.



There were 31,048 ETH futures contracts traded on the 8<sup>th</sup> of November, a daily maximum for the month. In total, 168,664 ETH futures contracts were traded in November, up 27.6% since October.

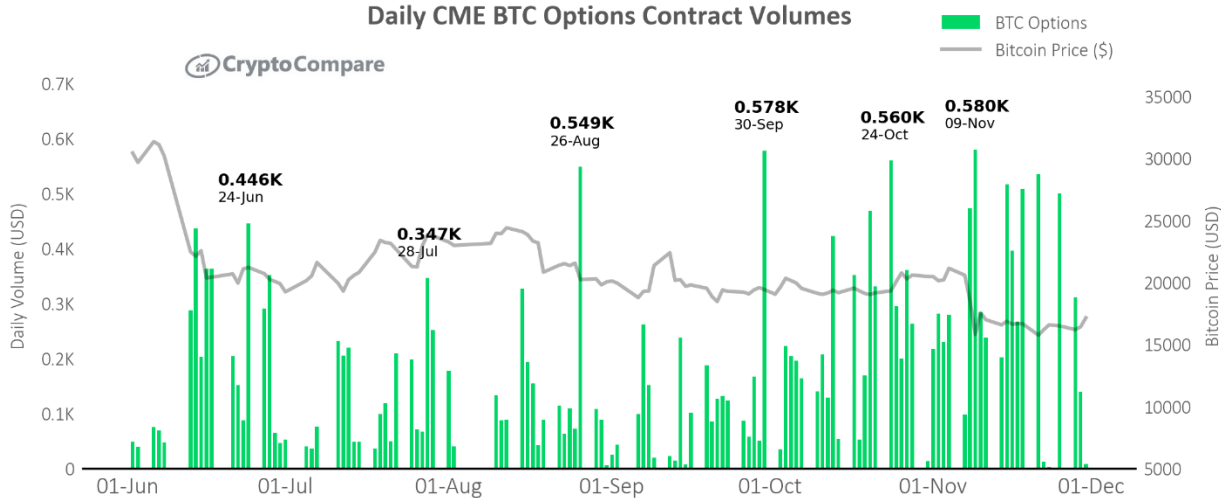


## Historical Monthly CME BTC Options Contract Volumes



CME's BTC options contracts rose 25.7% in November to 6,088 contracts traded. This is the highest number of BTC options contracts ever traded on CME.

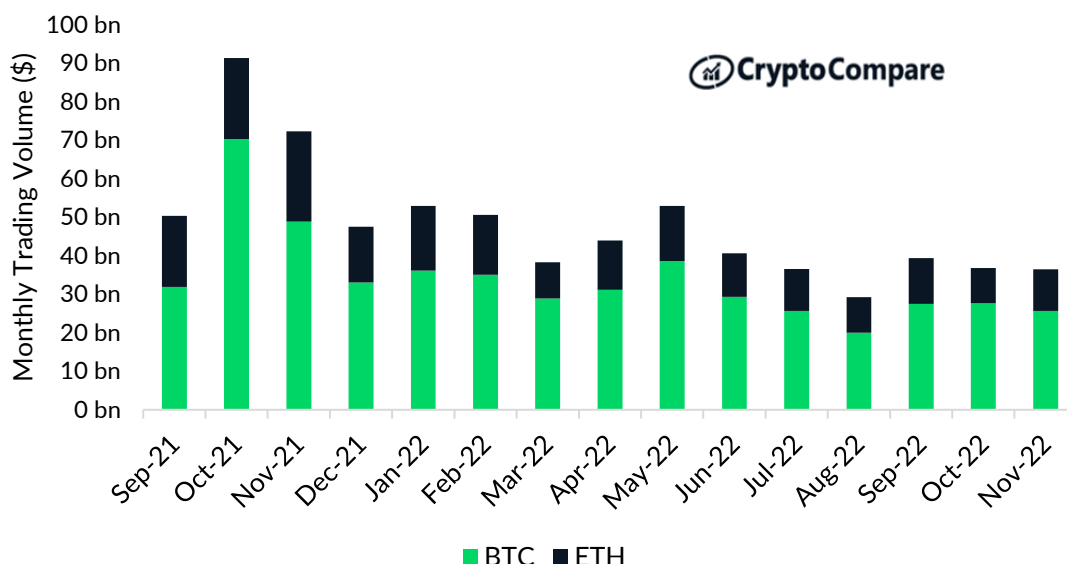
## Daily CME BTC Options Contract Volumes



BTC options contract volumes reached a daily maximum of 580 contracts traded on the 9<sup>th</sup> of November, up 3.57% from the intra-month high in October.

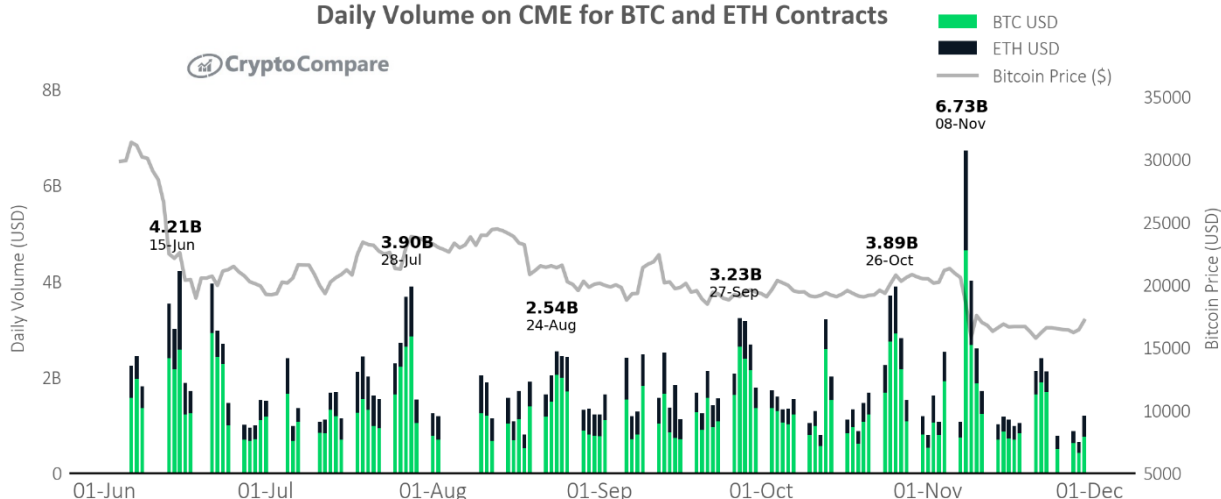
In terms of total USD trading volume, CME's ETH futures reached \$10.8bn in November (up 17.7% since October). Meanwhile, CME's BTC futures volumes fell 7.14% to \$25.6bn. On aggregate ETH + BTC futures volumes fell 0.97% to \$36.4bn.

### Historical Monthly CME Futures Volume (\$)



A combined volume of BTC \$6.73bn in BTC and ETH futures were traded on the 8<sup>th</sup> of November - a daily maximum for the month, up 73.0% from the intra-month high in October.

### Daily Volume on CME for BTC and ETH Contracts



***To conclude**, in November, cryptocurrency exchanges saw an increase of 11.2% in volumes across both derivative and spot markets. This comes as one of the largest cryptocurrency exchanges, FTX, filed for bankruptcy following an unprecedented turn of events, resulting in market wide sell-off of crypto assets. This was reflected in the prices of crypto assets, with BTC and ETH falling by 16.3% and 17.7%, respectively.*

## Access More of Our Research and Insights

As the digital asset markets continue to grow, so does the need for high-quality research that brings greater clarity and transparency to this rapidly evolving industry. CryptoCompare's suite of research reports provides market participants with trusted, high-quality data and analysis.

### Recurring Reports:

Report	Description
<b>Exchange Review</b>	Captures key developments within the cryptocurrency exchange market — providing readers with an in-depth analysis of exchange volumes, trading activity, and derivatives open interest.
<b>Digital Asset Management Review</b>	Tracks and provides analysis of the most innovative institutional products in the industry, assessing volumes, assets under management (AUM), and product flow trends.
<b>Exchange Benchmark</b>	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.
<b>Asset Report</b>	Provides professionals in the financial services space, particularly the investment management industry, with a summarised analysis of the latest movements in five of the largest cryptocurrencies.
<b>Market Outlooks</b>	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.

### Topic Deep Dives:

Report	Description
<b>Liquidity Report</b>	Created in collaboration with Bitstamp — a first-of-its-kind report — it examines the intricacies of digital asset liquidity and compares it across top-tier exchanges to find the true liquidity of digital asset exchanges.
<b>UST's Fall From Grace</b>	Summarises the depegging of UST and the subsequent debacle of LUNA and the Terra ecosystem, including analysis of the ripple effects of the event and where it situates the digital asset industry.