

Exchange Review

MARCH 2023

About CCData

CCData 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, 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 research@CCData.io.

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 31st of March 2023, unless stated otherwise.**

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Key Market Insights

In March, the combined spot and derivatives trading volume on centralised exchanges rose 25.9% to \$3.81tn, recording the third consecutive month of increase in monthly trading volumes. Centralised exchanges recorded the highest combined spot and derivatives volumes since September 2022 amidst a turbulent month that saw the depegs of multiple stablecoins following the collapse of USDC's banking partner Silicon Valley Bank, and the positive sentiment in the market following its recovery.

Binance's Spot Market Share Slides After Halting Trading Incentives

Binance's spot market share across top-tier exchanges fell for the first time in five months, decreasing from 62.0% in February to 57.7% in March. The decline in its market share coincides with the recent legal issues faced by BinanceUSD, and the halting of trading incentives such as zero-fee trading pairs for BTC-BUSD, and ETH-BUSD pairs.

Spot trading volume on Binance rose 2.54% to \$554bn, while its counterparts saw a significant increase with OKX and Coinbase registering a rise of 29.7% and 23.5% to \$54.9bn and \$49.3bn, respectively. Currently, Binance offers only zero-fee trading for BTC-TUSD and ETH-TUSD trading pairs. Meanwhile, Binance's derivatives market share has continued to rise, recording an all-time high market share of 64.0% as of March.

Derivatives Market Share Reaches All-time High

In March, the derivatives trading volume across centralised exchanges rose 32.6% to \$2.77tn, the highest volume since September 2022. Meanwhile, the spot trading volume on centralised exchanges rose 10.8% to \$1.04tn. The market dominance of derivatives trading on centralised exchanges has now risen to 72.7% from 69.0% in February, registering an all-time high for its market share.

The rise in derivatives trading volume could be attributed to speculation on the markets after multiple stablecoins including USDC depegged. Derivatives trading reached an intra-month high of \$170bn on March 14th, coinciding with the recovery of the stablecoins and the budding narrative around the disorder in the banking sector. This recorded the highest daily derivatives volume since 26th January 2022.

Daily CME Volumes Hits the Highest Levels Since FTX Collapse

In March, the total derivatives trading on CME (including futures and options) rose 34.5% to \$48.8bn, the highest since January 2022. This recorded the third consecutive increase in volumes traded on CME, highlighting the increased institutional interest in the industry. The exchange traded 29,162 BTC Futures contracts and 14,370 ETH Futures contracts on the 13th March, the highest daily traded contracts since November 9th – in the midst of the FTX collapse.

Meanwhile, BTC options traded on the CME exchange rose 166% to \$1.66bn, the highest options trading volume recorded on the exchange.

March Exchange News

COMPANY	STORY	DATE
Coinbase	Coinbase Has Acquired One River Digital Asset Management	March 3
PancakeSwap	PancakeSwap Launches Market Maker Integration on BNB Smart Chain	March 3
Coinbase	Liquid Staked ETH (LsETH) launches on Coinbase Prime	March 7
Coinbase	Coinbase Announces Wallet as a Service	March 8
Binance	Highlights From CZ's March 8 AMA	March 10
BitMEX	Now Live: Dogecoin, Bitcoin Cash, and Litecoin Listings	March 14
Binance	Introducing Binance Oracle VRF: The Next Generation of Verifiable Randomness	March 20
Binance	Introducing Bicasso: An Innovative AI NFT Generator	March 23
Uniswap	A Technical Overview of the Uniswap Mobile Wallet	March 23
Binance	CZ's Response to the CFTC Complaint	March 27

Definitions

Metric	Definition
Top Tier Exchanges	Exchanges that have scored Grade B and above in CCData's biannual Exchange Benchmark.
Lower Tier Exchanges	Exchanges that have scored Grade C and below in CCData's biannual Exchange Benchmark.
Spot Volumes	Trading volumes on crypto assets with immediate delivery.
Derivatives Volumes	Trading volumes on crypto assts 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.

Exchange Benchmark Analysis

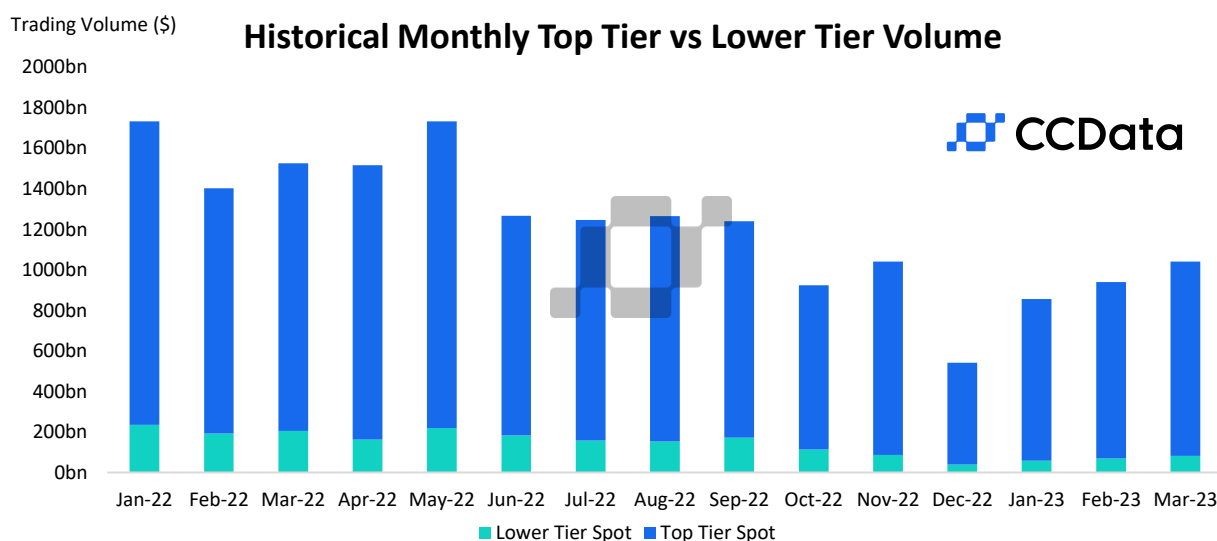
CCData's biannual Exchange Benchmark aims to serve investors, regulators and industry participants by scoring and ranking exchanges based on their operational transparency, security, operational quality, regulatory standing, data provision, management team, and ability to monitor trades and illicit activity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

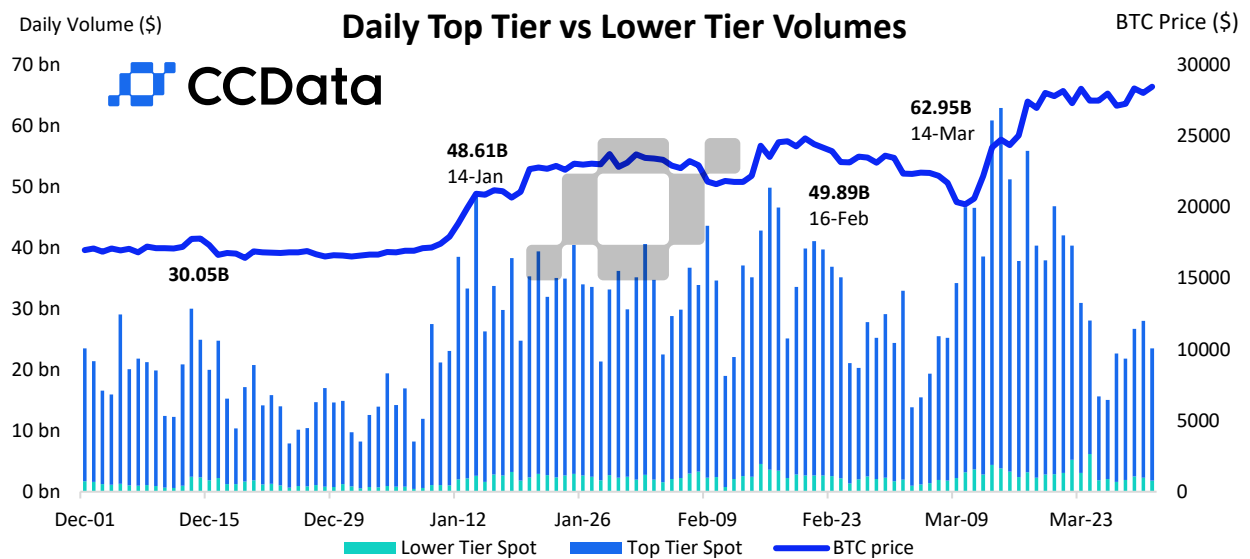
This report assesses exchange activity via the above segmentation, particularly for spot markets. Apart from this, we study the market segmentation between different exchanges and assets, derivatives, and dive deeper into CME data, one of the largest derivatives exchanges across multiple asset classes.

Top Tier vs Lower Tier Exchange Volumes



In March, total spot trading volumes rose 10.8% to \$1.04tn, recording the third consecutive increase in monthly volumes. Top-Tier spot volumes increased 10.2% to \$959bn, and Lower-Tier spot volumes increased 19.1% to \$82.1bn. This is the highest spot trading volume recorded on centralised exchanges since September 2022.

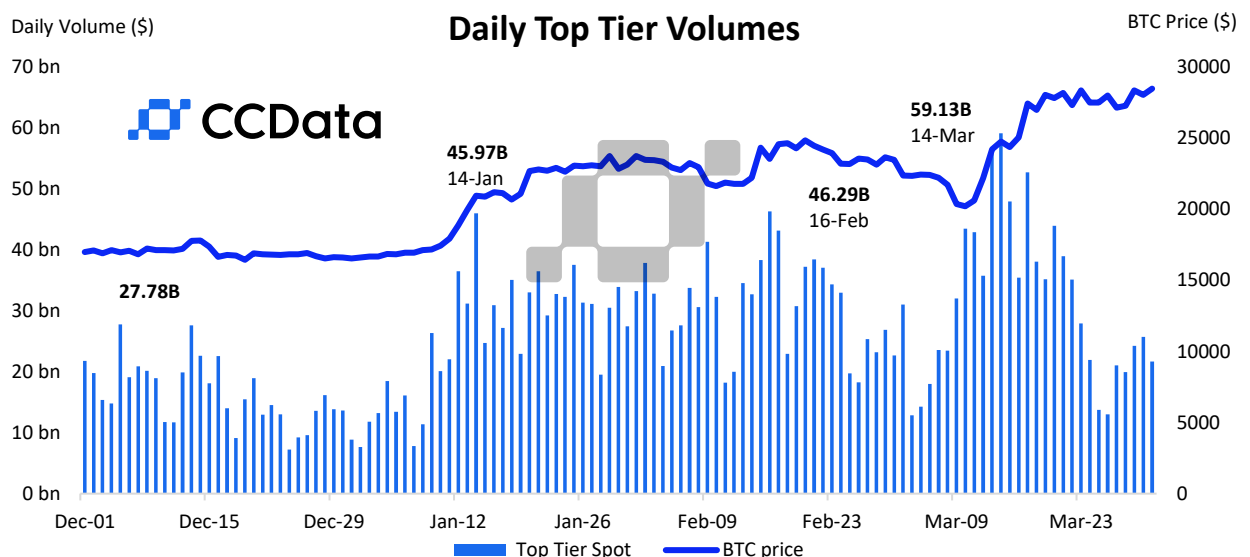
Top-Tier exchanges now represent 92.2% of total spot volume based on CCData's October 2022 Exchange Benchmark Ranking, compared to 92.7% last month.



Trading activity across spot markets increased in March, following the depeg of USDC and other stablecoins after the collapse of its banking partner Silicon Valley Bank, and the asset class' subsequent recovery.

A daily volume maximum of \$63.0bn was traded on the 14th of March, up 26.2% from the intra-month high in February, after the stablecoins recovered its peg following assurances from the Federal Reserve over the deposits in the affected banks.

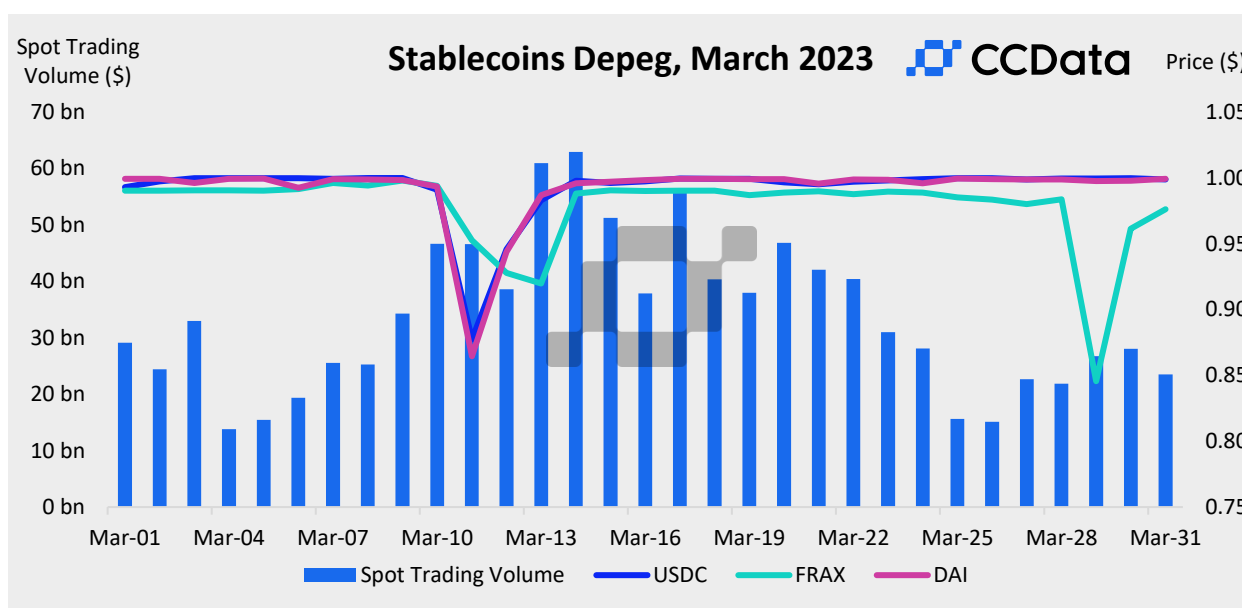
Top-Tier exchanges traded a daily volume maximum of \$59.1bn on the 14th of March, up 27.7% from February. Top-Tier exchanges are selected based on our rigorous [Exchange Benchmark Methodology](#).



Trading Volumes Hit New Highs as Stablecoins Regains Peg

On March 10th, the second largest stablecoin by market capitalisation, USDC, started losing its peg after the collapse of its banking partner Silicon Valley Bank. The stablecoin fell as low as \$0.8773 on March 11 before regaining its parity after the Federal Reserve stepped in to provide assurance over all deposits in the bank. Other stablecoins that hold USDC as a collateral, including DAI and FRAX, also lost their peg during the brief crisis.

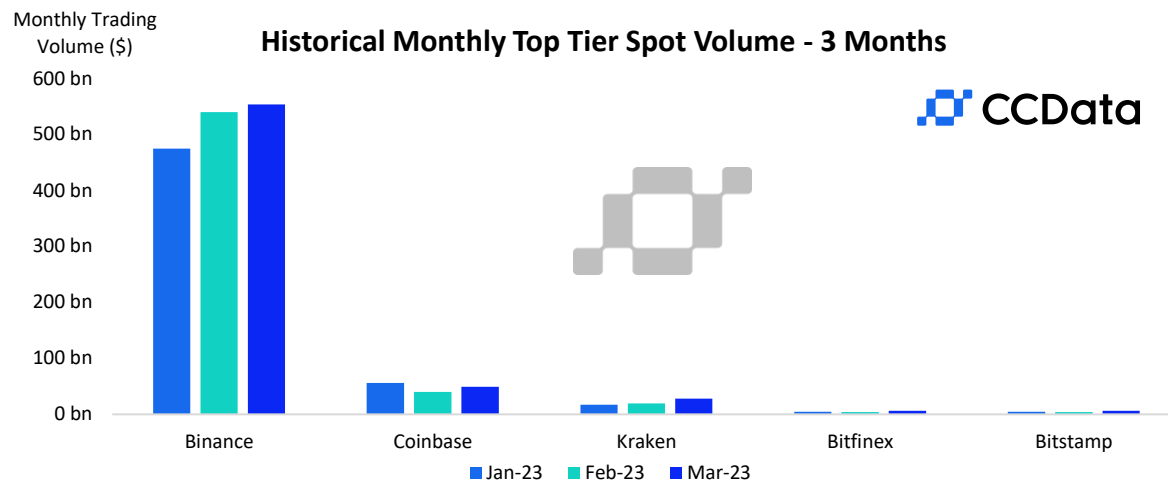
Nevertheless, spot trading volumes across centralised exchanges saw a spike during the turmoil, as panicking investors and traders swapped their affected stablecoins for safer assets including Bitcoin and USDT. Opportunistic traders who believed that the stablecoins will eventually regain its peg also made the best of the arbitrage catalyst.



Spot trading volume across centralised exchanges reached an intra-month high of \$63.0bn on March 14th, amidst the positive sentiment in the market after the stablecoins regained its peg, and the strengthening of narrative around bitcoin as an alternative financial system. This was the highest daily spot trading volume recorded since 11th November in the middle of the FTX collapse, suggesting that the positive narrative might have been the largest contributing actor in the increase in volumes this month.

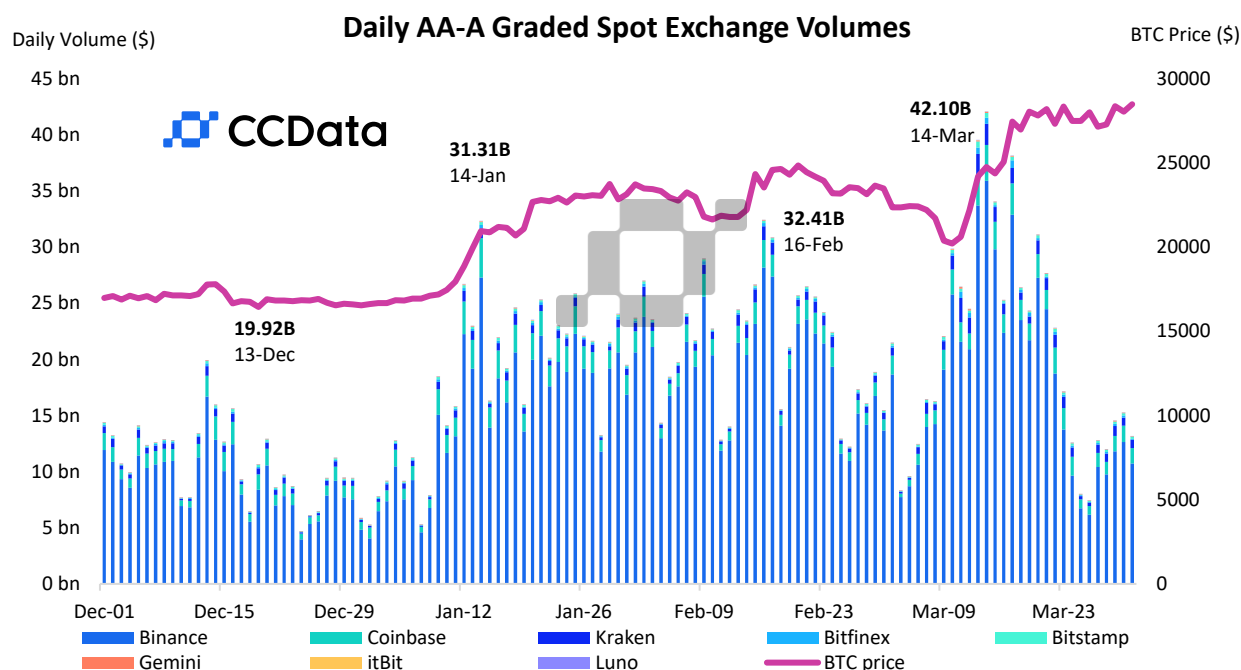
Macro Analysis and Market Segmentation

In March, spot volume from the 8 graded AA-A exchanges increased by 6.18% compared to February, with aggregated spot volumes totalling \$646bn.



Considering individual exchanges, Binance (Grade A) was the largest Top-Tier spot exchange by volume in March, trading \$554bn (up 2.54%). This was followed by Coinbase (Grade A) trading \$49.3bn (up 23.5%) and Kraken (Grade A) trading \$28.1bn (up 46.0%).

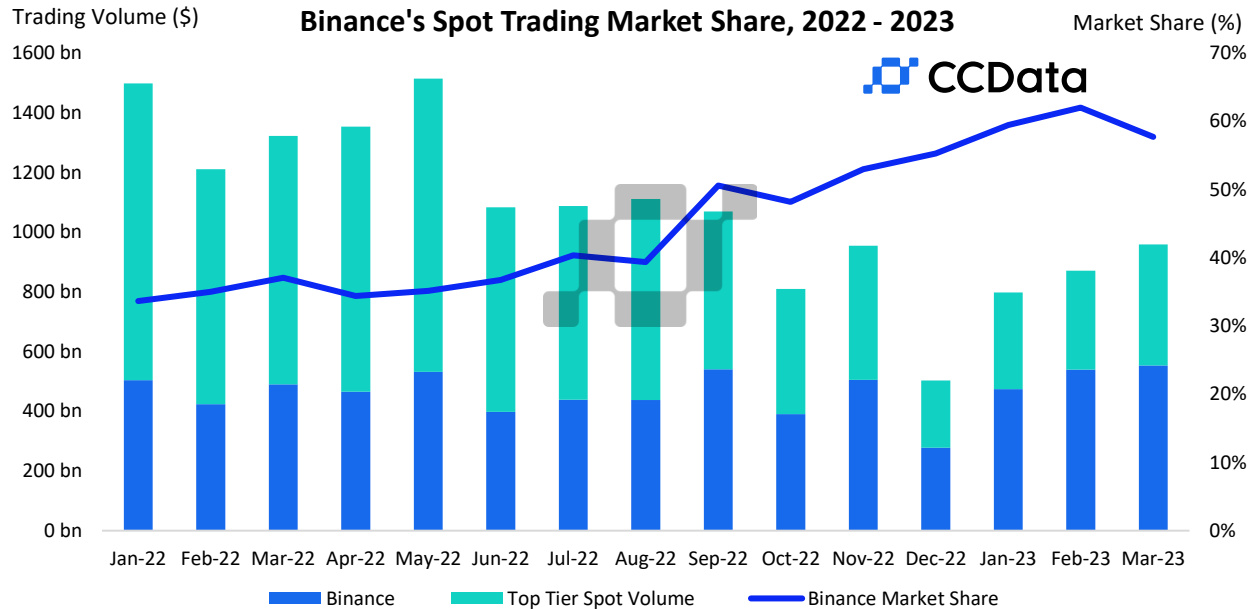
Bitfinex (Grade A) and Bitstamp (Grade AA) followed, trading \$6.56bn (up 60.3%) and \$6.35bn (up 62.9%) in monthly volumes, respectively.



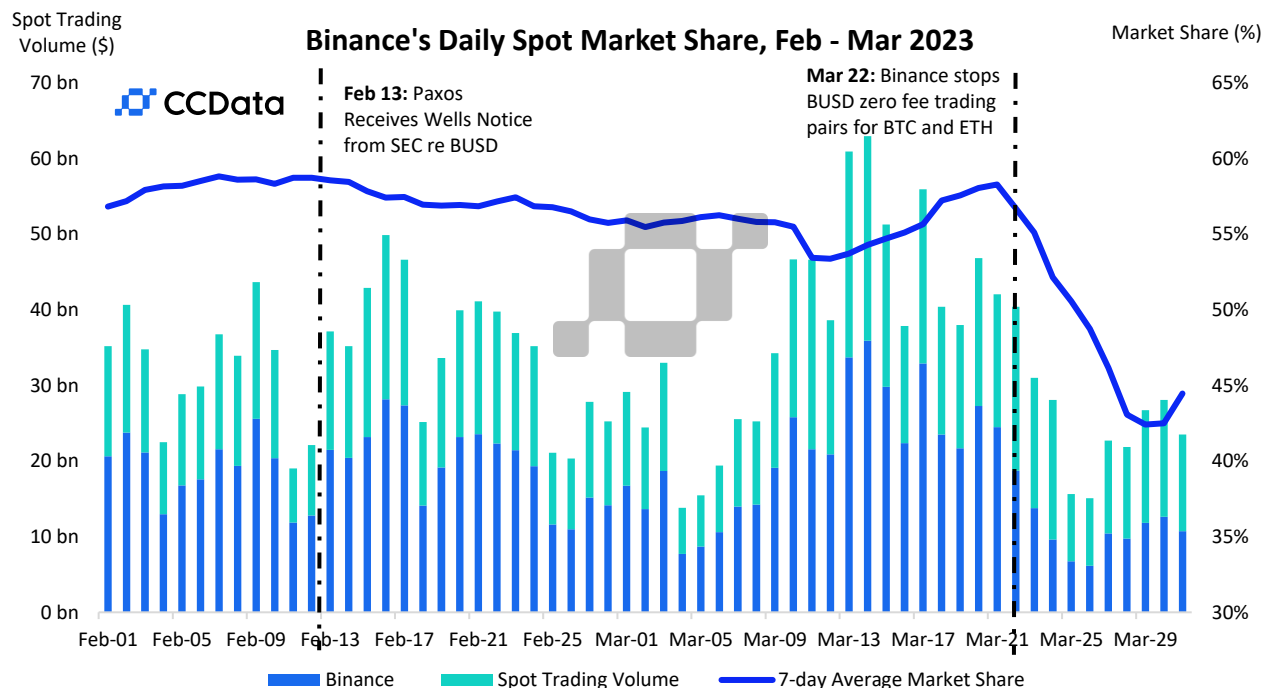
Binance, Coinbase, and Kraken were the top exchanges in terms of spot volume in March relative to other AA-A graded exchanges. Among the Top-Tier exchanges, they represented approximately 65.7% of total volume (vs 68.8% in February). The decline is largely due to the drop in Binance's market share, which fell to 57.7% from 62.0% (of the Top-Tier market share).

Trouble in Binance

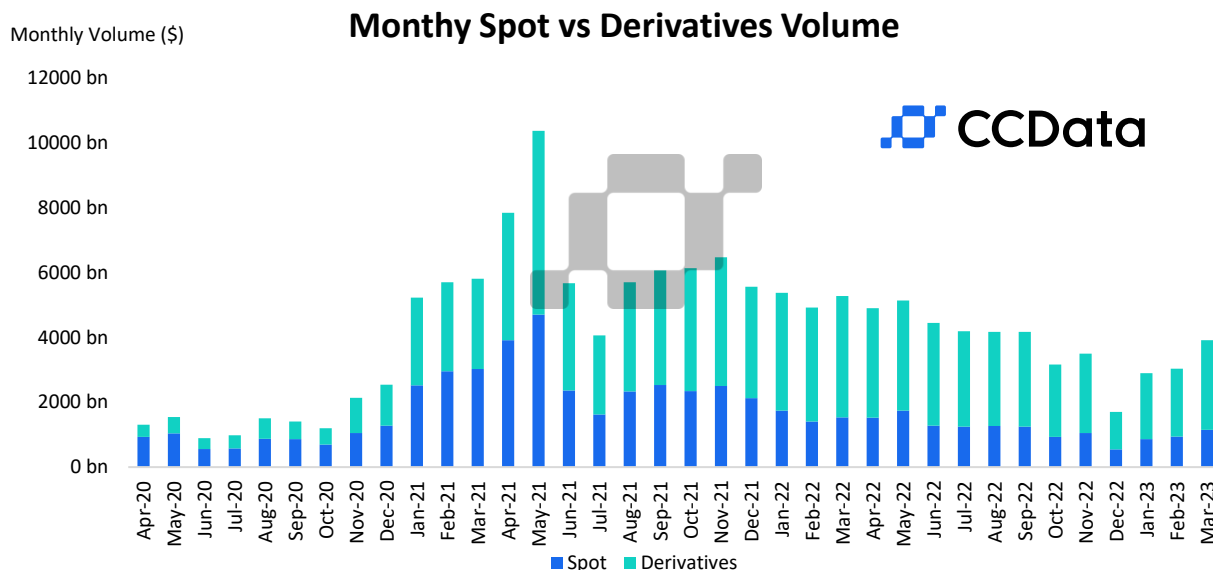
In March, the monthly market share of Binance's spot trading volume fell to 57.7% from 62.0% in February, recording a decline in its market share for the first time in five months. Binance has been facing some turbulent times in the last couple of months with the SEC issuing Paxos a Wells Notice over BUSD, a temporary suspension of operations after a bug in the matching engine, and CFTC lawsuit action against the exchange.



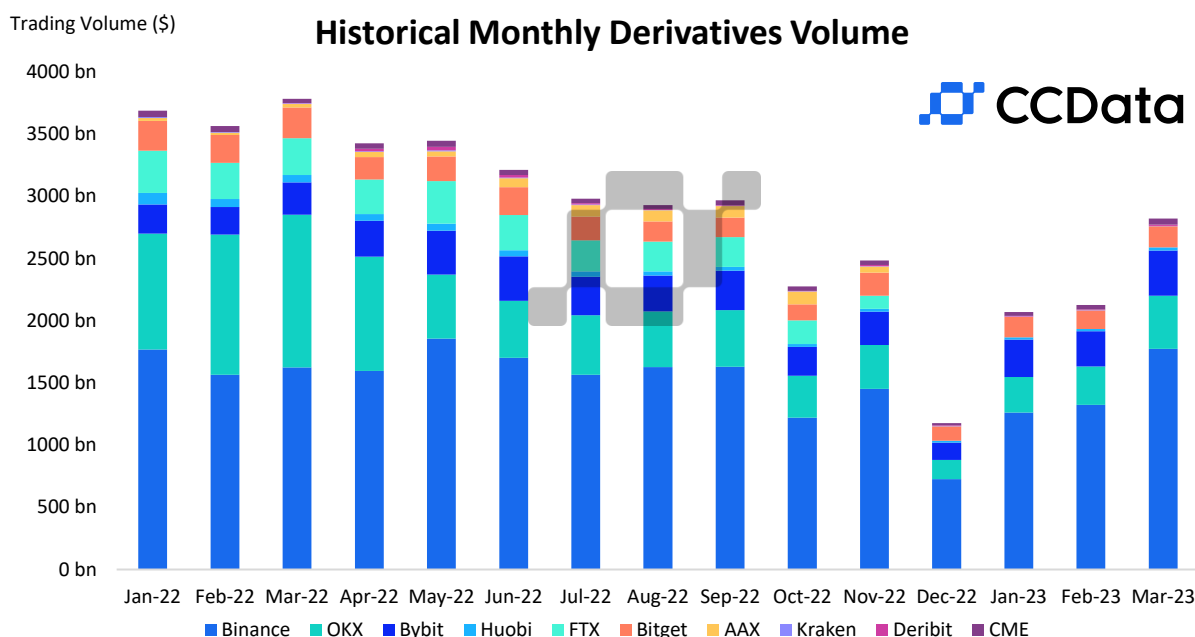
However, the largest contributor to the decline in market share can be attributed to the end of zero-fee trading program for BUSD trading pairs on March 22nd. The 7-day average market share data paints a much more gruesome picture of the decline, with Binance market share currently at 44.5%.



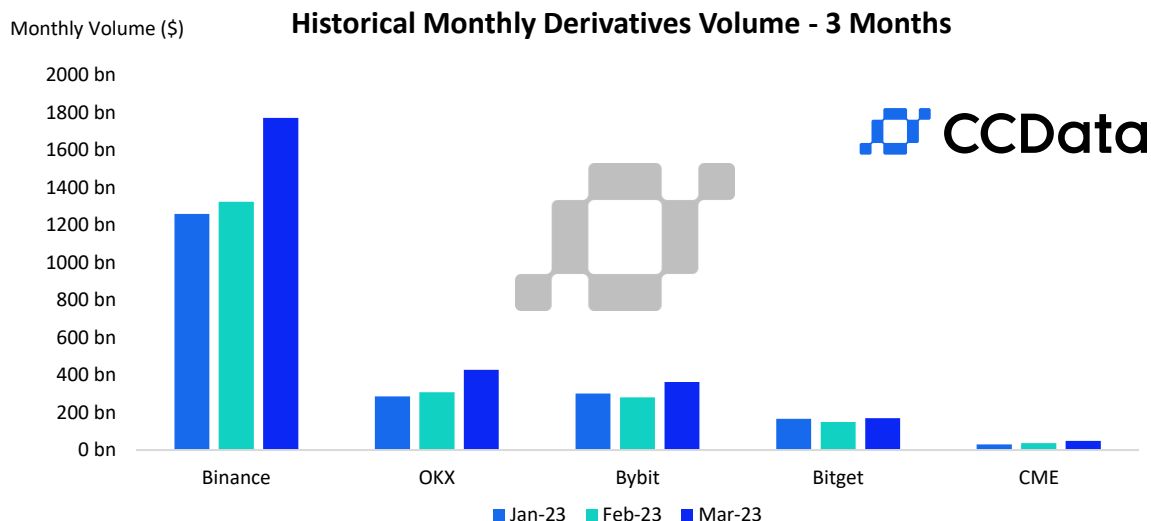
Derivatives



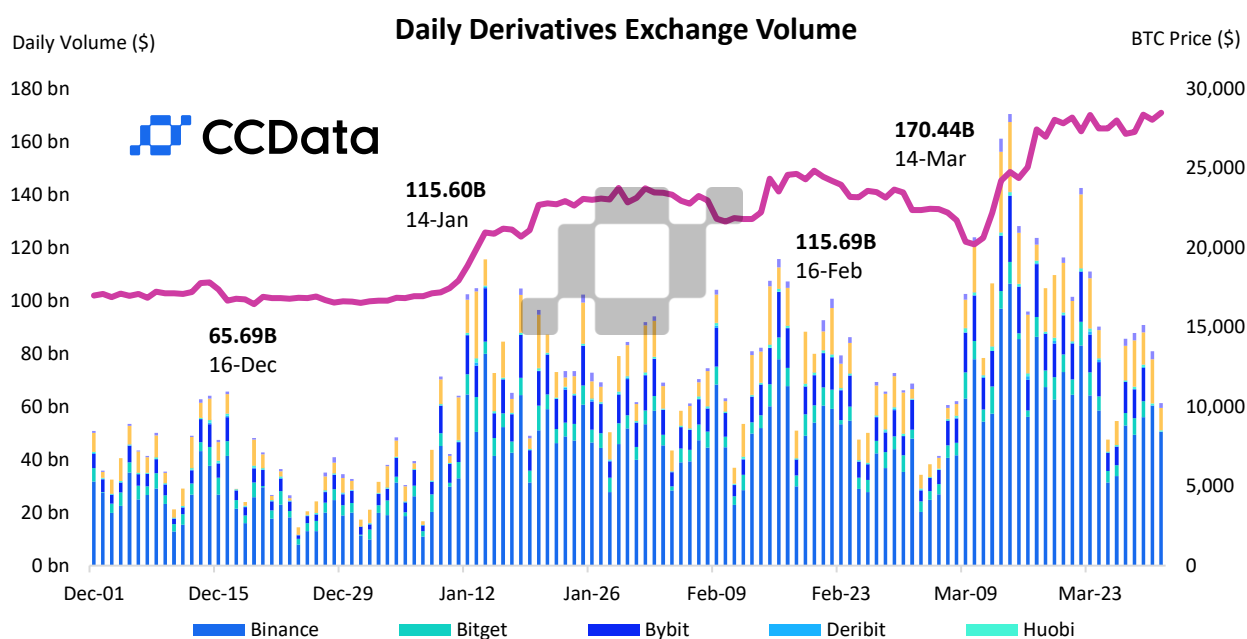
Derivatives volumes increased by 32.6% in March to \$2.77tn. The derivatives market now represents 72.7% of the entire crypto market (vs 69.0% in February). This is an all-time high for the market share of derivatives, highlighting the increase in usage of leverage as the narrative for bitcoin and crypto assets gets stronger under the current turmoil in banking sector.



Among the top 8 derivatives exchanges, Binance leads with a market share of 64.0% (\$1.77tn) of total volumes in March. This was followed by OKX (15.4% market share, \$427bn) and Bybit (13.1% market share, \$363bn).

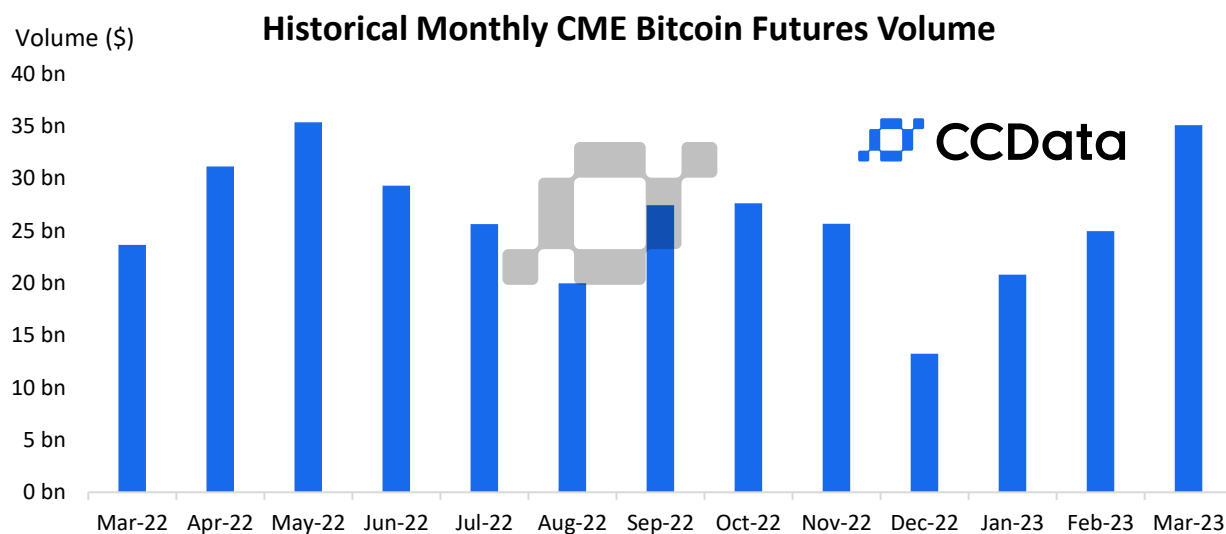


Binance was the largest derivatives exchange in March by monthly volume, trading \$1.77tn (up 33.9% compared to February), followed by OKX (\$427bn, up 38.4%) and Bybit (\$363bn, up 29.2%). Bybit and OKX continue to battle for the top exchange behind Binance, with the latter reclaiming its second position for the second month in a row.

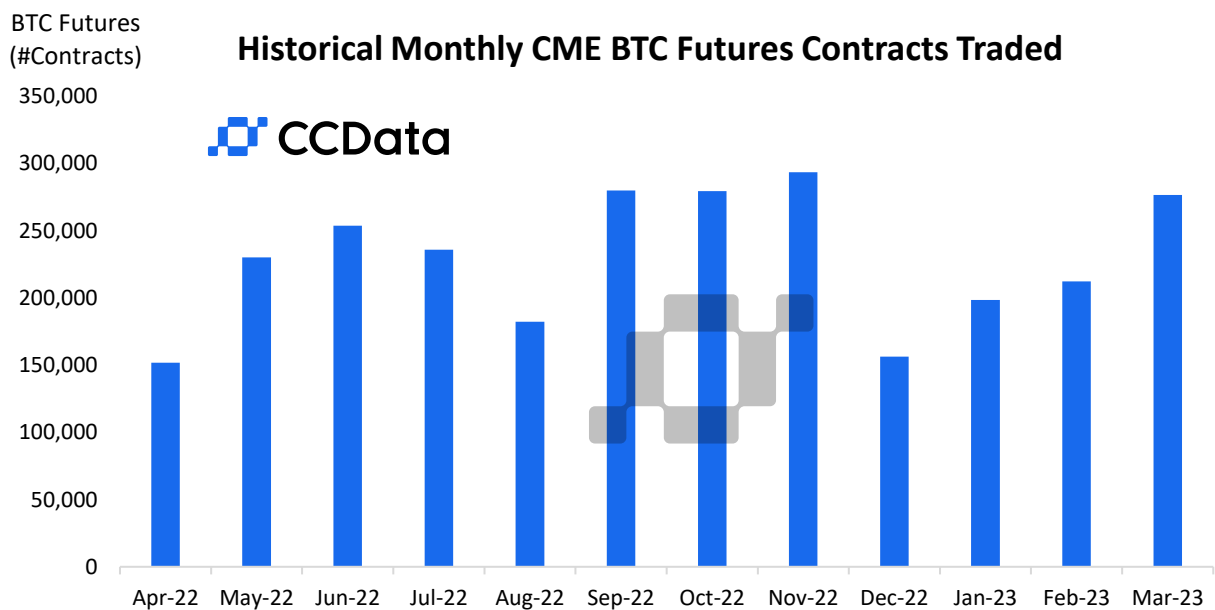


Derivatives exchanges traded a daily maximum of \$170bn on the 14th of March, a 47.3% increase from February's intra-month high of \$116bn.

CME Institutional Volume

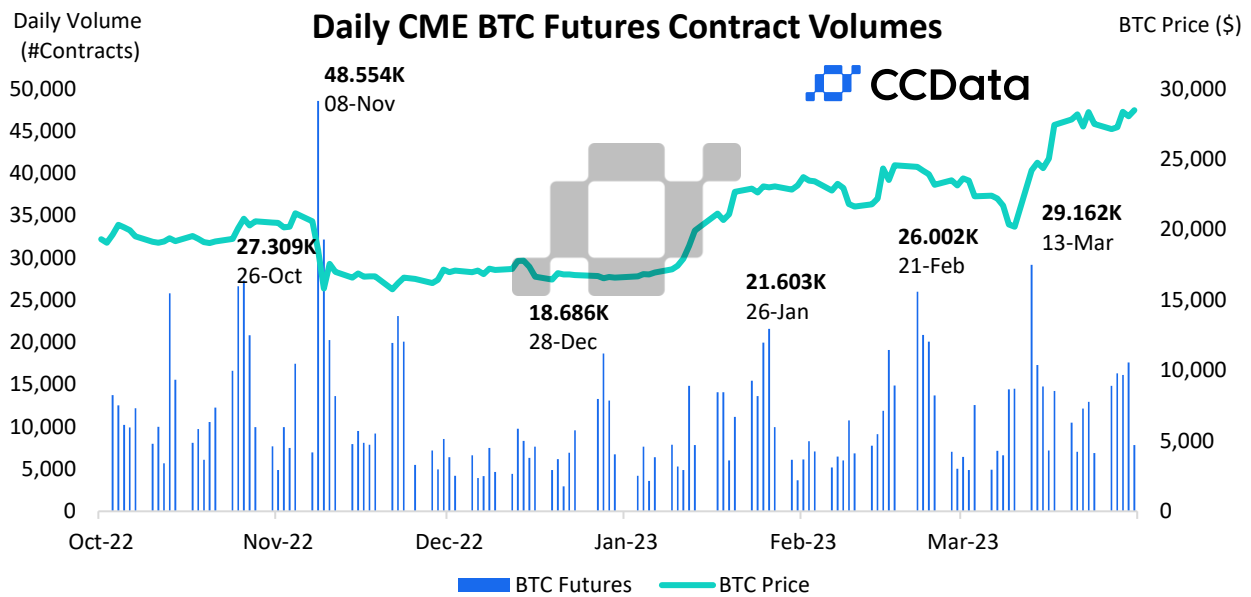


In March, CME's BTC Futures volume rose 40.5% to \$35.1bn, while CME's BTC Micro Futures traded \$697mn in monthly volume, up 46.2% from the month prior. This is the highest BTC futures volume traded in CME since May 2022.

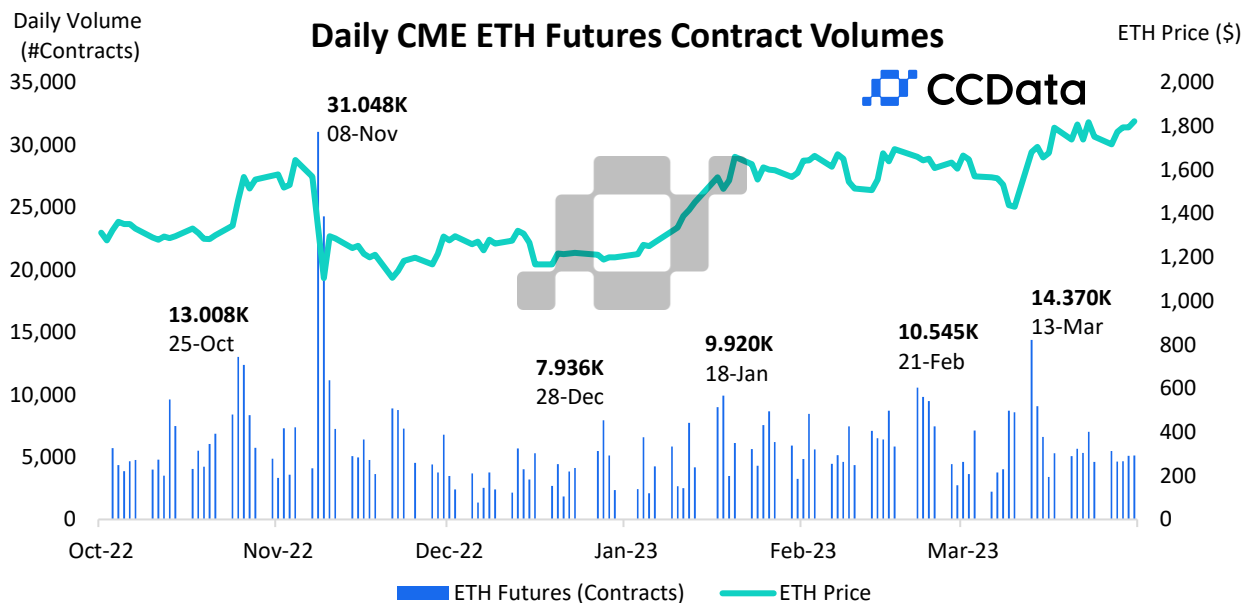


276,542 BTC futures contracts were traded in March, up 30.2% since February. This only includes CME's Bitcoin Futures, where the underlying asset is 5 Bitcoin. It excludes Bitcoin Micro Futures, where the underlying asset is 1/10th of a Bitcoin.

A total of 271,333 Bitcoin Micro Futures were traded in March, up 34.3% compared to February.



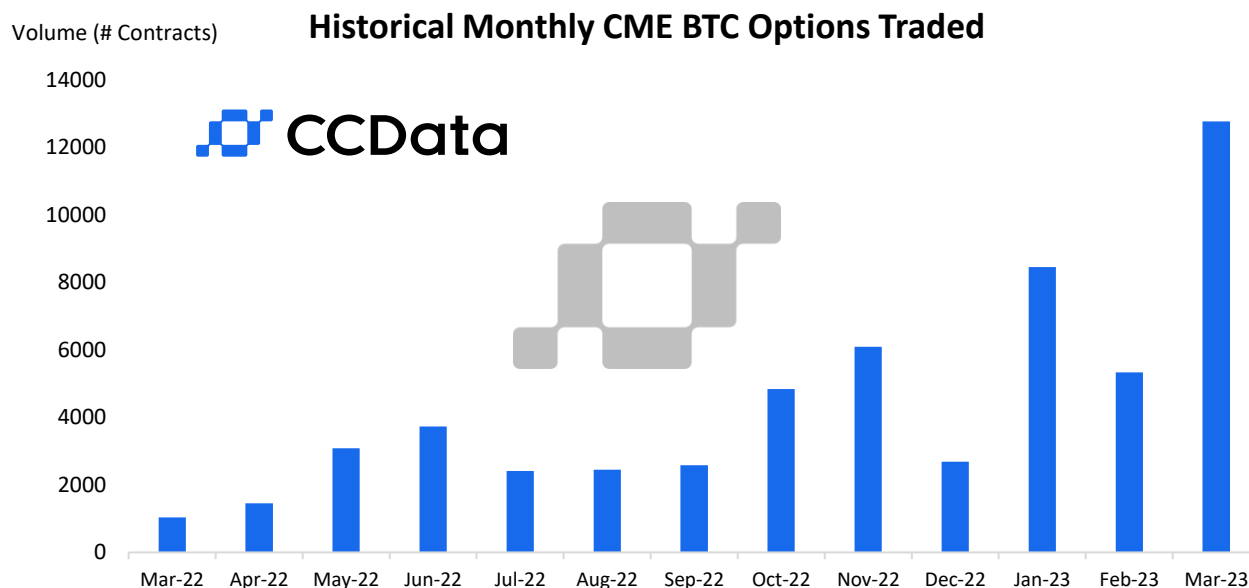
29,162 BTC futures contracts were traded on the 13th of March, a daily maximum for the month.



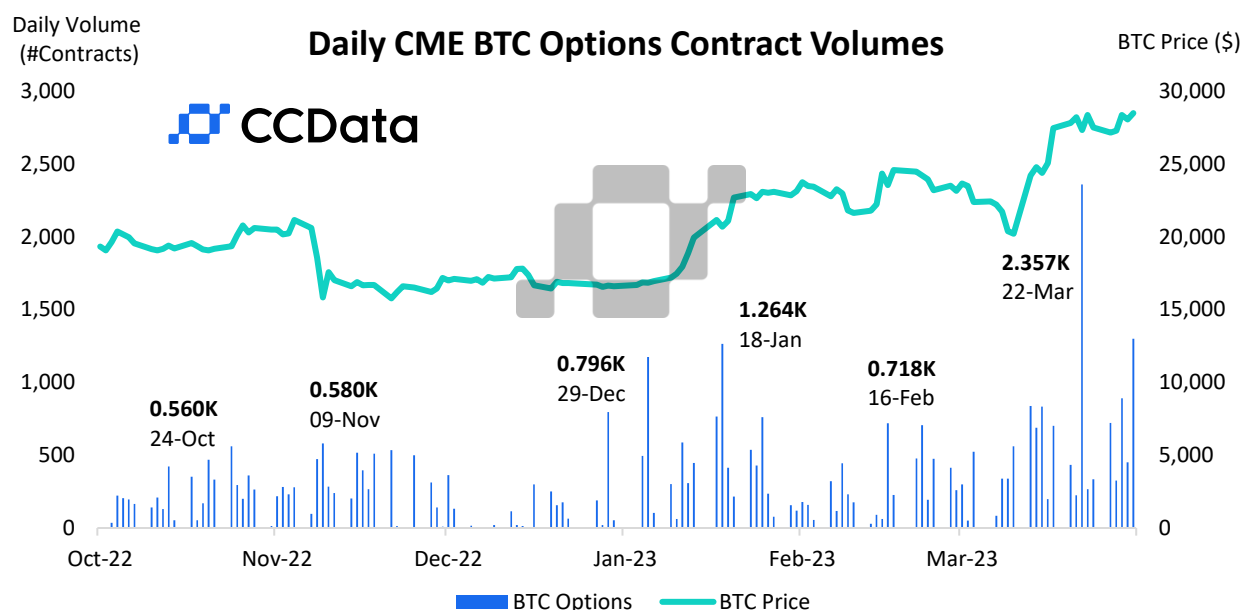
There were 14,370 ETH futures contracts traded on the 13th of March, a daily maximum for the month.

134,142 ETH futures contracts were traded in March, up 8.24% since February. This only includes CME's Ethereum Futures, where the underlying asset is 50 ETH. It excludes Ethereum Micro Futures, where the underlying asset is 1/10th of an Ether.

A total of 199,010 Ethereum Micro Futures were traded in February, down -4.49% compared to February.



CME's BTC options contracts rose 139% in March to 12,763 contracts traded, recording the highest number of BTC contracts traded on the exchange.

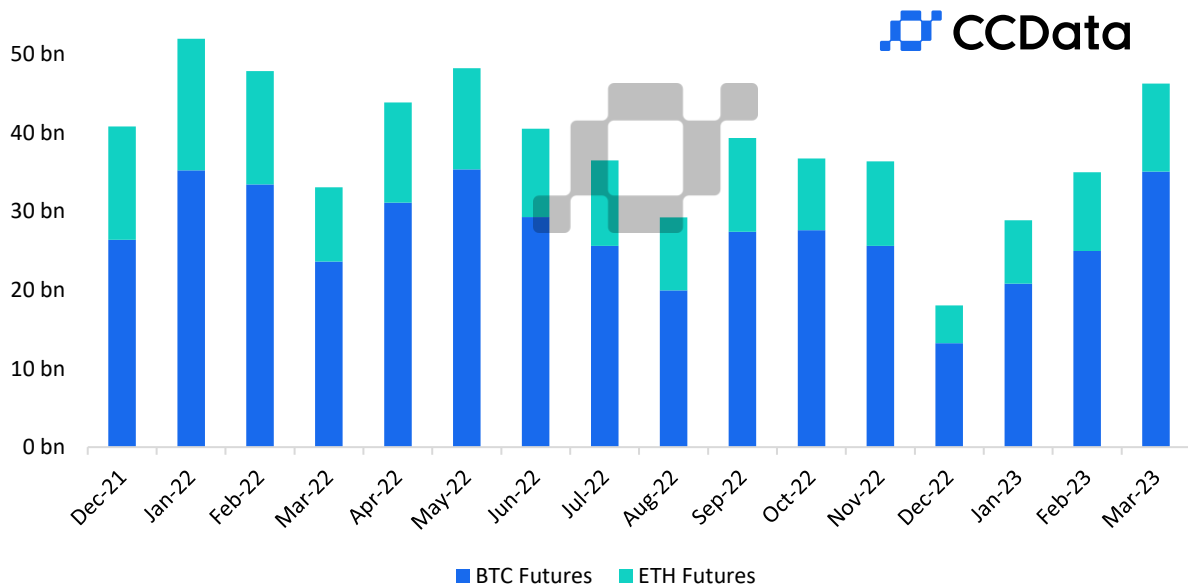


BTC options contract volumes reached a daily maximum of 2,357 contracts traded on the 22nd of March, up 228% from the intra-month high in February.

Regarding total USD trading volume, CME's ETH futures reached \$11.2bn in March (up 11.6% since February). Meanwhile, CME's BTC futures volumes rose 40.5% to \$35.1bn. On aggregate ETH + BTC futures volumes rose 32.2% to \$46.3bn. This does not include Micro Futures.

Monthly Trading
Volumes (\$)
60 bn

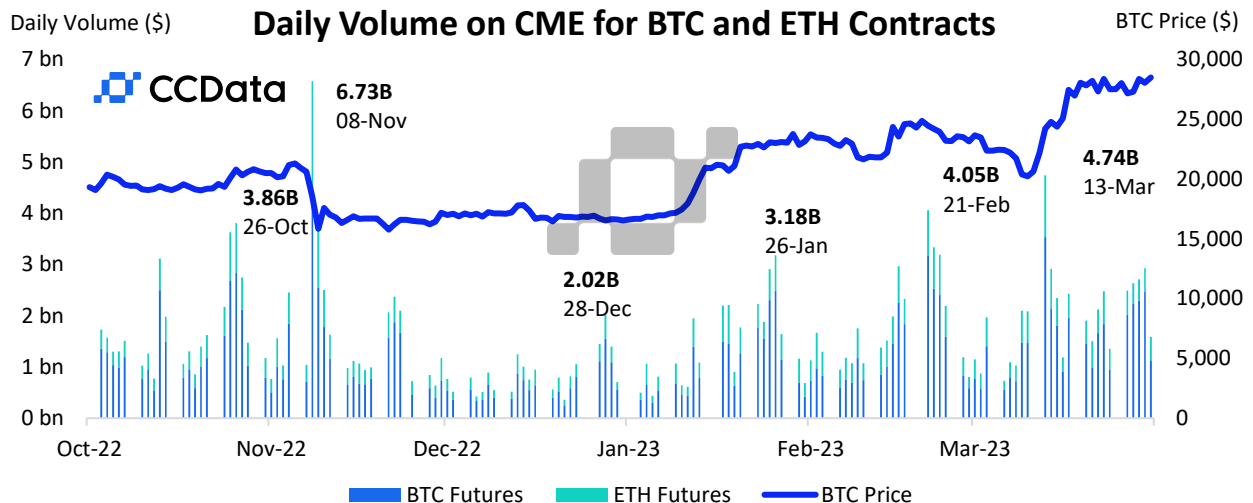
Historical Monthly CME Futures Volumes (\$)



A combined volume of \$4.74bn in BTC and ETH futures was traded on the 13th of March – a maximum for the month, up 16.9% from the intra-month high in February.

Daily Volume (\$)

Daily Volume on CME for BTC and ETH Contracts



Conclusion: In March, the combined trading volume of spots and derivatives on centralised exchanges rose 25.9% to \$3.81tn amidst a turbulent month that saw the depeg of multiple stablecoins, and the positive sentiment in the market following its subsequent recovery. This was the highest combined trading volume since September 2022, however, remains 63.2% below the all the all-time high recorded in May 2021.

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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. CCData's suite of research reports provides market participants with trusted, high-quality data and analysis. **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.
Digital Asset Management Review	Tracks and provides analysis of the most innovative institutional products in the industry, assessing volumes, assets under management (AUM), and product flow trends.
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.
Asset Report	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.
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.

Topic Deep Dives:

Report	Description
Centralised Exchange Retrospective	Created in collaboration with Bybit — it includes a retrospective analysis of the centralised exchange landscape and the key trends to look out for this year following the collapse of FTX in November 2022.
UST's Fall From Grace	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.