



Stablecoins & CBDCs Report

MAY 2023

Mission Statement

About CCData

CCData is an FCA-authorised benchmark administrator and global leader in digital asset data, providing institutional-grade digital asset data and settlement indices. By aggregating and analysing tick data from globally recognised exchanges and seamlessly integrating multiple datasets, CCData provides a comprehensive and granular overview of the market across trade, derivatives, order book, historical, social and blockchain data.

About This Report

The stablecoin sector has grown in size and interest over the past year. Pegged to the value of an asset, stablecoins serve as the fundamental means for trading digital assets, allowing for the on-ramp of fiat-pegged money into blockchain applications. However, recent developments surrounding stablecoins including the collateral of Tether and the collapse of TerraUSD have raised concerns from investors and regulators.

CCData's Stablecoins Report aims to capture the key developments within the stablecoins sector. Our review focuses on analysis that relates to market capitalisation and trading volume of stablecoins, segmented by their type based on collateral, and the pegged asset, among others. This report is conducted on a monthly basis and caters to both the crypto-enthusiast interested in a broad overview of the stablecoins sector, as well as investors, analysts and regulators interested in more specific analyses.

Explore CCData's API

For those interested in accessing CCData'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 300+ exchanges, please take a look at CCData's API here: <https://developers.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.

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Latest News

Topic	Story	Date
TUSD	TUSD Stablecoin Surpassed \$1.20 on Binance Amid Increased Borrowing Pressure	May 3
CBDCs	Argentina's Central Bank Halts Cryptocurrencies From Payment Apps	May 5
TerraUSD	Jump Trading Faces Lawsuit Over Alleged \$1.3B Profit From TerraUSD	May 13
USDT	Tether Boasts of Its Financial Stability After Strong Profits, Money Moved Out of Banks	May 15
USDC	USDC Issuer Circle Moves \$8.7B to Repo Agreements to Protect Reserves From U.S. Government Default	May 17
USDT	Tether Says It Will Buy Bitcoin for Stablecoin Reserves Using Realized Profits	May 17
CBDCs	Ripple Launches CBDC Platform for the Development of CBDCs and Stablecoins	May 18
CBDCs	Australia Marks First FX Transaction Using a CBDC as eAUD Pilot Continues	May 18
Regulations	Stablecoin Issuers Have Spent Over \$1.3M Lobbying Congress Since 2022	May 19

Key Insights

Stablecoin Market Cap Declines for 14th Consecutive Month

In May, the total market capitalisation of stablecoins fell 0.45% to \$130bn (up to 23rd May), the lowest stablecoins market cap since September 2021 and the fourteenth consecutive month of decline.

Although the total stablecoin market capitalisation declined, market dominance rose to 11.1%.

Stablecoin Trading Volume Drops to Yearly Lows

Stablecoins trading volume fell 40.6% to \$460bn In May, recording the lowest monthly trading volume by stablecoins on centralised exchanges since December 2022. The drop in trading volume comes with major crypto assets staying range-bound and failing to break key support and resistance levels.

TUSD becomes the second largest traded stablecoin

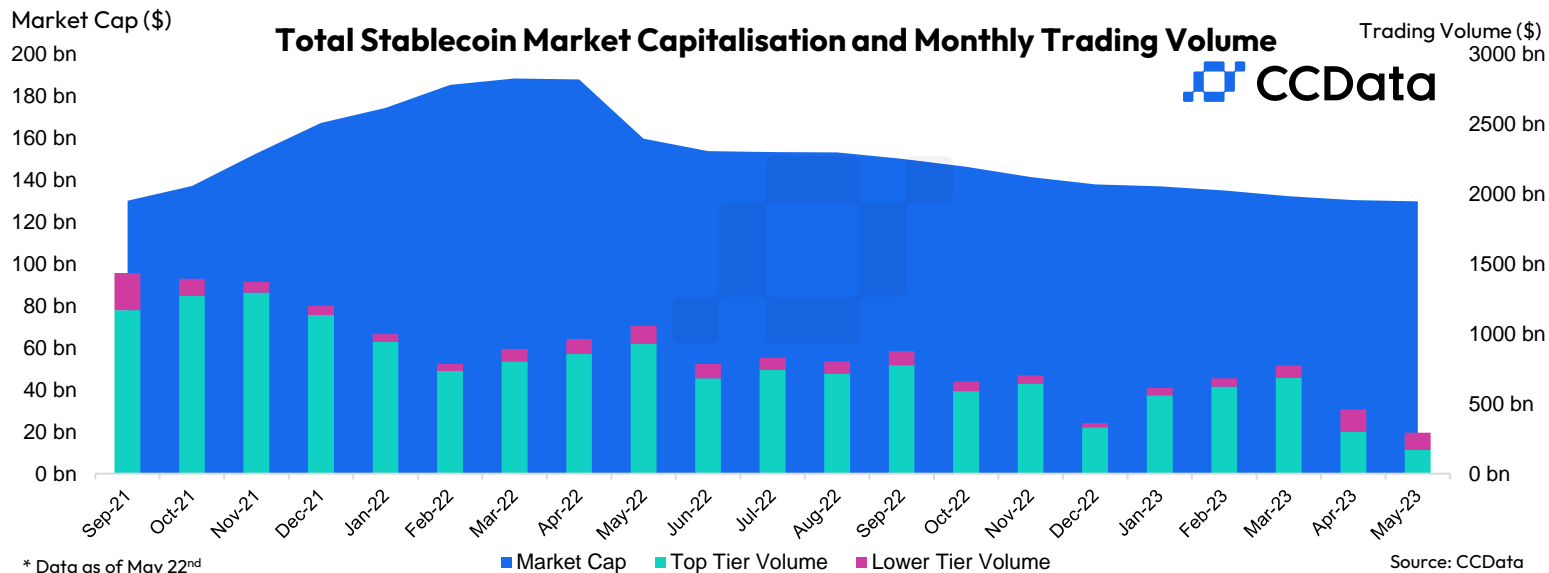
In May, TUSD trading volumes on centralised exchanges totalled \$29bn (as of the 23rd), making it the second largest stablecoin by trading volume - surpassing BUSD and USDC for the first time.

Earlier in the month, the stablecoin traded at a premium of \$1.208 on Binance due to increased demand and liquidity.

Tether Nets Record Profit in Q1 2023

Tether announced a record net profit of \$1.48bn for Q1 2023, nearly doubling the profit recorded in the previous quarter. The stablecoin, which is nearing its all-time high in market cap, also disclosed additional details related to the Bitcoin and Gold backing the asset, amounting to \$1.5bn and \$3.39 bn, respectively.

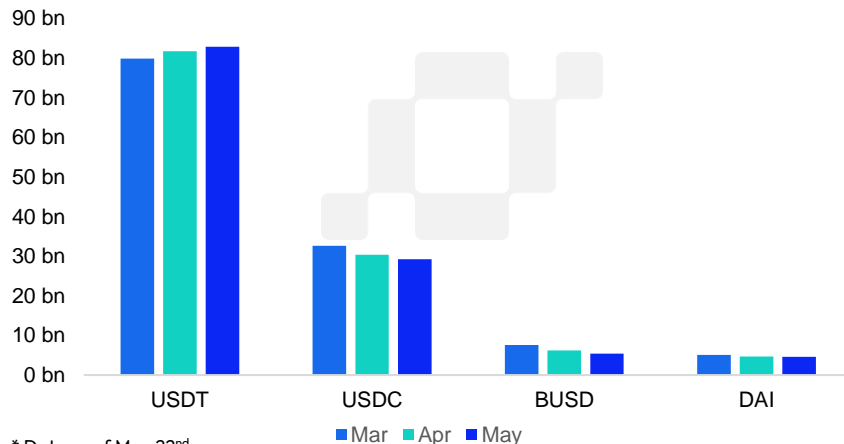
Stablecoins Market Cap & Volumes



- In May, the total market capitalisation of stablecoins fell 0.46% to \$130bn, the lowest stablecoins market cap since September 2021. This is the fourteenth consecutive month of decline in stablecoins market capitalisation.
- Stablecoin market dominance is currently at 11.1%, rising from 9.76% in April. This is currently below its all-time high of 16.6% recorded in December 2022.
- Stablecoin trading volume fell 40.6% to \$460bn, recording the lowest monthly trading volume since December 2022. As of the 22nd May, only \$292bn has been traded – with volumes on track to record an even lower monthly volume this month.

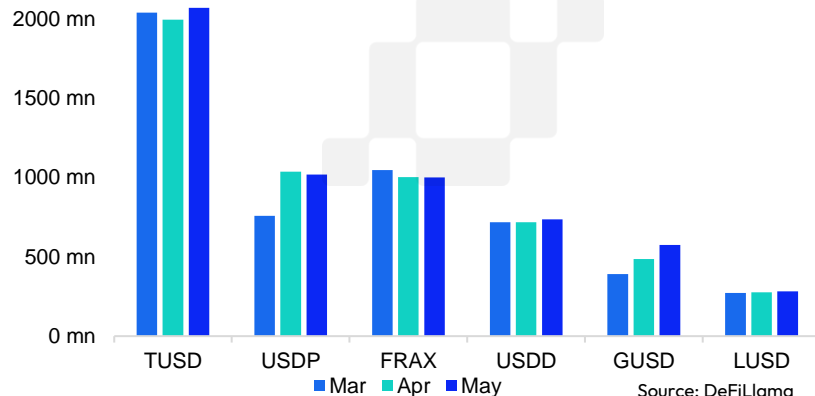
Stablecoins Overview: Top 10 Stablecoins

Market Cap (\$)



* Data as of May 22nd

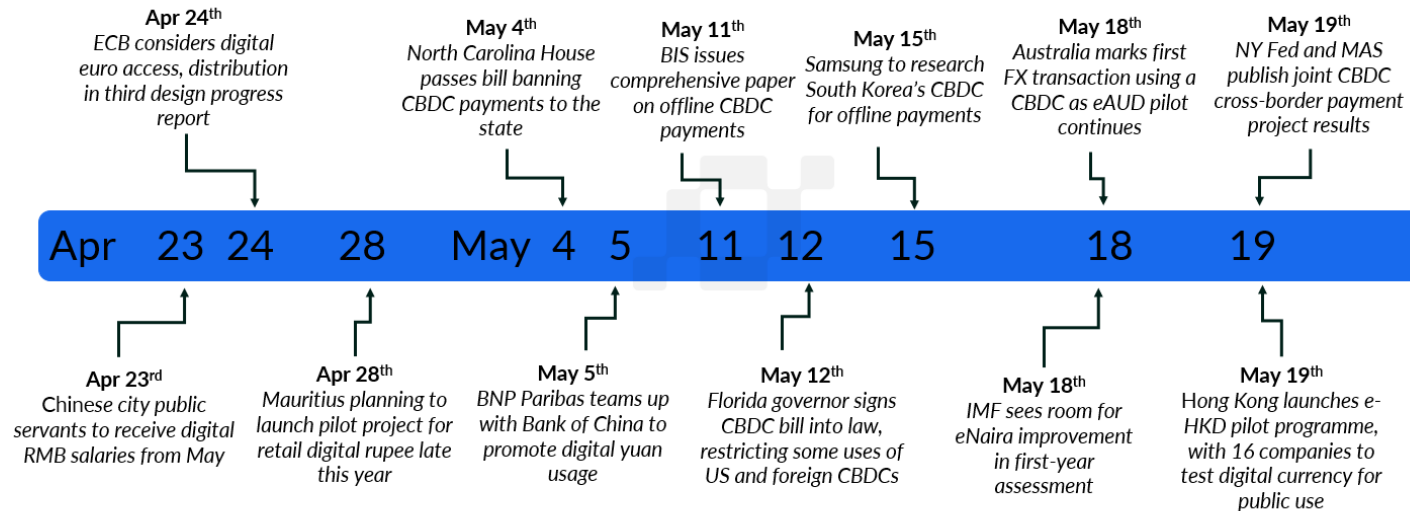
Market Cap (\$)
2500 mn



Source: DeFiLlama

- In May, USDT continued to increase its market dominance with its market capitalisation rising 1.43% to \$82.9bn, slightly below its all-time high market cap of \$83.7bn recorded on May 1st, 2022. The stablecoin's market share has now increased to 63.9%, the highest market share since April 2021.
- Meanwhile, USDC and BUSD's market cap continued to slide for the 6th consecutive month, falling 3.55% and 11.9% to \$29.3bn and \$5.48bn respectively. Dai by MakerDAO, which recently announced a new proposal that would see new updates to the governance token, and the stablecoin to seed on-chain liquidity, saw its market cap fall 1.49% to \$4.66bn.
- In terms of market capitalisation, TrueUSD (TUSD) and Gemini Dollar (GUSD) were the largest gainers among the top ten stablecoins, rising 3.82% and 18.4% to \$2.07bn and \$576mn. This was the all-time high market capitalisation for TUSD.

CBDCs Overview: May Events



- Further progress around CBDC use cases and developments was made in May, with Australia executing their first FX transaction with eAUD, and China announcing their decision to pay public sector officials with eCNY.
- Hong Kong, which is set to resume crypto trading in June, has announced the launch of the e-HKD pilot programme, making it the 16th CBDC project in the pilot programme phase.

Stablecoins: Trading Volume

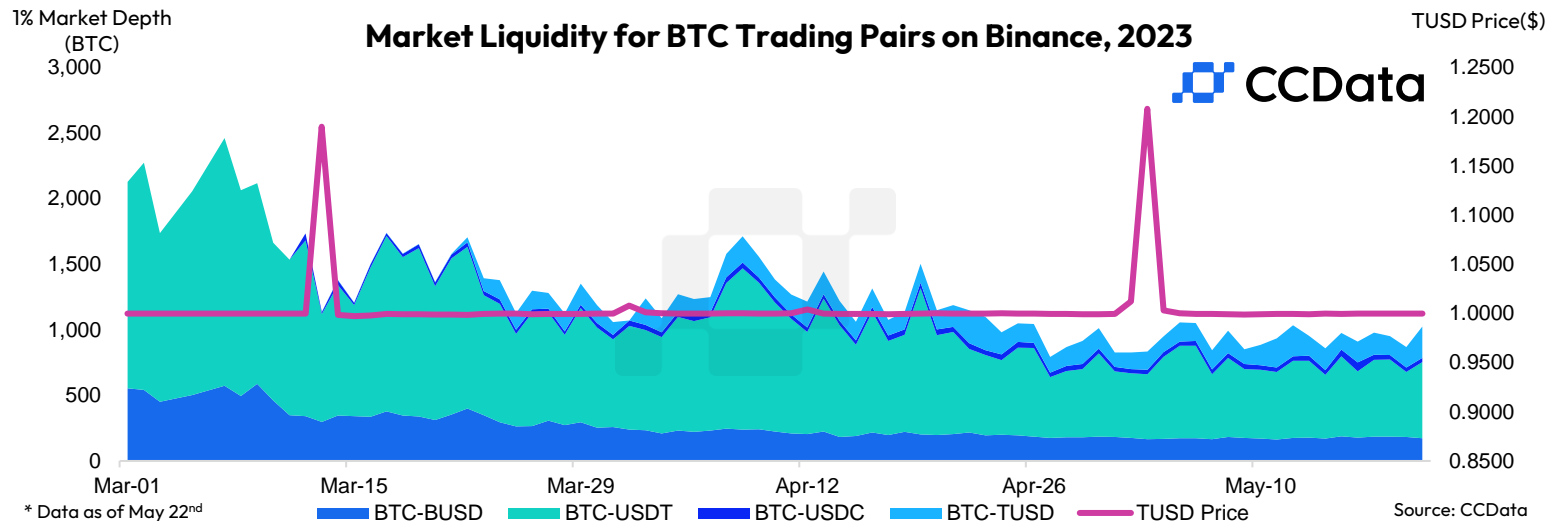
Stablecoins Trading Volume on Track To Record the Lowest Monthly Trading Volume Since 2020



- In April, the stablecoins trading volume dropped 40.6% to \$460bn, recording the lowest volume of the year so far. USDT trading volume fell by 41.1% to \$418bn, following the general trend in the market. USDT dominance by trading volume fell for the first time in three months, falling to 78.0% from 78.5% in March.
- In April, TUSD experienced the largest growth among stablecoins, rising 670% to \$38.4bn and recording an all-time high monthly trading volume for the stablecoin, courtesy of the zero-fee trading feature on Binance. USDP and EURS were the other big movers by trading volume, rising 211% and 148% to \$606mn and \$10.5mn, respectively.

TUSD: Price and Market Liquidity

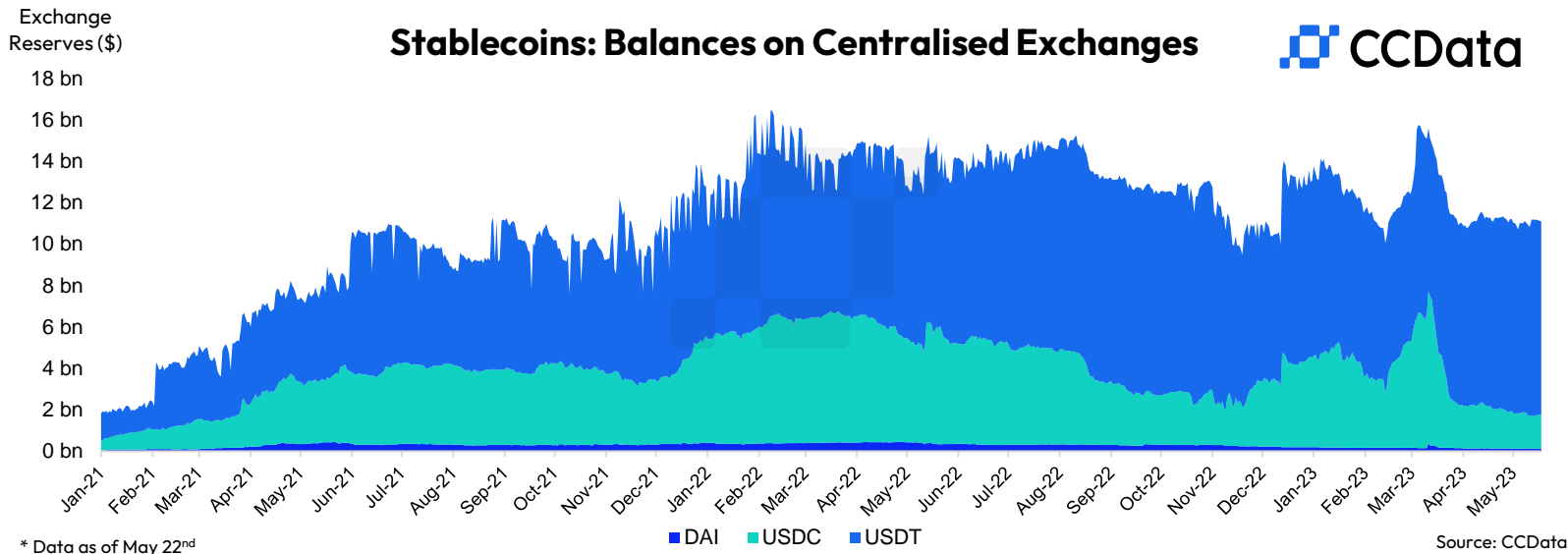
TUSD Traded at a Premium on Binance Amidst Increased Demand for the Stablecoin



- On May 3rd, the price of TUSD rose to \$1.208 on Binance, recording the highest premium for the stablecoin since 19th May 2021, when it momentarily traded at \$2.923.
- TUSD's premium coincided with the increased demand for the stablecoin after Binance launched zero-fee trading on TUSD trading pairs in March. The market depth for the BTC-TUSD stablecoin has now grown to the second most liquid pair on Binance after BTC-USDT.
- TUSD has also grown to be the fifth largest stablecoin by market cap and is now the second largest traded stablecoin as per the latest data in May.

Stablecoins: Balances on Centralised Exchanges

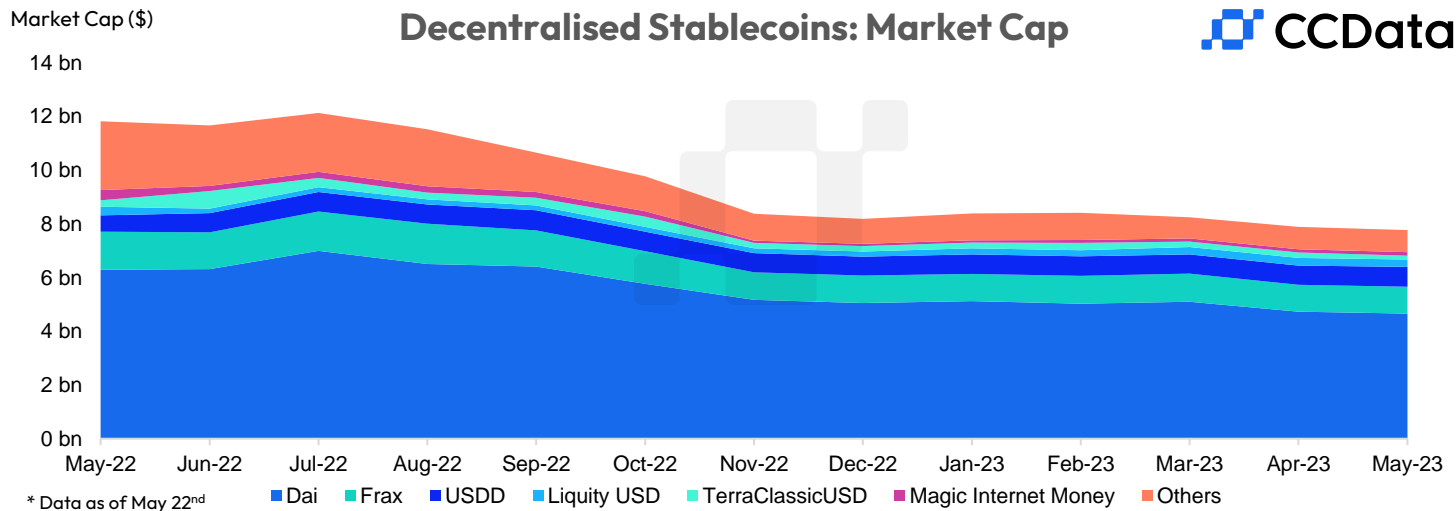
USDT Balances on CEXs Rises to Pre-FTX Levels, DAI and USDC Balances Fall to Two-Year Lows



- Stablecoin balances on centralised exchanges paint a contrasting image, with USDC and DAI balances declining to levels last seen in March 2021. Meanwhile, USDT balances on centralised exchanges rose to \$9.33bn, reaching pre-FTX collapse levels.
- Meanwhile, other stablecoins including USDC, BUSD, and DAI have seen their market cap slide, indicating decreased usage of the stablecoins.

Decentralised Stablecoins: Market Cap

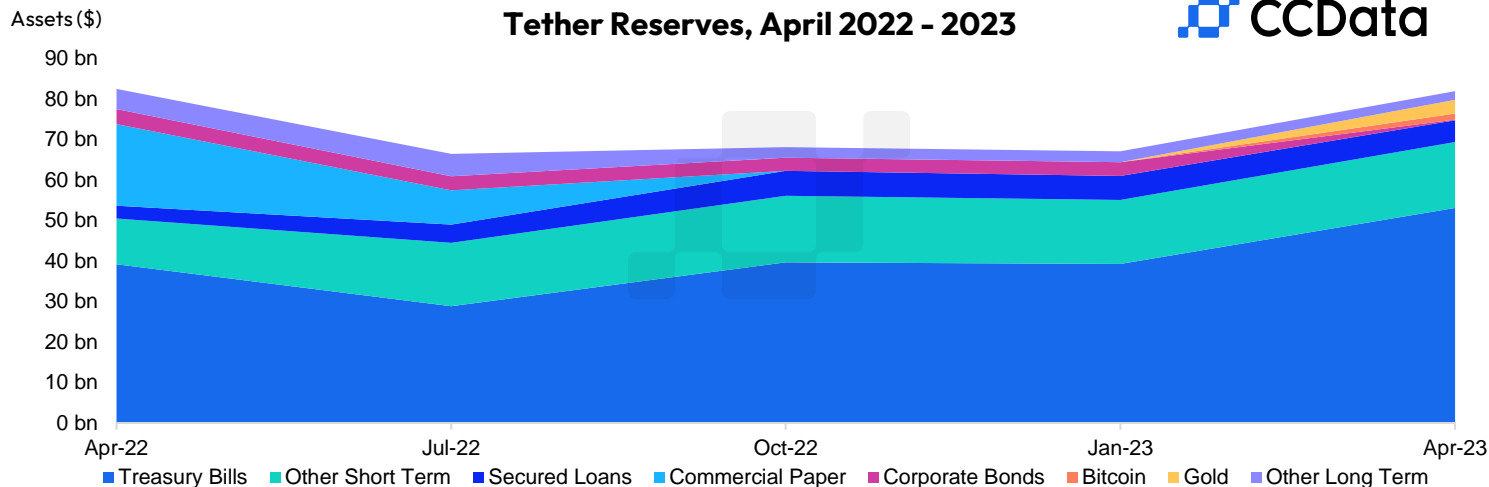
Decentralised Stablecoins Are Back in the Spotlight Following the Launch of crvUSD



- Decentralised Stablecoins have been on a downward trend since the collapse of TerraUSD in May 2022. Currently, decentralised stablecoins account for only 6.00% of the total stablecoins sector, recording a market capitalisation of \$7.78bn – the lowest market cap since March 2021.
- Popular stableswap exchange, Curve, launched its crvUSD token in May. The stablecoin allows users to mint crvUSD by placing sfrxETH, the staked Ethereum from FRAX which accrues staking yield, as collateral and uses a lending liquidating AMM algorithm (LLAMMA) to maintain the peg. The stablecoin has grown to over \$4.98mn in market cap within five days of launching.

Stablecoin Reserves: USDT

Tether Discloses Bitcoin and Precious Metals Reserves for the First Time



- Tether released their Q1 2023, reporting a reserves surplus of \$2.44bn and \$1.48bn in net profit. The report also disclosed details related to Tether's Bitcoin and Gold holdings in their collateral, amounting to \$1.50bn and \$3.39bn respectively in fair value.
- As per the latest Tether transparency report, its reserves in treasury bills rose 35.2% to \$53.0bn, courtesy of its market share rising to \$81.8bn at the end of Q1 2023. The treasury bills now account for 64.8% of the USDT collateral, the highest reserves composition for the US Treasury Bills.
- Tether has also announced that it will regularly allocate up to 15% of its net operating profits to purchase Bitcoin. Tether is not the only one who has looked into alternative holdings as Circle announced that their reserve fund has moved \$8.7bn of assets to cash and repo agreements amidst concerns over a potential debt default by the US Government.

Glossary

- **Stablecoins:** Cryptocurrencies whose value is pegged to another currency, commodity, or financial instrument.
- **CBDCs:** Government-backed digital currencies used by consumers and businesses
- **Centralised Stablecoins:** Stablecoins that are collateral backed with corresponding assets by a third-party custodian.
- **Decentralised Stablecoins:** Non-custodial stablecoins that are issued by a DeFi protocol or DAO.
- **Fiat-Backed stablecoins:** Stablecoins that are backed 1:1 by fiat currencies and other short-term assets.
- **Algorithmic stablecoins:** Stablecoins where price stability is achieved using specialized algorithms and smart contracts that manage the supply of tokens in circulation.
- **Crypto-backed stablecoins:** Stablecoins that are backed by another cryptocurrency as collateral. Most decentralised stablecoins that use smart contracts instead of relying on a central issuer are crypto-backed.

This report currently covers 106 stablecoins. This includes 16 centralized stablecoins including Tether, USDC, and BUSD. The rest of the 75 decentralised stablecoins covered in this report include DAI, MIM and USTC.

The report covers 22 fiat-backed stablecoins, 16 algorithmic stablecoins, and 68 crypto-backed stablecoins.

As of April 2023, the trading volume data consists of the 37 stablecoins that are currently trading on the centralized exchanges integrated with CCData API.

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