

Exchange Review

JULY 2023

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

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 monthly 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@ccddata.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. **All data included in this report was collected up to the 1st of August 2023, unless stated otherwise.**

Our products are constantly being developed to ensure the most value to our readers. Recently, we applied more filters to our data to ensure all volumes are as representative of the market as possible. We have also greatly increased the scope of this report, with the addition of new and enhanced data sets, including open interest, liquidity, and volumes by jurisdiction. Derivatives volumes have also been updated to include additional instruments, as such, this month's report may not be directly comparable to the last.

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Key Market Insights

In July, the combined spot and derivatives trading volume on centralised exchanges fell 12.0% to \$2.36tn, recording the lowest monthly trading volumes this year. The decrease in trading volumes can be attributed to the lack of volatility in the price action of major crypto assets, with Bitcoin and Ethereum largely trading in a narrow range throughout July.

Centralised Exchanges Record the Second Lowest Volume Since 2021

Trading volumes on centralised exchanges, which have been at record lows the past few months, continued to decline in July, with the combined spot and derivatives trading volume falling 12.0% to \$2.36tn. This was the second-lowest combined volume on centralised exchanges since December 2020, only eclipsed only by December 2022.

The spot trading volumes on centralised exchanges fell by 10.5% to \$515bn, the second lowest volumes recorded since March 2019. Meanwhile, derivative volumes fell by 12.7% to \$1.85tn, recording the second-lowest volume since December 2020. As a result, the derivatives market share fell for the second consecutive month to 78.2%

Upbit Overtakes OKX and Coinbase for the First Time

In July, the spot trading volume on Upbit rose 42.3% to \$29.8bn, outperforming the general trend in the market. This is the first time the Korean exchange has outraded the likes of OKX and Coinbase, which saw their volumes fall 11.6% and 5.75% to \$28.6bn and \$29.0bn, respectively. Upbit is now the second-largest exchange by trading volume after Binance. Similarly, other Korean exchanges including Bithumb and CoinOne also saw their volumes rise 27.9% and 4.72% to \$6.09bn and \$1.39bn respectively.

Binance remains the largest venue for spot trading in crypto, recording \$208bn in volumes. However, the exchange's market share has declined for the fifth consecutive month, falling to 40.4% in July, its lowest market share since August 2022.

CME BTC Options Volume Rises for the First Time in Four Months

In July, the total derivatives trading volume on the CME fell 17.0% to \$40.1bn. In line with the general trend in the derivatives market, the futures volume on the exchange fell 17.6% to \$39.1bn, with BTC and ETH futures volume falling to \$31.3bn and \$7.24bn, respectively.

However, options trading volume on the exchange rose 24.0% to \$940mn, recording the first increase in four months. The BTC options traded on the exchange rose 16.6% to \$734mn, while ETH options saw trading volumes rise 60.0% to \$207mn.

The increase in BTC options volume on the CME suggests that institutions might be hedging their positions with options as uncertainty remains in the market. The derivatives volume on the exchange has also picked up in recent months, hinting at increased institutional interest in the market.

July Exchange News

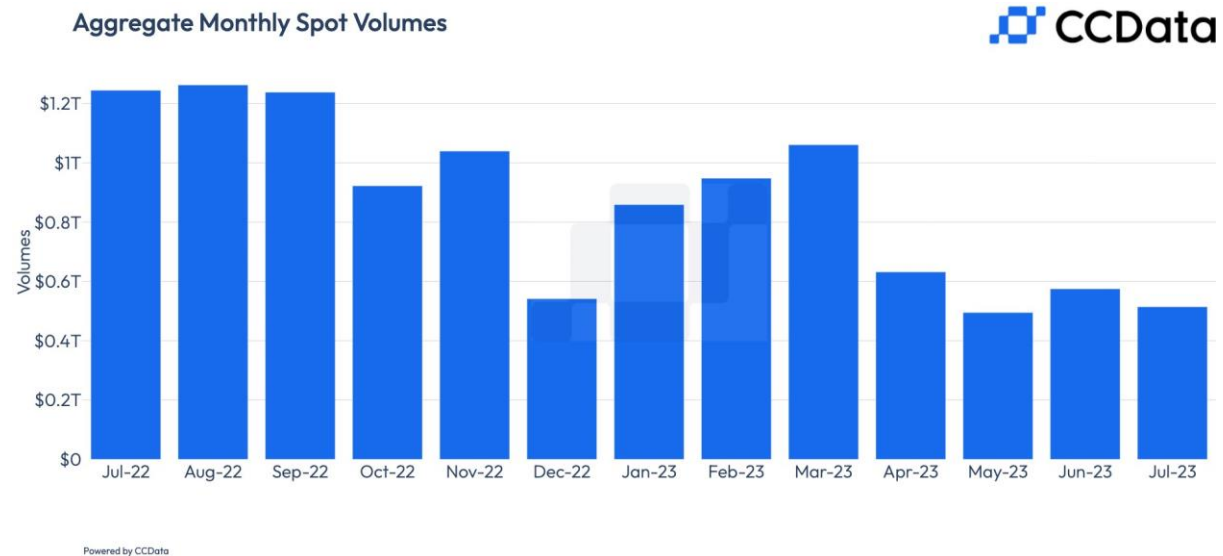
Company	Article	Date
Gemini	Solana (SOL) Staking Is Now Available on Gemini	July 6
Binance	Highlights From CZ's July 5 AMA on Twitter Spaces	July 11
Coinbase	Say GM with messaging on Coinbase Wallet	July 12
Gemini	Announcing REST APIs for Automated Derivatives Trading on Gemini Foundation – a Non-US Derivatives Platform	July 13
PancakeSwap	Recap: Q3 Roadmap AMA	July 13
KuCoin	KuCoin crypto exchange to introduce mandatory KYC in July	July 15
Uniswap	Introducing the UniswapX Protocol	July 17
OKX	OKX Wallet is First Multi-Chain Wallet to Offer Staking for Bitcoin and BRC-20 Tokens	July 19
OKX	OKX is One of the First Exchanges to List Worldcoin (WLD)	July 24
Bitfinex	Bitfinex to List OP, Native Token of Optimism Blockchain	July 25
BitMEX	XBTETH Swap, the First Bitcoin – Margined Inverse Perpetual is Coming	July 28

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 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 methodology.

[Explore the Exchange Benchmark here](#)

Spot Trading



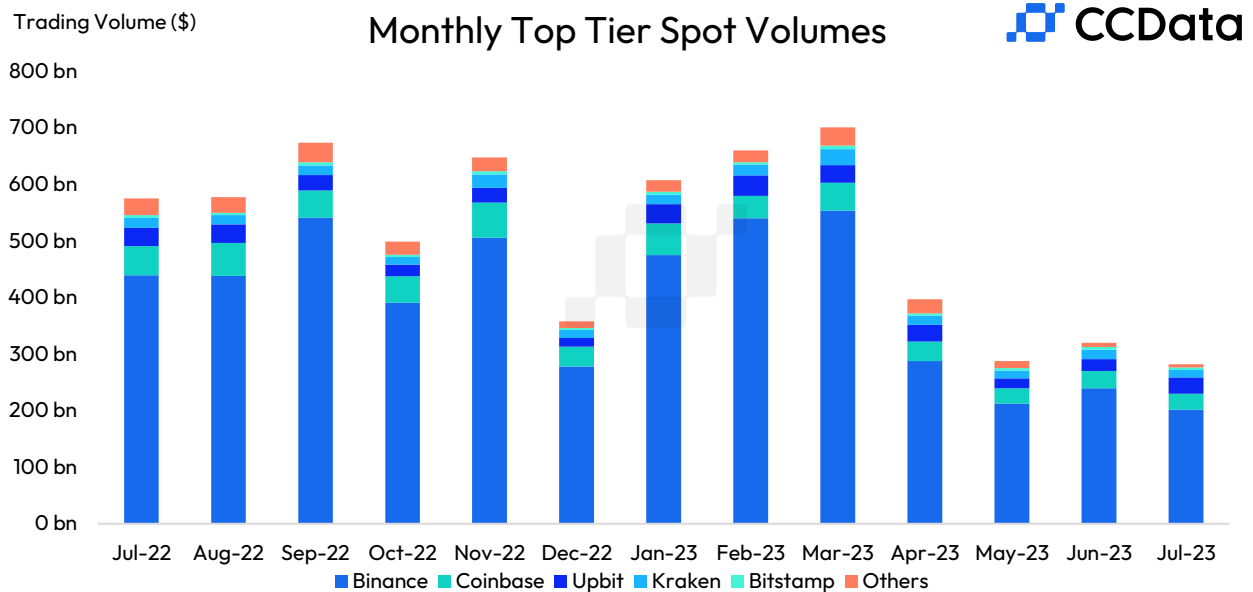
In July, total spot trading volumes fell 10.5% to \$515bn, recording the second-lowest monthly volume this year. Trading activity across spot markets decreased in July after major assets including Bitcoin and Ethereum largely traded in a narrow range during the month.

The trading volume on centralised exchanges was also affected by the increase in trading activity on DEXs last month. Moreover, the decline in trading volumes can be attributed to the seasonality effects, with Q3 historically being one of the lowest crypto trading periods throughout the year.



Top-Tier spot volumes fell 10.1% to \$360bn in July, while Lower-Tier spot volumes fell 11.7% to \$154bn. Top-Tier exchanges now represent 70.0% of total spot volume based on CCData's latest April 2023 Exchange Benchmark Ranking, compared to 69.6% last month. Top-Tier exchanges are selected based on our rigorous [Exchange Benchmark Methodology](#).

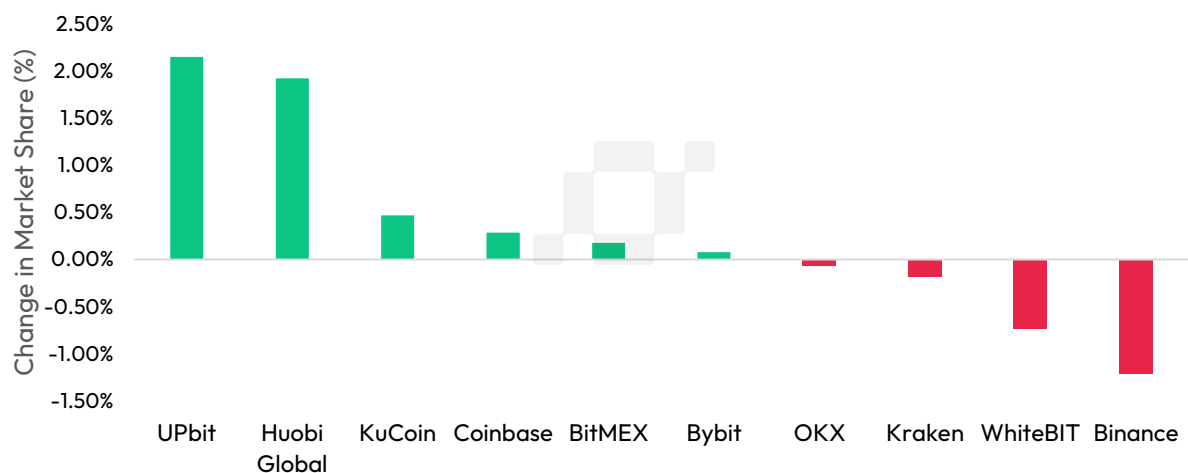
Macro Analysis and Market Segmentation



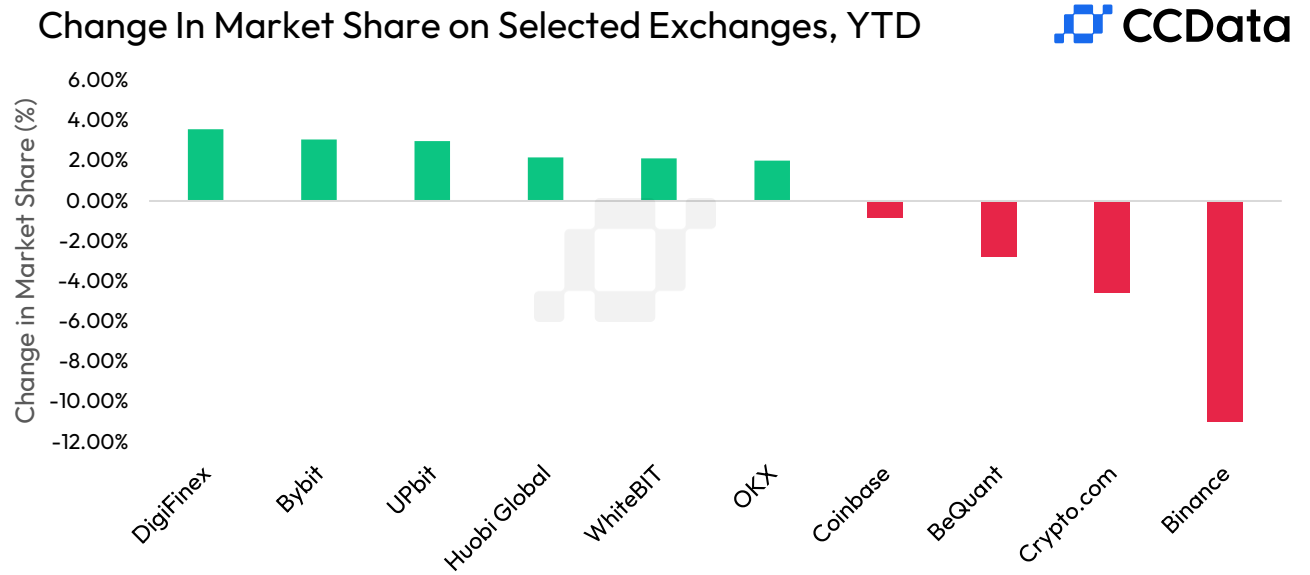
In July, spot volume from the 11 graded AA-A exchanges fell by 11.9% compared to June, with aggregated spot volumes totalling \$291bn. Binance, Upbit and Coinbase were the top exchanges in terms of spot volume in July relative to other AA-A graded exchanges. Among the Top-Tier exchanges, they represented approximately 74.0% of total volume (vs 72.7% in June).

Considering individual exchanges, Binance (Grade A) was the largest Top-Tier spot exchange among AA-A graded exchanges by volume in July, trading \$208bn (down 13.1%).

Change in Monthly Market Share, Selected Exchanges

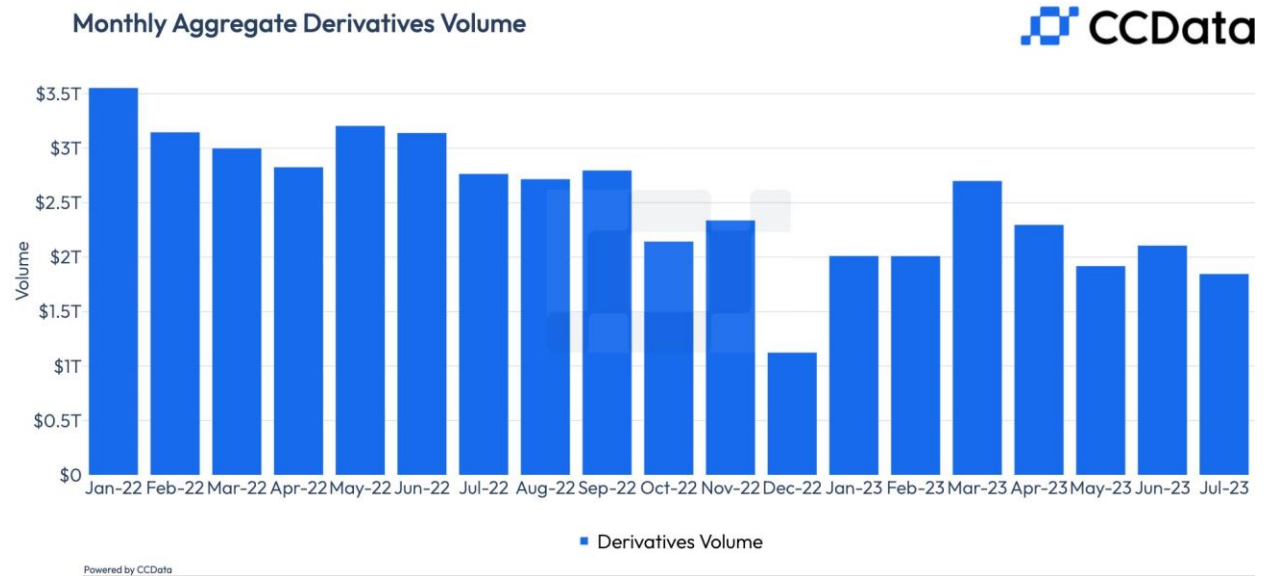


Compared to last month, Upbit saw the largest increase in market share, with the exchange now accounting for 5.78% of the trading volumes on centralised exchanges. Huobi Global and Kucoin also increased its market share by trading volume, rising 1.92% and 0.47% to 3.84% and 2.21% respectively.



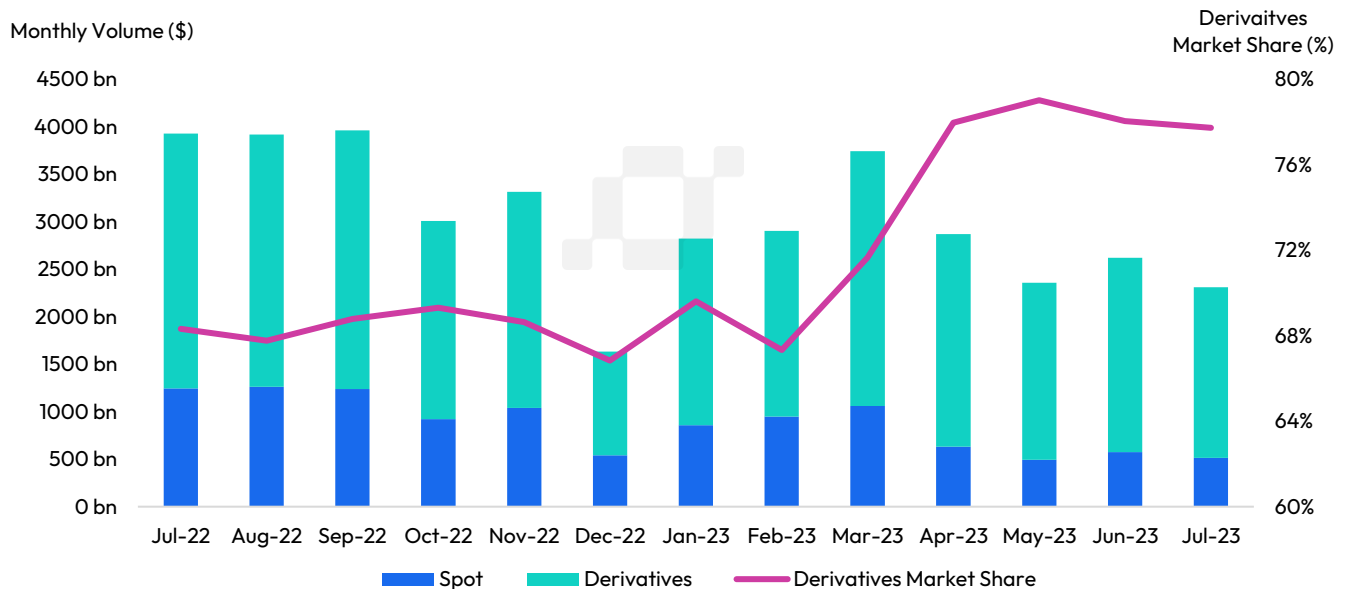
Year-to-date, DigiFinex, Bybit, and Upbit have all gained market share, increasing their dominance by 3.56%, 3.06%, and 2.98% to 4.74%, 3.98%, and 5.78%, respectively. Meanwhile, Binance, Crypto.com and BeQuant saw the largest decline in market share by trading volume, falling 11.0%, 4.54%, and 2.77% to 40.4%, 0.46%, and 0.96%, respectively.

Derivatives



Derivatives volumes decreased by 12.7% in July to \$1.85tn. This is the lowest monthly derivatives volume since December 2022. This also marked the second lowest derivatives trading volumes since 2021.

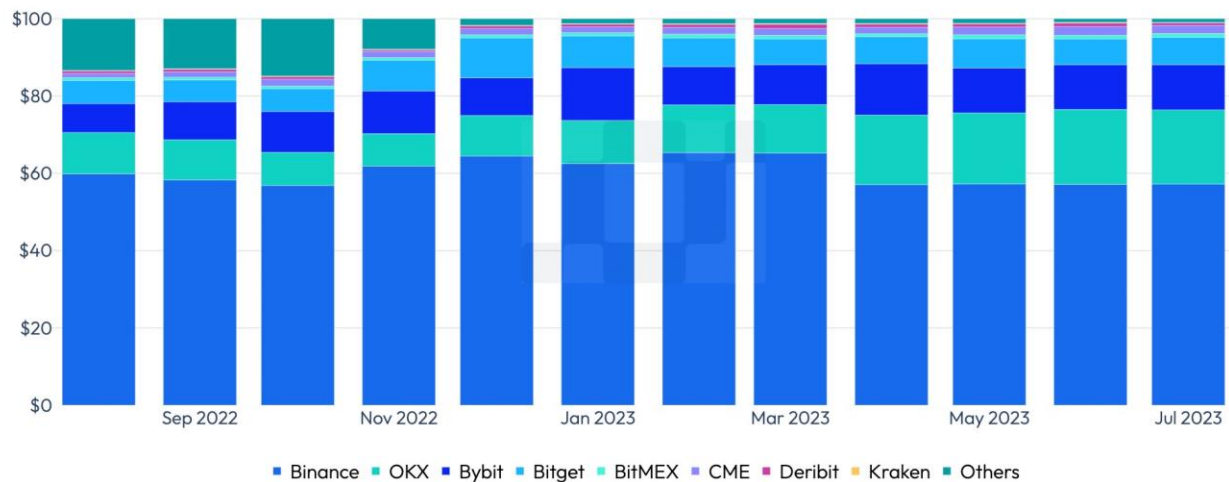
Monthly Spot vs Derivatives Volume



The derivatives market now represents 78.2% of the entire crypto market (vs 78.6% in June). This is the second consecutive decline in derivatives market share, hinting at the uncertainty in the market as the major assets remain in a narrow trading range.

Historical Monthly Derivatives Volume

CCData



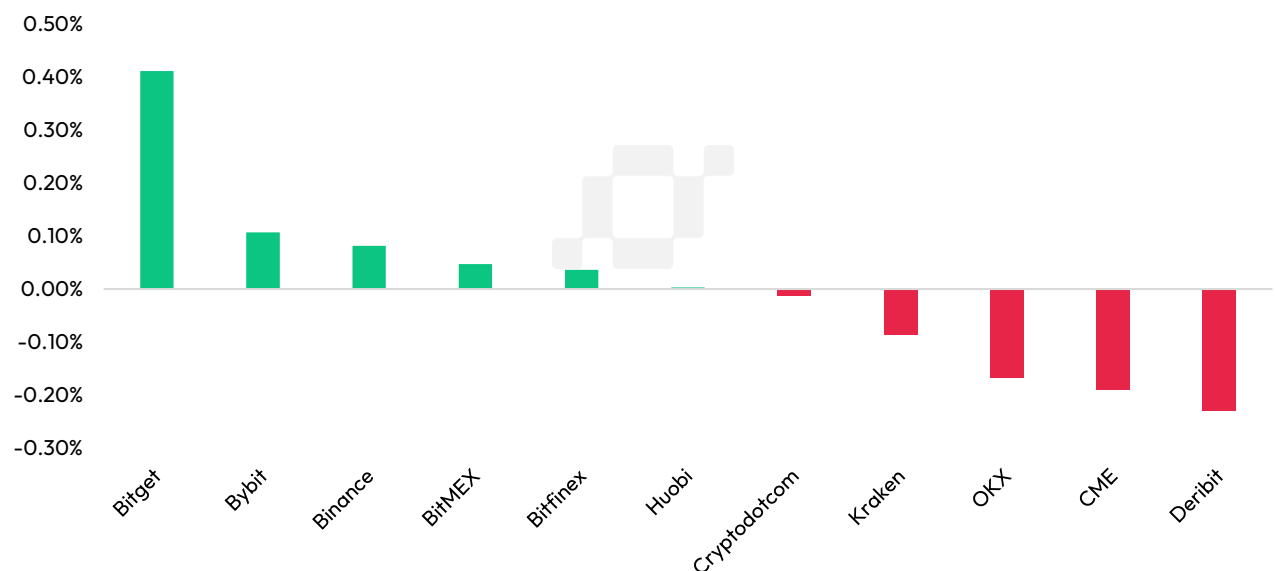
Binance was the largest derivatives exchange in July by monthly volume, trading \$1.06tn (down 12.25% compared to June), followed by OKX (\$355bn, down 13.1%) and Bybit (\$215bn, down 11.6%).

Bitget and BitMEX performed were the best performing derivatives exchanges in July, recording the smallest relative decline in their trading volumes, falling 6.97% and 7.92% to \$130.9bn and \$18.0bn respectively.

Change in Market Share (%)

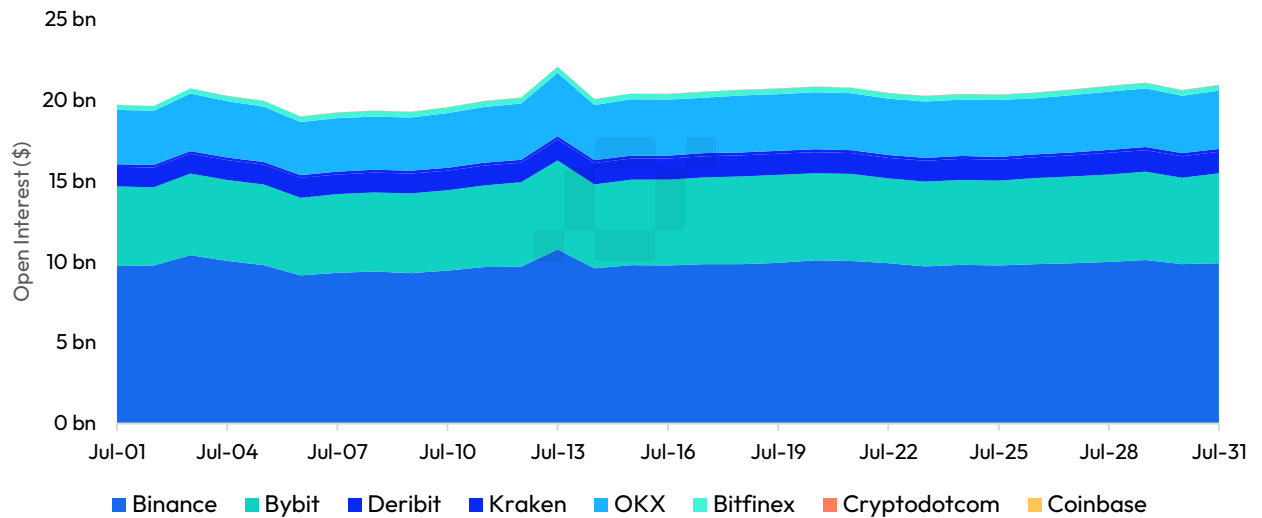
Change in Market Share, Monthly

CCData



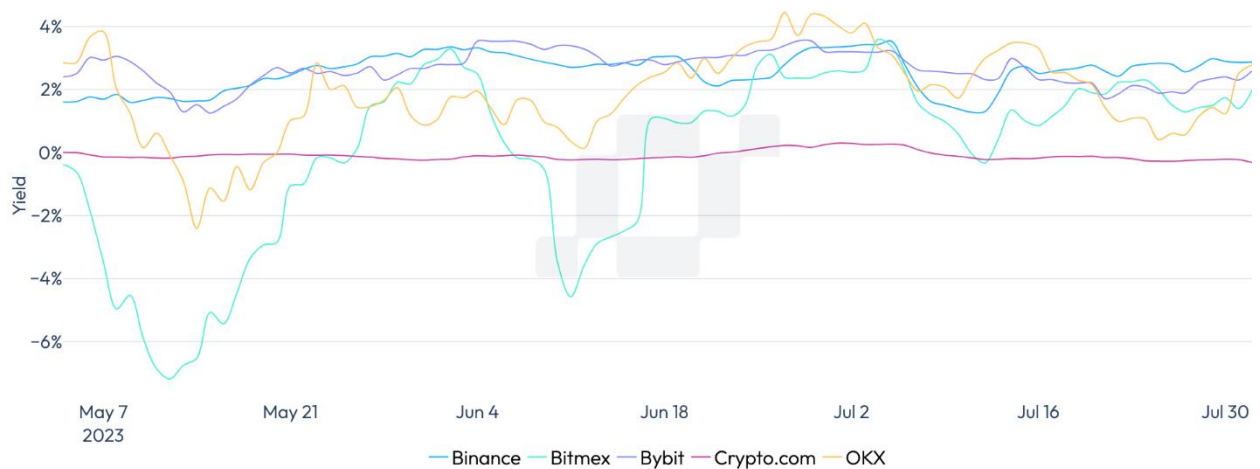
Among the top 11 derivatives exchanges, Binance leads with a market share of 57.2% of total volumes in July. This was followed by OKX with a market share of 19.2% and Bybit with a dominance of 11.7%.

Aggregate Open Interest on Selected Exchanges CCData



Open interest among derivatives exchanges increased in July. Binance, being the largest derivatives exchange saw its open interest rise 1.75% to \$9.92bn. Meanwhile, Coinbase saw the largest increase in open interest, courtesy of their new BTC and ETH products, rising 130% to \$4.34mn.

BTC Annualised Funding Rate Across Exchanges - 3 Month Rolling (7d SMA) CCData



Powered by CCData

Looking at the BTC annualised funding rate on a 3-month rolling basis, Binance maintained a lower volatility of funding rate, and typically remained above 2% APY. BitMex stands out as having the highest funding rate volatility over 90 days, in some cases producing a negative annualised yield below -6%, an extreme case that is rarely seen amongst the top exchanges.

CME Institutional Volume

Historical Monthly CME Futures Volumes

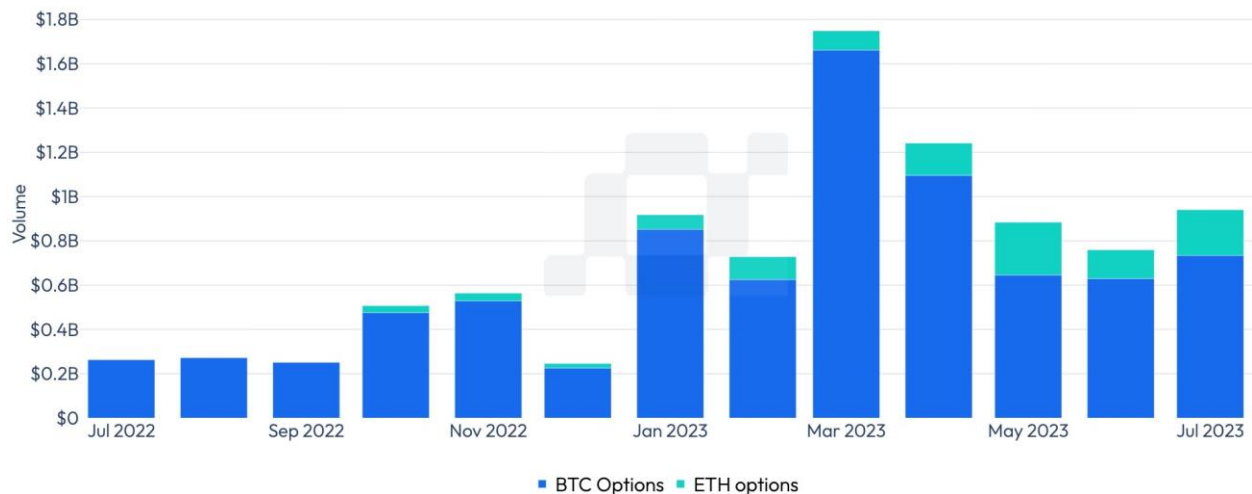
CCData



In July, the total derivatives trading volume on CME fell 16.9% to \$40.1bn. BTC futures volume on the exchange fell by 17.3% to \$31.3bn, declining for the first time in three months. Meanwhile, the ETH futures volume on the exchange fell 18.7% to \$7.24bn, recording the lowest monthly volumes this year.

Historical Monthly CME Options Volumes

CCData



Meanwhile, the options volume traded on the exchange painted a different image with BTC options rising 16.6% to \$734mn and ETH options rising 60.0% to \$207mn in trading volume. This was the first increase in total options trading volume in 4 months.

Conclusion: In July, the combined trading volume of spots and derivatives on centralised exchanges fell 12.0% to \$2.36tn as the volatility among major crypto assets dropped with Bitcoin and Ethereum trading in a narrow price range.

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.

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. 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.
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.