

Exchange Review

SEPTEMBER 2023

About CCData

CCData is an FCA-authorised benchmark administrator and 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 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@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 300+ 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 30th of September 2023, unless stated otherwise.**

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Key Market Insights

In September, the combined spot and derivatives trading volume on centralised exchanges fell for the third consecutive month, dropping 20.3% to \$1.67tn. This was the lowest combined monthly trading volumes recorded since December 2022. The lack of volatility, combined with the seasonality effects that have historically been seen in Q3, has led to centralised exchanges recording the lowest combined quarterly volumes since Q4 2020.

Spot Trading Volumes Continue Their Decline to Record Lows

Spot trading volume on centralised exchanges fell for the third consecutive month, falling 29.2% to \$336bn. Similar to last month, this recorded the lowest monthly spot trading volume since March 2019. Moreover, centralised exchanges recorded a daily volume of \$5.27bn on September 9th, the lowest daily volume since February 7th 2019.

The low trading volumes in September meant that centralised exchanges concluded Q3 of the year with a total volume of \$1.32tn, the lowest since the first quarter of 2019. Crypto.com was the only exchange among the top 25 CEX by volume that recorded an increase in volume last month, rising 22.9% to \$4.41bn.

Binance's Market Share Declines for Seventh Consecutive Month

In September, spot trading volume on Binance fell 36.9% to \$115bn, recording the lowest monthly volumes for the exchange since October 2020. This was also the third consecutive decline in volumes since June. The market share of Binance among spot trading exchanges is currently at 34.3%, the lowest since June 2022. The drop in volumes was further exacerbated by the halting of zero-fee trading promotion for BTC-TUSD pairs last month.

Meanwhile, derivatives trading volumes on Binance fell 20.8% to \$686bn, recording the lowest monthly volumes since December 2020. Binance continues to dominate derivatives with a market share of 51.5%. However, its dominance has dropped to the lowest level since March 2022.

Derivatives Market Share Hit New All-Time High

The derivatives trading volume on centralised exchanges fell 17.7% to \$1.33tn, recording the lowest monthly derivatives trading volume since December 2020. The market dominance of derivatives trading on centralised exchanges is now at 79.9%, a new all-time high for the sector. Though derivatives trading volumes have declined for the third consecutive month, the drop in spot trading volume has outpaced the former leading to increased derivatives market share.

Looking at derivatives exchanges, Binance's dominance has dropped by 13.9% since its yearly high of 65.4% in February, it continues to be the largest venue for derivatives trading with a market share of 51.5%. In the meantime, OKX, Bybit and Bitget have capitalised on Binance's decline, increasing their market share to 19.6%, 13.6% and 9.43% respectively.

September Exchange News

COMPANY	STORY	DATE
Binance	Highlights From CZ's September 1 AMA on X Spaces	September 4
Binance	Binance Research: Examining the State of Real-World Assets	September 5
Coinbase	83% of Major Hubs Are Providing Increasing Regulatory Clarity on Crypto	September 6
Binance	Binance to Airdrop up to \$3 Million in BNB to Users in the Morocco Earthquake Region	September 11
Coinbase	Coinbase Prime Launches Web3 Wallet	September 12
HTX	Huobi Rebrands to HTX at TOKEN2049	September 14
Coinbase	Coinbase Obtains Bank of Spain Registration	September 22
Kraken	Kraken Progresses European Expansion, Secures EU E-Money License and VASP in Spain	September 26
Coinbase	Coinbase Receives Regulatory Approval To Enable Retail Perpetual Futures Trading	September 28
Kraken	Kraken Bolsters Its Canadian Offering	September 28
Kraken	Eth and Op Deposits and Withdrawals Now Available on Optimism!	September 29
Binance	PancakeSwap Has Teamed Up With Binance Earn To Offer Simple Staking	September 29

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 Report methodology.

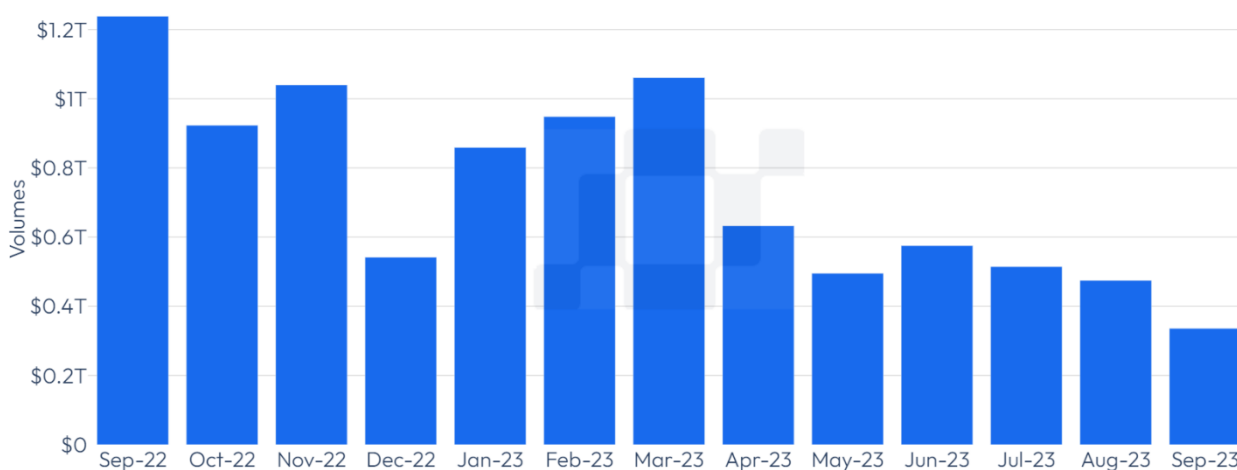
Explore the Exchange Benchmark [here](#)

This report assesses exchange activity via the above segmentation, particularly for spot markets. We also assess 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.

Spot Trading

In September, total spot trading volumes fell 29.2% to \$336bn, recording the lowest monthly volume since March 2019. The daily spot trading volumes across centralised exchanges reached yet another low, recording \$5.60bn on September 23rd, the lowest since February 7th, 2019.

Aggregate Monthly Spot Volumes

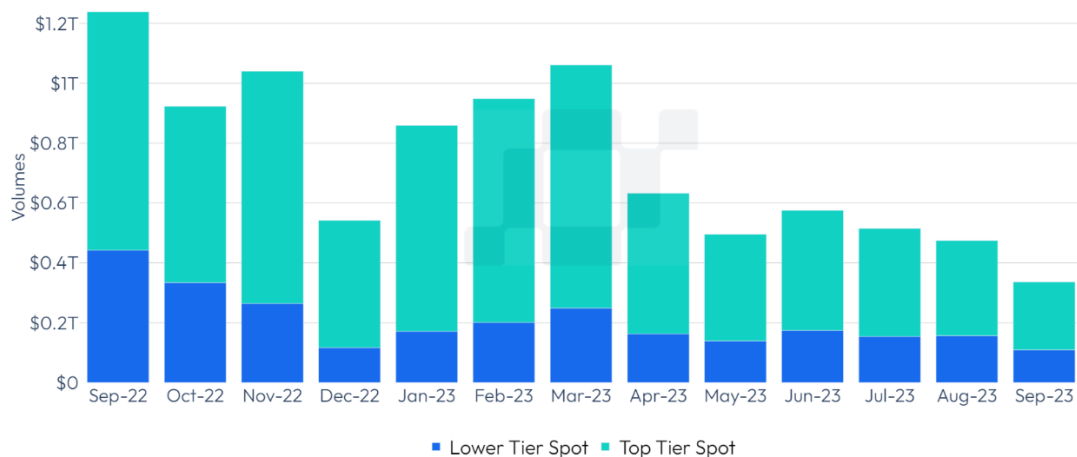


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With no enticing catalysts in September, the seasonality effects historically observed in Q3 have been reflected on the trading activity on centralised exchanges. The centralised exchanges recorded a quarterly spot trading volume of \$1.32tn, the lowest since Q1 2019.

Top Tier vs. Lower Tier Spot Trading Volumes

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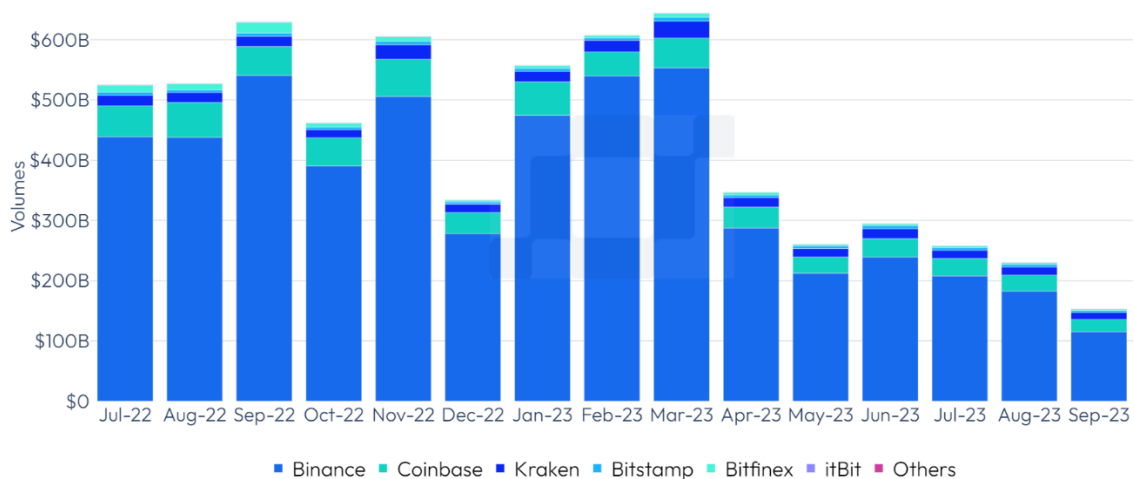
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Top-Tier spot volumes fell 28.7% to \$226bn, and Lower-Tier spot volumes fell 30.4% to \$109bn. Top-Tier exchanges now represent 67.4% of total spot volume based on CCData's latest April 2023 Exchange Benchmark Ranking, compared to 66.9% last month. Top-Tier exchanges are selected based on our rigorous [Exchange Benchmark Methodology](#).

Macro Analysis and Market Segmentation

Monthly Top Tier Spot Volumes

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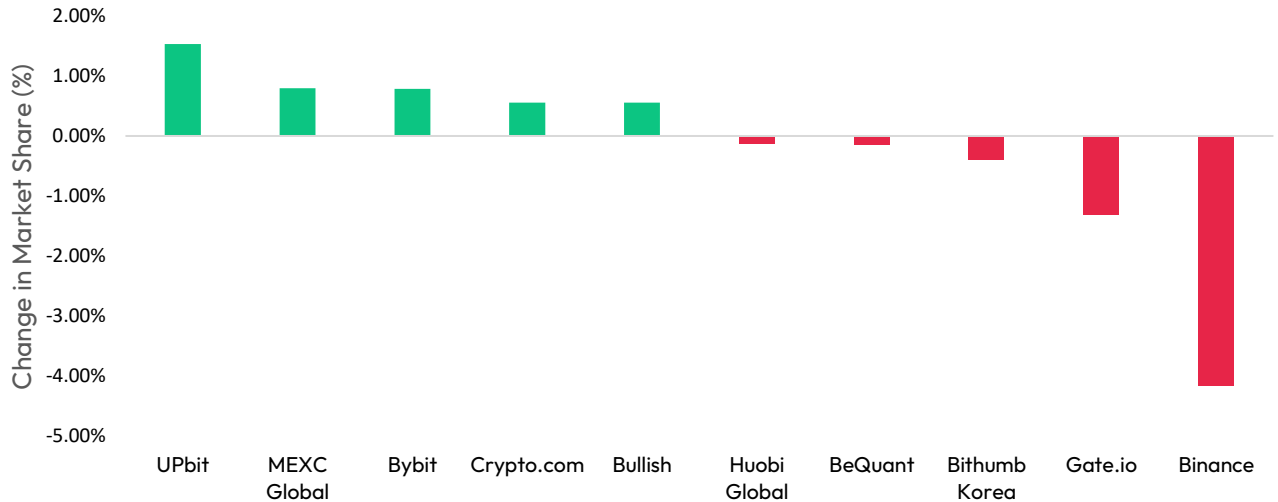
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In September, spot volume from the 11 graded AA-A exchanges fell by 31.0% compared to August, with aggregated spot volumes totalling \$173bn. Binance, Coinbase, and Upbit were the top exchanges in terms of spot volume in September relative to other AA-A graded exchanges. Among the Top-Tier exchanges, they represented approximately 68.2% of total volume (vs 72.0% in August).

Considering individual exchanges, Binance (Grade A) was the largest Top-Tier spot exchange among AA-A graded exchanges by volume in September, trading \$115bn (down 36.9%). This was followed by Coinbase (Grade A) trading \$20.4bn (down 23.1%) and Upbit (Grade A) trading \$18.8bn (down 2.54%).

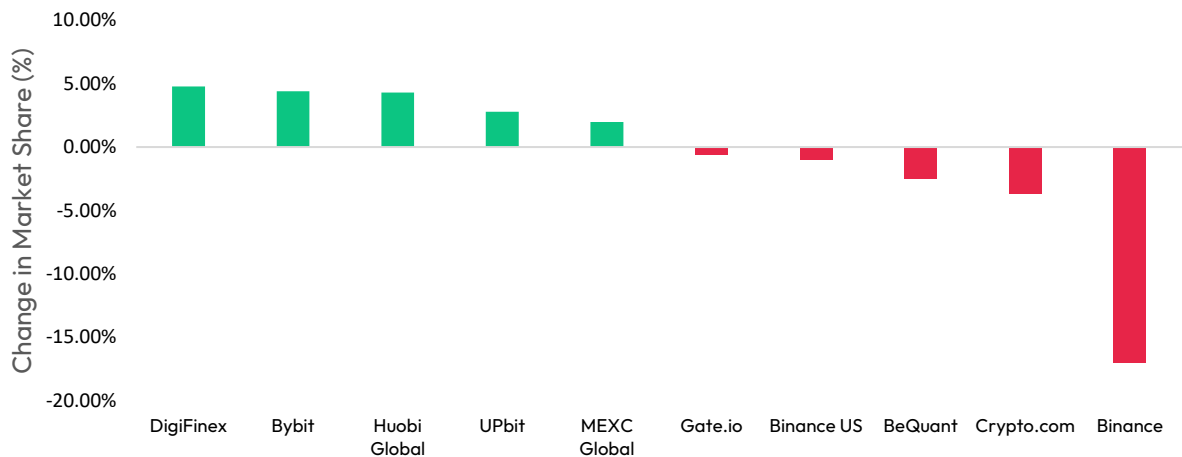
Kraken (Grade A) and Bitstamp (Grade AA) followed, trading \$11.5bn (down 16.2%) and \$3.19bn (down 18.5%) in monthly volumes, respectively.

Change in Spot Market Share On Selected Exchanges, Monthly



Compared to last month, Upbit experienced the largest gain in spot market share, with the exchange now accounting for 5.59% of the trading volumes on centralised exchanges. Meanwhile, Binance and Gate.io saw their market share decline by 4.15% and 1.30% to 34.3% and 0.63% in September.

Change in Spot Market Share On Selected Exchanges, Year-to-Date

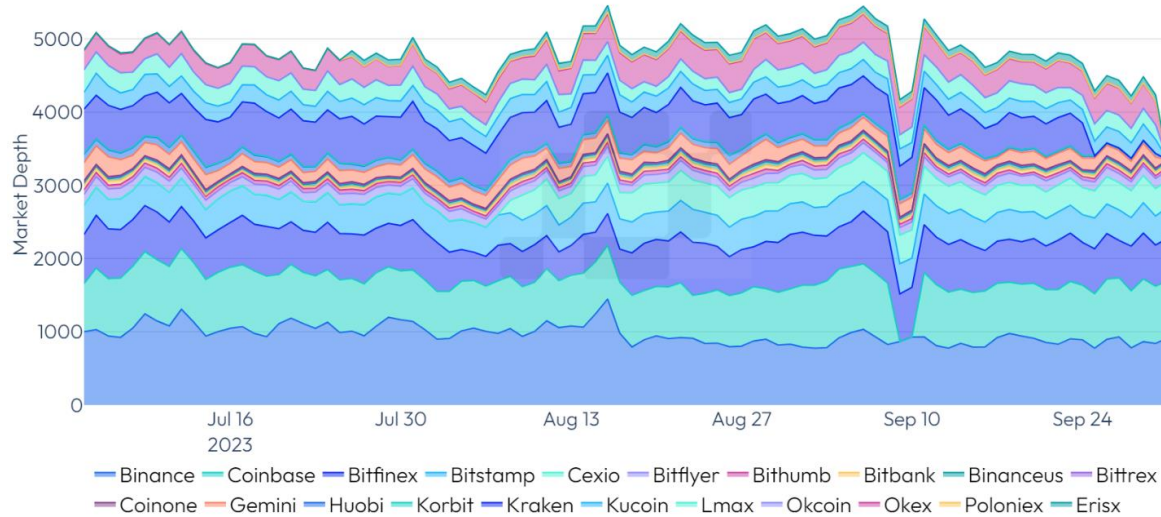


Year-to-date, DigiFinex, Bybit, and Huobi have seen the largest gain in market share, increasing their dominance by 4.79%, 4.39%, and 4.31% to 5.96%, 5.31%, and 5.97%, respectively.

Meanwhile, Binance, Crypto.com and BeQuant continue to experience the steepest declines in market share by trading volume, falling by 17.0%, 3.68%, and 2.50% to 34.3%, 1.31%, and 1.23% respectively.

Market Liquidity

BTC 1% Market Depth Across Centralised Exchanges



The liquidity for BTC trading pairs decreased in September with the 1% market depth across selected exchanges dropped 7.67% to 4,683 BTC. This represents a 33.0% decline in the market depth of BTC pairs since the start of the year.

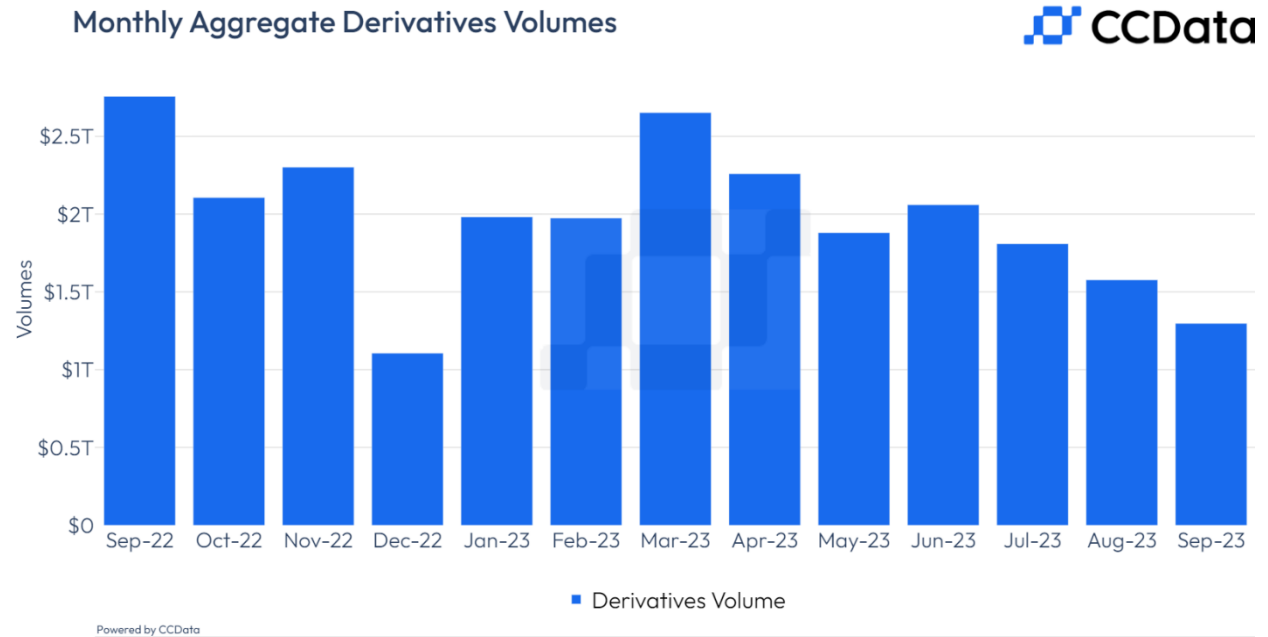
Change in 1% Market Liquidity, September 2023



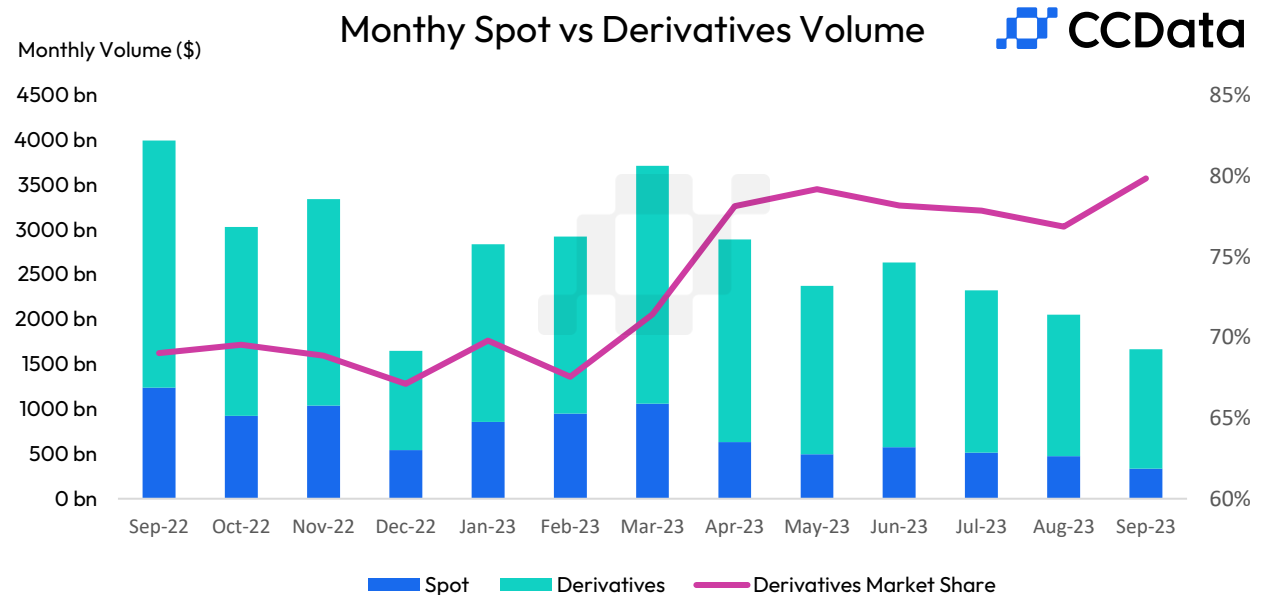
Bitflyer saw the largest growth in 1% market depth, with an inflow 26.9 BTC in limit orders last month. Coinbase and Binance also saw their market liquidity for BTC trading pairs rise by 23.5 BTC and 10.6 BTC last month.

With most exchanges seeing a decline in liquidity last month, Bitflyer experienced the largest fall in liquidity, with an outflow of 177 BTC. OKX, Kraken, and LMAX also saw their 1% market depth in BTC trading pairs decline by 46.7 BTC, 43.1 BTC and 42.6 BTC.

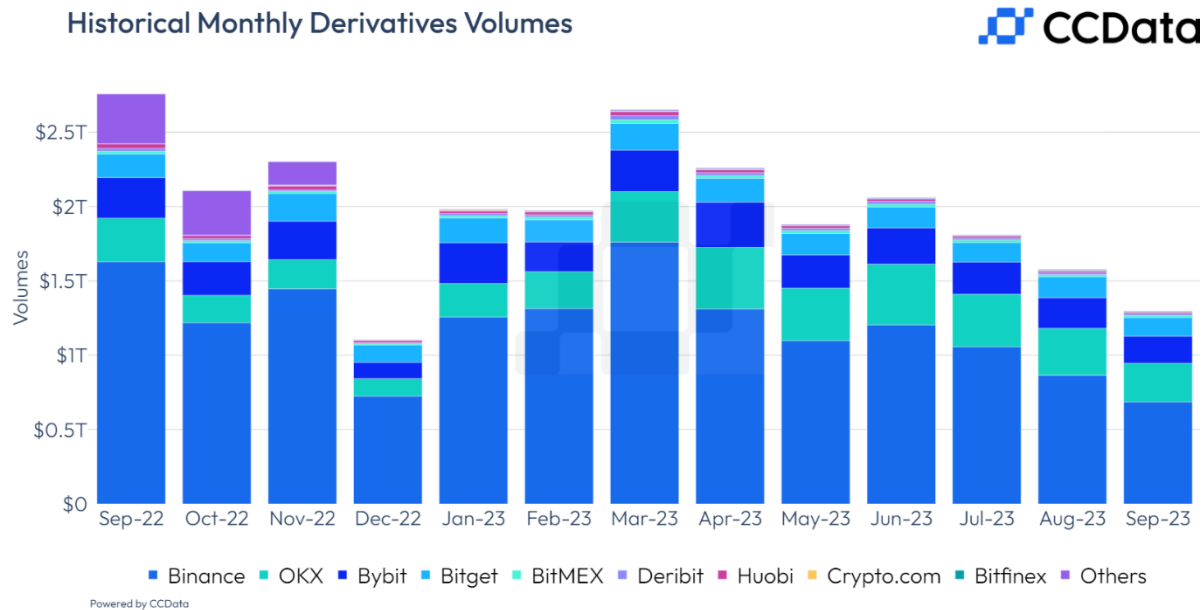
Derivatives



Derivatives volumes fell by 17.7% in September to \$1.33tn. This is the lowest monthly derivatives volume since December 2022. This also marked the second lowest derivatives trading volumes since 2021.

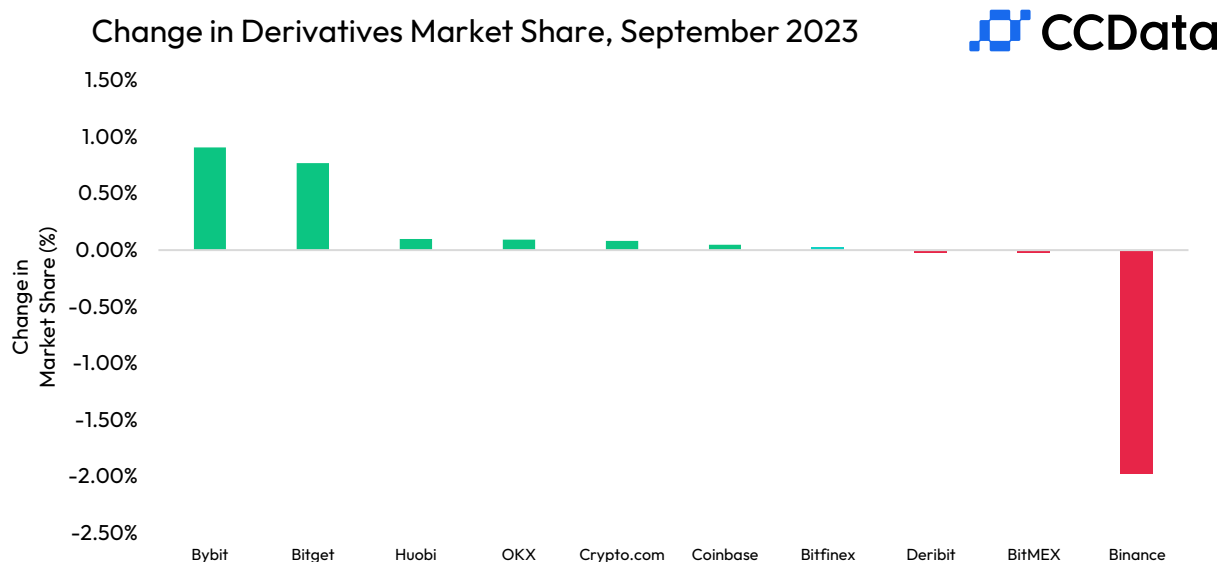


The derivatives market now represents 79.9% of the entire crypto market (vs 77.3% in August). This is the first increase in derivatives market share in four months, with the drop in spot trading volume outpacing the derivatives market. This is also an all-time high for the derivatives markets share.



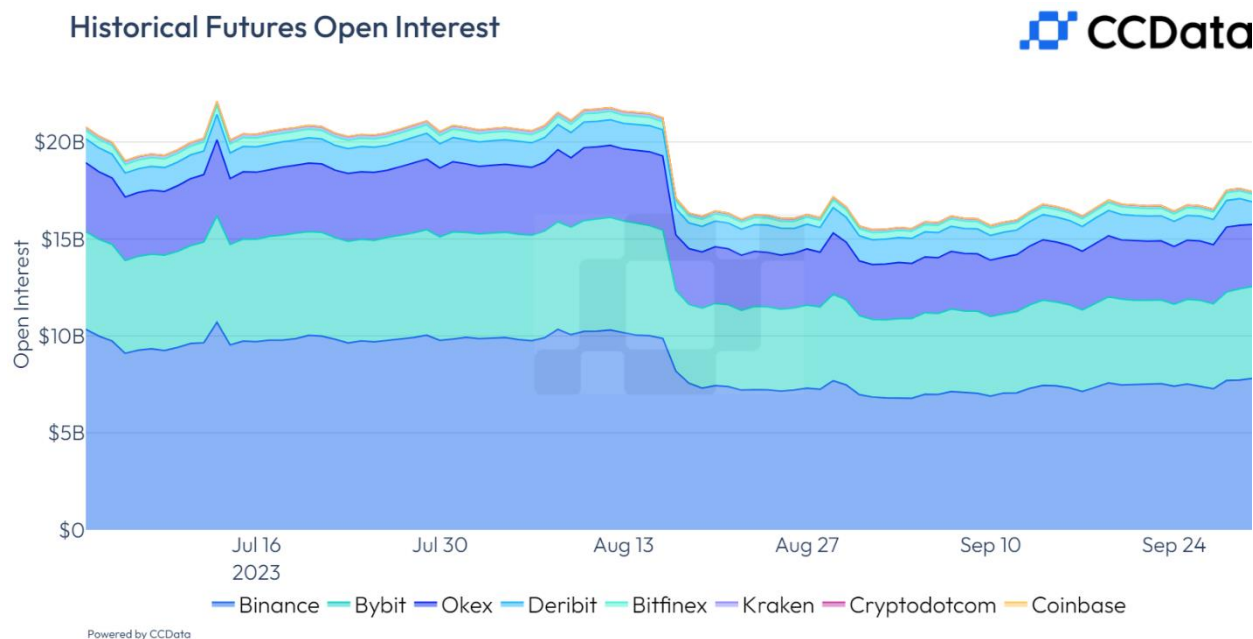
Binance was the largest derivatives exchange in September by monthly volume, trading \$686bn (down 20.8% compared to August), followed by OKX (\$261bn, down 17.3%) and Bybit (\$181bn, down 11.8%).

Crypto.com and Coinbase Institutional Exchange were among the best performing derivatives exchanges, with their trading volumes recording an increase of 36.2% and 32.6% to \$2.27bn and \$1.67bn respectively.

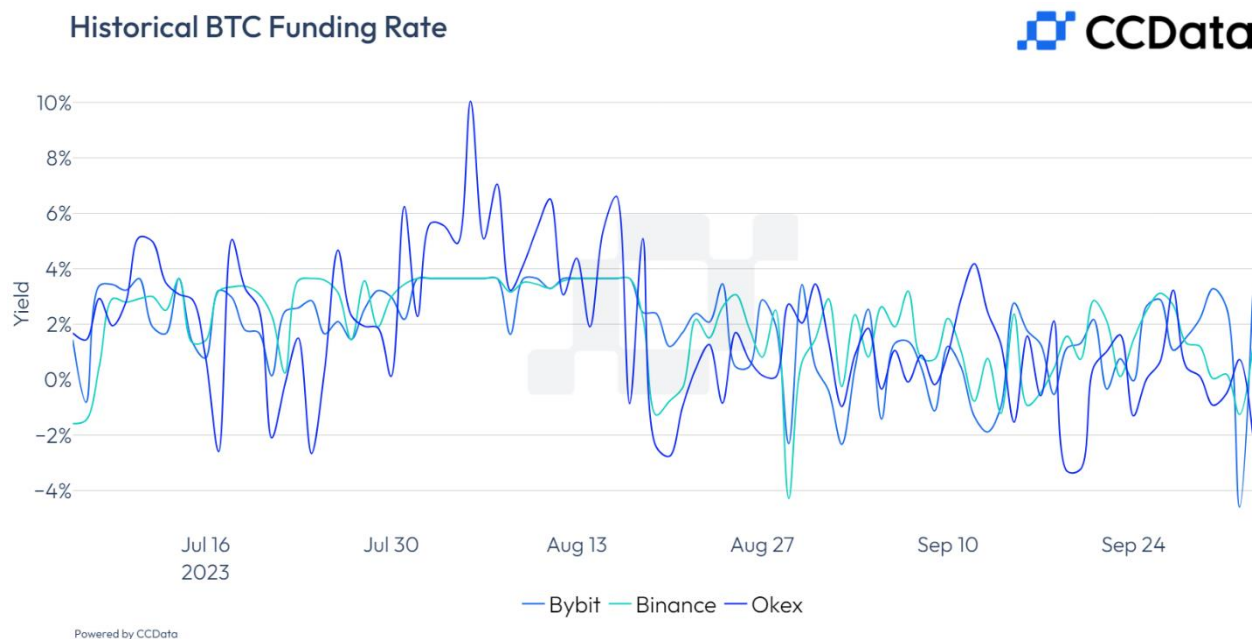


Among the top 11 derivatives exchanges, Binance leads with a market share of 51.5% of total volumes in September. This was followed by OKX with a market share of 19.6% and Bybit with a dominance of 13.6%.

Bybit and Bitget saw the highest increase in market share, rising by 0.91% and 0.77% to 13.6% and 9.43% respectively. Meanwhile, Binance saw the highest decline in market share last month, falling by 1.98% to 51.5%, the exchange's lowest derivatives market share since March 2022.



Since the largest open interest wipeout on August 17th, the open interest on exchanges increased steadily, rising 11.3% to \$17.6bn. The three largest derivatives exchanges, Binance, OKX, and Bybit all saw the open interest on the exchange rise by 11.9%, 16.6% and 13.2% to \$7.96bn, \$4.72bn, and \$3.26bn respectively.



Across the three exchanges analysed, funding rates were mostly positive, with Bybit and OKX having 10 negative days and Binance only 5 in September.

Both Binance and Bybit had a 30-day annualized volatility of 32% for funding rates. In contrast, OKX averaged around 40%, suggesting more imbalances in long/short positions.

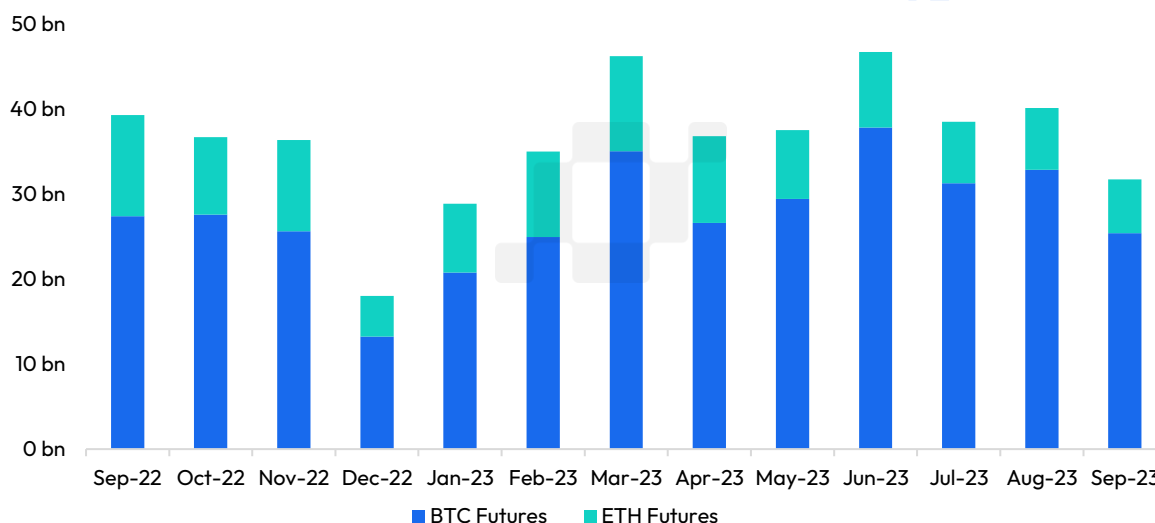
CME Institutional Volume

Monthly Trading
Volumes (\$)

Historical Monthly CME Futures Volumes (\$)



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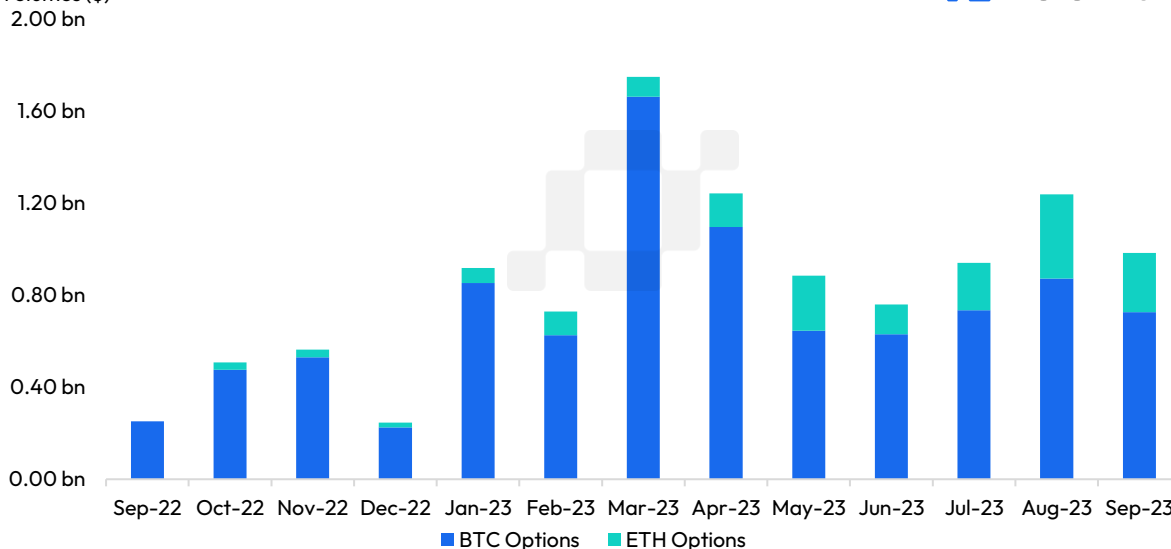
In September, the total derivatives trading volume on CME fell 21.0% to \$33.1bn. BTC futures volumes on the exchange fell by 22.8% to \$25.4bn, whereas the ETH futures volume on the exchange fell 12.8% to \$6.35bn.

Monthly Trading
Volumes (\$)

Historical Monthly CME Options Volumes (\$)



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Meanwhile, the options volume traded on the exchange fell for the first time in three months with BTC options recording a decline of 16.8% to \$725mn and ETH options falling 29.6% to \$257mn in trading volume.

Conclusion: In September, the combined trading volume of spots and derivatives on centralised exchanges fell 20.3% to \$1.67tn as the lack of volatility and the seasonality effects continued to translate to low trading activity in the space.

Definitions

Metric		Definition
Top Tier Exchanges		Exchanges that have scored Grade BB and above in CCData's biannual Exchange Benchmark.
Lower Exchanges	Tier	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.

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.

