Stablecoins & CBDCs Report

DECEMBER 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.

Contents

Latest News

Topic	Story	Date
BUSD	Binance will end support for BUSD stablecoin in December	Nov 29
USTC	Tokens Linked to Terra Shoot 70% on Bitcoin Linking, Burn Program	Dec 5
FDUSD	First Digital's Stablecoin FDUSD Hits US$1 Billion Market Cap on Strong Market Adoption	Dec 6
USDT	S&P Faults Biggest Stablecoin, Tether's USDT, as It Debuts New Industry Ranking	Dec 13
Regulation	Global Banking Regulator Wants Tougher Criteria for Giving Stablecoins Preferential Risk Treatment	Dec 14
USDT	Tether’s USDT Stablecoin Depegs from US Dollar on Exchanges After Company Froze $435M	Dec 18
USDT	Tether Reveals Partnerships with Secret Service, FBI	Dec 18
USDC	Circle Issues Euro-Backed Stablecoin EURC Natively on the Solana Blockchain	Dec 18
USDC	Nubank adds stablecoin USDC, boosts crypto offering in Brazil	Dec 18
USDC	Circle Joins Fuze in Expanding Adoption of USDC Across Middle East, Africa and Turkey	Dec 19

Key Insights

Stablecoins Add the Largest Monthly Supply Since Feb 2022

In November, the total market capitalisation of stablecoins rose 3.43% to $128bn, recording the largest monthly supply increase since February 2022. The market cap is on trend to rise further in December, with the asset class recording a 0.17% increase to $129bn as of the 18th.

Meanwhile, stablecoin market cap dominance fell to 8.07% in December, recording the lowest market share since December 2021.

USDT Market Cap Breaches $90bn for the First Time

In December, the market capitalisation of USDT rose 1.64% to $90.8bn, an all-time high for the stablecoin and recording the first instance of a stablecoin crossing $90bn in market cap.

The stablecoin market dominance is currently at 70.2%, its highest level since January 2021. Trading volume for USDT pairs on centralised exchanges also reached $662bn in November, the highest level recorded since March 2023.

FDUSD Market Cap Crosses $1bn as Demand Surges

In December, the market capitalisation of FDUSD rose 92.6% to $1.63bn (as of Dec 18th), recording a new all-time high for the stablecoin.

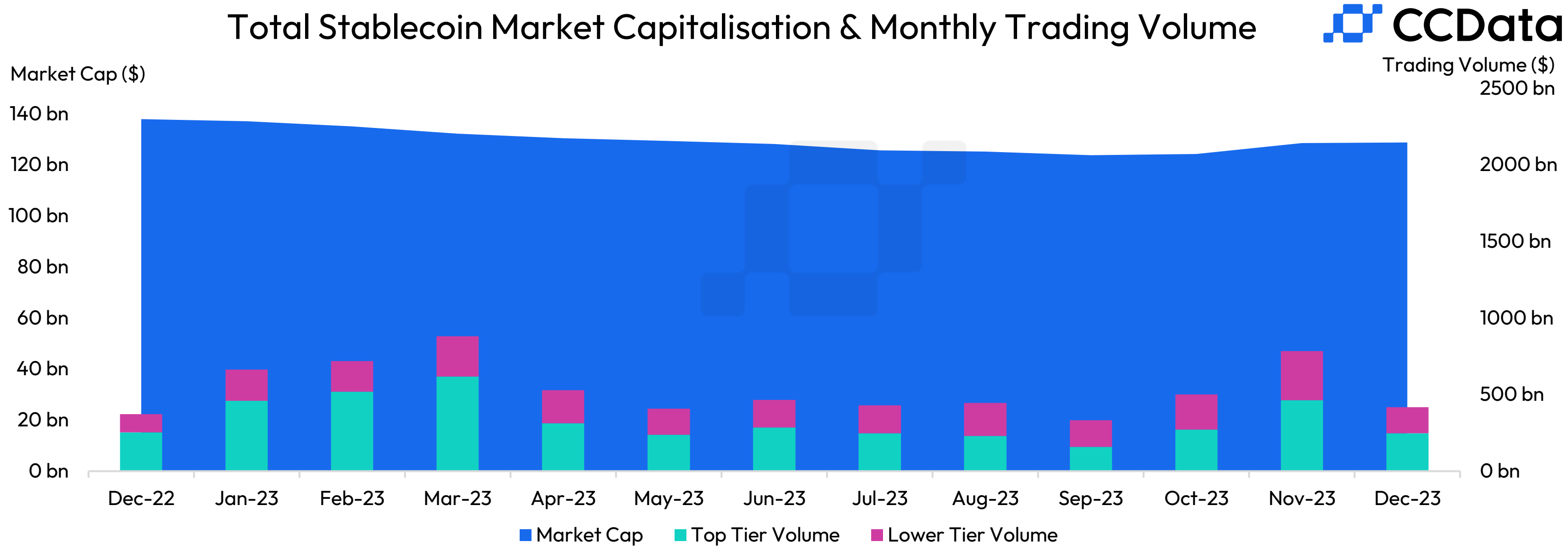
This is the first time the stablecoin has replaced BinanceUSD (BUSD) as the fifth largest stablecoin, behind USDT, USDC, Dai and TrueUSD.

Binance Ends Support for BUSD Stablecoin

On December 15th Binance announced the end of support for their once-popular stablecoin, Binance USD. The stablecoin has recorded 13 consecutive months of decline in market cap, falling to $1.47bn in December.

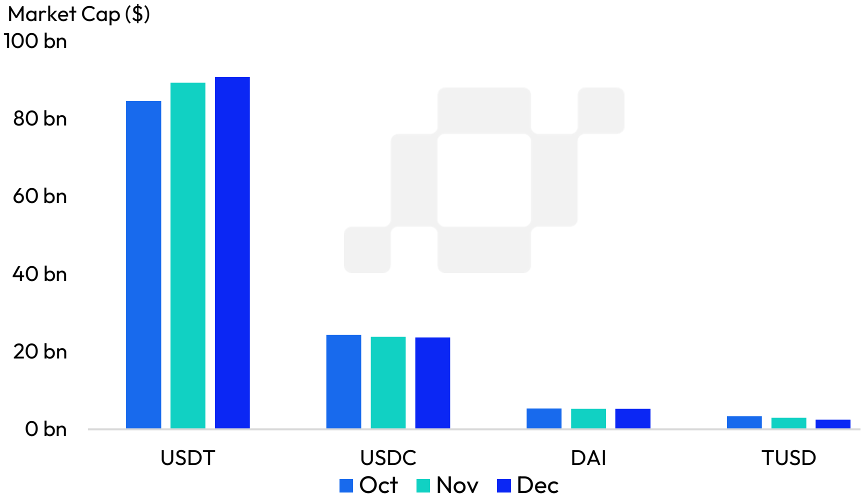
BUSD once accounted for nearly 36.4% of the trading volumes on Binance, however, the stablecoin has been gradually phased out with replacements TrueUSD and First Digital USD, since being served with a Wells Notice from the SEC in February.

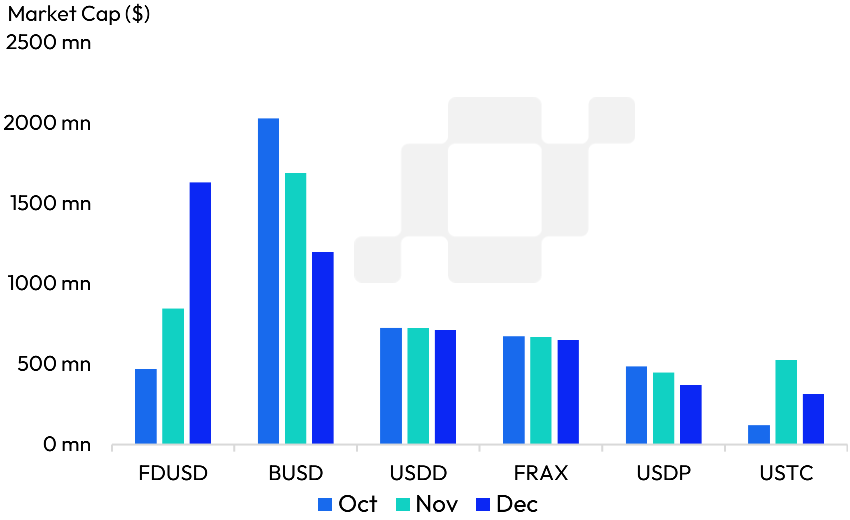
Stablecoins Market Cap & Volumes



- In December, the total market capitalisation of stablecoins rose 0.9% to $129bn (as of Dec 18th), continuing the asset class's resurgence after adding a supply of $4.25bn in November. This is the highest market capitalisation for stablecoins since May.
- Stablecoin market dominance is currently at 8.32%, falling from 8.92% in November, highlighting the bullish price action of crypto assets in the last month, coinciding with the increase in stablecoins market capitalisation.
- Stablecoin trading volume rose 56.2% to $782bn in November, recording the highest stablecoins trading volume on CEXs since March. Volumes are on track to record a higher total in December, with $557bn traded in volume on CEXs as of the 18th.

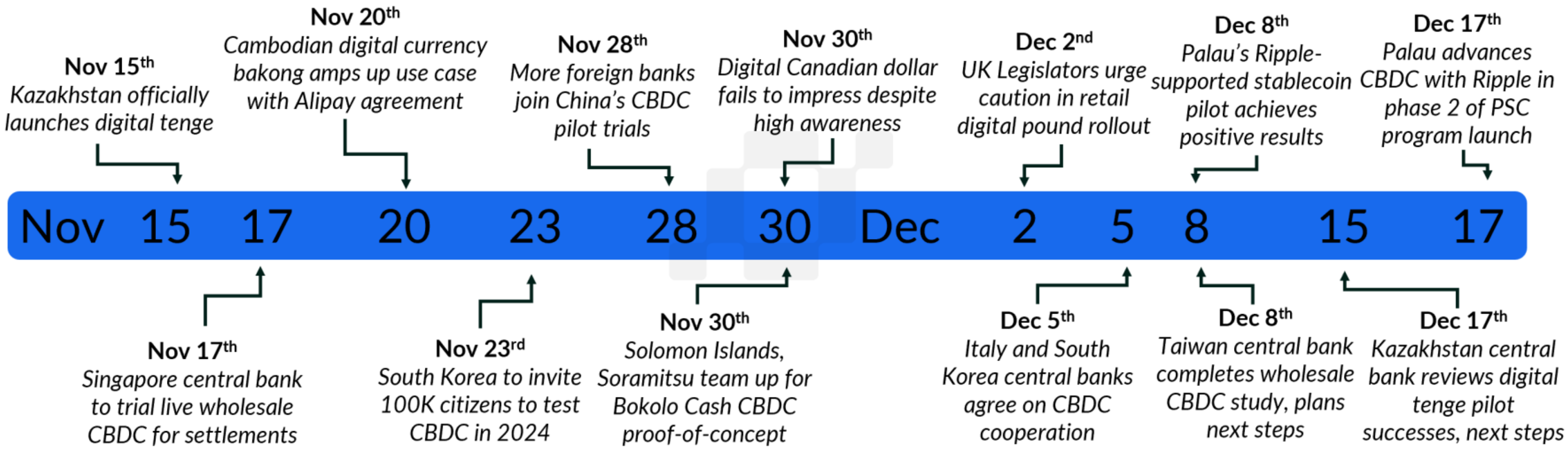
Stablecoins Overview: Top 10 Stablecoins





- In December, the market cap of TetherUSD (USDT) rose by 1.64% to $90.8bn, recording an all-time high circulating supply for the stablecoin. The market dominance of USDT is currently at 70.2%, the highest market dominance since January 2021.
- The market capitalisation of First Digital USD (FDUSD) rose 92.6% to $1.63bn, recording an all-time high for the stablecoin since its launch in July. Meanwhile, the market capitalisation of TrueUSD (TUSD) and BinanceUSD (BUSD) fell 17.6% and 29.3% to $2.41bn and $1.19bn, respectively, with Binance announcing the end of their support for the latter in December.
- TerraClassicUSD (USTC) saw its market capitalisation fall 40.3% to $313mn in December after climbing back to the top 10 stablecoins in November. This followed a surge in demand which saw its market cap rise by 340% to $526mn last month.

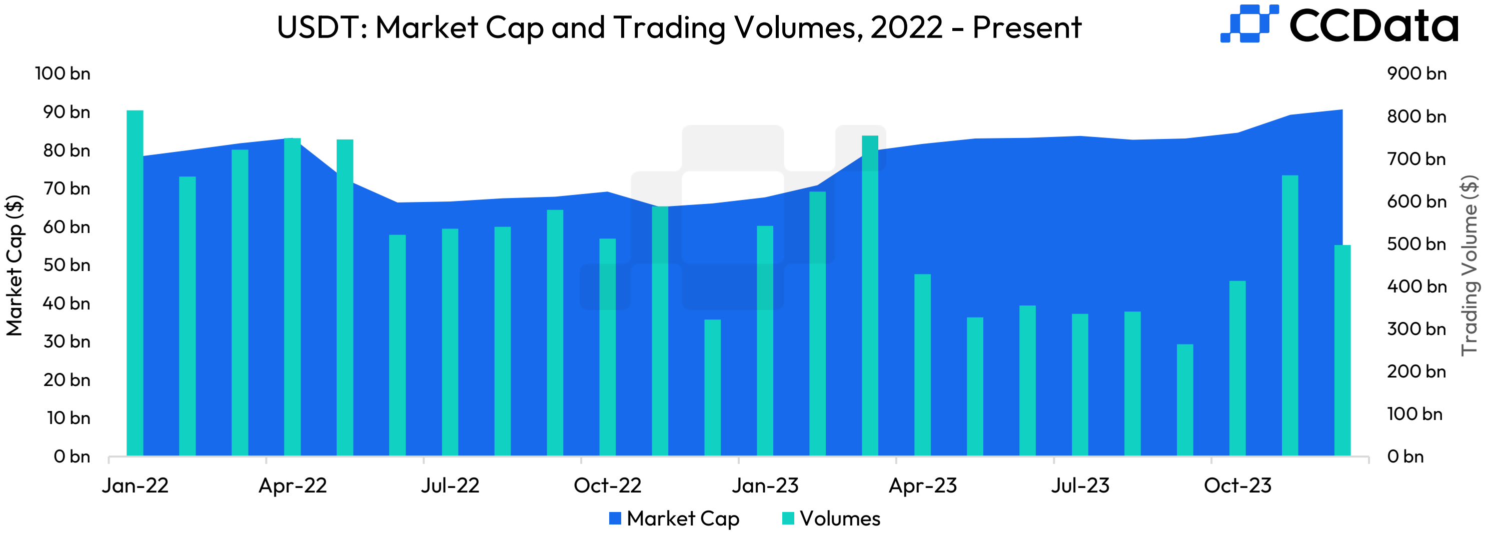
CBDCs Overview: December Events



- Last month saw more positive CBDC developments around the world, with Kazakhstan officially launching their CBDC, Digital Tenge, with the chairman of the country's National Payment Corporation making the first transaction. Meanwhile, Palau concluded phase 1 of its CBDC trial which included 168 participants. The second phase of the project will focus on marketing and sustainable development goals.
- Utility for CBDC projects continues to flow in with the Monetary Authority of Singapore announcing that they will pilot the live issuance of wholesale CBDC for settlements across commercial banks. Cambodia meanwhile announced that their CBDC, Bakong will soon provide users access to the Alipay merchants.

USDT: Market Cap and Trading Volumes

TetherUSD's Market Cap Surges to a New All-Time High as New Capital Flows into the Market

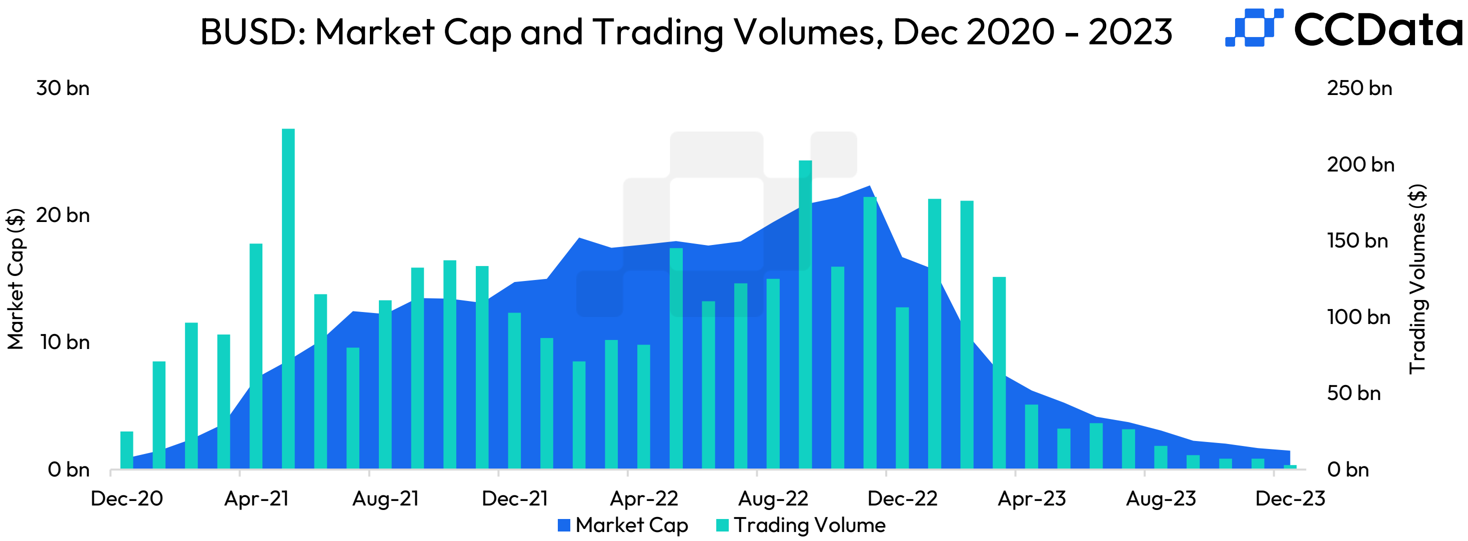


- In December, the market capitalisation of USDT rose 1.41% to $90.6bn, recording a new all-time high for the leading stablecoin. This is the fourth consecutive month of increase in market capitalisation and the first instance of a stablecoin breaching the $90bn mark. The market dominance of USDT is currently at 70.4%, the highest since January 2021.

- The rise in USDT supply, coinciding with the resurgence of USDT market capitalisation hints at the inflow of new capital to the markets amidst the bullish price action of crypto assets in the recent months. In November, the trading volume of USDT rose to $662bn, the highest since March 2023.

BUSD: Market Cap and Trading Volumes

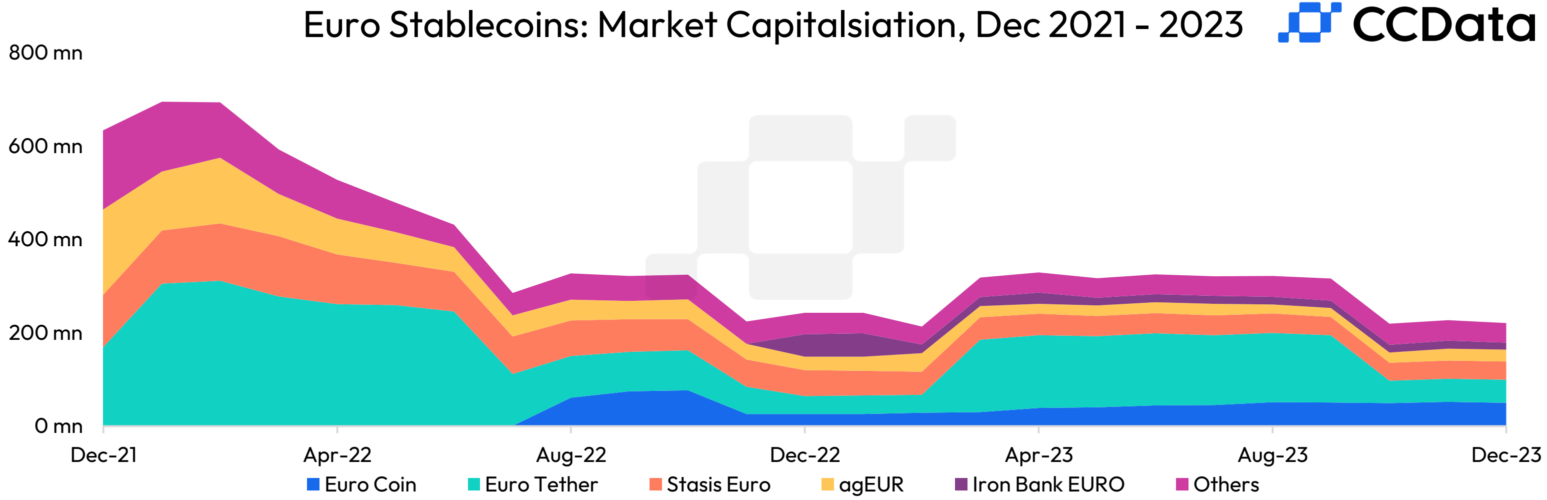
Binance Announces the End of Support for the Stablecoin on December 15th



- On November 29th, Binance announced the gradual end of its support for popular stablecoin, BinanceUSD (BUSD). December 15th will mark the end of the stablecoin that first started trading on the exchange in September 2019. During its peak, BUSD pairs accounted for 36.4% of the trading on the exchange.
- Since the SEC lawsuit against Paxos in February earlier this year, Binance started gradually replacing BinanceUSD (BUSD) with TrueUSD (TUSD), and more recently, First Digital USD (FDUSD). The latter saw its market cap surpass $1bn in December, currently accounting for nearly 20% of the volumes on Binance with a monthly volume of $50.8bn.

Euro Stablecoins: Market Capitalisation

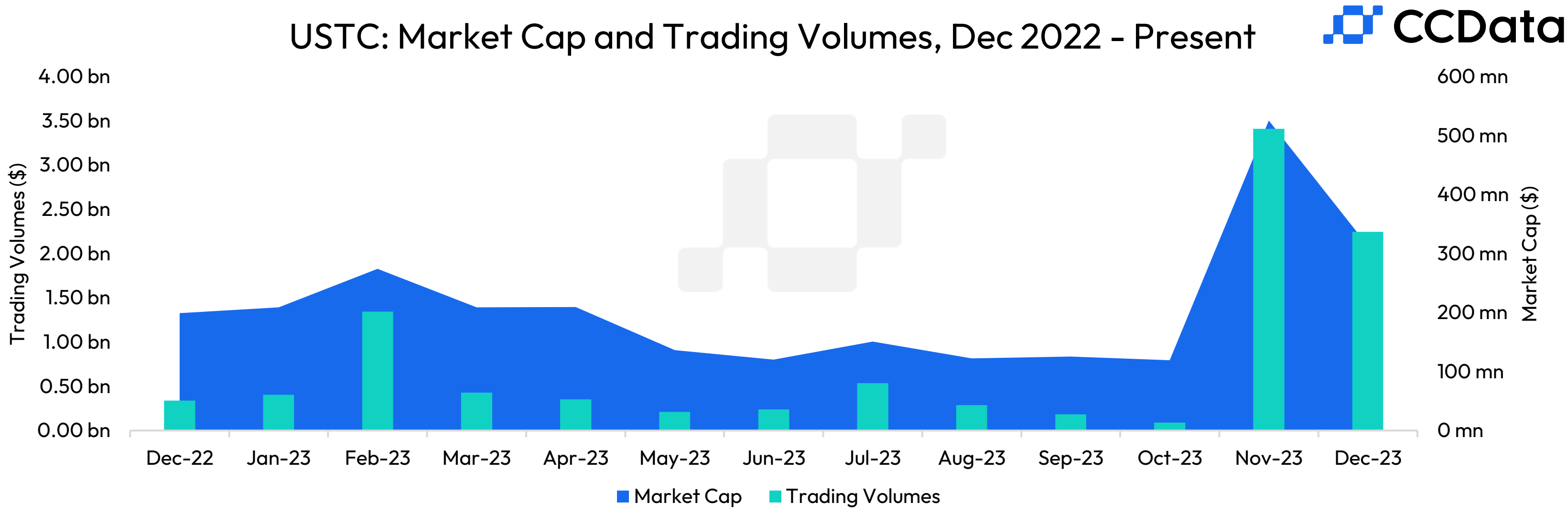
Societe Generale's Euro Stablecoin Starts Trading on Bitstamp



- In December, Bitstamp listed Societe Generale's Euro-pegged stablecoin, Euro Convertible (EURCV) – available for trading against EUR and USDT pairs. The stablecoin maintains a collateralization ratio of 100% and is backed by cash deposits with the current supply amounting to 10,750,000 EUR. The stablecoin has yet to gain traction on Bitstamp, with only $23,790 in trading volumes recorded so far in the first 12 days since its listing.
- The market cap of Euro stablecoins remains modest compared to USD-pegged stablecoins, with Circle and Tether's Euro Coin and Euro Tether leading the $301mn subsector. The market share of Euro-pegged stablecoins currently stands at 0.23%.

USTC: Market Cap and Trading Volume

USTC Returns to the Top 10 Stablecoins

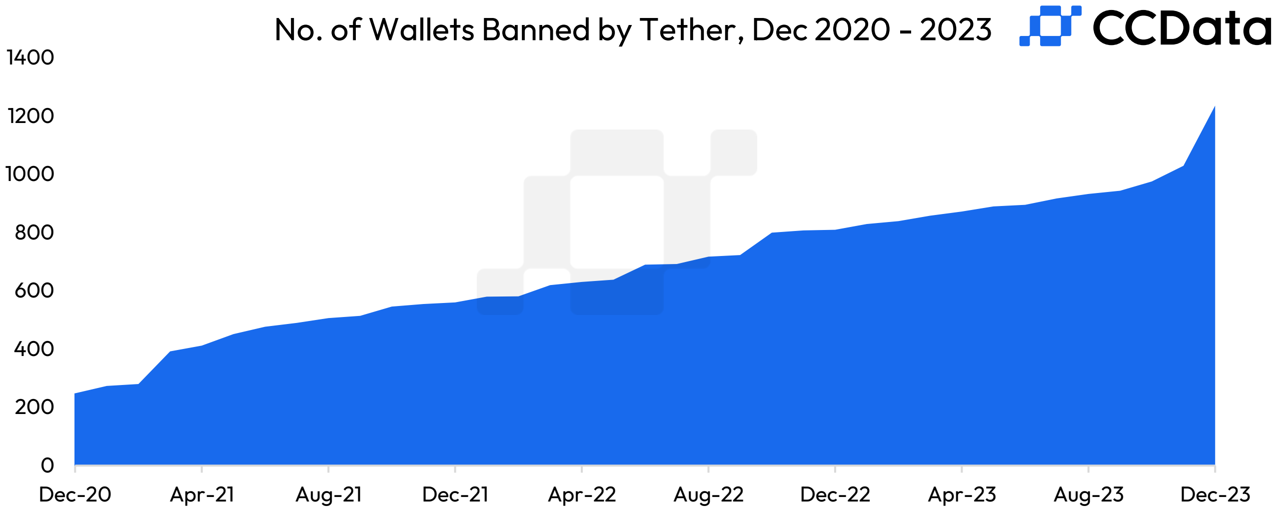


- In November, the market capitalisation of TerraClassicUSD (USTC) rose by 340% to $526bn, as traders speculated on the possible repeg of the stablecoin. Following this, the stablecoin saw its market cap rise as high as $613mn, before falling to $383mn in December.

- The TerraClassicUSD (USTC) community had voted to halt the minting of additional supply to assist the stablecoin in reaching parity. It originally depegged during the Terra collapse in May 2022.

USDT: Number of Banned Addresses

Number of Wallet Addresses Banned by Tether Spikes as the Issuer Increases Efforts to Prevent Illegal Use



- In December, leading stablecoin issuer Tether announced that they have onboarded the DOJ, FBI and the U.S. Secret Service to prevent the illegal use of USDT. The announcement followed Tether's freezing of 326 wallets with amounts totalling $435mn on the instruction of US authorities on December 17th.
- As per on-chain data, Tether has banned a total of 1,237 wallets since it launched, with December accounting for the largest month-on-month increase on record. A total of $849mn has been frozen by Tether in these wallets to date.

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 118 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 23 fiat-backed stablecoins, 19 algorithmic stablecoins, and 76 crypto-backed stablecoins.

As of August 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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