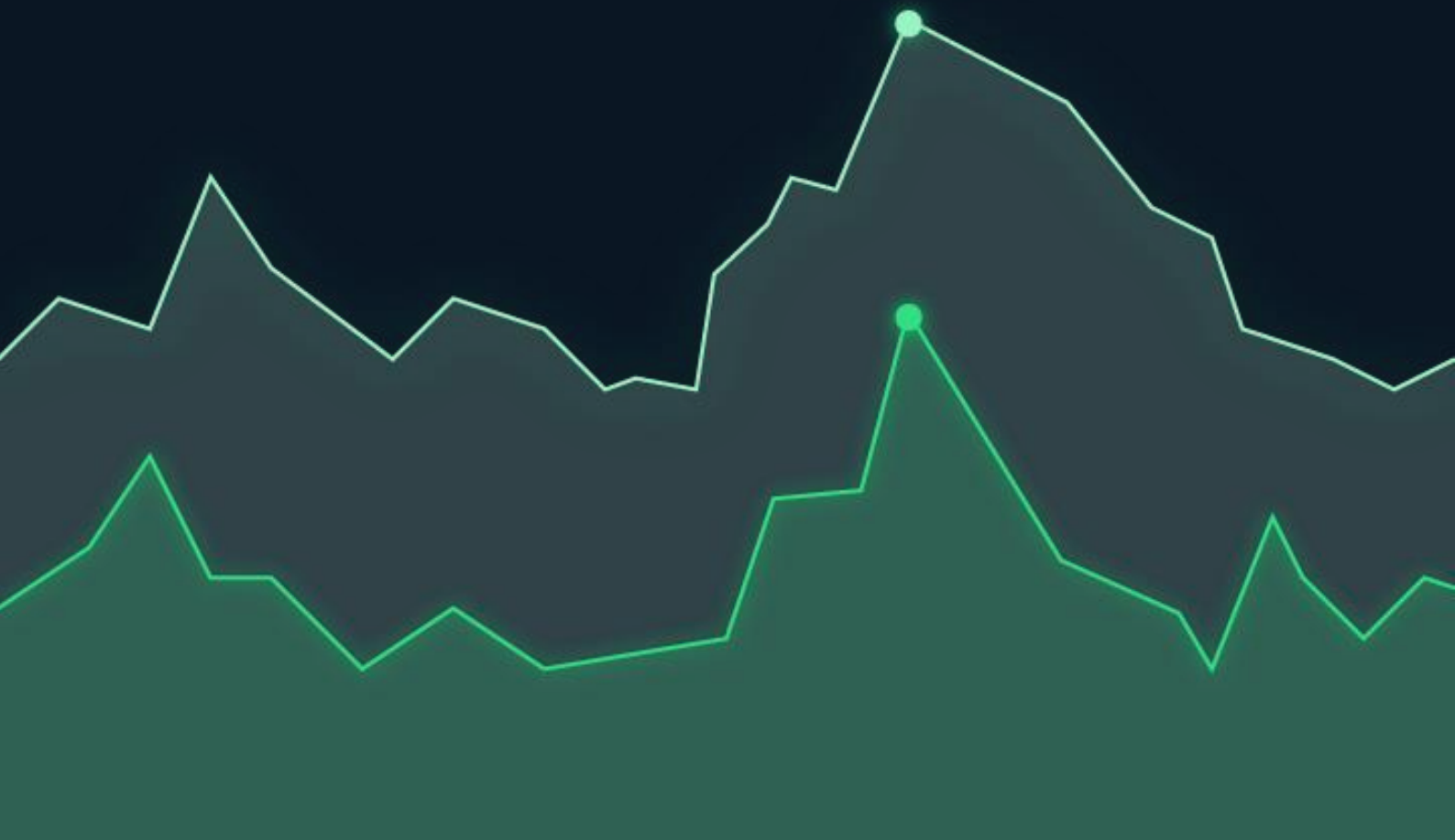




EXCHANGE REVIEW

May 2020



About

CryptoCompare's Exchange Review aims to capture the key developments within the cryptocurrency exchange market. Our review focuses on analyses that relate to exchange volumes, which include 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.

CryptoCompare'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.

For questions related to our research or any potential requests, feel free to contact our research department at research@cryptocompare.com.

Explore the data on the CryptoCompare API

For those interested in accessing CryptoCompare'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 200+ exchanges, please take a look at CryptoCompare's API here: <https://min-api.cryptocompare.com>

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Key Highlights

Crypto Derivatives Volumes Hit an All-time High in May

Derivatives volumes across all platforms soared in May. Volumes for all crypto derivatives increased 32% in May to an all-time high - totalling \$602 bn.

What's more, crypto derivatives are gaining market share. Total spot volumes increased only 5% to \$1.27 tn in May, which meant that derivatives represented 32% of the market, compared with 27% in April.

Institutional Options Volumes Hit Record Levels

May saw volumes on regulated platform CME soar, recovering substantially from a lull in April.

Options are one area seeing particularly impressive growth. CME total options volumes reached an all-time monthly high of 5986 contracts traded in May. This figure represents 16 times that of April's volumes. CME futures volumes have also recovered since April, increasing 36% (number of contracts) to reach 166,000 in May.

More broadly, May saw volumes for CME Bitcoin derivatives soar 59% to hit \$7.2 bn, a monthly increase greater than any other derivatives exchange (both regulated and non-regulated).

Deribit Sees Record Options Volumes

Derivatives exchange Deribit has seen another daily record, trading \$196 mn in options on the 10th of May, the highest ever seen on the platform.

In May Deribit's monthly options volume also reached another all-time high, trading \$3.06bn (up 109%) to double the volume seen in April (\$1.47bn).

10th of May sees Huge Spot Volumes

The 10th of May saw another surge in trading volume totalling \$64.7bn. While significant, this does not match the volume spikes seen on the 30th April (\$66.2bn) and the record volumes seen on the 13th of March (\$75.9bn). The majority of this figure is represented by Lower Tier exchanges (\$49.88bn) while Top Tier exchanges traded \$14.86bn.

May Exchange News

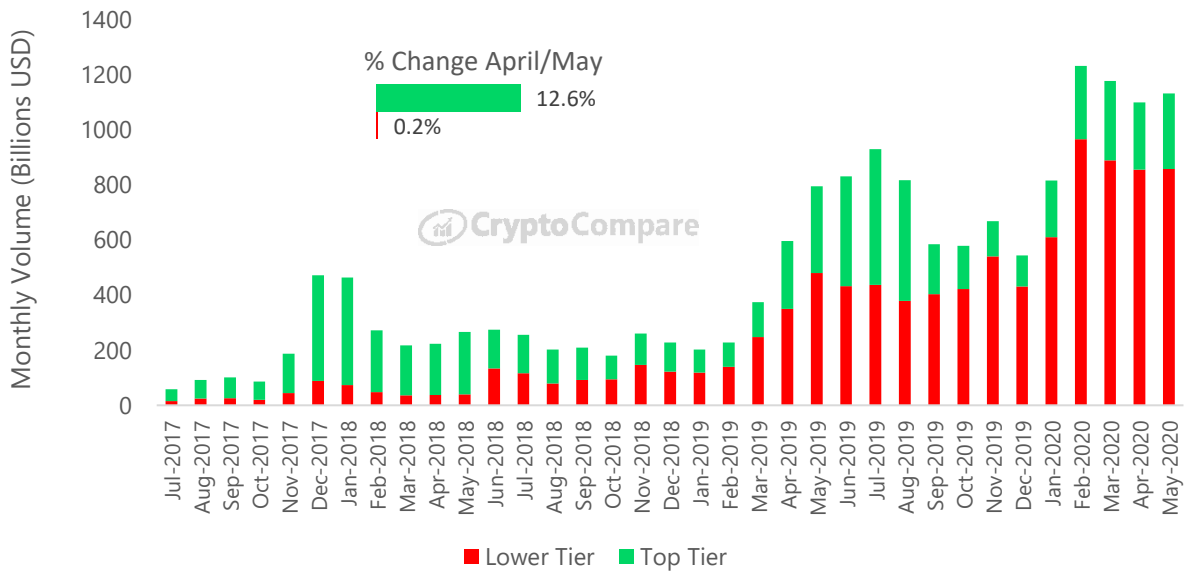
COMPANY	STORY	DATE
Bitstamp	<u>Bitstamp Becomes First Cryptocurrency Exchange to Integrate with Signature Bank's Digital Payments Platform. Signet</u>	May 7
Binance	<u>Binance Launches Binance Leveraged Tokens (BLVT)</u>	May 12
Bitfinex	<u>Bitfinex Launches Institutional Grade Custody Service in Collaboration With Koine</u>	May 13
Deribit	<u>Deribit Integrates With Clearloop to Offer an Instant and Frictionless Off-Exchange Settlement</u>	May 14
FTX	<u>Bitcoin Hashrate Futures Go Live</u>	May 15
FTX	<u>FTX's U.S. Platform Goes Live</u>	May 22
Bitstamp	<u>Introducing GBP Trading With Zero Fees for First Three Months!</u>	May 27
Coinbase	<u>Coinbase to acquire leading institutional crypto brokerage Tagomi</u>	May 27
Coinbase	<u>Coinbase launches staking rewards for customers in the UK, France, Spain and The Netherlands</u>	May 28
Gemini	<u>Gemini Integrates With Samsung Blockchain Wallet</u>	May 28

Exchange Benchmark Analysis

CryptoCompare’s Exchange Benchmark aims to serve investors, regulators and crypto enthusiasts by scoring exchanges in terms of transparency, operational quality, regulatory standing, data provision, management team, and their ability to monitor trades and illicit activity effectively. Rather than drawing attention specifically to bad actors, we instead highlight those that behave in a manner that is conducive to maintaining an efficient and fair market, ensuring greater safety of investors. We have hence introduced the notion of “Top-Tier” vs “Lower-tier” volumes.

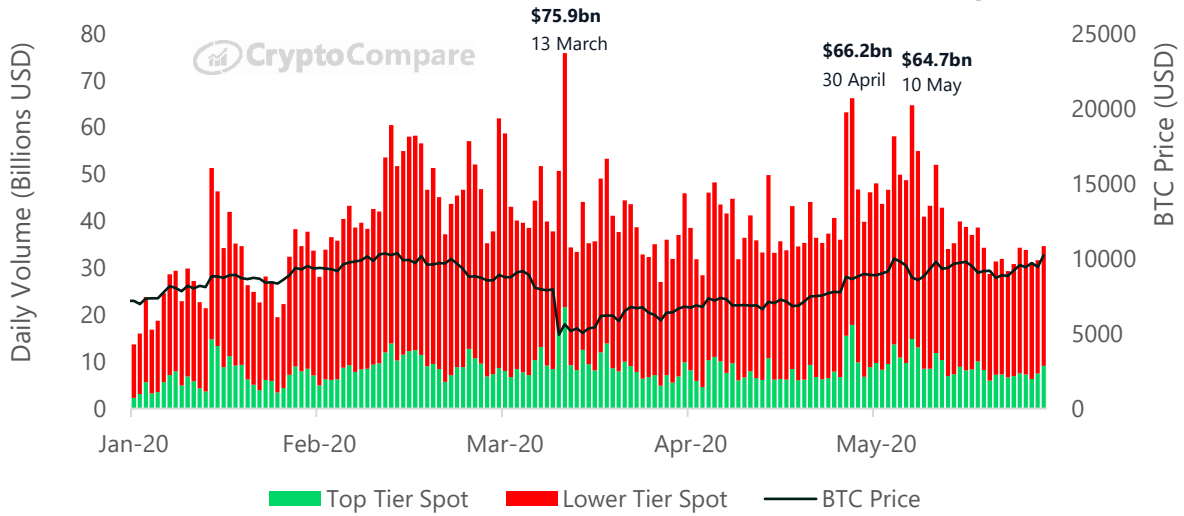
Explore the Exchange Benchmark [here](#)

Historical Monthly Top Tier vs Lower Tier Volume



In May, Top Tier volumes increased 12.6% to \$275bn, while Lower Tier volumes only increased 0.2% to \$858bn.

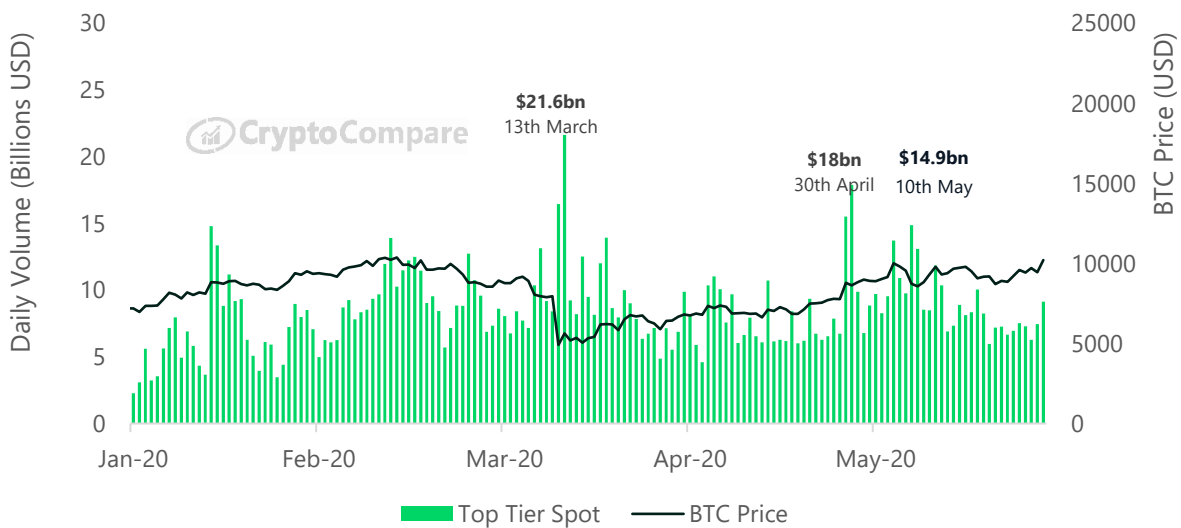
Total Spot Volume - Lower Tier vs Top Tier Exchanges



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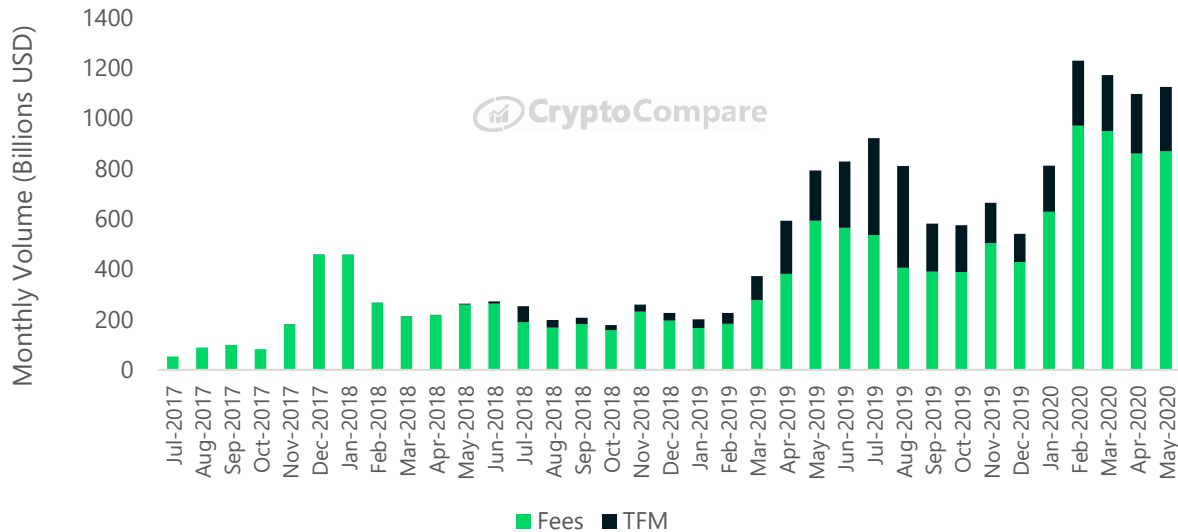
Categorising exchanges by tier level based on our rigorous [Exchange Benchmark methodology](#) helps us capture a more representative picture of where the market has moved. As seen, Top Tier exchanges saw a similar spike in volume on the 10th of May.

Total Spot Volume - Top Tier Exchanges



Macro Analysis and Market Segmentation

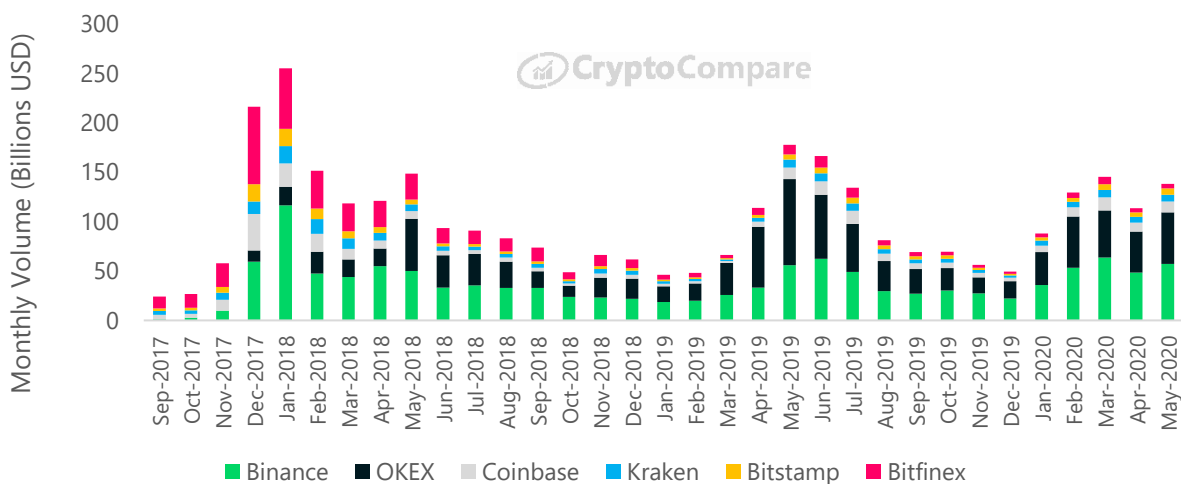
Historical Volume by Fee Model



Exchanges that charge traditional taker fees represented 77% of total exchange volume in May, while those that implement Trans-Fee Mining (TFM) represented less than 23%. Last month, fee charging exchanges represented 78% of total spot volume.

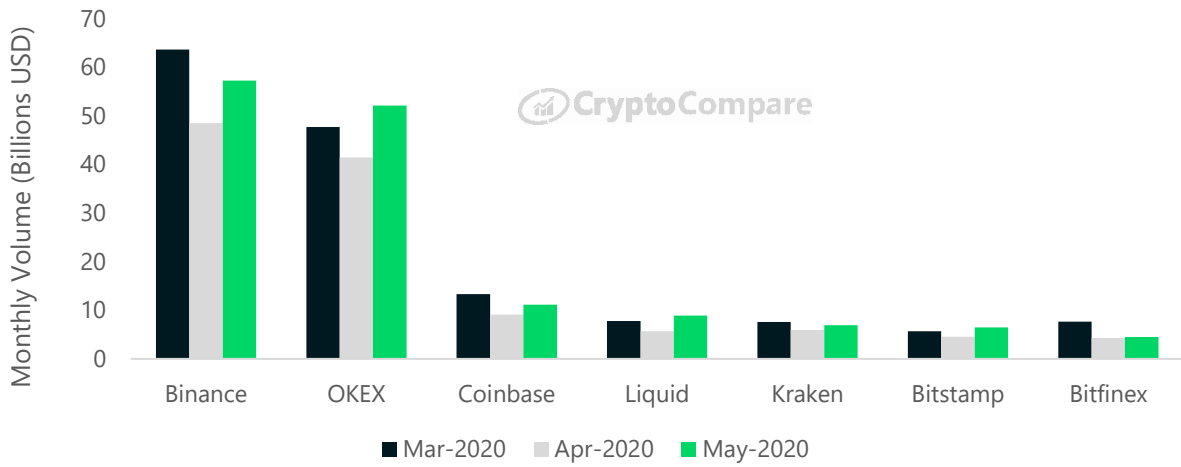
Fee-charging exchanges traded a total of \$868bn in May (up 1% since April), while those that implement TFM models traded \$256bn (up 9% since April).

Historical Monthly Top Tier Exchange Volume



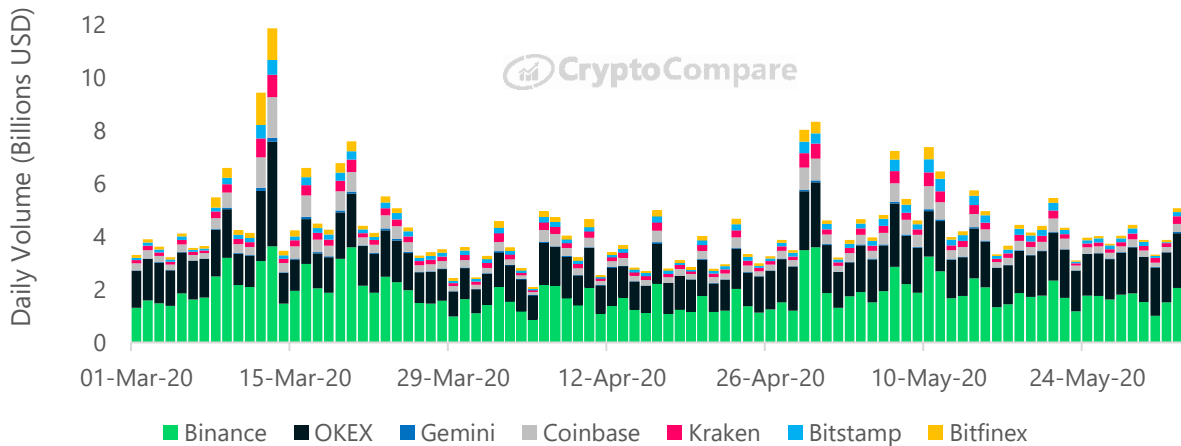
In May, volume from many of the largest Top Tier exchanges increased 26% on average (vs April).

Historical Monthly Top Tier Exchange Volume - Last 3 Months



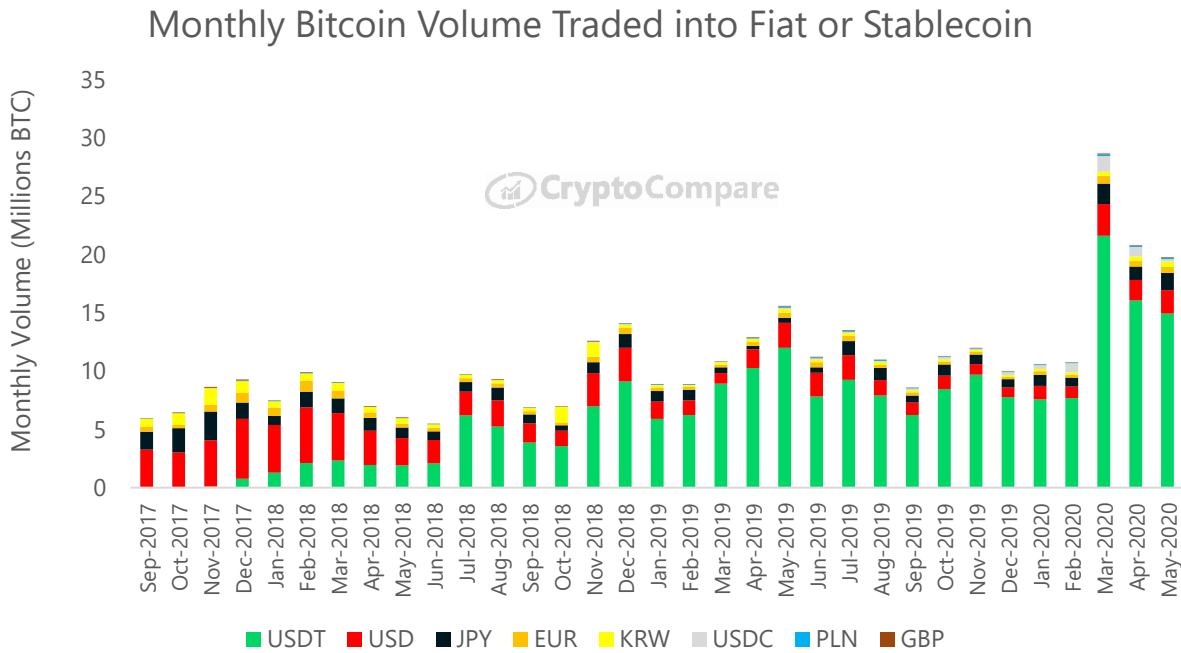
Binance was the largest Top Tier exchange by volume in May, trading \$57.2bn (up 18.2%). This was followed by OKEx trading \$52.1bn (up 25.7%), and Coinbase trading \$11.2bn (up 22.4%).

Daily Trading Volume Among Top Tier Exchanges



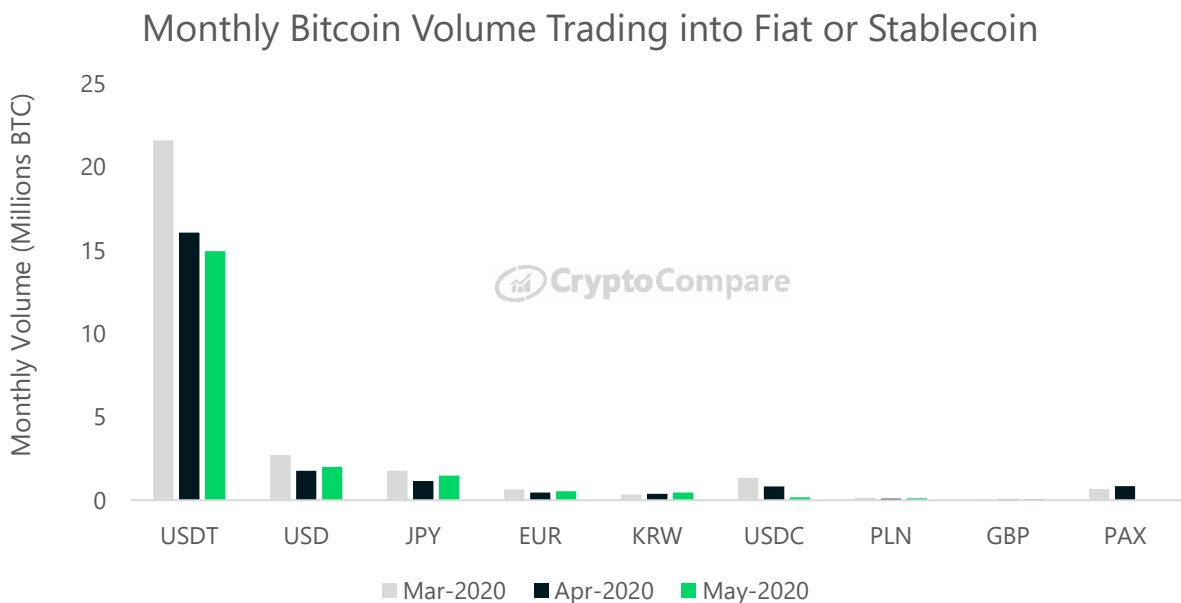
Binance and OKEx remained the top players in terms of volume in May relative to other Top Tier exchanges.

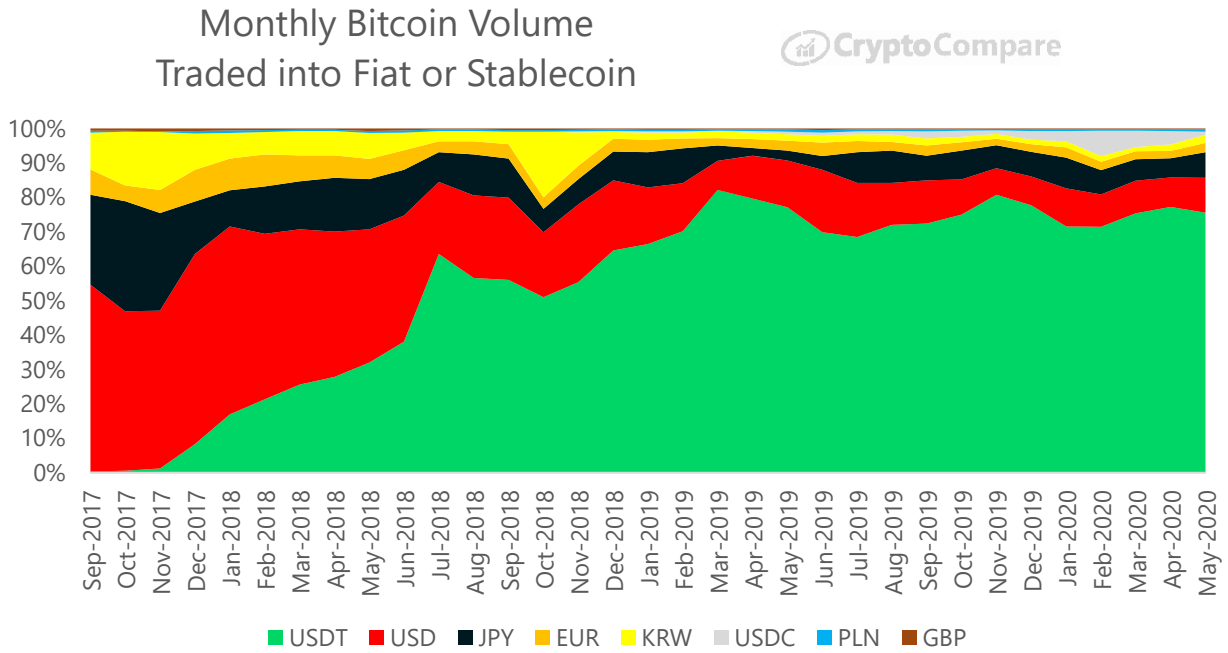
Bitcoin to Fiat Volumes



BTC trading into USDT decreased 7% in May to 14.9mn BTC vs 16.1mn BTC in April. In contrast, trading into USD and JPY increased to 2.0mn BTC (up 12%) and 1.5mn BTC (up 28%) respectively. The EUR and KRW markets saw increases of 17% and 21% respectively.

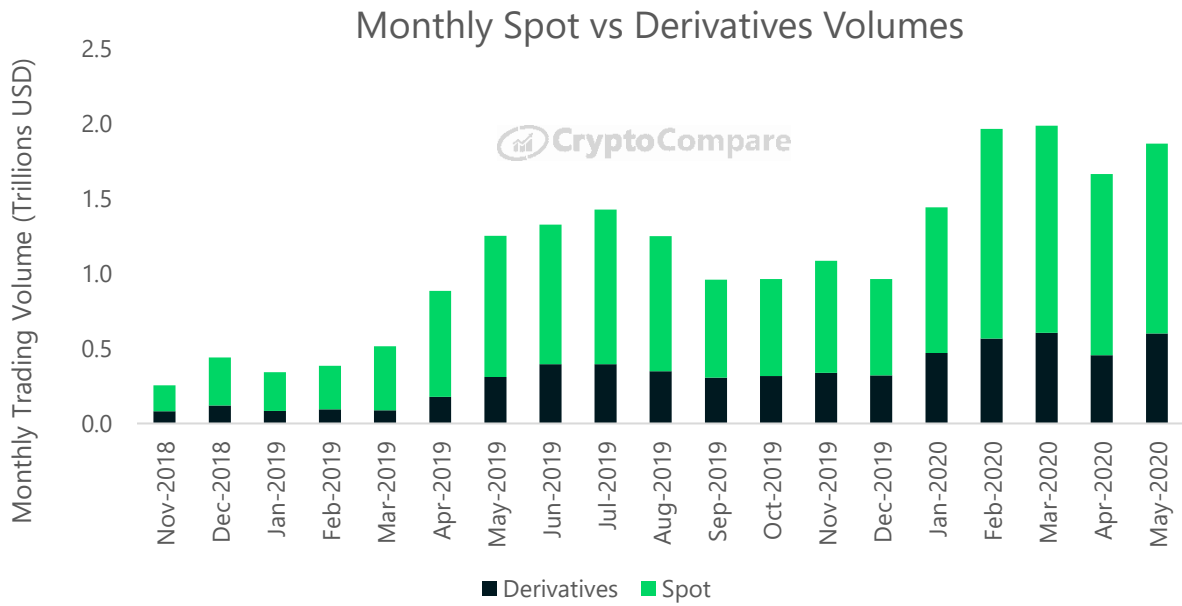
Stablecoins USDC and PAX saw a large drop in total volume traded into BTC. BTC/USDC and BTC/PAX markets traded 0.18mn BTC (down 78%) and 0.03mn BTC (down 97%) respectively in May.



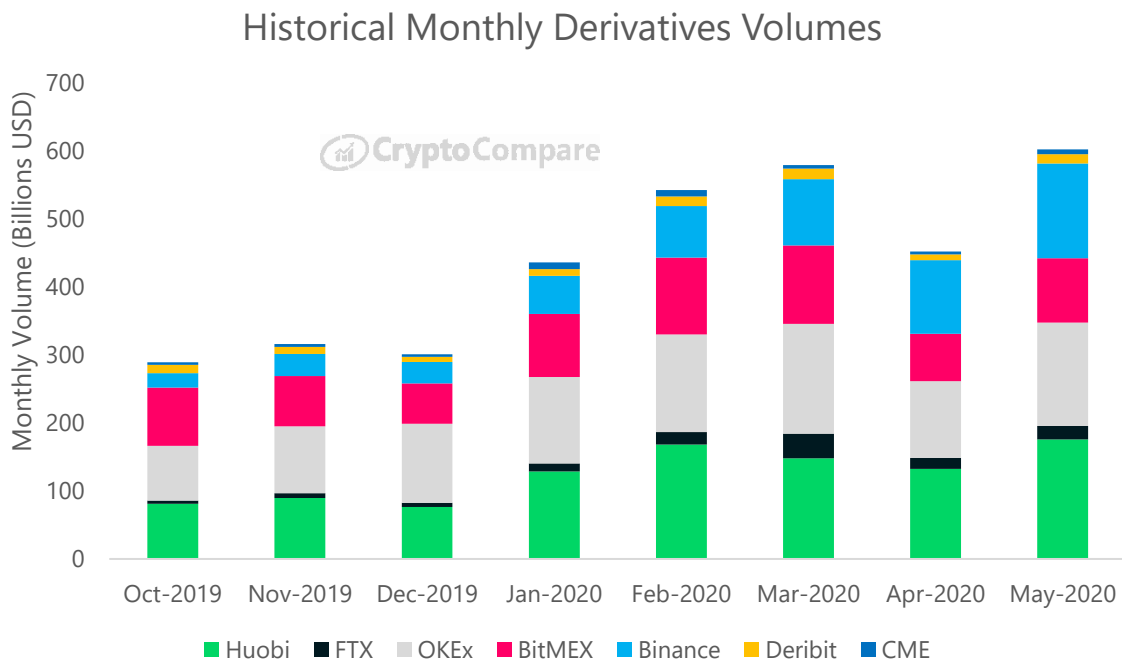


The BTC/USDT pair still represents the majority of BTC traded into stablecoins at ~98%. BTC/USDC and BTC/PAX have lost the market share gained in previous months and now only represent less than 2% combined.

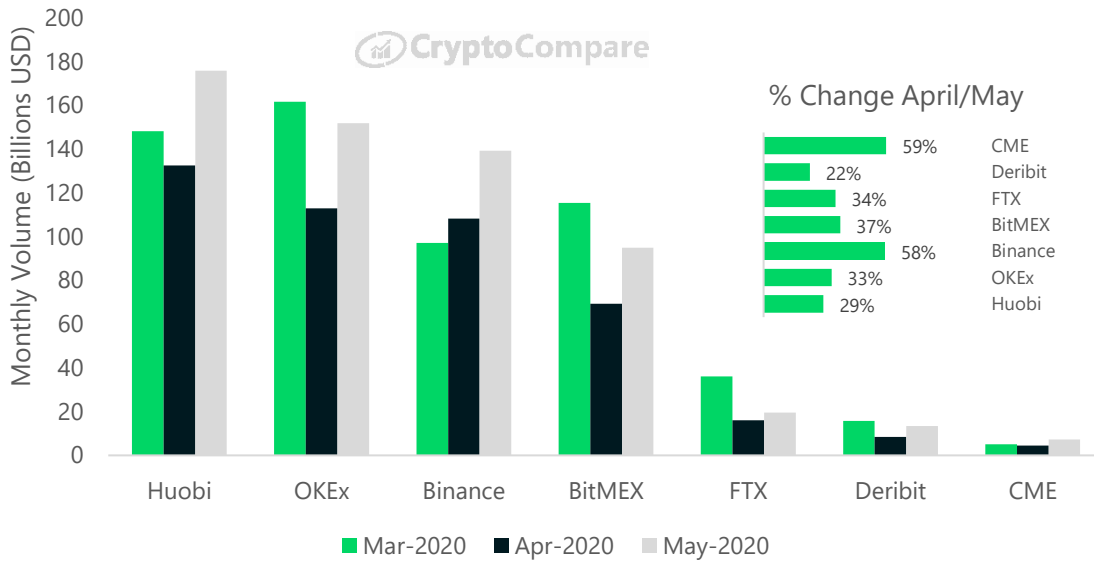
Derivatives



Derivatives volume increased 32% in May to an all-time high, totalling \$602bn. Meanwhile, total spot volumes increased 5% to \$1.27tn. As a result, derivatives represented 32% of the market in May (vs 27% in April).



Historical Monthly Derivatives Volumes

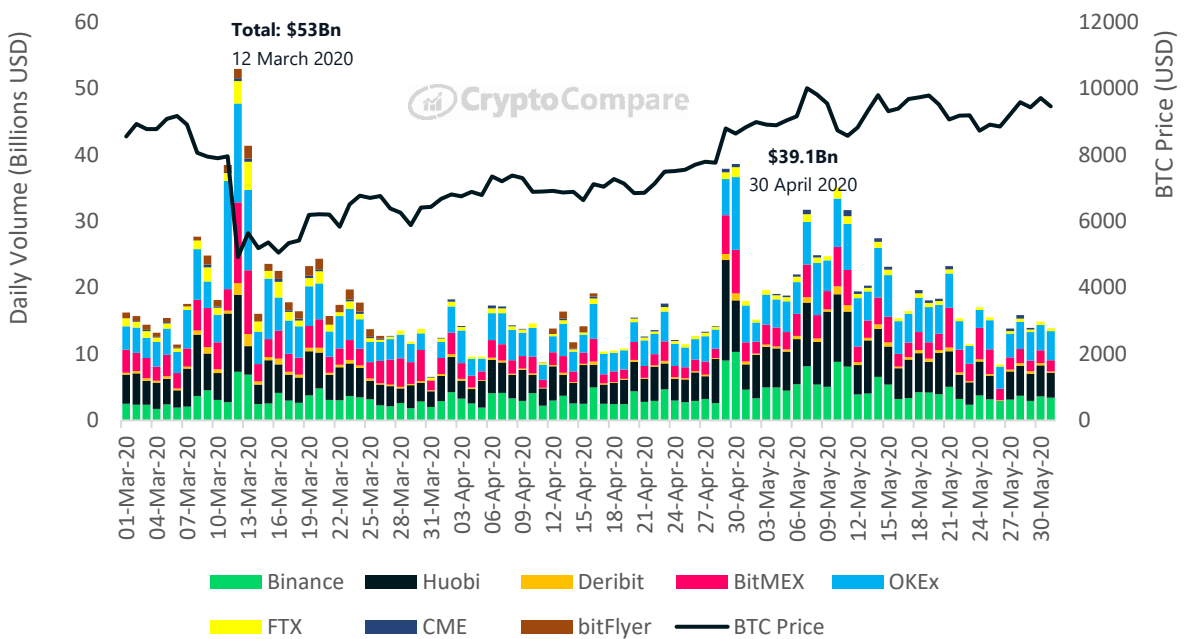


All derivatives saw large increases in trading volume in May, with institutional player CME increasing the most at 59% to \$7.2bn.

Huobi was the largest derivatives exchange, and traded \$176bn (up 29% since April). OKEx and Binance followed with \$152bn (up 33%) and \$139bn (up 58%) respectively.

BitMEX traded \$94.8bn in May (up 37%) while Deribit saw an increase of 22% to \$13.4bn.

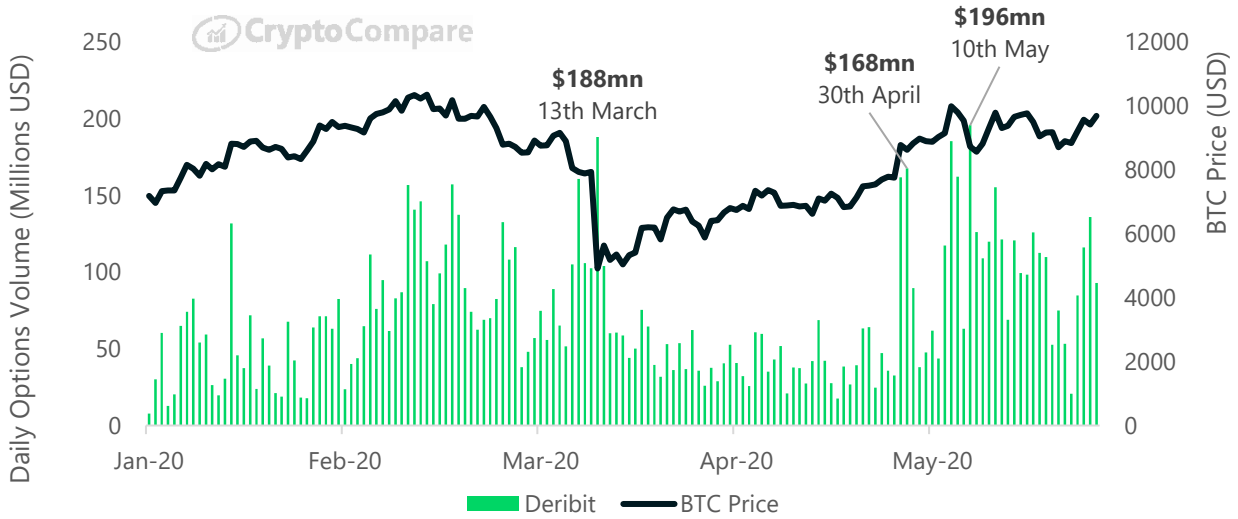
Daily Derivatives Volume - Last Three Months



Despite the large increase in volume since the previous month to reach an all-time high, in May there were no record daily volumes witnessed among the top players.

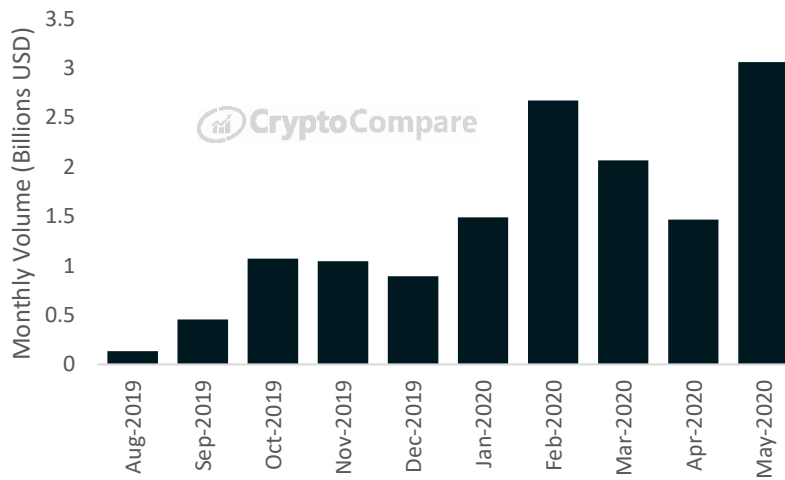
Options

Deribit Options Volumes

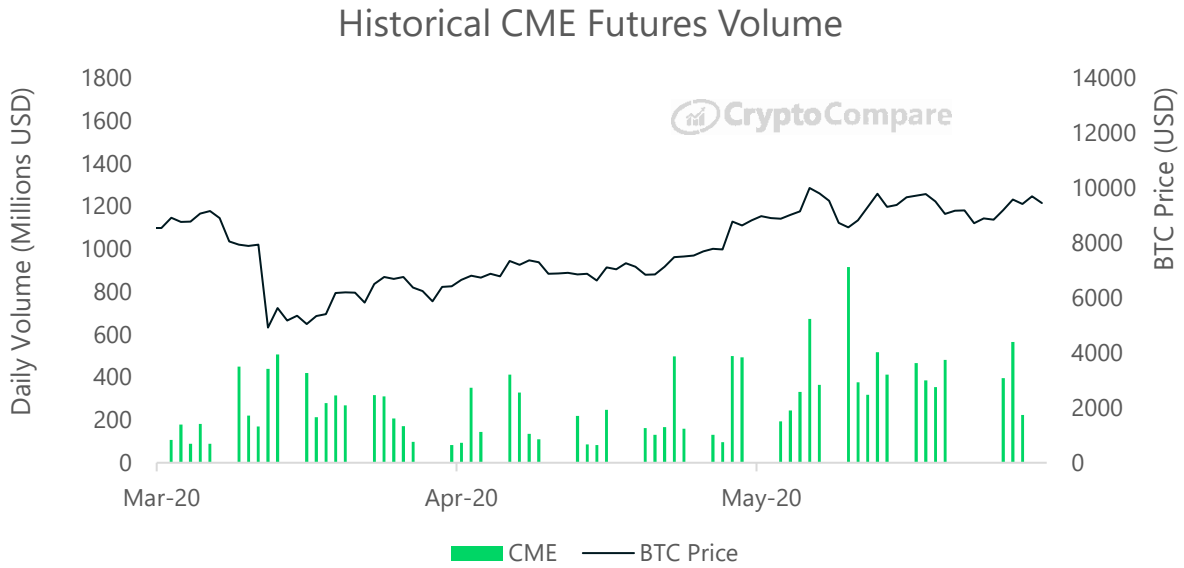


Derivatives exchange Deribit has seen another daily record, trading \$196mn in options on the 10th of May. In May Deribit’s monthly options volume has also reached another all-time high, trading \$3.06bn (up 109%) to double the volume seen in April (\$1.47bn).

Monthly Options Volumes



CME Institutional Volume

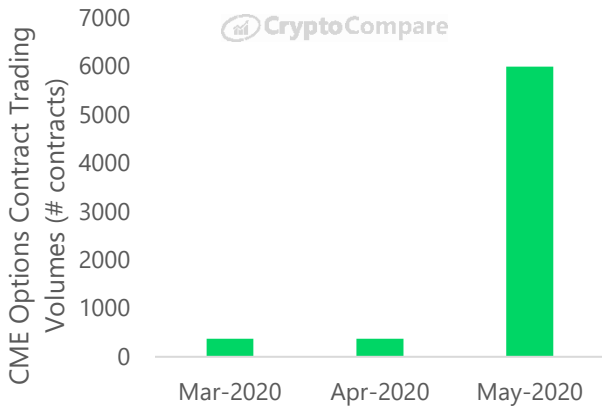


CME futures volumes have recovered since April, increasing 36% (number of contracts) to reach 166,000 in May. Meanwhile, CME total options volumes reached an all-time monthly high of 5986 contracts traded (16 times April's volumes).

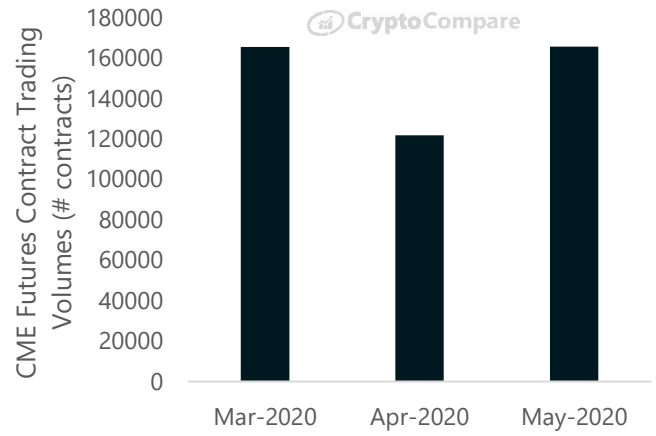
May also represented an all-time high in daily options volume, with CME trading 1418 Bitcoin options contracts on the 28th of May.



CME Options Contract Volumes



CME Futures Contract Volumes



In terms of total trading volume in May, CME's volumes have increased 59% to reach \$7.2bn. This is a greater increase than any other derivatives exchange in May.

Monthly CME Volume

