



EXCHANGE REVIEW

January 2021



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 Market Insights

Spot and Derivatives Volumes Double to All-Time Monthly Highs – New Daily Volume Records Set on the 11th of Jan.

Derivatives volumes increased 101% in January to an all-time monthly high of \$2.89tn. Meanwhile, total spot volumes increased by 97% to \$2.34tn. Across January, volume from the 15 largest Top-Tier exchanges increased 151.6% on average (vs December).

Spot markets set a new daily volume maximum of \$122.95bn on the 11th of January, double that of December's \$67.42bn. This occurred during a sharp 25% correction in Bitcoin's price to \$30,000 following its all-time high. Meanwhile, derivatives markets saw a new daily record of \$187.5bn, which is double that of the previous monthly record set on the 26th of November (\$93.36bn).

CME Sets Record Number of Monthly BTC Futures Contracts Traded and Maintains Highest Open Interest

In terms of monthly contract volumes, roughly 285,000 contracts were traded in January (up 18.0% since December) to a new monthly record. In dollar terms, CME's BTC volumes increased by 108.6% to \$50.1bn.

CME also maintained the highest open interest for BTC futures at \$2.0bn (up 53.2%) followed by OKEx at \$1.6bn (up 44.1%).

Binance Tops Derivatives Open Interest Across All Aggregate Products

In January, Binance had the highest open interest across all derivatives products on average at \$2.6bn (up 53.7% since December). This was followed by OKEx (\$2.5bn, up 36.4%) and CME (\$2.0bn, up 53.2%).

Top Tier Exchanges Continue to Gain Market Share Over Lower Tier Exchanges

In January, Top-Tier volumes increased 109.4% to \$1.71tn while Lower-Tier volumes increased 67.6% to \$596bn. Top-Tier exchanges now represent 74.2% of total volume (vs 69.7% in December).

January Exchange News

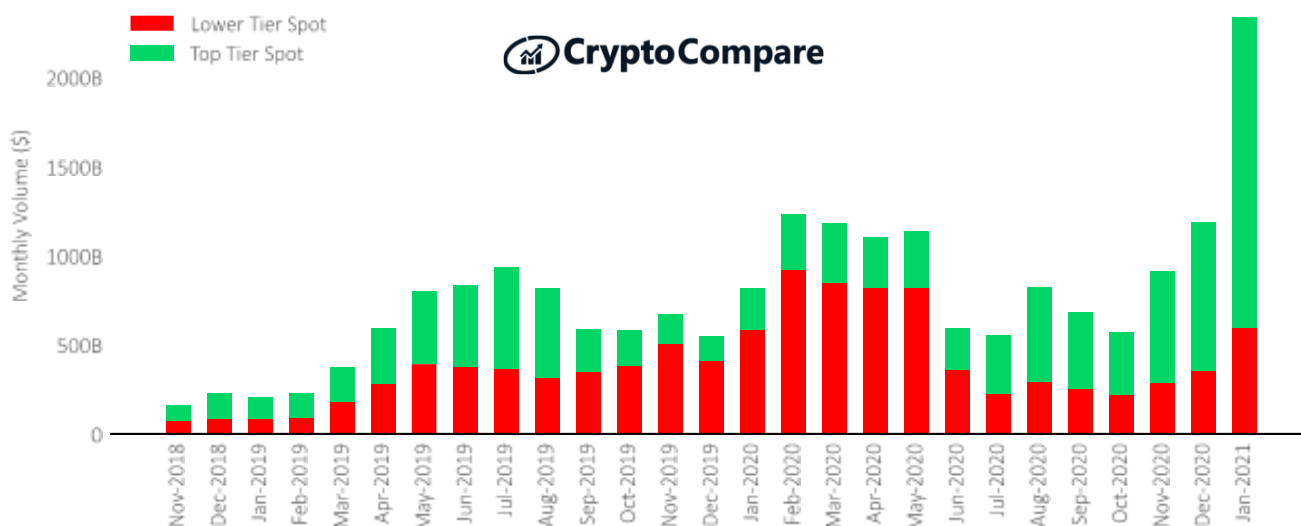
COMPANY	STORY	DATE
BitMEX	Increasing Screening of Illicit Activity with Chainalysis	January 12
Gemini	Gemini To Offer Credit Card With Crypto Rewards	January 14
OKEx	OKExChain's Native OKT Token To Trade on OKEx With Zero Fees	January 15
Binance	14th BNB Burn	January 19
Coinbase	Coinbase To Acquire Leading Blockchain Infrastructure Platform, Bison Trails	January 19
Gemini	Gemini Completes SOC 1 Type 2 and SOC 2 Type 2 Examinations	January 19
Huobi Global	Partnership with BCB Group to Enhance European Fiat On Ramping	January 20
Kraken	Kraken Adds GBP and AUD Trading Pairs for 14 New Assets	January 21
Coinbase	Coinbase Announces Proposed Direct Listing	January 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.

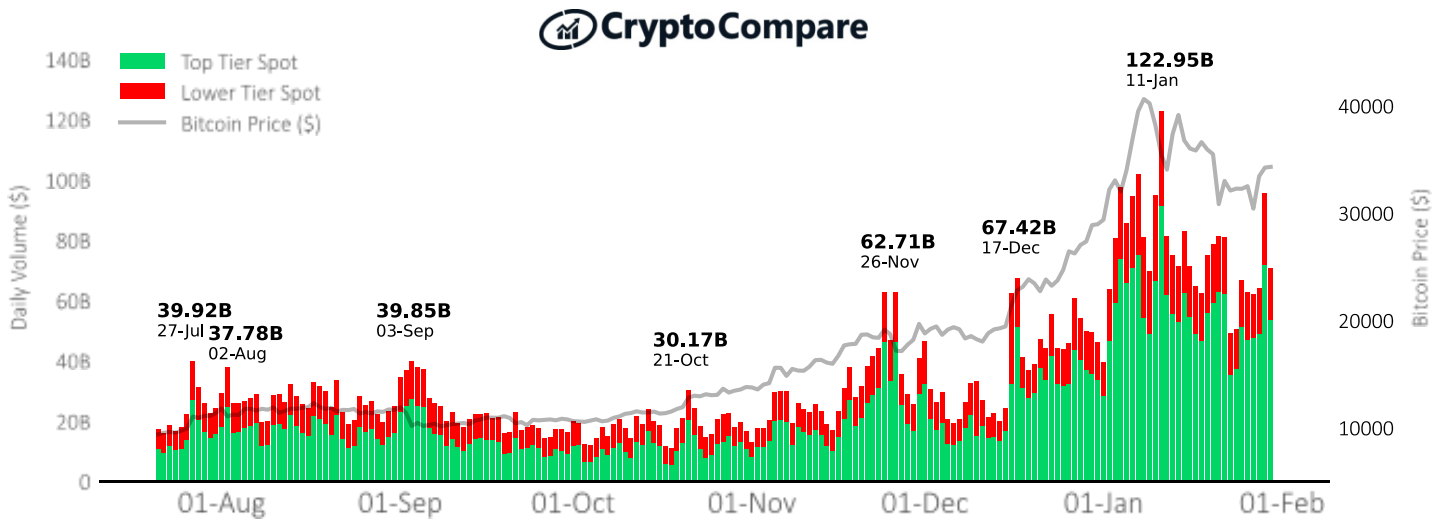
[Explore the Exchange Benchmark here](#)

Historical Monthly Top Tier vs Lower Tier Volume



In January, Top-Tier volumes increased 109.4% to \$1.71tn while Lower-Tier volumes increased 67.6% to \$596bn. Top-Tier exchanges now represent 74.2% of total volume (vs 69.7% in December).

Daily Top Tier vs Lower Tier Spot Volumes

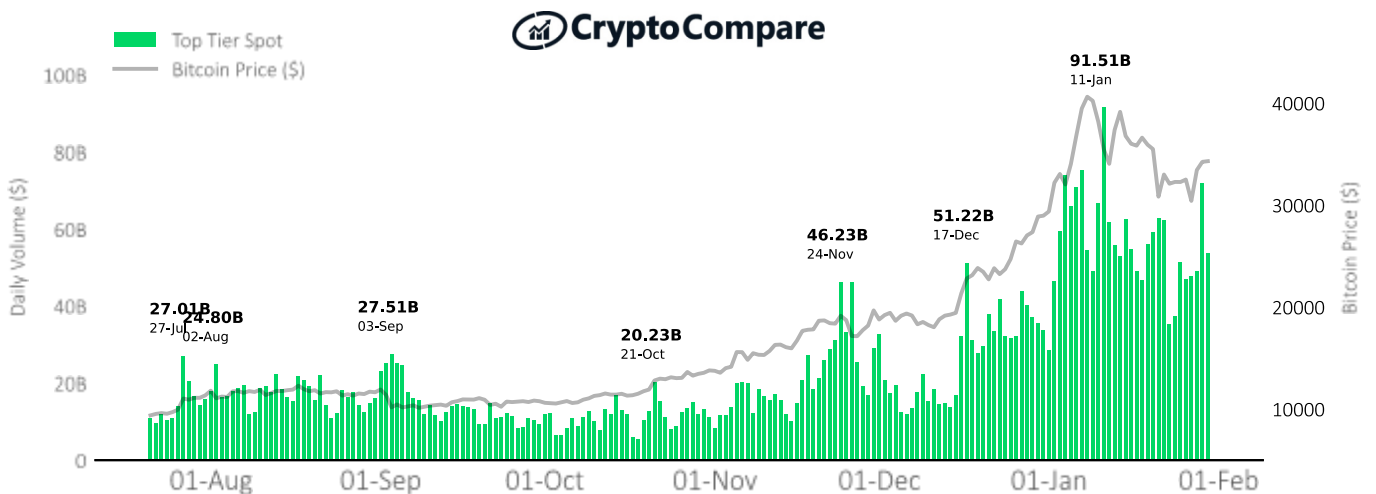


Trading activity across all spot markets throughout January dwarfed that of the previous month as Bitcoin peaked to a new all-time high of just under \$42,000. A daily volume maximum of \$122.95bn (and new all time high) was traded on the 11th of January, which is double that of December’s \$67.42bn. This occurred during a sharp 25% correction in Bitcoin’s price to \$30,000 following its all-time high.

The previous all-time high for daily spot volume occurred on the 13th of March 2020 at \$72.5bn.

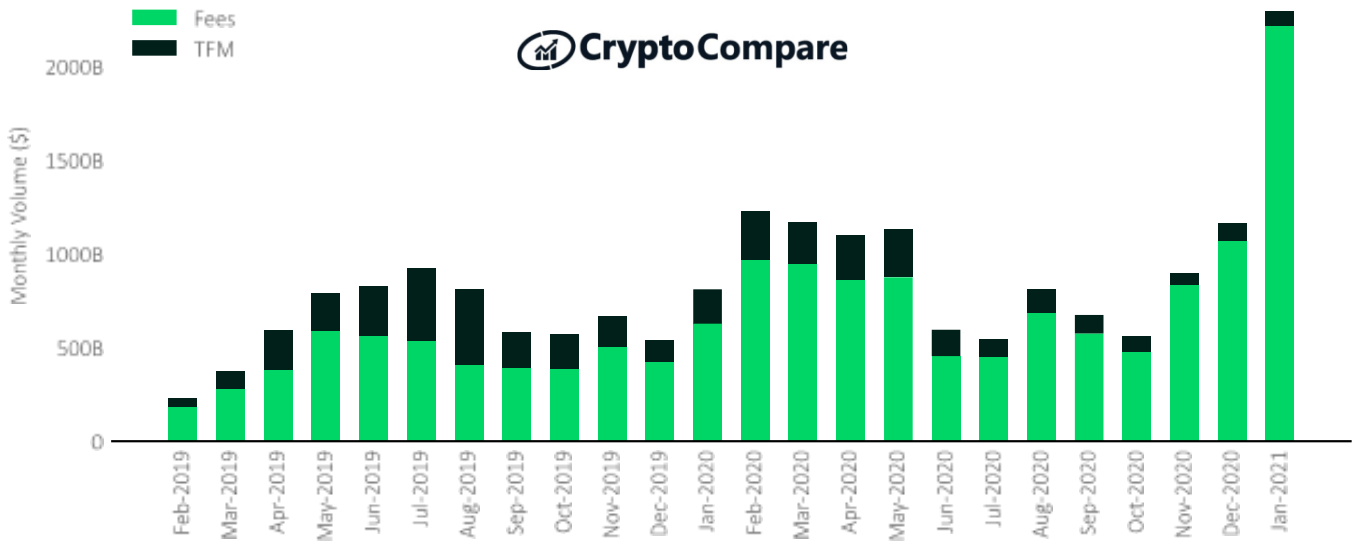
Most trading activity was driven by Top-Tier exchanges, which achieved a new all-time high of \$91.51bn on the 11th of Jan 2021. The previous all-time high was \$51.2bn traded on the 17th December 2020. Top-Tier exchanges are selected based on our rigorous [Exchange Benchmark Methodology](#).

Daily Top Tier Spot Volumes



Macro Analysis and Market Segmentation

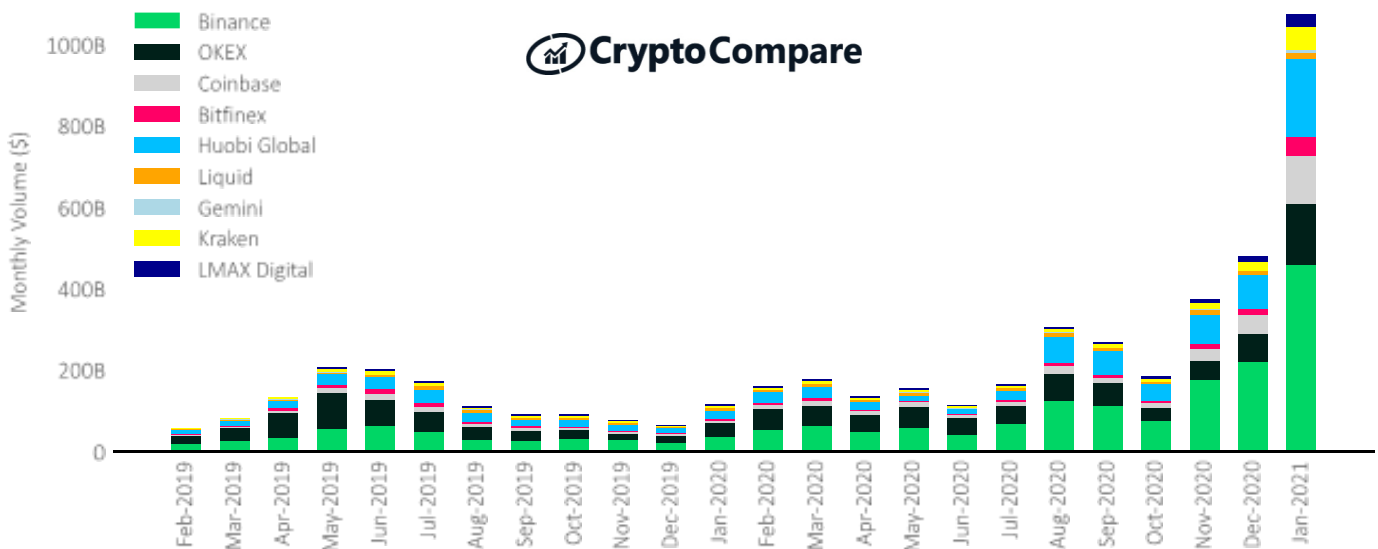
Historical Volume by Fee Model



Exchanges that charge traditional taker fees represented 96% of total exchange volume in January (vs 92.12% in December), while those that implement Trans-Fee Mining (TFM) represented less than 4%.

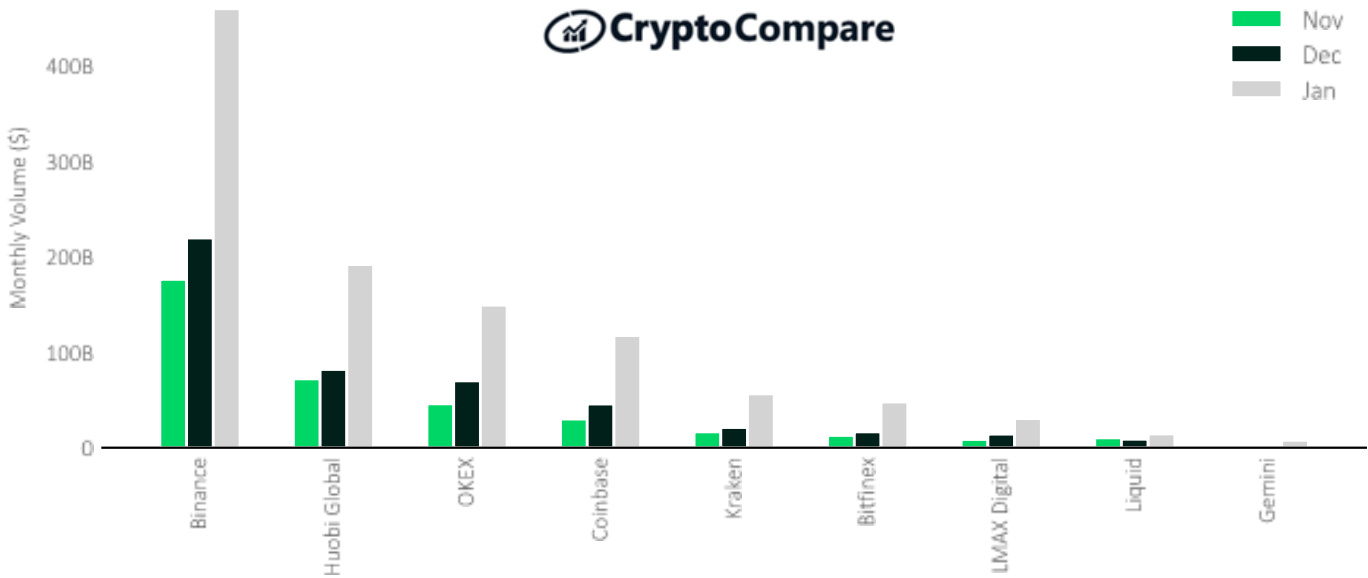
Fee-charging exchanges traded a total of \$2.22tn in January (up 107% since December), while those that implement TFM models traded \$77.4bn (down 16% since December).

Monthly Top Tier Spot Volume



In January, volume from the 15 largest Top-Tier exchanges increased a massive 151.6% on average (vs December).

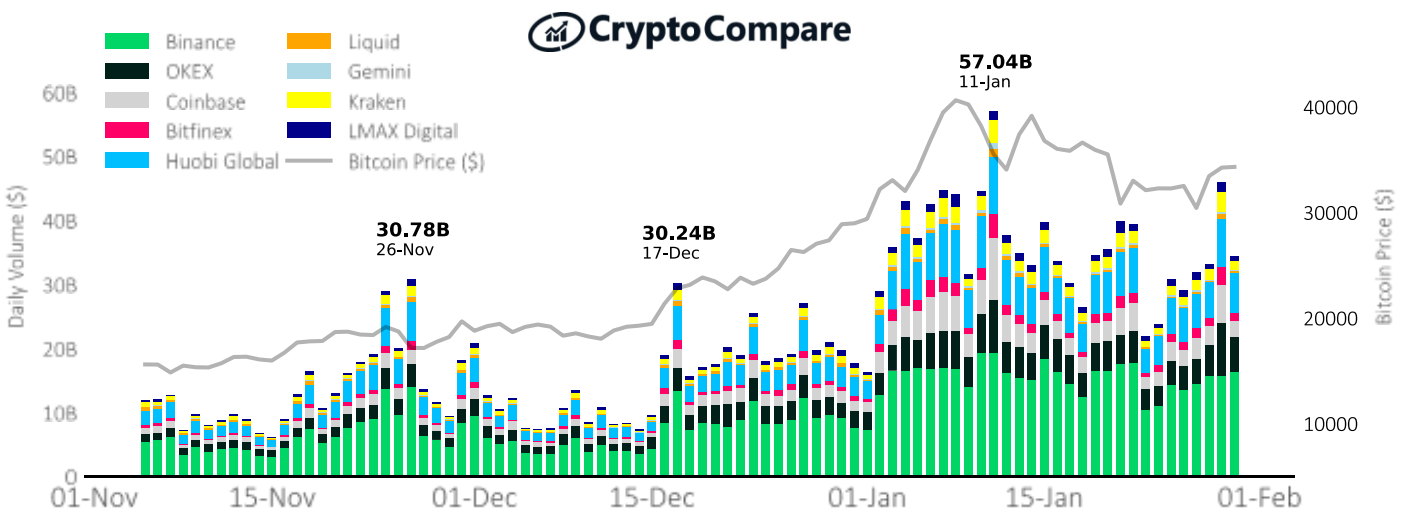
Historical Monthly Top Tier Spot Volume - 3 Months



Binance (Grade A) was the largest Top-Tier exchange by volume in January, trading \$459.6bn (up 109%). This was followed by Huobi Global (Grade BB) trading \$191.7bn (up 134%), and OKEx (Grade BB) trading \$149.3bn (up 113%).

Exchanges Coinbase (AA), Kraken (A), and Bitfinex (A) followed with \$117.4bn (up 157%), \$56.3bn (up 167%) and \$47.8bn (up 189%).

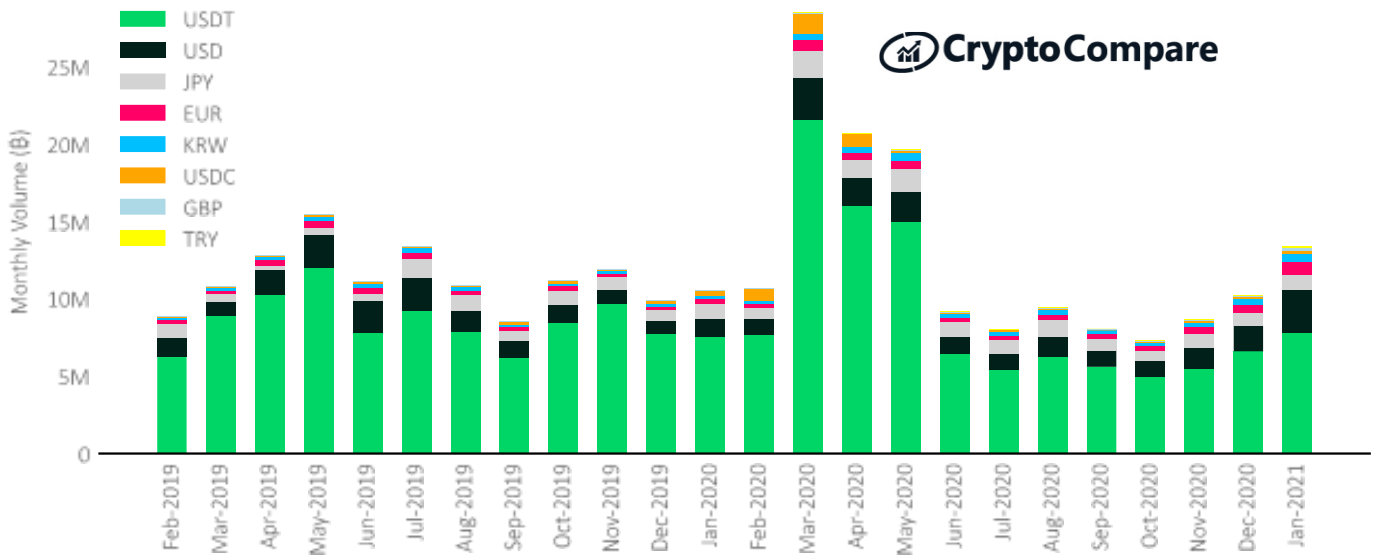
Daily Top Tier Spot Exchange Volumes



Binance (A), OKEx (BB) and Huobi Global (BB) remained the top players in terms of volume in January relative to other Top-Tier exchanges. Among the top 15 Top-Tier exchanges, they represented approximately 65% of the volume (vs 70% in December).

Bitcoin to Fiat Volumes

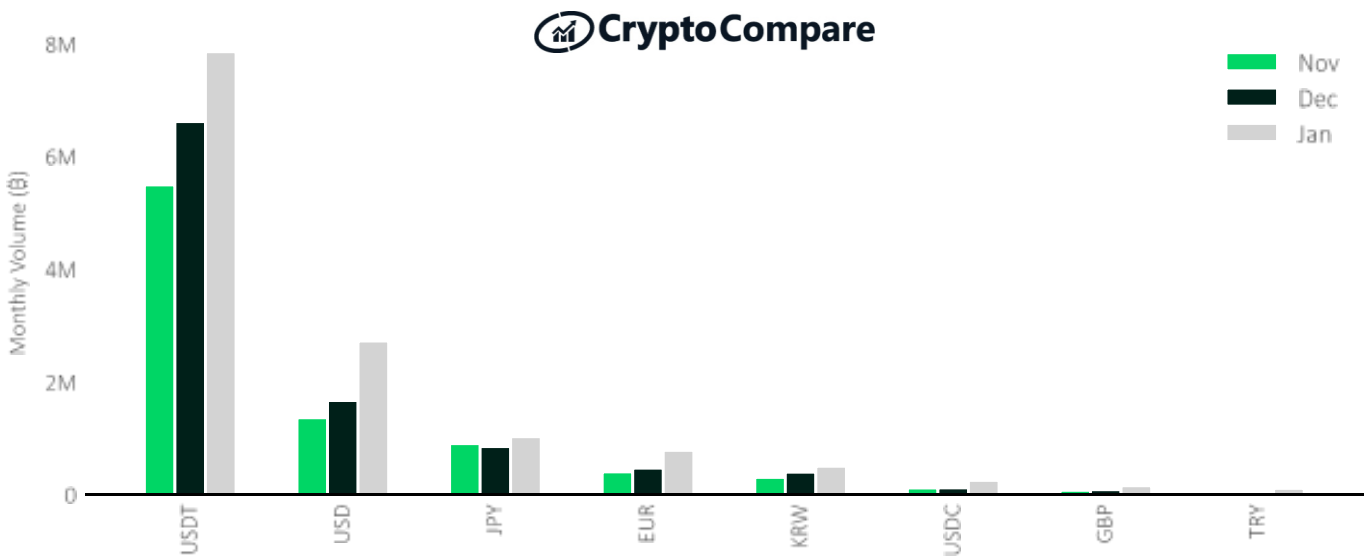
Monthly Bitcoin Volume Traded into Fiat or Stablecoin

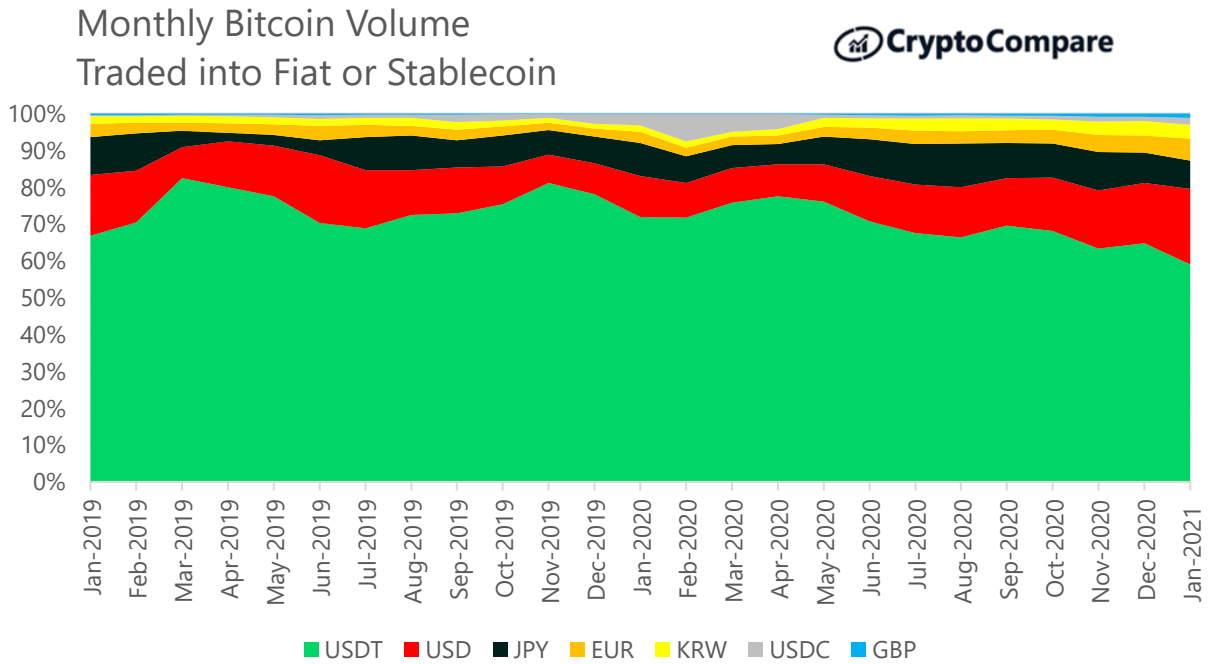


BTC trading into USDT increased by 18.7% in January to 7.9mn BTC, while trading into USD increased to 2.7mn BTC (up 63.2%) and trading into JPY increased to 1.03mn BTC (up 20.5%). EUR markets increased 67%, while BTC trading into KRW increased 26%.

Stablecoin markets BTC/USDC and BTC/PAX traded 253,227 BTC (up 111%) and 31,670 BTC (up 55%) respectively in January.

Monthly Bitcoin Volume Traded into Fiat or Stablecoin - 3 Months

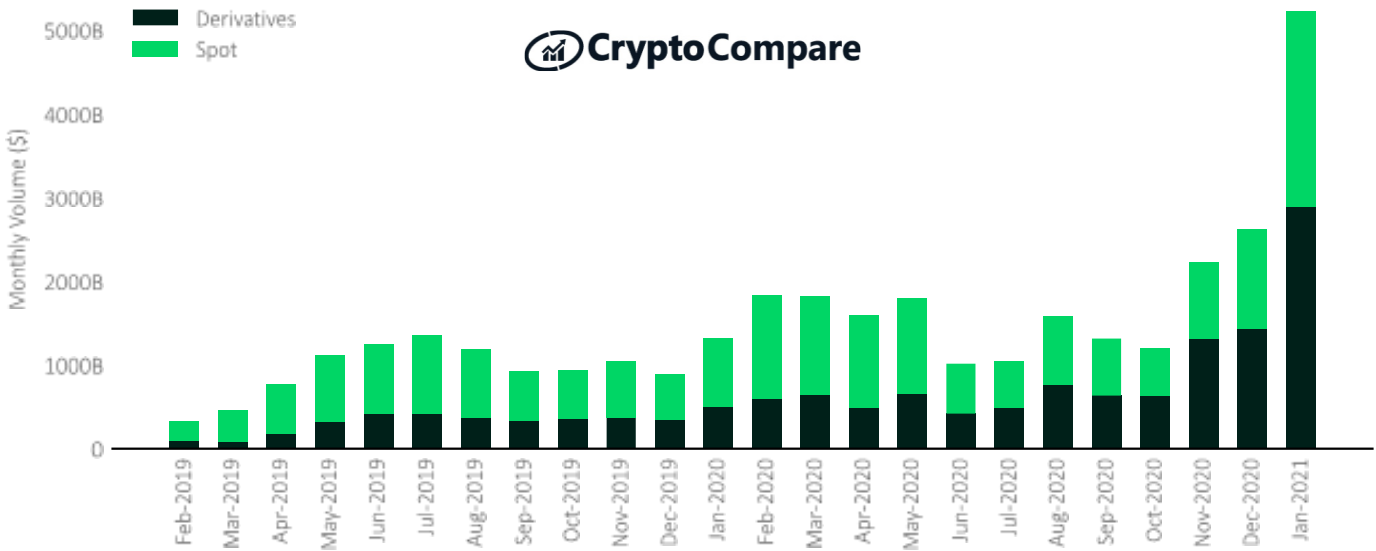




BTC/USDT trading still represents the majority of BTC traded into fiat or stablecoin in January at 57.4% (vs 63% in December). BTC/USD trading has gained market share and now represents almost 20% of BTC volume (vs 15.9% in December).

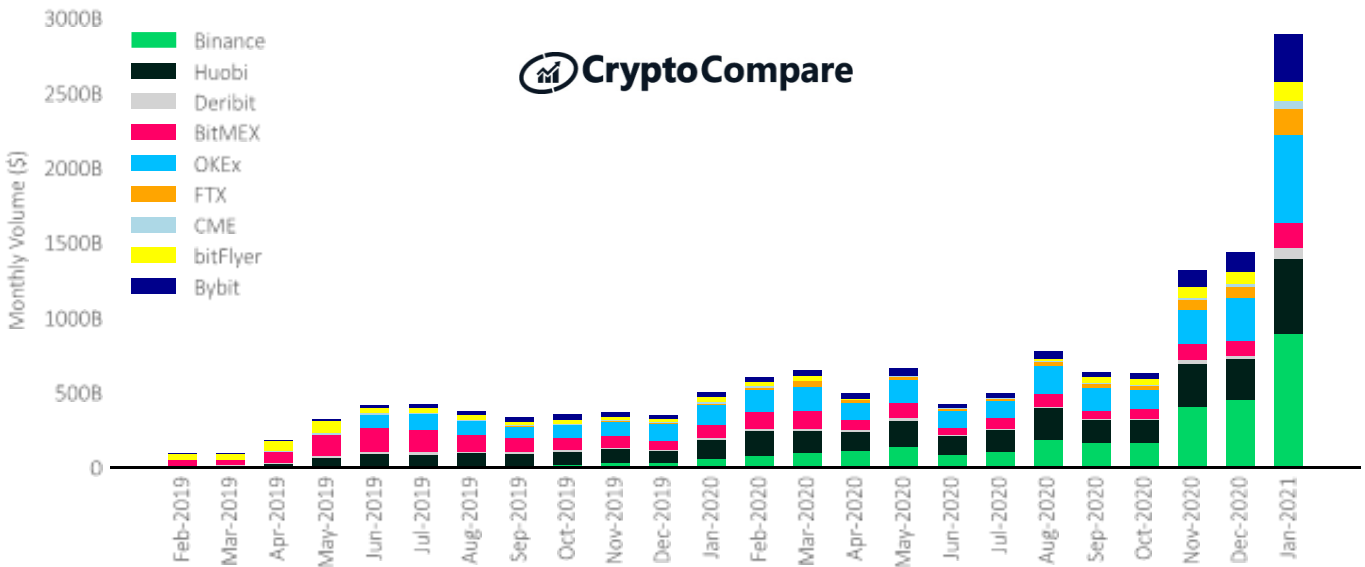
Derivatives

Monthly Spot vs Derivatives Volume

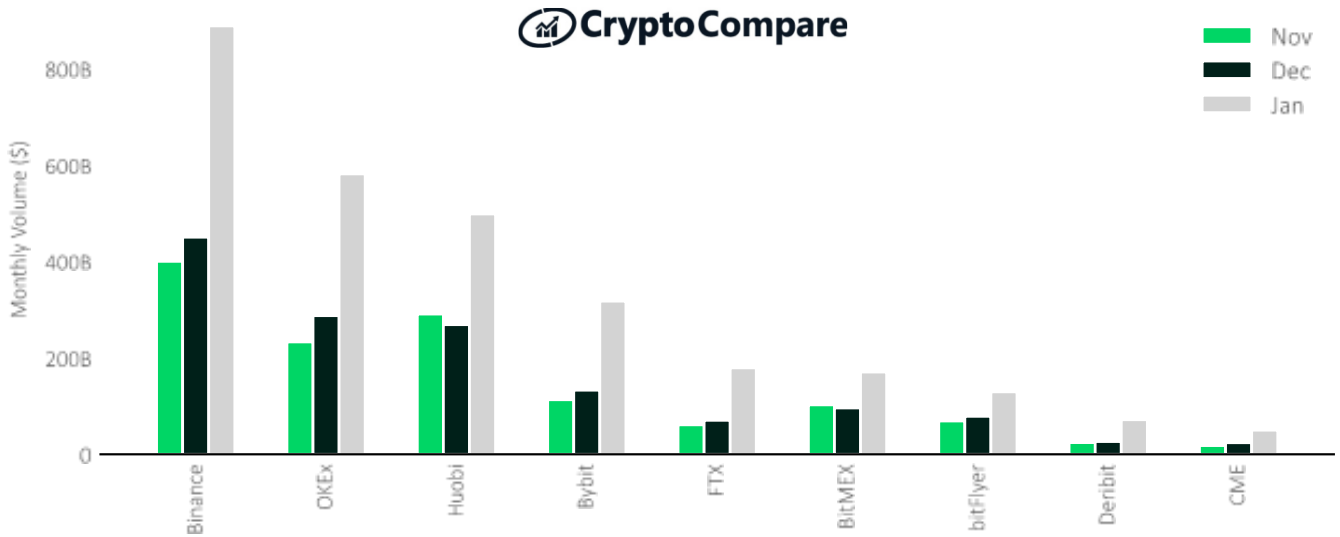


Derivatives volumes increased 101% in January to an all-time monthly high of \$2.89tn. Meanwhile, total spot volumes increased by 97% to \$2.34tn. The derivatives market now represents 55.3% of the total crypto market (vs 54.8% in December).

Historical Monthly Derivatives Volume



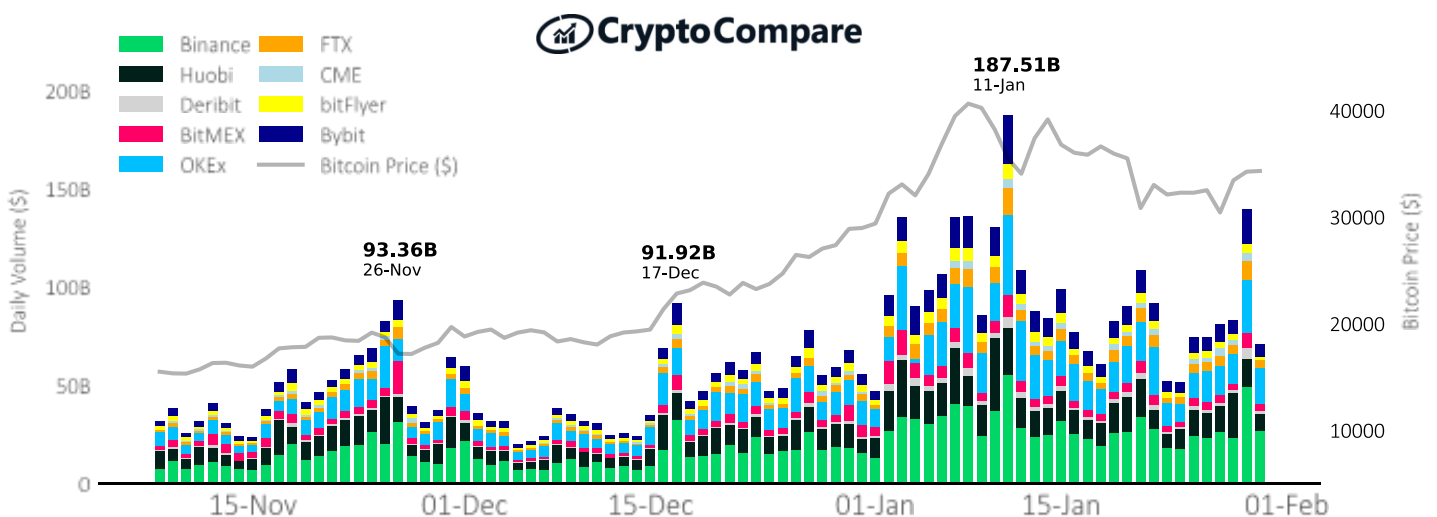
Historical Monthly Derivatives Volumes - 3 Months



Binance was the largest derivatives exchange in January by monthly trading volume with \$890bn (up 97% since December).

OKEx (up 102.2%), Huobi (up 85.4%) and Bybit (up 138.9%) followed with \$582bn, \$499bn and \$318bn traded respectively.

Daily Derivatives Exchange Volume

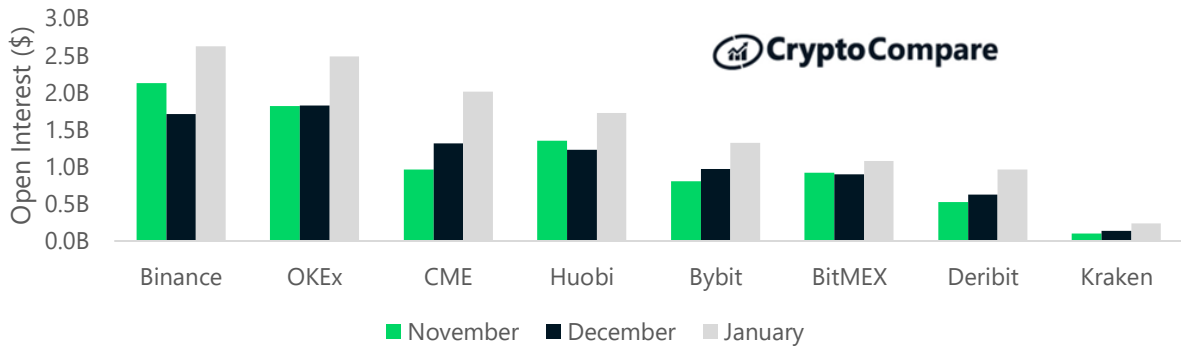


Derivatives exchanges traded a new all-time daily maximum of \$187.5bn on the 11th of January 2021. This doubles the previous record set on the 26th of November (\$93.36bn).

Open Interest

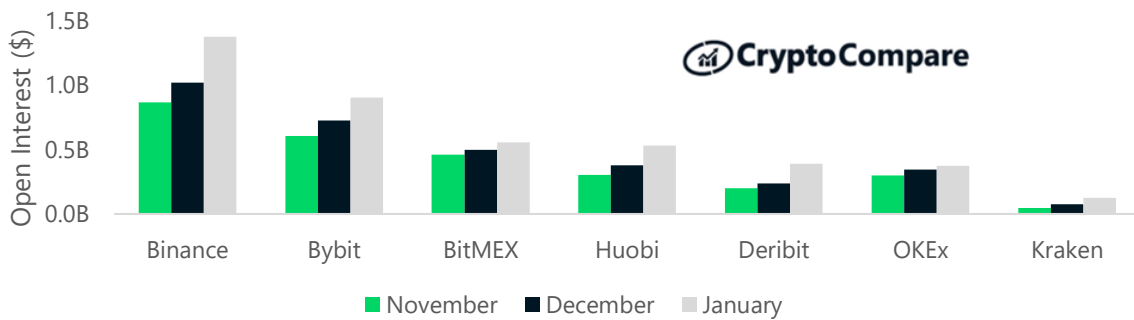
In January, Binance had the highest open interest across all derivatives products on average at \$2.6bn (up 53.7% since December). This was followed by OKEx (\$2.5bn, up 36.4%) and CME (\$2.0bn, up 53.2%).

Aggregate Derivatives Open Interest (\$)



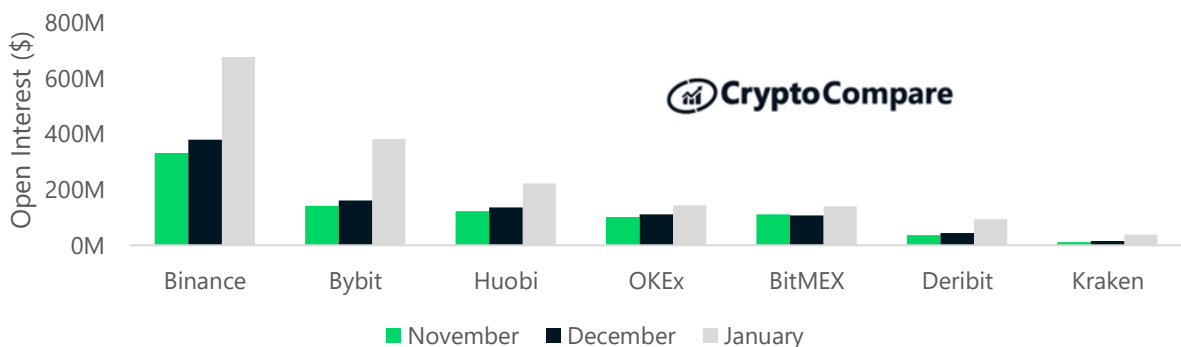
In terms of BTC perpetual futures, Binance had the highest open interest at \$1.4bn (up 35.0%) followed by Bybit at \$0.9bn (up 24.4%).

Perpetual BTC Open Interest (\$)



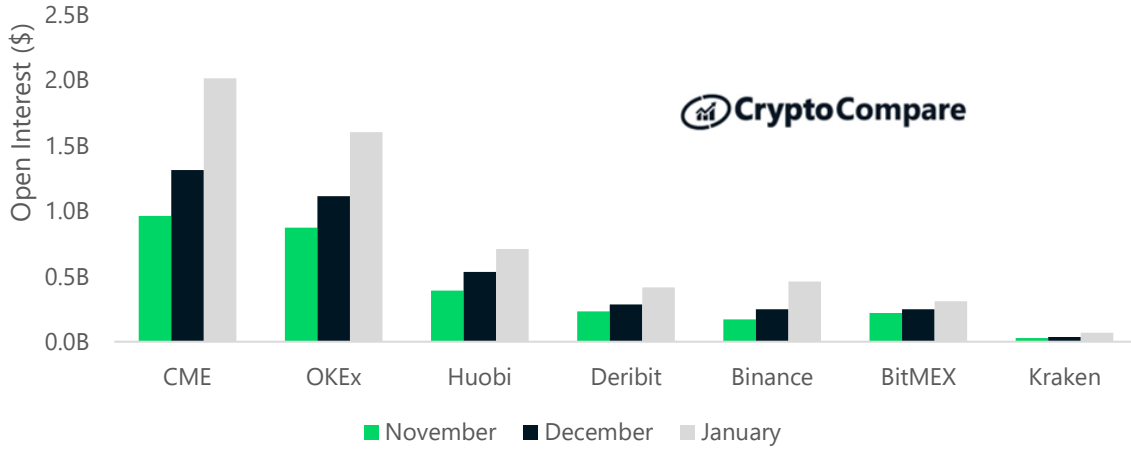
Binance also has the highest open interest figures for ETH perpetual futures contracts at \$675mn (up 78.2%), followed by Bybit at \$381mn (up 136.2%).

Perpetual ETH Open Interest (\$)



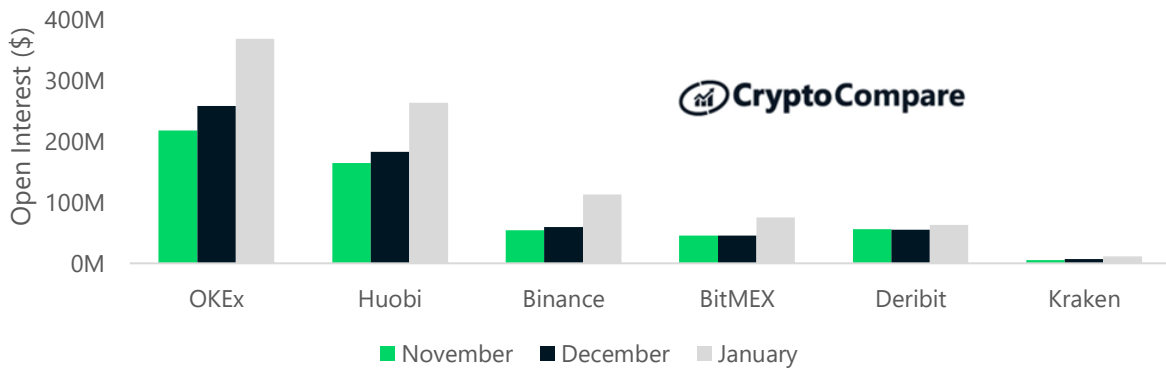
Meanwhile, regulated futures exchange CME maintained the highest open interest for BTC futures at \$2.0bn (up 53.2%) followed by OKEx at \$1.6bn (up 44.1%).

BTC Futures Open Interest (\$)



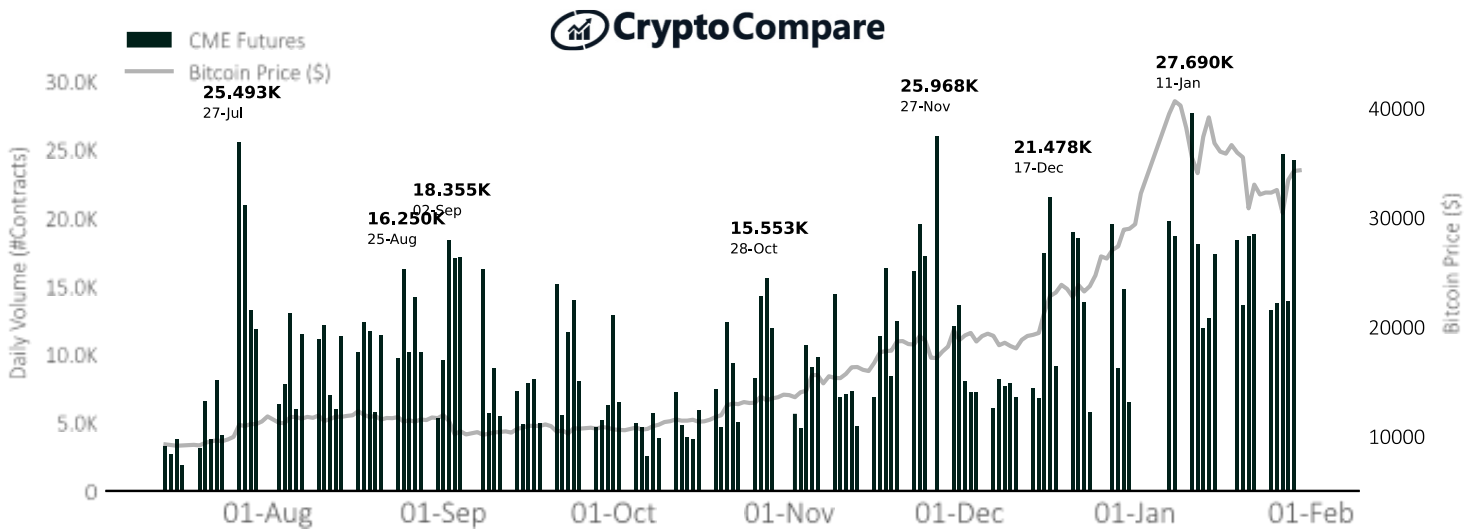
OKEx had the highest open interest figures for ETH futures contracts at \$368mn (up 43%), followed by Huobi with \$263mn (up 44%).

ETH Futures Open Interest (\$)



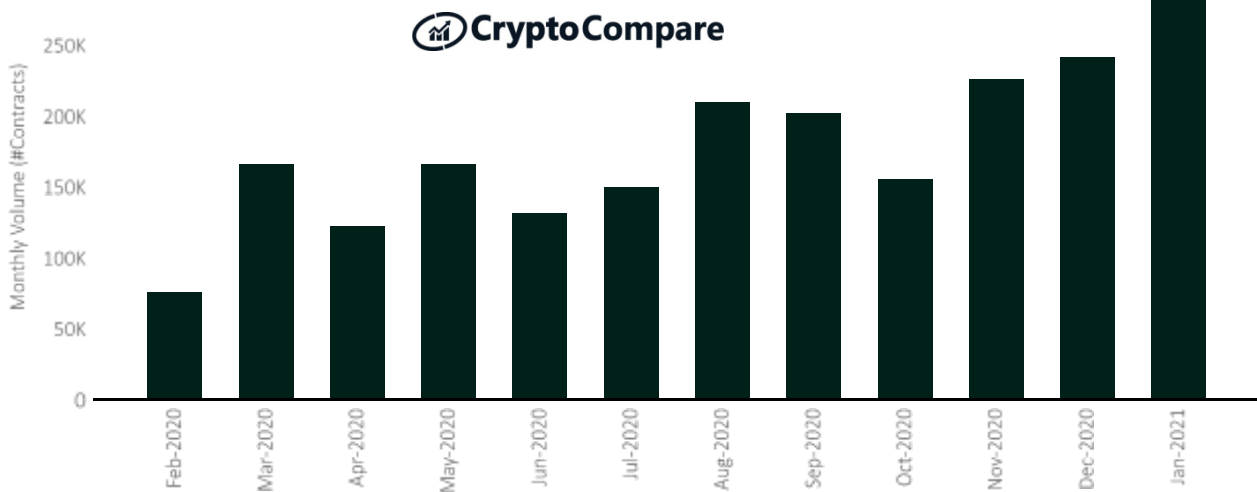
CME Institutional Volume and Open Interest

Daily CME BTC Futures Contract Volumes

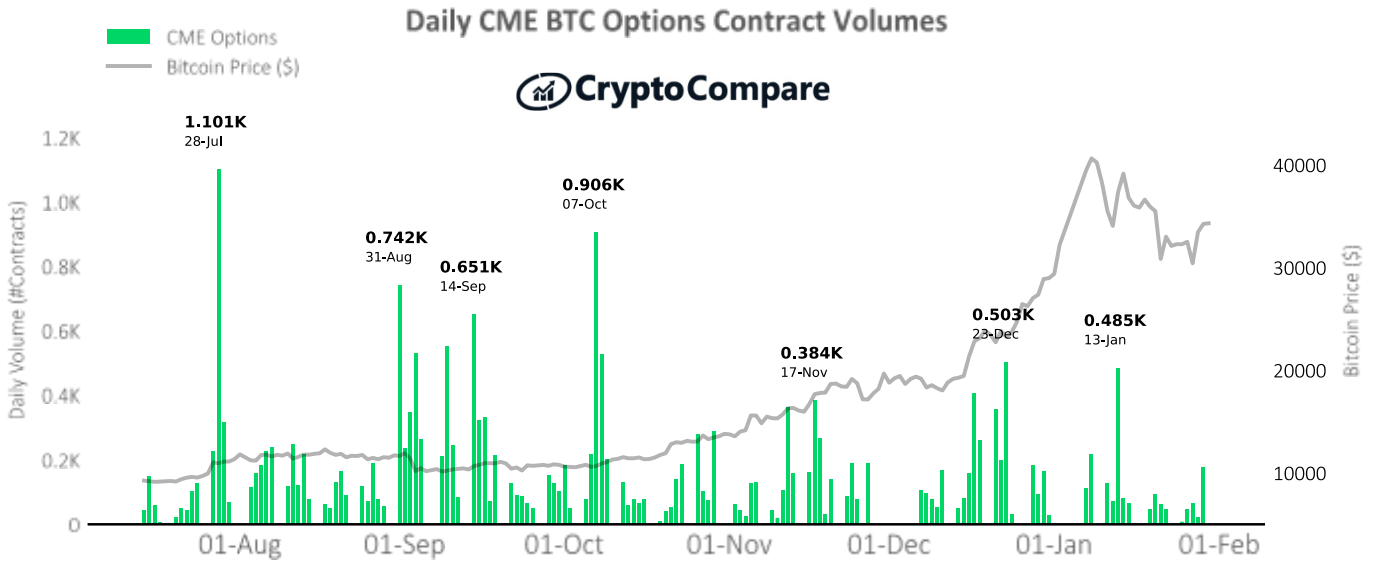


A daily maximum for the month was achieved on the 11th of January where 27,690 BTC futures contracts were traded following Bitcoin’s correction from its all-time high of under \$42,000.

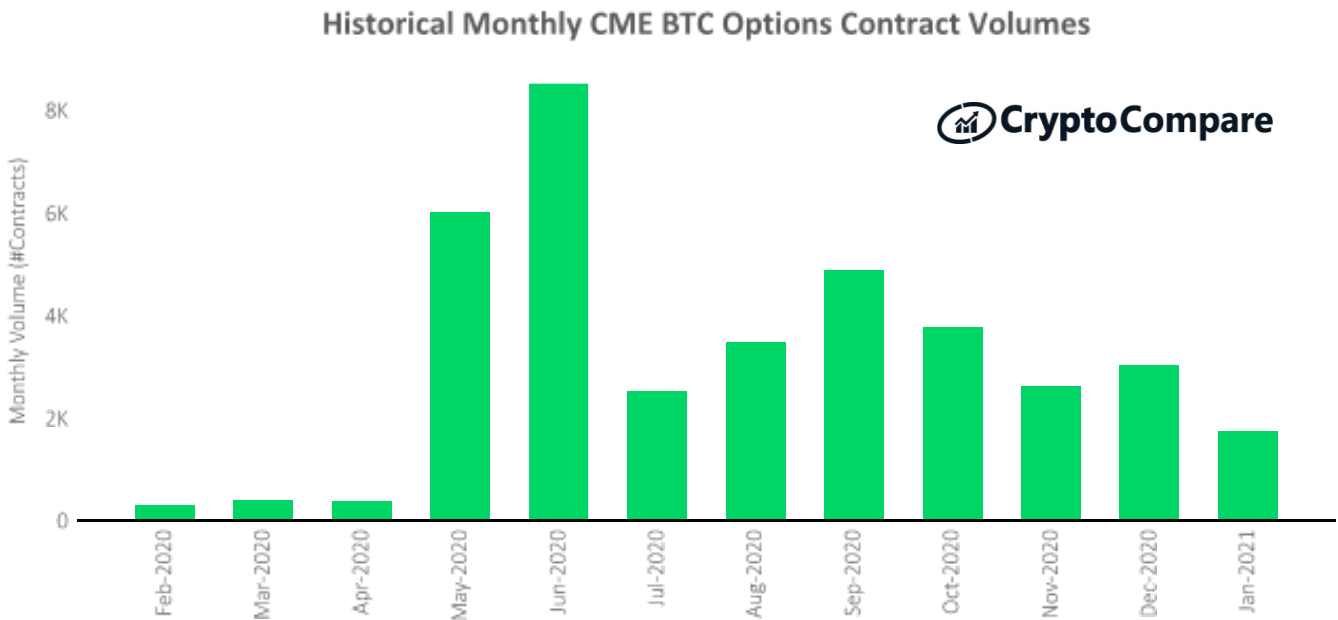
Historical Monthly CME BTC Futures Contract Volumes



In terms of monthly contract volumes, roughly 285,000 contracts were traded in January (up 18.0% since December).

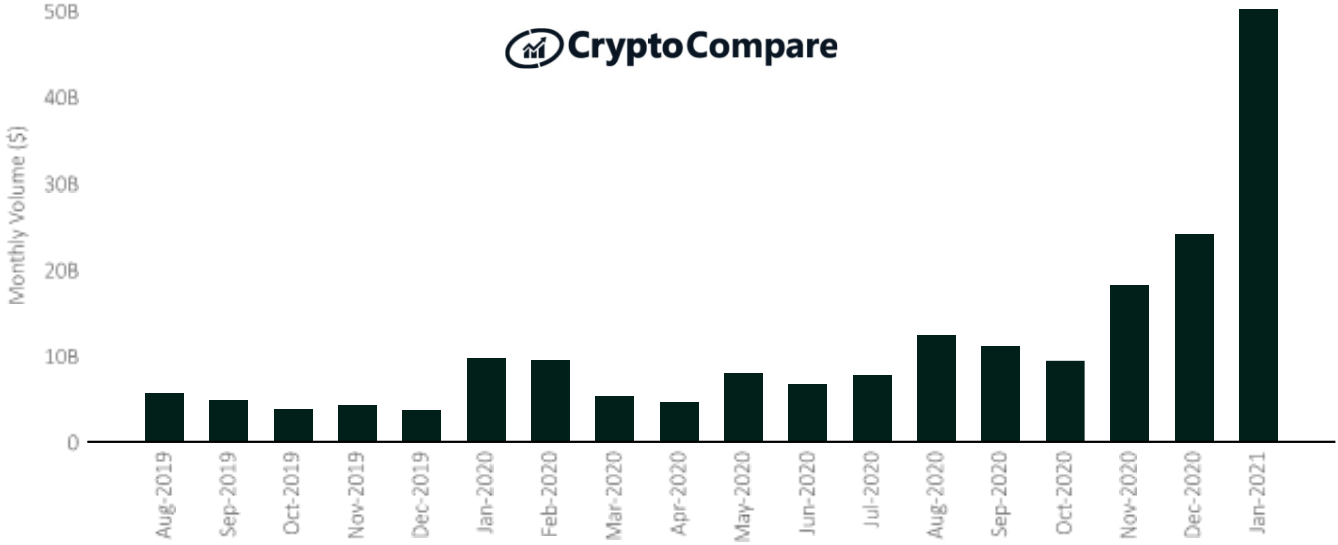


CME options contract volumes decreased 42.7% in January to over 1,700 contracts traded. Options contract volumes reached a daily maximum of 485 contracts traded on the 13th of January.



In terms of total USD trading volume, CME’s crypto derivatives volumes increased by 108.6% to \$50.1bn in January.

Historical Monthly CME Volumes



CME’s average open interest figures increased by 53.2% to \$2.0bn on average in January.

CME BTC Futures Average Open Interest (\$)

