



# EXCHANGE REVIEW

December 2021



## About CryptoCompare

CryptoCompare is a 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, CryptoCompare's thought-leadership reports and analytics offer objective insights into the digital asset industry.

## About This Report

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.

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@cryptocompare.com](mailto: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

Cryptocurrency prices fell in December as Bitcoin and Ethereum closed the month at \$46,197 and \$3,676 (down 18.9% and 20.6% since November respectively), spot volumes also decreased 6.2% to \$2.6tn. A daily maximum of \$174bn was traded on December 4th, up 32.6% from the intra-month high in November.

Inflation worries also remained a concern for financial markets as the latest US CPI report included a 6.8% annual inflation – the highest level since 1982.

### Bitcoin Experiences Largest MoM Fall Since May Crash

In December, Bitcoin experienced its largest month-on-month loss since the crash in May 2021, when it fell 49.2% from a high of \$58,943 to \$29,925 in just 19 days.

CME BTC futures volumes also experienced the biggest monthly decrease of 77.4% to \$11.0bn. While CME ETH futures volumes on the exchange also fell 38.4% to \$14.4bn, surpassing BTC volumes for the first time.

### Top-Tier Spot Volumes Decline Alongside Cryptocurrency Prices

In December, spot volume from the 15 largest Top-Tier exchanges decreased 22.6% compared to November, with total spot volumes of \$1.4tn. This followed the overall trend of cryptocurrency prices declining in the month.

Bequant was the only Top-Tier exchange to see an increase in spot volume during December, rising 6.2% and trading \$106Bn, moving it to be the 4<sup>th</sup> largest exchange on spot volume. Binance is still the largest Top-Tier exchange, despite spot volumes on the platform decreasing 29.8%, to \$914bn.

On the other hand Lower-Tier spot volumes increased 117.8% to \$518bn, its highest level in 7 months. As a result, these now represent 20% of all spot volumes. This volume of trading was concentrated from December 1st to December 7th trading a maximum of \$49.3bn on the 4th.

### BTC Futures Contracts on CME Fall While Options Volumes Rise

A total of 1,464 BTC option contracts were traded in the month of December, up 20.6% from November. It is the highest level that has been reached since May, when 1,472 contracts were traded. A daily intra-month high of 313 contracts were traded on December 31<sup>st</sup>, a 152% increase from the daily maximum in November. This contrasts futures volumes, of which 146,424 were traded in December with a daily maximum of 13,049, compared to 171,721 in November (down 14.7%) with a daily maximum of 20,485 (down 36.3%).



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## December Exchange News

COMPANY	STORY	DATE
BitMEX	<a href="#">Introducing BitMEX EARN: Start Earning Up to 100% APR on Tether</a>	December 1
Crypto.com	<a href="#">Crypto.com App Now Offers Instant Deposit to U.S. Users</a>	December 3
Gemini	<a href="#">Gemini to Offer Crypto Trading to Bancolombia Customers</a>	December 6
FTX	<a href="#">Nuvei Announces Payment Solutions Partnership with FTX</a>	December 14
KuCoin	<a href="#">KuCoin Integrates Chainlink Price Feeds for OTC Market Pricing</a>	December 14
Uniswap	<a href="#">Auto Router V2 Release Improves Pricing &amp; Optimize Gas Cost of Swaps</a>	December 16
Kraken	<a href="#">Kraken Acquires Staked and Offers a New Way to Earn Crypto Rewards</a>	December 21
SundaeSwap	<a href="#">Runtime Verification Completes Audit of SundaeSwap Contracts</a>	December 28
Binance	<a href="#">Binance Updates VIP Tier Requirements Allowing More Users Access</a>	December 30

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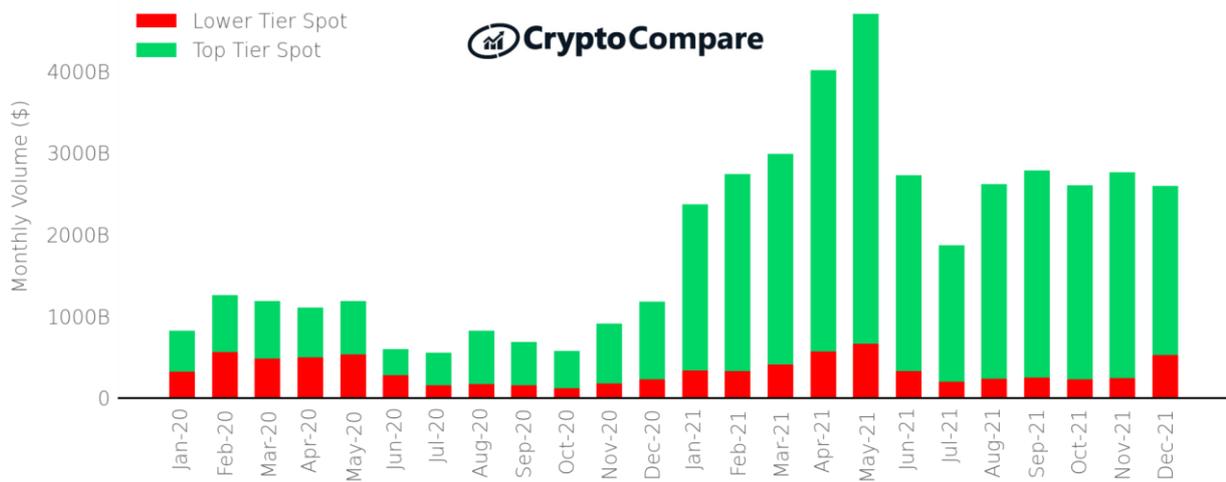
EXMO offers its 2 million active traders a user-friendly web platform and mobile app, professional trading features with low fees including rebate incentives. For high-net-worth traders and institutional players, EXMO offers a personalised OTC desk and efficient API trading environments to clients, globally. We can find the best program that fits your trading. Get 90% off commission by writing to [maria@exmo.com](mailto:maria@exmo.com). The offer is valid for new clients only.

## Exchange Benchmark Analysis

CryptoCompare’s biannual Exchange Benchmark aims to serve investors, regulators and industry participants by scoring and ranking exchanges on the basis of their operational transparency, security, operational quality, regulatory standing, data provision, management team, and ability to monitor trades and illicit activity effectively. Rather than focussing on bad actors, we instead choose to highlight those that behave in a manner conducive to maintaining efficient and fair markets, ensuring greater safety of investors. 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.

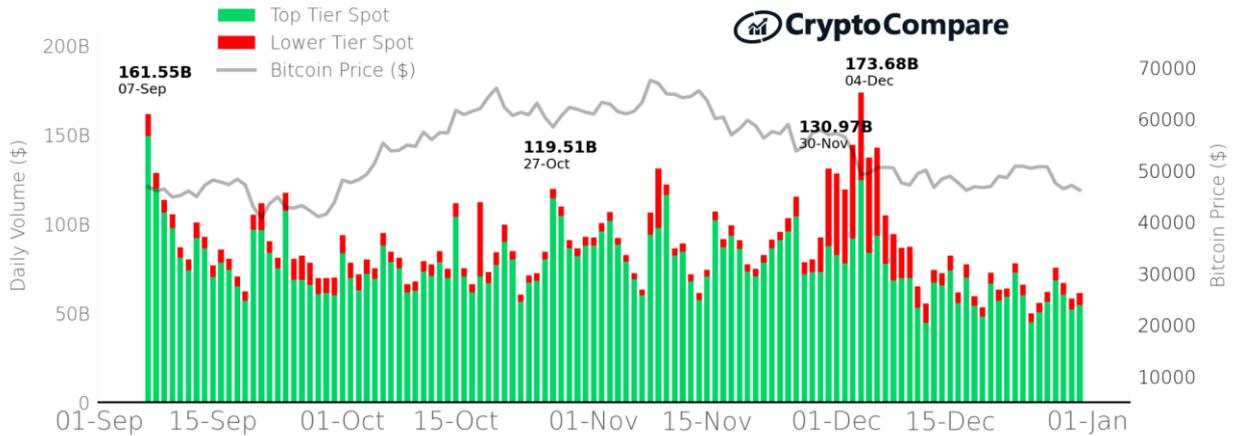
Explore the Exchange Benchmark [here](#)

**Historical Monthly Top Tier vs Lower Tier Volume**



**In December, Top-Tier spot volumes fell 17.9% to \$2.1tn and Lower-Tier spot volumes increased 117.8% to \$518bn. Top-Tier exchanges now represent 80.0% of total spot volume.**

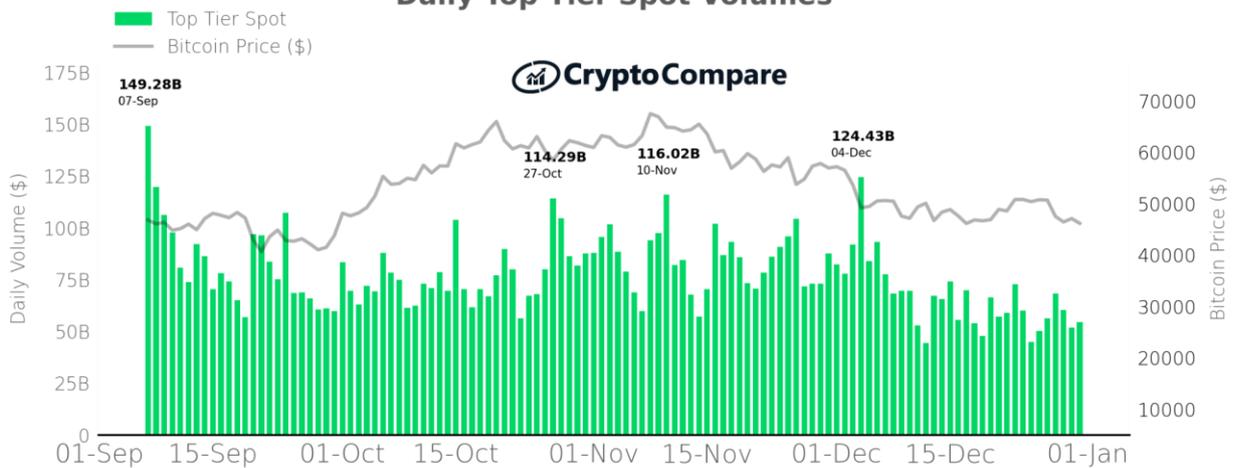
### Daily Top Tier vs Lower Tier Spot Volumes



Trading activity across all spot markets dropped in December compared to the previous month, as cryptocurrency prices continued to decline. A daily volume maximum of \$174bn was traded on the 4<sup>th</sup> of December, up 32.6% from the intra-month high in November.

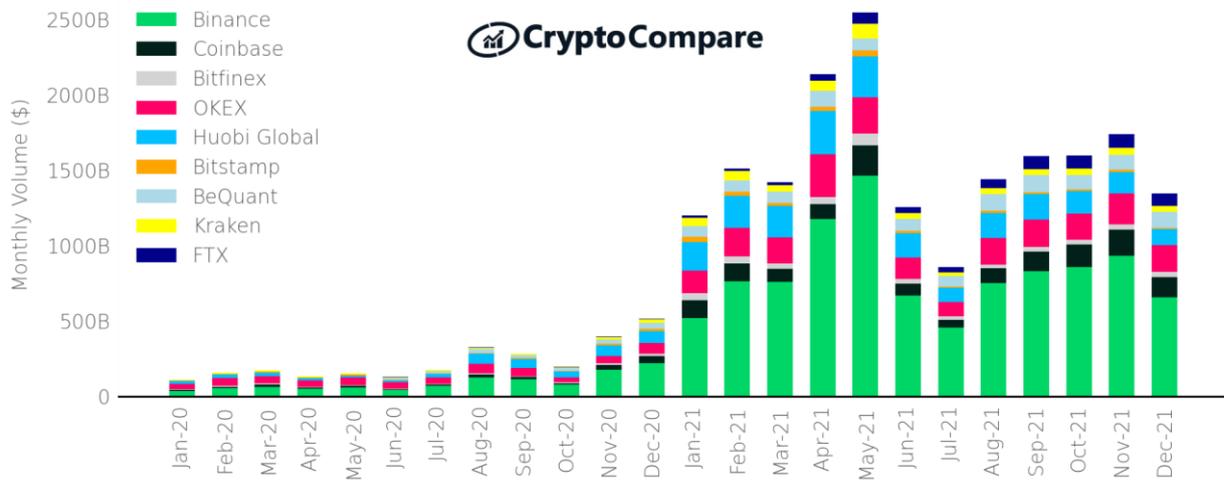
Top-Tier exchanges traded a daily volume maximum of \$124bn on the 4<sup>th</sup> of December, up 7.2% from November. Top-Tier exchanges are selected based on our rigorous [Exchange Benchmark Methodology](#).

### Daily Top Tier Spot Volumes



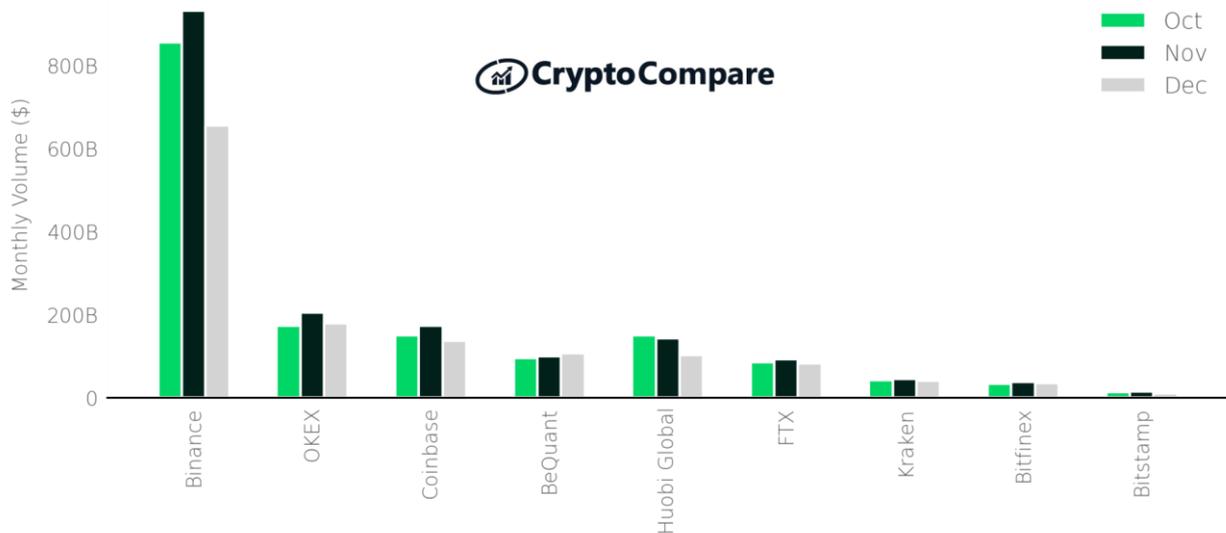
## Macro Analysis and Market Segmentation

Monthly Top-Tier Spot Volume



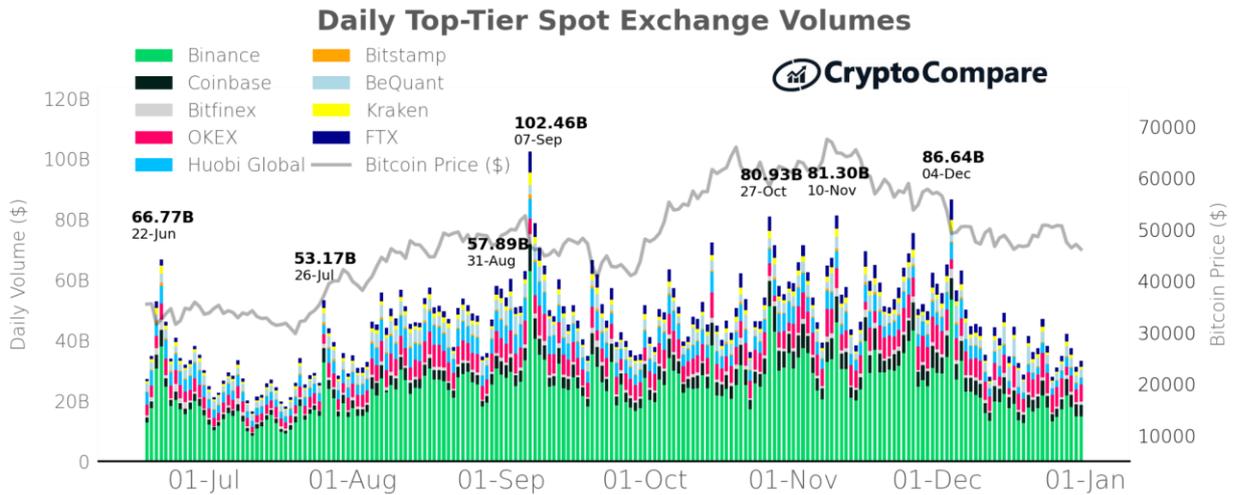
In December, spot volume from the 15 largest Top-Tier exchanges decreased 22.6% compared to November, with total spot volumes of \$1.4tn.

Historical Monthly Top-Tier Spot Volume - 3 Months



Considering individual exchanges, Binance (Grade BB) was the largest Top-Tier spot exchange by volume in December, trading \$655bn (down 29.8%). This was followed by OKEx (Grade BB) trading \$178bn (down 12.9%), and Coinbase (Grade AA) trading \$137bn (down 20.5%).

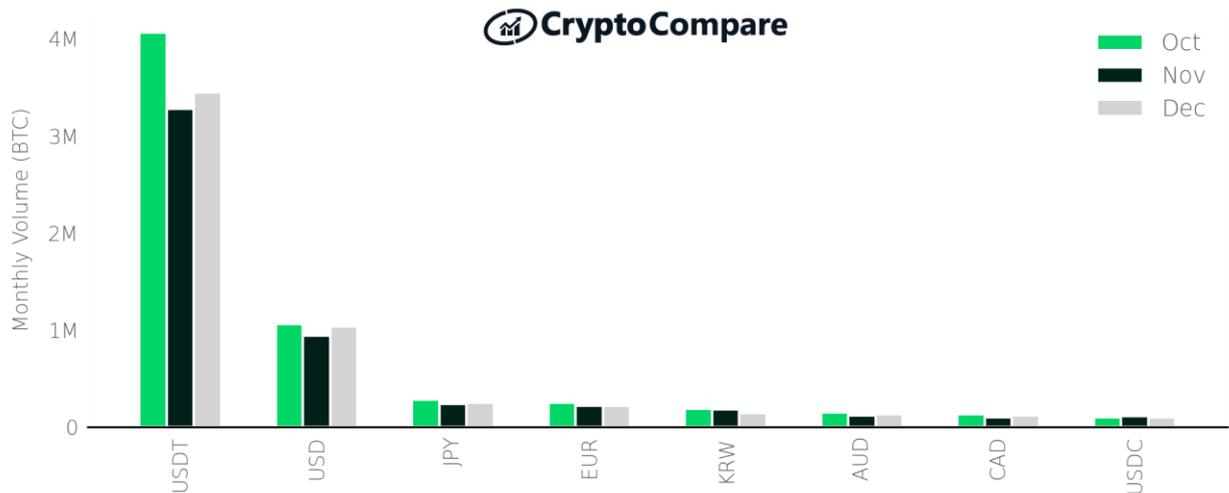
BeQuant (BB), Huobi Global (BB), and FTX (BB) followed, trading \$106bn (up 6.2%), \$102bn (down 28.3%) and \$81.9bn (down 11.4%) respectively.



Binance (BB), OKEx (BB) and Coinbase (AA) were the top players in terms of spot volume in December relative to other Top-Tier exchanges. Among the largest 15 Top-Tier exchanges by volume, they represented approximately 55.6% of total volume (vs 70.4% in November).

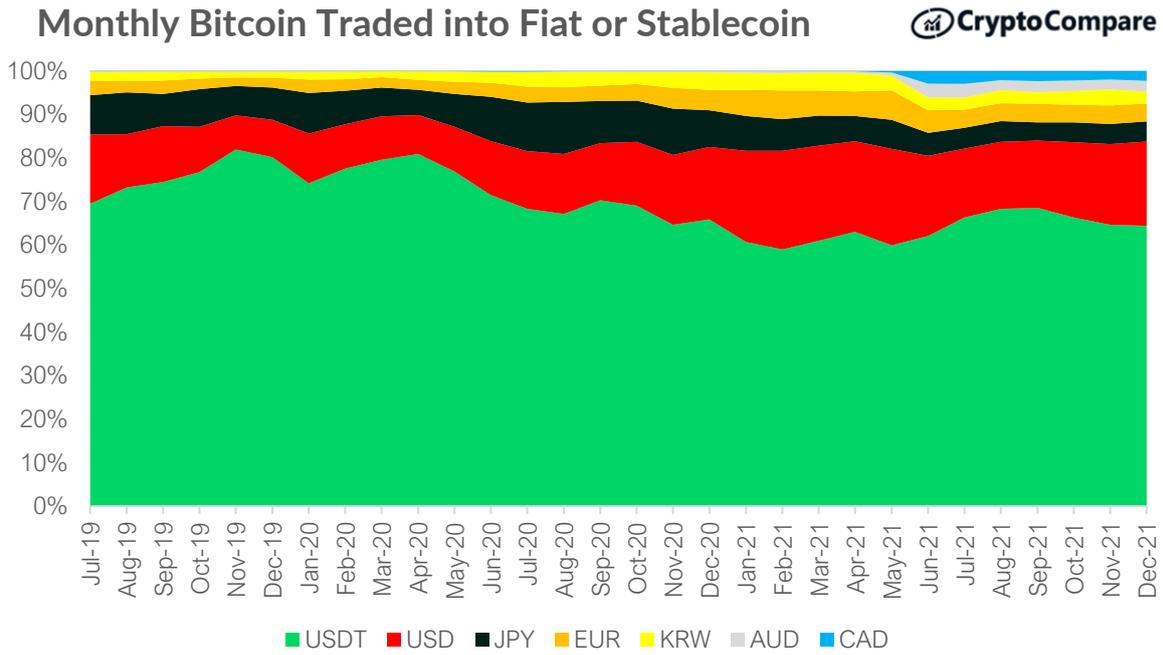
### Bitcoin to Fiat Volumes

#### Monthly Bitcoin Volume Traded into Fiat or Stablecoin - 3 Months



BTC spot trading into USDT increased by 5.0% in December to 3.4mn BTC, trading into USD, JPY and EUR also increased, to 1.0mn (up 10.0%), 249k (up 6.1%) and 220k (up 1.6%), respectively.

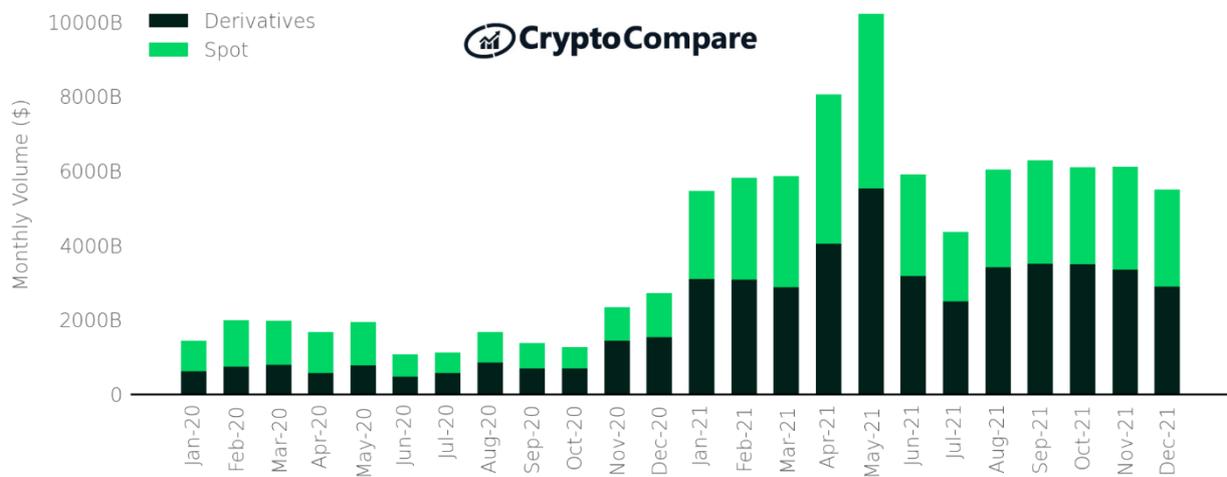
USDC was the largest stablecoin market after USDT, having traded 99,280 (down 13.3%) in December.



**In December, BTC/USDT trading still represents the majority of BTC traded into fiat or stablecoin spot markets at 61.8% (vs 61.5% in November).**

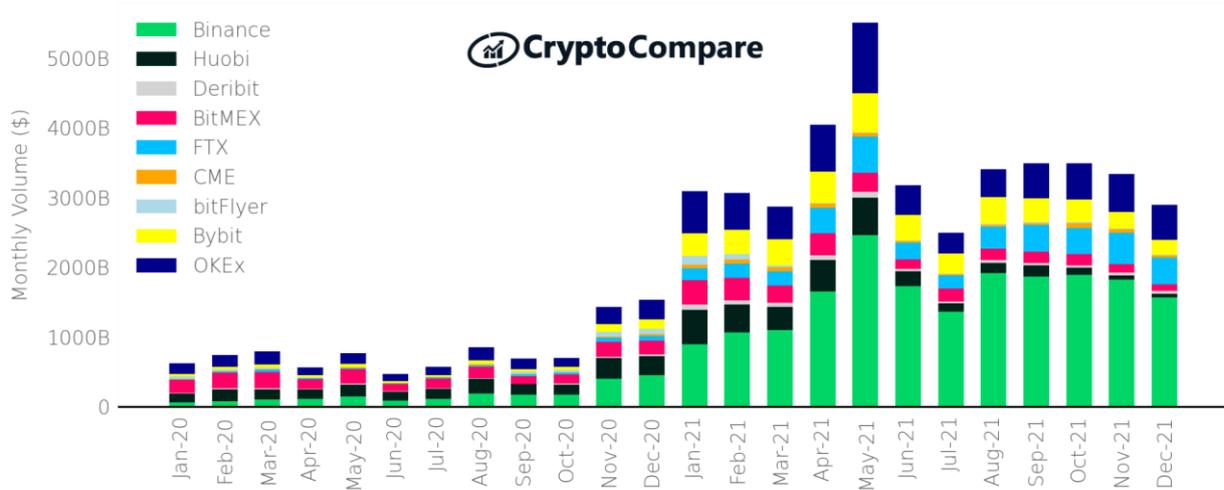
## Derivatives

Monthly Spot vs Derivatives Volume



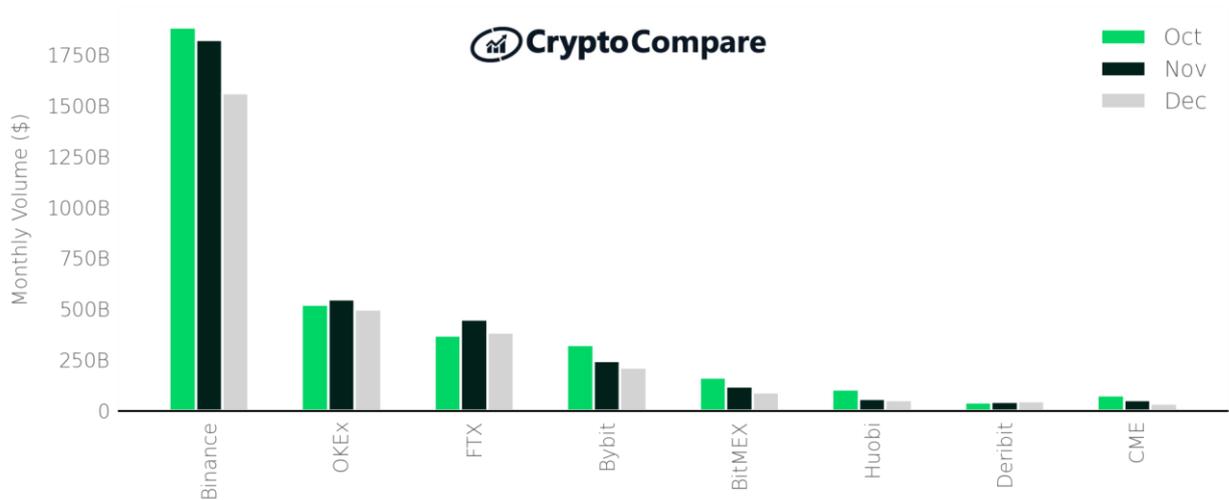
Derivatives volumes decreased by 13.4% in December to \$2.9tn. Meanwhile, total spot volumes also decreased by 6.2% to \$2.6tn. The derivatives market now represents 52.7% of the total crypto market (vs 54.7% in November).

Historical Monthly Derivatives Volume



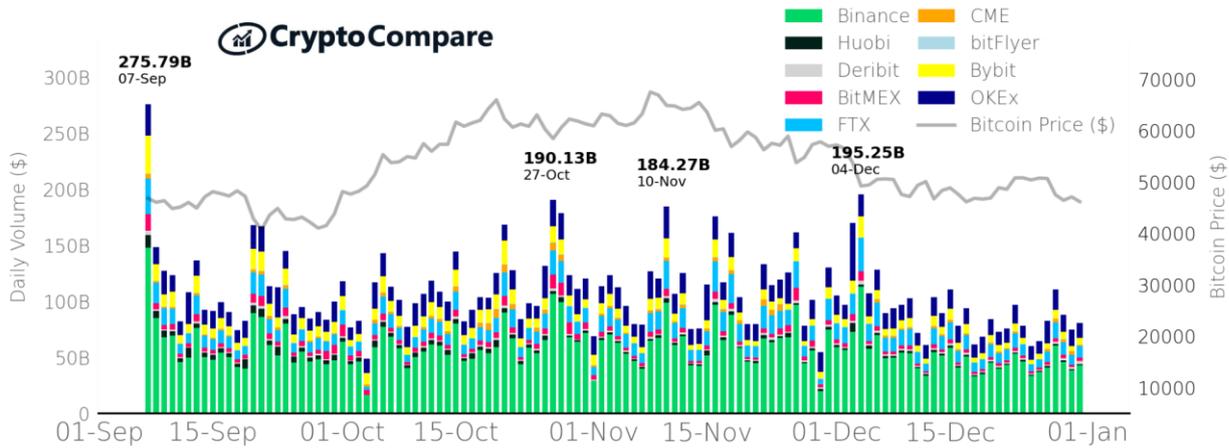
Binance leads the derivative markets with 54.0% (\$1.6tn) of total volumes in December. This was followed by OKEx (17.2% market share, \$498bn) and FTX (13.3% market share, \$385bn).

### Historical Monthly Derivatives Volumes - 3 Months



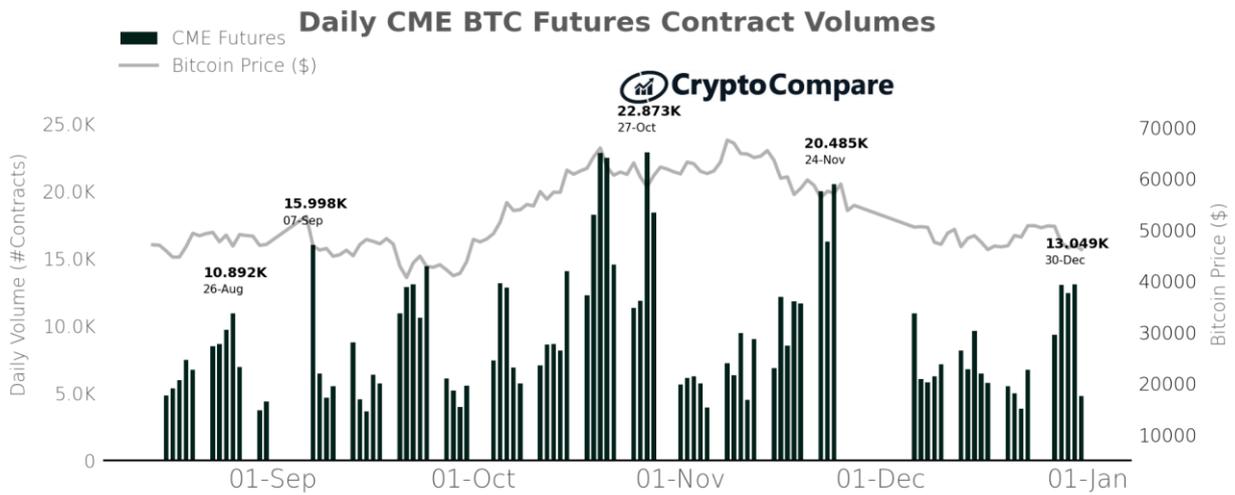
Binance was the largest derivatives exchange in December by monthly volume, trading \$1.6tn (down 14.4% since November) followed by OKEx (\$498bn, down 8.8%), FTX (\$385bn, down 13.9%) and Bybit (\$213bn, down 12.1%).

### Daily Derivatives Exchange Volume



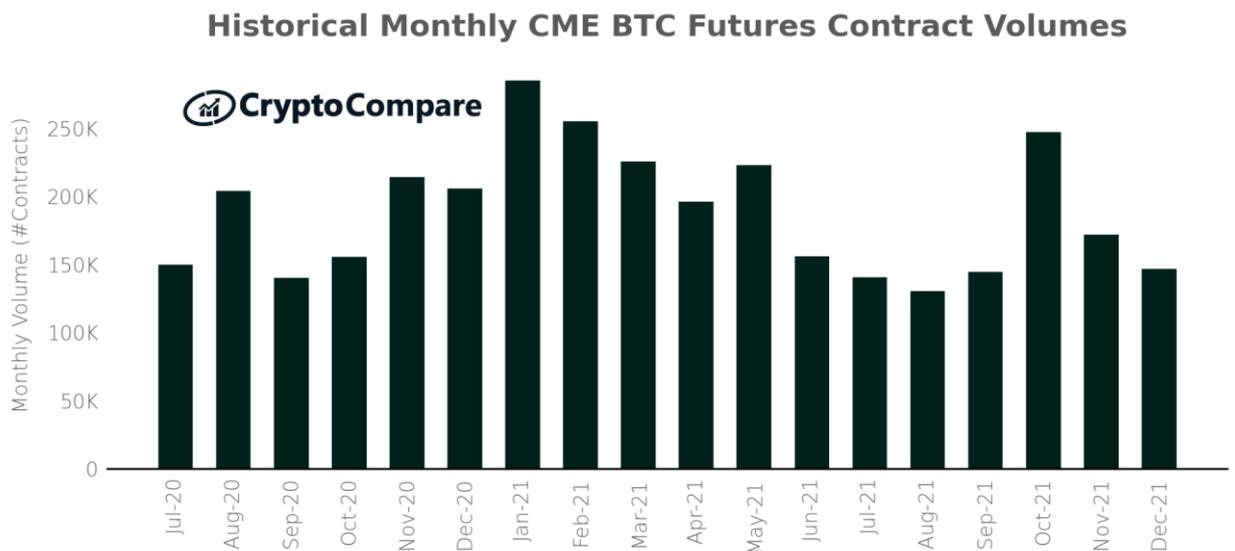
Derivatives exchanges traded a daily maximum of \$195bn on the 4<sup>th</sup> of December, up 6.0% from November’s intra-month high of \$184bn.

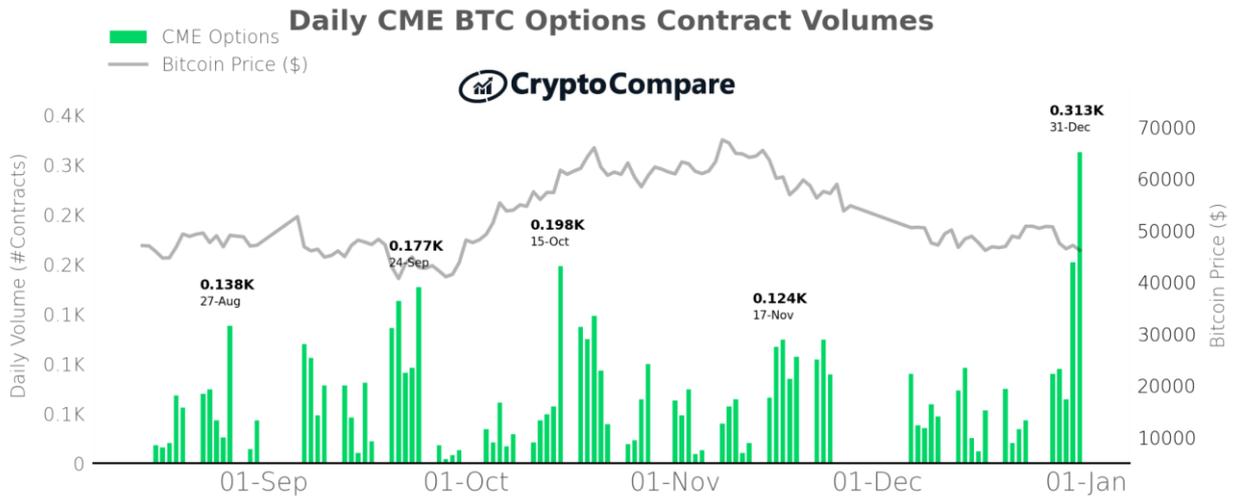
## CME Institutional Volume and Open Interest



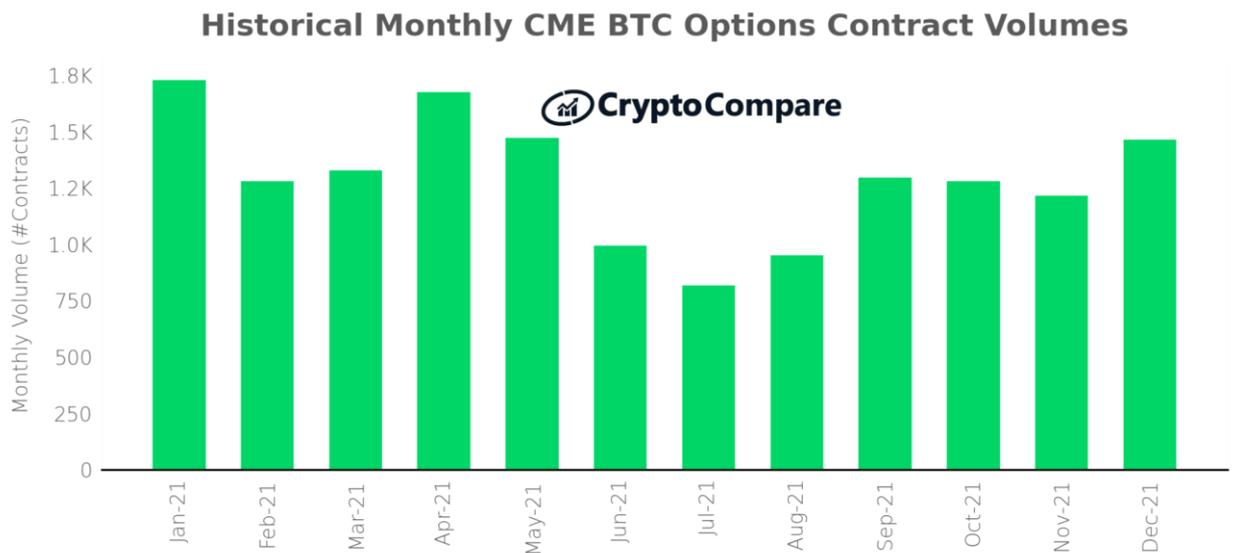
13,049 BTC futures contracts were traded on the 30<sup>th</sup> December, a daily maximum for the month.

Roughly 146,400 monthly contracts were traded in December, (down 14.7% since November).

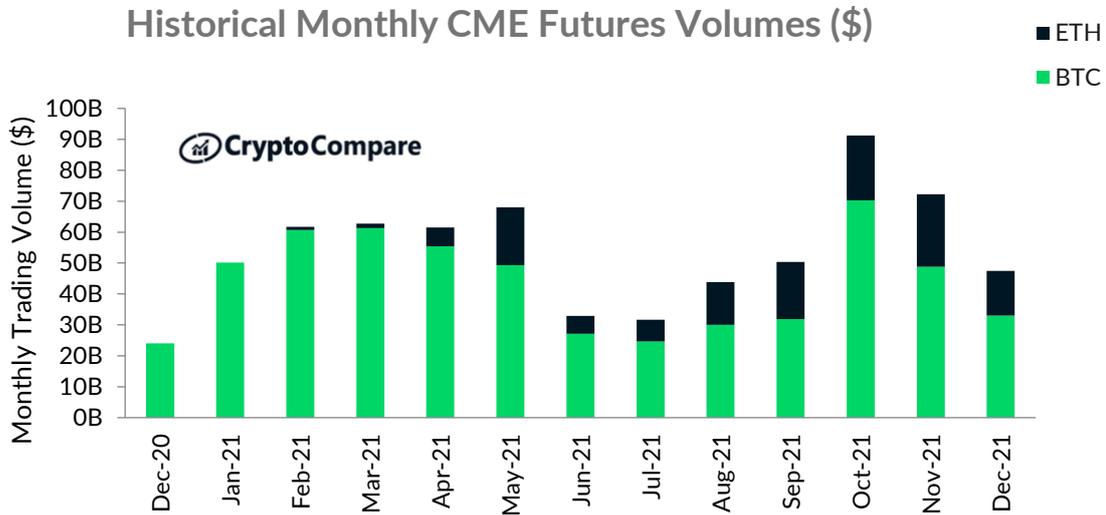




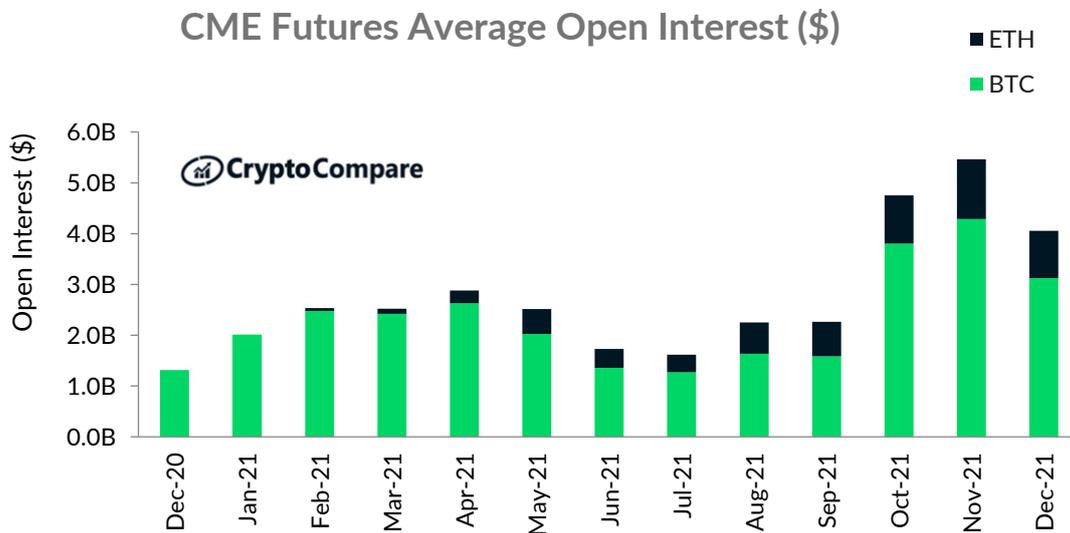
CME’s BTC options contract volumes increased 20.6% in December to 1,464 contracts traded. Options contract volumes reached a daily maximum of 313 contracts traded on the 31<sup>st</sup> of December, up 152.4% from the intra-month high in November.



In terms of total USD trading volume, CME's ETH futures reached \$14.4bn in December (down 38.4% since November). Meanwhile, CME's BTC futures volumes decreased by 32.4% to \$33.0bn. On aggregate ETH + BTC futures volumes fell 34.3% to \$47.5bn, the lowest level since July 2021.



CME's average open interest figures for BTC futures decreased 27.1% to \$3.1bn in December. Similarly, ETH open interest averaged \$929mn (down 20.8% against November).



**To conclude**, in December cryptocurrency exchanges saw a decrease of -10.1% in total volumes, despite higher downside volatility as cryptocurrencies fell, lead by BTC and ETH's decline (down 18.9% and 20.6% since November respectively). CME experienced a significant reduction in futures volumes, while average daily open interest also fell by 25.7%.