



# EXCHANGE REVIEW

January 2022



## About CryptoCompare

CryptoCompare is an FCA authorised and regulated 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>

## Contents

<b>About This Report</b>	<b>1</b>
<b>Key Market Insights</b>	<b>3</b>
<b>Exchange Benchmark Analysis</b>	<b>5</b>
<b>Macro Analysis and Market Segmentation</b>	<b>7</b>
<b>Derivatives</b>	<b>10</b>
<b>CME Institutional Volume and Open Interest</b>	<b>12</b>

## Key Market Insights

Cryptocurrency prices fell in January as Bitcoin and Ethereum closed the month at \$38,495 and \$2,689 (down 16.7% and 26.8% since December respectively). Spot volumes on centralised exchanges also fell 30.2% to \$1.81tn, with a daily maximum of \$91.1bn traded on January 24<sup>th</sup>. Derivative markets on the other hand only saw a marginal decrease in volumes (down 0.4% to \$2.86tn).

### Derivative Markets Reach an All-Time High in Market Share

In January, derivatives market volumes remained steady at \$2.86tn, whilst spot volumes declined significantly (down 30.2% to \$1.81tn). As a result, derivative markets reached an all-time high market share of 61.2%, breaking the previous all-time high of 57.3% in November 2020.

This suggests an increase in hedging and speculation in cryptocurrency markets in the month of January, as participants shift to trading futures and options. Having said this, derivative market volumes remain notably below the all-time highs reached in May 2021, when volumes reached \$4.96tn.

### CME's BTC Option Contracts Volumes Grow to Highest Level in Over 1 Year

1,882 BTC option contracts were traded in the CME in January, a 28.6% increase from the month prior. This is the highest amount of BTC options traded since December 2020, when 3,749 options were traded.

BTC futures contract volumes also saw an increase of 23.9% in January to 181,400. This compares to a 59.4% increase for ETH futures contract volumes to 116,200 ETH contracts traded in January 2022. .

### Spot Volumes Retract to Lowest Levels Since December 2020

Total spot volumes fell to \$1.81tn in January, a fall of 30.2% month-on-month. This drop comprised of a 21.2% drop in top-tier exchange volumes, and a 66.3% drop in lower-tier exchange volumes. Top-tier exchanges now account for 90.3% of all spot volumes. Daily total spot volume hit an intra-month high of \$91.1bn on January 24<sup>th</sup>, down 47.5% from the month prior. This is the lowest intra-month high since December 2020. Total spot volumes also reached their lowest level since December 2020 (\$1.17tn).

## January Exchange News

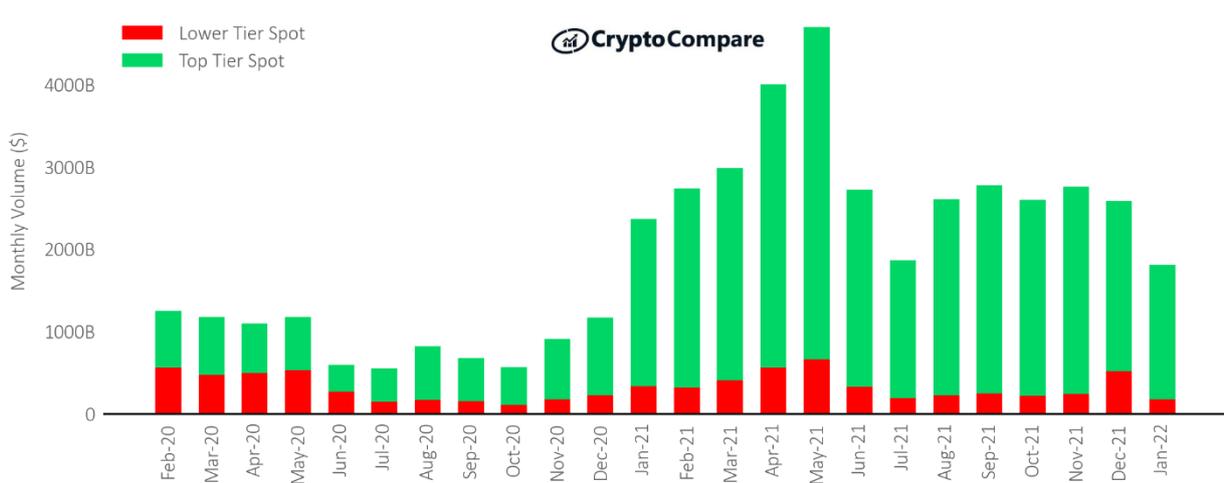
COMPANY	STORY	DATE
Bitstamp	<a href="#">We'll Offer Governance Rewards in the ALGO Staking Program</a>	January 6
Serum	<a href="#">Serum Community Foundation Announces \$100M Raise to Support Ecosystem Development &amp; Innovation</a>	January 7
Crypto.com	<a href="#">AFL Welcomes Crypto.com in Landmark Five-Year Partnership</a>	January 17
Bitfinex	<a href="#">Bitfinex to Receive Polygon (MATIC) Funds to Support Staking Rewards for MATIC</a>	January 19
Bybit	<a href="#">Bybit Launches NFT Marketplace!</a>	January 19
Bybit	<a href="#">Our P2P Platform is Here!</a>	January 19
Gemini	<a href="#">Gemini Acquires Trading Technology Platform Omniex, Launches Gemini Prime</a>	January 19
Uniswap	<a href="#">Multichain Uniswap</a>	January 20
FTX	<a href="#">FTX Readies Visa Debit Card for Users to Spend Crypto Balances</a>	January 21
Binance	<a href="#">18th BNB Burn</a>	January 24
Gemini	<a href="#">Gemini Galactic Markets Approved for FINRA Membership and Broker-Dealer Operation</a>	January 26
Binance	<a href="#">Introducing BSC NFT Metadata Standards</a>	January 27
Bybit	<a href="#">New Integration: Arbitrum Now Supported on Bybit</a>	January 27
BitMEX	<a href="#">BitMEX Academy Launches with Vision to Raise the Bar for Crypto Education</a>	January 27
Coinbase	<a href="#">Tobias Lütke, CEO of Shopify, to join Coinbase Board of Directors</a>	January 31
FTX	<a href="#">FTX Reaches \$32B Valuation With \$400M Fundraise</a>	January 31

## 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.

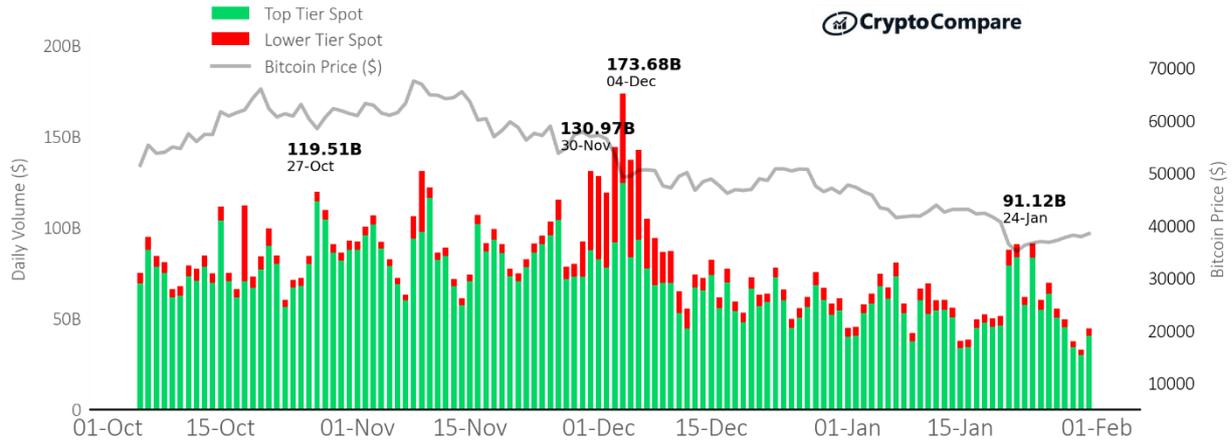
Explore the Exchange Benchmark [here](#)

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



**In January, Top-Tier spot volumes fell 21.2% to \$1.6tn and Lower-Tier spot volumes decreased 66.3% to \$175bn. Top-Tier exchanges now represent 90.3% of total spot volume.**

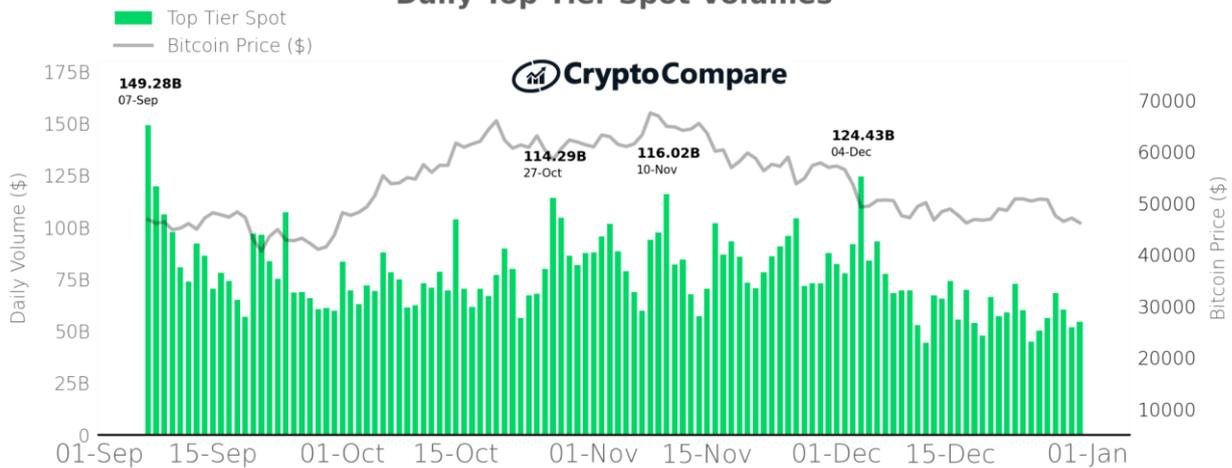
Daily Top Tier vs Lower Tier Spot Volumes



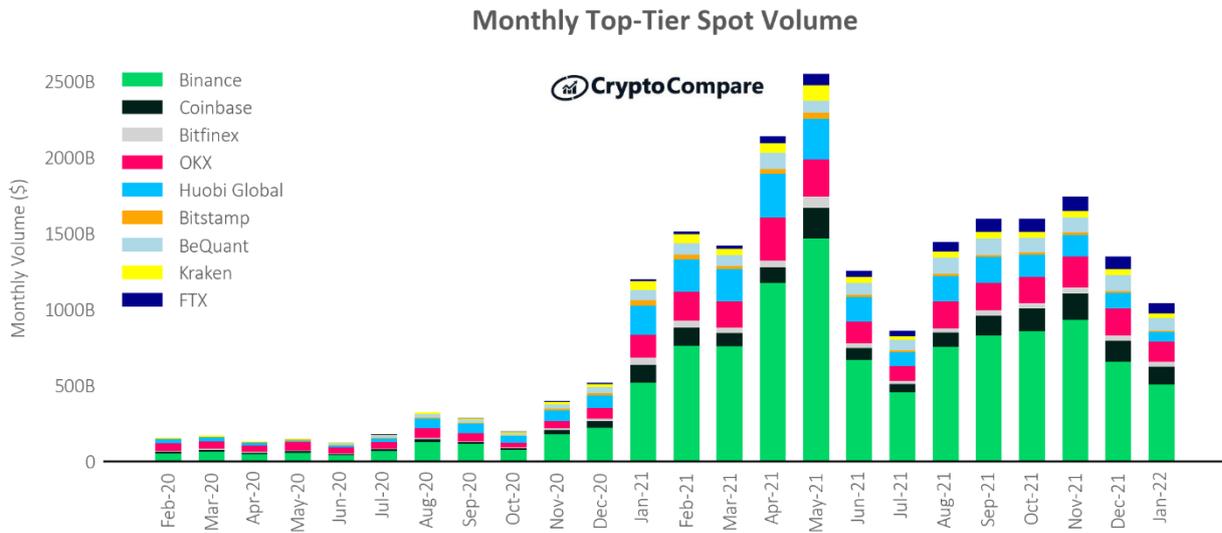
Trading activity across all spot markets dropped in January compared to the previous month, as cryptocurrency prices continued to decline. A daily volume maximum of \$91.1bn was traded on the 24<sup>th</sup> of January, down 47.5% from the intra-month high in December.

Top-Tier exchanges traded a daily volume maximum of \$83.9bn on the 24<sup>th</sup> of January, down 32.6% from December. Top-Tier exchanges are selected based on our rigorous [Exchange Benchmark Methodology](#).

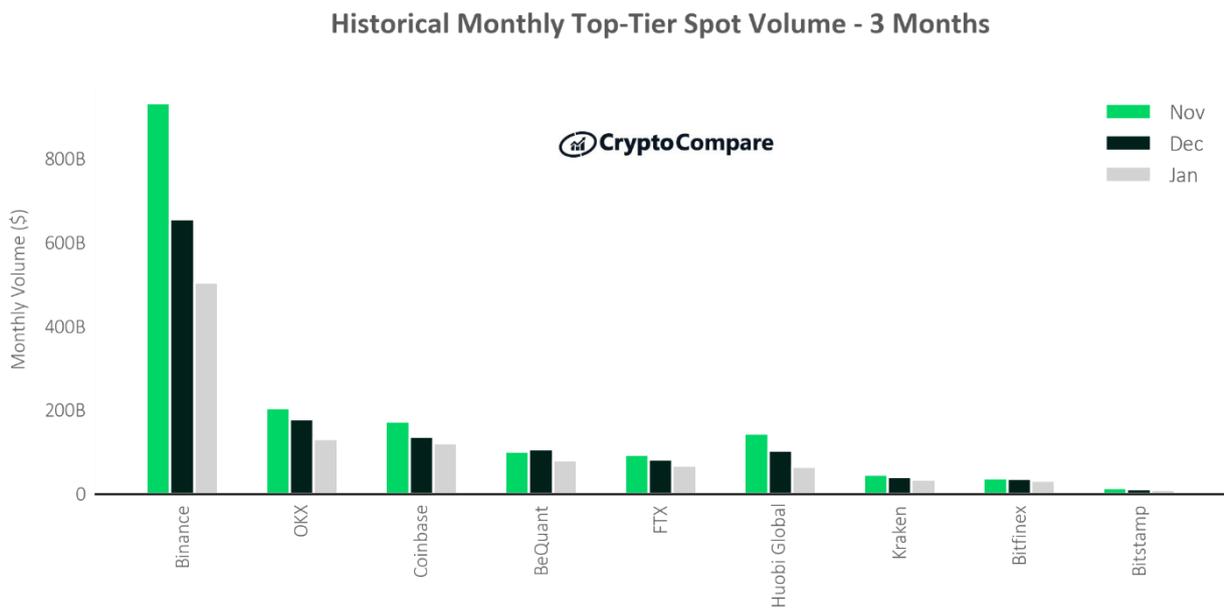
Daily Top Tier Spot Volumes



## Macro Analysis and Market Segmentation

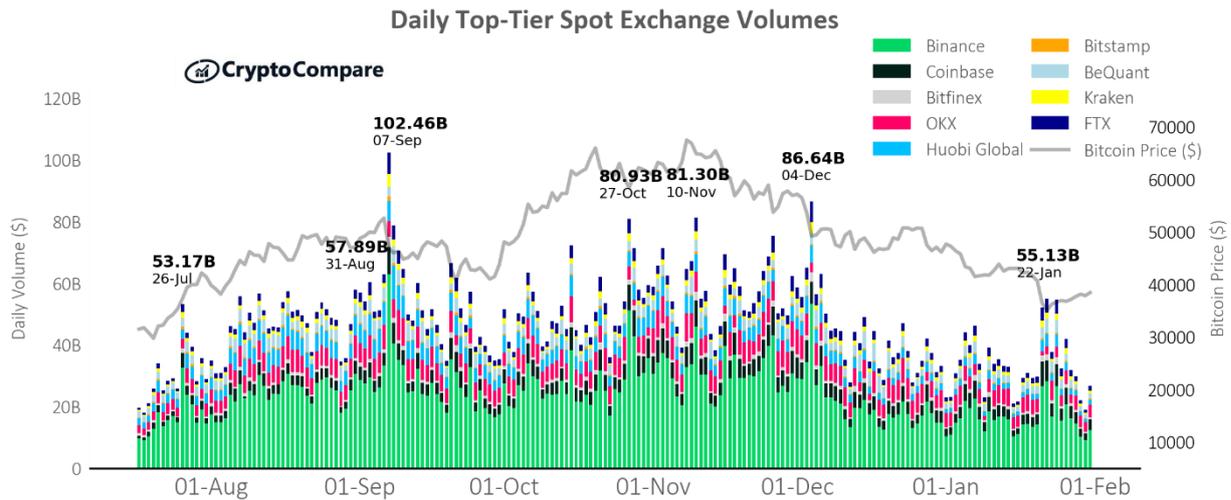


In January, spot volume from the 15 largest Top-Tier exchanges decreased 22.6% compared to December, with total spot volumes of \$1.1tn.



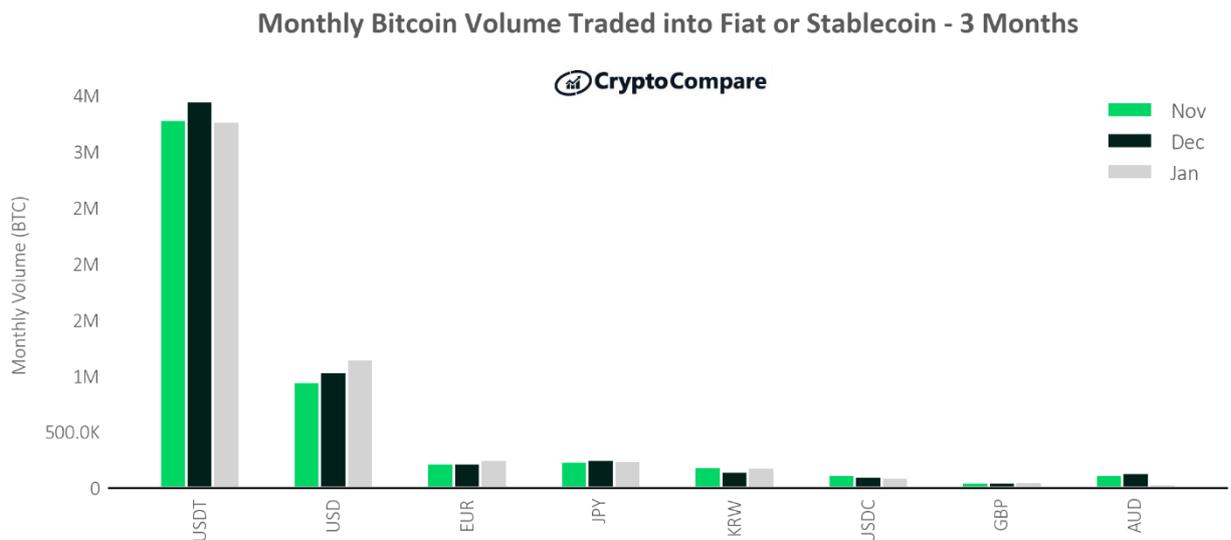
Considering individual exchanges, Binance (Grade BB) was the largest Top-Tier spot exchange by volume in January, trading \$504bn (down 23.0%). This was followed by OKEx (Grade BB) trading \$131bn (down 26.4%), and Coinbase (Grade AA) trading \$120bn (down 12.1%).

BeQuant (BB), FTX (BB) and Huobi Global (BB) followed, trading \$79.4bn (down 25.2%), \$67.3bn (down 17.9%) and \$64.7bn (down 36.9%) respectively.



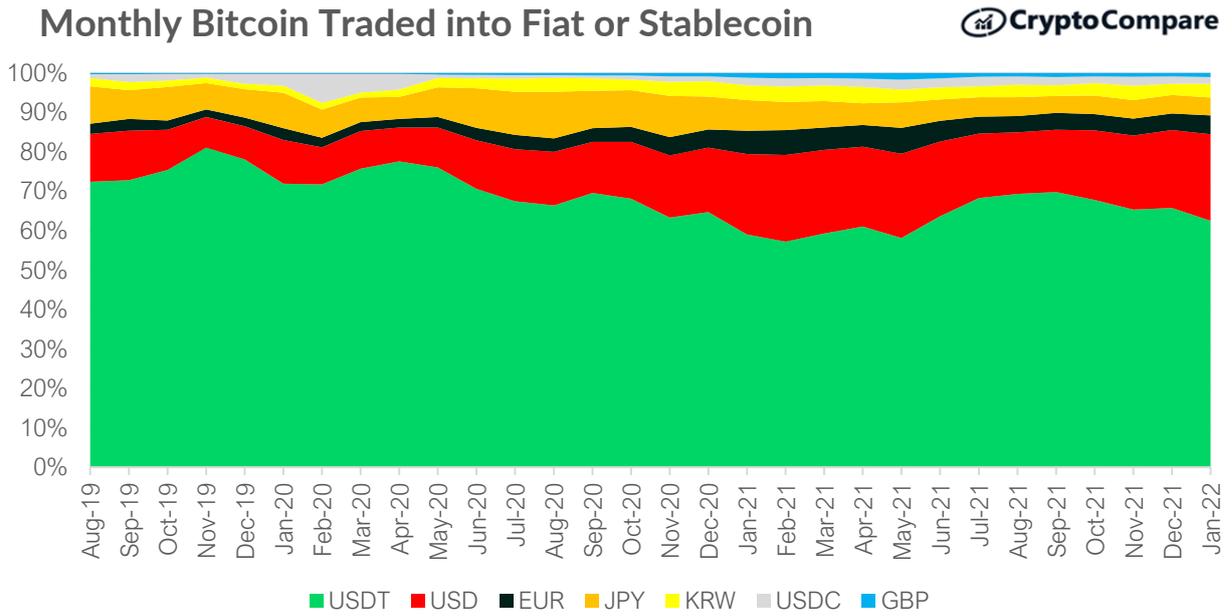
Binance (BB), OKEx (BB) and Coinbase (AA) were the top players in terms of spot volume in January relative to other Top-Tier exchanges. Among the largest 15 Top-Tier exchanges by volume, they represented approximately 67.8% of total volume (vs 67.3% in December).

### Bitcoin to Fiat Volumes



BTC spot trading into USDT decreased by 5.4% in January to 3.3mn BTC. On the other hand, trading into USD, and EUR increased, to 1.1mn (up 10.4%) and 248k (up 12.6%). EUR trading surpassed JPY trading for the first time since May 2021, whose volume decreased to 240k (down 3.8%).

USDC was the largest stablecoin market after USDT, having traded 90.7k BTC (down 8.7%) in January.



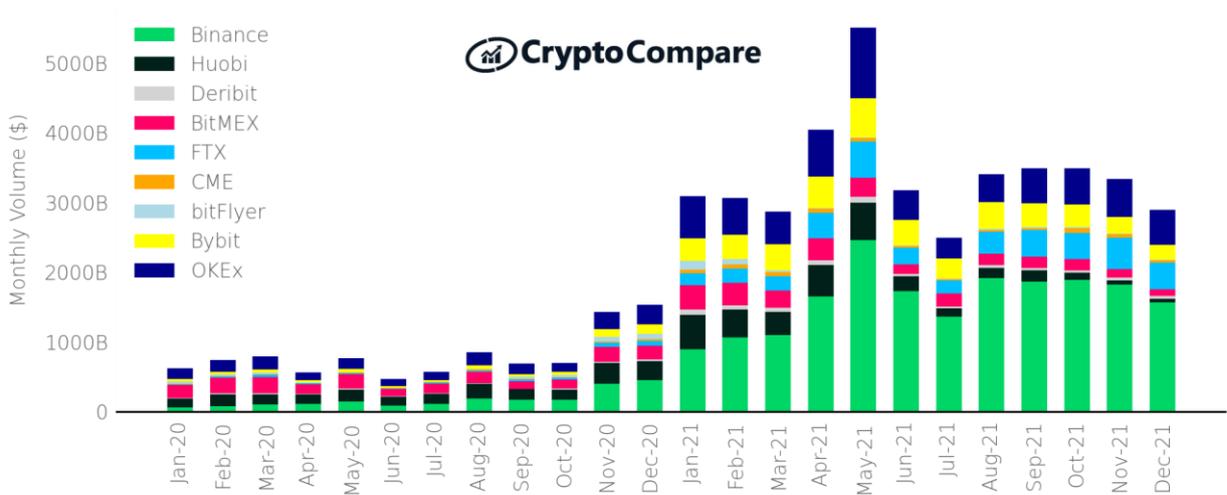
In January, BTC/USDT trading still represents the majority of BTC traded into fiat or stablecoin spot markets at 61.0% (vs 61.8% in December).

## Derivatives



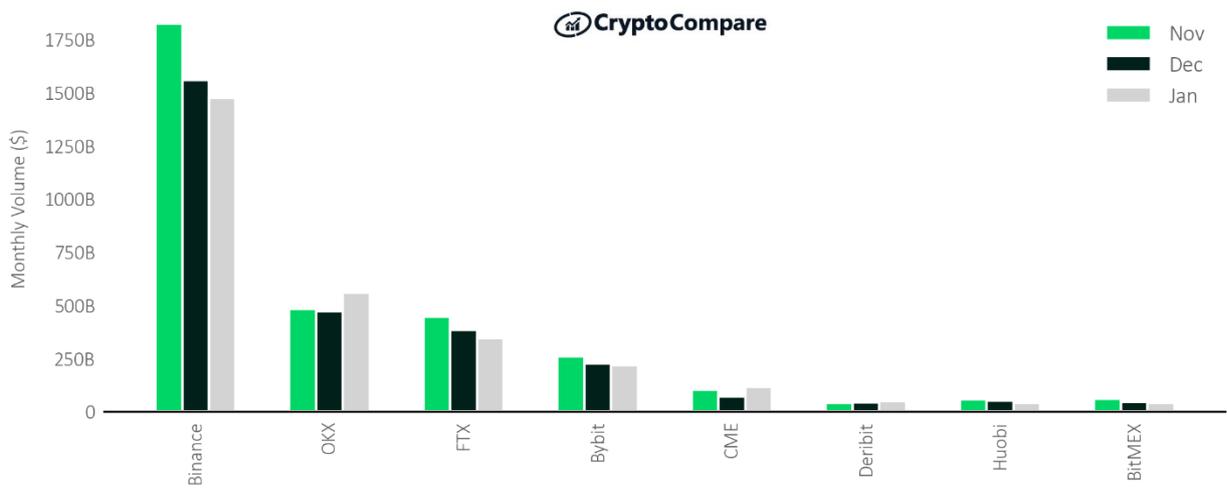
Derivatives volumes decreased by 0.4% in January to \$2.9tn. Meanwhile, total spot volumes decreased by 30.2% to \$1.8tn. The derivatives market now represents 61.3% of the total crypto market (vs 52.5% in December).

### Historical Monthly Derivatives Volume

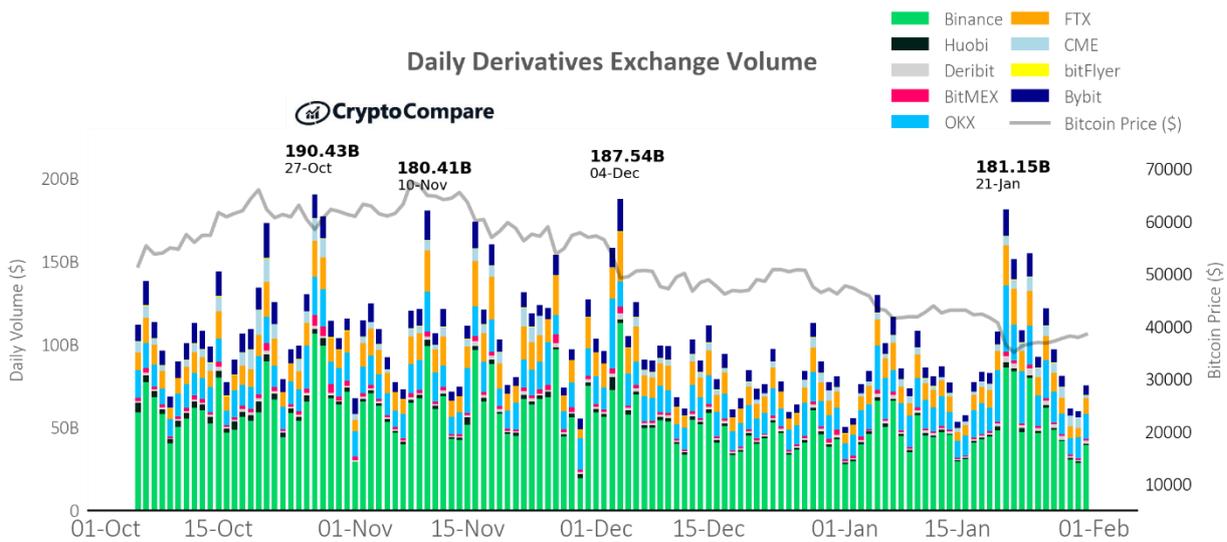


Binance leads the derivative markets with 51.6% (\$1.5tn) of total volumes in January. This was followed by OKEx (19.6% market share, \$559bn) and FTX (12.1% market share, \$346bn).

Historical Monthly Derivatives Volumes - 3 Months

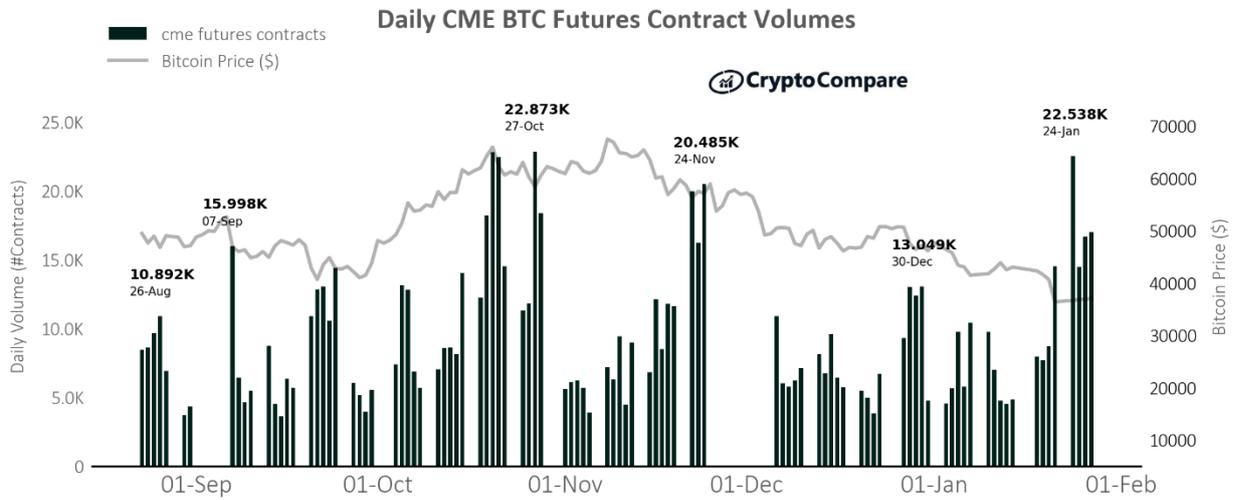


Binance was the largest derivatives exchange in January by monthly volume, trading \$1.5tn (down 5.4% since December) followed by OKEx (\$559bn, up 18.4%), FTX (\$346bn, down 10.2%) and Bybit (\$219bn, down 2.9%).



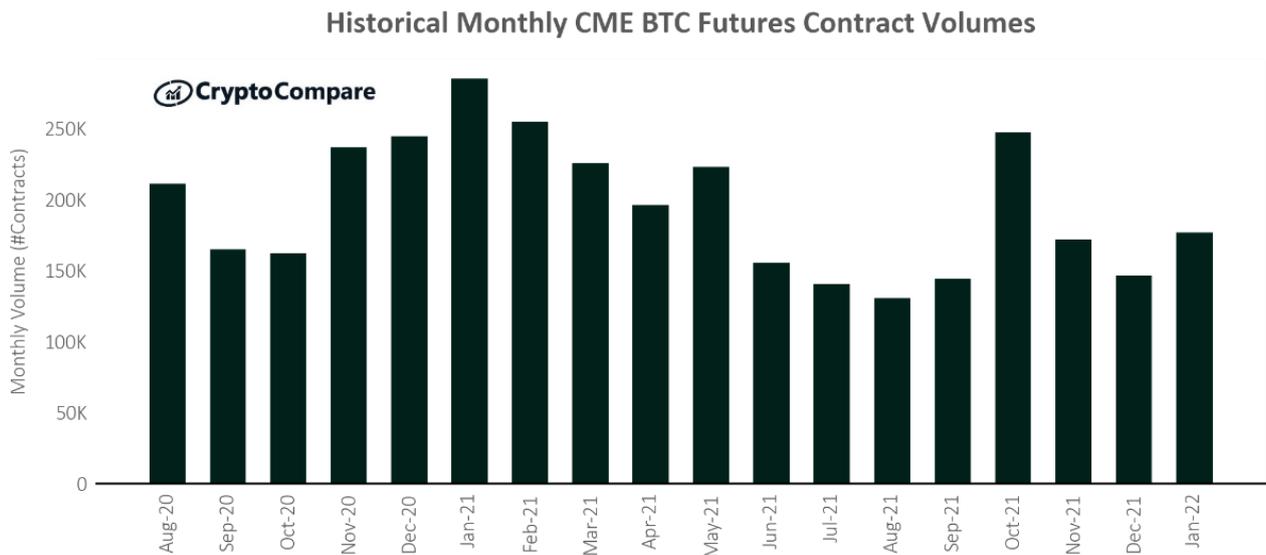
Derivatives exchanges traded a daily maximum of \$181bn on the 21<sup>st</sup> of January, down 3.4% from December's intra-month high of \$188bn.

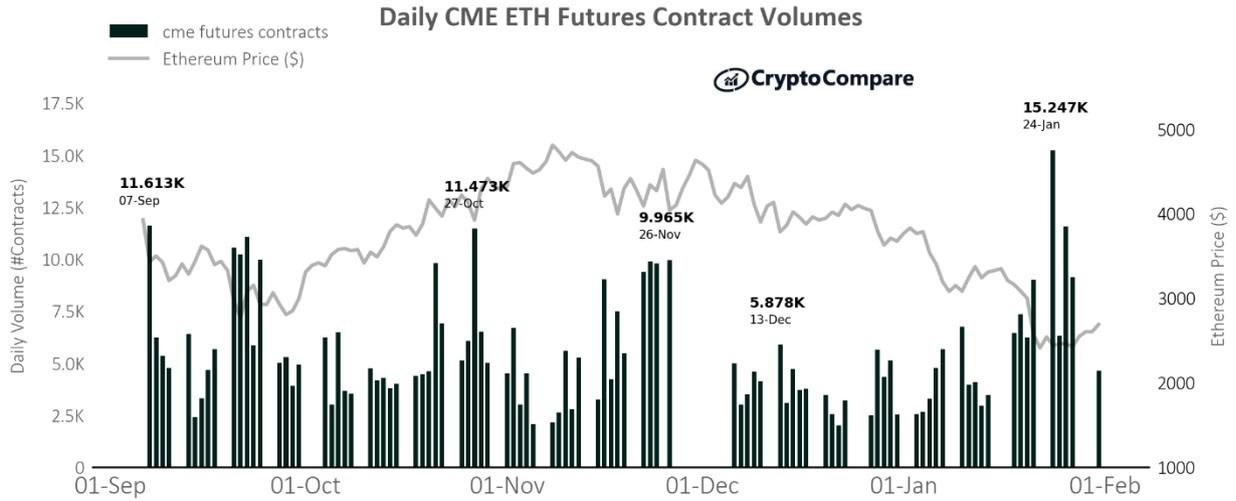
# CME Institutional Volume and Open Interest



22,538 BTC futures contracts were traded on the 24<sup>th</sup> of January, a daily maximum for the month.

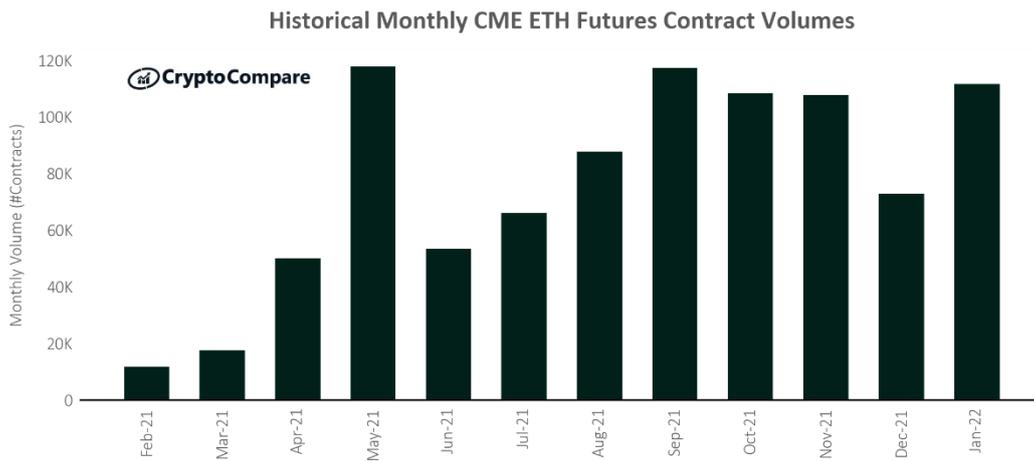
Roughly 181,400 monthly contracts were traded in January, up 23.9% since December.

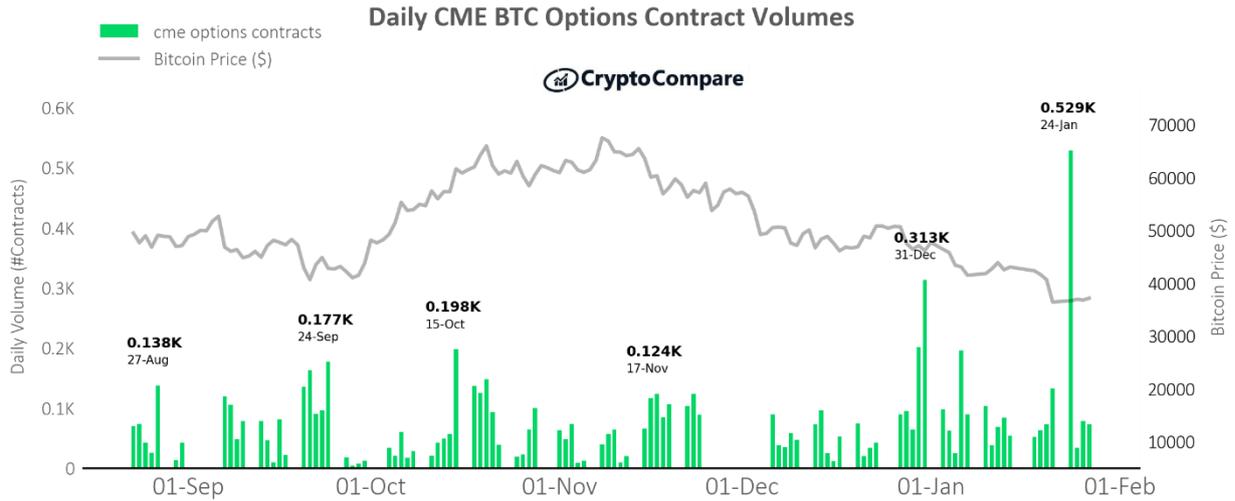




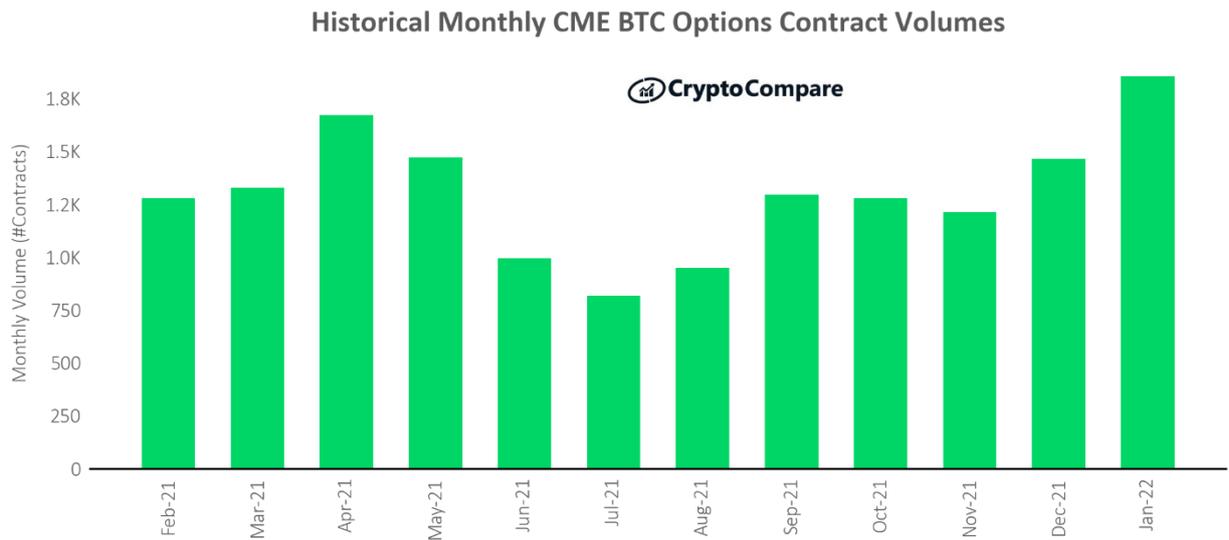
There were 15,247 ETH futures contracts traded on the 24<sup>th</sup> of January, a daily maximum for the month.

116,200 ETH futures contracts were traded in January, up 59.4% since December, marginally below the all-time high of 117,800 contracts traded in May 2021.

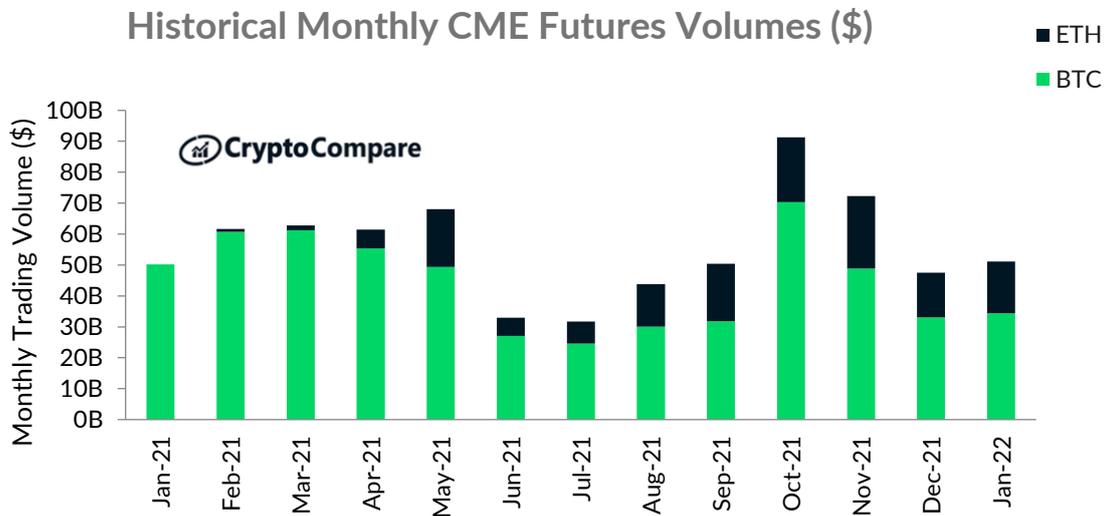




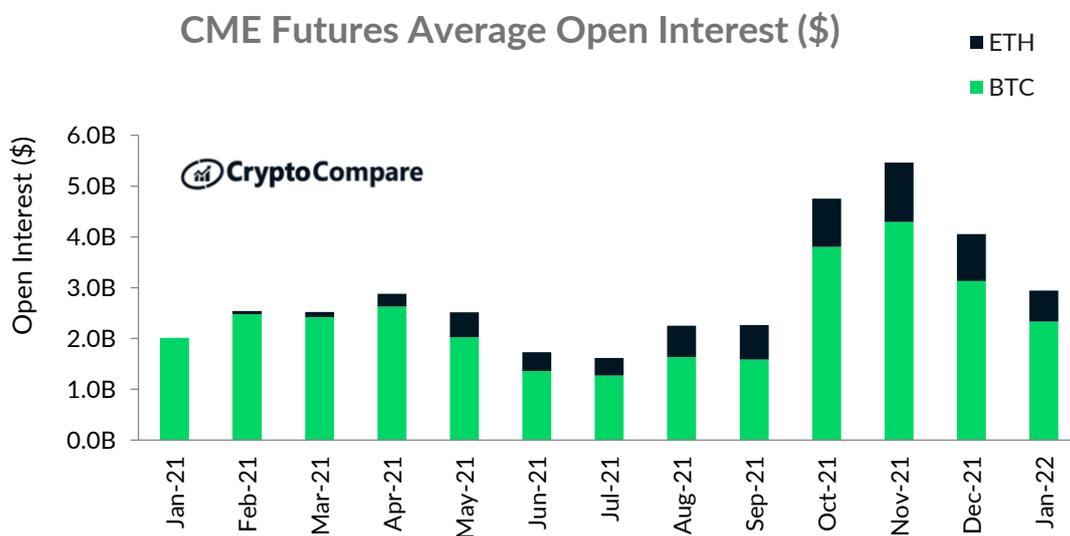
CME’s BTC options contract volumes increased 28.6% in January to 1,882 contracts traded, an all-time high for the exchange. Options contract volumes reached a daily maximum of 529 contracts traded on the 24<sup>th</sup> of January, up 69.0% from the intra-month high in December.



In terms of total USD trading volume, CME's ETH futures reached \$16.8bn in January (up 16.1% since December). Meanwhile, CME's BTC futures volumes increased by 4.1% to \$34.4bn. On aggregate ETH + BTC futures volumes grew 7.8% to \$51.1bn.



CME's average open interest figures for BTC futures decreased 25.4% to \$2.3bn in January. Similarly, ETH open interest averaged \$606mn (down 34.7% since December).



**To conclude,** in January cryptocurrency exchanges saw a decrease of -14.6% in volumes across both derivative and spot markets. This comes as the market has continued to trend downwards, falling from a total market capitalization of \$3.2tn at the November 2021 peak to \$1.9tn at the end of January. The relative increase in activity in the derivative markets suggests increased hedging and speculation from market participants.