



# EXCHANGE REVIEW

May 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>

## 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.

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## Key Market Insights

It was an eventful month for the cryptocurrency market following the collapse of major stablecoin TerraUSD, and the subsequent impact on the Terra ecosystem. Markets declined in May as Bitcoin and Ethereum closed the month at \$31,782 and \$1,941, falling 15.6% and 28.8% respectively. As a result, volatility increased and spot volumes on centralised exchanges rose 13.6% to \$1.97tn, with a daily maximum of \$148.8bn traded on the 11<sup>th</sup> of May, the day TerraUSD collapsed. Meanwhile, derivatives volume fell 0.23% to \$3.19tn.

### FTX Overtakes Coinbase and OKX in Spot Trading Volume

In May, FTX spot market volumes reached \$89.4bn, an 80.8% increase from the month prior. This was the first time the exchange overtook OKX and Coinbase in spot trading volume. Binance retained its position as the largest exchange by volume with a market share of 50.9%, trading \$532bn, a 14.3% increase from April.

OKX and Coinbase followed the two exchanges with the former experiencing a fall of 29.4% to \$82.1bn and the latter rising 10.0% to \$79.7bn in spot trading volume.

### BTC Volume Traded Into Fiat or Stablecoin Jumps

In May, BTC spot trading into fiat or stablecoins experienced a spike as investors fled to the safety of these assets following the fall of the Terra ecosystem. USDT remains the preferred 'safety' asset for investors with 5.37mn BTC traded (up 68.9%). The fall of TerraUSD has also led to an increased demand for fiat with USD volume jumping 103% to 1.43mn BTC. The Japanese Yen (JPY) and Euro (EUR) followed USD, trading 329k BTC and 282k BTC, jumping 82.7% and 190%, respectively.

With concerns over the backing of USDT, demand for other stablecoins has also surged with TrueUSD overtaking USDC as the second-largest stablecoin, rising 200% to 262k BTC. Meanwhile, the fiat collateralized stablecoin from Circle rose 93.1% to 216k BTC.

### CME's Derivative Contracts Rises to New Highs

CME's monthly futures volumes across BTC and ETH contracts saw a surge in volume in May, indicating a rise in speculative activity. BTC futures contracts in CME recorded the highest number traded since February 2021 with a volume of 250,650. Meanwhile, ETH futures contracts reached an all-time high volume with 136,165 contracts traded, rising 63.0% from April.

BTC options contracts traded in CME also experienced a spike in volume, rising 161% to 3,794 contracts in May. However, the average open interest figures for BTC and ETH fell 25.6% and 29.0% respectively. This could be the result of investors and traders closing their positions as more uncertainty looms for the sector.

## May Exchange News

COMPANY	STORY	DATE
Gemini	<a href="#">Introducing Superlunar: Exploring the Future of Web3</a>	May 3
FTX	<a href="#">FTX CEO Sam Bankman-Fried Buys 7.6% Stake in Robinhood</a>	May 12
Deribit	<a href="#">Deribit Partners with 3Commas for Automated Options Trading</a>	May 13
Coinbase	<a href="#">Access web3 with the Coinbase app</a>	May 16
Coinbase	<a href="#">Coinbase Commerce expands merchant access to crypto payment acceptance with Primer</a>	May 17
FTX US	<a href="#">FTX US Debuts Stock Trading in Push for Bigger Slice of US Retail Pie</a>	May 19
BitMEX	<a href="#">Now Live: Buy, Sell, and Trade Crypto on the BitMEX Spot Exchange Now</a>	May 17
Coinbase	<a href="#">Introducing the Coinbase Institute: Advancing the policy debate around crypto and the future of web3</a>	May 18
Binance	<a href="#">CZ's FAQ 8 - On LUNA/UST and Taking the Right Risks</a>	May 20
Bybit	<a href="#">Earn More With Bybit Liquidity Mining</a>	May 20
Coinbase	<a href="#">Trade thousands of tokens on your choice of network in Coinbase Wallet</a>	May 23
FTX	<a href="#">FTX's Bankman-Fried Pitches CFTC on Directly Clearing Customers' Crypto Swaps</a>	May 25
Binance	<a href="#">Binance Bahrain Becomes the First Crypto-asset Service Provider to Hold a Full Category 4 License</a>	May 26

## Definitions

Metric	Definition
<b>Top Tier Exchanges</b>	Top Tier Exchanges refers to those that have scored Grade B and above in CryptoCompare's biannual Exchange Benchmark.
<b>Lower Tier Exchanges</b>	Lower Tier Exchanges refers to those that have scored Grade C and below in CryptoCompare's biannual Exchange Benchmark.
<b>Spot Volumes</b>	Volumes of trade where the financial assets are purchased or sold for immediate delivery.
<b>Derivatives Volumes</b>	Volumes of trade where the contract between two parties which derives its value or price from an underlying asset is purchased or sold.
<b>Futures Contracts</b>	Derivatives contracts that oblige parties to trade an asset at a predetermined price and date.
<b>Options Contracts</b>	Derivatives contracts that give the holder the right, but not the obligation, to trade an asset by certain date at a specified price.
<b>Open Interest</b>	Number of outstanding derivative contracts that have not been settled for an asset.

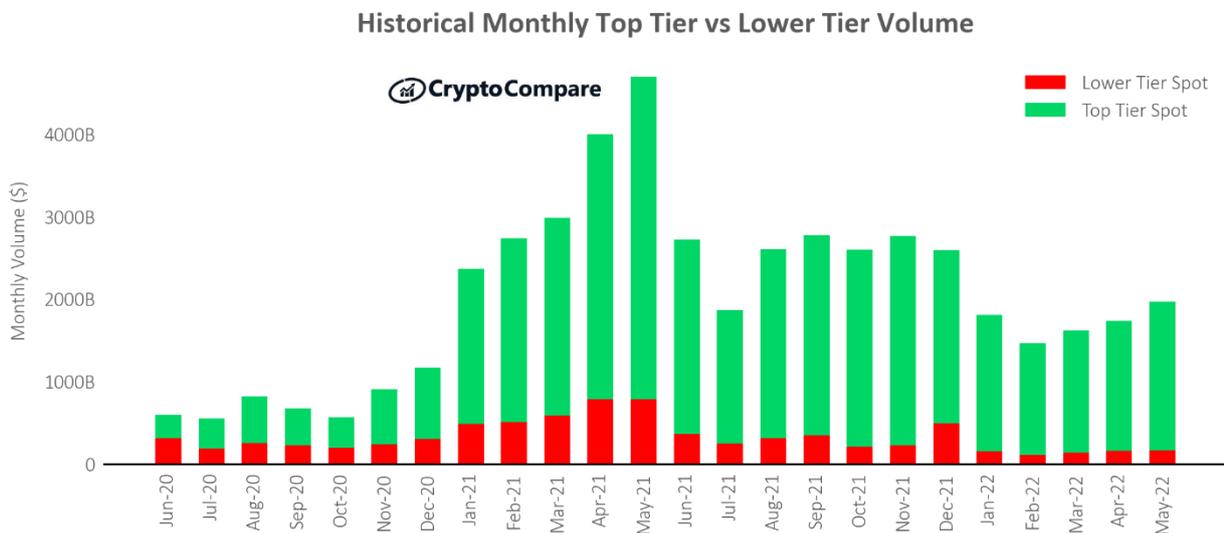
## Exchange Benchmark Analysis

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.

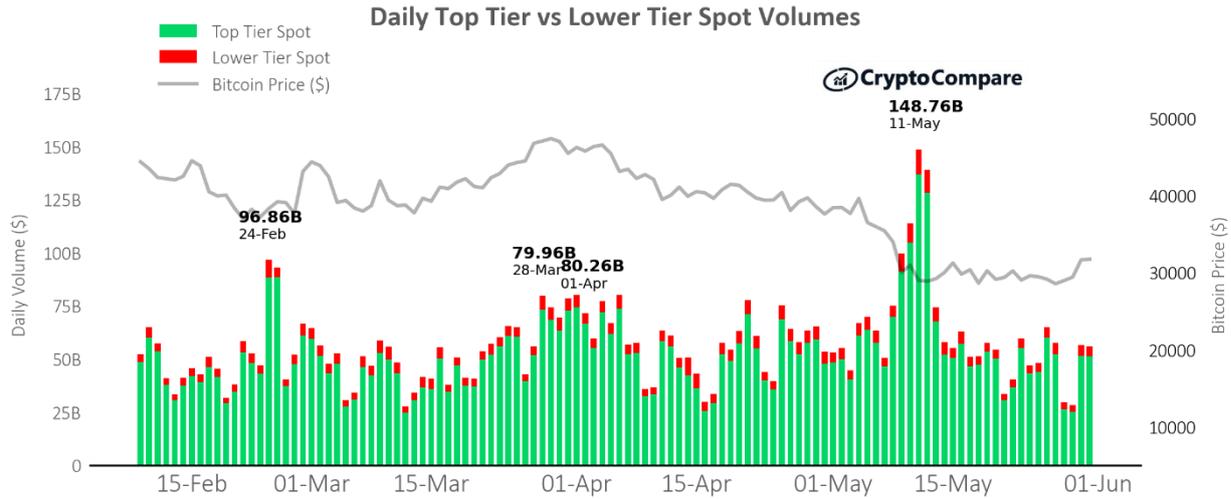
We hence refer to the notion of “Top-Tier” vs “Lower-Tier” volumes and exchanges, as explained in greater detail in the Exchange Benchmark Report methodology.

**Explore the Exchange Benchmark [here](#)**

In this report, we assess exchange activity via the above segmentation, particularly for spot markets. Apart from this, we study the market segmentation between different exchanges and assets, derivatives, and dive deeper into CME data, one of the largest derivative exchanges across multiple asset classes.



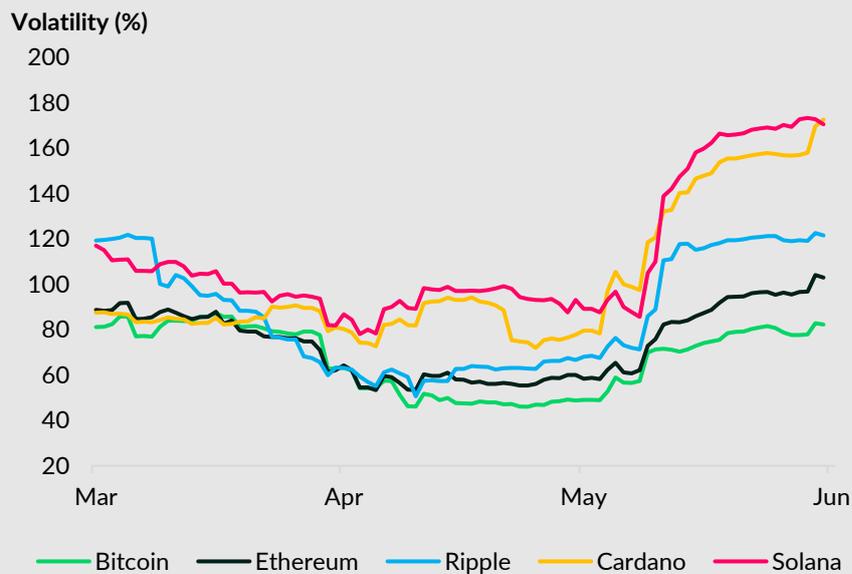
**In May, Top-Tier spot volumes increased 14.4% to \$1.80tn and Lower-Tier spot volumes increased 5.17% to \$167bn. Top-Tier exchanges now represent 91.5% of total spot volume.**



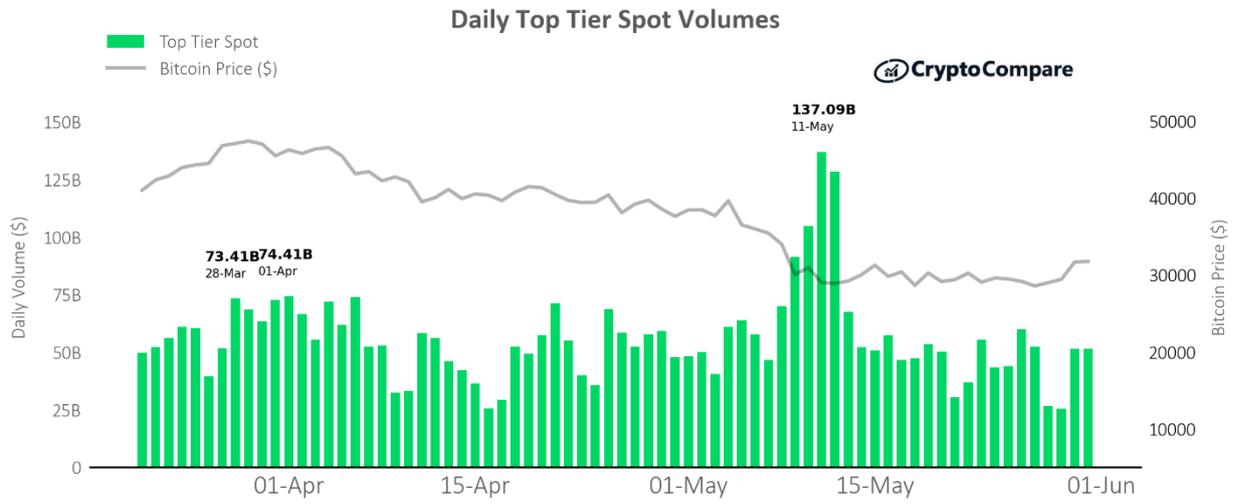
Trading activity across spot markets increased in May compared to the previous month as cryptocurrency prices continued to trend downward after the fall of UST stablecoin. A daily volume maximum of \$149bn was traded on the 11<sup>th</sup> of May, up 85.3% from the intra-month high in April.

### Luna Crypto Catalyst

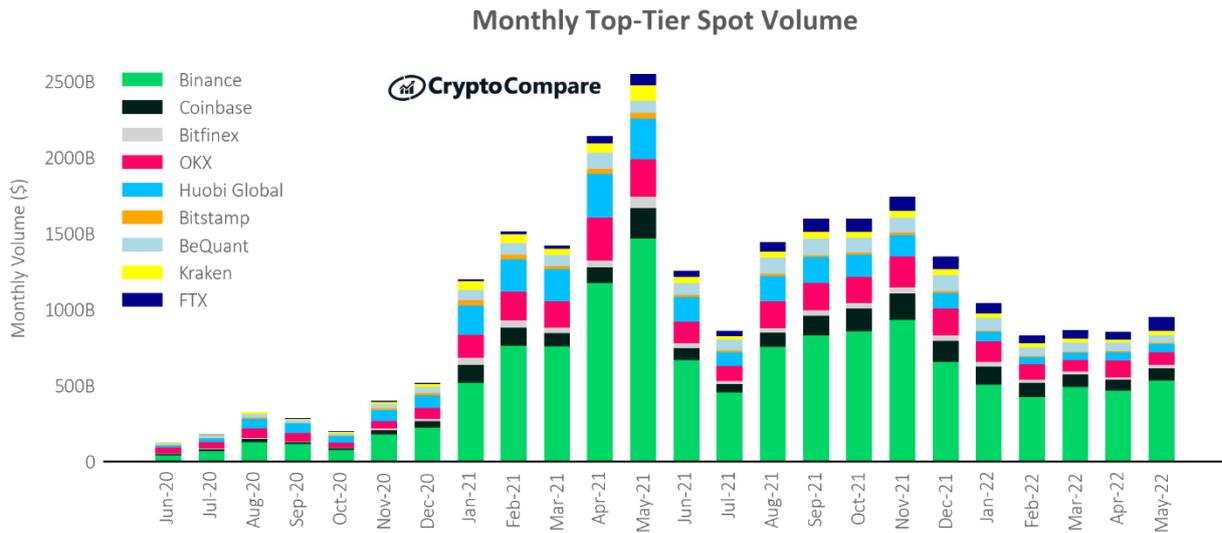
The crypto market experienced one of the largest month-on-month declines this May wiping out \$460bn in market capitalization (data up to 26<sup>th</sup> May), with the majority of this decline occurring within a 4-day period beginning May 8<sup>th</sup>. The LUNA token, which propped up the algorithmic stablecoin TerraUSD, crashed to under 1 cent wiping billions from the ecosystem. This event sent ripples across the cryptocurrency industry as the most catastrophic depegging of a stablecoin we have ever seen transpired. These events, along with increased macroeconomic uncertainty, have led to a spike in volatility, and as a result, increased trading volumes. For a more in depth analysis of the events that transpired with UST/ Luna (rephrase) read our latest commentary report, [Exploring UST's Fall From Grace](#).



Top-Tier exchanges traded a daily volume maximum of \$137bn on the 11<sup>th</sup> of May, up 84.2% from April. Top-Tier exchanges are selected based on our rigorous [Exchange Benchmark Methodology](#).

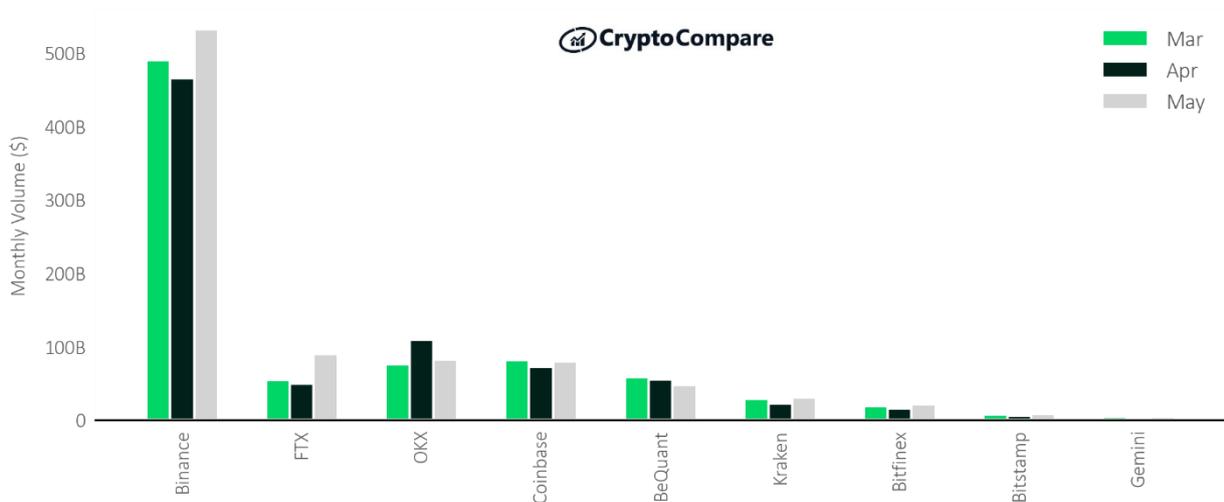


## Macro Analysis and Market Segmentation



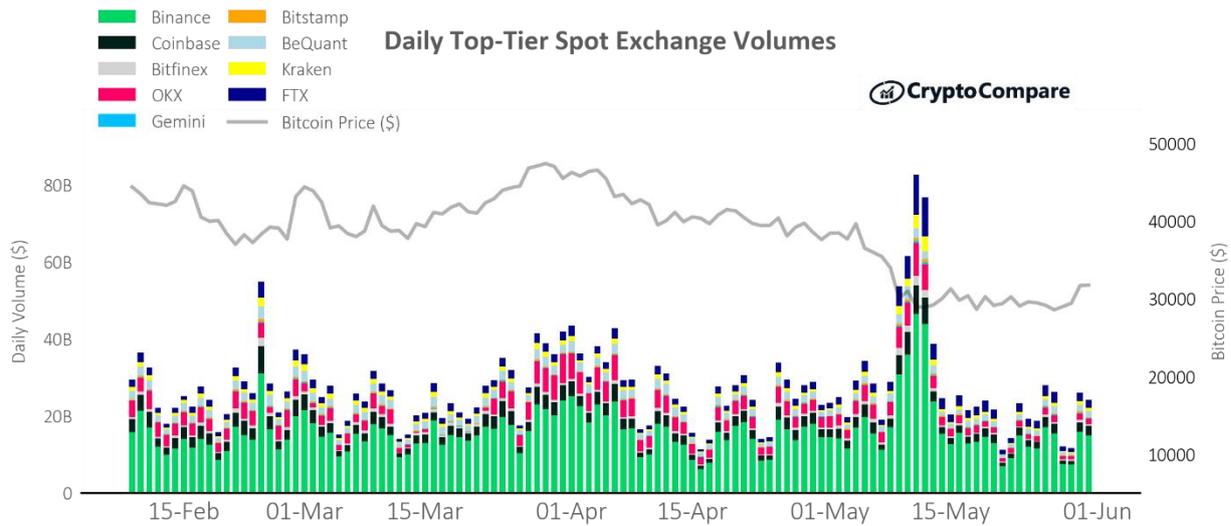
In May, spot volume from the 15 largest Top-Tier exchanges increased 9.67% compared to April, with total spot volumes of \$1.05tn.

Historical Monthly Top-Tier Spot Volume - 3 Months



Considering individual exchanges, Binance (Grade AA) was the largest Top-Tier spot exchange by volume in May, trading \$532bn (up 14.3%). This was followed by FTX (Grade A) trading \$89.4bn (up 80.8%) and OKX (Grade BB) trading \$82.1bn (down 24.9%).

Coinbase (Grade AA), and Bequant (Grade BB) followed, trading \$79.7bn (up 10.0%) and \$48.0bn (down 13.1%) respectively.



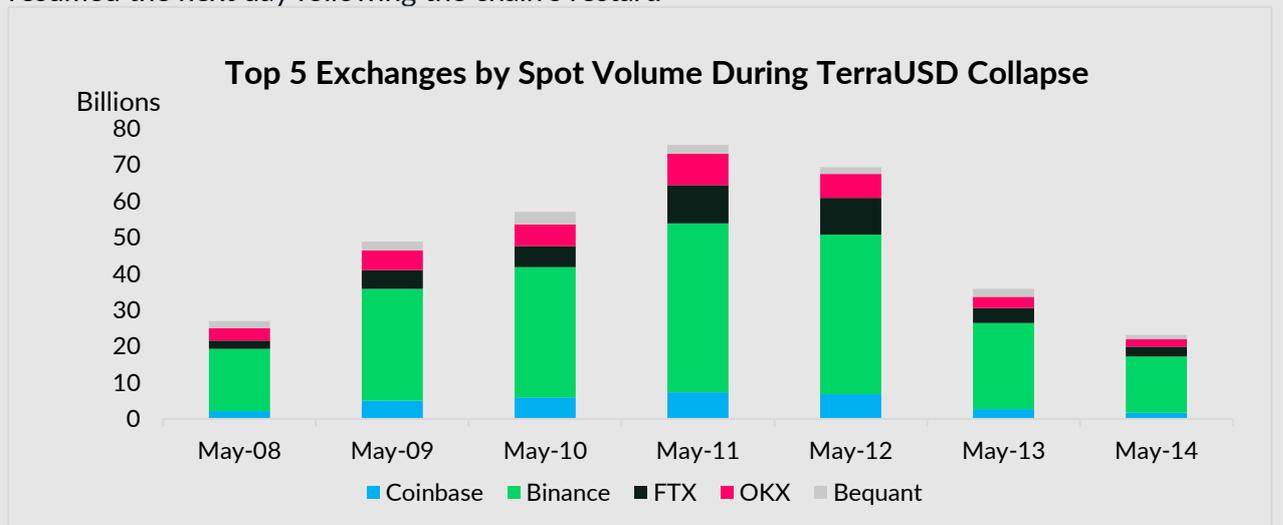
Binance (AA), FTX (A) and OKX (BB) were the top players in terms of spot volume in May relative to other Top-Tier exchanges. Among the largest 15 Top-Tier exchanges by volume, they represented approximately 67.3% of total volume (vs 65.5% in April).

### Crypto Exchanges During the Terra Death Spiral

The crypto markets experienced a surge in trading volume during the collapse of TerraUSD. The five largest exchanges by volume during the 7-day period beginning May 8<sup>th</sup> were Binance, FTX, Coinbase, OKX and Bequant.

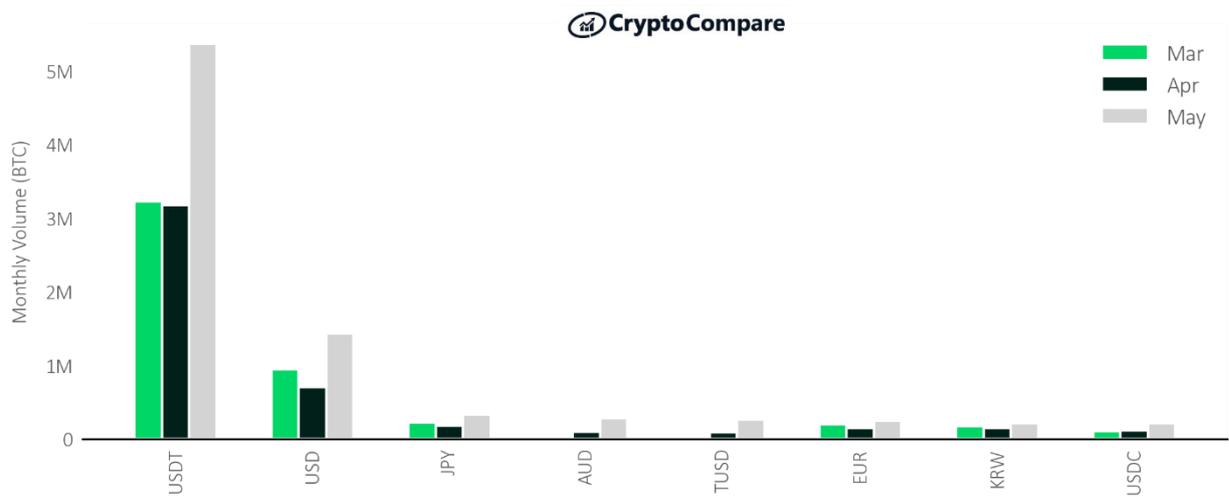
Binance, being the largest exchange, traded \$224bn in volume during the week. The exchange was followed by FTX, OKX and Coinbase with \$42.1bn, \$37.9bn and \$33.1bn in volume during the period.

There was also a spike in derivatives volume during this volatile period, with Binance, OKX and FTX experiencing the highest volumes. Binance and other major exchanges decided to stop the trade of LUNA and UST when the Terra blockchain was halted for the first time on May 12<sup>th</sup>, but later resumed the next day following the chain's restart.



## Bitcoin to Fiat Volumes

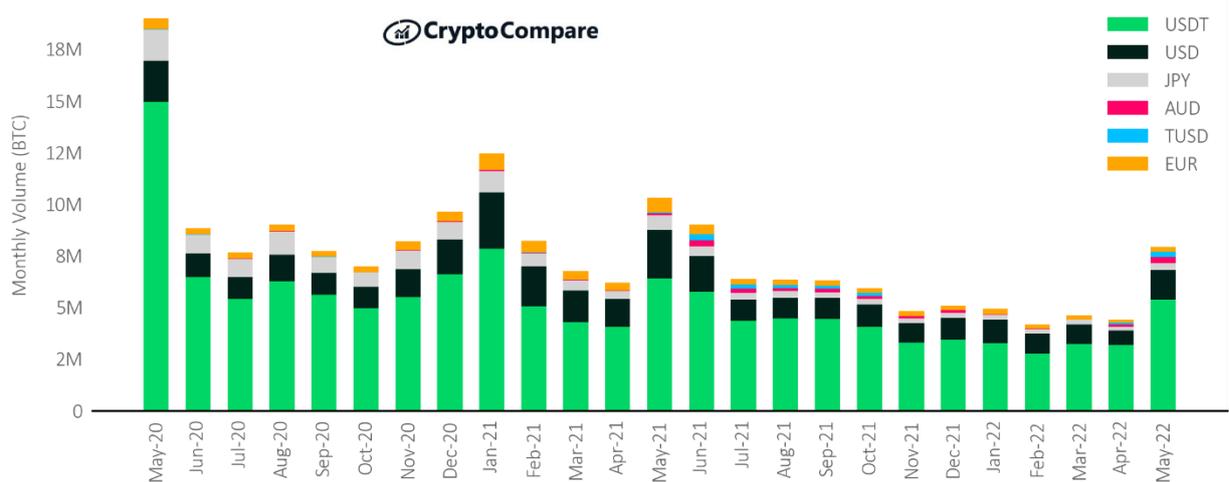
Monthly Bitcoin Volume Traded into Fiat or Stablecoin - 3 Months



BTC spot trading into USDT increased by 68.9% in May, to 5.37mn BTC as investors fled towards safety after the collapse of TerraUSD stablecoin. BTC spot trading into USD also saw a significant rise, jumping 103% to 1.43mn. JPY and AUD followed, rising 82.7% and 190% to 329k and 282k BTC respectively.

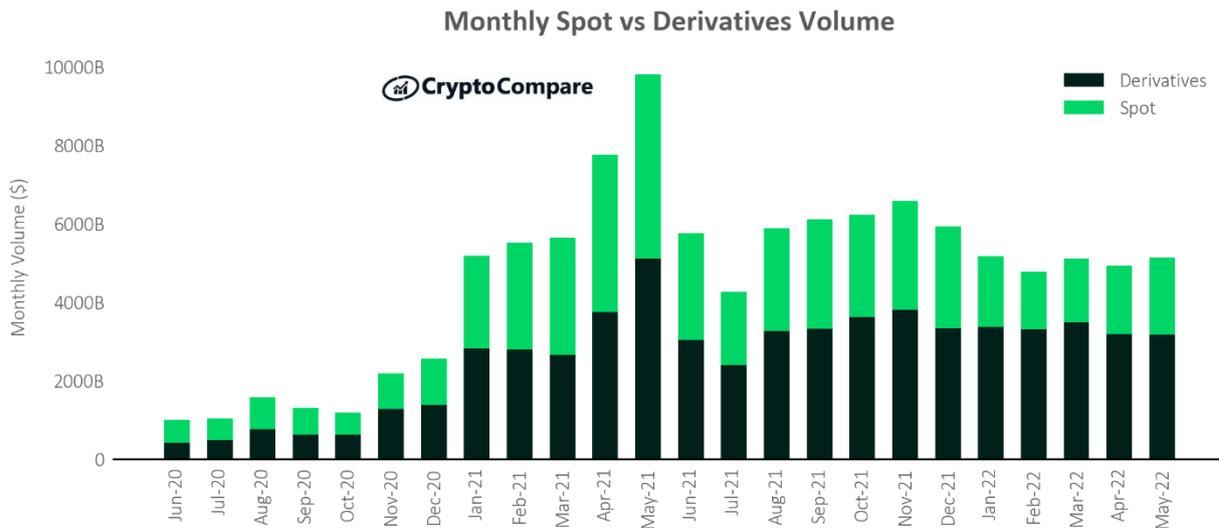
TrueUSD overtook USDC as the largest stablecoin market after USDT, having traded 262k BTC (up 200%) in May. The latter also experienced an increase of 93.1% to 216k BTC.

Monthly Bitcoin Volume Traded into Fiat or Stablecoin

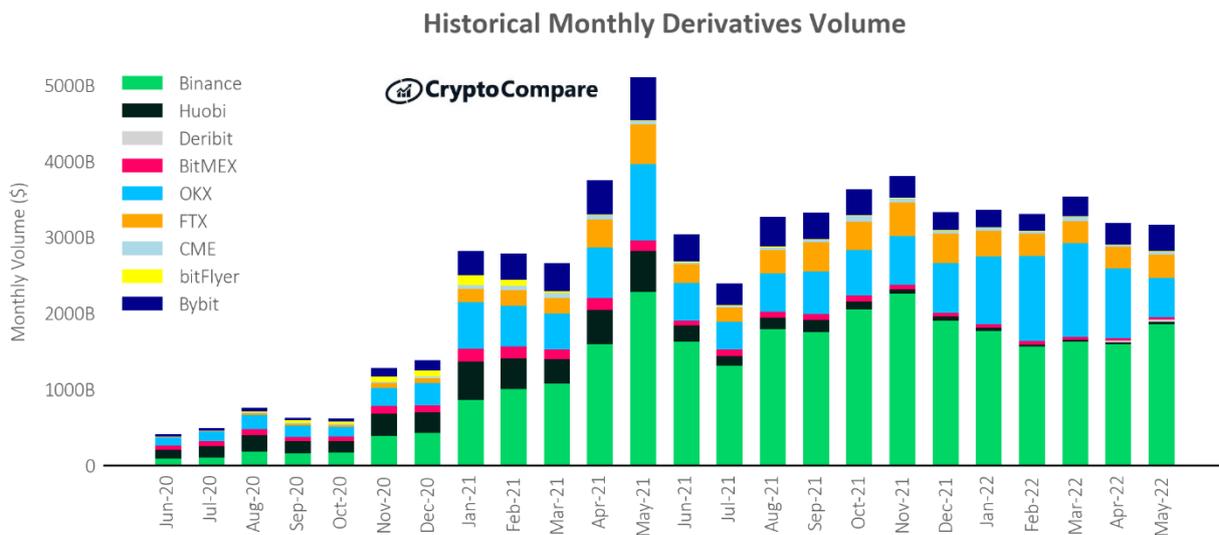


In May, BTC/USDT trading still represents the majority of BTC traded into fiat or stablecoin spot markets. However, its dominance has fallen to 62.9% from 66.7% in April.

## Derivatives

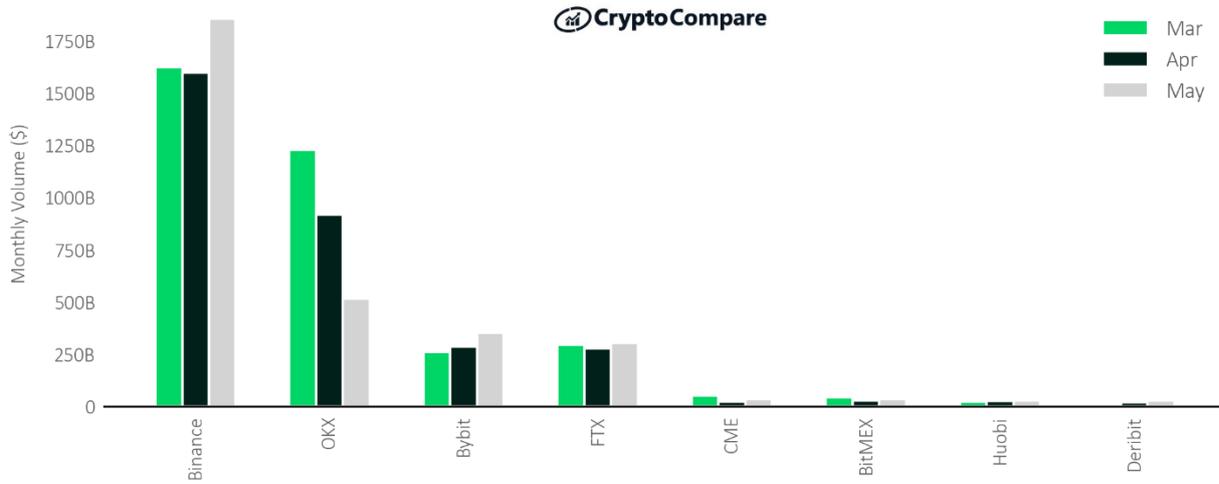


Derivatives volumes decreased by 0.23% in May to \$3.19tn. Meanwhile, total spot volumes increased by 13.6% to \$1.97tn. The derivatives market now represents 61.7% of the total crypto market (vs 64.7% in April).

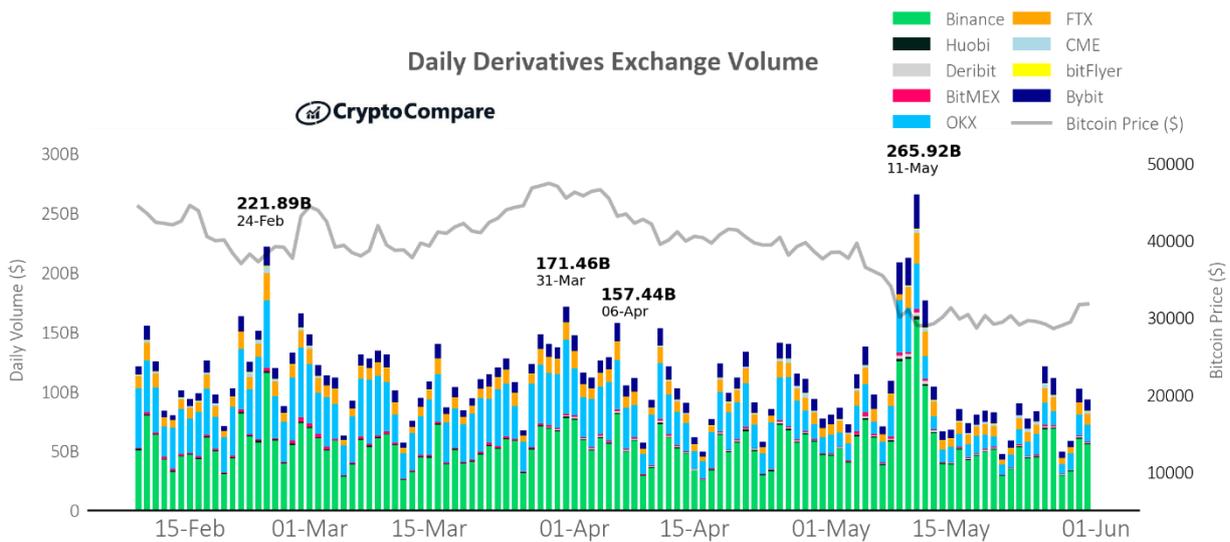


Binance leads the derivative markets with 58.2% (\$1.85tn) of total volumes in May. This was followed by OKX (16.2% market share, \$516bn) and Bybit (11.1% market share, \$353bn).

Historical Monthly Derivatives Volumes - 3 Months



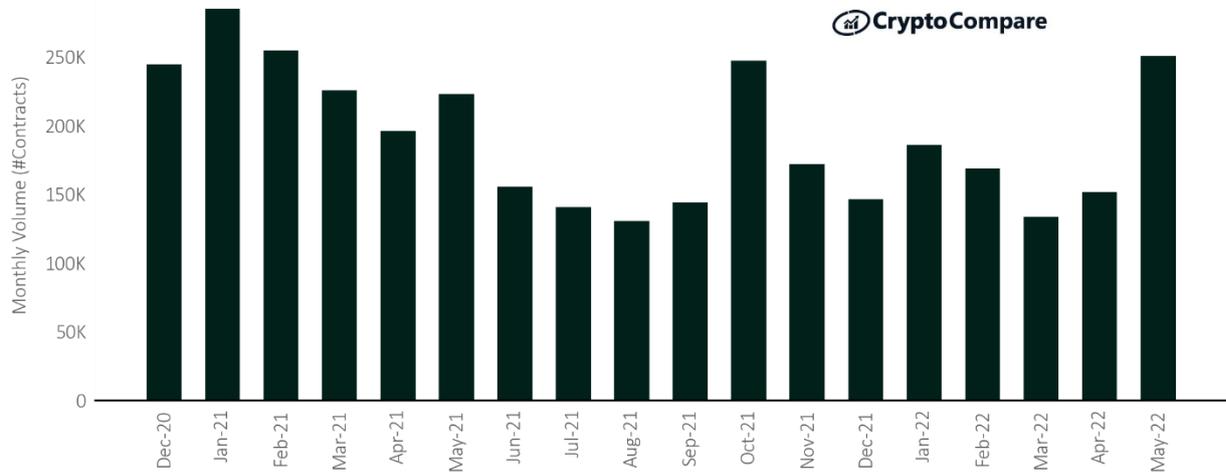
Binance was the largest derivatives exchange in May by monthly volume, trading \$1.85tn (up 16.2% since April) followed by OKX (\$516bn, down 43.8%), Bybit (\$353bn, up 22.6%), and FTX (\$305bn, up 9.58%).



Derivatives exchanges traded a daily maximum of \$266bn on the 11<sup>th</sup> of May, up 68.9% from April's intra-month high of \$157bn.

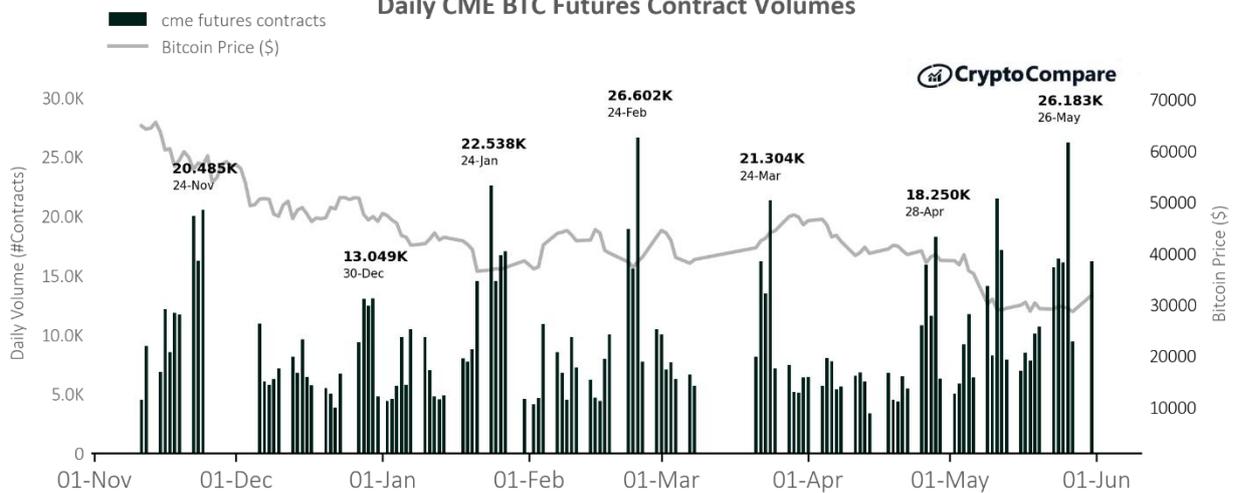
## CME Institutional Volume and Open Interest

Historical Monthly CME BTC Futures Contract Volumes

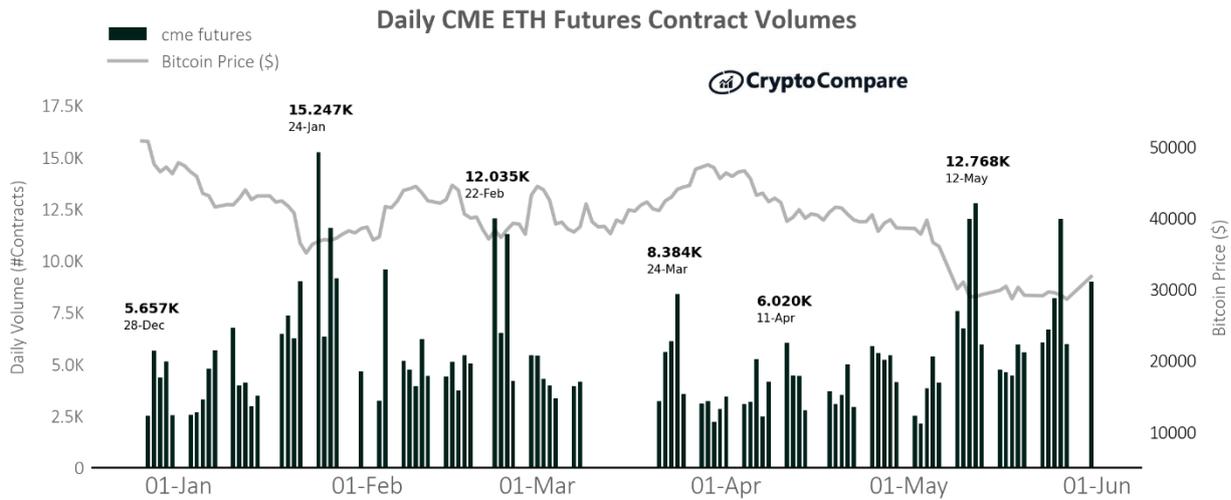


250,650 BTC futures contracts were traded in May, up 65.1% since April. This was the highest number of BTC futures contracts traded on the CME since February 2021.

Daily CME BTC Futures Contract Volumes

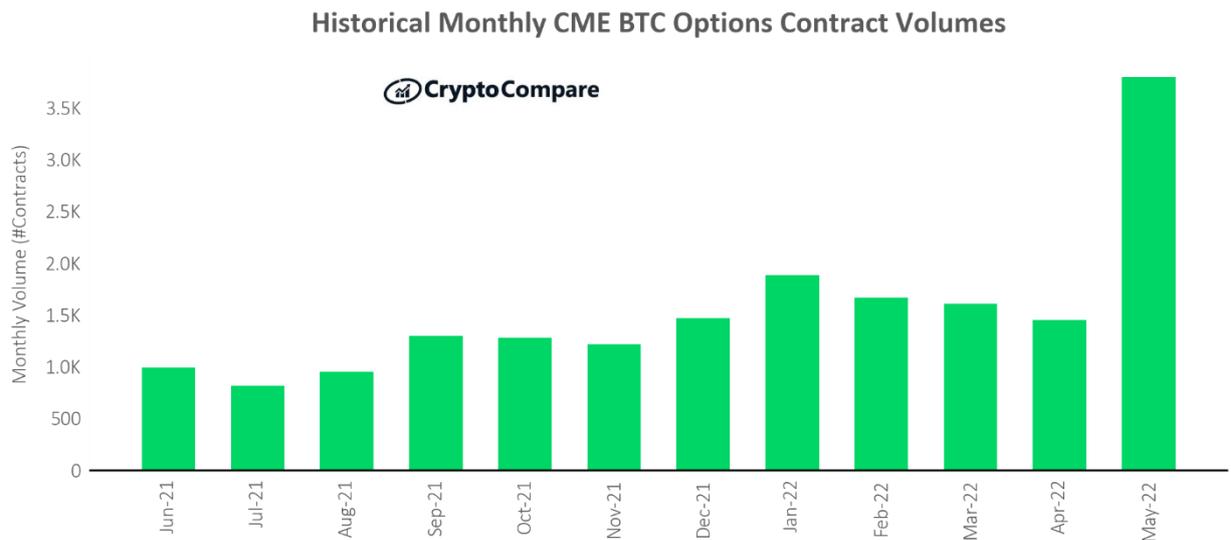


26,183 BTC futures contracts were traded on the 26<sup>th</sup> of May, a daily maximum for the month.

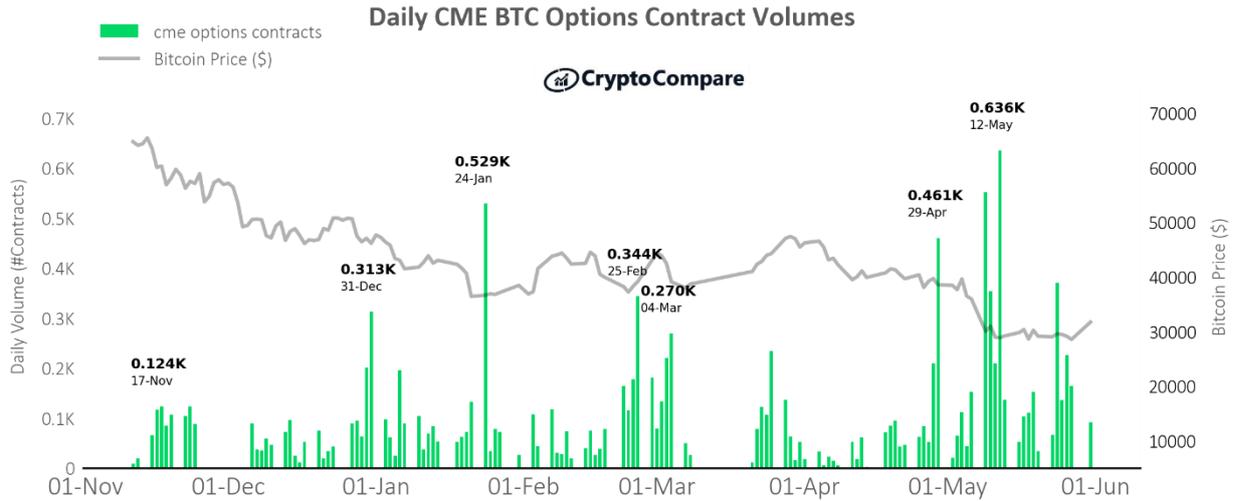


There were 12,768 ETH futures contracts traded on the 12<sup>th</sup> of May, a daily maximum for the month.

136,165 ETH futures contracts were traded in May, up 63.0% since April. This is the highest number of contracts traded since ETH futures were launched on the CME.

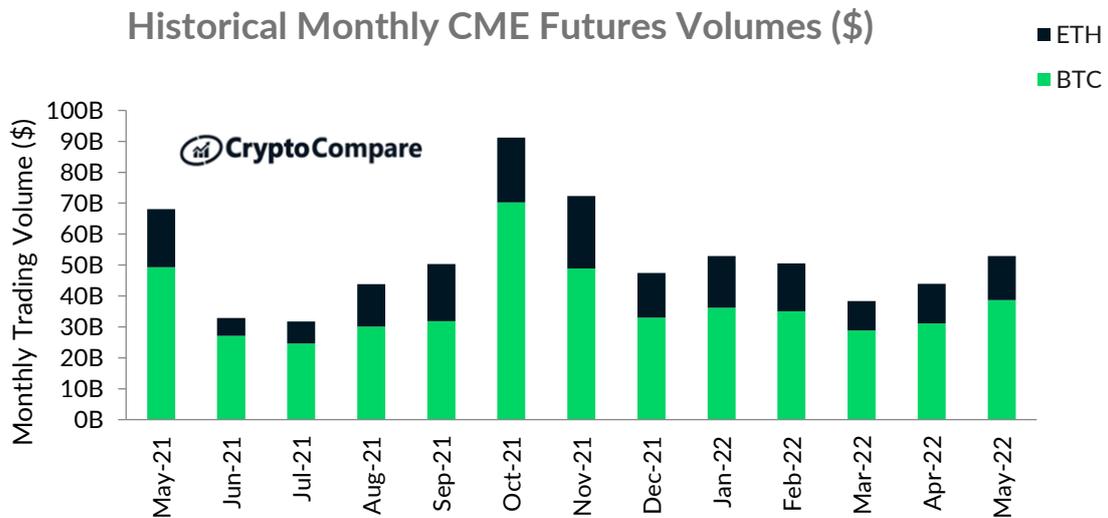


CME’s BTC options contract volumes rose 161% in May to 3,794 contracts traded. This was the highest number of options contracts traded in CME since June 2020.

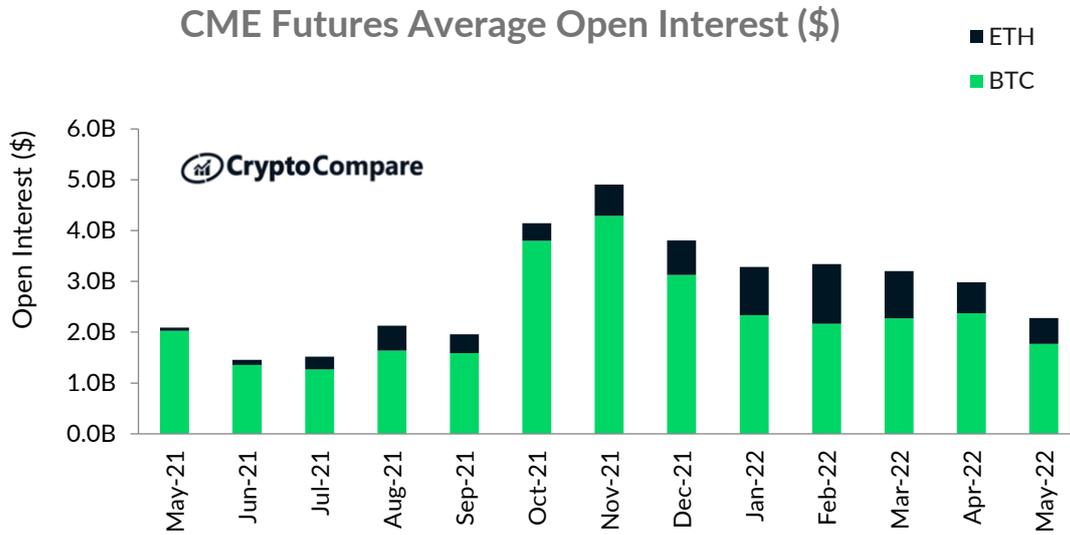


BTC Options contract volumes reached a daily maximum of 636 contracts traded on the 12<sup>th</sup> of May, up 38.0% from the intra-month high in April.

In terms of total USD trading volume, CME’s ETH futures reached \$14.3bn in May (up 11.6% since April). Meanwhile, CME’s BTC futures volumes increased by 24.1% to \$38.6bn. On aggregate ETH + BTC futures volumes rose 20.5% to \$52.9bn.



CME's average open interest figures for BTC futures fell 25.6% to \$1.77bn in May. On the other hand, ETH open interest averaged \$369mn, down 29.0% since April.



*To conclude, in May, cryptocurrency exchanges saw an increase of 14.4% in volumes across both derivative and spot markets. This comes as investors flee to safety as ripple effects following the collapse of popular stablecoin TerraUSD and Luna affected crypto markets. This was reflected in the prices of cryptoassets with BTC and ETH falling 15.6% and 28.8% respectively.*

## Access More Of Our Research and Insights

As the digital asset markets continue to grow, so does the need for high-quality research that brings greater clarity and transparency to this rapidly evolving industry. CryptoCompare's suite of research reports provides market participants with trusted, high-quality data and analysis.

### Recurring Reports:

Report	Description
<b>Exchange Review</b>	Captures key developments within the cryptocurrency exchange market – providing readers with an in-depth analysis of exchange volumes, trading activity, and derivatives open interest.
<a href="#">Digital Asset Management Review</a>	Tracks and provides analysis of the most innovative institutional products in the industry, assessing volumes, assets under management (AUM), and product flow trends.
<a href="#">Exchange Benchmark</a>	Brings clarity to the crypto asset exchange sector. Two years on, it has become the industry standard for assessing and evaluating cryptocurrency exchanges, with the methodology and rankings now being utilised to help create financial products and indices.
<a href="#">Asset Report</a>	Provides professionals in the financial services space, particularly the investment management industry, with a summarised analysis of the latest movements in five of the largest cryptocurrencies.
<a href="#">Market Outlooks</a>	A quarterly report that identifies the most important developments of the last quarter, which may thereafter set the tone for key trends to look out for in the following months. This includes references to the macroeconomic environment, DeFi, NFTs, stablecoins, and more.

### Topic Deep Dives:

Report	Description
<a href="#">Liquidity Report</a>	Created in collaboration with Bitstamp – a first of its kind report – it examines the intricacies of digital asset liquidity and compares it across top-tier exchanges to find the true liquidity of digital asset exchanges.
<a href="#">UST's Fall From Grace</a>	Summarises the depegging of UST and subsequent debacle of LUNA and the Terra ecosystem, including analysis on the ripple effects of the event and where it situates the digital asset industry.