



# EXCHANGE REVIEW

JULY 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 centralised 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 and 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

The cryptocurrency markets experienced their first sustained rally since March as the majority of digital assets began their recovery from the grim price action of the last few months. In July, Bitcoin and Ethereum closed the month at \$23,310 and \$1,679, rising 22.0% and 62.8%, with the latter capitalizing on the Merge hype. Trading volumes across centralised exchanges rose 8.39% to \$4.51tn with derivatives volume rising 13.4% to \$3.12tn, suggesting an increase in speculative activity.

### Derivatives Trading Volume Rises for the First Time in Four Months

In July, spot trading volumes across all centralised crypto exchanges declined 1.34% to \$1.39tn, the lowest monthly trading volume recorded since December 2020. Meanwhile, derivatives trading volume experienced a rise for the first time since March, increasing 13.4% to \$3.12tn.

The rise in derivatives trading volume indicates an increase in speculative activity as traders believe there is room for further upside in this rally, with no Federal Open Market Committee meeting scheduled for next month. The increase in derivatives trading volume was also amplified this month as traders speculated on the impact of the Ethereum Merge and potential hard forks on Ethereum.

### AAX Sees a Spike in Trading Volume

Spot trading volume on Atom Asset Exchange (AAX) rose 26.5% to \$57.2bn, making it the largest exchange by volume after Binance for the first time in its history. The exchange, powered by the London Stock Exchange Group's LSEG Technology, has seen a spike in trading volume since the start of the year, rising 285% from \$14.9bn during the period. Recently, the exchange announced its plans to double its staff size, a sharp contrast to the job cuts and hiring freeze at other centralised exchanges.

Binance remains the largest exchange by spot trading volume with a market share of 54.0%, rising 10.3% to \$439bn. FTX and OKX followed AAX, with a trading volume of \$56.9bn and \$55.6bn, respectively. Meanwhile, Coinbase continued its decline in spot trading volume, falling 12.8% to \$51.5bn.

### BTC Volume Traded Into BinanceUSD Jumps

In July, BTC spot trading into stablecoins continued to rise. BTC trading into USDT, which has a market share of 62.8%, rose 31.5% to 8.78mn BTC. Meanwhile, BTC trading into BinanceUSD saw its volume spike by 80.2% to 2.13mn BTC, recording the first instance where it surpassed the BTC spot trading into USD volume. USDC also saw an increase in BTC trading volume, rising 35.8% to 415k BTC.

On the other hand, BTC spot trading volume into other major fiat currencies experienced a decline with BTC trading volume into USD, EUR, JPY, and GBP declining.

## July Exchange News

COMPANY	STORY	DATE
Coinbase	<a href="#">Building Across Europe</a>	July 1
AAX	<a href="#">AAX Launches Impact Lab to Drive Inclusion and Sustainability within the Digital Assets Industry</a>	July 2
Binance	<a href="#">How to Get the Most Out of Your Crypto With Auto-Staking on Binance</a>	July 8
Coinbase	<a href="#">Operating efficiently at scale</a>	July 12
Gemini	<a href="#">Gemini Partners with Pyth Network to Provide Trusted Crypto Market Price Data On-Chain</a>	July 14
Binance	<a href="#">Binance Cloud Now Offers Perpetual Futures, DeFi Enterprise Solutions</a>	July 18
FTX	<a href="#">FTX's Bankman-Fried Says It's Worth Losing Money to Prop Up Crypto Industry</a>	July 19
FTX US	<a href="#">Crypto Exchange FTX.US Opens Stock Trading to Users Nationwide</a>	July 27
Gemini	<a href="#">Gemini UK Customers Can Now Use Plaid to Connect Their Bank Accounts and Buy Crypto</a>	July 28
KuCoin	<a href="#">KuCoin Becomes the First Centralized Exchange to Launch NFT ETF to Support Blue-Chip NFT Investments</a>	July 29

## 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 a 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

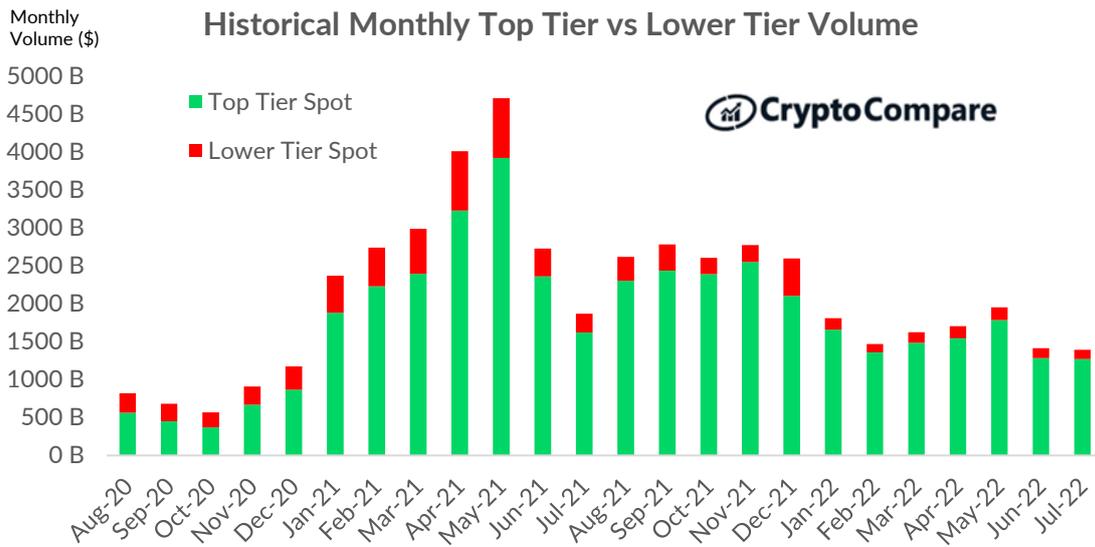
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CryptoCompare's biannual Exchange Benchmark aims to serve investors, regulators and industry participants by scoring and ranking exchanges based on their operational transparency, security, operational quality, regulatory standing, data provision, 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 the safety of investors.

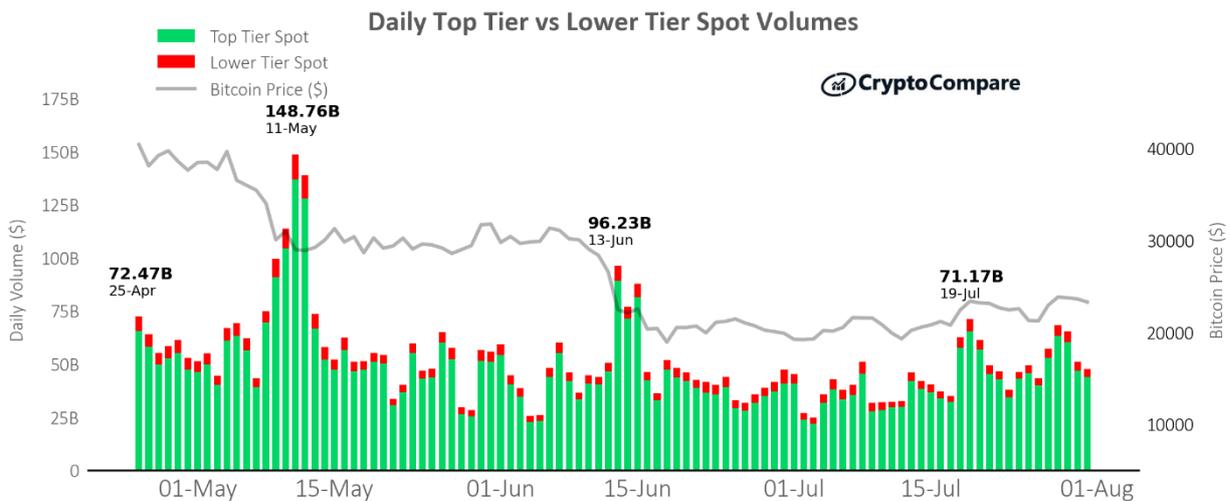
We hence refer to the notion of "Top-Tier" vs "Lower-Tier" volumes and exchanges, as explained in greater detail in the Exchange Benchmark Report methodology.

[Explore the Exchange Benchmark here](#)

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

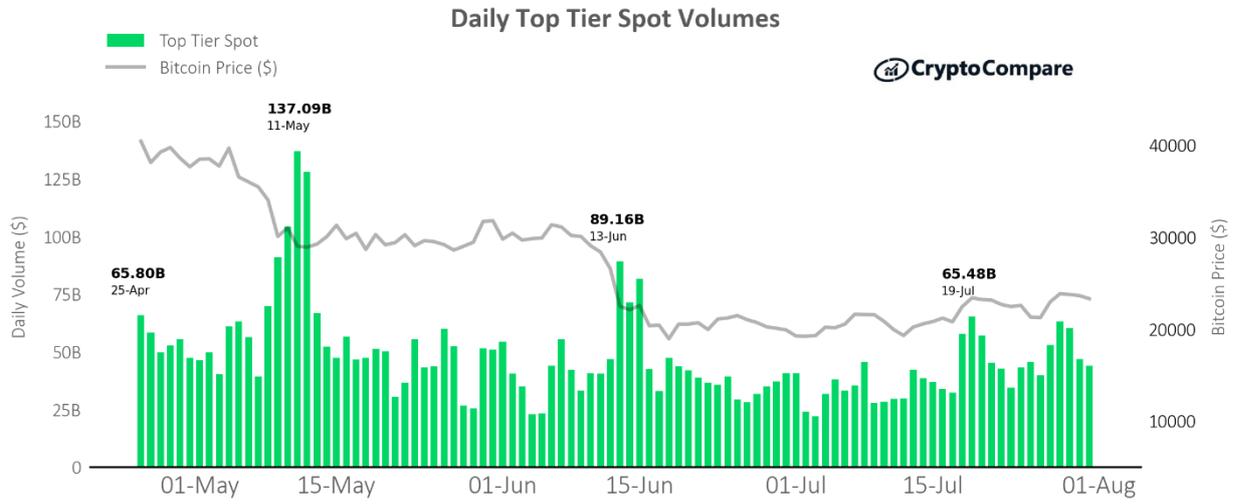


In July, Top-Tier spot volumes decreased 0.99% to \$1.27tn and Lower-Tier spot volumes decreased 4.83% to \$123bn. Top-Tier exchanges now represent 91.1% of total spot volume.



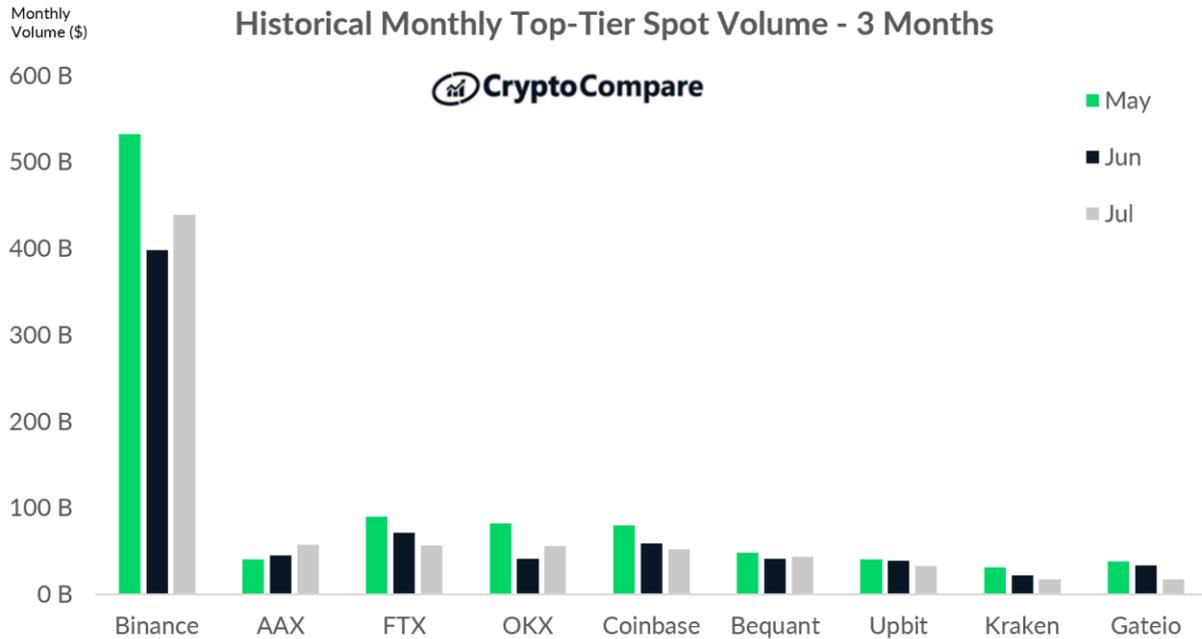
Trading activity across spot markets stayed relatively consistent with the previous month as cryptocurrency prices began to slowly recover following a dismal couple of months marred by high-profile contagion events. A daily volume maximum of \$71.2bn was traded on the 19<sup>th</sup> of July, down 26.0% from the intra-month high in June.

Top-Tier exchanges traded a daily volume maximum of \$65.5bn on the 19<sup>th</sup> of July, down 26.6% from June. Top-Tier exchanges are selected based on our rigorous [Exchange Benchmark Methodology](#).

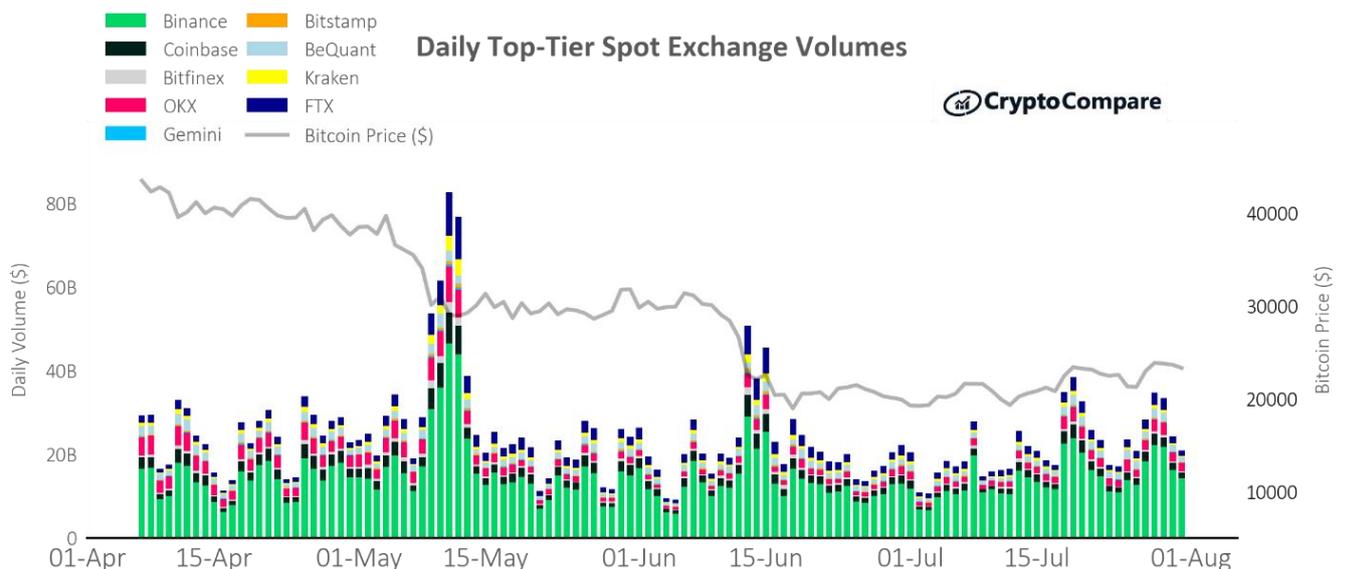


## Macro Analysis and Market Segmentation

In July, spot volume from the 15 largest Top-Tier exchanges increased 1.68% compared to June, with total spot volumes of \$812bn.



Considering individual exchanges, Binance (Grade AA) was the largest Top-Tier spot exchange by volume in July, trading \$439bn (up 10.3%). AAX (Grade BB) and FTX (Grade A) followed, trading \$57.2bn (up 26.5%) and \$56.9bn (down 20.5%).



Binance (AA), AAX (BB), and FTX (A) were the top players in terms of spot volume in July relative to other Top-Tier exchanges. Among the largest 15 Top-Tier exchanges by volume, they represented approximately 68.1% of total volume (vs 64.4% in June).

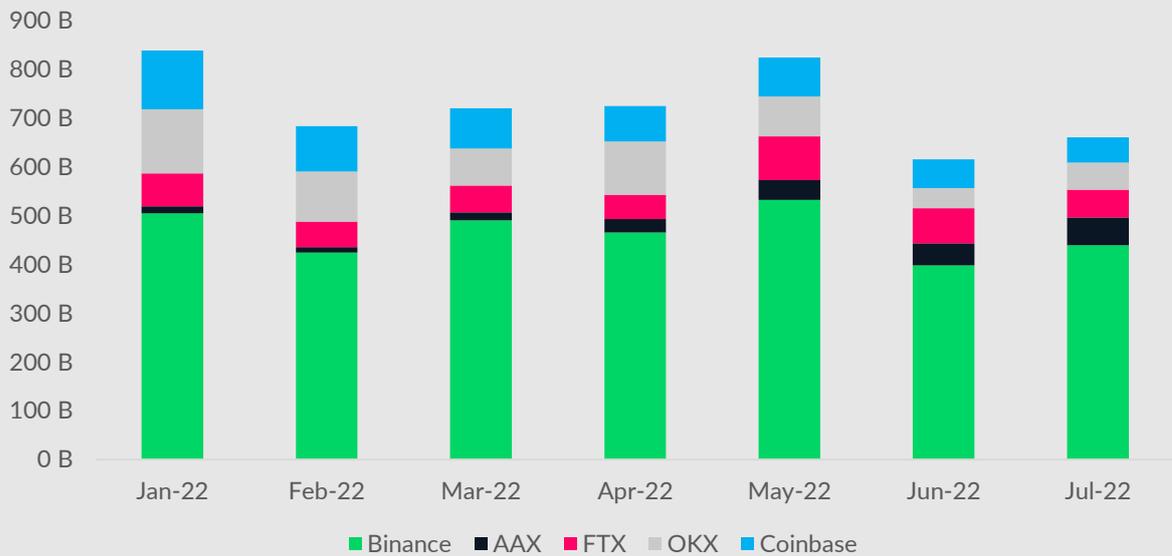
**Atom Asset Exchange, the Underdog?**

In July, the spot trading volume in Atom Asset Exchange (AAX) rose 26.5% to \$57.2bn, an all-time high for the exchange. The digital asset exchange which is powered by the London Stock Exchange Group’s LSEG technology has seen an influx of trading volume since the start of the year, rising 285% during the period.

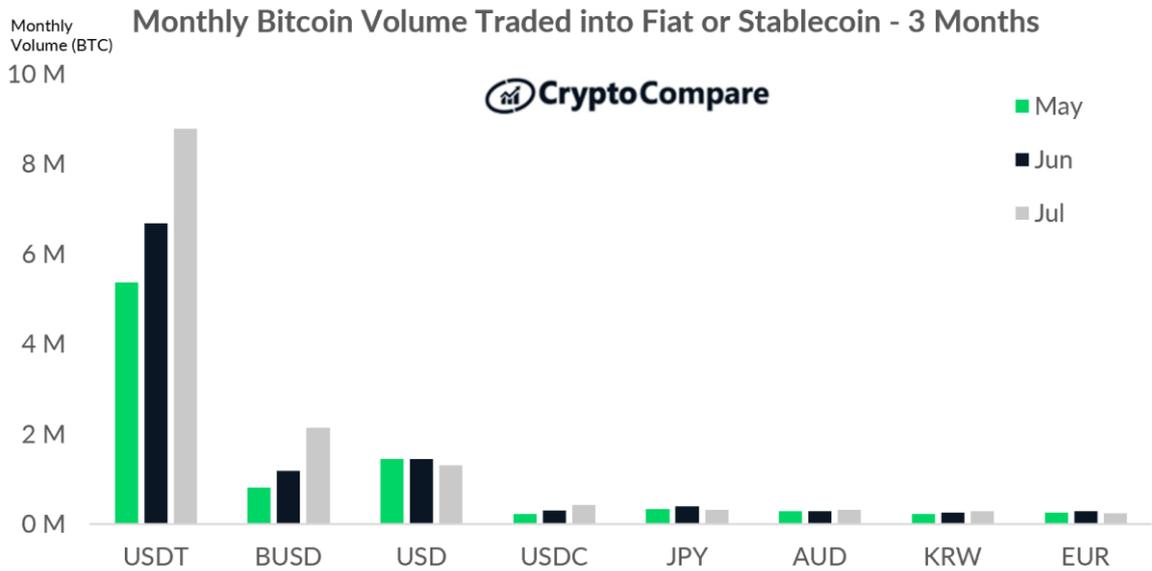
Meanwhile, Binance, FTX, OKX and Coinbase have all recorded a decline in volume since the start of the year, falling 12.9%, 15.5%, 57.6% and 57.2% respectively. AAX is the only exchange in the top 15 that has seen its trading volumes grow since the start of the year.

The exchange offers a full suite of products and services, providing up to 100x leverage on Bitcoin and Ethereum futures and 50+ assets for spot trading. Recently, the company announced its plans to expand hiring, a sharp contrast to the layoffs and hiring freeze seen in other centralised exchanges this year.

**Spot Trading Volume of Top 5 Exchanges, 2022**

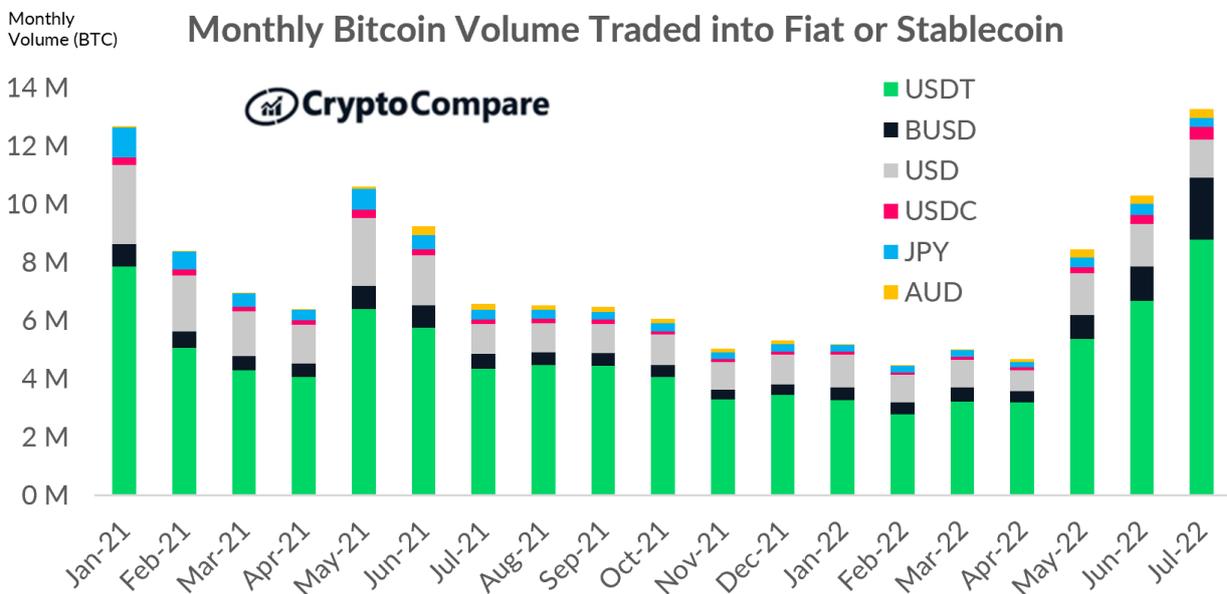


## Bitcoin to Fiat Volumes



BTC spot trading into USDT increased by 31.5% in July, to 8.78mn BTC, as investors continue to prefer safety under uncertain macroeconomic conditions. BTC spot trading into BinanceUSD (BUSD) followed, rising 80.2% to 2.13mn BTC. BTC spot trading into USD declined compared to last month, falling 9.50% to 1.31mn BTC. USDC followed, increasing 35.8% to 415k BTC.

BinanceUSD and USDC remain the favoured stablecoins after USDT, as TrueUSD and DAI continue to see steep declines in BTC spot trading volume, which has fallen 79.8% and 49.0% to 17.4k and 8.49k BTC, respectively.



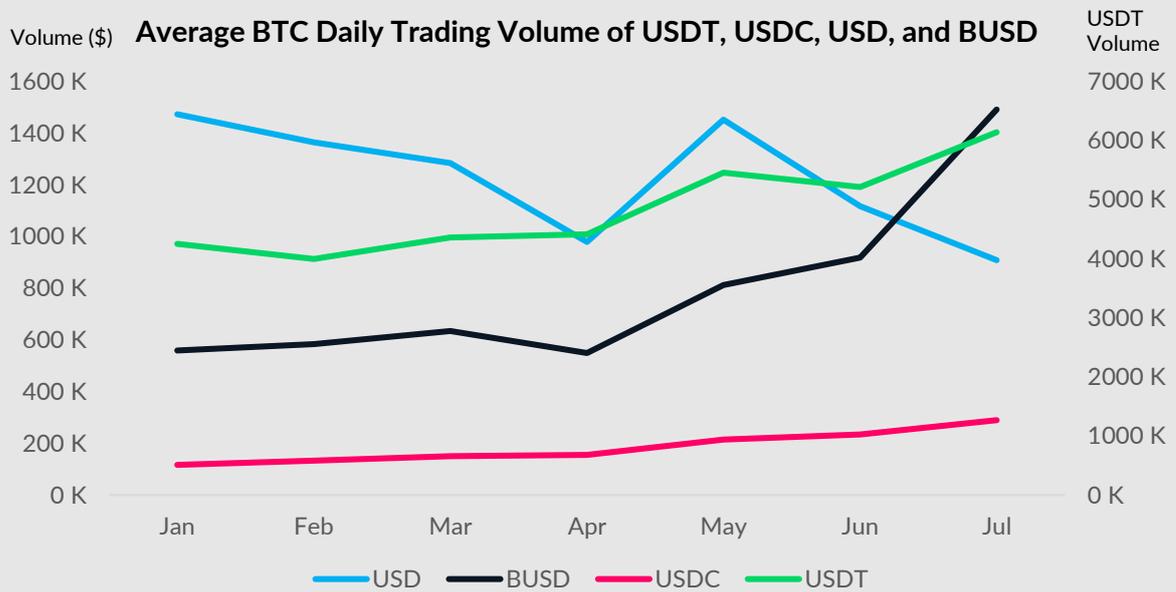
In July, BTC/USDT trading continues to represent the majority of BTC traded into fiat or stablecoin spot markets. Its dominance has increased to 62.8% from 60.0% in June.

### BinanceUSD Surpasses USD in Trading Volume for the First Time

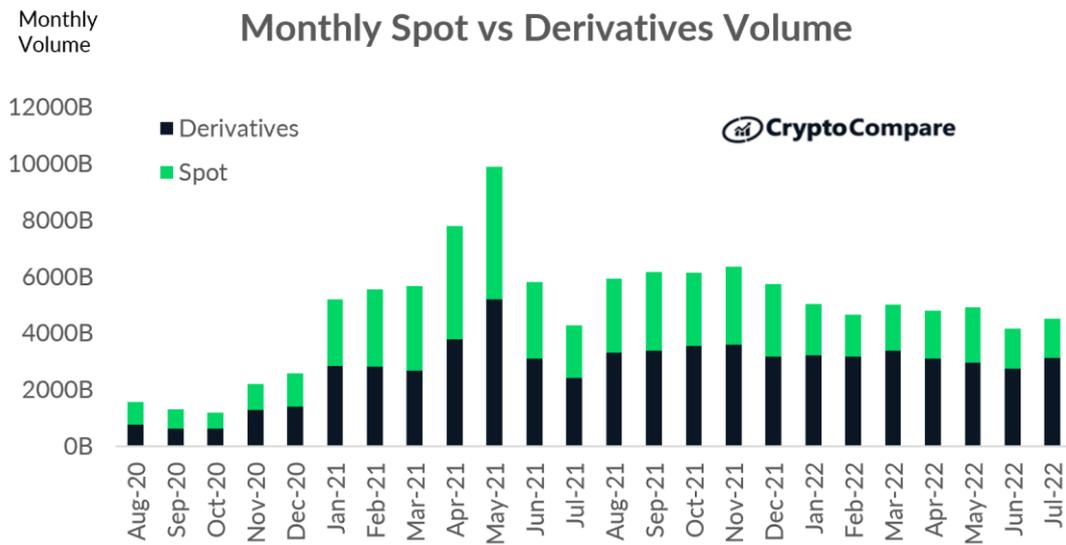
The average daily volume of the BTC/BUSD pair rose 62.1% to 1.49bn in July, surpassing the daily volume of the BTC/USD pair for the first time in its history. The latter continued its decline from last month, falling 18.7% to \$909mn in daily volume.

Other BTC stablecoin pairs also experienced an increase in trading volume as the cryptocurrency markets rebounded in July after the distressing price action of the last couple of months. The average daily volume for BTC/USDT and BTC/USDC rose 17.8% and 23.7% to \$6.13bn and \$290mn respectively.

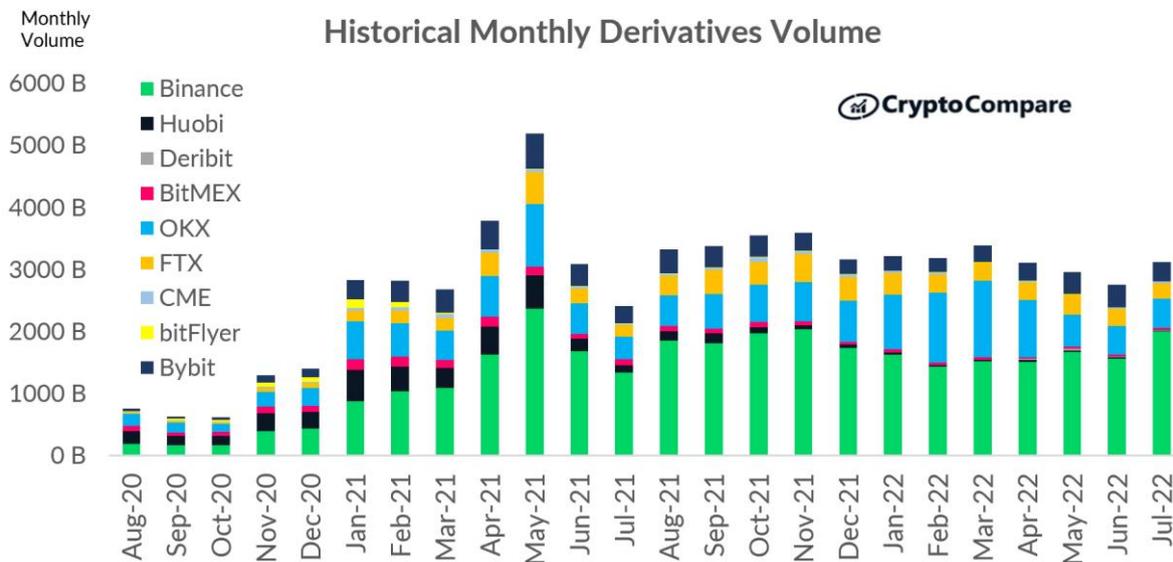
The monthly volume for BTC/BUSD pair increased 67.8% to \$46.2bn, an all-time high for the pair. The pair has experienced a steep rise in volume since the start of the year, rising 166% in the period. The BTC/USDC pair has also seen a similar increase in volume, rising 148% since the start of the year.



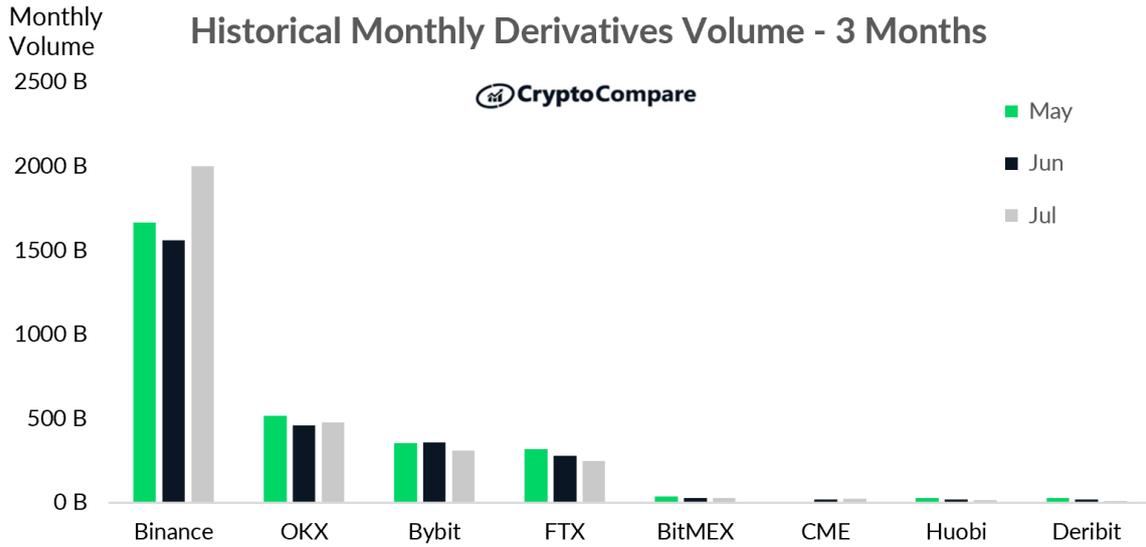
## Derivatives



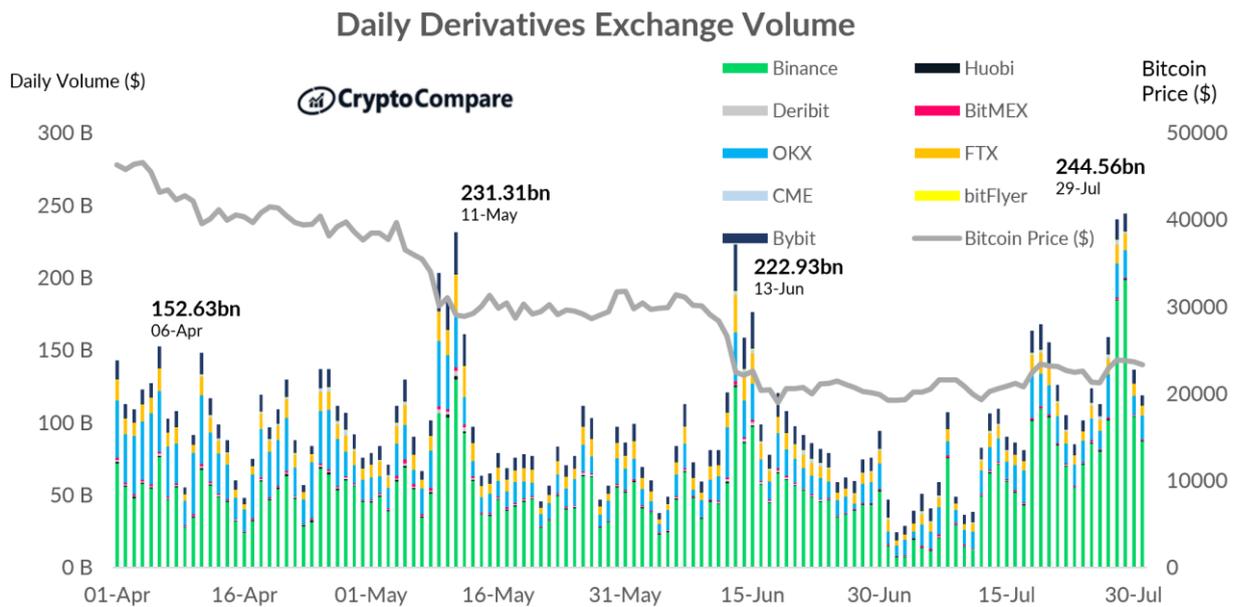
Derivatives volumes increased by 13.4% in July to \$3.12tn. Meanwhile, total spot volumes decreased by 1.34% to \$1.39tn. The derivatives market now represents 69.1% of the total crypto market (vs 66.1% in June).



Binance leads the derivative markets with 64.1% (\$2.00tn) of total volumes in July. This was followed by OKX (15.3% market share, \$478bn) and Bybit (9.90% market share, \$309bn).



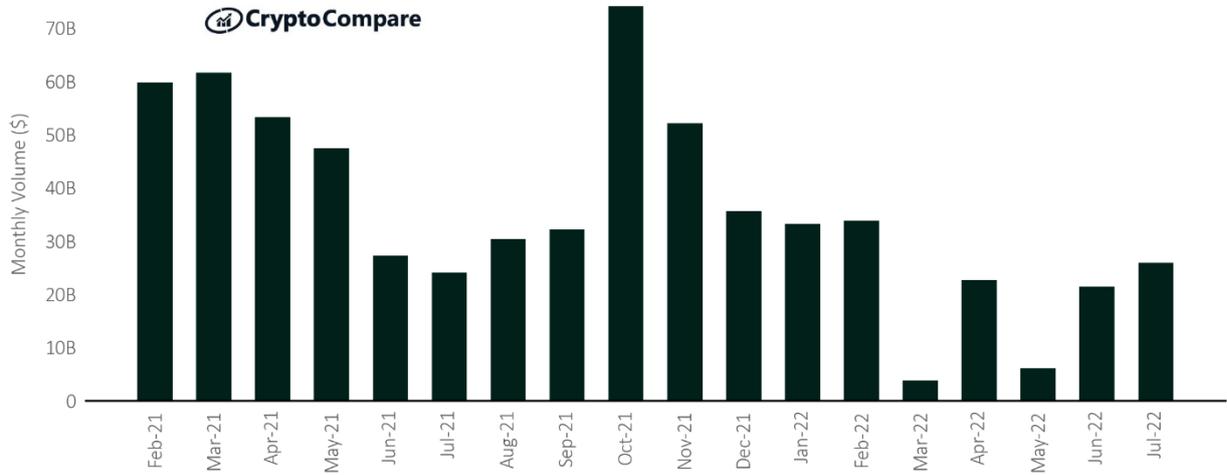
Binance was the largest derivatives exchange in July by monthly volume, trading \$2.00tn (up 28.2% since June) followed by OKX (\$478bn, up 4.49%), Bybit (\$309bn, down 13.6%), and FTX (\$248bn, down 11.7%).



Derivatives exchanges traded a daily maximum of \$245bn on the 29<sup>th</sup> of July, up 9.71% from June’s intra-month high of \$223bn.

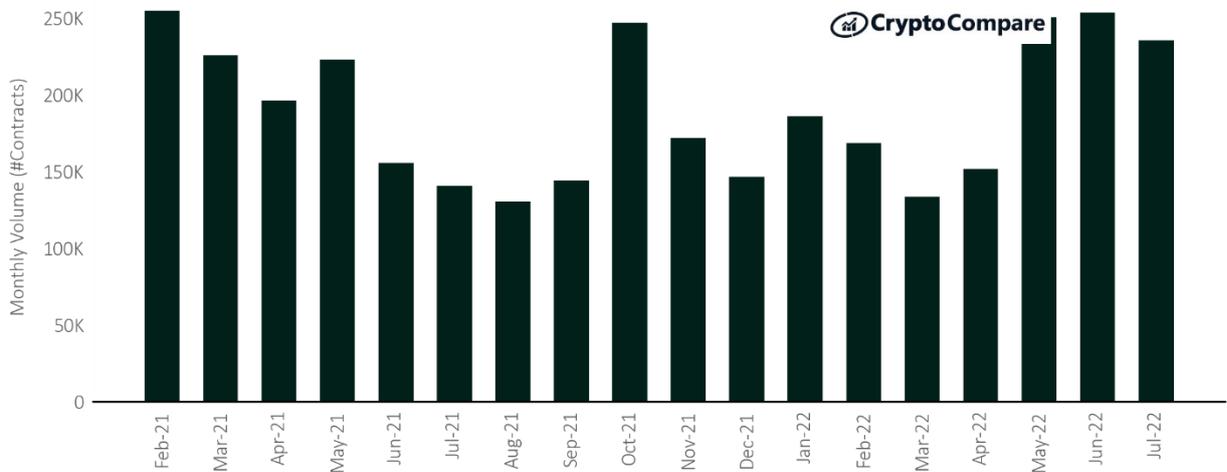
## CME Institutional Volume and Open Interest

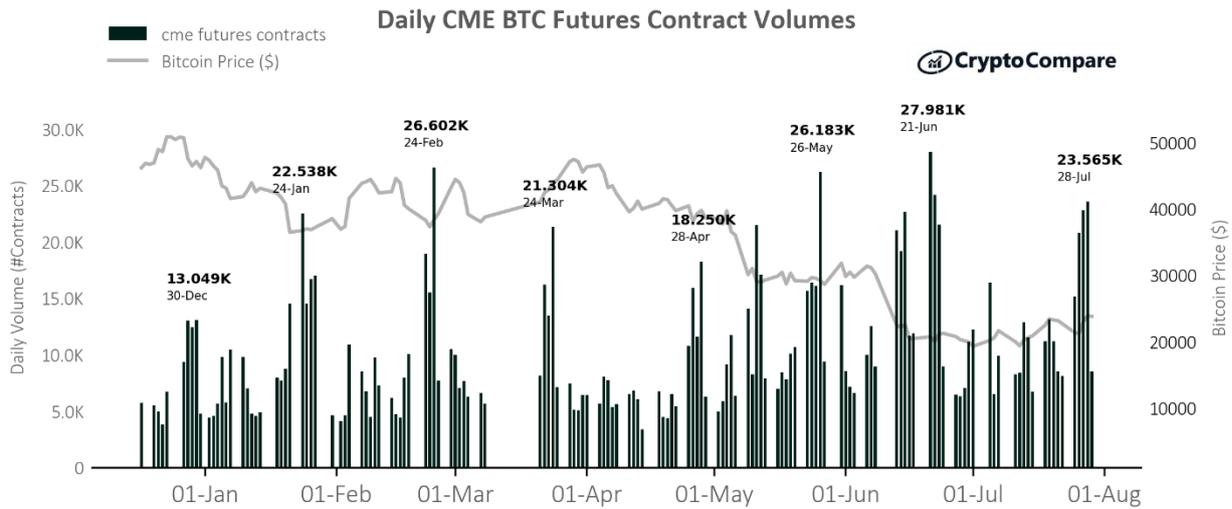
Historical Monthly CME Volumes



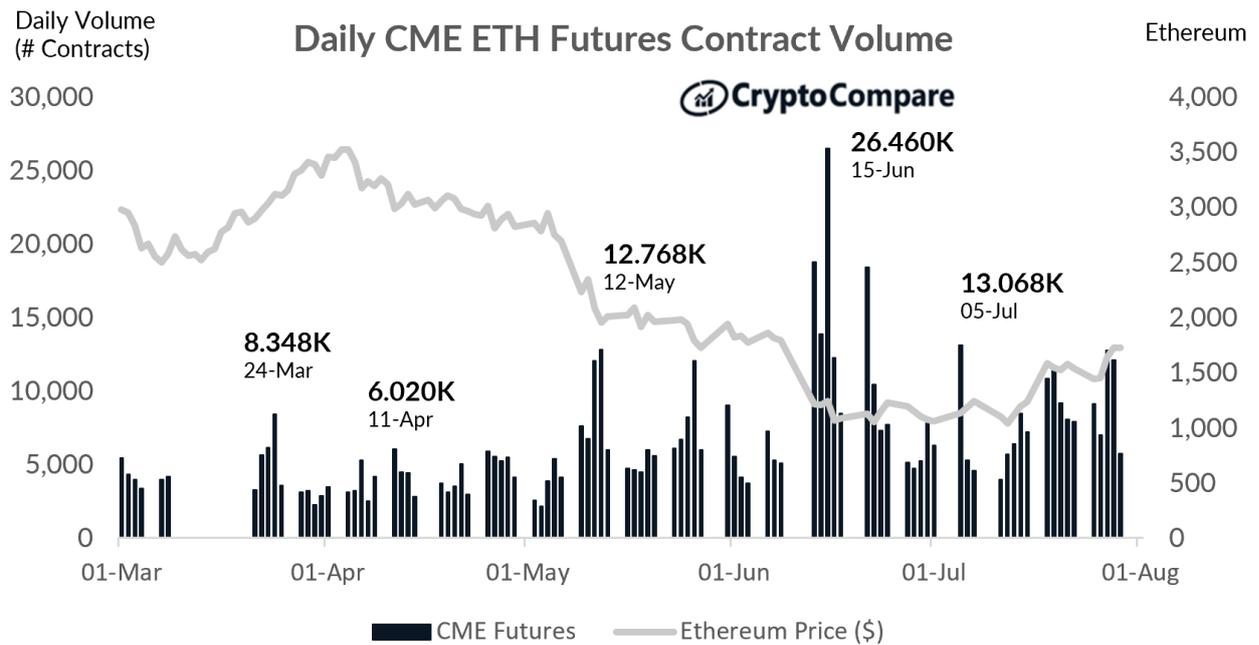
235,730 BTC futures contracts were traded in July, down 7.11% since June. This was the first recorded decline in the number of BTC futures contracts traded on the CME in four months.

Historical Monthly CME BTC Futures Contract Volumes





23,565 BTC futures contracts were traded on the 28<sup>th</sup> of July, a daily maximum for the month.



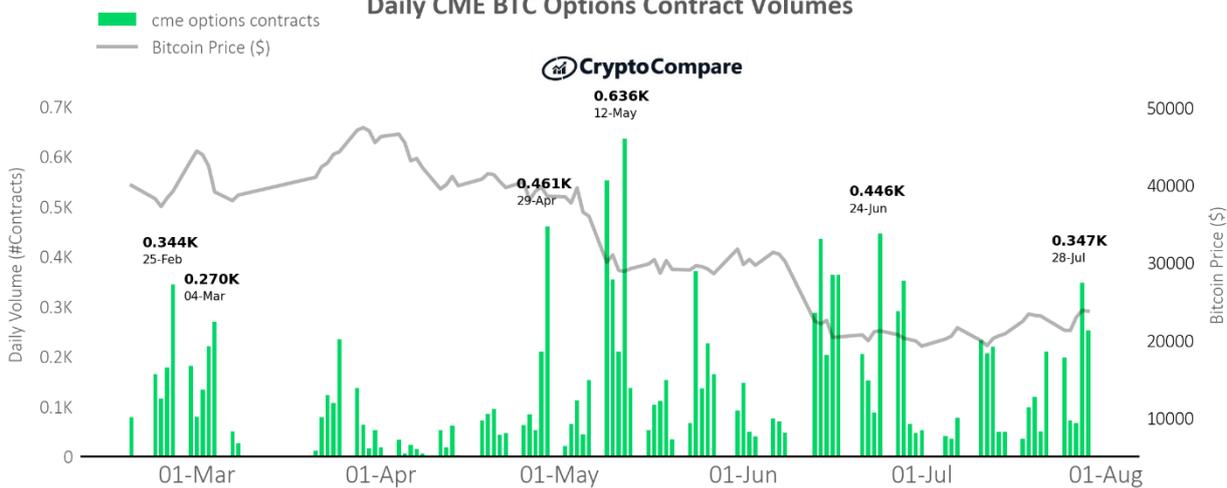
There were 13,608 ETH futures contracts traded on the 5<sup>th</sup> of July, a daily maximum for the month. 154,667 ETH futures contracts were traded in June, down 12.7% since June.

### Historical Monthly CME BTC Options Contract Volumes



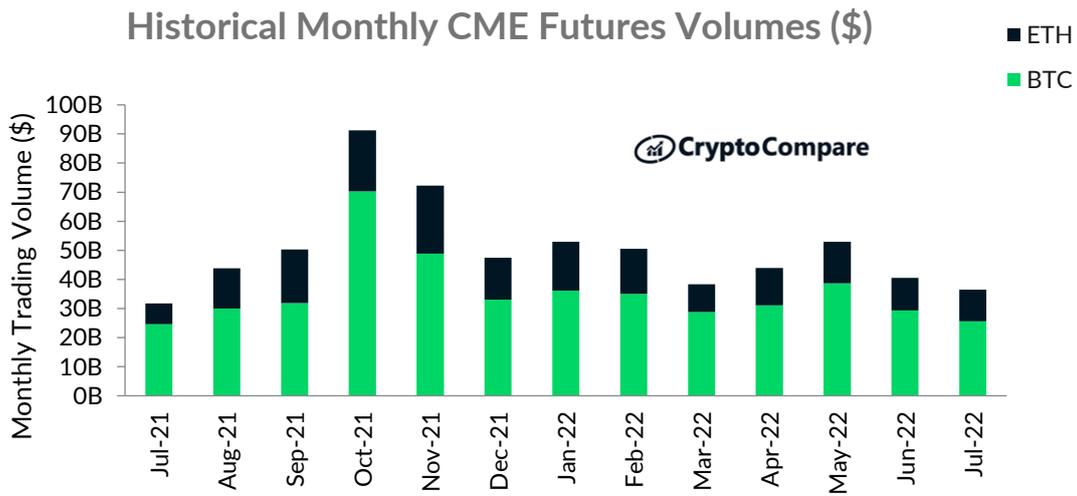
CME's BTC options contract volumes fell 35.3% in July to 2,413 contracts traded.

### Daily CME BTC Options Contract Volumes

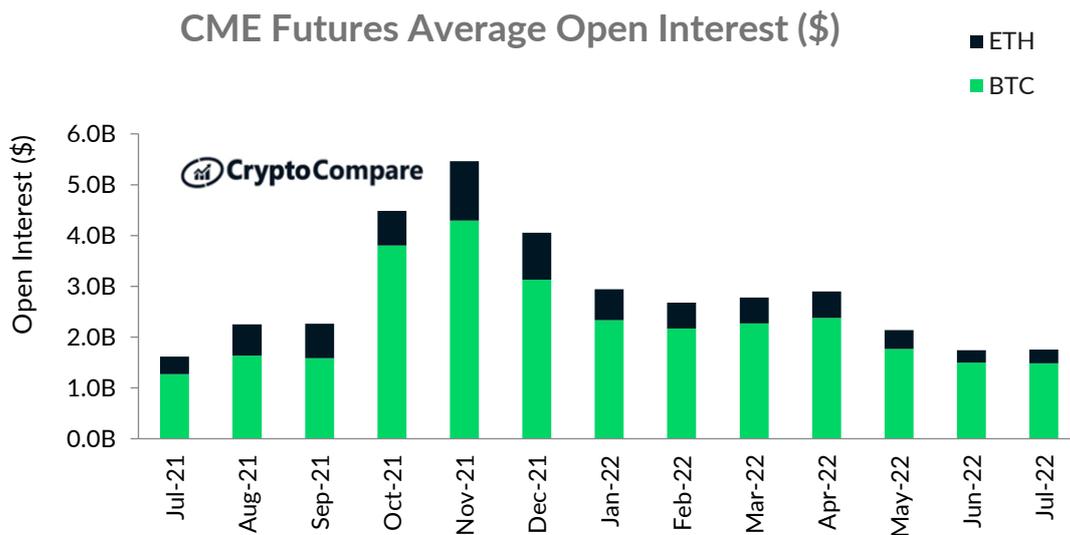


BTC Options contract volumes reached a daily maximum of 347 contracts traded on the 28<sup>th</sup> of July, down 22.2% from the intra-month high in June.

In terms of total USD trading volume, CME's ETH futures reached \$10.8bn in July (down 3.35% since June). Meanwhile, CME's BTC futures volumes decreased by 12.5% to \$25.6bn. On aggregate ETH + BTC futures volumes fell 9.94% to \$36.5bn.



CME’s average open interest figures for BTC futures fell 0.72% to \$1.49bn in July. On the other hand, ETH open interest averaged \$266mn, up 9.56% since June.



**To conclude**, in July, cryptocurrency exchanges saw an increase of 8.39% in volumes across both derivative and spot markets. This comes as the markets begin to recover from the appalling price action in the last couple of months, leading to an increase in speculative activity. This was reflected in the prices of digital assets with BTC and ETH rising 22.0% and 62.8% 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 the subsequent debacle of LUNA and the Terra ecosystem, including analysis of the ripple effects of the event and where it situates the digital asset industry.