



Stablecoins & CBDCs Report

MAY 2024

Mission Statement

About CCData

CCData is an FCA-authorized benchmark administrator and global leader in digital asset data, providing institutional-grade digital asset data and settlement indices. By aggregating and analysing tick data from globally recognised exchanges and seamlessly integrating multiple datasets, CCData provides a comprehensive and granular overview of the market across trade, derivatives, order book, historical, social, and blockchain data.

About This Report

The stablecoin sector has grown in size and interest over the past year. Pegged to the value of an asset, stablecoins serve as the fundamental means for trading digital assets, allowing for the on-ramp of fiat-pegged money into blockchain applications. However, recent developments surrounding stablecoins including the collateral of Tether and the collapse of TerraUSD have raised concerns from investors and regulators.

CCData's Stablecoins Report aims to capture the key developments within the stablecoins sector. Our review focuses on analysis that relates to market capitalisation and trading volume of stablecoins, segmented by their type based on collateral, and the pegged asset, among others. This report is conducted on a monthly basis and caters to both the crypto-enthusiast interested in a broad overview of the stablecoins sector, as well as investors, analysts and regulators interested in more specific analysis.

Explore CCData's API

For those interested in accessing CCData'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 300+ exchanges, please take a look at CCData's API here: <https://developers.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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Latest News

Topic	Story	Date
BUIDL	BlackRock's BUIDL Becomes Largest Tokenized Treasury Fund Hitting \$375M	May 1
USDT	Tether posts record Q1 profits as USDT keeps growing	May 3
USDE	Bybit Integrates Ethena Labs' USDe As Collateral Option For Enhanced Trading	May 8
USDC	USDC stablecoin issuer Circle plans to redomicile to the US ahead of possible IPO	May 15
DAI	MakerDAO Teases New Stablecoin, NewStable and PureDAI with Endgame Plan	May 20
USDT	Kraken Insists It Will Keep USDT Listed in European Markets	May 21
USDT	Tether and Circle add \$1.3bn in a single day as Ether ETF odds improve	May 22
USDE	Ethena Labs Unveils Triple Attestation for USDe Reserves	May 27
CBDC	House passes bill blocking Federal Reserve from issuing CBDC	May 28
USDC	USDC Issuer Circle Announces Entry into Brazil's Fintech Sector	May 29

Key Insights

Stablecoins Rises To The Highest Level Since April 2022

In May, the total market capitalisation of stablecoins rose 0.63% to \$161bn, recording the eighth consecutive increase in the end-of-month market cap and the highest level since April 2022.

The total market capitalisation of stablecoins has now recovered from the losses incurred since the collapse of TerraUSD, which initiated a seventeen-month downtrend.

USDC Market Cap Continues Its Resurgence

Circle's USDC saw its market capitalisation rise for the sixth consecutive month to \$32.6bn in May.

The increase in the market capitalisation coincides with the recent rise in the demand for the stablecoin with USDC pairs recording its all-time high monthly trading volume in March. The stablecoin's market share by trading volume has risen for the second consecutive month to 8.27%.

Tether Registers Record Quarterly Profit

Tether Holdings announced a record quarterly profit of \$4.52bn in their reserves report for Q1 2024.

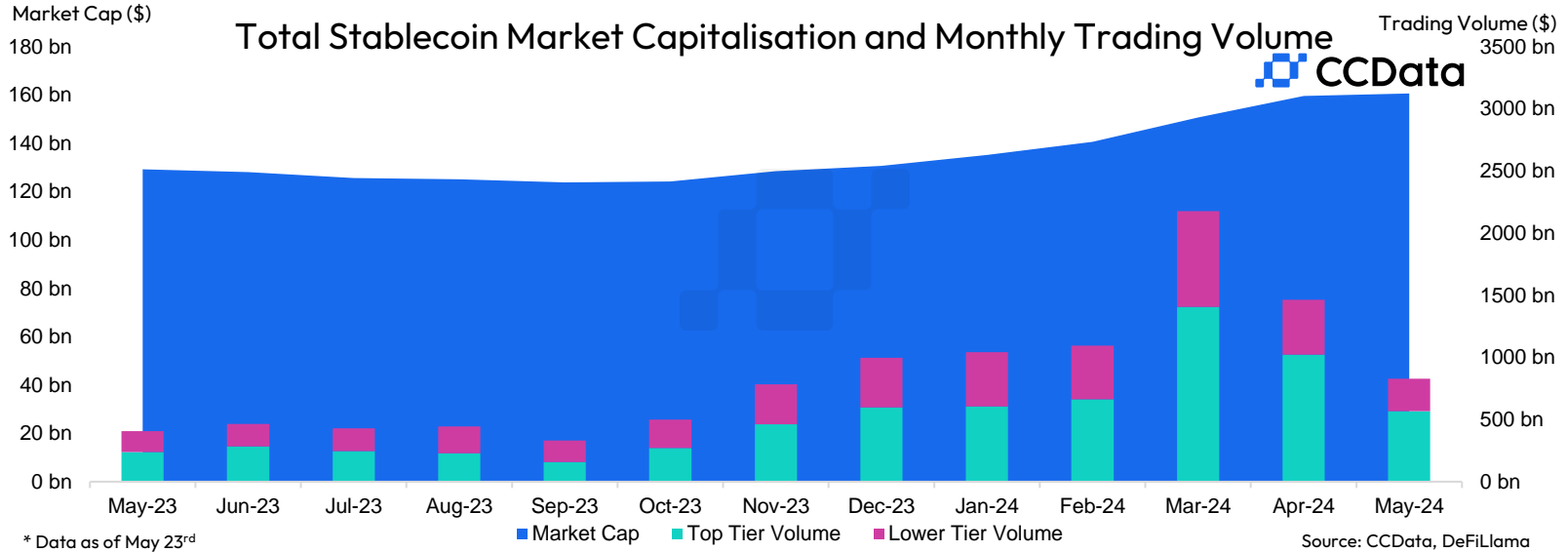
This coincides with the USDT's sustained uptrend in market capitalisation, which has been rising for nine consecutive months, from \$82.8bn in August 2023 to the current level of \$111bn.

e-Naira Adoption Fails to Impress In Latest Data

The latest data from the International Monetary Fund revealed that the adoption of e-Naira has failed to pick up with only 854,512 transactions executed since its launch in October 2021.

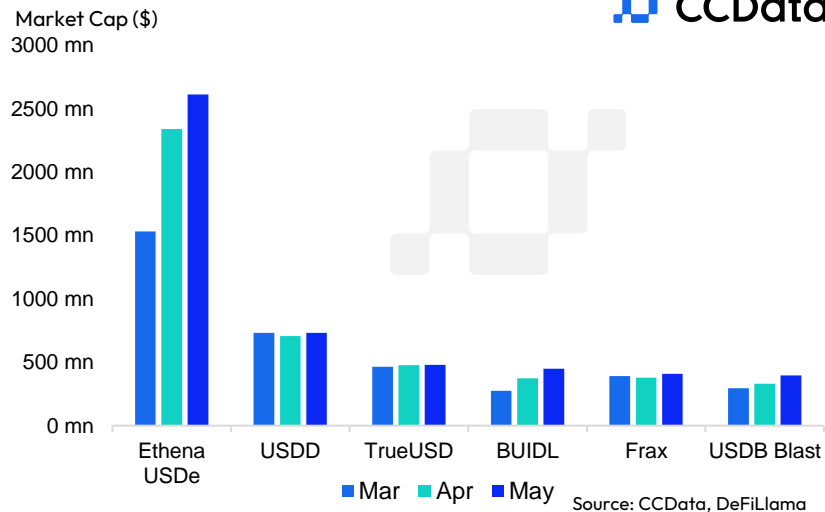
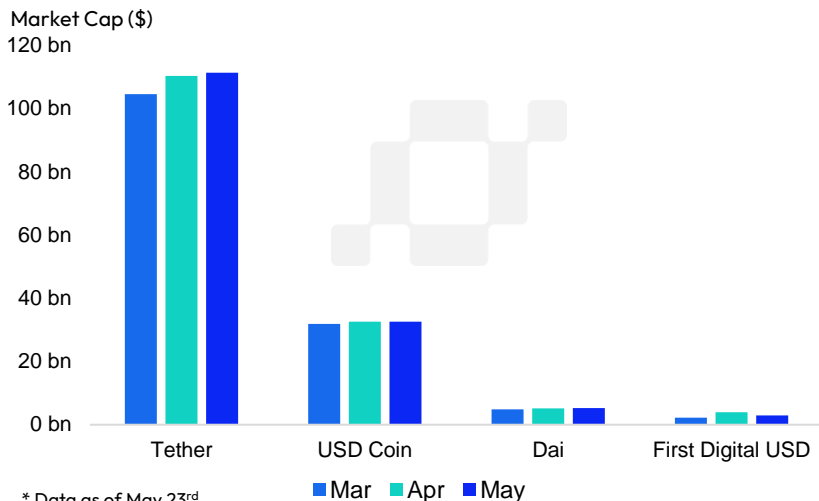
As per the report, 29.3bn NGN worth of transactions has been made using the CBDC currency, which represents an increase of only \$7.3bn from the previous update in March 2023.

Stablecoins Market Cap & Volumes



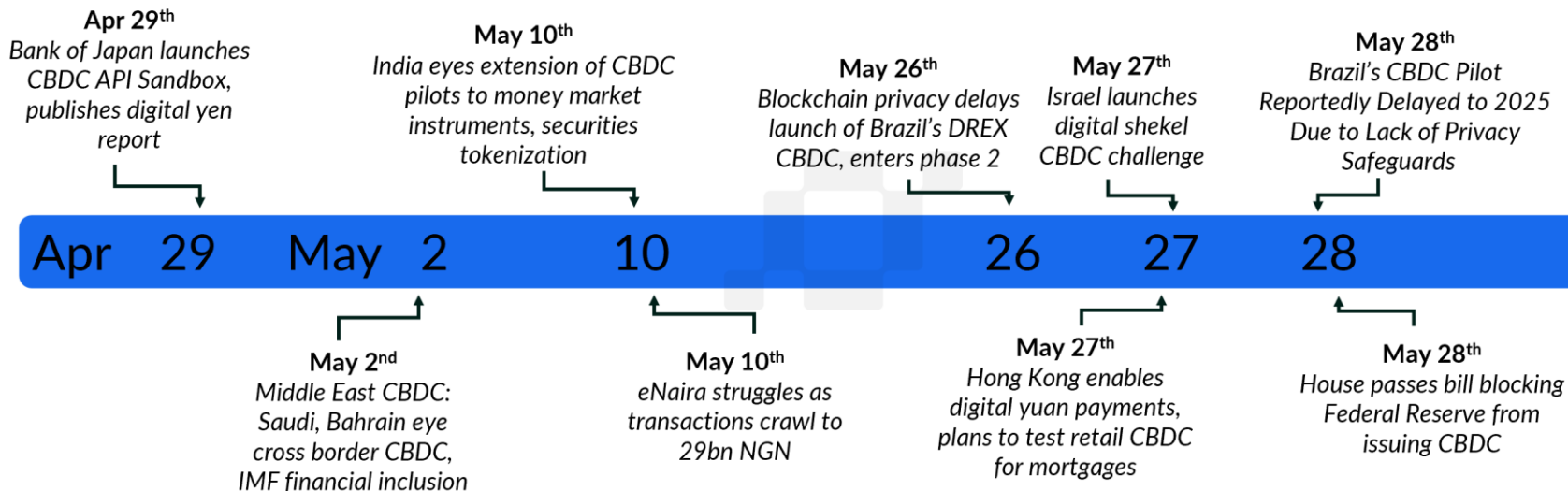
- In May, the total market capitalisation of stablecoins rose 0.63% to \$161bn (as of May 23rd), recording the eighth consecutive monthly increase. This is the highest market capitalisation for stablecoins since April 2022, recovering the entire market capitalisation that was lost since the collapse of TerraUSD.
- Stablecoin market dominance currently stands at 6.07%, down from 7.01% in March. This decline underscores a recovery in the prices of major crypto assets, reflecting improved market sentiment following the unexpected approval of a spot Ethereum ETF in the US.
- Stablecoin trading volume fell 32.8% to \$1.46tn in April, recording the first decline in monthly stablecoins trading volume on CEXs in seven months. Volumes are on track to record a lower total in May, with \$829bn traded in volume on CEXs as of the 23rd.

Stablecoins Overview: Top 10 Stablecoins



- In May, the market cap of TetherUSD (USDT) rose by 0.98% to \$111bn, a new all-time high for the stablecoin. USDT market dominance is currently at 69.3%.
- The market capitalisation of First Digital USD (FDUSD) fell 24.5% to \$2.96bn and was the only stablecoin in the top 10 list to see a decrease in supply.
- Ethena USDe's market capitalisation continued to rise for the fifth consecutive month, increasing 11.6% to \$2.61bn as the stablecoin expanded its use case with its integration on Bybit as collateral for its perpetual trading.
- BlackRock's tokenized fund token BUIDL, which represents a share in their BlackRock USD Institutional Digital Liquidity Fund and can be swapped to USDC on 1:1 basis, surged 19.6% to \$448mn, making it the largest tokenized treasury fund over Franklin Templeton's BENJI.

CBDCs Overview: May Events



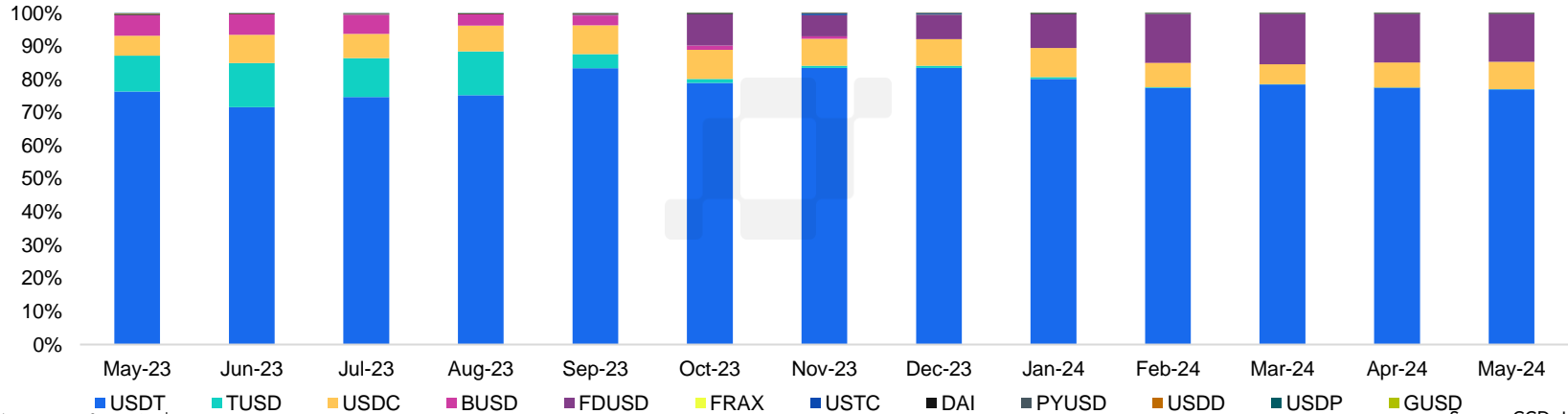
- CBDC updates in May proved challenging for the sector with the US House of Representatives passing the Anti-Surveillance State Act bill prohibiting the Federal Reserve from issuing or using any CBDC to implement monetary policy. Meanwhile, Brazil delayed the pilot programme of their CBDC currency, DREX to 2025, citing the lack of privacy safeguards.
- The latest data from Nigeria shows that the adoption of e-Naira has continued to be lackluster in the country so far with only 29.3bn NGN worth of transactions executed since its launch in October 2021. This represents an increase of 7.3bn NGN since the country's last update in March 2023.

Stablecoins: Trading Volumes

USDC Market Share by Trading Volume Rises As Spot Trading Activity Declines For Second Consecutive Month

Trading Volume (\$)

Stablecoin Trading Volume Dominance, May 2023 - 2024



* Data as of May 23rd

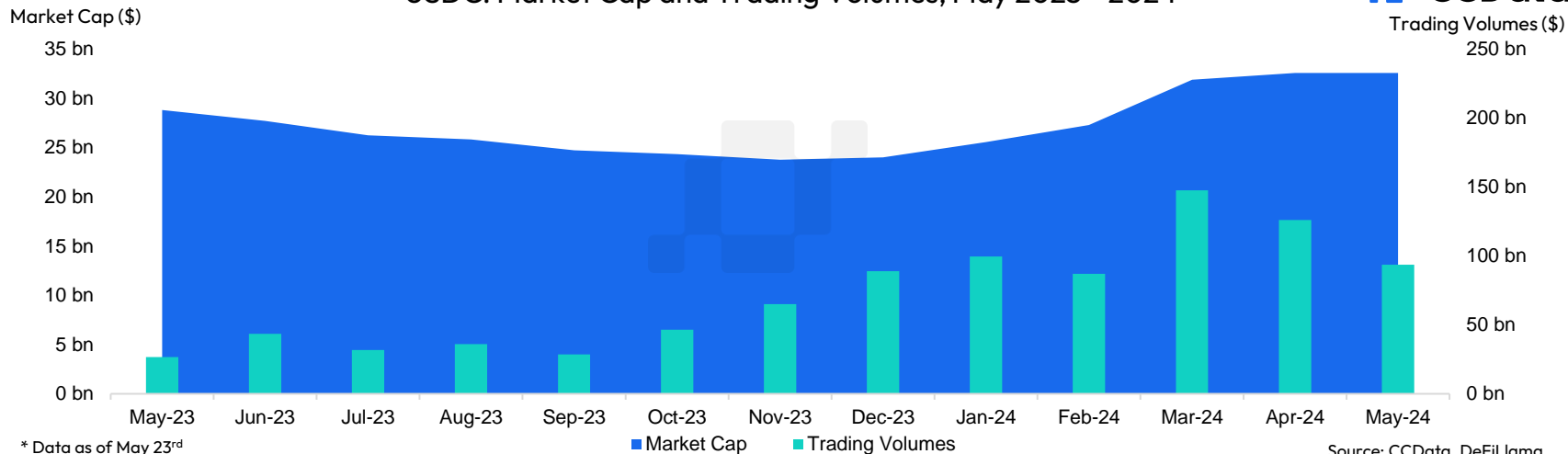
Source: CCData

- In May, centralised exchanges are on trend to record lower monthly stablecoins trading volumes with only \$829bn traded as of the 23rd May. Trading activity on centralised exchanges has historically declined in the two months following the Bitcoin halving event.
- USDT continues to dominate trading activity on centralised exchanges, accounting for 77.0% market share among the top 10 stablecoins by market capitalisation. FDUSD saw its market share by trading volume decline to 14.5% while trading for USDC pairs on CEXs rose to 8.27%, the highest level in four months.

USDC: Market Cap and Trading Volumes

USDC Market Cap Rises For the Sixth Consecutive Month Amidst Surge In Demand

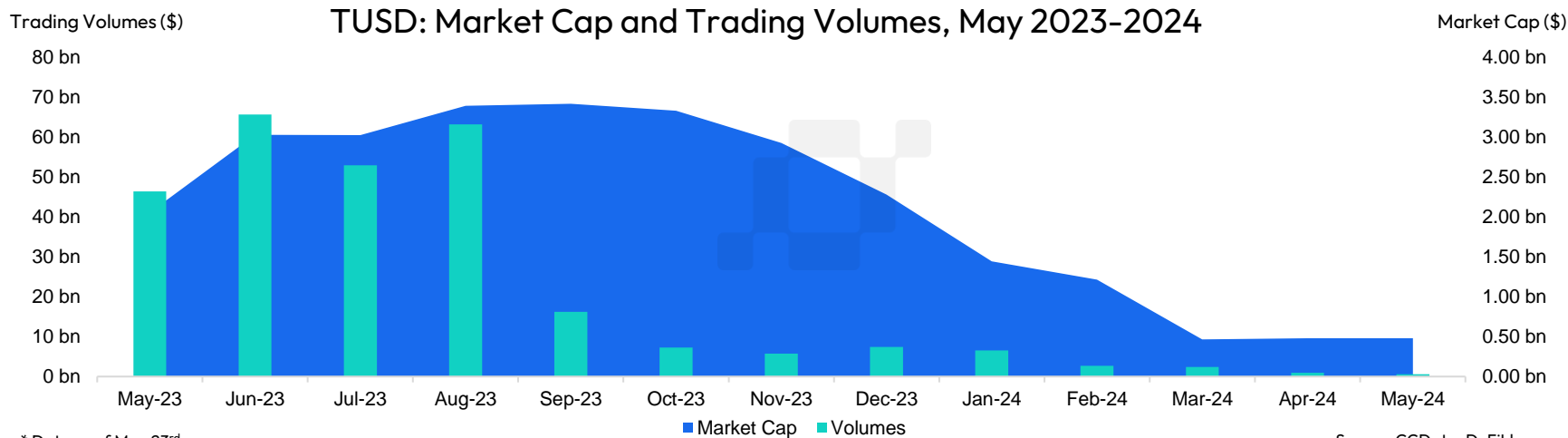
USDC: Market Cap and Trading Volumes, May 2023 - 2024



- In May, the market capitalisation of USDC rose by a marginal 0.01% to reach \$32.6bn, recording the sixth consecutive increase in end-of-month market capitalisation for the stablecoin. This rise follows a recent surge in demand for the stablecoin, with USDC recently recording its all-time high traded volume on CEXs in March. The USDC trading pairs recorded a monthly volume of \$93.7bn in May (as of the 23rd).
- The stablecoin has benefited from the recent uptick in the on-chain trading activity on networks such as Base and Solana with the percentage of USDC supply on the chains rising to 9.29% and 7.78% respectively.

TUSD: Market Cap and Trading Volumes

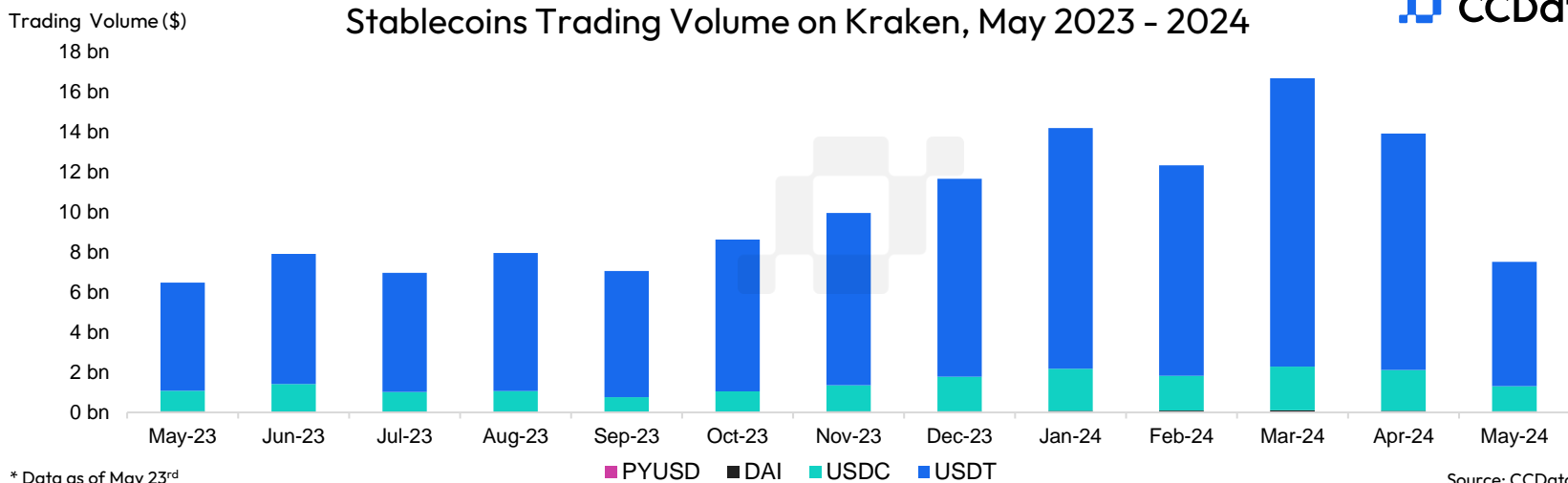
TUSD Market Cap And Trading Volume Continues to Slide Following Removal of Trading Pairs on Binance



- In May, the market capitalisation of TUSD rose 0.26% to \$479mn, the second consecutive increase in end-of-month market capitalisation. However, since the start of the year, TUSD's market capitalisation has declined by 78.9% after several TUSD pairs were delisted on Binance, with the exchange now favouring First Digital USD (FDUSD).
- The monthly trading volume for TUSD pairs on centralised exchanges has dropped to \$569mn, representing a decline of 98.7% since May 2023. Binance remains the dominant exchange that trades the most TUSD pairs with a market share of 68.2%. WhiteBit and BitMart follow with a market share of 13.4% and 5.32%. The stablecoin has recently introduced a zero-fee trading promotion for TUSD/TRY pair on Bitci to boost its adoption.

Kraken: Trading Volumes by Stablecoins

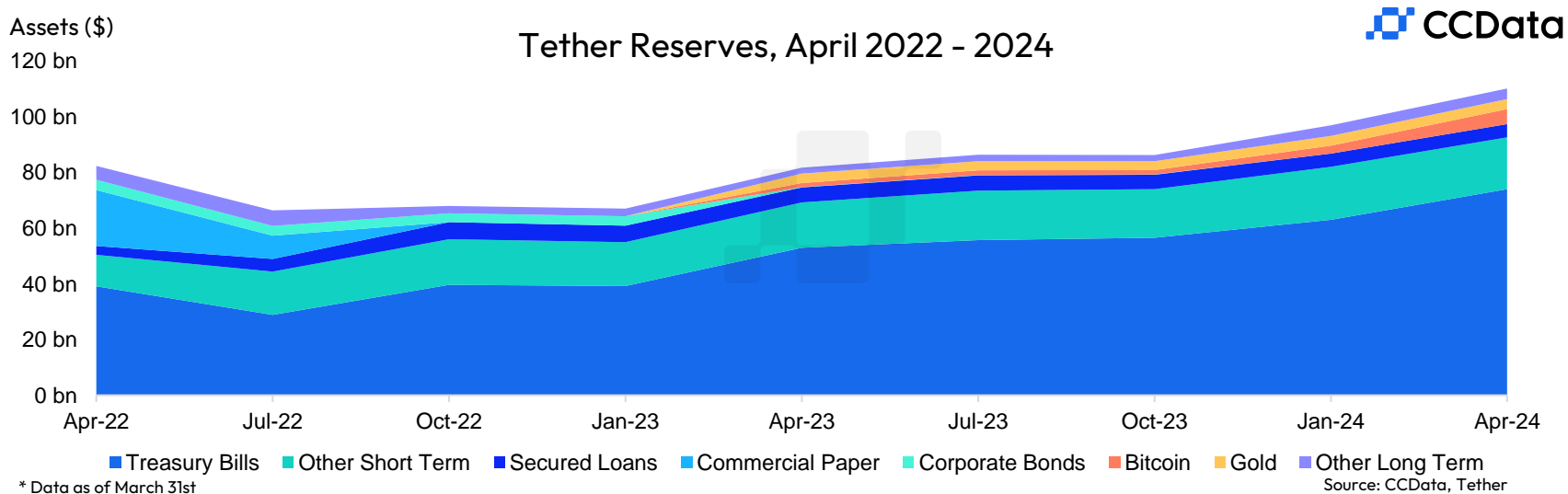
Kraken Reassures The Listing of USDT Pairs As MiCA Regulations Looms Large



- Following reports suggesting that USDT pairs may be delisted from the platform due to upcoming MiCA regulations, Kraken has clarified that it has no immediate plans to delist the stablecoin. The MiCA regulations, which include measures such as limiting daily transactions to less than €200 million, appear challenging for USDT compliance. In response, European exchanges, including OKX, have announced plans to phase out USDT pairs.
- In May, USDT pairs on Kraken traded a monthly volume of \$6.21bn, accounting for 82.6% of the stablecoins trading volume on the exchange.

USDT: Reserves Composition

Tether Registers Historic Quarterly Profit As Market Capitalisation Continues to Surge



- On May 2nd, leading stablecoin issuer, Tether Holdings, released its quarterly reserves report, recording a historic quarterly profit of \$4.52bn in Q1 2024. The issuer attributes \$1bn of operating profits to its US Treasury Bills which rose by 17.3% to \$74.0bn in Q1. US treasury bills account for 67.1% of Tether's reserves.
- The rest of the net profit is attributed to the market gains from the company's Bitcoin and Gold holdings. Based on the latest reserves report, Tether holds approximately 75,354 BTC. The quarterly net profit of \$4.52bn is larger than the profit recorded by major institutions including Goldman Sachs and Morgan Stanley in Q1 2024.

Glossary

- **Stablecoins:** Cryptocurrencies whose value is pegged to another currency, commodity, or financial instrument.
- **CBDCs:** Government-backed digital currencies used by consumers and businesses
- **Centralised Stablecoins:** Stablecoins that are collateral backed with corresponding assets by a third-party custodian.
- **Decentralised Stablecoins:** Non-custodial stablecoins that are issued by a DeFi protocol or DAO.
- **Fiat-Backed stablecoins:** Stablecoins that are backed 1:1 by fiat currencies and other short-term assets.
- **Algorithmic stablecoins:** Stablecoins where price stability is achieved using specialized algorithms and smart contracts that manage the supply of tokens in circulation.
- **Crypto-backed stablecoins:** Stablecoins that are backed by another cryptocurrency as collateral. Most decentralised stablecoins that use smart contracts instead of relying on a central issuer are crypto-backed.

This report currently covers 118 stablecoins. This includes 16 centralized stablecoins including Tether, USDC, and BUSD. The rest of the 75 decentralised stablecoins covered in this report include DAI, MIM and USTC.

The report covers 23 fiat-backed stablecoins, 19 algorithmic stablecoins, and 76 crypto-backed stablecoins.

As of May 2024, the trading volume data consists of the 37 stablecoins that are currently trading on the centralized exchanges integrated with CCData API.

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CCData is an FCA-authorized and regulated global leader in digital asset data, providing institutional and retail investors with high-quality real-time and historical data.