

# Exchange Review

MAY 2024

## About CCData

CCData is an FCA-authorised benchmark administrator and 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, CCData's thought-leadership reports and analytics offer objective insights into the digital asset industry.

## About This Report

CCData's Exchange Review aims to capture the key developments within the cryptocurrency exchange market. Our review focuses on analyses related to exchange volumes, including 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.

CCData'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@CCData.io](mailto:research@CCData.io).

## Explore the data on CCData's API

For those interested in accessing CCData's API and data solutions 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 CCData's API [here](#).

## 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.

Note: We are constantly developing our products to ensure the most value to our readers. Recently we have applied more filters to ensure all volumes reported are as truly representative of the market ecosystem as possible, and have greatly increased the scope of this report, as such, this month's data will not be directly comparable to last. **All data included in this report is up to the 30<sup>th</sup> of April 2024, unless stated otherwise.**

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## Key Market Insights

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### Trading Volumes Decline For Second Consecutive Month

In May, the combined spot and derivatives trading volume on centralised exchanges fell 20.1% to \$5.27tn as the prices of major digital assets continued to trend rangebound following the Bitcoin halving event in March.

Spot trading volumes on centralised exchanges fell 21.6% to \$1.57tn in May, recording the second consecutive monthly decline in trading activity. Meanwhile, monthly derivatives volumes also recorded the second consecutive month of decline, falling 19.4% to \$3.69tn. Despite this, derivatives market dominance rose to the highest level since December 2023 as traders flocked to the markets to capitalise on the SEC's surprise approval of the spot Ethereum ETFs in the US. This can be seen via open interest for ETH instruments, which rose to a new all-time high on derivatives exchanges following the approval, rising 50.3% to \$14.0bn.

### Bybit Spot Market Share Reaches New All-Time High

The spot trading volume on Bybit fell 12.7% to \$116bn, recording the second consecutive decline in monthly trading volumes on the exchange. Bybit is currently the second largest spot exchange in the industry, with a new all-time high market share of 7.36%. Meanwhile, Binance remains the largest spot exchange with a market share of 34.6%, despite its volumes falling 19.8% to \$545bn in May.

Binance continues to lead the derivatives markets with a market dominance of 45.4%, an increase of 1.15% from the previous month. The exchange's derivatives products traded a monthly volume of \$1.68tn, a decline of 17.3% from April. OKX, Bitget and Bybit followed with a market share of 21.3%, 13.5% and 12.1%, trading \$788bn, \$500bn, and \$446bn, respectively.

### ETH Options Volume on CME Reaches New All-Time High

In May, the derivatives trading volume on the CME exchange fell 7.42% to \$115bn, recording the second consecutive decline in volumes. The monthly trading volume for BTC futures on the exchange fell 14.0% to \$86.8bn while ETH futures rose by 37.5% to \$20.5bn, the highest monthly volume since November 2021. ETH options trading volume on the exchange jumped 115% to \$931mn, recording a new all-time high for the exchange. The exchange's market share among derivatives markets rose by 0.40% to 3.11%, the highest since 2021.

The rise in the trading activity on ETH instruments highlights the heightened institutional interest in the asset following the sudden pivot from the SEC on the spot Ethereum ETF applications in the US. The added volatility from the catalyst has introduced more speculation in the markets with the open interest on the CME exchange for BTC futures and ETH futures rising 38.5% and 59.4% to \$10.5bn and \$1.25bn respectively.

## May Exchange News

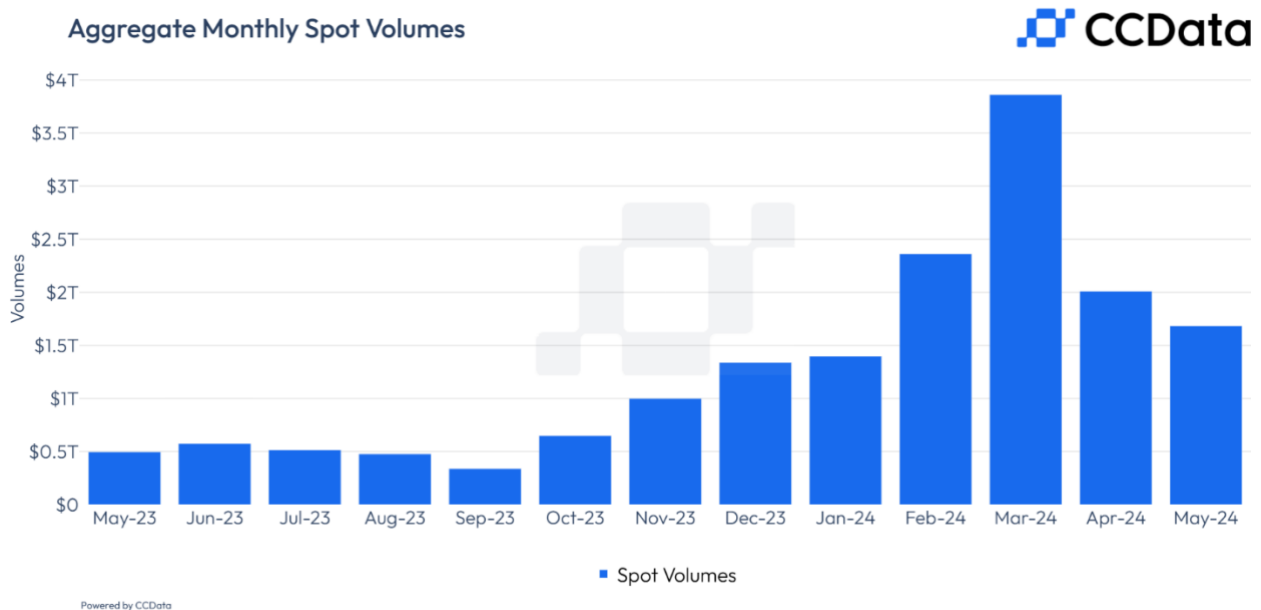
COMPANY	STORY	DATE
Binance	<a href="#">Binance Web3 Wallet: ARC-20 Integration, Taproot, and Other Enhanced Features</a>	May 2
Kraken	<a href="#">Kraken Expands European Footprint With German Strategic Partnership</a>	May 6
Coinbase	<a href="#">Coinbase Derivatives Expands Futures Offering to Include Oil and Gold</a>	May 16
Uniswap	<a href="#">More Options to Go Direct to DeFi: Transfer from CEX</a>	May 16
Bitget	<a href="#">Bitget Partners With CScalp: The Leading Trading Terminal for Scalping Crypto</a>	May 20
KuCoin	<a href="#">KuCoin Ventures Announces Strategic Investments in ELFi Protocol to Enhance Derivatives Trading Experience</a>	May 20
Coinbase	<a href="#">Former Democratic Congressman Kendrick Meek to Join the Coinbase Global Advisory Council</a>	May 21
Coinbase	<a href="#">Strengthening our Defenses with SEAL Wargame Simulations</a>	May 22
BitMEX	<a href="#">Introducing Deep Market Analysis on BitMEX with Signals</a>	May 23
HTX	<a href="#">HTX Ventures Invests in Kelp DAO To Accelerate Restaking Innovations</a>	May 24
Gemini	<a href="#">Gemini Earn Users Receive \$2.18 Billion of Their Digital Assets in Kind — a 232% Recovery</a>	May 29
Kraken	<a href="#">Kraken Co-Founds Crypto Information Sharing and Analysis Center (ISAC)</a>	May 29

## Exchange Benchmark Analysis

The contents of this report utilise the data from CCData’s biannual Exchange Benchmark. This biannual report assesses various qualitative and quantitative metrics to assess and rank digital asset exchanges (from AA to F) from a risk perspective. This includes operational transparency, security, operational quality, regulatory standing, data provision, management team, and the ability to monitor trades and illicit activity effectively.

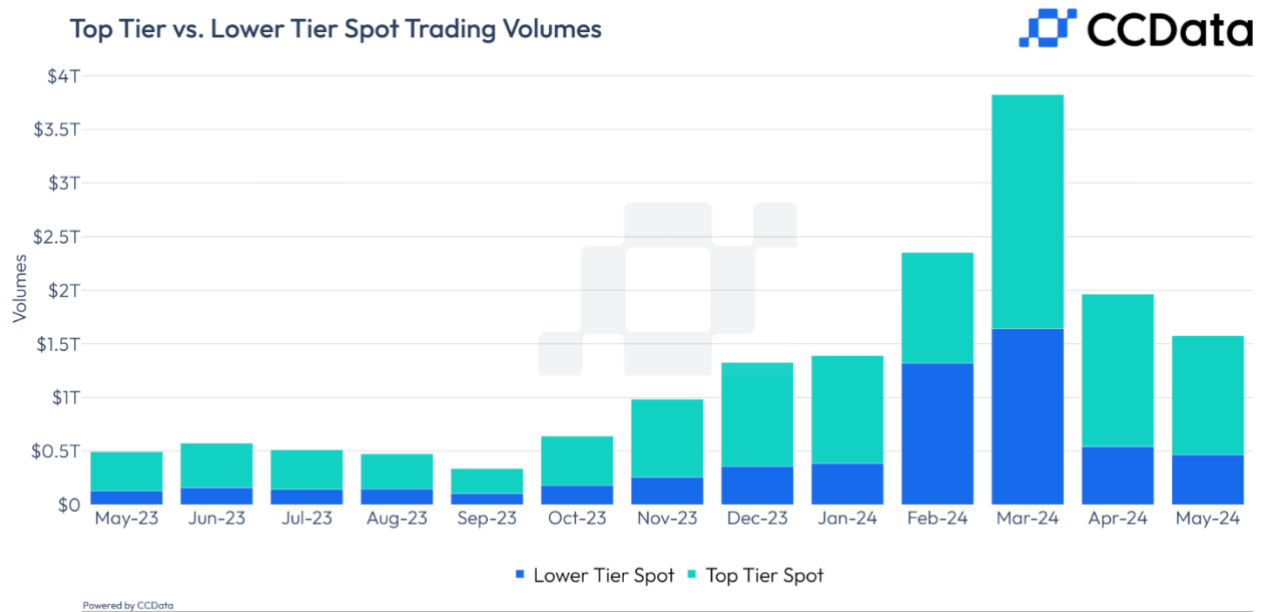
Exchanges that achieve a BB grade or above are classified as "Top-Tier" and meet our threshold for acceptable risk. In this report, we examine and compare "Top-Tier" and "Lower-Tier" volumes and exchanges. To learn more about these rankings, please explore our Exchange Benchmark Report methodology.

## Spot Trading



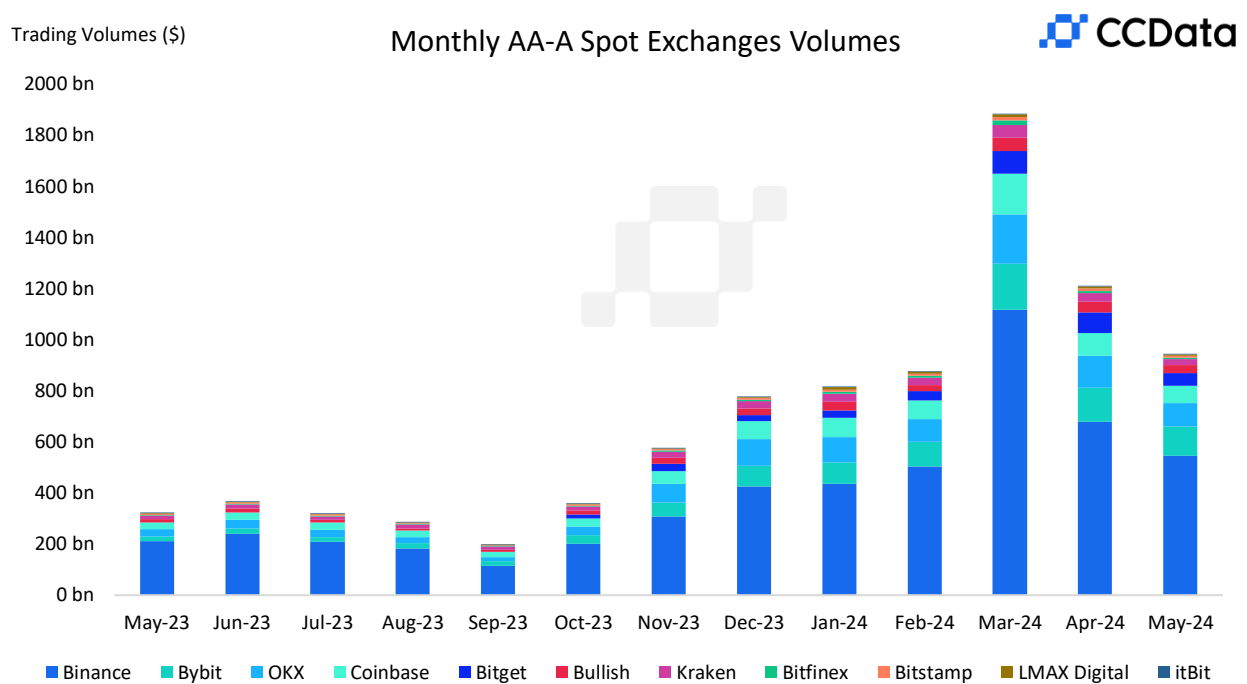
In May, total spot trading volumes fell 21.6% to \$1.57tn, recording the second consecutive decline in monthly spot trading volumes on centralised exchanges.

The decline in trading activity follows previous historical patterns, where trading volumes on centralised exchanges decreased in the months following the Bitcoin halving event. However, the added volatility stemming from the unexpected approval of an Ethereum ETF has boosted trading activity in the last few days of the month.



Top-Tier spot volumes fell 21.9% to \$1.11tn, and Lower-Tier spot volumes fell 14.2% to \$465bn. Top-tier exchanges now represent 70.5% of total spot volume based on CCData’s latest April 2024 Exchange Benchmark, compared to 72.4% last month. Top-tier exchanges are selected based on our rigorous [Exchange Benchmark Methodology](#).

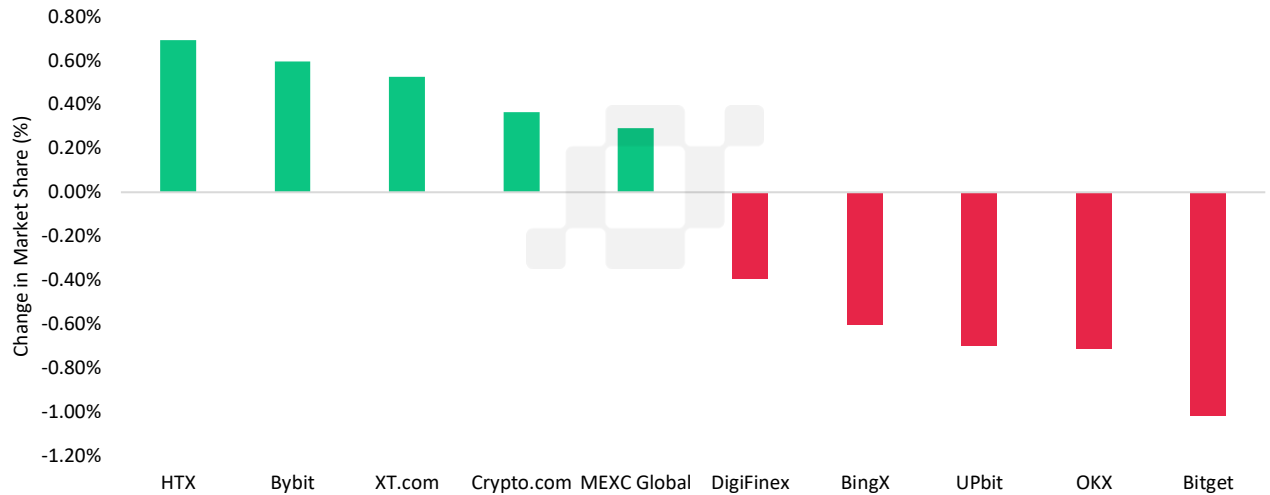
## Macro Analysis and Market Segmentation



In May, spot volume from the 11 graded AA-A exchanges fell by 21.9% compared to April, with aggregated spot volumes totalling \$943bn. Binance, Bybit, and OKX were the top exchanges in terms of spot volume in May relative to other AA-A graded exchanges. Among the Top-Tier exchanges, they represented approximately 67.6% of total volume (vs 66.0% in April).

Considering individual exchanges, Binance (Grade A) was the largest Top-Tier spot exchange among AA-A graded exchanges by volume in May, trading \$545tn (down 19.8%). This was followed by Bybit (Grade AA) trading \$116bn (down 12.7%) and OKX (Grade A) trading \$89.9bn (down 28.7%). Coinbase (Grade AA) and Gate.io (Grade BB) followed, trading \$69.8bn (down 21.7%) and \$66.9bn (down 14.4%) in monthly volumes, respectively.

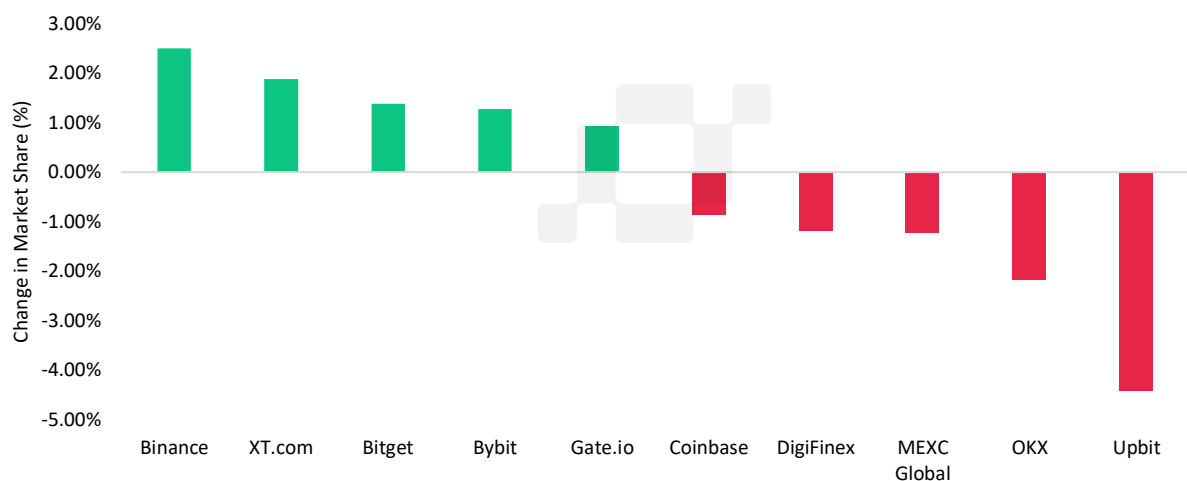
Change in Spot Market Share on Selected Exchanges, Monthly



Compared to last month, HTX and Bybit made the largest gains in market share, rising 0.69% and 0.60% to 3.94% and 7.36%, respectively. XT.com, Crypto.com and MEXC also made considerable gains, rising 0.53%, 0.36% and 0.29% respectively.

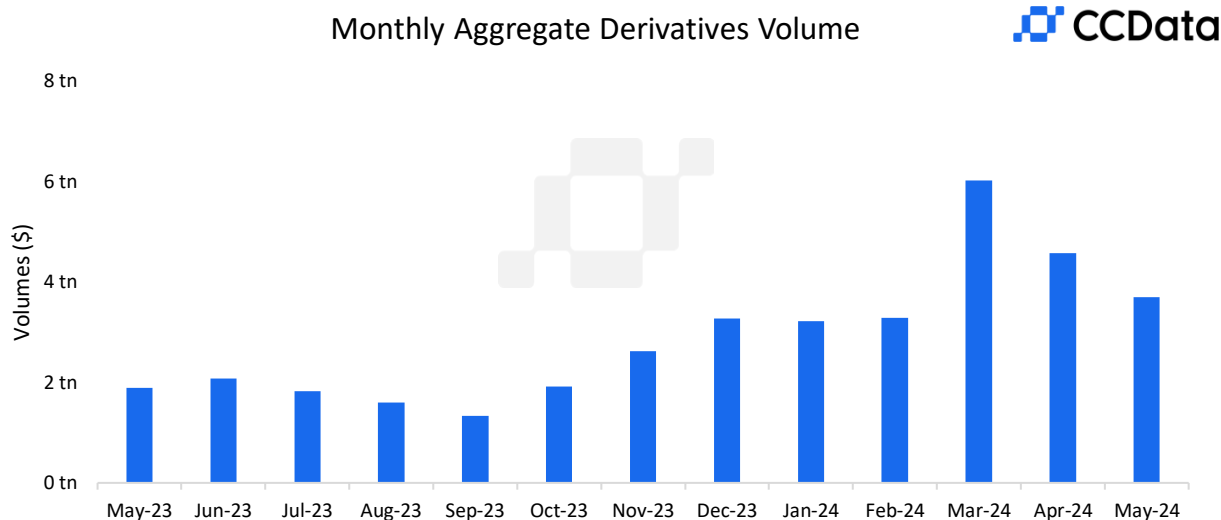
Meanwhile, Bitget and OKX saw their market share decline in May, falling by 1.02% and 0.71% to 3.12% and 5.71%, respectively.

Change in Spot Market Share on Selected Exchanges, Year-to-Date



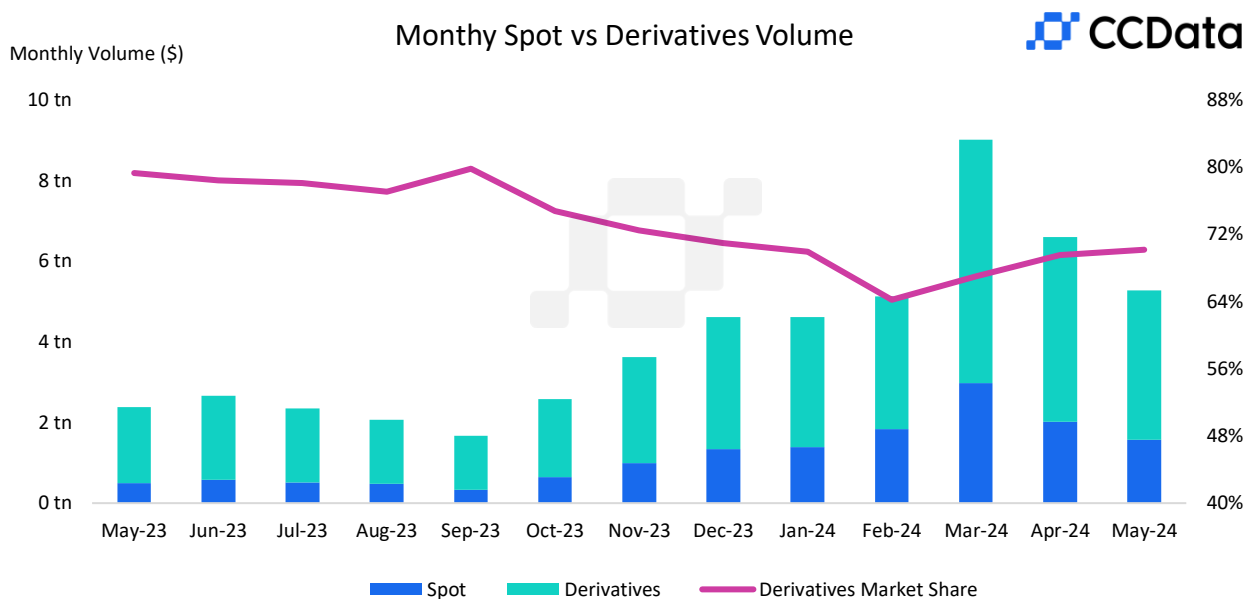
Year-to-date, Binance has made the largest gains in the spot markets, increasing its market share by 2.49% to 34.6%. XT.com, Bitget, and Bybit also made strong progress this year, seeing their market share by 1.88%, 1.39%, and 1.28% to 2.23%, 3.12%, and 7.36%. Upbit, OKX, and MEXC Global saw the greatest decline in market share, falling 4.42%, 2.18%, and 1.23% to 2.63%, 5.71%, and 2.24%, respectively.

## Derivatives

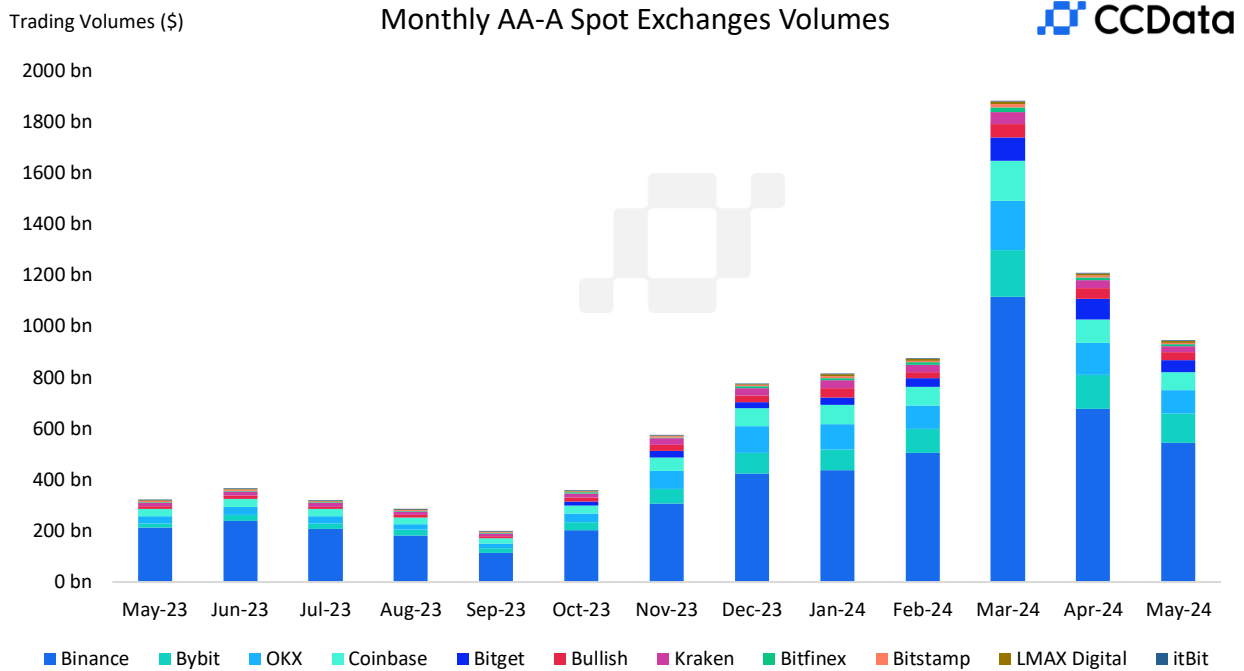


Derivatives volumes decreased by 19.4% in May to \$3.69tn, recording the second consecutive decline in monthly derivatives volume.

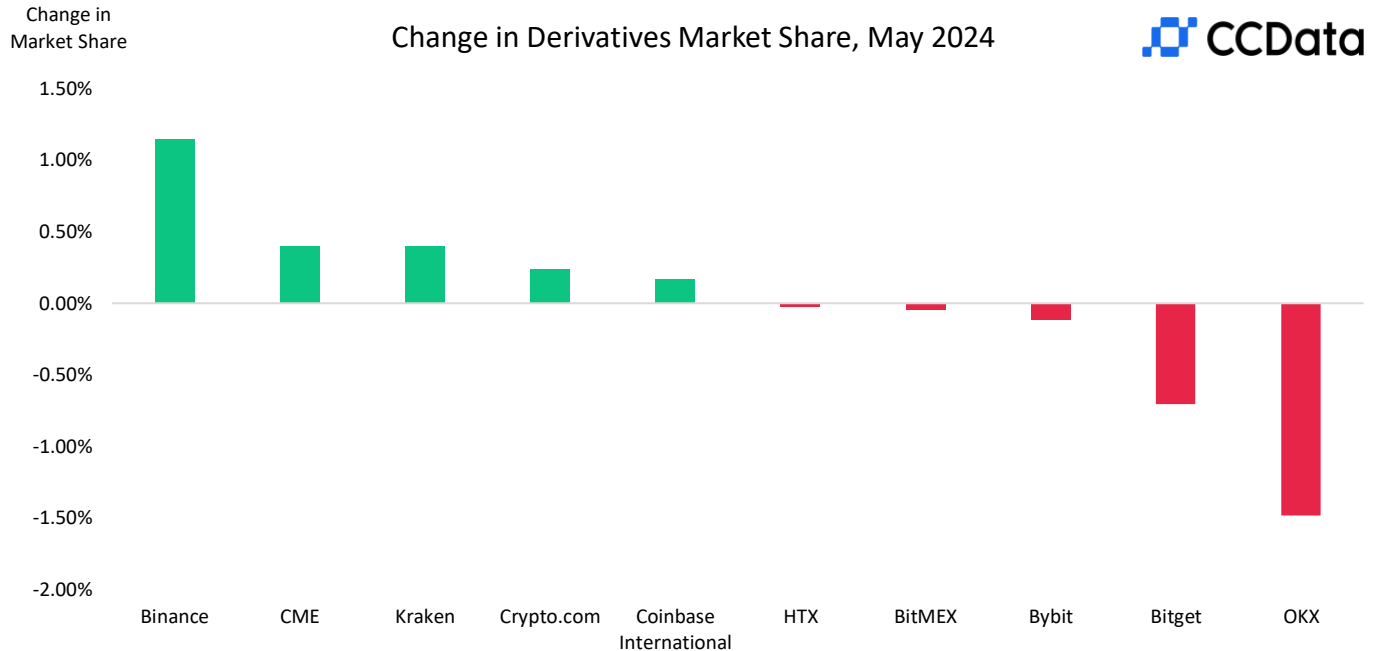
The decline in derivatives trading activity followed historical patterns, with subdued trading on centralised exchanges in the months after the Bitcoin halving event. Volatility has, however, picked up following the SEC’s unexpected approval of spot Ethereum ETFs in the US.



The derivatives market now represents 70.1% of the entire crypto market (vs 69.5% in April).



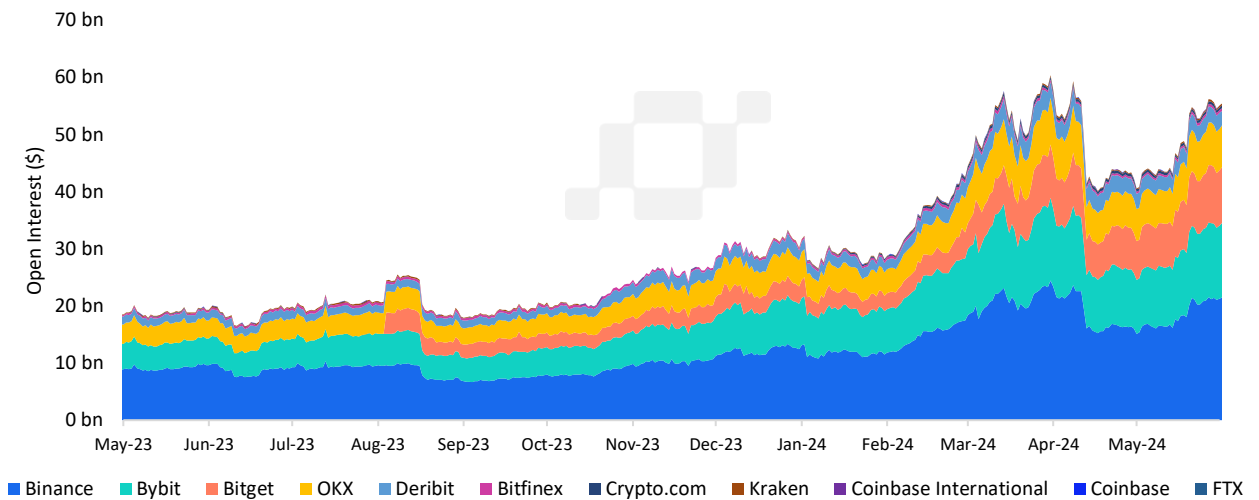
Binance was the largest derivatives exchange in May by monthly volume, trading \$1.68tn (down 17.3% compared to April), followed by OKX (\$788bn, down 24.6%) and Bitget (\$500bn, down 23.4%). Kraken and Crypto.com were the best-performing derivatives exchanges based on month-on-month change, recording an increase of 20.2% and 3.63% to \$44.7bn and \$39.9bn respectively.



**Among the top 14 derivatives exchanges, Binance leads with a market share of 45.4% of total volumes in May.** This was followed by OKX with a market share of 21.3% and Bitget with a dominance of 13.5%.

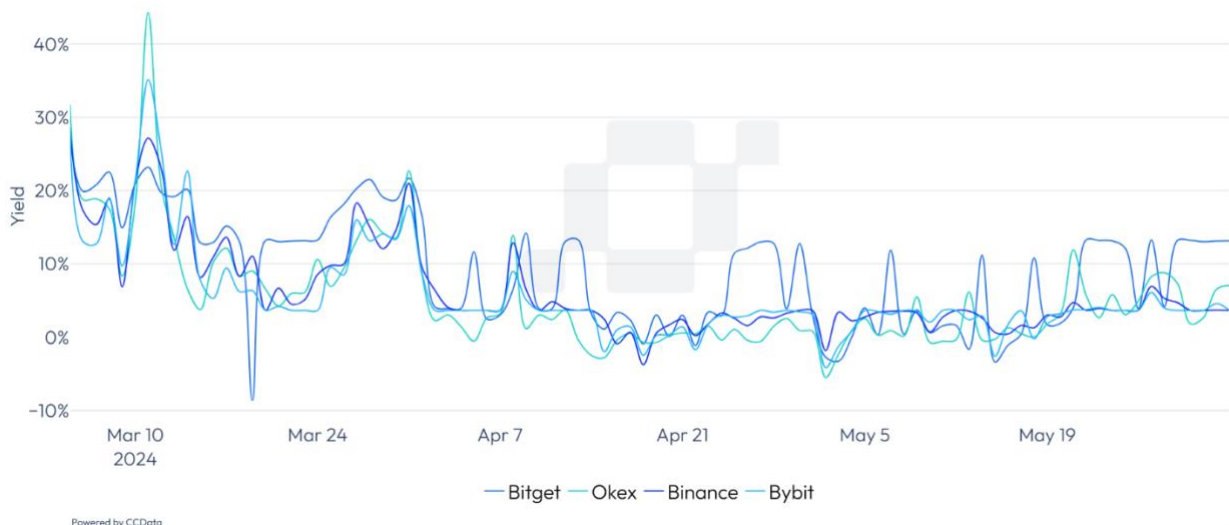
Binance and CME saw the highest increase in market share, rising by 1.15% and 0.40% to 45.4% and 3.11%, respectively. Meanwhile, OKX and Bitget saw the highest decline in market share last month, falling by 1.48% and 0.71% to 21.3% and 13.5%, respectively.

### Historical Futures Open Interest



In May, the open interest on derivatives exchanges rose 30.5% to \$55.2bn as traders looked to capitalise on the surprise approval of spot Ethereum ETFs in the US. The three largest derivatives exchanges, Binance, OKX, and Bitget, all saw a rise in open interest, increasing by 33.2%, 22.1% and 39.2% to \$21.3bn, \$7.26bn, and \$9.74bn, respectively.

### Historical BTC Funding Rate



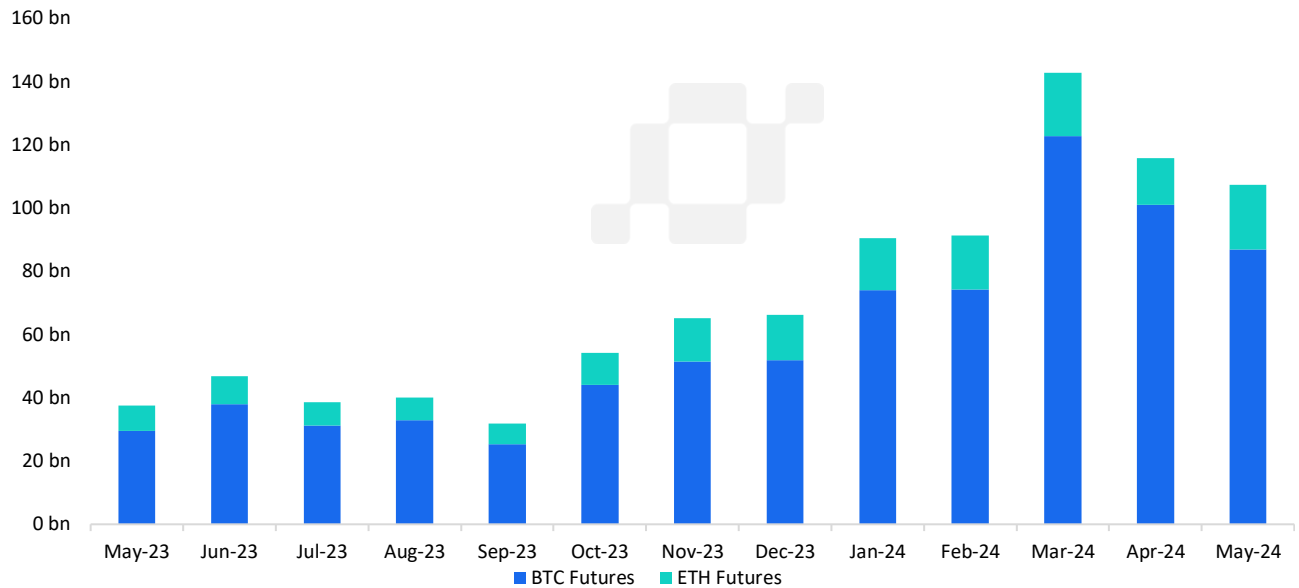
Across the four exchanges analysed, the average funding rates continued to decline, reaching 3.23%. However, the funding rate started trending upwards on May 23<sup>rd</sup> as traders turned bullish after the SEC’s surprise pivot on the Spot Ethereum ETF applications.

The positive funding rate implies that market participants remain bullish in the long term, with traders on Bitget and Binance averaging a funding rate of 4.81% and 3.02%, respectively.

## CME Institutional Volume

Monthly Trading Volumes (\$)

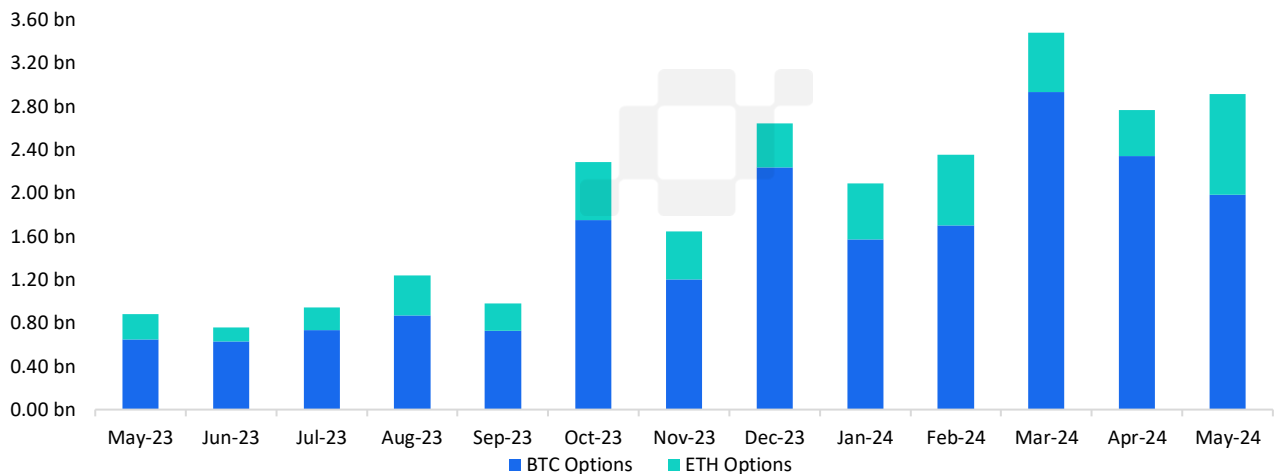
Historical Monthly CME Futures Volumes (\$)



In May, the total derivatives trading volume on CME fell 7.42% to \$115bn. The BTC futures volumes on the exchange fell by 14.0% to \$86.8bn, whereas the ETH futures volume on the exchange rose 37.5% to \$20.5bn, recording the highest volumes since November 2021.

Monthly Trading Volumes (\$)

Historical Monthly CME Options Volumes (\$)



The BTC options volume traded on the exchange fell in May, falling 17.3% to \$1.98bn. Meanwhile, ETH options volume traded on the exchange rose 115% to \$931bn, highlighting the increased institutional interest in Ethereum after the approval of spot Ethereum ETFs last week. This recorded an all-time high for the ETH options volume traded on the exchange.

**Conclusion:** In May, the combined trading volume of spots and derivatives on centralised exchanges fell 20.1% to \$5.27tn, as major crypto assets including Bitcoin and Ethereum remained largely rangebound before the increased volatility following the SEC’s surprise approval of spot Ethereum ETF in the US.

## Definitions

Metric	Definition
<b>Top Tier Exchanges</b>	Exchanges that have scored Grade BB and above in CCData's biannual Exchange Benchmark.
<b>Low Tier Exchanges</b>	Exchanges that have scored Grade B and below in CCData's biannual Exchange Benchmark.
<b>Spot Volumes</b>	Trading volumes on crypto assets with immediate delivery.
<b>Derivatives Volumes</b>	Trading volumes on crypto assets via derivative contracts (futures and options).
<b>Futures Contracts</b>	Derivative contracts where two parties agree to exchange the underlying asset at a specified (Calendars) or unspecified (Perpetuals) date in the future.
<b>Options Contracts</b>	Derivative contracts that give the holder the right, but not the obligation, to buy or sell an asset by a certain date at a specified price.
<b>Open Interest</b>	US-dollar value of outstanding derivative contracts that have not been settled for an asset.

## 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. CCData’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.
<b>Exchange Benchmark</b>	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.
<b>Market Outlooks</b>	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.
<b>Stablecoins and CBDCs</b>	Captures the key developments within the stablecoins and CBDCs sector – providing analysis relating to the market capitalization and trading volume of stablecoins, segmented by their type based on collateral.