

TokenInsight 2021 Q3 Crypto Trading Industry Report

TokenInsight Research

Oct. 2021





Table of Contents

Market Overview	3
Spot: Trading Volumes and CEXes	9
Spot: Trading Volumes and DEXes	10
Spot: DEXes VS CEXes	11
Perpetual Swaps: Overview	13
Perpetual Swaps: Exchanges	14
Perpetual Swaps: Open Interests	15
Futures: Overview	17
Futures: Exchanges	18
Futures: Open Interest	19
Options: Overview	21
Options: Exchanges	22
Options: Products & Put/Call Ratio	23
Options: Block Trades	24
Searching Trends	27
Summary and Outlook	28

- Cryptos’ market cap once doubled from bottom, and recovered from regulatory shock.
- The 30% drop in trading volume has not stopped people's enthusiasm for crypto derivatives investment.
- The overall spot market was recovering during this quarter, but the total trading volume was still less than the previous quarter.
- CME continues to take over the market share of exchanges with Chinese backgrounds such as OKEx and Huobi.
- Bitcoin's popularity has being surpassed by Ethereum in some regions.

Looking for Research Analysts to buidl together. If you are a crypto expert, and enthusiastic about DeFi, Web3.0, NFTs, GameFi, etc, welcome reaching out to us.

Email us: research@tokeninsight.com



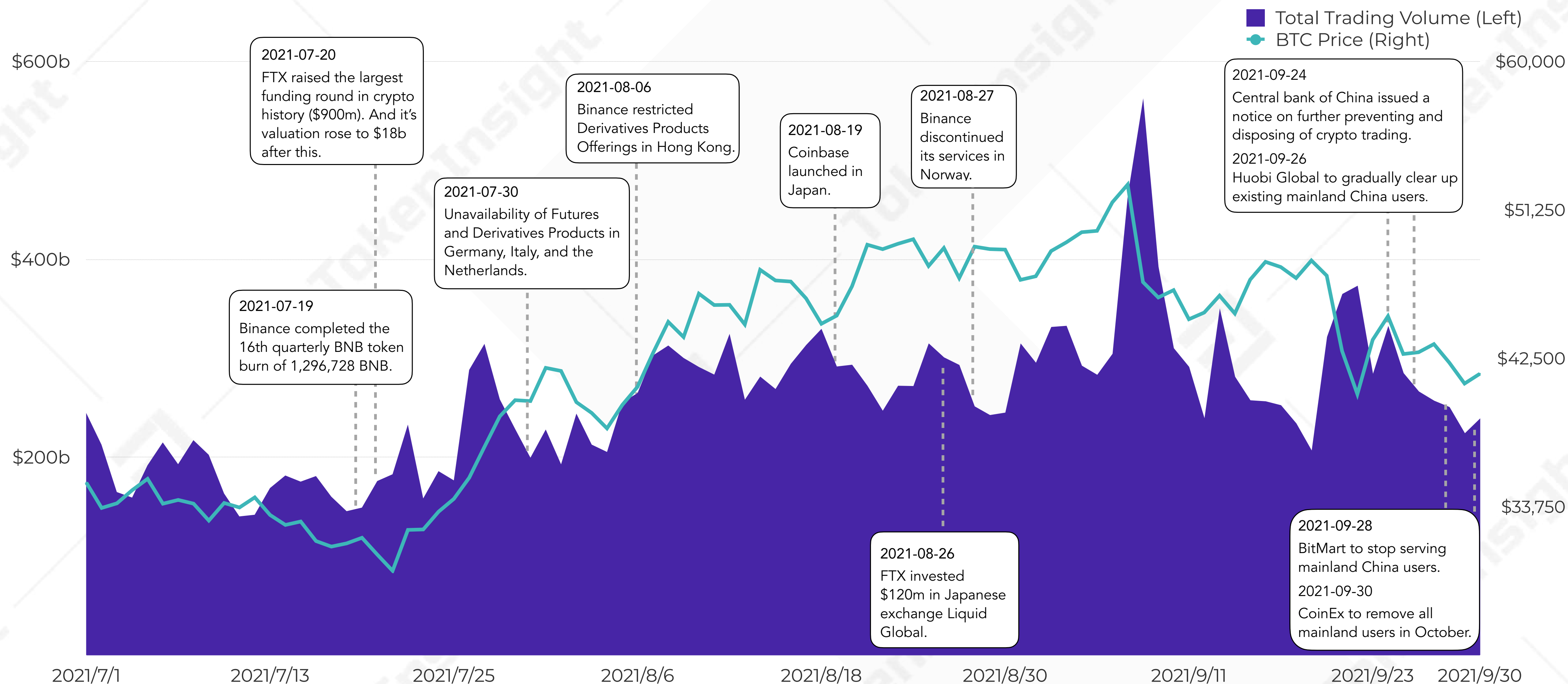
Market Overview



Market Overview

The market is recovering from the bottom.

FIND, CREATE, AND SPREAD VALUE IN BLOCKCHAIN.



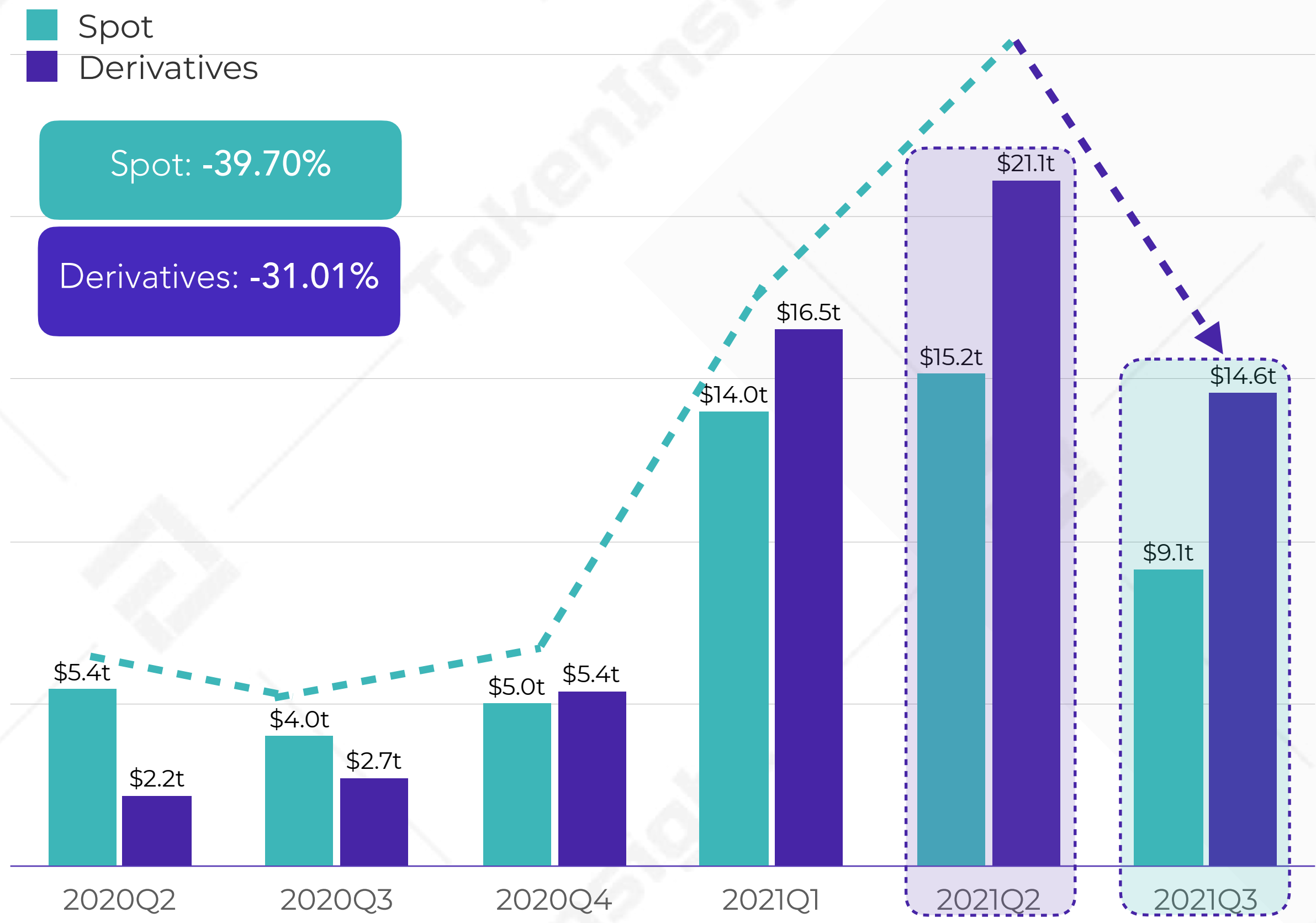


Market Overview

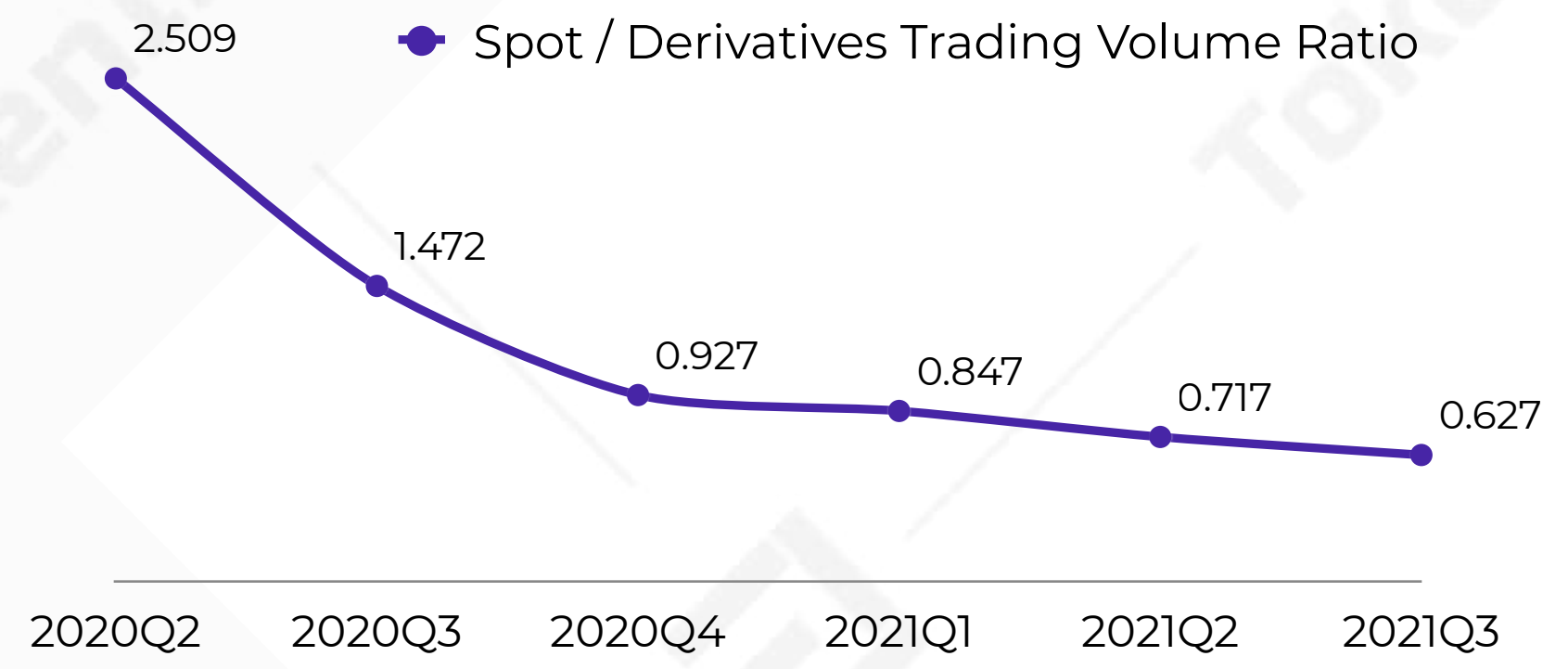
The 30% drop in trading volume has not stopped people's enthusiasm for crypto derivatives investment.

FIND, CREATE, AND SPREAD VALUE IN BLOCKCHAIN.

Trading Volumes of Spot and Derivatives in 2021Q3



Spot / Derivatives Trading Volume Ratio in 2021Q3



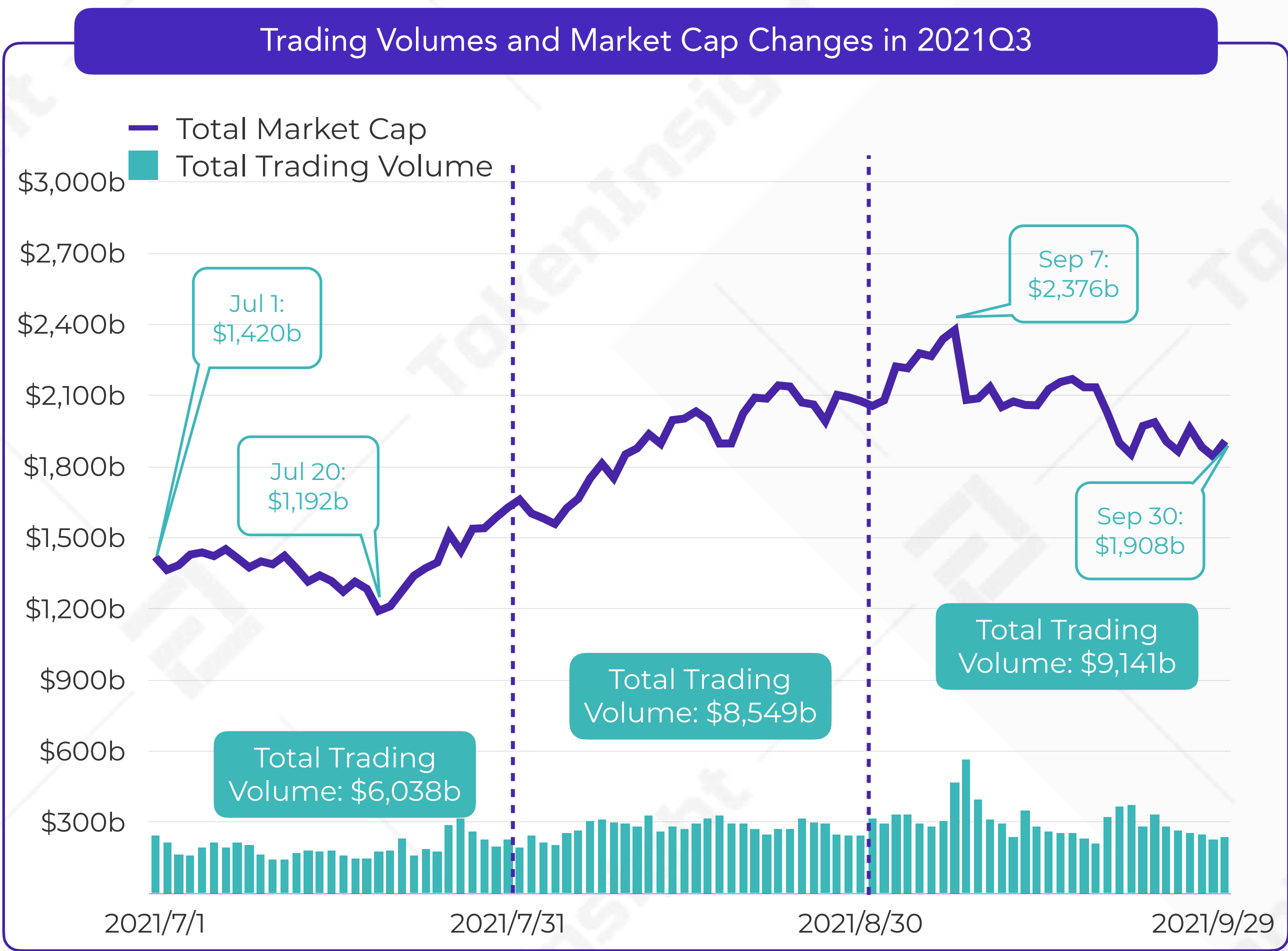
- In 2021Q3, the crypto market's trading volume shrank by more than 30%. The spot trading volume fell to \$9.1t, and the derivatives trading volume fell to \$14.6t, a decrease of 39.70% and 31.01% respectively compared with 2021Q2.
- Regulatory and the withdrawal of investors in mainland China may be the main reasons for the decline in trading volume.
- Interestingly, although the regulatory impact continued, the spot/derivatives trading volume ratio reached a new low record (0.627), which means that investors' enthusiasm for crypto derivatives has not declined due to changes in the macro environment.



Market Overview

Cryptos' market cap once doubled from bottom, and recovered from regulatory shock.

FIND, CREATE, AND SPREAD VALUE IN BLOCKCHAIN.

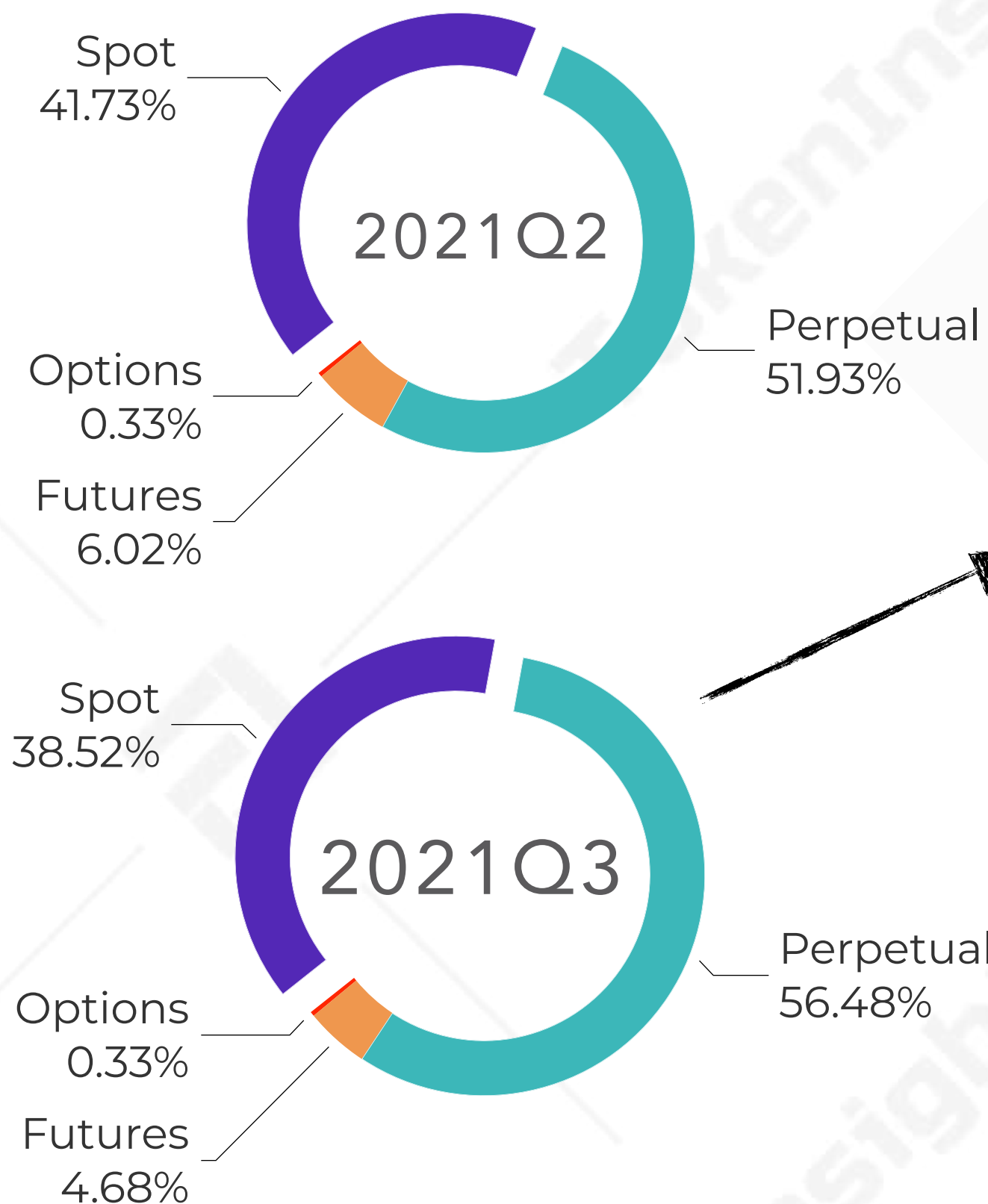


- The trough of crypto market ended in late July. On Jul 20, the total market value of the crypto market reached the lowest point of \$1.19t, but then rose all the way to \$2.38t on Sept 7, nearly doubled.
- The liquidation of derivatives leverage in the crypto market in Sept had a certain downward impact on the market cap, and the regulatory fallout in mainland China at the end of September caused the market cap to drop to around \$1.91t at the end of 2021Q3.
- However, from the perspective of monthly data, both the market cap and the crypto market trading volume are recovering significantly. **The crypto market has come out of its trough.**

Market Overview

Perpetual is still the most popular product, while the proportion of spot trading volume broke through 40% again at the end of 2021Q3.

Proportion of Different Crypto Products Trading Volume in 2021Q3



- In 2021Q3, the trading volume of perpetual contracts accounted for 56.5%, while the trading volume of other derivatives declined. The total trading volume of options and futures just exceeded 5% of the crypto market.
- **Spot trading is one of the main driving forces in the recovery period of the crypto market, and its proportion has increased from 36.9% in Jul to 40.38% in Sep, while the proportion of monthly trading volume in perpetual contracts has declined month by month.**
- The enthusiasm of the NFT market has boosted the demand for ETH and investment in related project tokens, while the anti-inflation demand has promoted the spot trading of BTC, which may be some of the reasons for the increase in spot trading volume.



Spot

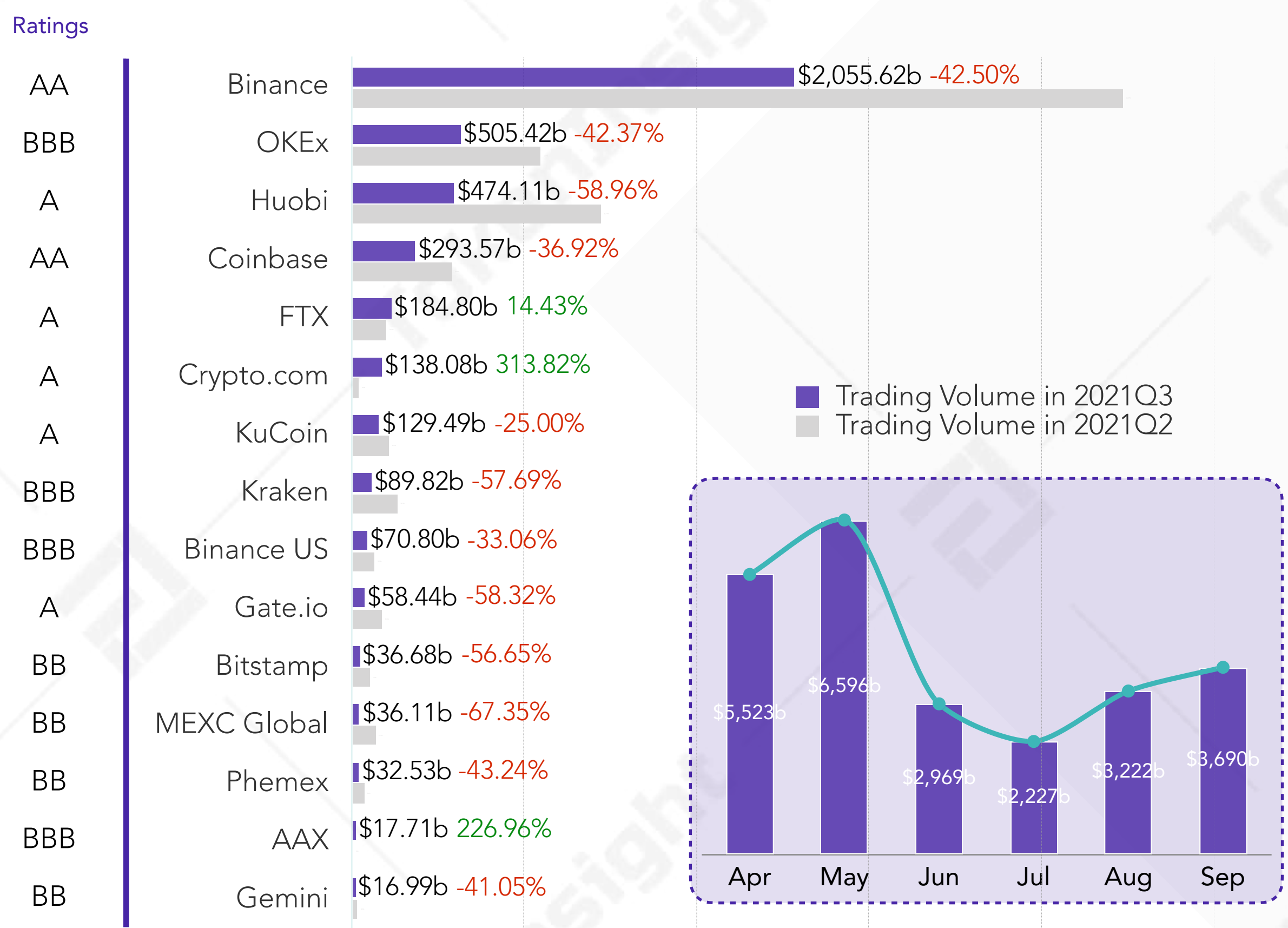


Spot: Trading Volumes and CEXes

The overall spot market was recovering during this quarter, but the total trading volume was still less than the previous quarter.

FIND, CREATE, AND SPREAD VALUE IN BLOCKCHAIN.

Trading Volumes of Spot and Top15 Spot CEX* in 2021 Q3 & Q2



Total Trading Volume
of Spot in Q3
~\$9,139.33b

* including more than 210 spots exchanges that TokenInsight are tracking.

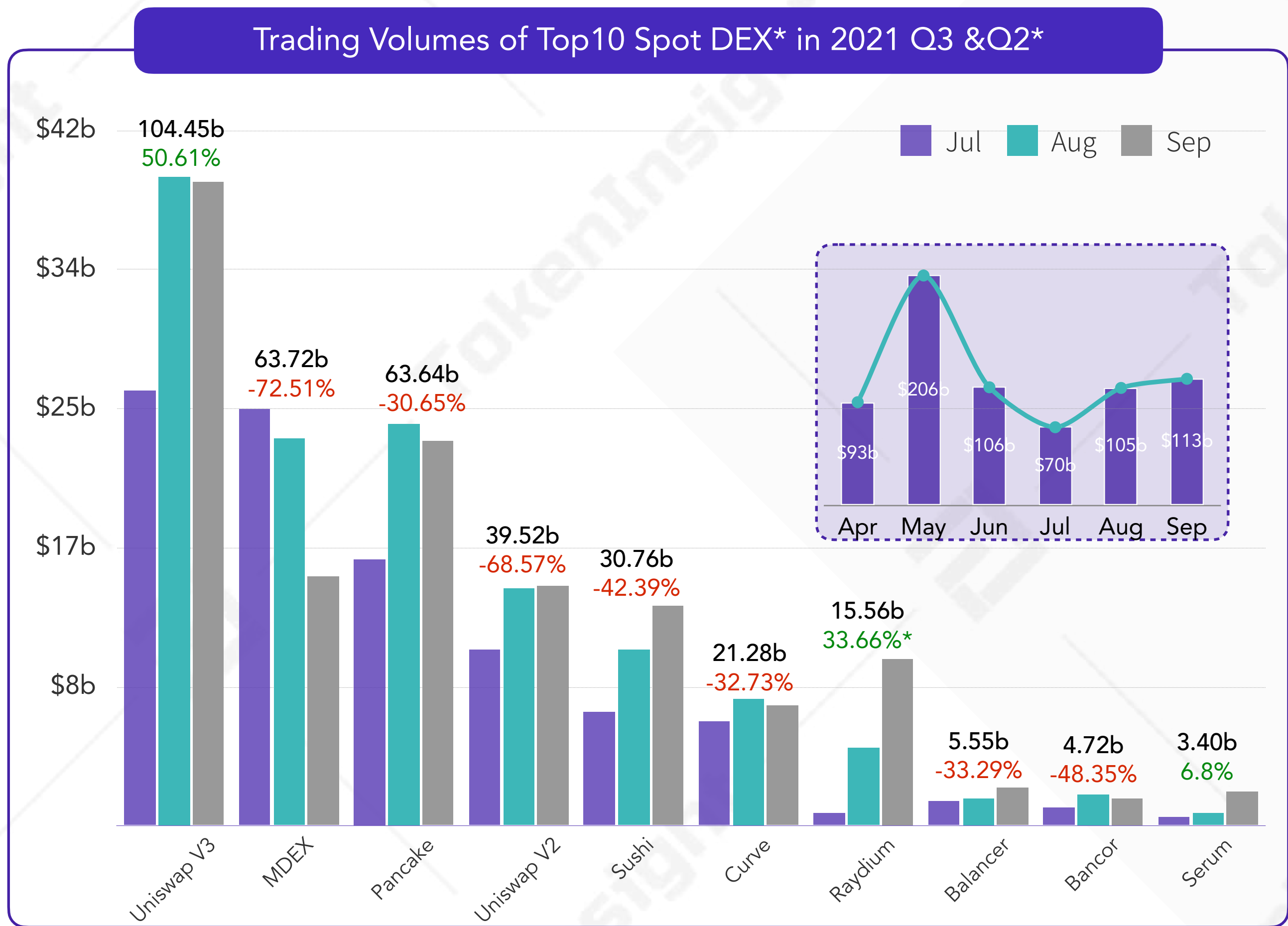
- The spot trading industry was gradually recovering from the bearish of the last quarter, as the volume of spot trading maintained an uptrend during Q3. However, the volume of Q3 is still less than Q2, dropping about 39.43%. This mainly corresponds to the decline in the market heat, followed by the tightening of supervision and diversion from decentralized exchanges.
- The spot trading volume of most centralized exchanges (among the top 15 CEX) decreased in the third quarter **except** for FTX, crypto.com, and AAX.
- A series of Chinese-based exchanges such as Huobi announced to clear up existing Chinese users due to China's regulatory policies. Although the influence of these events did not show up in the September volume, it might cause a decline in the trading volume of Q4.



Spot: Trading Volumes and DEXes

The DEXes on Solana were taking advantages of the fast-growth of Solana Ecosystem.

FIND, CREATE, AND SPREAD VALUE IN BLOCKCHAIN.



- Compared to the previous quarter, the trading volumes of the majority of the top 10 decentralized exchanges decreased in Q3 in addition to Uniswap V3, Raydium, and Serum.
- Uniswap V3 reached \$104.45 billion in trading volume for the third quarter, which is **50.61% higher** than the second quarter. Meanwhile, the trading volume of Uniswap V2 in this quarter was **reduced by 68.57%**.
- In Q3, the two Solana DEXes, Raydium and Serum kept **growing** with the explosion of Solana, and the trading volume of the two exchanges increased around 36.66% and 6.8% respectively.
- The trading volume of MDEX declined about 72.51% in Q3, and its monthly trading volumes represented a down-trend in this quarter.
- DEXes showed the same trend as CEXes, since the spot trading volume was increasing during the Q3, and the total volume is less than the last quarter.

*Screening criteria: first sort the decentralized exchanges according to TVL ranking of Defi Llama from high to low, and then rank the exchanges again according to the trading volume.
*The value labels on the bars shows the trading volumes of each DEX in Q3, and the percentage values represent the percentage changes of each DEX's trading volume between Q2 and Q3.
*The quarterly volume change of Raydium is for reference only since the trading volume between April 1st to April 13th is not available.
Source: Coingecko, Token Terminal, Defi Llama, TokenInsight. Date: 2021.09.30

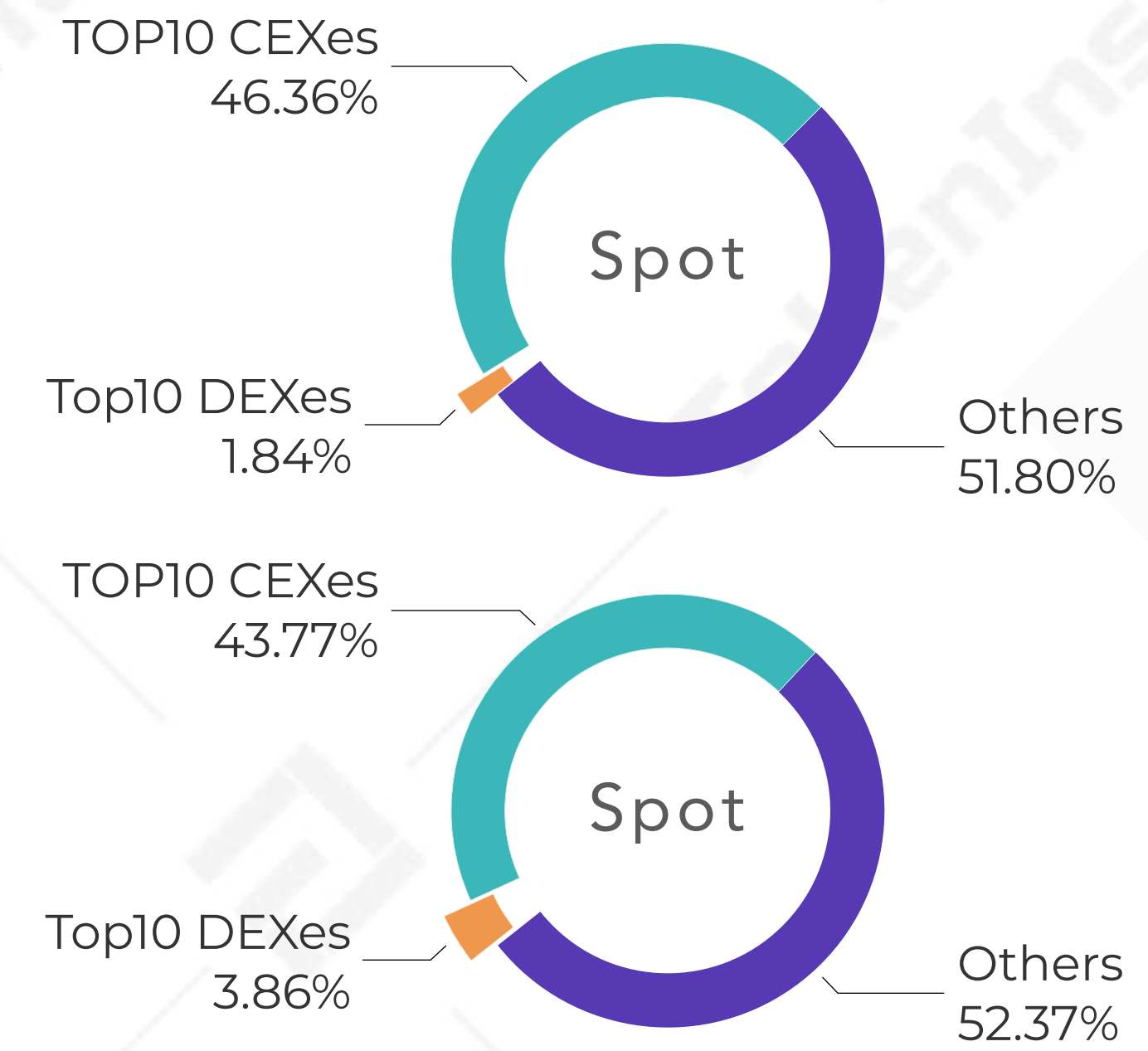


Spot: DEXes VS CEXes

The Proportion of Top 10 CEXes' Trading Volume Is Diverted By DEXes And Other CEXes.

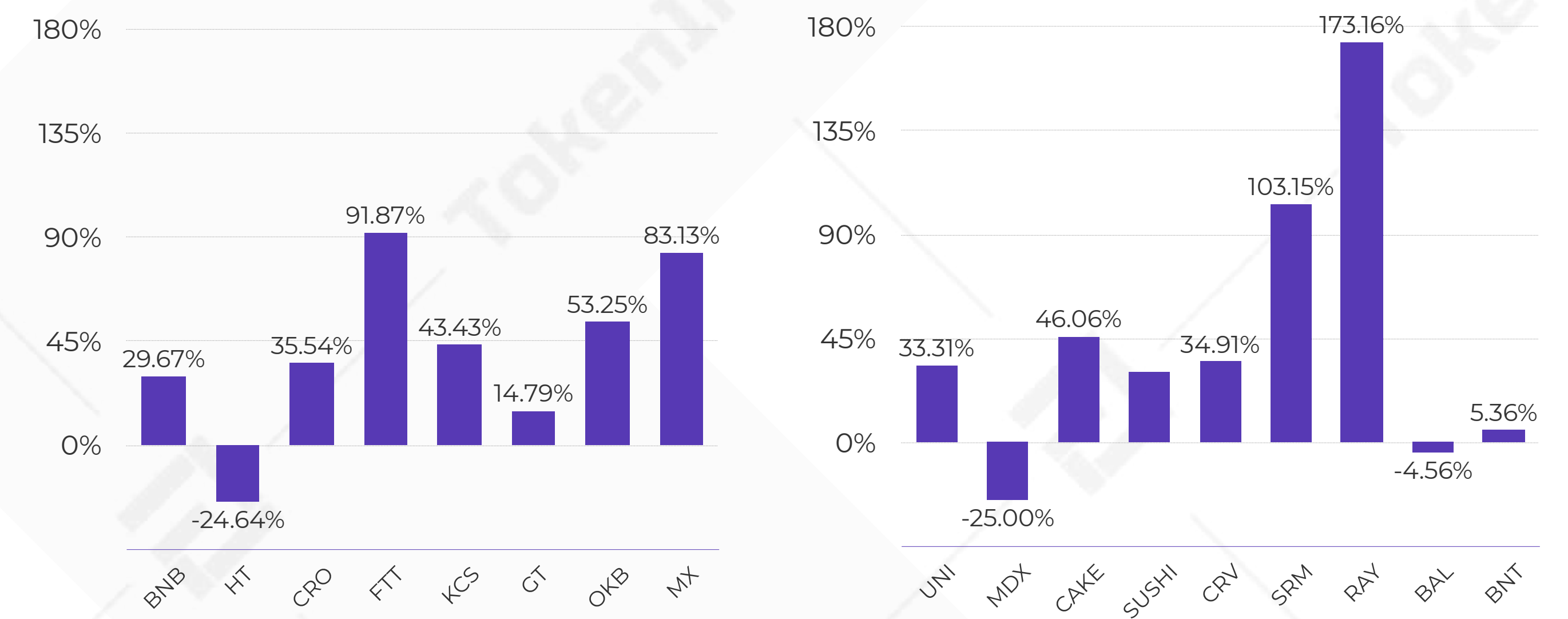
FIND, CREATE, AND SPREAD VALUE IN BLOCKCHAIN.

Trading Volumes of DEXes



- The top 10 DEXes was gaining more share of the spot market, while the market share of the top 10 CEXes was diverted from the DEXes and other CEXes.

Exchange Token's Performance in 2021 Q3



- Most of exchange tokens shown in the graphs have a positive price change in this quarter, except for \$HT, \$MDX, and \$BAL. The price of \$HT and \$MDX fell the most, about 24.64% and 25% respectively, which was influenced by the regulations of China.
- Due to the bloom of Solana Ecosystem, the tokens of two Solana's DEXes (Raydium and Serum) witnessed remarkable growth, accounting for 103.15% and 173.16% respectively.
- The prices of \$FTT and \$MX also went up a lot, which might indicate the expansion of FTX and MEXC Global.



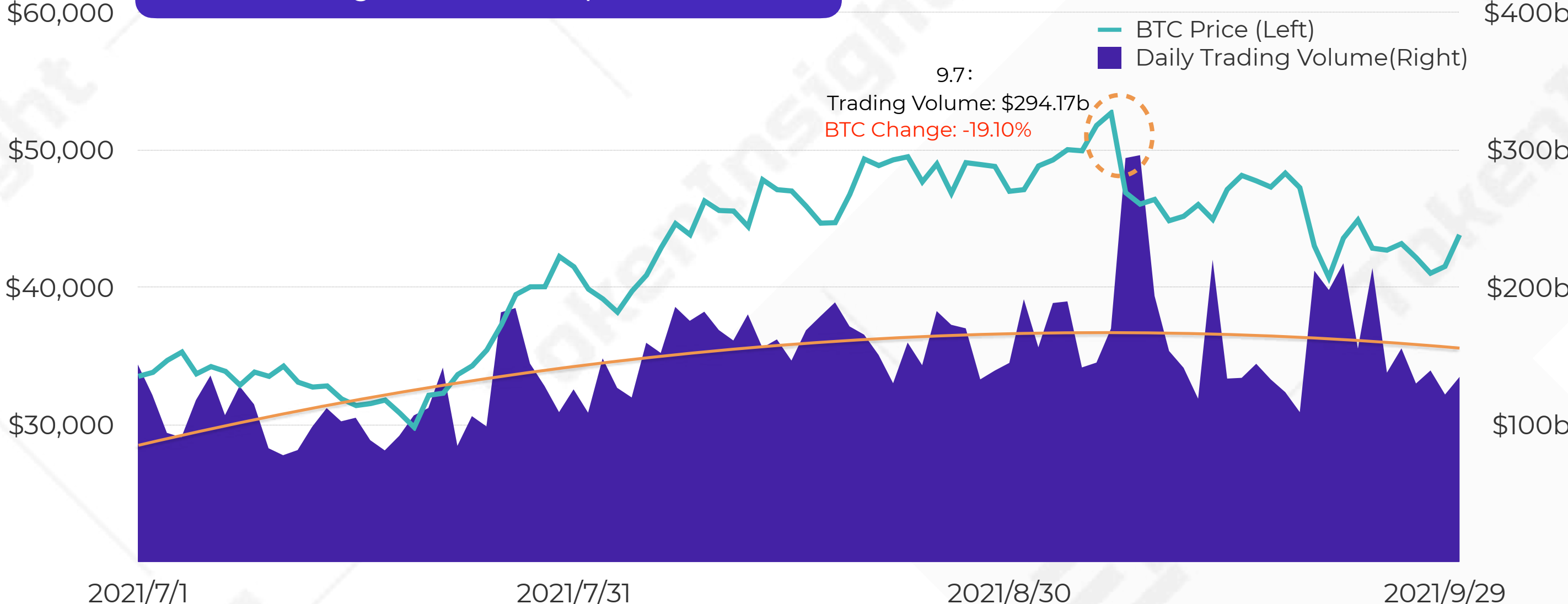
Perpetual Swaps



Perpetual Swaps: Overview

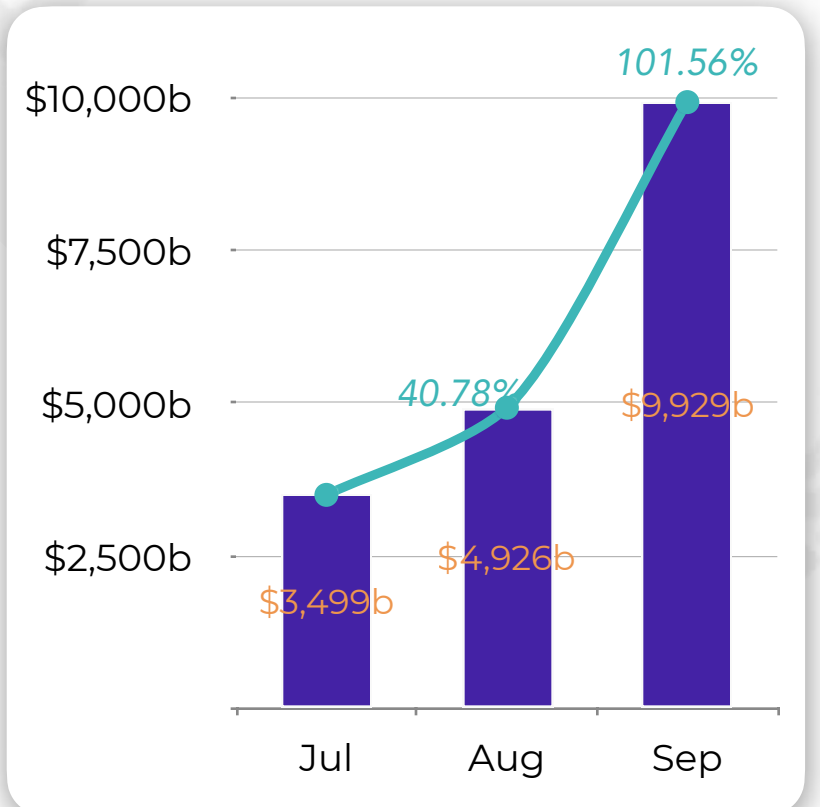
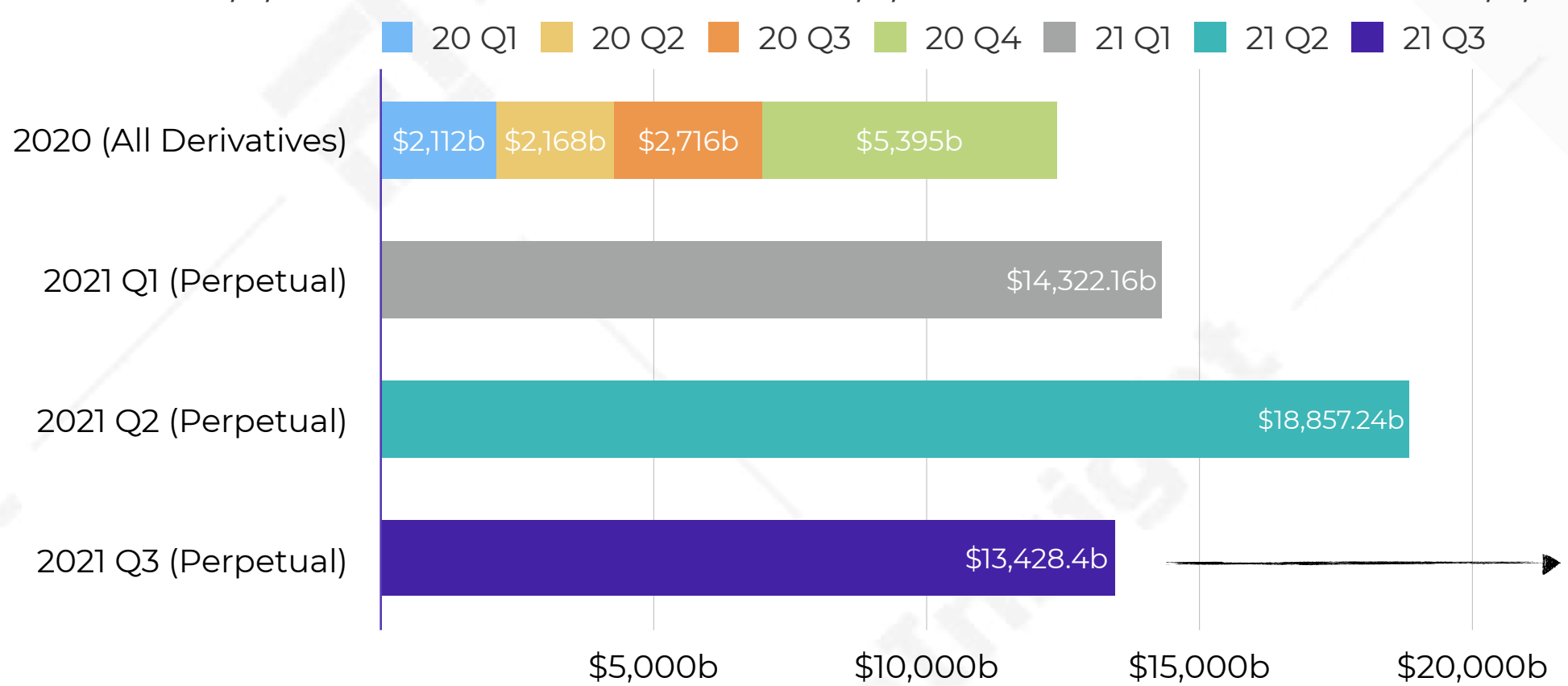
Perpetual trading volume in 2021Q3 declined 28.79% compared with 2021Q2.

The Trading Volume of Perpetuals in Q3



Total Trading Volume
of Perpetual in Q3
~\$13,428.40b

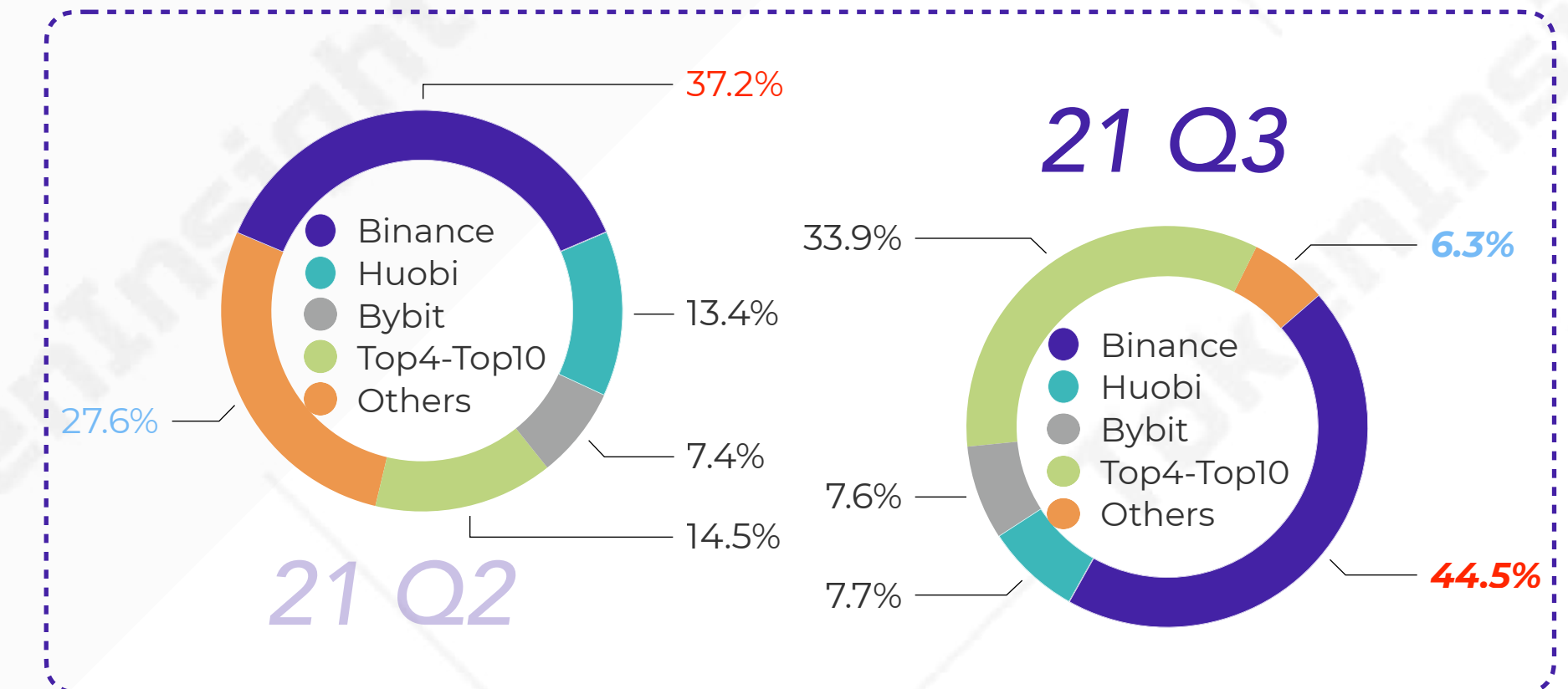
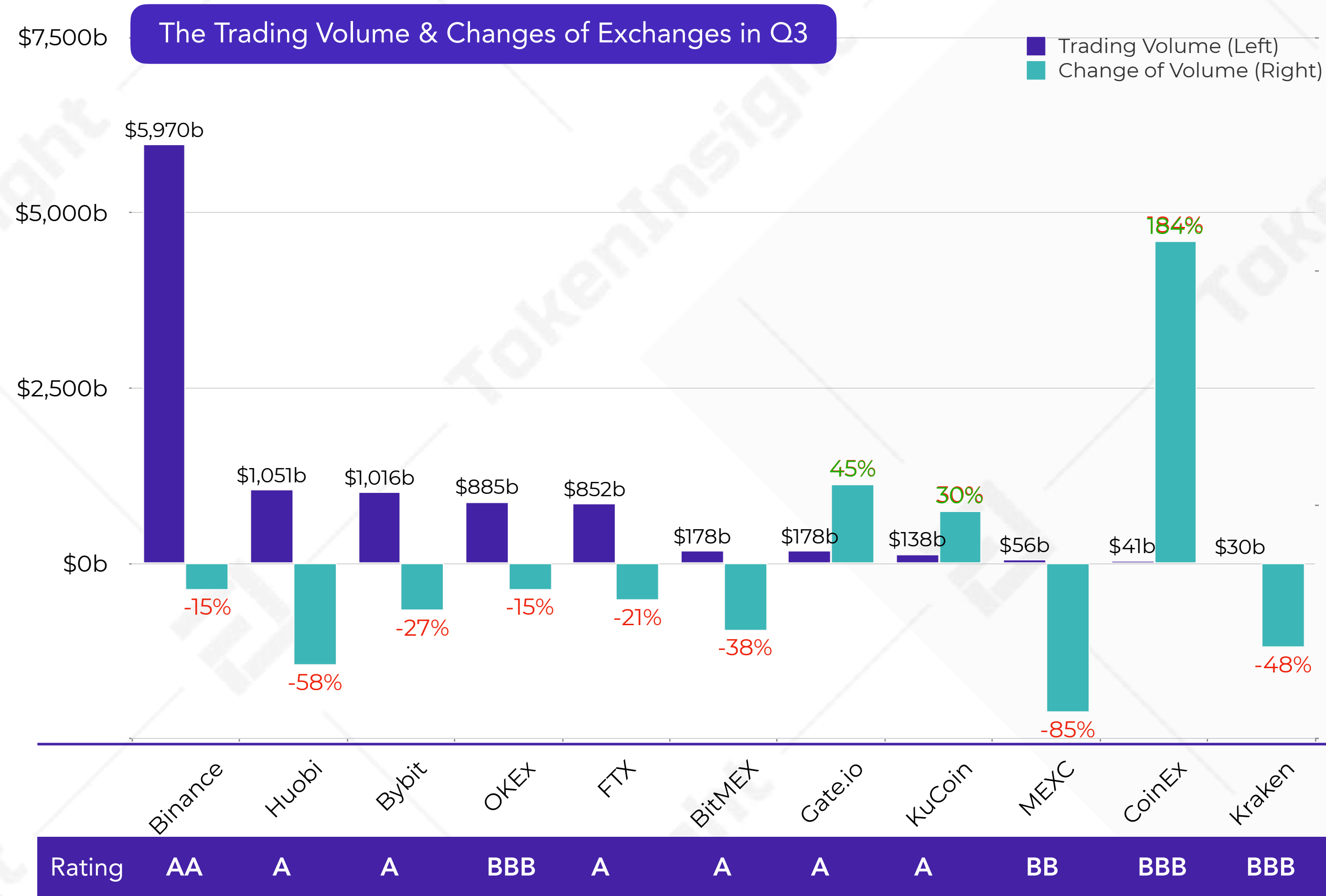
* including the 47 derivatives exchanges that
TokenInsight continues to track.



- Overall Cryptocurrency Market Trading Volume shrank in 2021Q3. The trading volume of perpetual in Q3 declined 28.79% (\$5,429b) compared with Q2. However, it is still 8.37% (\$1,037b) more than the total trading volume of derivatives in 2020.
- There is an upward trend in the monthly trading volume of perpetual in Q3. Among them, September has the highest volume (\$9,929b) and July has the lowest (\$3,499b). Perpetual trading volume in September rose 101.56% compared with August.
- The fall of the price gave the perpetual trading volume power in a bull market. On September 7, the bitcoin price fell 19%, while trading volume reached a short-term peak (\$294.17b) that day.

Perpetual Swaps: Exchanges

The market share of *Binance* rose to nearly half of the market in 2021Q3.



BINANCE
FUTURES
Vol. **\$5,969.84B**

Huobi Futures
Vol. **\$1,050.79B**

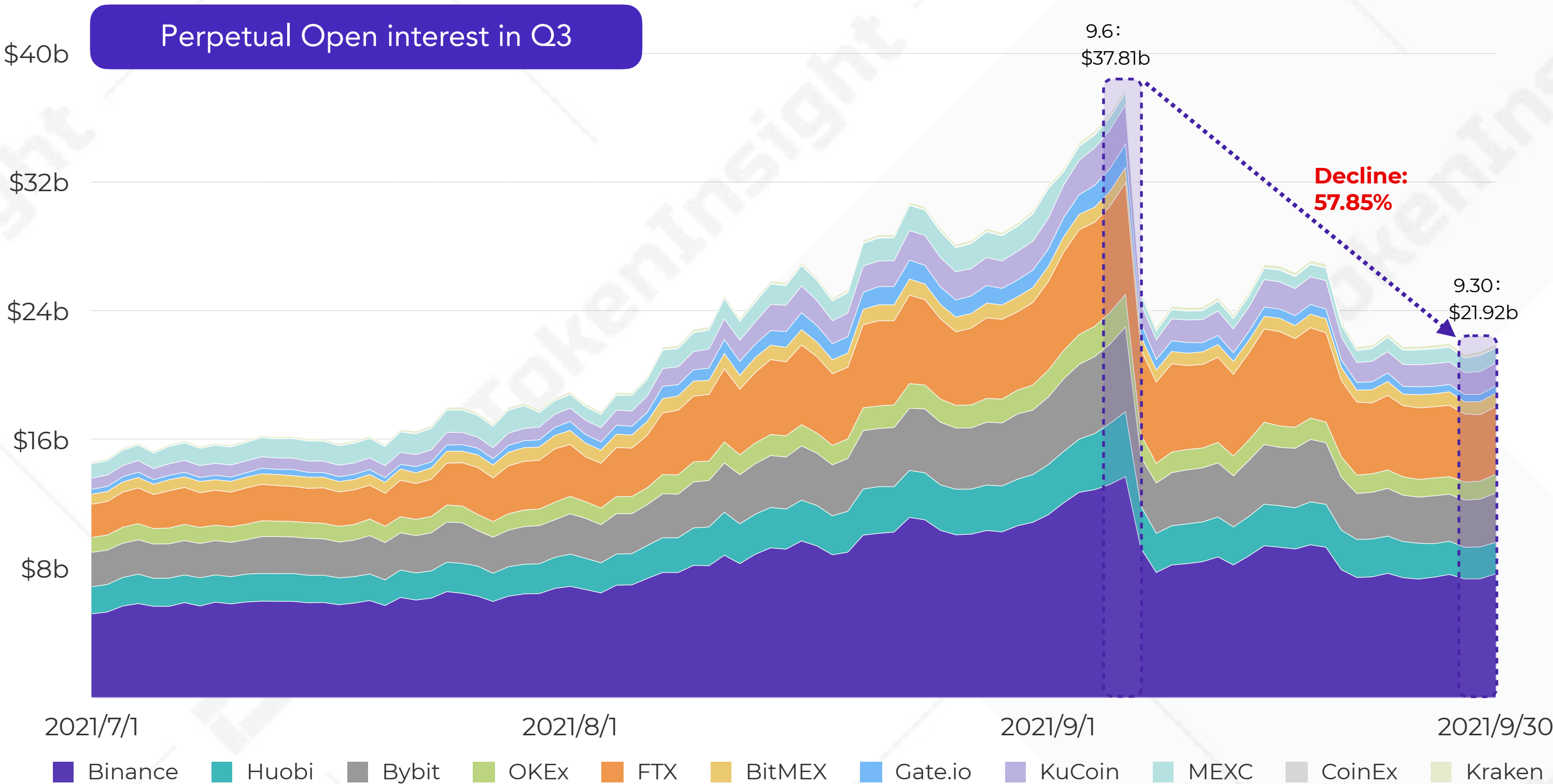
bybit
Vol. **\$1,016.25B**

- In terms of trading volume in Q3, most of exchanges had different degrees of decline compared with Q2. Only three exchanges (Gate.io, KuCoin, CoinEx) saw a rise in trading volume, up 45%, 30% and 184% respectively relative to Q2.
- From the perspective of relative market share, the share of trading volume of the Top 10 exchanges rose from 72.4% to 93.7%. Meanwhile the market share of Binance increased further, approaching half of the market share (44.5%).



Perpetual Swaps: Open Interest

The open interest of perpetual swaps rose by 49.88% in Q3.



- The open interest of perpetual swaps showed an overall upward trend in July and August, with open interest at \$14.62b at the beginning of Q3 and \$37.81b on Sep 6. The open interest of perpetual swaps rose by 49.88% in Q3.
- The open interest of perpetual swaps reached its peak (\$37.81b) on Sep 6. However, the open interest of perpetual fell by 1/3 (\$12.54b) the following day with the price of bitcoin plunging 19.10%.
- Among the 11 derivatives exchanges, all exchanges saw an increase in the OI of perpetual contracts in Q3. Only three exchanges (FTX, KuCoin, CoinEx) saw a rise more than 100% in trading volume, up 103.18%, 106.54% and 192.81% respectively relative to Q2.

	Binance	Huobi	Bybit	OKEx	FTX	BitMEX	Gate.io	KuCoin	MEXC	CoinEx	Kraken
Change of OI	47.94%	15.35%	44.08%	26.21%	103.18%	31.74%	54.63%	106.54%	2.64%	192.81%	90.77%

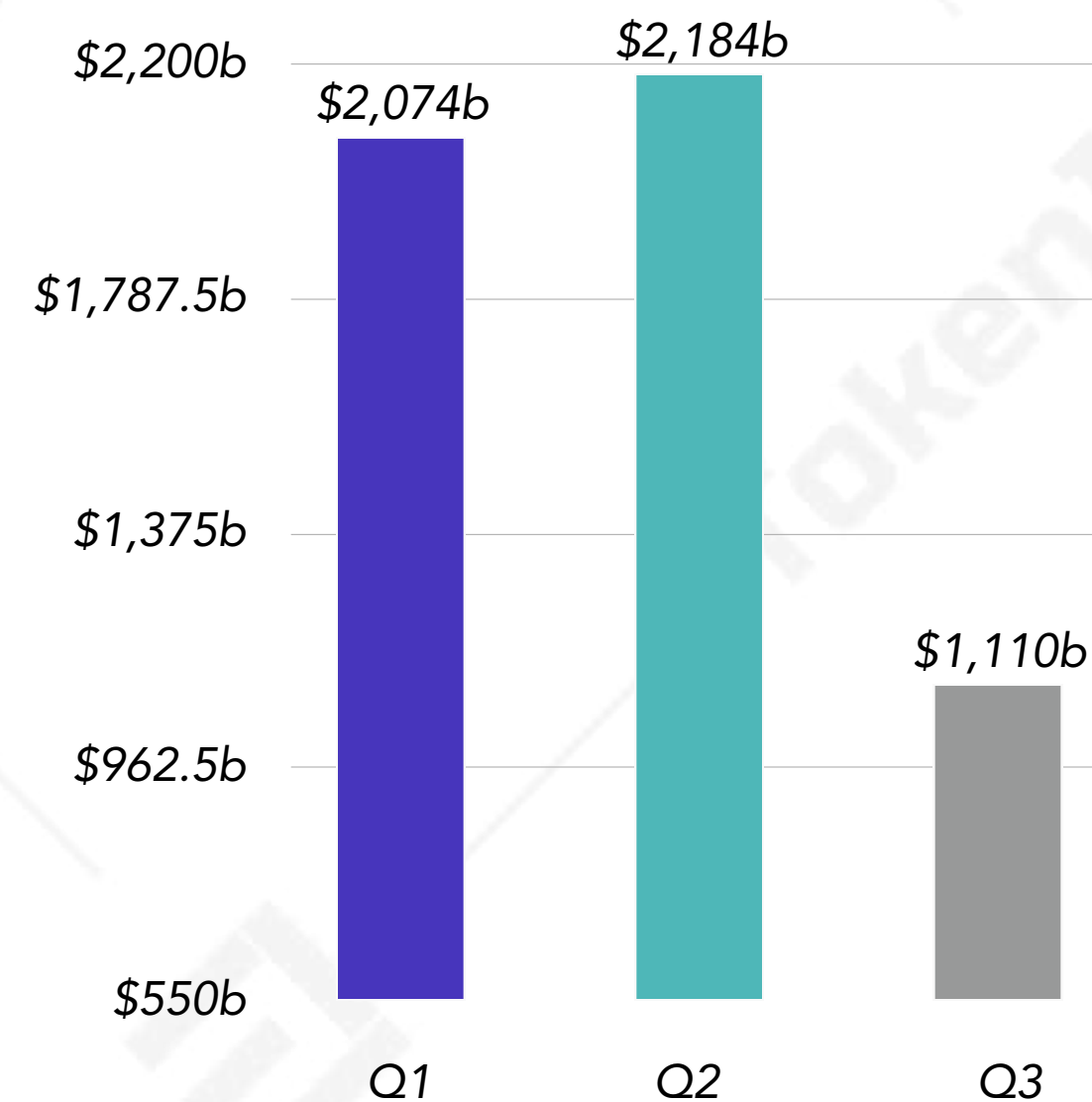


Futures

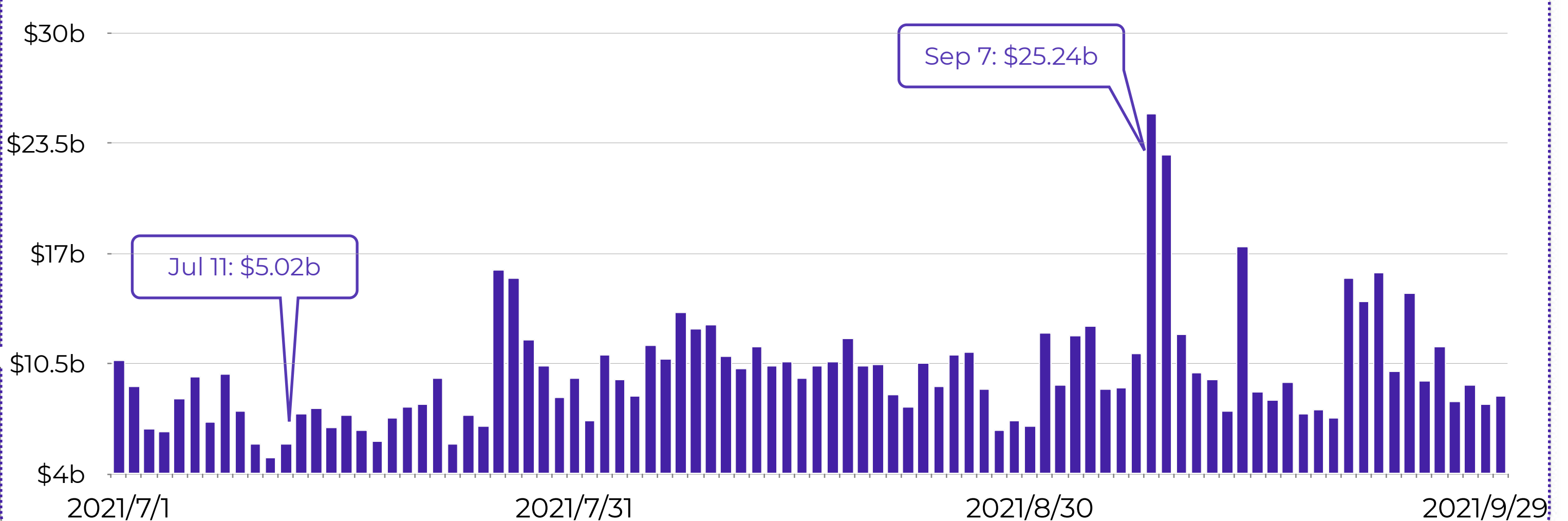
Futures: Overview

Compared with the previous two seasons, the trading volume of Q3 is almost cut in half to \$1110b.

Trading volume of the previous 3 quarters



Daily trading volume in Q3

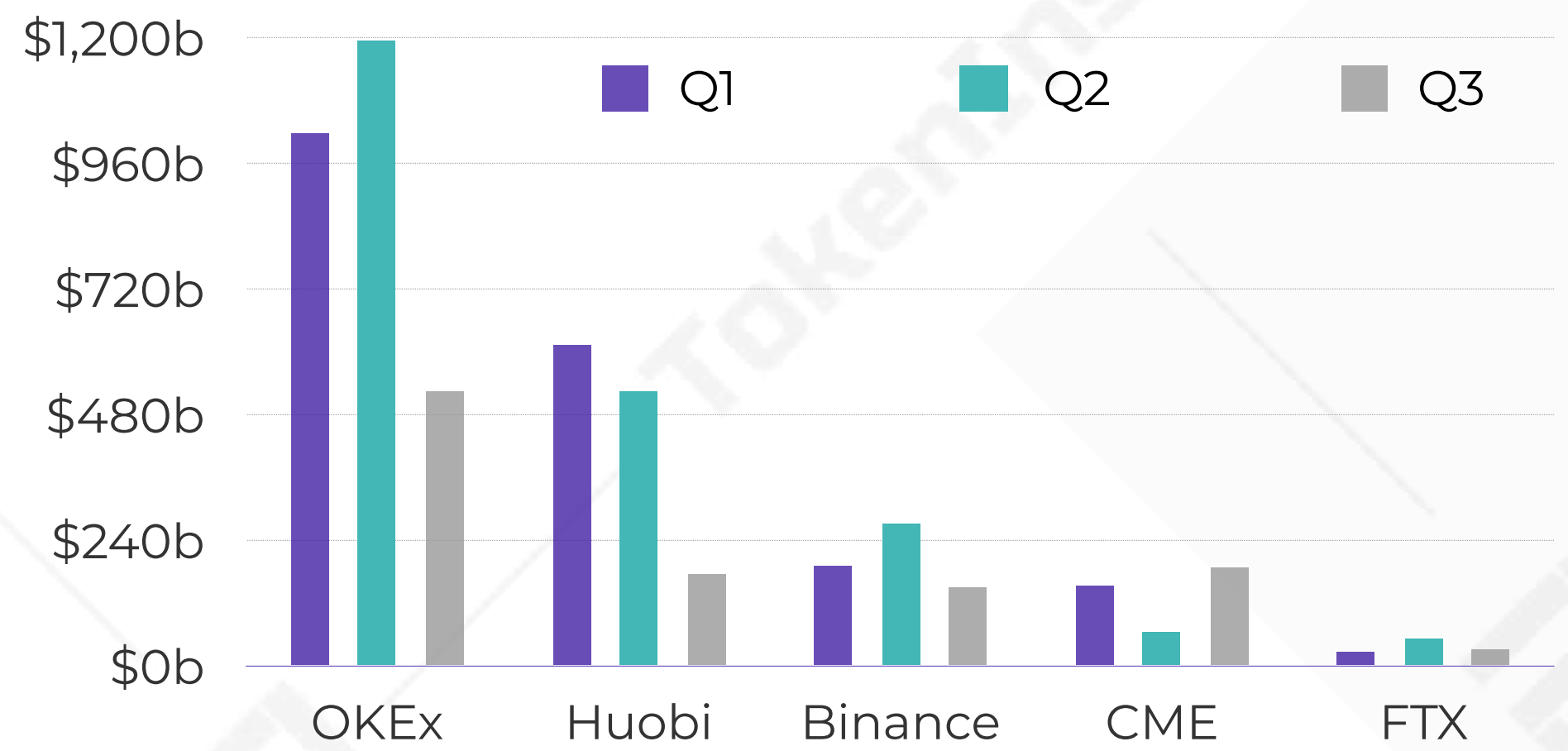


- The trading volume of Q3 was nearly cut in half to \$1110b, decreased by 49.2% and 46.5% compared with Q2 and Q1 respectively.
- September 7 has the highest daily trading volume with the amount of \$25.24b partly because of the liquidation of derivative market. July 11 had the lowest daily trading volume; The amount was \$5.02b.
- Generally speaking, September has more volatility than other months with respect to daily trading volume.

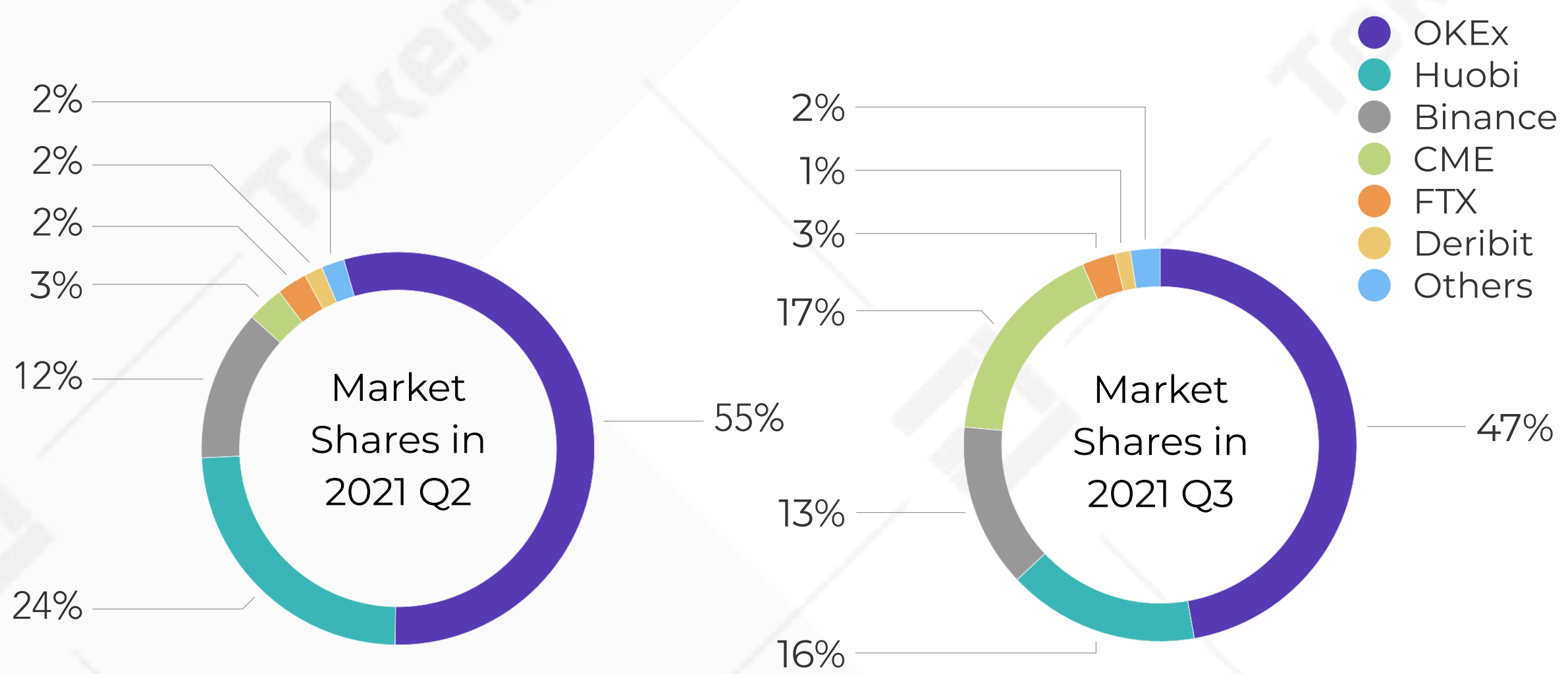
Futures: Exchanges

The market share of CME tripled in Q3 with Chinese-background exchanges such as OKEx and Huobi cutting in half.

Top 5 exchanges by trading volume of futures



Market Distributions in Q2 & Q3

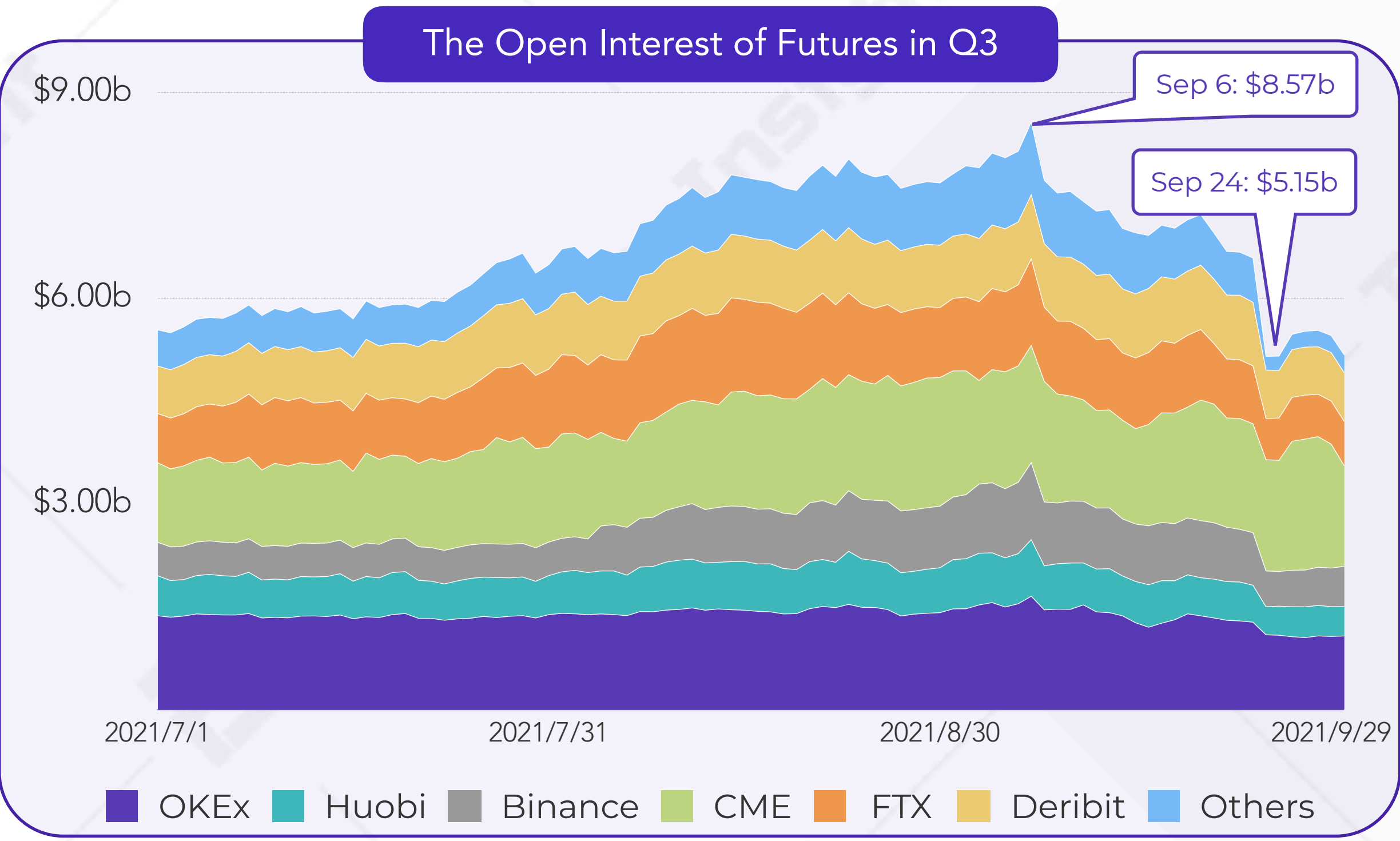


- Top 5 exchanges by trading volume of futures have remained unchanged for the past three quarters with OKEx playing the leading role.
- Due to the suppression of cryptocurrency in China, trading volume of futures has been cut in half in OKEx, Huobi and Binance while CME experiences a 3-fold increase as foreign investors become more and more interested in cryptocurrency.
- The market share of CME has increased from 3% in Q2 to 17% in Q3, surpassing those of Huobi and Binance as the second largest.



Futures: Open interest

The open interest of futures remained almost the same at the end of the quarter compared with that of July 1.



- During the first two months of Q3, the value of open interest gradually went upward but then dropped in September. September 24 had the lowest open interest with the amount of \$5.15b due to the deliver of a large amount of futures.
- September 6 had the highest open interest which then dropped sharply. The reason behind this lies in the liquidation caused by the sharp drop of price of Bitcoin.
- The open interest was almost the same when the quarter ended compared with that of July 1.
- OKEEx and Huobi suffered a lot when Chinese government launched ban on crypto trading. The value of open interest decreased by 21.60% and 26.5% respectively. In contrast, due to the globalization of Binance, its open interest had a 19.84% increase with CME increasing by 26.37%.

	OKEEx	Huobi	Binance	CME	FTX	Deribit
Change of OI	-21.60%	-26.50%	19.84%	26.37%	-9.75%	2.65%

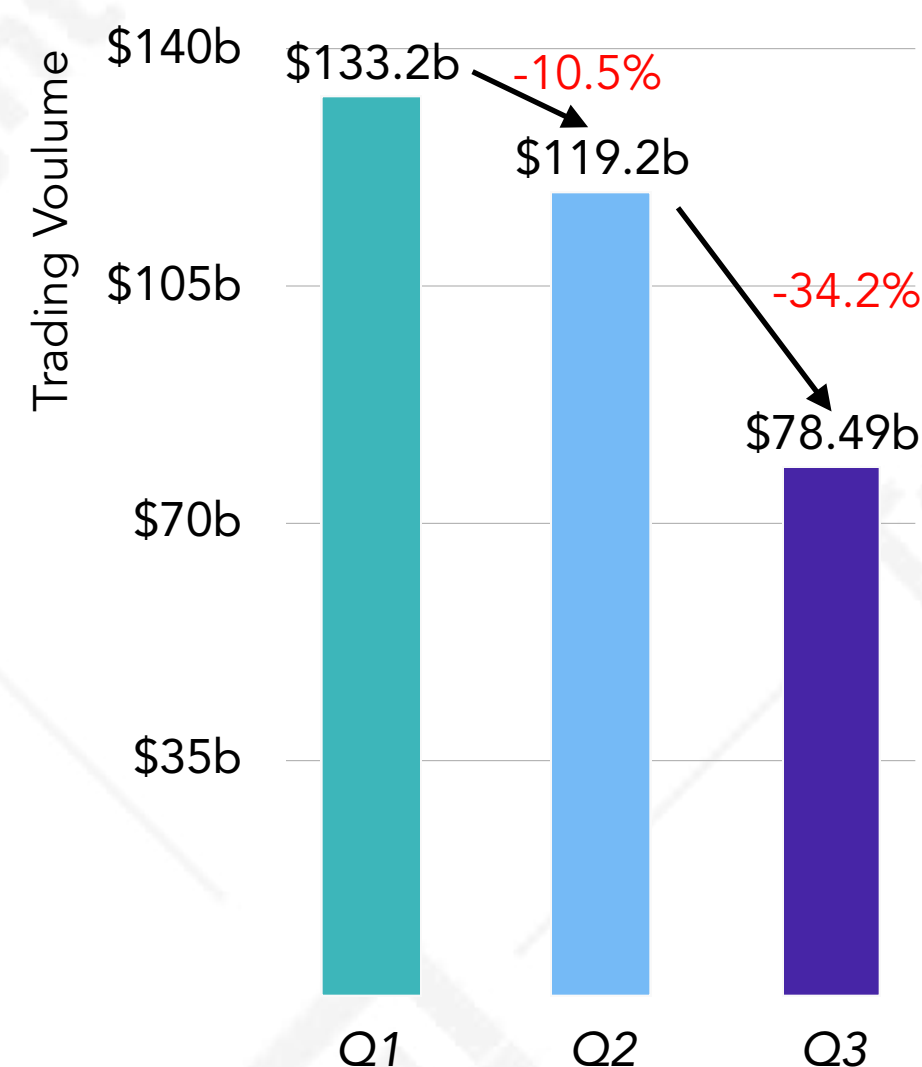


Options

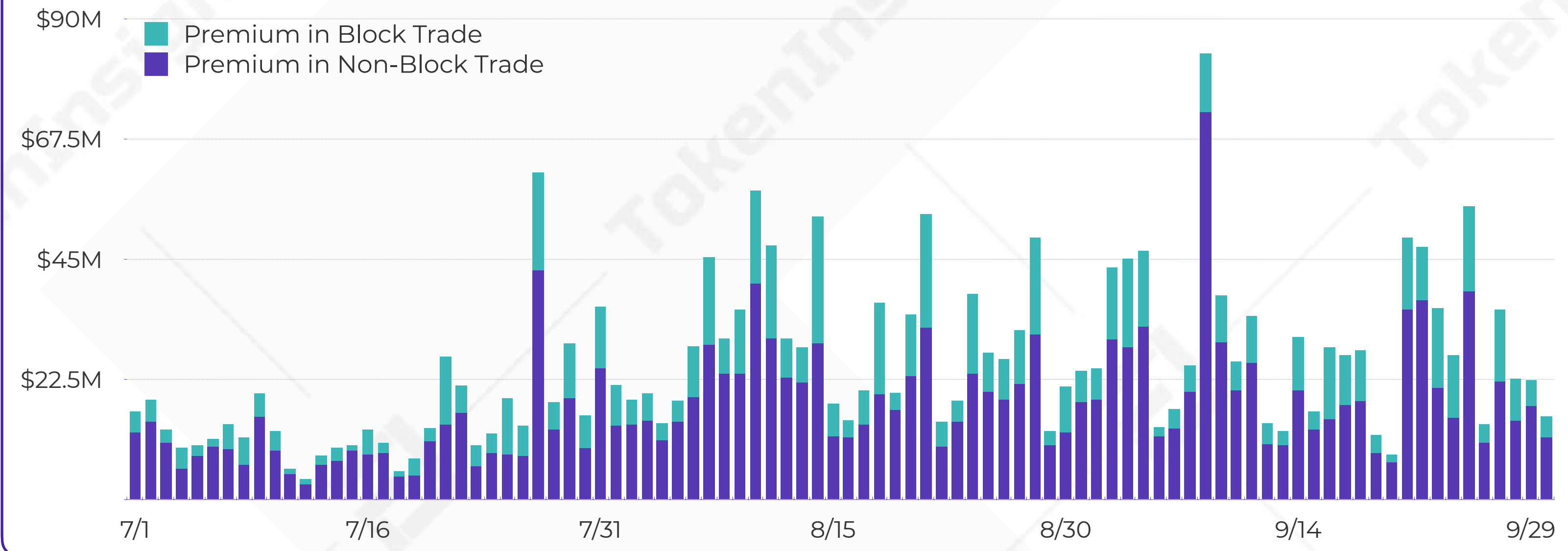
Options: Overview

Option is becoming the whales' toy.

Options Quarterly Trading Volume in 2021*



Options Premium and Block Trades in 2021Q3*



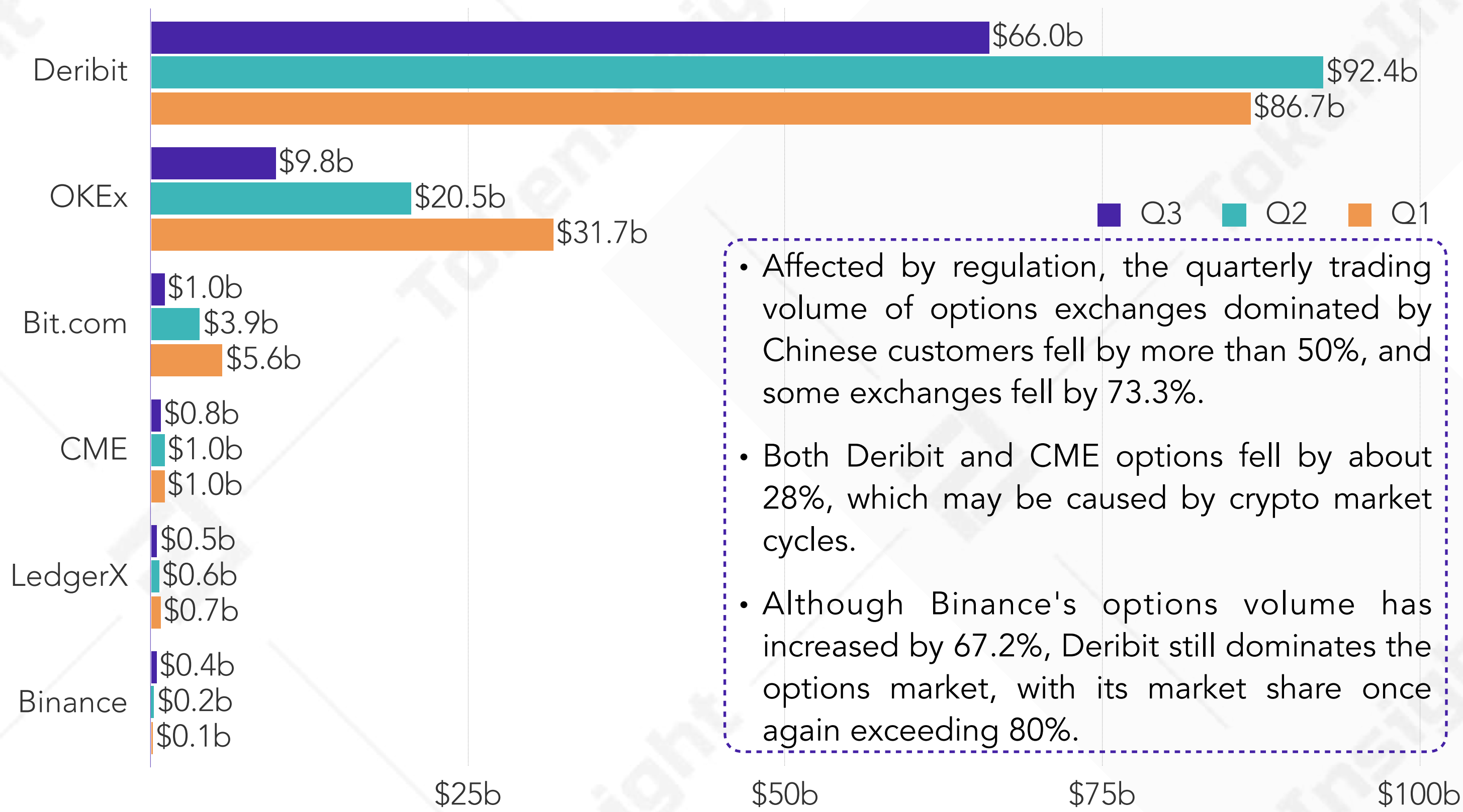
- The trading volume of options in Q3 was \$78.49b, decreased by 34.2% compared with Q2 (\$119.2b).
- From the perspective of monthly premiums, options trading was concentrated in Aug and Sep, and the premiums in the 2 months accounted for about 79% of the total quarterly premiums.
- **Block trades from institutional and professional investors are gradually occupying the mainstream of the market.** The proportion of block trades has exceeded more than 30% in 2021Q3, which was only about 20% in Q2. Among them, about 34% of bitcoin options premium was from block trade, while Ethereum was about 23%.

*Only options trading volume & premium data on centralized exchanges are collected. Source: gvol.io, TokenInsight. Date: 2021.09.30

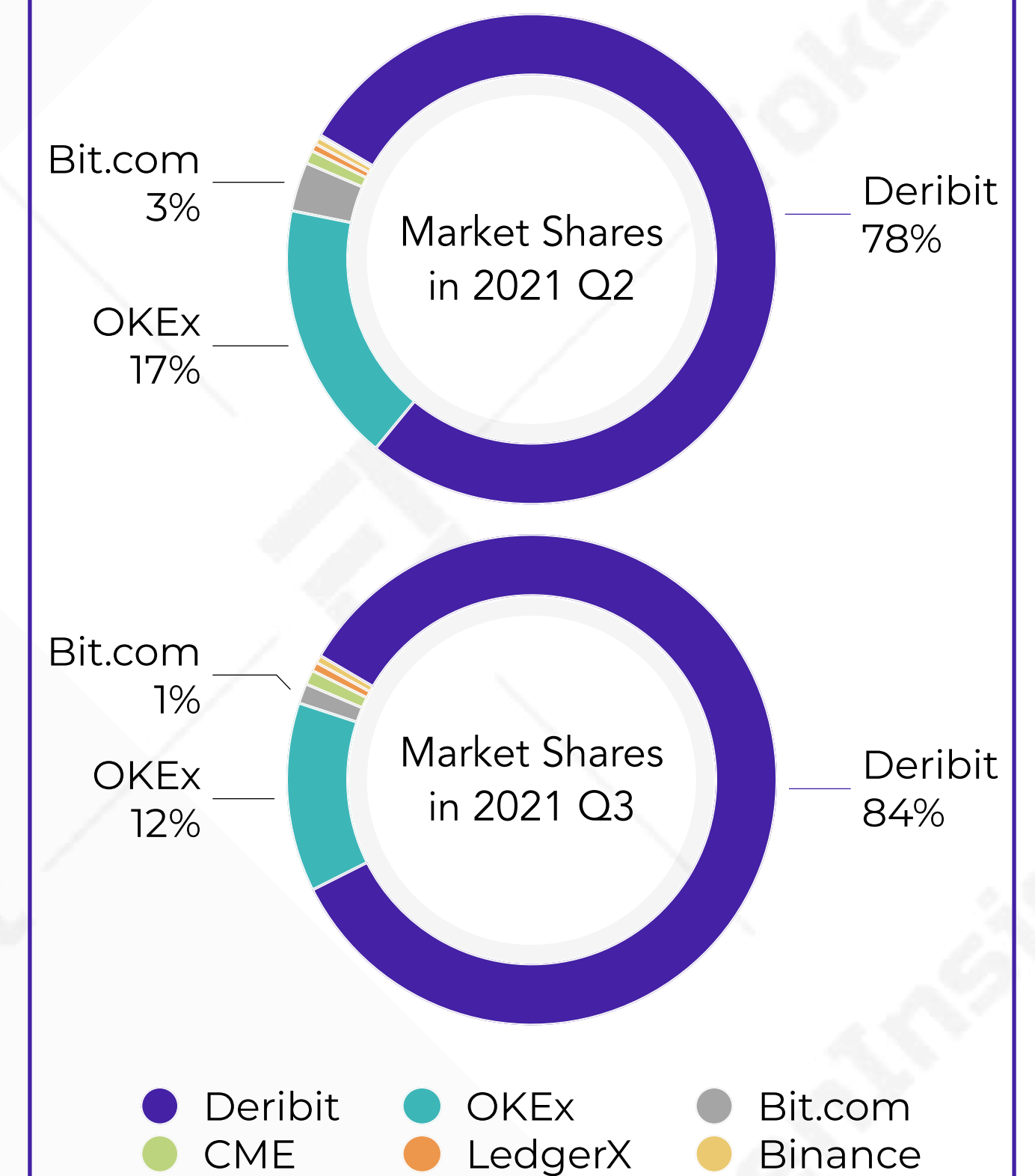
Options: Exchanges

Deribit once again occupied more than 80% of the market in 2021 Q3.

Exchanges Ranked by Options Trading Volume in Q3



Market Distributions in Q1 & Q2



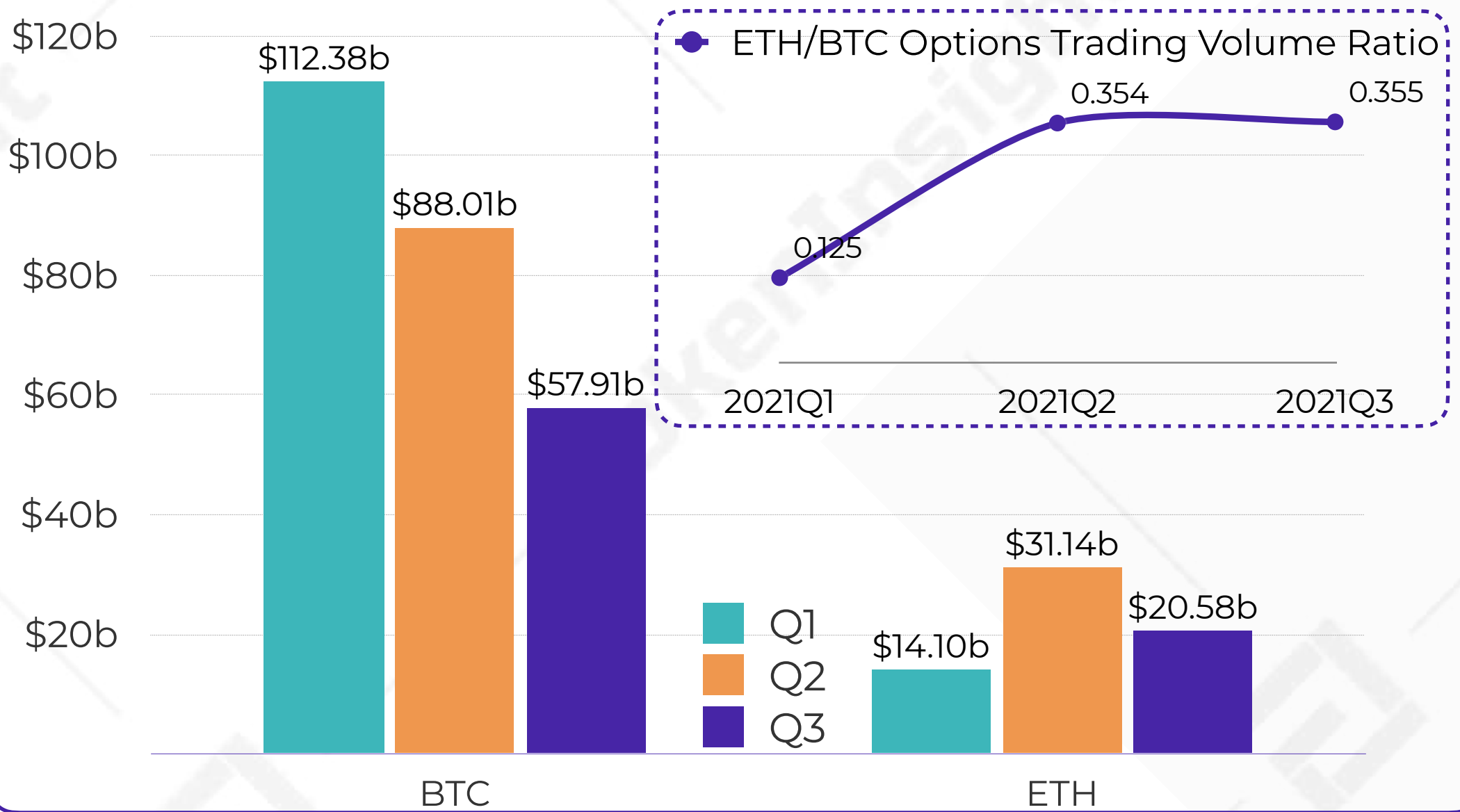


Options: Products & Put/Call Ratio

The scale of ETH options has exceeded 1/3 of BTC options.

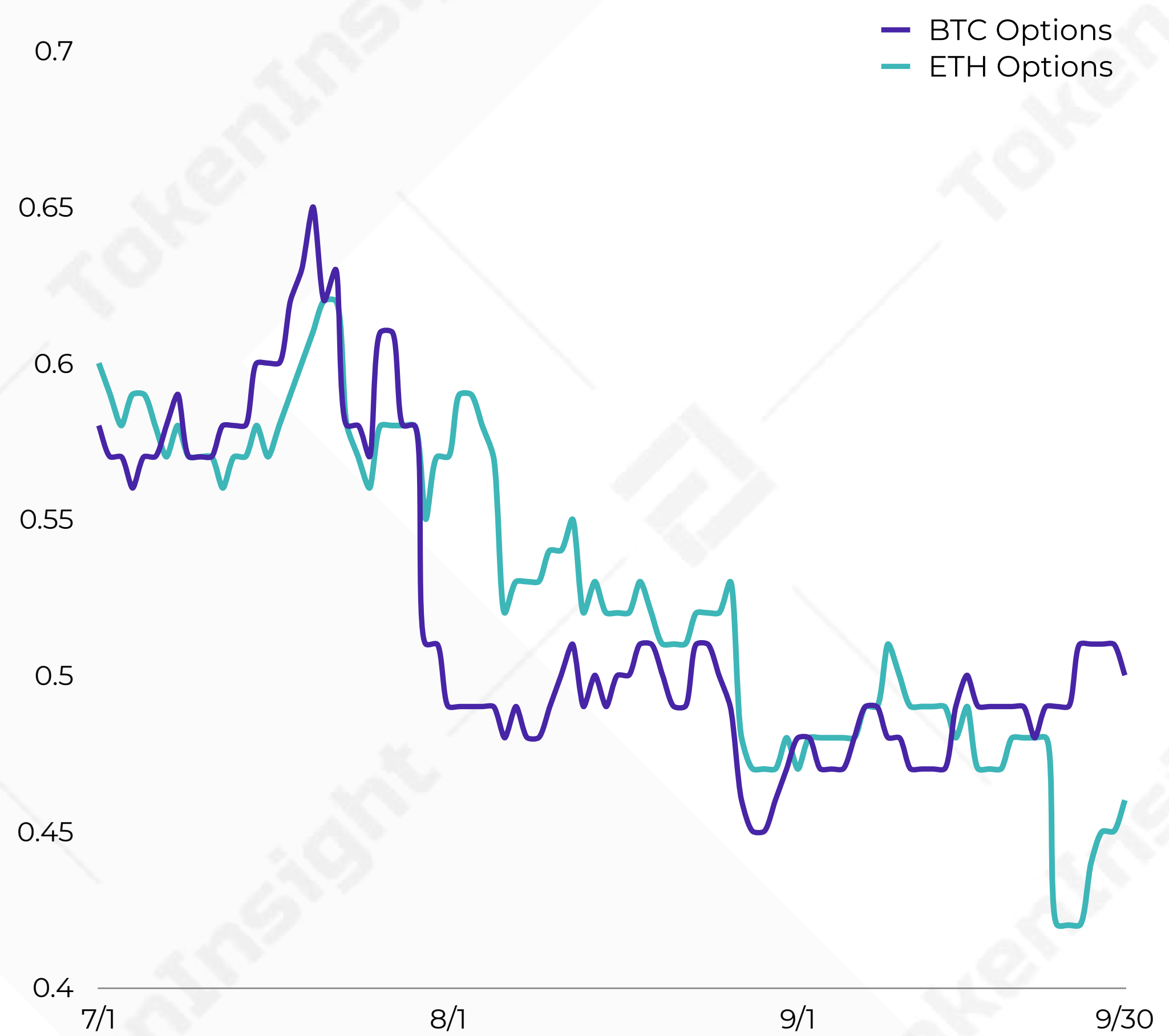
FIND, CREATE, AND SPREAD VALUE IN BLOCKCHAIN.

BTC/ETH Options Trading Performance in Q3



- The trading volume ratio of ETH to BTC options was basically the same as that of the 2021Q2, but still much higher than that of the Q1. The market demand for ETH options is steadily rising.
- The Put/call ratio, which has continued to fall since July, shows that the bearish sentiment in the options market has continued to weaken. At the same time, during this period, cryptos maintained a good upward trend, which seems to indicate that changes in the sentiment of the options market may herald future trends in prices.

Put/Call Ratio in Q3



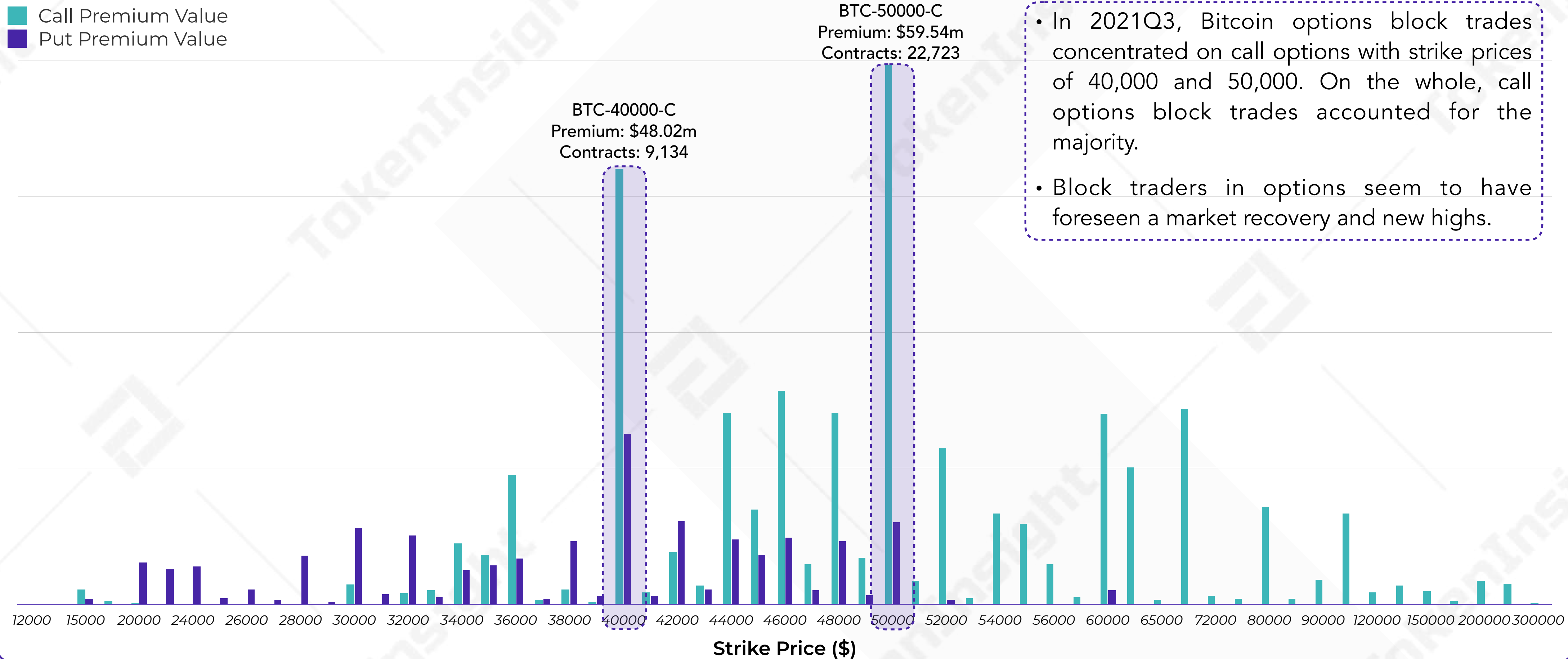


Options: Block Trades

Whales may have known the future.

FIND, CREATE, AND SPREAD VALUE IN BLOCKCHAIN.

BTC Options Block Trades Distribution in 2021Q3



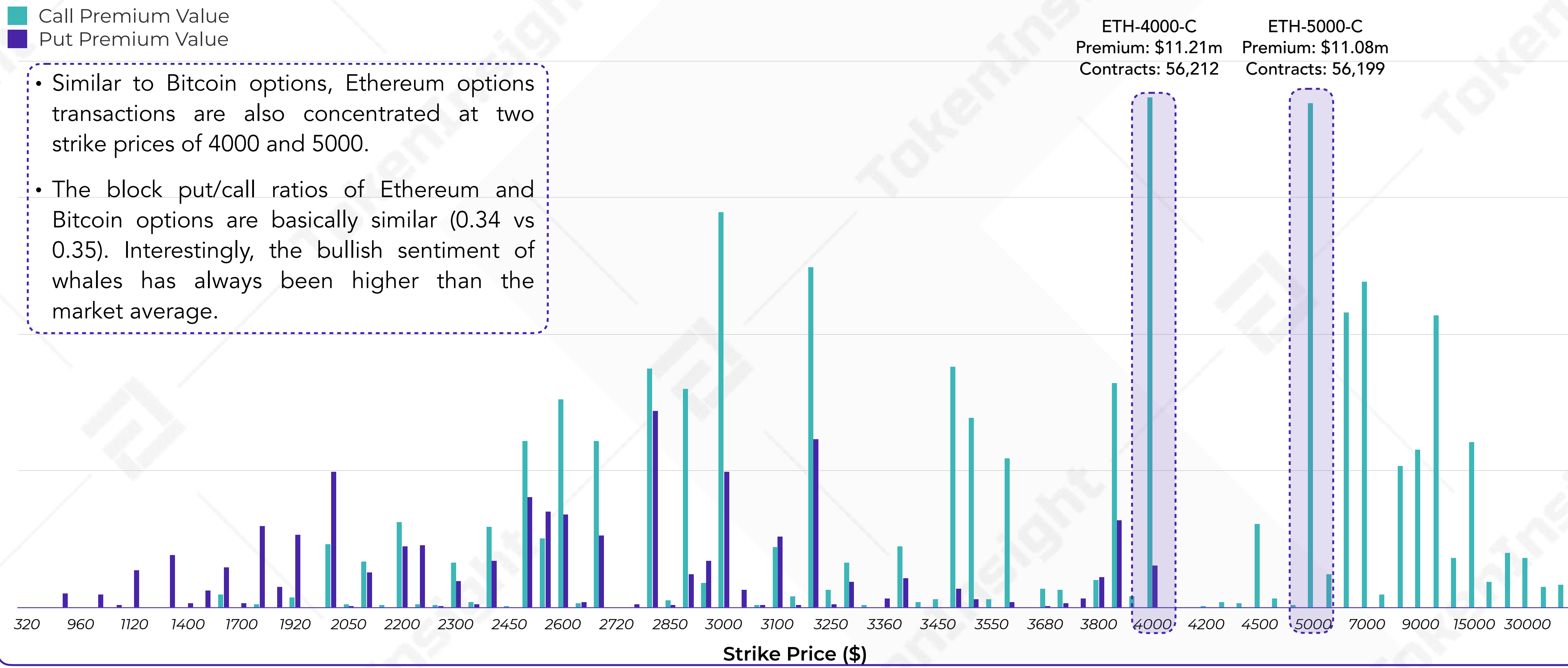
- In 2021Q3, Bitcoin options block trades concentrated on call options with strike prices of 40,000 and 50,000. On the whole, call options block trades accounted for the majority.
- Block traders in options seem to have foreseen a market recovery and new highs.



Options: Block Trades

Whales may have known the future.

ETH Options Block Trades Distribution in 2021Q3





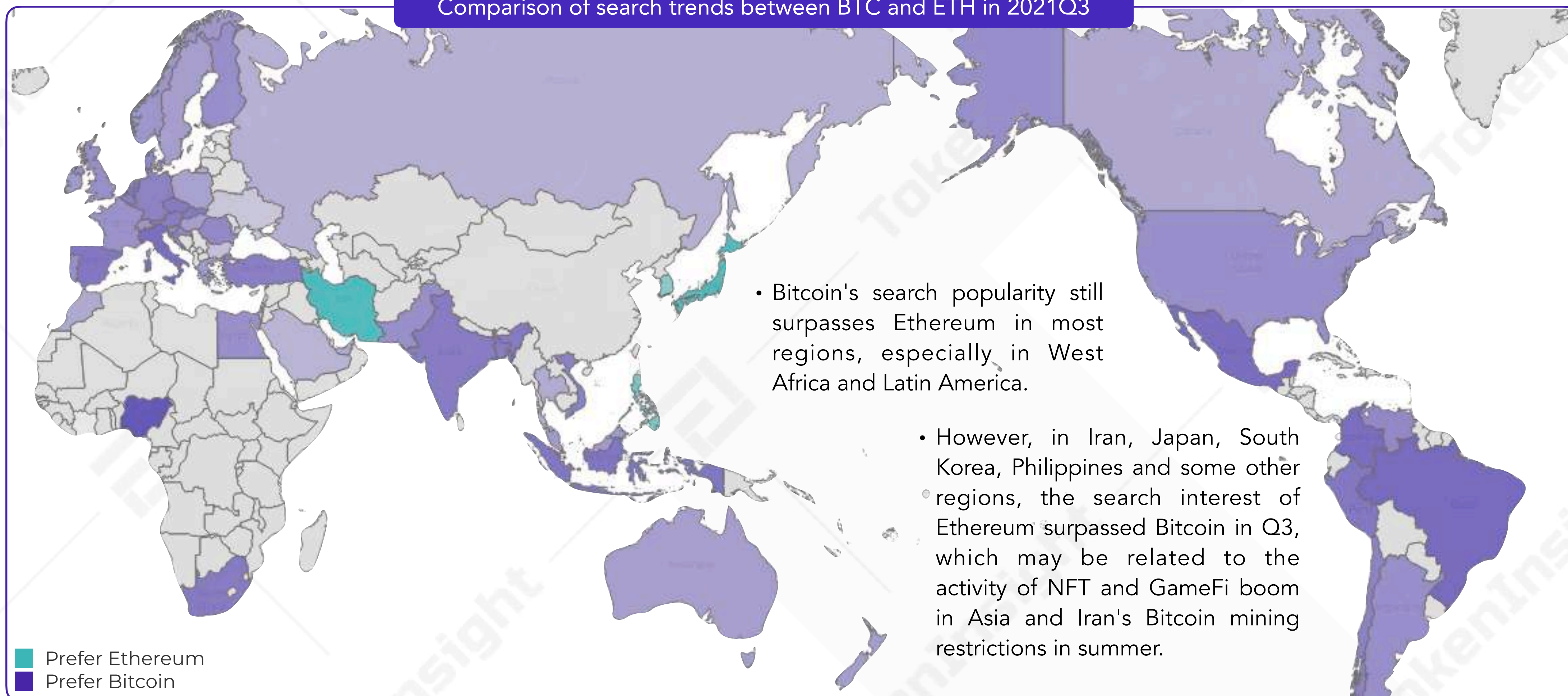
Users Search Trends



Search Trends

Bitcoin's popularity has been surpassed by Ethereum in some regions.

Comparison of search trends between BTC and ETH in 2021Q3



Summary and Outlook

In 2021Q3, we witnessed the process of the crypto market returning from a trough to a peak.

Affected by regulation, the total trading volume of the crypto market in Q3 dropped by more than 30% compared to Q2, and the overall market cap once shrank to \$1.19t.

However, the continued high inflation and the increasing possibility of "stagflation" brought about by the over-issue of the USD have once again stimulated investors' enthusiasm for buying cryptos. Beginning from August, continuous spot purchases have nearly doubled the crypto market cap.

Although the two significant volatility in the derivatives market in September had a certain impact on the crypto market, the ever-increasing trading volume showed that the market has regained its vitality.

Most exchanges suffered a certain amount of traffic loss in the Q3. Among them, due to regulatory influence, the spot trading volume of exchanges dominated by Chinese customers generally halved, while the exchanges with lighter losses also fell by more than 25% in spot volume. A similar situation also occurs in the derivatives market.

In contrast, exchanges that adopt international strategy generally lose less, and even their market share has increased. **Facts have proved that internationalization is always an important guarantee against risks, whether for exchanges or institutions.**

From the options and futures data, we found **that more and more institutions were involved.** The ever-increasing Bitcoin futures open interest in CME Exchange and block trades that account for more than 30% of the options trading volume remind us that the crypto market is ushering in a new peak, but the

intervention of institutions has also made the market more complex and changeable.

Overall, 2021Q3 is one of the decisive moments in the history of crypto. It is true that there has been a major reshuffle in the market, but this has also made the crypto market more mature and has won wider acceptance. With the official listing of the Bitcoin futures ETF in October, the road to a new peak for crypto market has been opened. Before the macroeconomic adjustment has a wide-ranging impact on the market, we can still enjoy everything that crypto bring.

Let's BUIDL and enjoy.

Don't Trust. Verify!



Thank You



www.tokeninsight.com



research@tokeninsight.com

