CoinMarketCap

Examining Token Listings on Centralized Exchanges

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01 / Key Takeaways

- Following a challenging start to 2025, market sentiment has turned increasingly bearish. With portfolios down, investors are more cautious and scrutinizing token performances closely. There is growing criticism of exchanges due to the perceived underperformance of newly listed tokens.

- Even in the presence of strict listing standards, it is key to note that performance of newly listed tokens is influenced by various exogenous factors including macro environment, regulatory changes, event-driven risks, timing, and portfolio sizing.

- Crypto exchanges have outperformed traditional stock exchanges in terms of the proportion of listings with positive return on investment (ROI) and average ROI, highlighting the effectiveness of the industry's listing standards.

- Apart from ROI, we also analyzed the performances of centralized exchanges across other metrics such as their delisting rates, time taken for tokens to reach all-time highs, and the rewards distributed to users through launchpools and airdrop programs. Given the differences in listing strategies and performances, a user should choose an exchange that aligns with their trading and investment style.

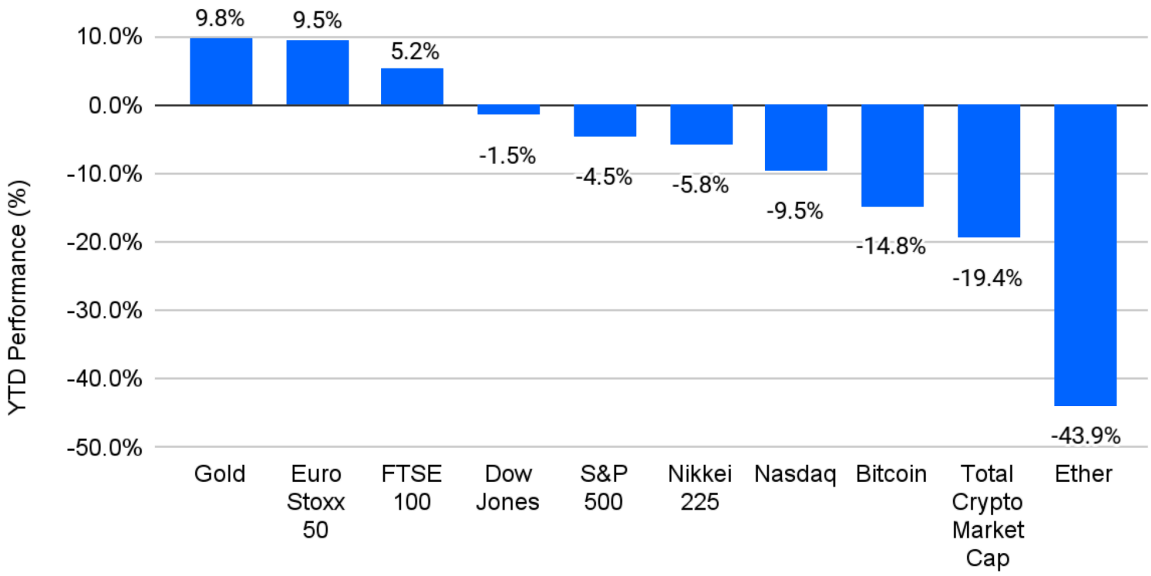
- Despite the challenges, crypto exchanges have generally delivered strong listing returns. Nonetheless, considering the multiple external factors at play, users should always conduct their own research before making any investment decisions.

02 / Overview

The beginning of 2025 has proven to be challenging for the cryptocurrency market. Initial optimism, fueled by expectations of increased regulatory clarity, a supportive U.S. administration, and anticipated Federal Reserve rate cuts, has given way to pessimism driven by trade tensions, the collapse of memecoins, and tempered expectations regarding further rate cuts.

The recent shift in market sentiment has extended beyond the cryptocurrency sector with several traditional finance (TradFi) indices experiencing a pullback year-to-date. Cryptocurrencies, with their inherently higher risk profile, have experienced a more substantial decline.

Figure 1: Crypto market has had a challenging start to the year



Source: Google Finance, Coinmarketcap, as of March 10, 2025

With portfolios down, investors are understandably more cautious and are scrutinizing token performances more closely. One topic that has gained traction in community discussions is the performance of newly listed tokens on exchanges. There is a **growing belief that recent listings have consistently underperformed**, leading to increased criticism of exchanges.

In this report, we will explore this phenomenon by examining the performance of recent token listings and comparing them across various metrics and sample groups. Our analysis aims to provide a comprehensive overview of listing outcomes and address the concerns raised by the community.

03 / Listings - A Sure Win?

A handful of investors employ the strategy of investing in a token immediately upon its listing on an exchange, despite the uncertainty of guaranteed positive returns. This approach has some merit, as evidenced by data we will present later. However, it is crucial to recognize that many other factors can influence the outcome, such as:

- **Macro Environment:** Market conditions can significantly impact the performance of tokens (e.g., Investor sentiment, monetary policies, market liquidity etc.).
- **Regulatory Environment:** Changes in regulations and legal frameworks can affect the token's legitimacy, accessibility, and overall market perception.
- **Event-Driven Risks:** Unpredictable events such as security breaches, legal issues, or new partnerships can impact a token's value.
- **Timing:** Deciding the right moment to buy is not easy, but similarly, knowing when to sell is critical. Holding onto a token for too long or selling too early can both lead to suboptimal returns.
- **Portfolio Sizing:** The percentage of portfolio allocated to the newly listed token will impact the risk and return profile of the portfolio. Overexposure will contribute to outsized risk in a single asset.

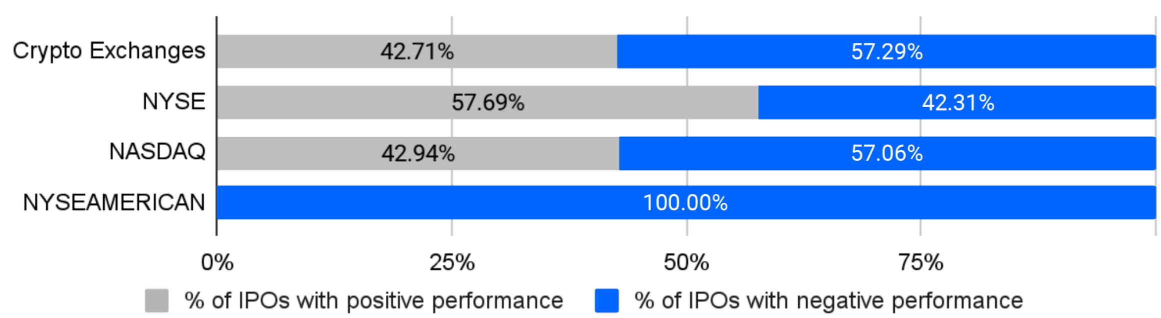
The list goes on.

The key takeaway is that, just as an investor's diligent efforts in selecting a token can be undermined by numerous variables affecting its price, **an exchange's meticulous screening and listing of tokens can still be impacted by external factors** beyond its control, potentially leading to suboptimal price performance.

Case Study: IPOs on Stock Markets

Let's examine a centuries-old market—the stock market—as a case study.

Figure 2: NASDAQ and NYSE had a higher percentage of initial public offerings (IPOs) with negative performance than positive performance in the past year



Source: Nasdaq, as of February 27, 2025

Referring to data from the past year for some of the largest stock exchanges in the United States, it is evident that listings on stock exchanges do not guarantee positive performance. Our analysis of three major exchanges revealed that the percentage of IPOs with positive performance was significantly lower than 100%. Notably, both the Nasdaq and the New York Stock Exchange (NYSE) exhibited a higher percentage of IPOs with negative performance compared to those with positive performance.

While this may not be optimal for investors, who must spend time and effort conducting their own analysis instead of simply purchasing every newly listed stock, it is the norm in traditional markets. **Companies must meet certain listing criteria, but stock exchanges are not responsible for price performance.** Instead, their main roles include facilitating capital formation, providing a venue for liquidity, and offering a wide range of investment opportunities, among other functions.

"...Nasdaq is driven to delivering multi-asset, multi-service capability across every major continent. Nasdaq provides forward-thinking services and technology that have the power to drive capital formation, transform business and fuel economic growth around the world."

- Nasdaq's Mission Statement

This begs the question - what is the role of a crypto exchange?

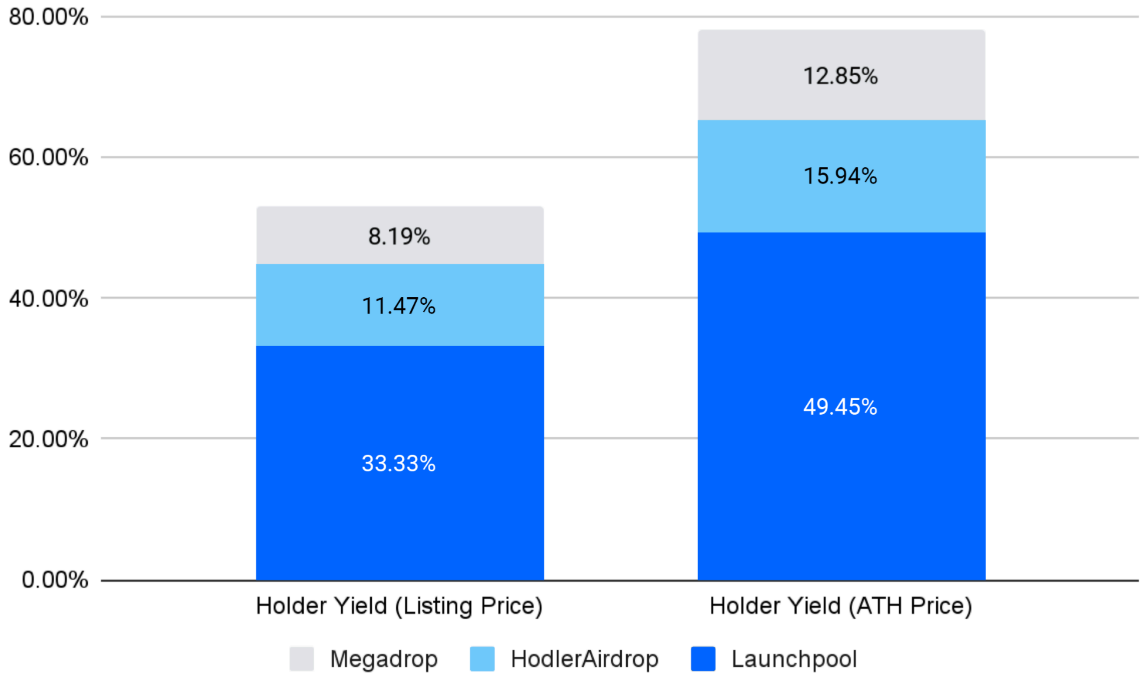
While crypto exchanges strive to provide users with quality listings that contribute to long-term price performance, there is a wider role that it plays in the digital asset ecosystem. Crypto exchanges are pivotal in:

- **Enhancing liquidity** through working with multiple market makers to make it easy for users to buy and sell cryptocurrencies quickly and at fair market prices. As of Feb 2025, centralized crypto exchanges still make up 82.84% of spot volumes when compared to decentralized crypto exchanges.

- Serving as a gateway to **allow users to convert fiat into crypto** and vice versa. This means being able to use your credit card or debit card, or using the Peer-to-Peer market to convert fiat into cryptocurrencies, after completing the relevant identity checks.

- **Improving accessibility for the non-crypto native user** by offering user-friendly interfaces. For example, on Binance, the average user can participate in token generation events without any knowledge of navigating DeFi, through various channels such as the Launchpool, Megadrop and Hodler Airdrops. To date, Binance has airdropped over US$3.5B across 76 projects. Participants have also done well by being long-term holders of BNB, as they were eligible for on-chain rewards that yielded between 53% to 78% (*see Figure 3*) at different points of time. More details can be found here. Note that the yield is calculated based on BNB's price on 1 Jan 2024 and exact yields may vary.

Figure 3: Holders of BNB from 1 January 2024 were eligible for rewards from Launchpool, Hodler Airdrop and Megadrop which provided a combined yield of 53% - 78% in 2024



Data as of February 27, 2025

Nonetheless, based on community feedback and discussion, it is clear that listing performance is a top priority and a key criterion for evaluating an exchange. This reality underscores the importance of balancing users' needs with the numerous roles that crypto exchanges play. **Ensuring optimal listing performance, while fulfilling other fundamental responsibilities, remains crucial.**

04 / Crypto Exchanges Have Outperformed Traditional Benchmarks and Exchanges

While it is a widely accepted norm in traditional financial (TradFi) markets that stock exchanges focus on capital formation and do not guarantee positive performance for any new Initial Public Offerings (IPOs), **crypto exchanges operate in a different landscape, one that is much closer to the community and more attuned to its voices and expectations**. It is clear that the crypto community cares deeply about token performances. Given these nuances, it is evident that several crypto exchanges uphold stringent listing standards to ensure that only quality projects are introduced to the market.

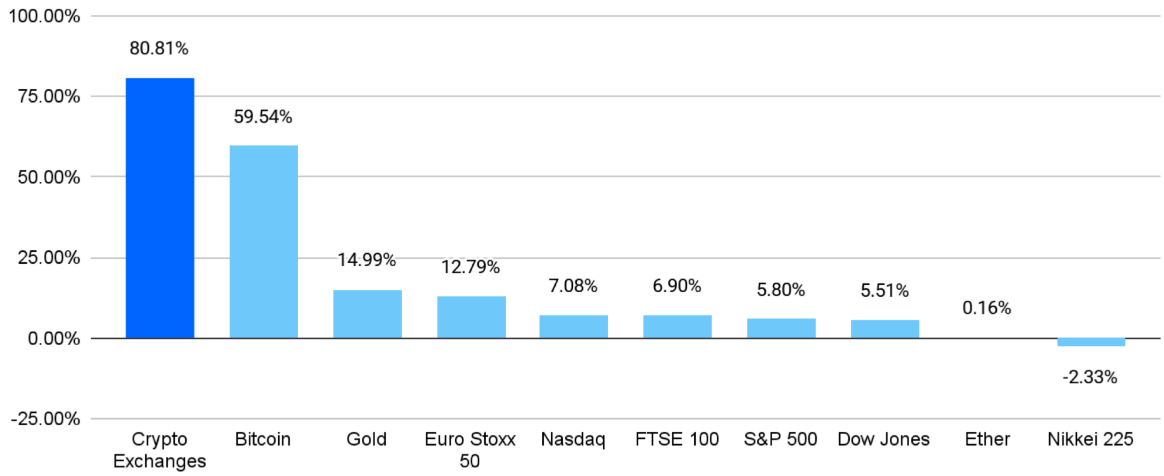
When comparing the performance of newly listed cryptocurrencies on crypto exchanges to IPOs on traditional stock exchanges, it becomes clear that **crypto exchanges have outperformed their TradFi counterparts**. However, it is important to consider the limitations of this comparison, which stem from the differences in functions, environments, and types of markets. While the unique dynamics and investor behaviors within the crypto market play a significant role, the high standards and commitment to listing quality projects by crypto exchanges are also key contributors to their superior performance.

Crypto Exchanges vs. Broader Market

While the performance of crypto exchange listings is often subject to intense scrutiny, it is essential to contextualize these numbers. One way to do so is to compare the return on investment (ROI) of crypto exchange listings with other asset classes.

As observed in the chart below, the average ROI of crypto exchange listings has outperformed assets such as Gold and other major stock indices by over four times, and has achieved a 35% outperformance over Bitcoin.

Figure 4: The average ROI of crypto exchange listings has outperformed BTC, ETH, stock indices, and other traditional benchmarks in the 180 days preceding March 2 2025



Source: Google Finance, Coinmarketcap, as of March 2, 2025

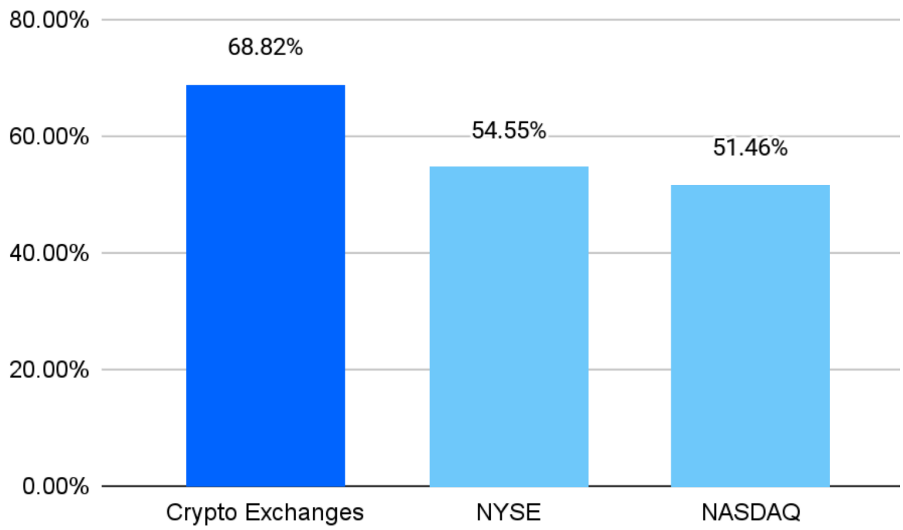
Note: Performance of "Crypto Exchanges" refers to the average performance of all listed tokens by seven major exchanges in the 180 day period preceding March 2, 2025. Exchanges include: Binance, Bybit, Coinbase, OKX, Bitget, Gate, Kucoin.

The overall performance across major crypto exchanges also indicates the effectiveness of the high standards maintained by centralized exchanges in ensuring quality projects are listed, ultimately contributing to the growth and stability of the crypto market.

Crypto Exchanges vs. Traditional Stock Exchanges

Moreover, crypto exchange listings have not only outperformed other asset classes but have also surpassed the IPO performances on traditional stock exchanges, showcasing the rigor of crypto exchange listings. Specifically, crypto exchanges have observed a higher proportion of listings that have returned a positive ROI in the past 180 days.

Figure 5: Crypto exchanges have a higher percentage of listings that returned a positive ROI in the last 180 days



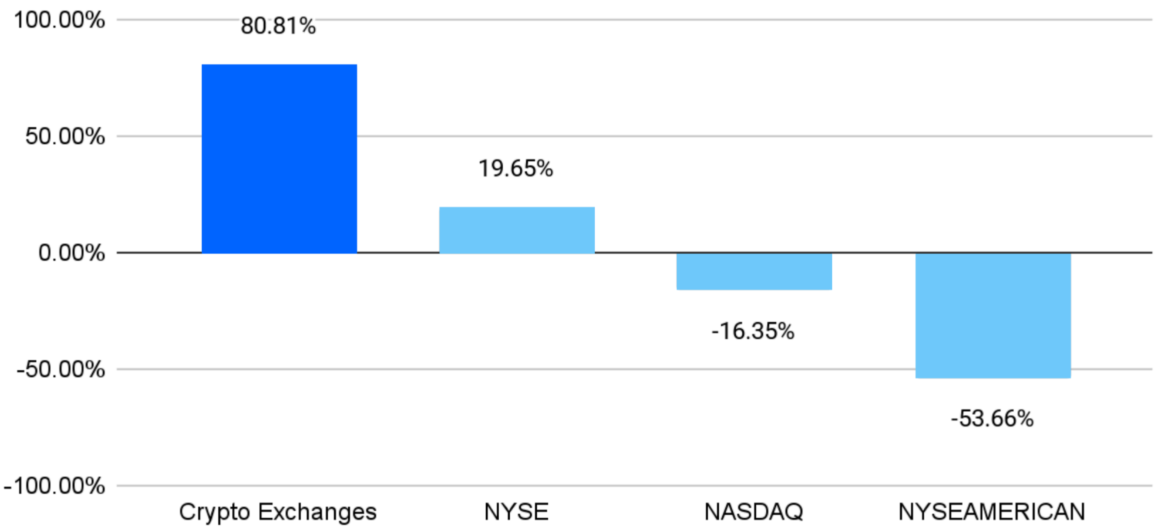
Source: Nasdaq, as of February 27, 2025

We observed that major crypto exchanges have delivered a positive return on investment for 68.82% of their token listings. In comparison, IPOs from NYSE, NASDAQ, and NYSEAMERICAN have achieved positive returns for 54.55%, 51.46%, and 0% of their listings, respectively.

This data suggests that crypto exchanges have made progress in refining their listing criteria to ensure a high quality of token offerings. The higher percentage of listings with positive ROI also indicates at least comparable listing standards to their TradFi counterparts, showcasing the rigorous standards centralized exchanges (CEXes) hold themselves to in order to foster a reliable market environment.

Besides a higher proportion of listings with positive ROI, crypto exchanges have also outperformed when comparing the average ROI delivered to investors in the same time period. In fact, listings on crypto exchanges have delivered ROIs of at least four times that of U.S. stock market IPOs.

Figure 6: Crypto exchanges have delivered a strong average ROI in the last 180 days preceding March 2, 2025 when compared to traditional stock exchanges



Source: Nasdaq, as of February 27, 2025

Looking at *Figure 6*, we can see that crypto exchanges have delivered an average of 80.81% return on investment for its token listings, as compared to -16.35%, 19.65% and -53.66% return on investment performance on the recent IPOs by NASDAQ, NYSE and NYSEAMERICAN respectively.

While the data might be skewed by the asymmetric return profile of some crypto tokens and the period of observation coincided with a strong crypto market, the data still indicates resiliency for crypto token listings amidst a tough IPO market for the traditional stock exchanges.

Overall, Crypto Exchanges Have Done Relatively Well

The data above demonstrates that crypto exchanges have performed well in comparison to traditional stock exchanges. The higher proportion of listings with positive ROI and the significantly higher average ROI delivered to investors highlight the effectiveness of the rigorous listing standards maintained by crypto exchanges. These standards ensure that only quality projects are introduced to the market, fostering a reliable and robust market environment.

05 / A Closer Look at CEXes's Performance

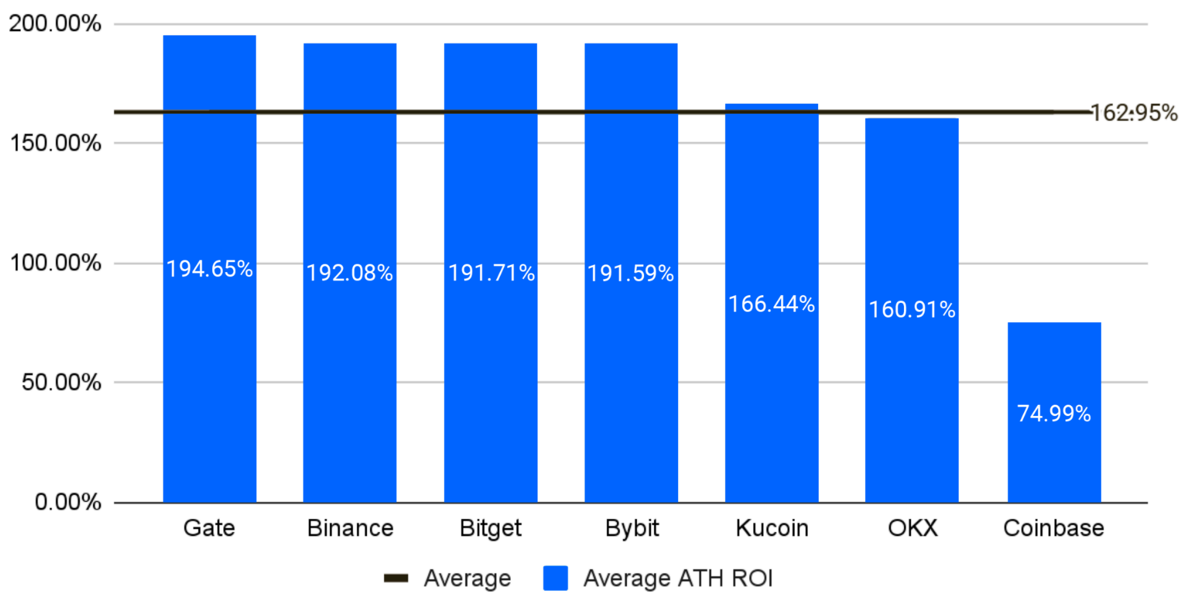
Having seen how crypto exchanges have performed relative to traditional benchmarks and stock exchanges, let's take a closer look at how they compare to each other in order to gain insights into what each one does well and what factors to watch out for.

Return On Investment (ROI)

ROI is a key metric that measures the profitability of investments and provides insights into the listing quality of an exchange. A high return on investment indicates strong price performance from tokens listed which can provide a valuable feedback loop on an exchange's listing criteria.

Note that for comparison purposes, the formula used is (ATH Price - Listing Price)/Listing Price. Exact performance will vary as it is unrealistic to buy exactly at listing and sell at the all-time high price.

Figure 7: Crypto Exchanges have delivered an average ROI of 167.48% on tokens listed in 2024

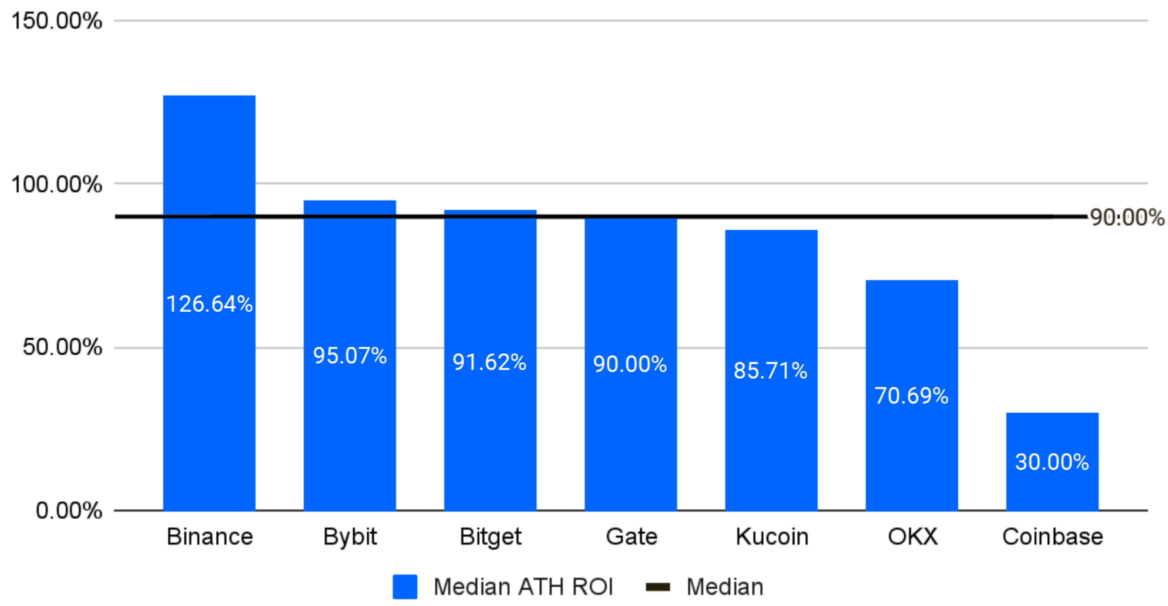


Data as of March 5, 2025

Referring to *Figure 7*, crypto exchanges as a whole delivered exceptional returns on token listings in 2024. Gate, Binance, Bitget, and Bybit achieved returns exceeding 190%, surpassing the average of 167.48%. Although Kucoin and OKX "underperformed" relative to the average ROI of major exchanges, they still outperformed Bitcoin, which delivered a 120% ROI in 2024. Coinbase is the only exchange to underperform Bitcoin.

Given the large disparity in token performances and the presence of outliers, we also took a look at the median ROI to remove skew. In this case, the median ROI of tokens listed in 2024 across exchanges fell to 90%.

Figure 8: Crypto Exchanges have delivered a median ROI of 90% on token listings in 2024



Data as of March 5, 2025

From *Figure 8*, we can observe that most exchanges experience a relatively large drop in returns when looking at the median ROI. This indicates that there are a small number of tokens that have performed exceptionally well and pulled up the average ROI. This phenomenon aligns with the asymmetric return profile of crypto tokens, where a few high-performing tokens can significantly impact the average. Notably, Binance experienced a smaller decline in this metric compared to average ROI, suggesting a more consistent performance across its listings.

Key Takeaway:

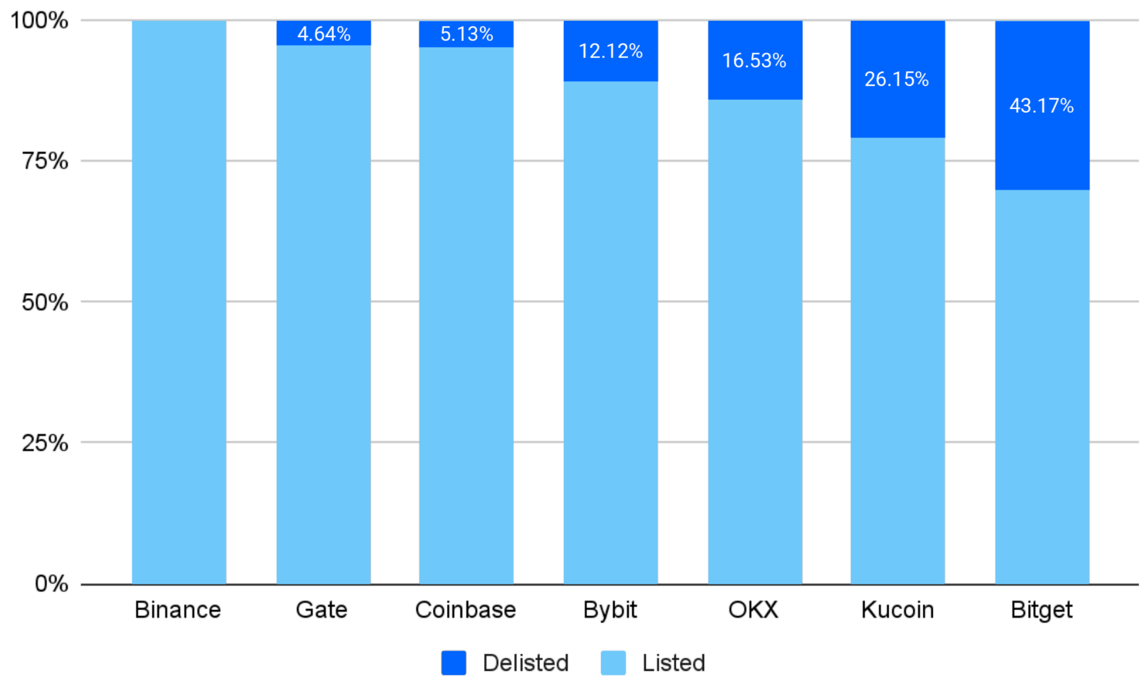
Despite the many differences in listing criteria across major crypto exchanges, they have generally delivered great returns for their users, as evidenced by both the average and median ROI of tokens listed in 2024.

Proportion Of Delisted Tokens

Frequent delistings, while indicative of active monitoring, can also raise concerns about the quality of listed tokens and potentially undermine investor confidence. Tracking the proportion of delisted tokens compared to the number of token listings can provide insight into the listing style of an exchange. For instance, a low percentage of delisted tokens across a small number of token listings may suggest a cautious and measured approach to listing, prioritizing quality over quantity. On the other hand, a high percentage of delisted tokens across a large number of listings could indicate a more spontaneous approach to listing.

We analyzed data from both 2023 and 2024 to gain insights over an extended time period.

Figure 9: Number of tokens delisted as a percentage of total listed tokens from 1 January 2023 to 31 December 2024 across various exchanges



Data as of March 5, 2025

Between 1 January 2023 and 31 December 2024, a total of 2,603 tokens were listed across the 7 major exchanges, with 656 tokens subsequently delisted, resulting in a delist rate of 25.20%. The chart above illustrates the delisting proportions for each exchange. Binance, Gate, and Coinbase have a small proportion of delistings, potentially indicating a more selective and cautious approach to listings. Conversely, Bitget has a higher proportion of delistings, which may point to a more spontaneous listing strategy or potentially more active delisting of tokens.

Figure 10: Summary of listings and delistings of tokens listed from 1 January 2023 to 31 December 2024 across various exchanges

Exchange	Total Listings	No. of Tokens Delisted	Percentage of Tokens Delisted
Binance	77	0	0%
Gate	**1186**	55	4.64%
Coinbase	78	4	5.13%
Bybit	330	40	12.12%
OKX	121	20	16.53%
Kucoin	566	148	26.15%
Bitget	901	**389**	**43.17%**

Data as of March 5, 2025

Taking a deeper look into the numbers, the median number of tokens listed across the 7 major exchanges in 2023 and 2024 is 290, with a high of 1,186 by Gate and a low of 77 by Binance. When looking at the number of tokens delisted, the median is 40, with a high of 389 by Bitget and a low of 0 by Binance. Bitget lists a high number of tokens and also has the highest delisting rate, which could indicate a more aggressive listing strategy that results in a high turnover of tokens.

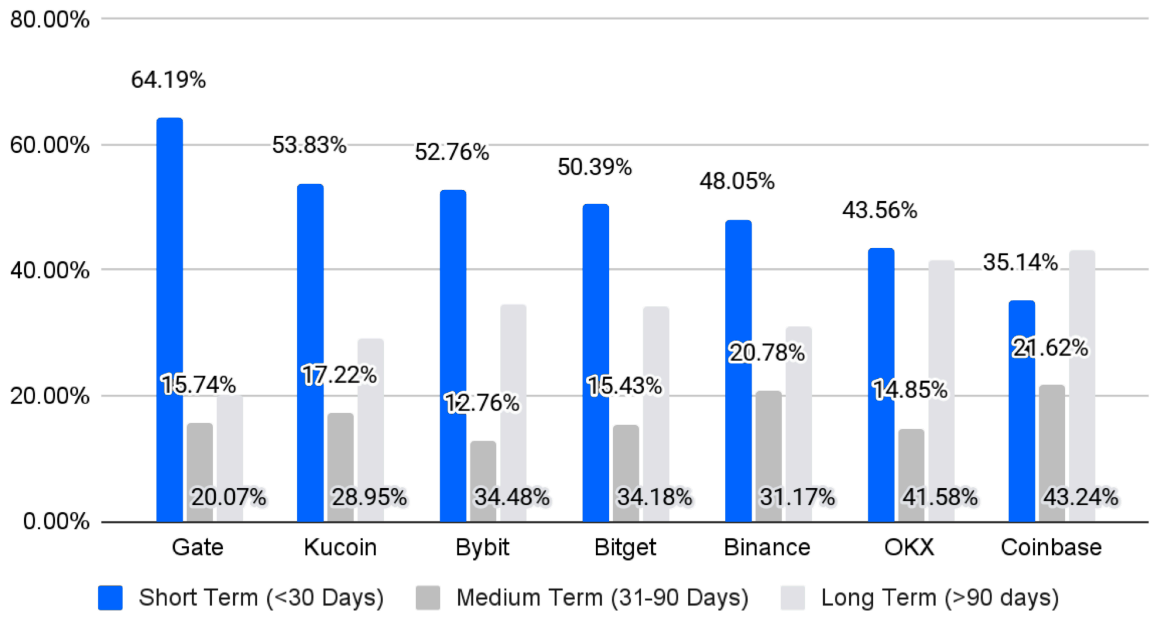
Key Takeaway:

It is important to note that these numbers are just a function of the listing strategies of different exchanges. A low delisting percentage might indicate thorough upfront due diligence, but it could also be a result of the exchange being less proactive in delisting tokens. Conversely, a high delisting percentage might be misconstrued as hasty decision-making, but it can also signify that the exchange is highly responsive to adverse news regarding a token to protect its users. Ultimately, a user should choose an exchange that aligns with their trading and investment style.

Time Taken For Tokens To Achieve All-Time High Prices

The time taken for tokens to achieve ATH prices is an important metric as it can indicate the kind of tokens a crypto exchange lists and, to some extent, the behavior of its traders. For example, a disproportionate percentage of tokens achieving ATH prices in the short term but failing to sustain into the medium and long term can indicate a higher proportion of short-term traders and a focus on tokens that experience “short-term pumps”.

Figure 11: Amount of time taken for tokens listed between 1 January 2023 to 31 December 2024 to achieve ATH prices across various exchanges



Data as of March 5, 2025

In this chart, we compare the amount of time taken for listed tokens to achieve all time high (ATH) prices across various exchanges. For purposes of analysis, we have broken down the time frames as follows:

- Short Term – between 1 to 30 days for listings to achieve ATH prices
- Medium Term – between 30 to 90 days for listings to achieve ATH prices
- Long Term – more than 90 days for listings to achieve ATH prices

From the chart above, we can see the various "listing strategies" from exchanges via the token performance across various time frames. For example, Gate is heavily weighted on tokens achieving ATH in the short time frames, but less so on price longevity. In contrast, we can see that OKX and Coinbase are heavily weighted towards tokens that perform on a long-term basis and have less tokens that experience short-term price "pumps".

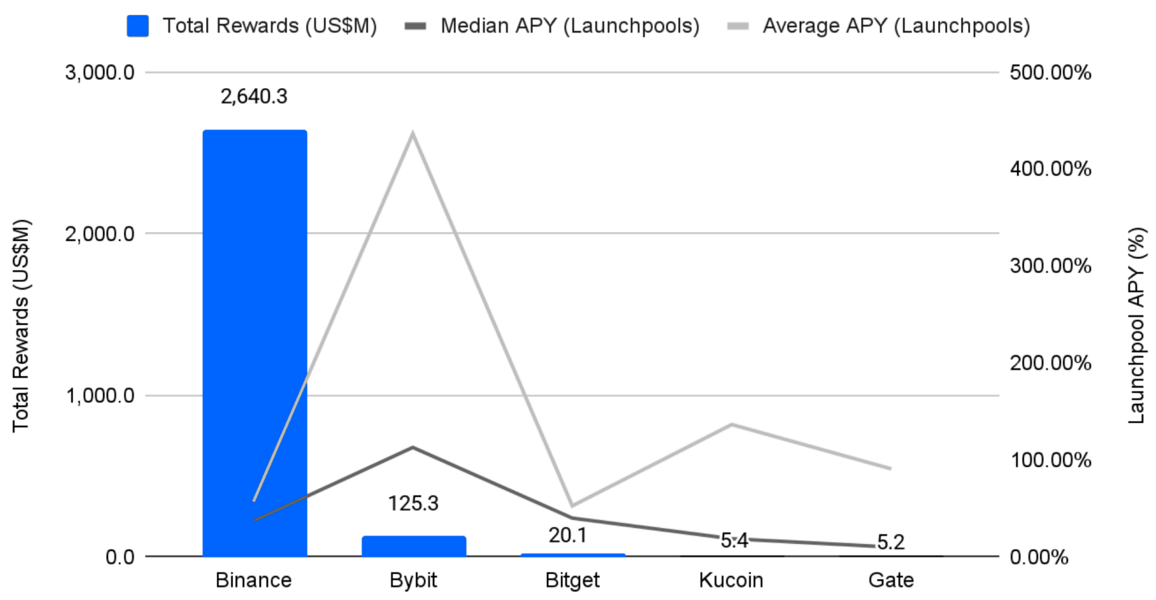
Key Takeaway:

While there is no "right" listing strategy, this metric can still be a valuable tool for traders that want to participate in newly listed tokens. Short-term speculators might view Gate as a favourable venue to trade in and out of positions, but traders on the exchange should be more cautious of holding positions for a prolonged period. On the other hand, passive allocators might have a preference towards OKX and Coinbase to adopt a buy and hold strategy.

Rewards from Launchpools and Airdrops

Launchpools enable users to receive new tokens by locking their assets, offering early access to newly launched tokens while earning a yield on existing holdings. They also provide a platform for new projects to tap into an exchange's user base, enhancing visibility, reach, and community engagement. Staking rewards offer insights into the amount of rewards distributed by exchanges through launchpools and the deal flows of the exchanges. Additionally, exchanges like Binance have airdrop programs that distribute newly launched tokens directly to users, which we have included in this section for completeness.

Figure 12: Exchanges have distributed over US$2.7B in launchpool rewards and airdrops in 2024



Data as of March 5, 2025
Note: Data is calculated based on day 1 closing price of tokens

As shown in the chart above, over US$2.7B has been distributed via launchpools and airdrops by exchanges. Binance led the way with US$2.6B distributed to users through staking rewards and airdrops in 2024. Across all exchanges, users who participated in launchpools experienced average percentage yields (APYs) with a median ranging from 10% to 112%, and average APYs from 52% to 436%. While the exact APY varies depending on the asset staked and the terms of the launchpool, it is evident that the yields are relatively attractive, often exceeding double digits.

Key Takeaway:

Exchanges have distributed substantial rewards to users, granting them early access to newly launched tokens. For projects, collaborating with centralized exchanges for token distribution enables them to reach a large user base and increases their visibility.

06 / Closing Thoughts

Crypto exchanges strive to provide quality listings, but exogenous factors make it imperative for users to conduct their own due diligence and consider various factors such as market conditions, regulatory changes, and event-driven risks before making investment decisions.

Despite the inherent uncertainties, our analysis shows that CEXes have performed relatively well compared to their TradFi counterparts. The higher proportion of listings with positive ROI and the significantly higher average ROI delivered to investors highlight the effectiveness of the rigorous listing standards maintained by crypto exchanges. However, it is important to acknowledge that the industry also benefitted from a strong year for crypto, and such performance cannot always be promised.

As the crypto market continues to evolve, the commitment of centralized exchanges to uphold high standards will be key in contributing to the sustained growth and stability of the crypto ecosystem.

CoinMarketCap

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