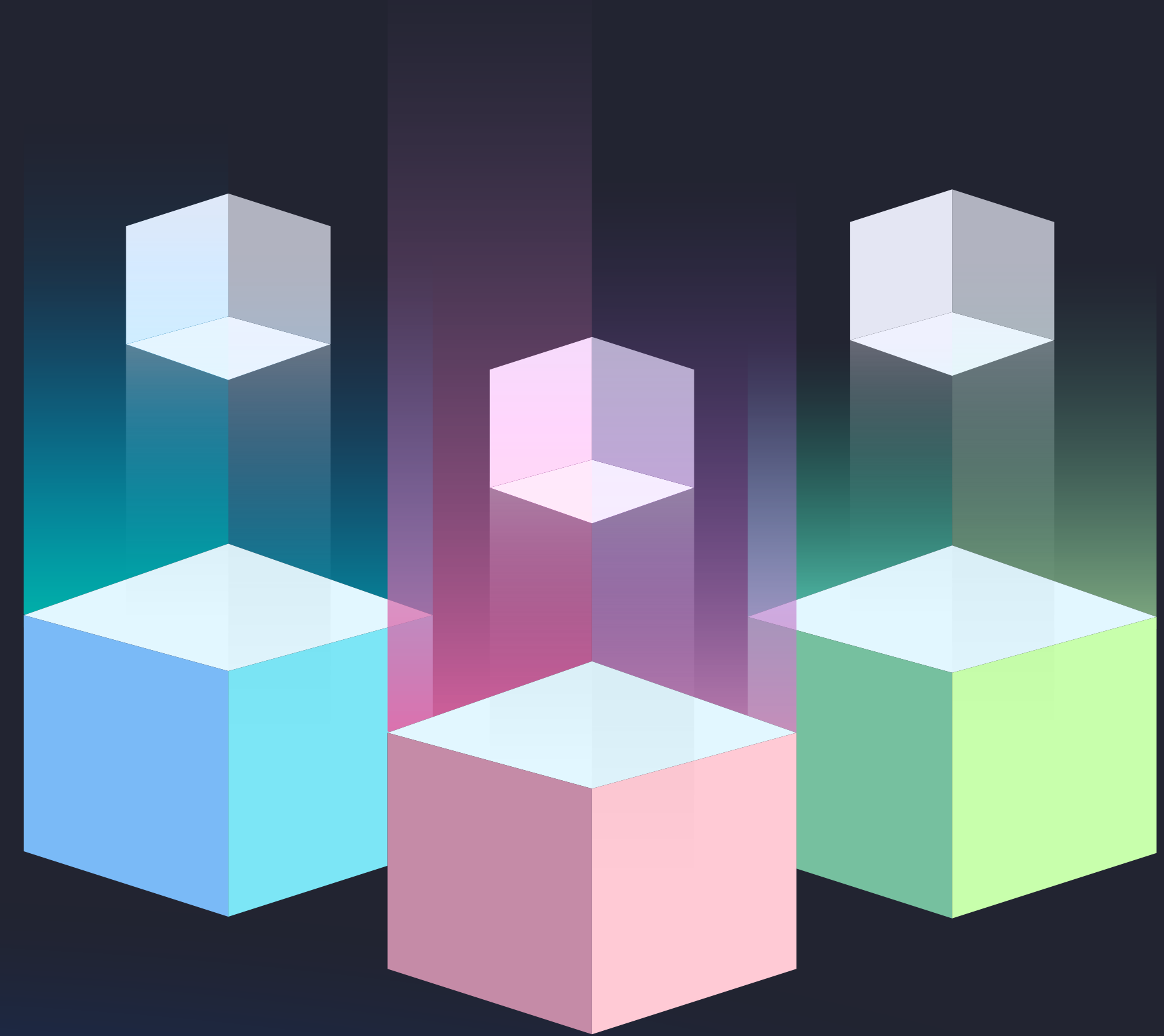
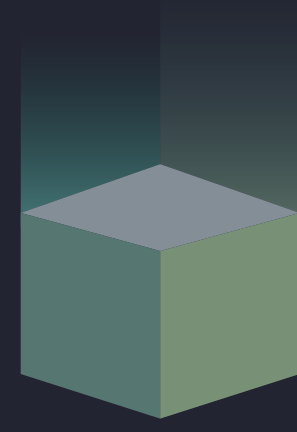




Unveiling the Crypto Market: **A Comprehensive Guide to Exchange Activities (CEX & DEX)**

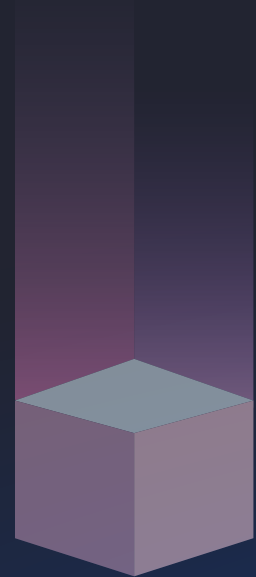
H1 2023



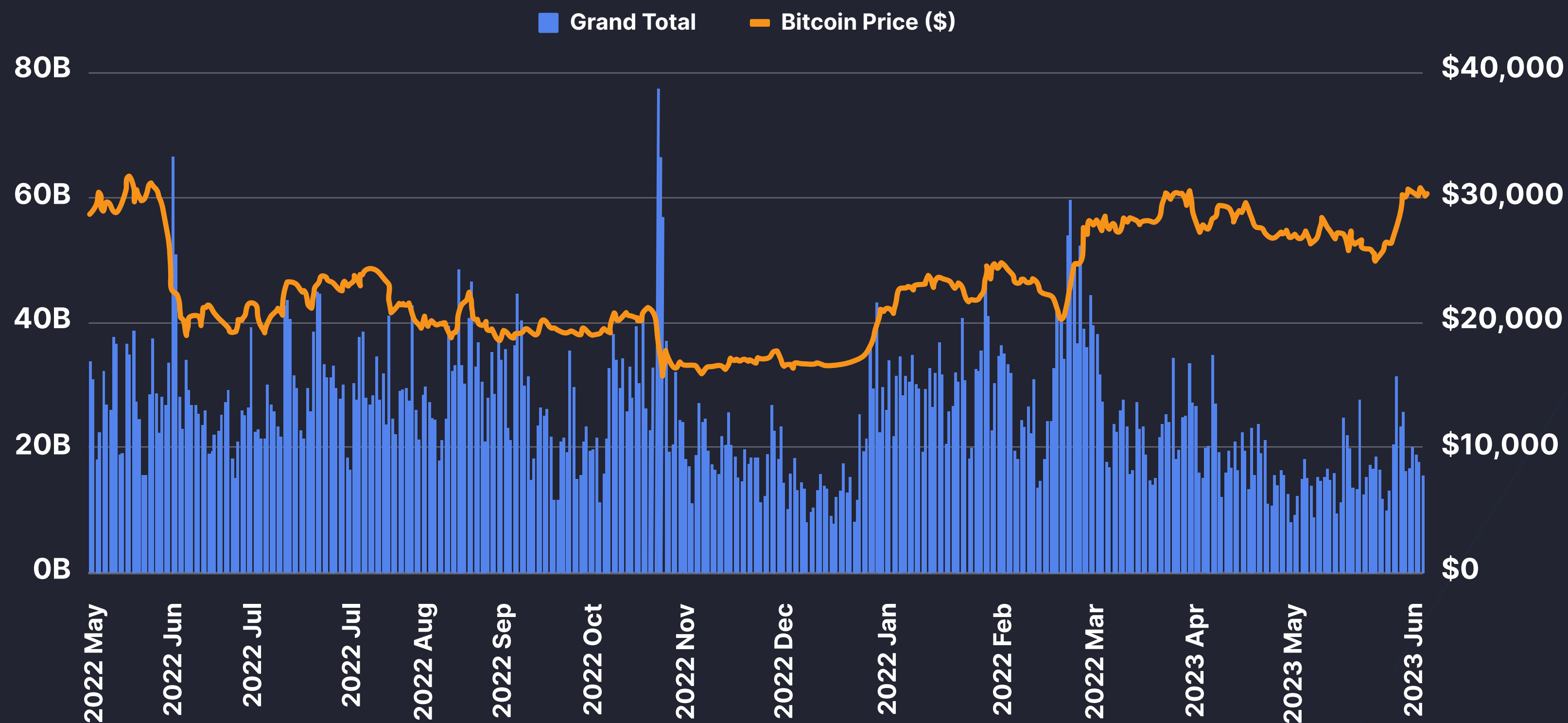


Main Concept:

Gain insights into the true condition of the crypto market by conducting a health check based on exchange activities. This analysis examines the overall health of the market, its size and activity level, considering both centralized and decentralized exchanges. It encompasses factors such as trade volume, market size, and regional/coin coverage.



Top 20 Exchanges total daily volume trend (+BTC price): see how active the market is

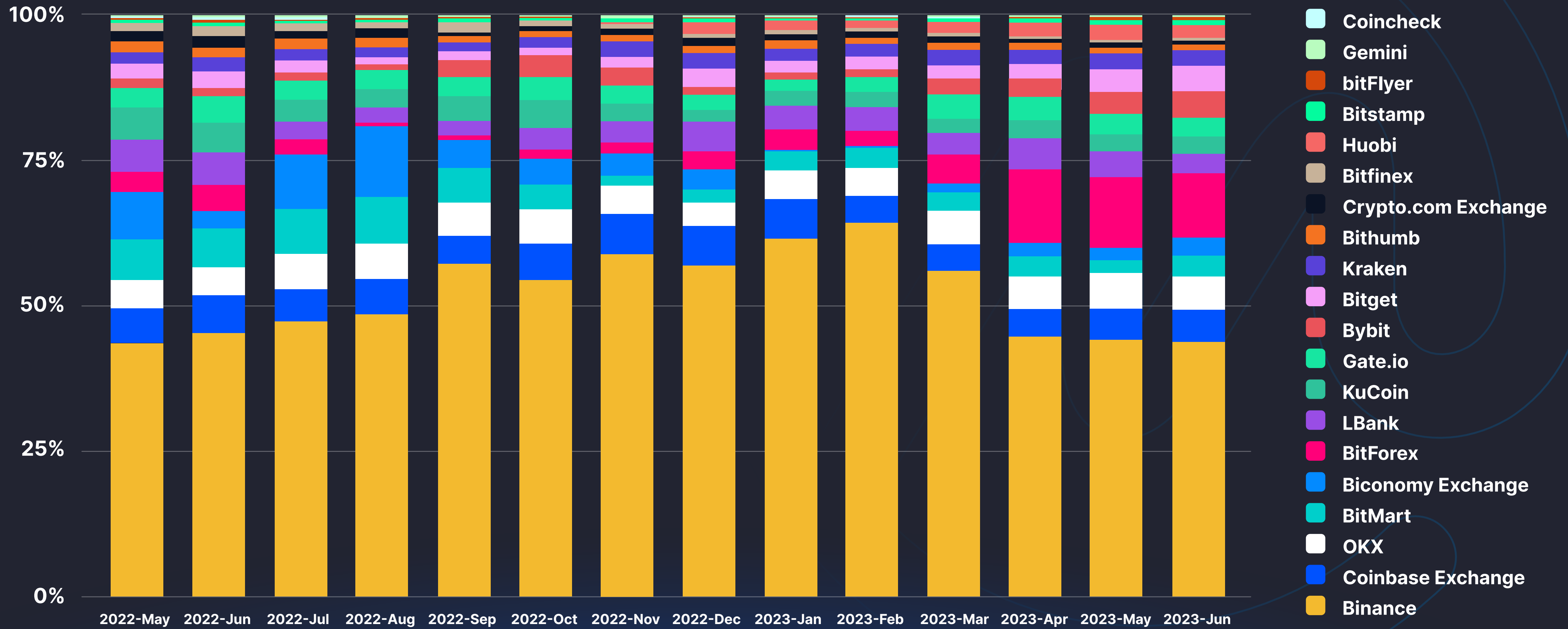


The top 20 exchanges contributed **\$1.67 trillion** in total spot trade volume in Q2 2023, reflecting a significant **36% drop** compared to the previous quarter. This decline indicates a **notable slowdown** in market activities, followed by Q1's retaliatory active market trading activities (\$2.6 trillion) largely driven by Bitcoin's price doubling in Q1 2023.

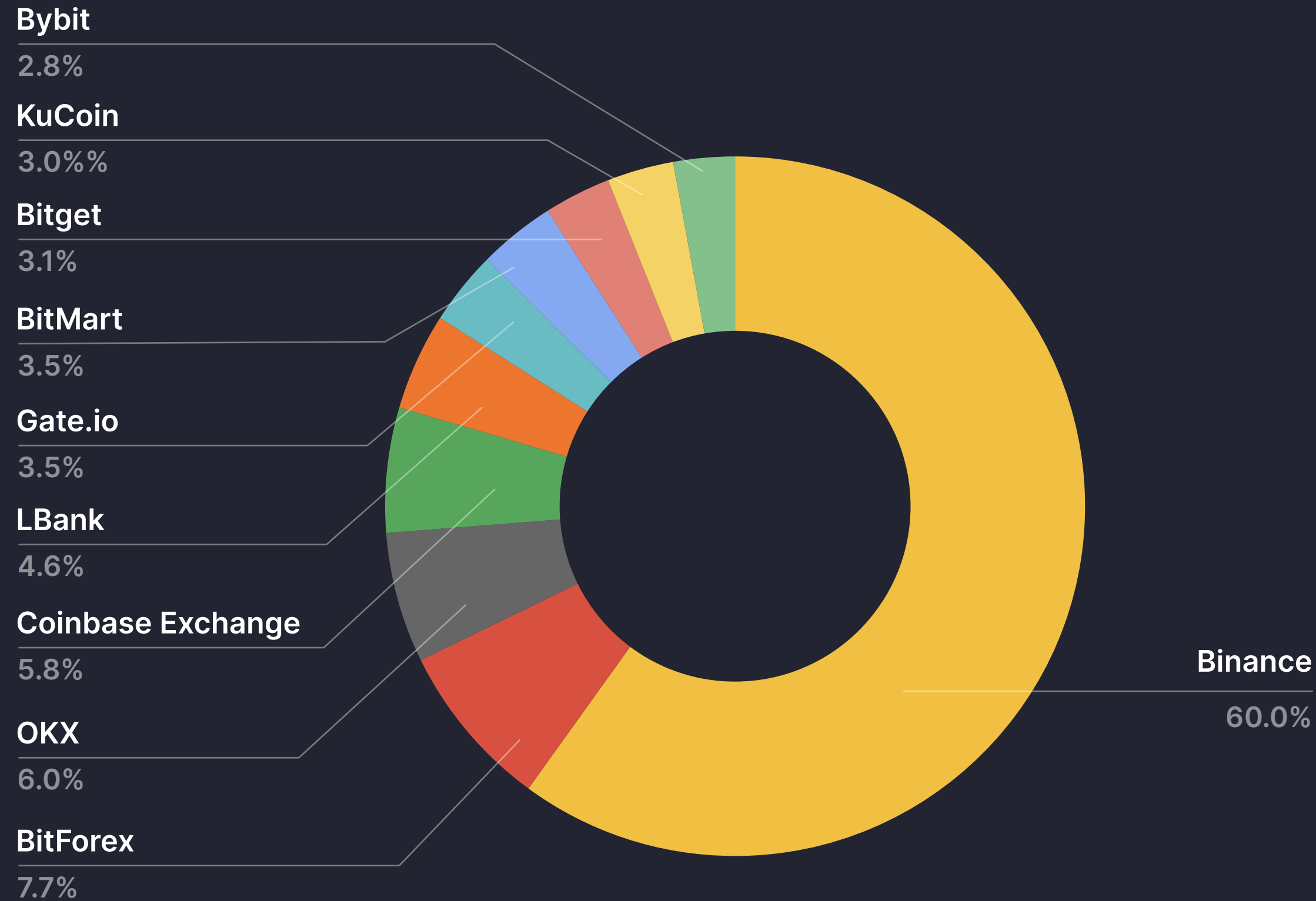
The present trade volume closely resembles the market conditions observed during the recovery phase after the FTX crash.

Time Period	Top 20 Exchange Total Spot Volume (\$)	Quarterly Market Activity	Bitcoin Price Performance
2023-Q2	1662.04B	-36.19%	6.91%
2023-Q1	2604.84B	25.98%	72.10%
2022-Q4	2067.66B	-25.25%	-14.84%
2022-Q3	2766.21B	-	-38.88%

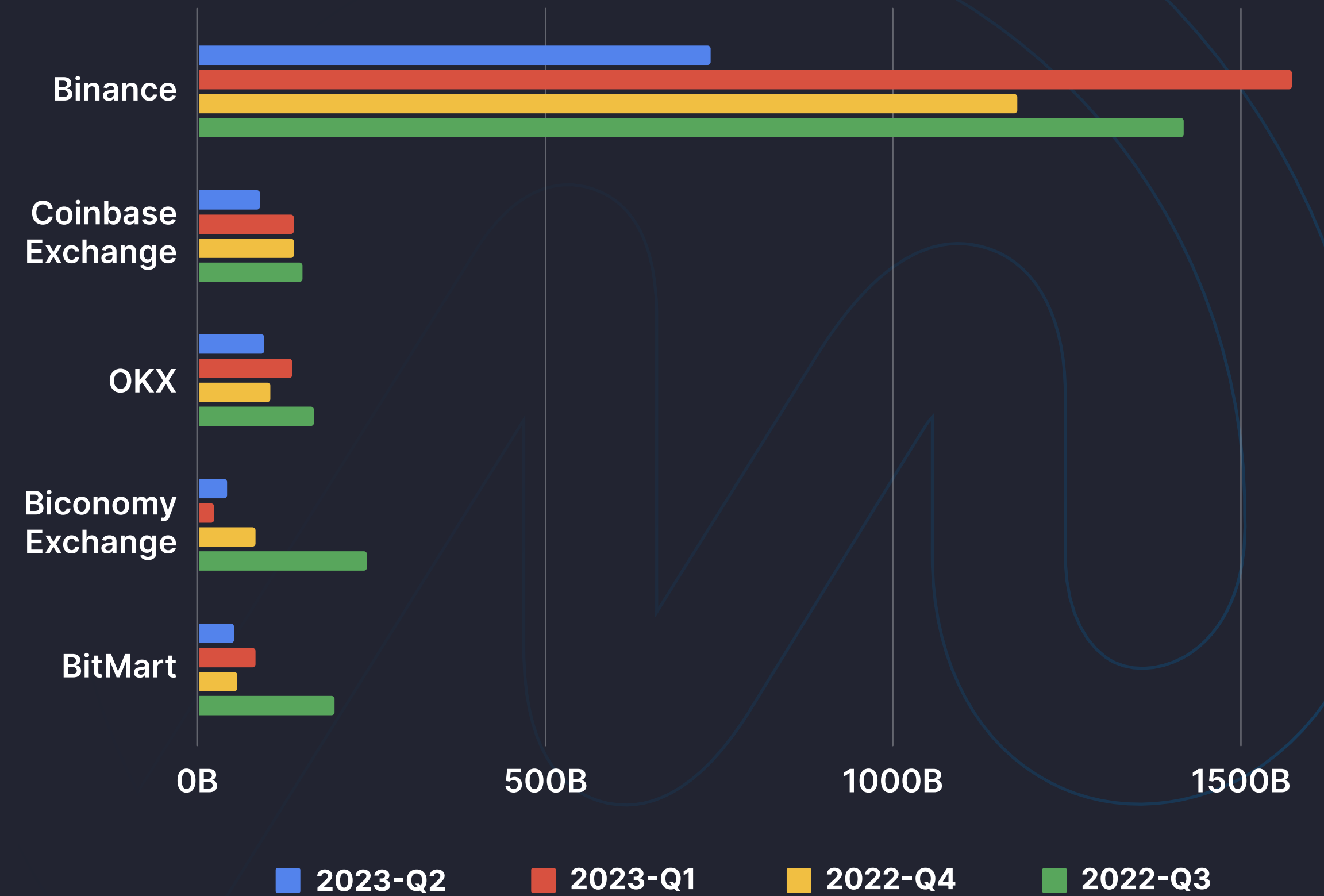
Top 20 Exchanges Spot Market Share



2023 H1 Exchanges Market Share by Spot Volume



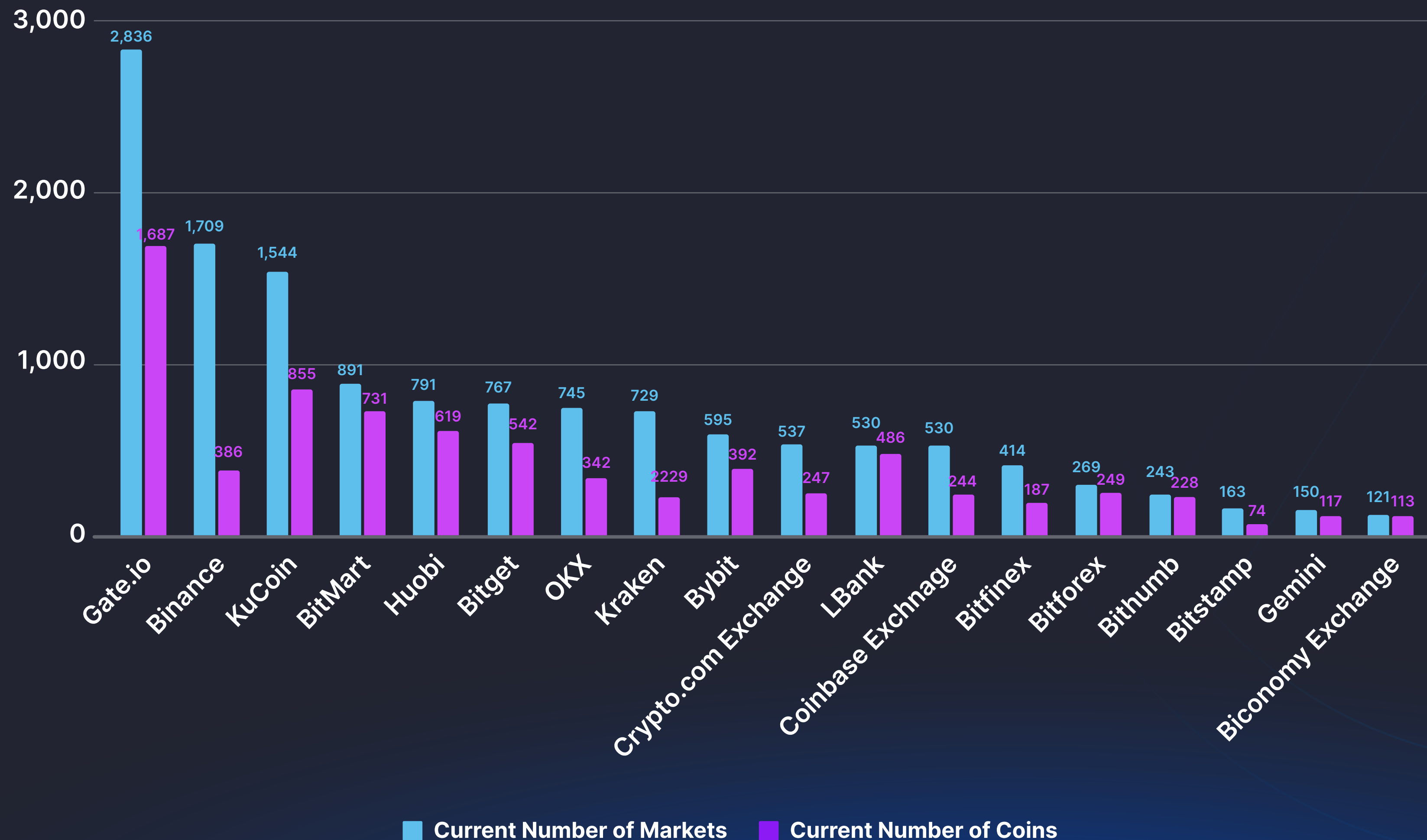
Top 5 Crypto Exchanges Quarterly Spot Volume Change



Binance maintains its **dominant position** in the market throughout H1 2023, with a total spot trading volume share of **59.99%**, remaining relatively stable compared to the same period last year.

The **Top 5 Exchanges** accounted for **c.85%** of the total spot market volume, allowing the **liquidity and 24-hour trade volume** to be **positively skewed** towards the leaders, among which Binance, Coinbase and Kraken maintained the highest Average Liquidity score >700.

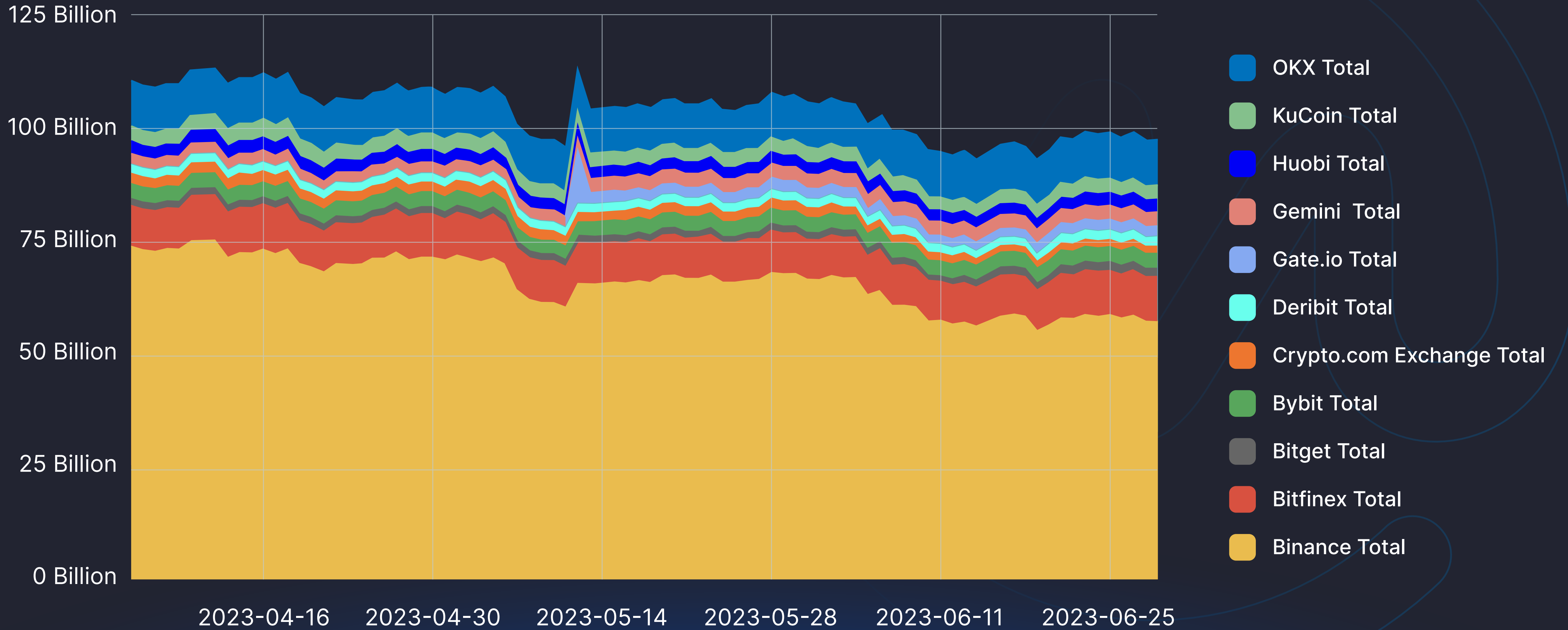
Top Exchanges Number of Market Pairs and Coins - July 2023



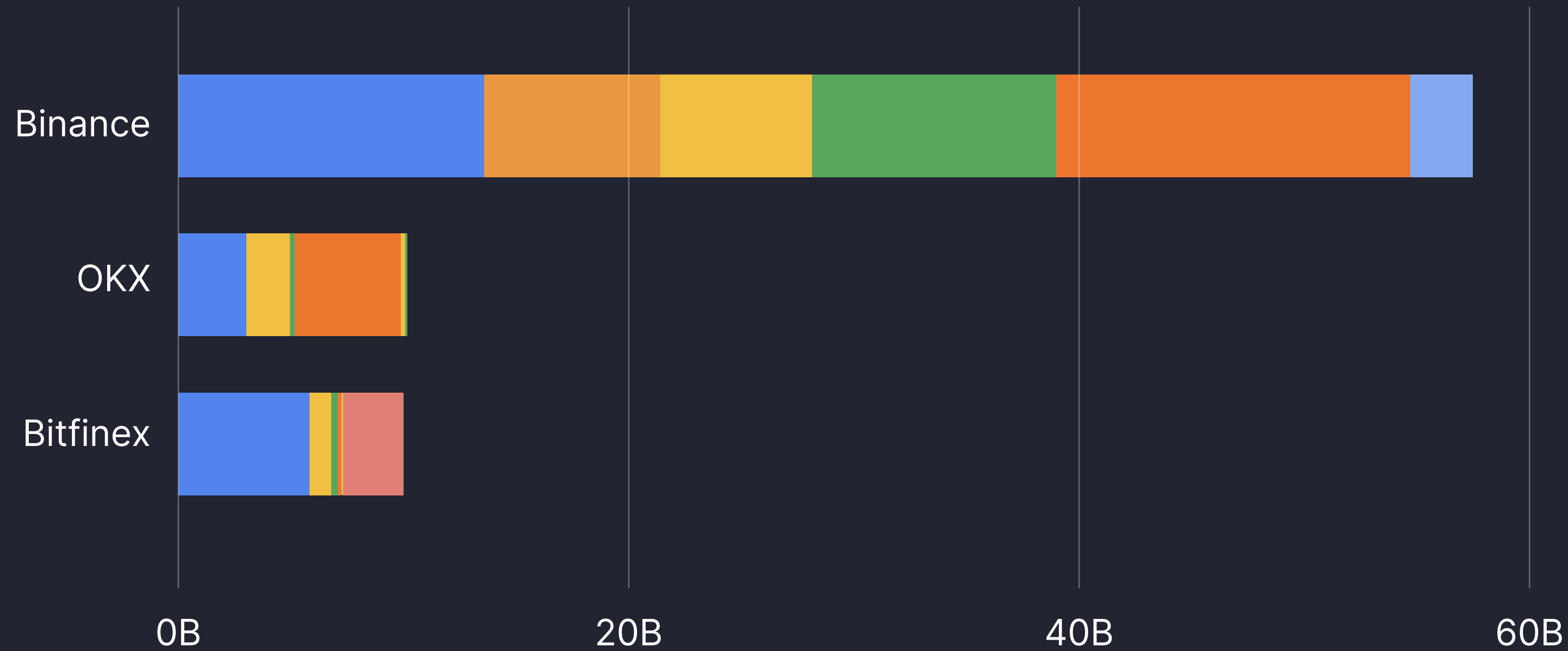
In terms of market offerings, the current market maintains a **healthy** number of trading pairs and available coins, and has witnessed a **continuous increase** in new listings.

Binance has continued to dominate liquidity in the **large-cap space**, while its new listings focused on **high-quality mainstream** coins. Comparing the new coins added as a proportion to its total listings, BitForex and Bitget are among the **most active** in adding new coins during the **memecoin season** through April to June 2023.

Exchange Proof of Reserve



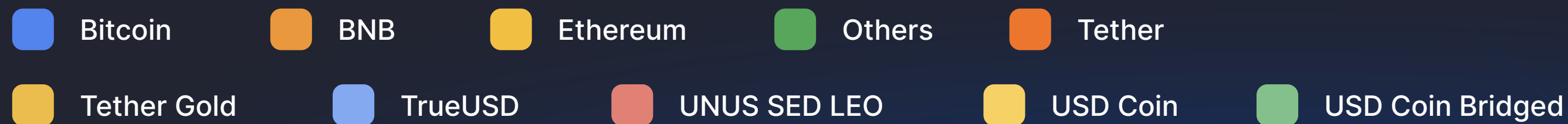
Top Exchanges Proof of Reserve Tracker



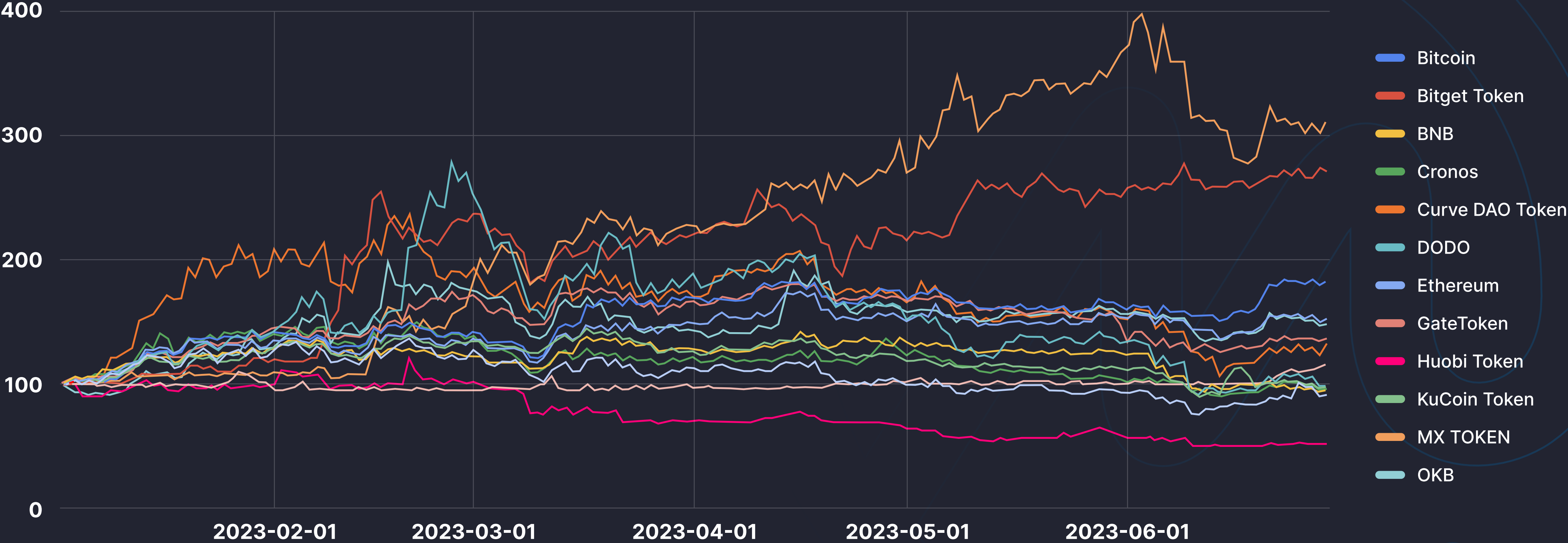
Among the disclosed exchanges, Binance (\$57 billion), OKX (\$10 billion), and Bitfinex (\$10 billion) exhibit the highest amount of Proof of Reserve Assets. Bitcoin and stablecoins make up the majority of reserve assets for most exchanges.

The total amount of Proof of Reserve assets has remained relatively stable over the past quarter. However, the recent market FUD has led to capital outflows from Binance, and the exchange's corresponding proof-of-reserve assets reduced by \$20 billion as a result.

An encouraging sign within the industry is that despite the substantial outflows from the Binance exchange in Q2, the exchange still maintains a healthy amount of Proof of Reserve assets, consisting of a safe and diversified composition of coins.



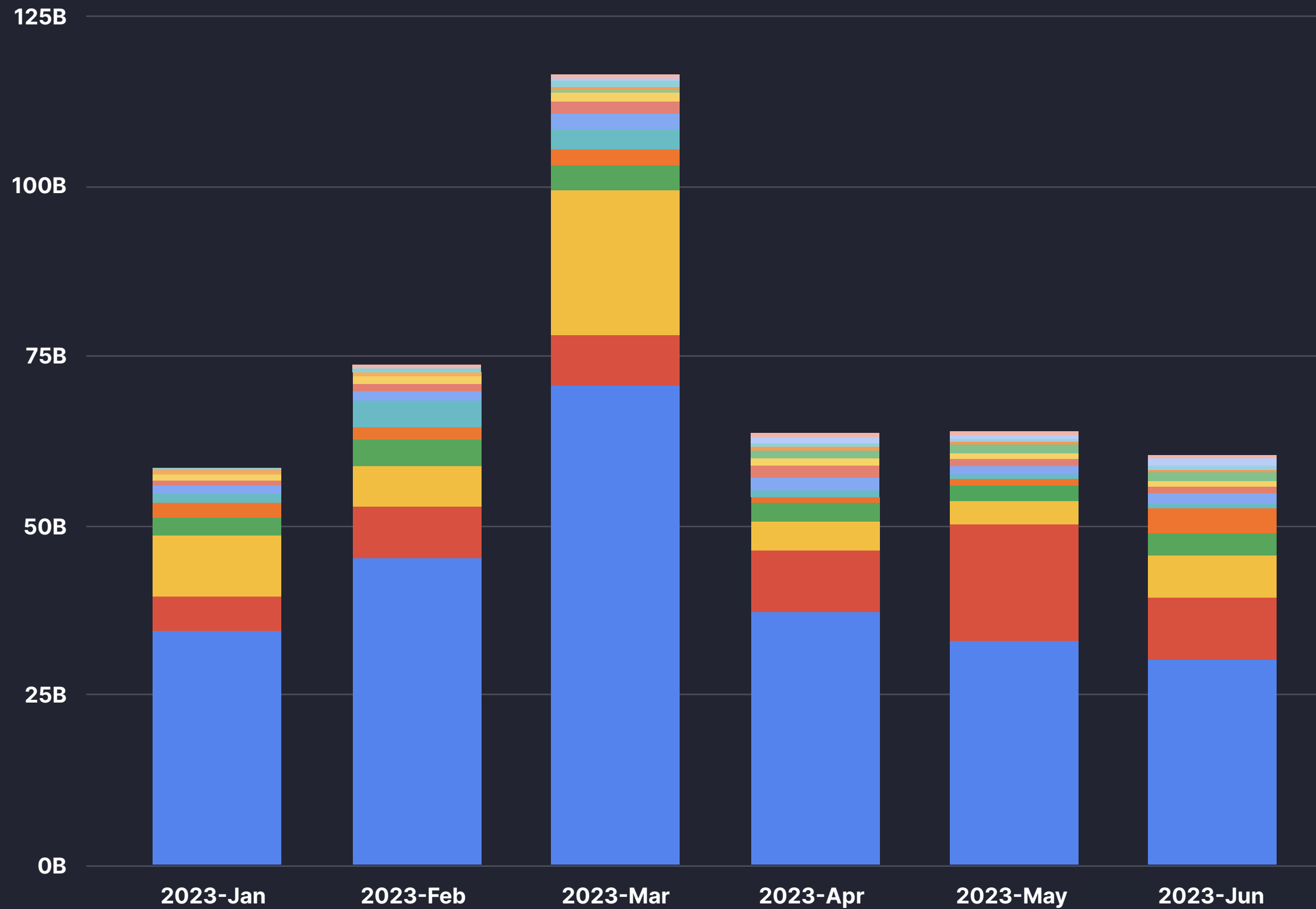
Exchange Token Price Performance (rebased; vs BTC & ETH)



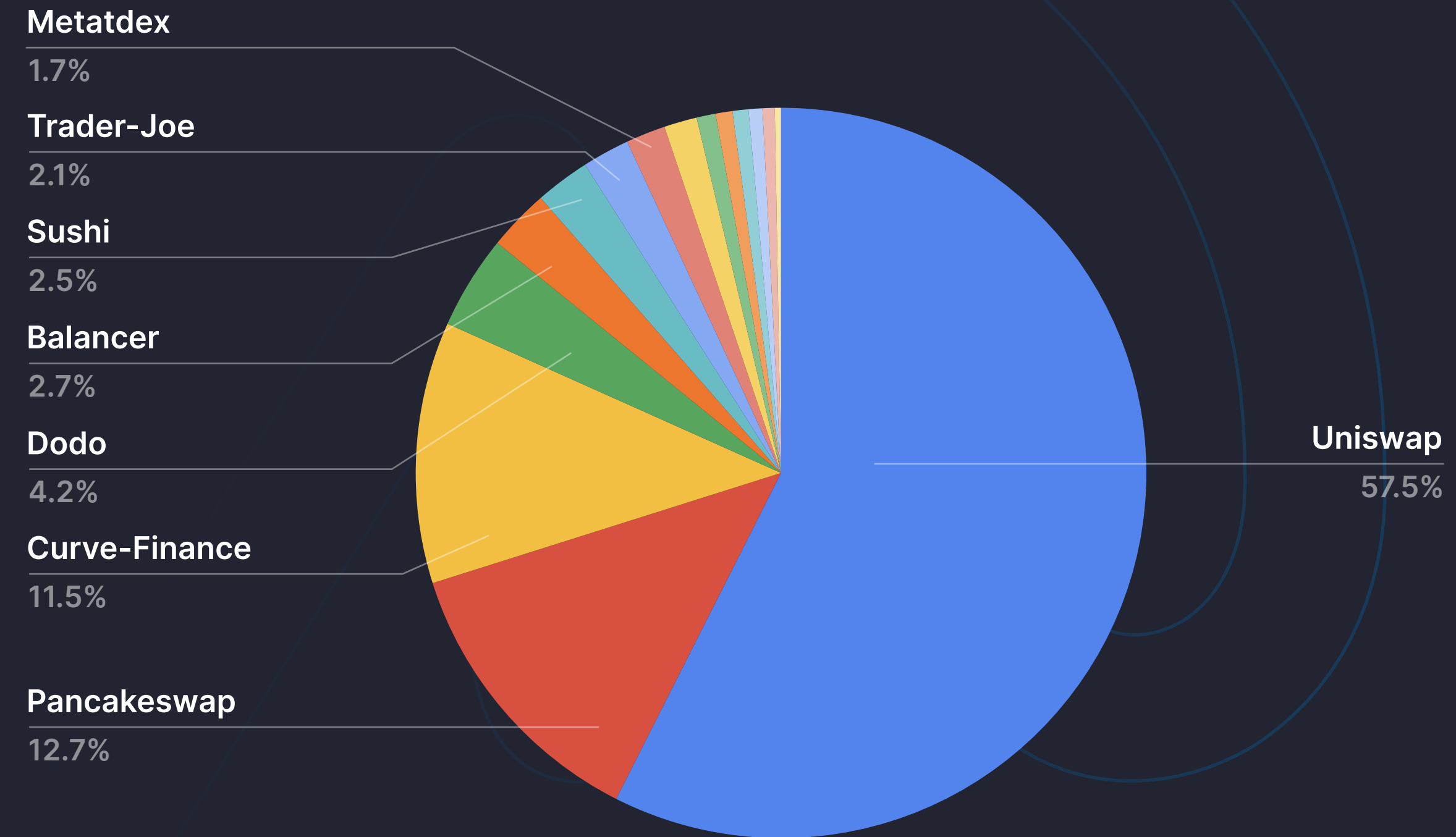
H1 2023 shows that the majority of exchange tokens have achieved **net positive returns**. However, most of them were **unable to outperform Bitcoin (+182% YTD)**.

DEX Volume and Market Share

Top 15 Dex Volume



2023 H1 Top Dex Market Share by Volume



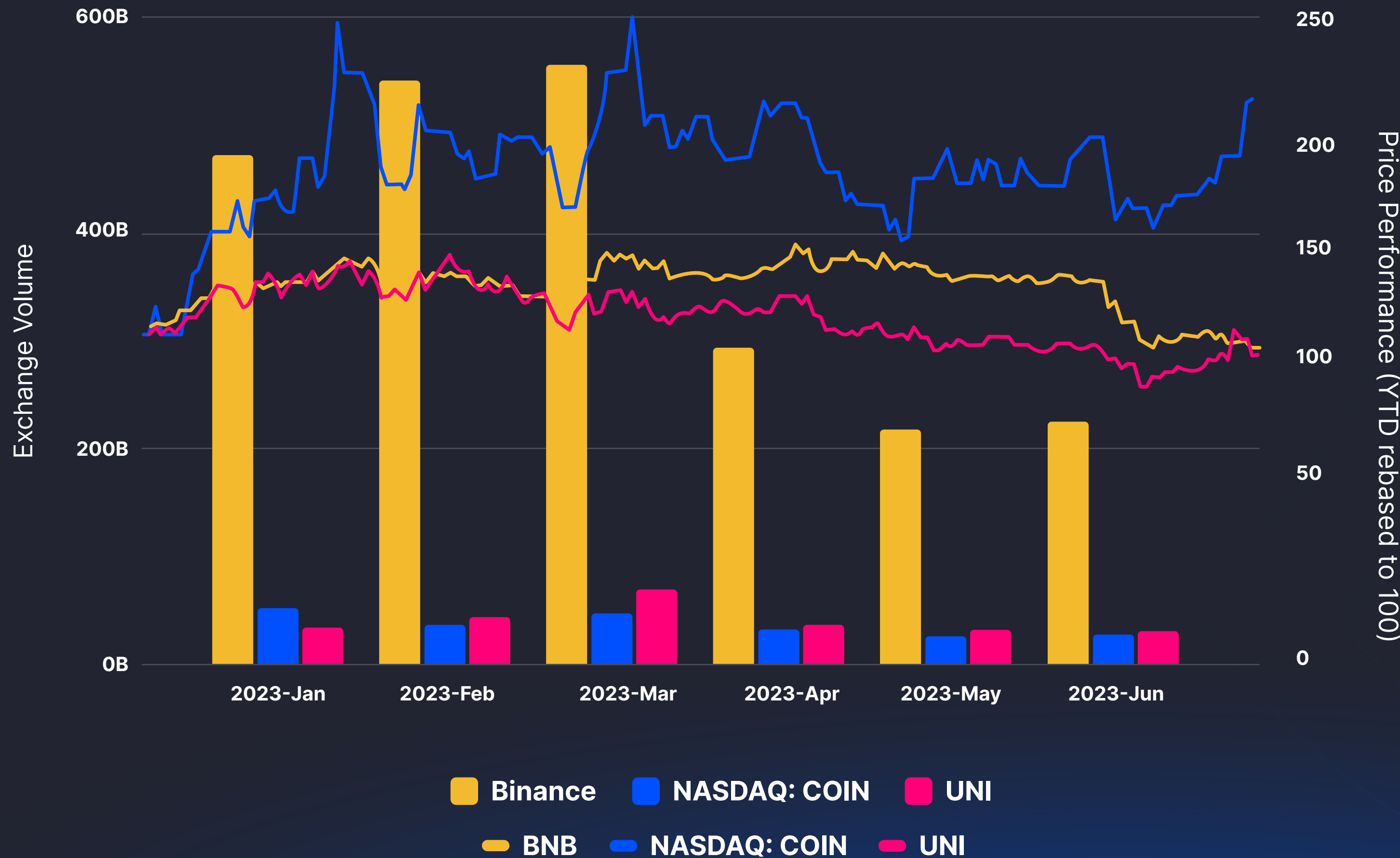
The peak of trading volume in the top 15 DEX occurred in **March** of this year, and it remained consistent throughout Q2. In Q2, the total DEX volume reached **\$189 billion**, representing a **24% decrease** compared to the total of \$249 billion in Q1.

- Uniswap
- Pancakeswap
- Curve-Finance
- Dodo
- Balancer
- Sushi
- Trader-Joe
- Metatdex
- Quickswap
- Level-Finance
- Hashflow
- Woofi
- Maverici-protocol
- Camelot

Uniswap vs Binance & Coinbase Volume

Uniswap, Binance and Coinbase Exchange

Time	Top 15 DEX Volume	Top 15 CEX Spot Volume	DEX to CEX Ratio
2023-Jan	\$58 Billion	\$749 Billion	7.81%
2023-Feb	\$74 Billion	\$825 Billion	8.93%
2023-Mar	\$116 Billion	\$963 Billion	12.10%
2023-Apr	\$64 Billion	\$633 Billion	10.07%
2023-May	\$64 Billion	\$472 Billion	13.55%
2023-Jun	\$61 Billion	\$493 Billion	12.38%

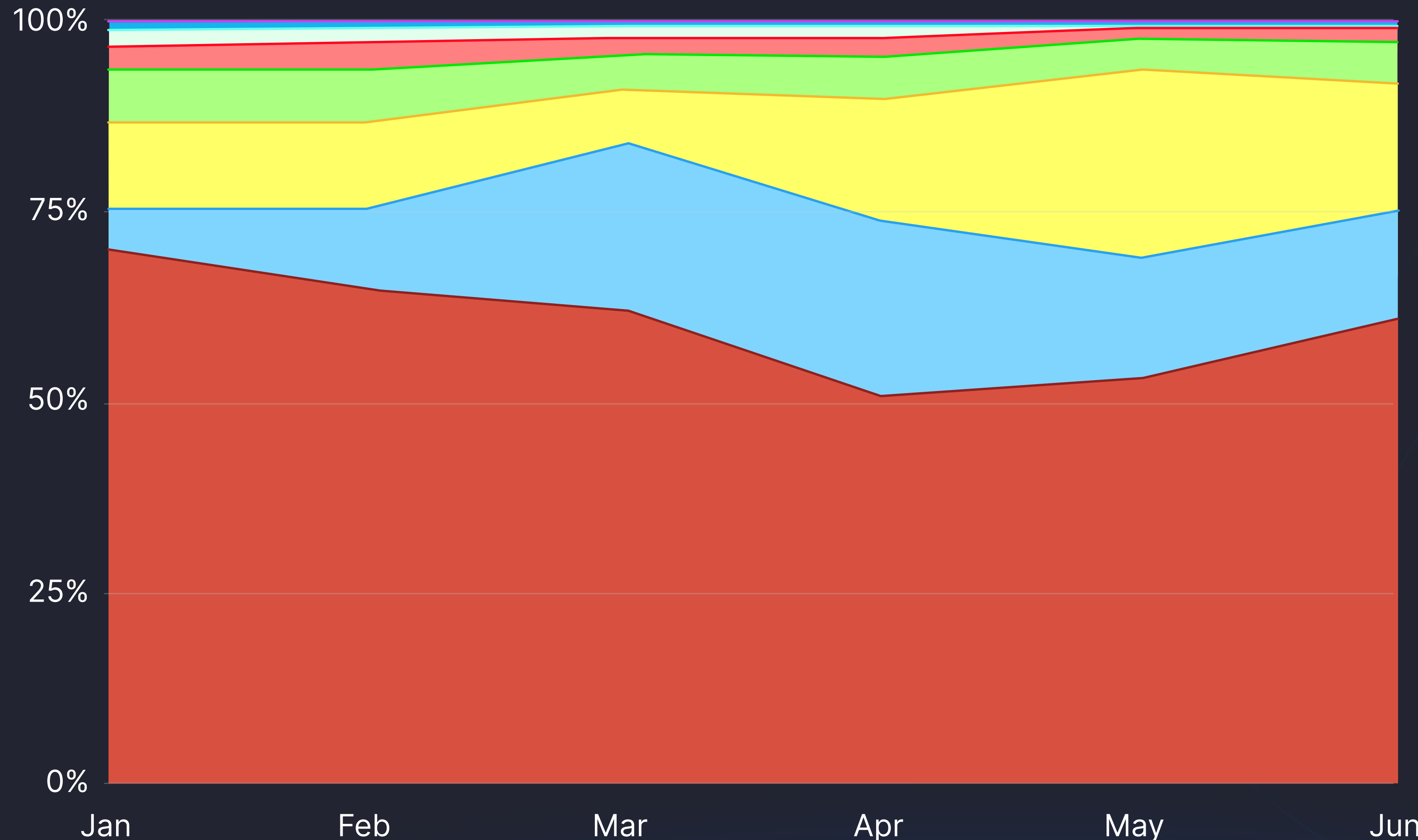


Uniswap maintains its dominance in the DEX market, capturing a market share of 57.5%. Its monthly volume has been on par with Coinbase's spot volume. The top 3 DEXs Uniswap, Pancake, Curve accounted for c.82% of the total market in H1 2023.

While CEX continues to be the preferred choice over DEX solutions, the DEX to CEX ratio has increased to around 1:8.

This can be attributed to several factors, including the recent advancements in DEX products, market concerns regarding CEX driven by regulatory developments, a more favorable environment with lower gas fees, and a higher proportion of crypto-native participants given the current market conditions.

2023 H1 Weekly DEX Volume by Chain



Throughout H1 2023, approximately 80% of the DEX trade volume happened on Ethereum and its Layer2 chains. However, in Q2, BNB has been rapidly catching up and gaining a larger share of the DEX trading market.

Gnosis Fantom Avalanche_c Optimism Polygon BNB Arbitrum Ethereum

Data source: Dune @hagaetc