

AMBERDATA CRYPTO SNAPSHOT #3

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Nothing travels faster than the speed of light with the possible exception of bad news, which obeys its own special laws. - The Hitchhiker's Guide to the Galaxy

[The Hitchhiker's Guide to the Galaxy](#) is remarkably applicable to navigating DeFi. As Douglas Adams' novel of the same name describes, the “guide” looks “insanely complicated” to operate, and new DeFi users feel a similar complexity barrier keeping up with new terminology and concepts as well as constant changes happening virtually every second (pun intended). One such entity struggling to understand DeFi is the SEC, with [Gary Gensler appearing at the U.S. House Committee on Financial Services](#) to discuss oversight on April 18, 2023, demonstrating that few, even the de jure financial regulating body of the United States, genuinely understand DeFi and its concepts.

In the hearing, U.S. Congressman Warren Davidson [called for a restructuring of the SEC and removal of the Chair](#) during his interview, while [GOP Majority Whip Tom Emmer pressed hard against the Chairman's approach of regulation by enforcement](#) rather than an industry wide regulation. With more countries paving the way for crypto adoption, such as [Zimbabwe's attempts at a digital currency backed by gold](#), [Hong Kong's ruling that crypto is property](#), and [China paying some city employees in Changsu with digital yuan](#), the United States' regulatory whirlwind [may leave some companies \(like Coinbase\) to throw in the towel](#).

Almost, but not quite, entirely unlike an exploit, a new trend for scams is taking place – one that is not getting attention and one that everyone should be extremely panicked about: a “permit from” exploit. [The exploit has stolen over \\$31m so far on Ethereum alone](#). Gasless transactions (known as gasless meta-transactions, from [EIP-2771](#)) leverage simple function signatures that approve the spending of a user's tokens by a particular address off chain (very similar to connecting a wallet to a website and verifying yourself as the owner). To read more on meta-transactions [here is a good starting point](#).

The problem is these signatures (off-chain messages), which are essentially delegations (which allow the spender to spend tokens on your behalf), look exactly the same as any other signature request, and the text is completely arbitrary and non-binding in any way. Users are accustomed to signature requests for various DeFi protocols, so with more of the same (but this time different), even the most hesitant of users are likely to fall victim. With gasless transactions being promised as the next wave of onboarding new users to crypto, especially on L2s, this will cause more people to say “So long, and thanks for all the fish.”

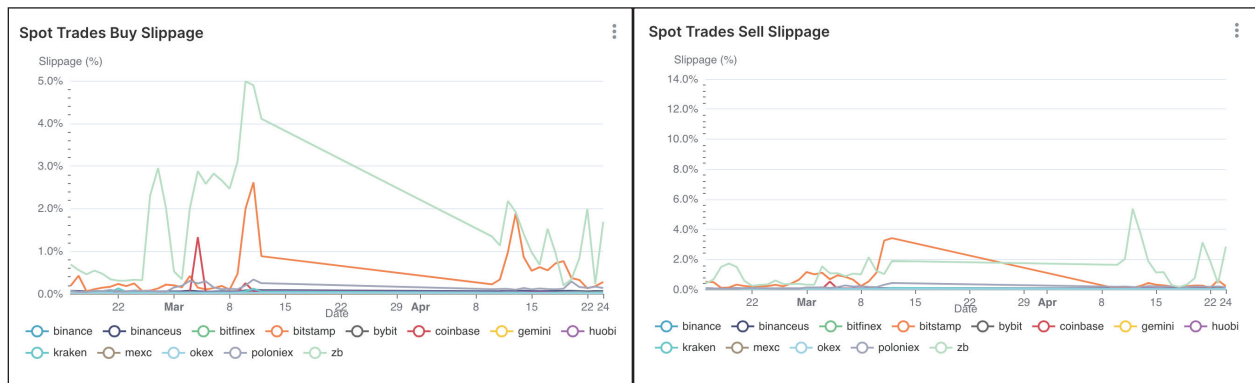
SPOT MARKET

CEX Weekly Update Sorted by Exchange Name	Trading Pairs Active	Volume (USD, \$m)		Market Share		BTC Volume (USD, \$m)		ETH Volume (USD)	
		7d	7d Δ	7d	7d Δ	7d	7d Δ	7d	7d Δ
Binance	2,108	\$64,621m	-16.41%	59.72%	-2.77%	\$21,371m	-4.12%	\$9,123m	-15.07%
BinanceUS	357	\$3,241m	-17.83%	2.99%	-4.42%	\$1,808m	-9.48%	\$1,117m	-27.23%
Bitfinex	1,218	\$959m	-25.17%	0.89%	-12.96%	\$361m	-30.91%	\$256m	-3.89%
Bithumb	409	\$4,085m	59.82%	3.77%	85.90%	\$309m	-16.51%	\$89m	-22.04%
Bitstamp	199	\$1,078m	-6.34%	1.00%	8.95%	\$519m	9.68%	\$221m	-20.38%
Bybit	401	\$4,367m	-7.21%	4.04%	7.93%	\$1,534m	13.84%	\$1,260m	-11.15%
Coinbase	655	\$7,978m	-17.08%	7.37%	-3.55%	\$2,784m	-6.72%	\$1,673m	-27.81%
Gemini	158	\$176m	-11.17%	0.16%	3.32%	\$81m	-2.22%	\$42m	-26.16%
Huobi	1,576	\$3,320m	-23.41%	3.07%	-10.91%	\$733m	-8.15%	\$361m	1.71%
Kraken	1,099	\$3,513m	-24.98%	3.25%	-12.73%	\$1,052m	-12.67%	\$504m	-22.77%
MEXC	2,589	\$6,169m	-6.64%	5.70%	8.59%	\$1,989m	-22.86%	\$1,235m	-0.56%
OKX	919	\$8,253m	-8.01%	7.63%	7.00%	\$1,933m	5.32%	\$1,873m	-2.06%
Poloniex	786	\$454m	-11.01%	0.42%	3.51%	\$28m	13.72%	\$16m	-22.54%

Centralized Exchange (CEX) comparisons between this and last week

A common mistake that people make when trying to design something completely foolproof is to underestimate the ingenuity of complete fools.

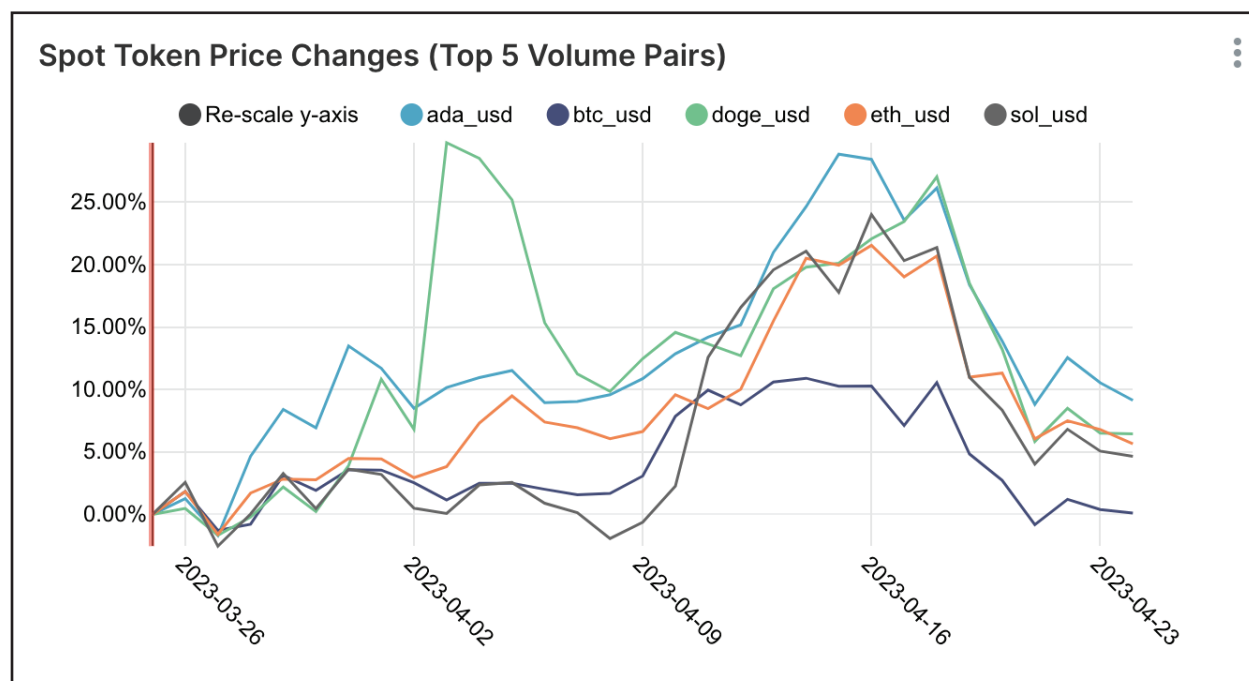
- The Hitchhiker's Guide to the Galaxy



Buy and sell slippage on \$100k+ trades for ETH / USDT on CEXes

Slippage has the potential to turn a large fortune into a small one, so paying attention to liquidity and calculating potential slippage is extremely important for large traders. In the last 30 days, Bitstamp and ZB trades above \$100,000 on both sides of the ETH / USDT trade faced relatively high levels of slippage, going as high as 5% for buyers and sellers.

There are a few ways for savvy traders to mitigate slippage, though they often come at a trade-off between speed and capital efficiency. OTC trades are becoming more commonplace and several centralized exchanges are offering services to extremely well-capitalized entities, often sacrificing both speed and efficiency due to holding all funds on a single exchange or platform. Splitting funds across a number of exchanges can also be a beneficial strategy – allowing traders to take advantage of multiple liquidity pools and market makers to ensure lower slippage risk at the cost of speed and increased management costs (not to mention due diligence).



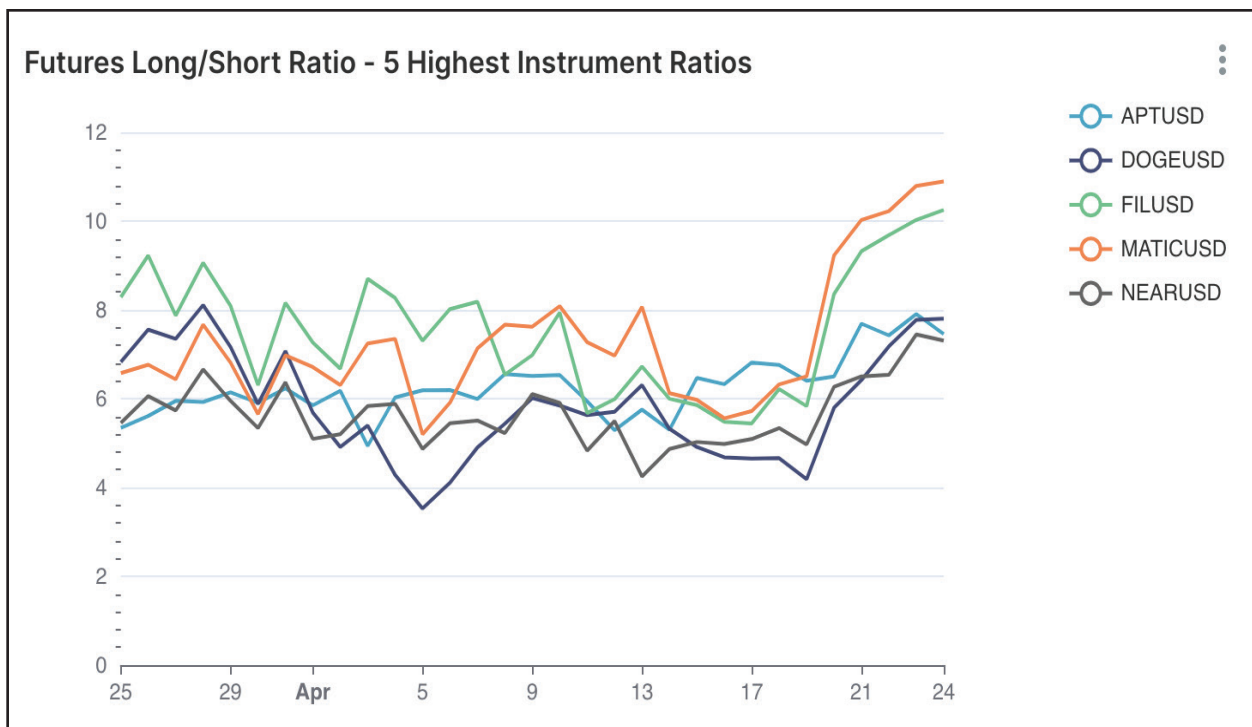
Top 5 CEX traded pairs price trends from the last 30 days.

Price volatility in the last month has really lived up to its name. The price of DOGE spiked after Elon Musk's Twitter logo change, causing DOGE to make a second run-up to near previous highs in the last 30 days, before swinging back to end the period up 6.5%. This second run-up period coincided with several other tokens seeing a temporary spike, likely due to the Ethereum Shapella upgrade (read Amberdata's analysis [here](#).) The upgrade was speculated to cause a wide token sell-off as Ethereum stakers were finally able to un-stake. Given the current bear market conditions, it seemed logical that traders would be looking for liquidity, but the actual event had the opposite effect with prices heating before cooling. All currencies, with the exception of BTC, ended the last 30 days up around 5%.

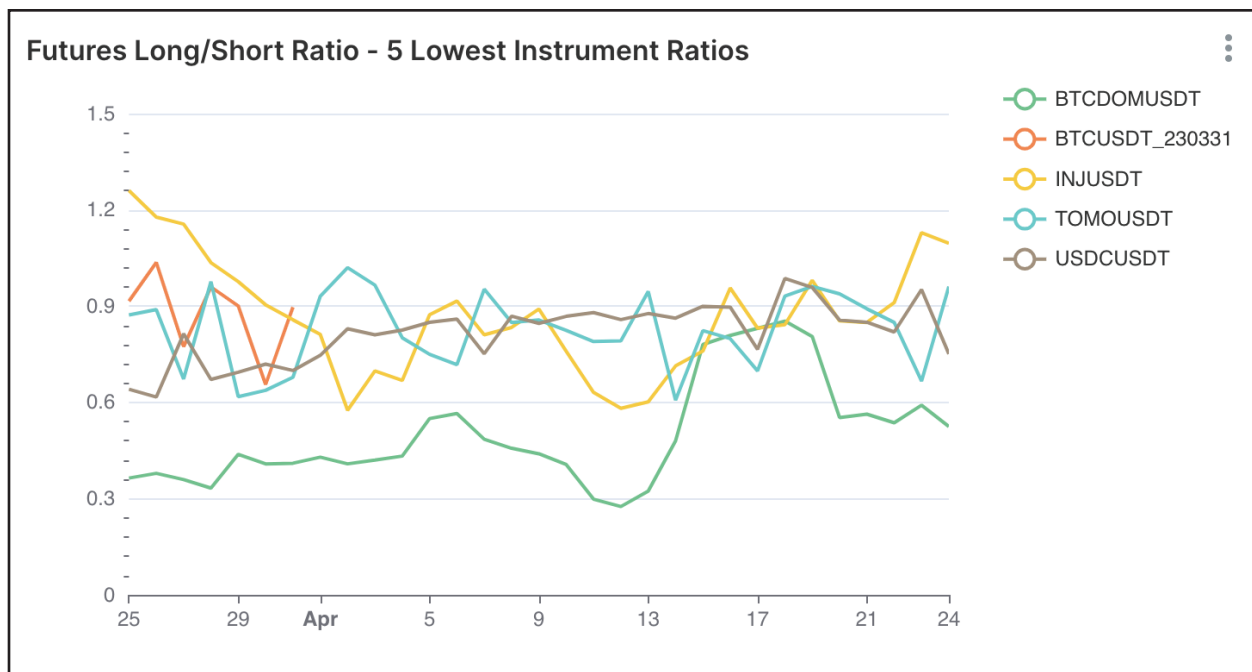
FUTURES & SWAPS

Futures & Swaps Weekly Update	Instruments	Volume (USD, \$m)		Funding Rate		Long/Short Ratio		Volume (USD, \$m)		Funding Rate		Long/Short Ratio	
Sorted by Exchange Name	Active	7d	7d Δ	7d	7d Δ	7d	7d Δ	7d	7d Δ	7d	7d Δ	7d	7d Δ
Futures		BTC/USDT						ETH/USDT					
Binance	303	\$3,762,967	21.77%	0.0069%	25.33%	1.60	106.49%	\$28,757,781	-4.47%	0.0061%	-20.74%	-0.21	146.02%
Bybit	230	\$1,177,248	30.58%	0.0100%	0.00%	1.10	10.97%	\$6,523,477	-11.86%	0.0096%	-3.86%	-0.04	112.98%
Swaps		BTC/USD						ETH/USD					
BitMEX	50	\$0	0.00%	0.0000%	0.00%			\$13,854,194	-7.16%	0.0368%	-32.16%		
Huobi	84	\$9,260	17.69%	0.0087%	-1.36%			\$174,937	23.75%	-0.0012%	-139.68%		
OKX	162	\$38,845,112	40.18%	-0.0002%	-102.39%			\$305,375,545	4.92%	0.0104%	18.01%		

**All you really need to know for the moment is that
 the universe is a lot more complicated than you might think,
 even if you start from a position of thinking it's pretty
 damn complicated in the first place.
 - The Hitchhiker's Guide to the Galaxy**



Bullish signals are on the horizon for Aptos (APT), which has been down around 44% against USD in the last 3 months, though (as mentioned in the last edition of Crypto Snapshot) MATIC continues to surge in the futures market. Aptos' partnership with Pancake Swap appears to be bearing fruit for those looking to hedge bets onto L1's, while Filecoin (FIL) has also been showing signs of life after announcing Filecoin Web Services (FWS) – a decentralized storage network. This essentially creates a decentralized alternative to AWS and Azure.



Futures long / short ratios for the 5 lowest ratio instruments

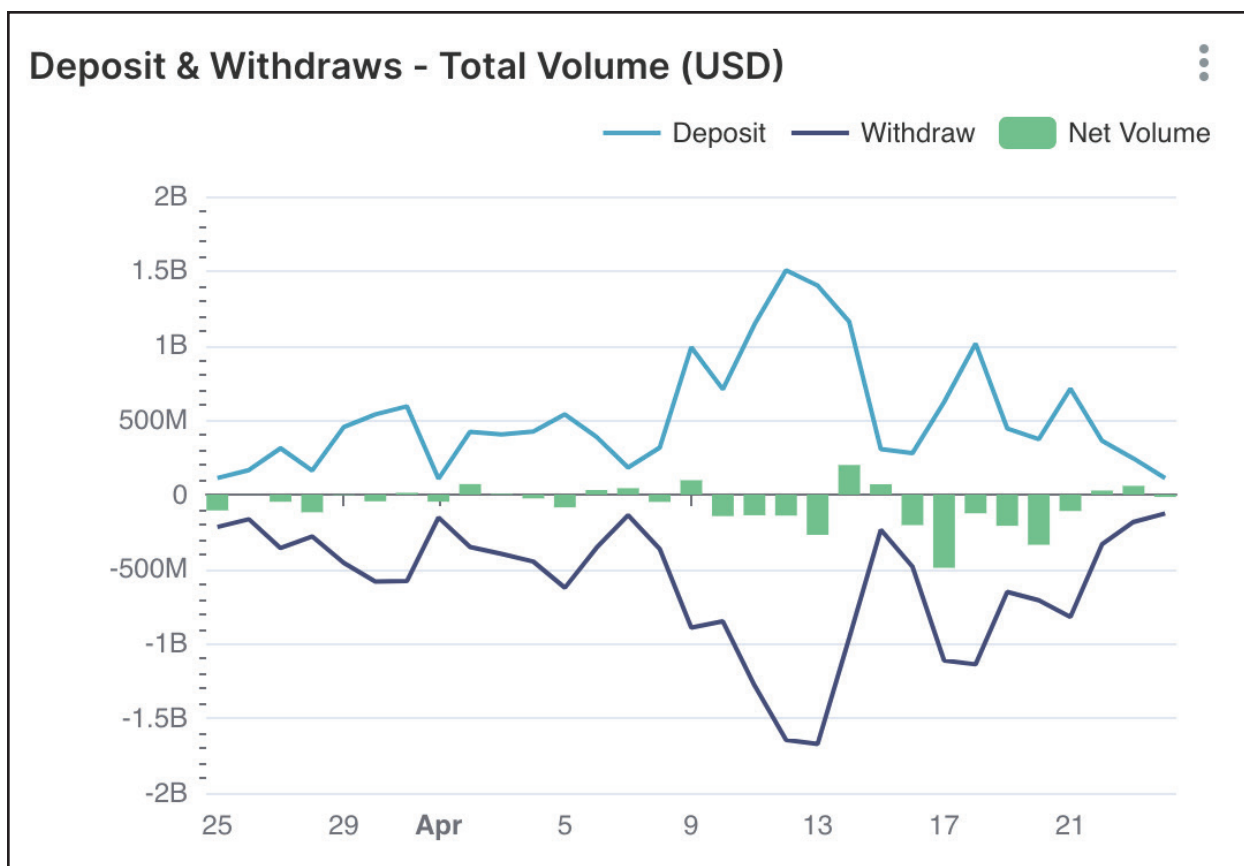
As for the biggest bear signals, USDC / USDT has dropped back into bearish territory (i.e., ratio less than 1, indicating more shorts than longs) after having suffered a depeg in recent months. The ratio is surprising given that the USDC peg returned to stable levels after the chaos of the recent banking failures, however it is likely due to the regulatory pressure by the SEC who continues to push enforcement actions against crypto generally, and stablecoins more specifically.

DEFI BORROW / LEND

DeFi Lending Weekly Report Sorted by Protocol Name	Active Markets		Active Assets		Active Addresses		Number of Transactions		Total Transaction Volume (USD)		Principal Liquidated (USD)		Liquidation Profits (USD)	
	7d	7d Δ	7d	7d Δ	1d	7d Δ	1d	7d Δ	1d	7d Δ	1d	7d Δ	1d	7d Δ
Aave (v3)	5	0.00%	59	-9.26%	1,170	27.60%	2,021	35.74%	\$459.68m	38.60%	\$135,235	-4877.44%	\$6,414	-6457.05%
Aave (v2)	6	0.00%	80	11.11%	1,331	31.14%	3,185	35.76%	\$2,683.78m	48.08%	\$132,868	93.62%	\$7,517	92.28%
Compound (v2)	48	22.58%	47	18.97%	448	19.57%	831	31.55%	\$341.77m	2.11%	\$77,069	-285.56%	\$6,166	-285.56%
MakerDAO	65	10.96%	21	19.23%	498	8.29%	1,659	30.12%	\$1,851.36m	36.70%	\$0		\$0	

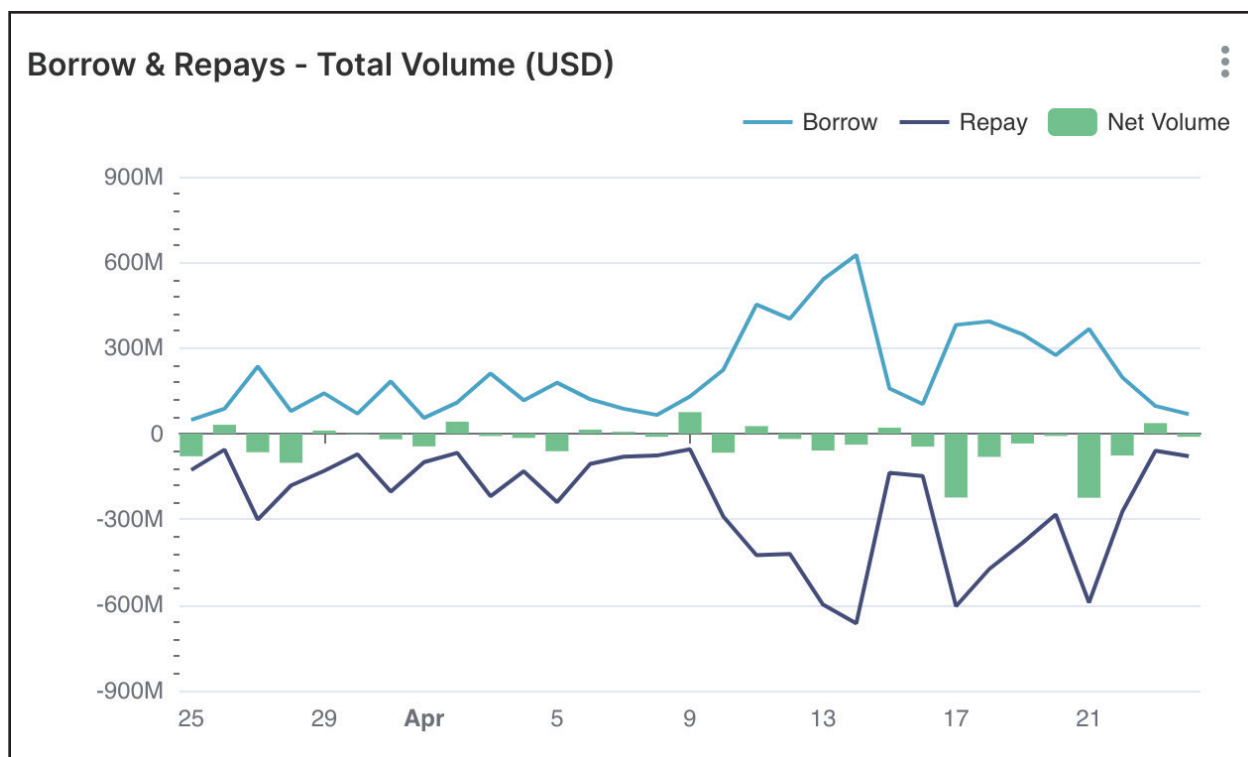
DeFi Lending protocol comparisons between this and last week

There is an art, it says, or rather, a knack to flying. The knack lies in learning how to throw yourself at the ground and miss.
- The Hitchhiker's Guide to the Galaxy



DeFi Lending deposits and withdraws from the last 30 days

Net deposit and withdraw volumes have overall been largely negative with more volume being withdrawn in the last thirty days than deposits. With the (generally surprising) lack of market selling after the Shapella upgrades, the market appears to have valued liquidity over passive yield in lending protocols.



DeFi Lending borrow and repayments from the last 30 days

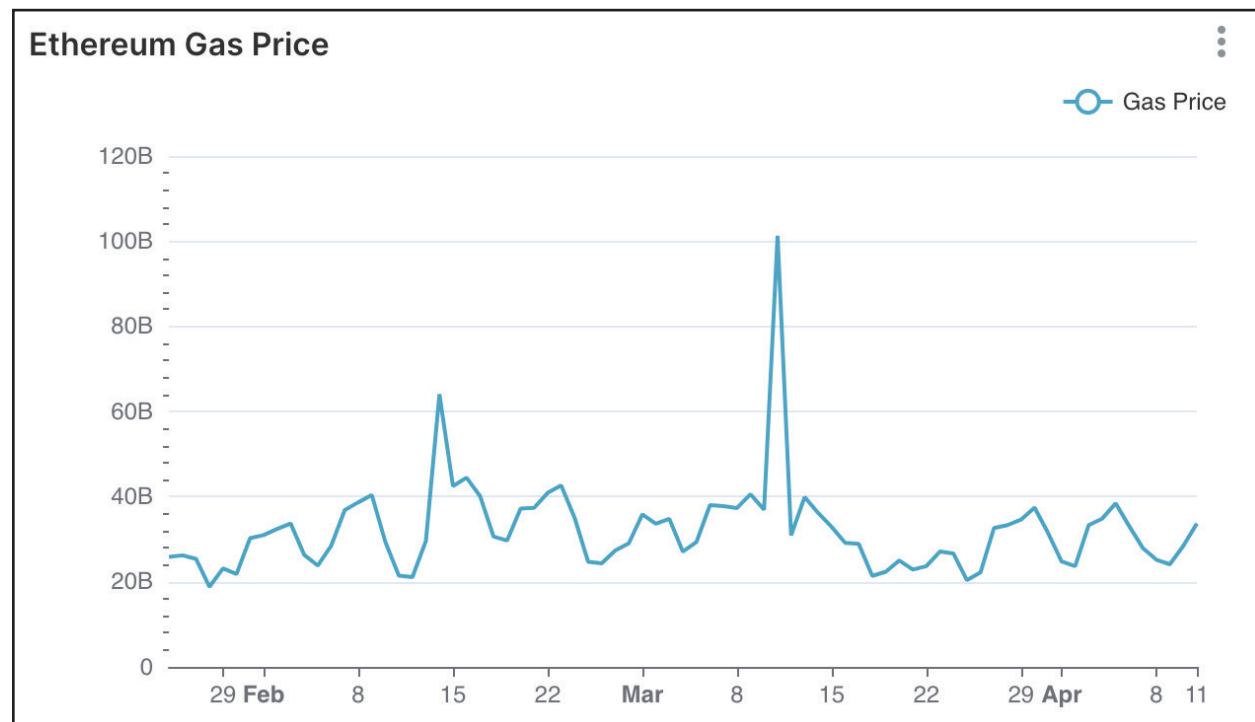
The preference liquidity can also be attributed to the repayment of loans, as for the last two weeks the trend has been the volume of repayments far exceeding the borrows. With token prices ending the last 30 days fairly flat (top CEX tokens up ~5% with BTC ending neutral) and the amount LP'd in lending pools decreasing (deposit volume minus withdraw volume), activity in lending pools appears to be signaling a period of uncertainty. This could be a good time to make long-term bets (as seen in the futures market) or hedge current positions, as the market waits for the next opportunity to present itself.

NETWORKS

Network Weekly Report Sorted by Name	Average Conf. Time (s)		Number of Transactions		Total Value (USD, \$m)		Total Fees (USD)		Average Fees (USD)	
	7d	7d Δ	7d	7d Δ	7d	7d Δ	7d	7d Δ	7d	7d Δ
Bitcoin	1,074.26	-81.40%	2,727,023	45.09%	\$178,406m	10.36%	\$4,555,130	3.14%	\$1.72	-26.57%
Bitcoin Cash	0.00	0.00%	82,282	28.99%	\$781m	33.06%	\$253	23.12%	\$0.00	-4.64%
Ethereum	792.45	-38.56%	7,921,049	26.17%	\$23,959m	42.59%	\$93,817,398	143.95%	\$11.71	89.87%
Litecoin	156.36	-0.31%	734,208	25.05%	\$60,570m	74.73%	\$8,927	20.24%	\$0.01	-4.09%
Zcash	0.00	0.00%	43,339	10.30%	\$339m	-65.28%	\$241,197	187.89%	\$5.25	164.04%

Network comparisons between this and last week

It is a mistake to think you can solve any major problems just with potatoes.
- The Hitchhiker's Guide to the Galaxy



Ethereum gas prices from the last 3 months

Gas on Ethereum has somewhat steadied itself since the Shapella upgrades. However, these values have been consistently higher in the last few weeks than a month prior. Gas has been a real sticking point for the network as L2s increase in not only number but also volume, with users preferring to use L2s such as Optimism or Arbitrum to transact with far lower fees for remittances as well as potentially earn higher yields. L2s will play a significant role in the near future, likely driven more by gas prices on L1s than efficiency.

“Don’t Panic.” - The Hitchhiker's Guide to the Galaxy

Meanwhile, the House has [passed a bill](#) for another 1.5 trillion to be added to the U.S. debt ceiling budget.

LINKS

Spot Market

Spot market charts were built using the following endpoints:

- <https://docs.amberdata.io/reference/market-metrics-exchanges-volumes-historical>
- <https://docs.amberdata.io/reference/market-metrics-exchanges-assets-volumes-historical>
- <https://docs.amberdata.io/reference/get-market-pairs>
- <https://docs.amberdata.io/reference/get-historical-ohlc>

Futures

Futures / Swaps charts were built using the following endpoints:

- <https://docs.amberdata.io/reference/futures-exchanges-pairs>
- <https://docs.amberdata.io/reference/futures-ohlcv-historical>
- <https://docs.amberdata.io/reference/futures-funding-rates-historical>
- <https://docs.amberdata.io/reference/futures-long-short-ratio-historical>
- <https://docs.amberdata.io/reference/swaps-exchanges-reference>
- <https://docs.amberdata.io/reference/swaps-ohlcv-historical>
- <https://docs.amberdata.io/reference/swaps-funding-rates-historical>

DeFi Borrow / Lend

DeFi lending charts were built using the following endpoints:

- <https://docs.amberdata.io/reference/lens-protocol-aave>
- <https://docs.amberdata.io/reference/lens-protocol-makerdao>
- <https://docs.amberdata.io/reference/lens-protocol-compound>

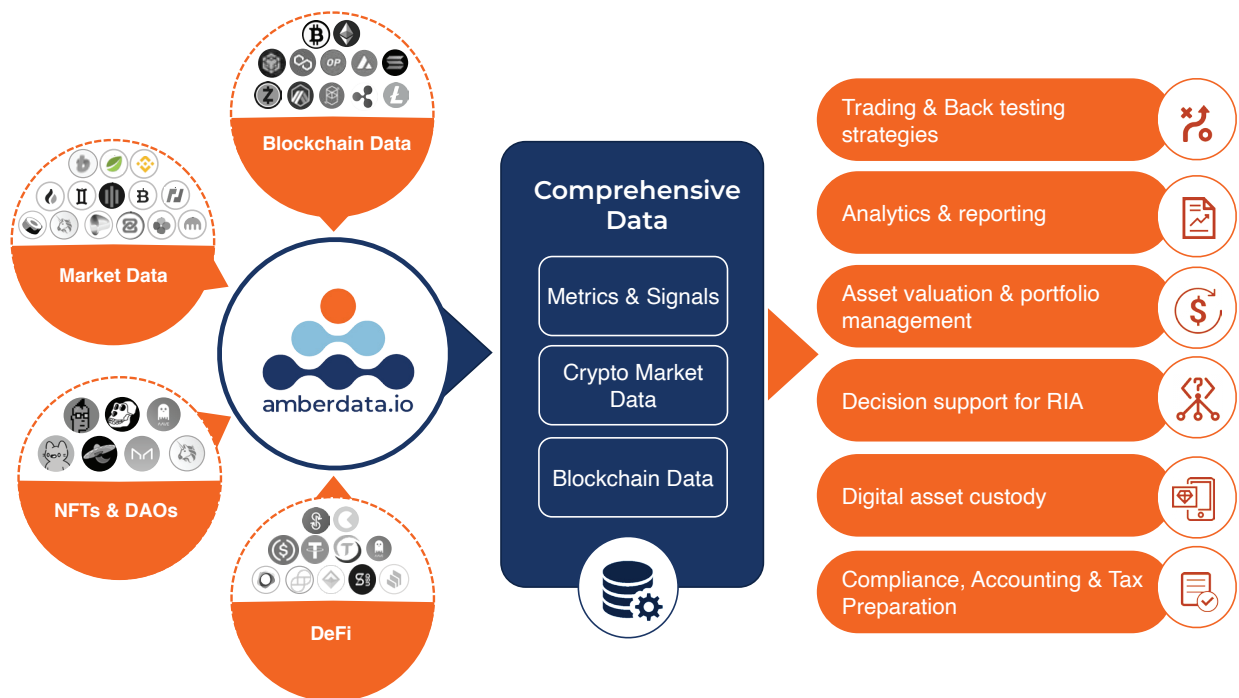
Networks

Network charts were built using the following endpoints:

- <https://docs.amberdata.io/reference/blockchains-metrics-latest>
- <https://docs.amberdata.io/reference/get-address-transactions>
- <https://docs.amberdata.io/reference/transactions-metrics-historical>
- <https://docs.amberdata.io/reference/blocks-metrics-historical>

Want more DeFi content? [Listen to Chris Martin on the Amberdata podcast with Jamie Holmes where they discuss the Perpetual Protocol!](#)

LOOKING TO ENTER DIGITAL ASSETS?



If you're looking to enter the digital asset space, you need Amberdata.

Our platform connects to all the blockchains and markets that matter today, allowing a comprehensive view of crypto markets, blockchain networks, NFTs, DAOs, and DeFi. We provide real-time and historical transparency into markets and price discovery across spot, derivative and decentralized exchanges, as well as on-chain data from the most active cryptocurrency networks and protocols.

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cap and total value locked. You can also create analytics dashboards with fundamental data to track network health and understand DeFi data like liquidity and lending rates. For fund accounting and administration, you'll know what was in a wallet at any time and what it was worth in any currency. For institutions that want to do custody themselves rather than outsource it, we provide the on-chain data needed.

With Amberdata, you get a single integration point for market and on-chain data, eliminating the need to integrate offerings from multiple vendors and allowing you to accelerate time to market for your digital asset products. We've built our data sets with institutional use cases in mind, providing the easy to consume formats and reliability you receive with traditional asset classes.

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