

# AMBERDATA DIGITAL ASSET SNAPSHOT

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The SEC has officially approved Spot Bitcoin ETFs, giving digital assets a monumental occasion to celebrate. If the ETF launch has shown us anything, it is that we are still in the early days of this new asset class. We saw huge trading volumes and liquidity shifting from GBTC to other ETFs, but the biggest thing that stood out was the reactions. It was incredible to see how companies like Blackrock and Fidelity are completely embracing digital assets as a new asset class. More adoption over time will be seen as Bitcoin starts to become a hedge against inflation and portfolio managers, who manage significant amounts of funds, rebalance portfolios.

On the other hand, some commentary from traditional financial news outlets shows that many simply don't understand how the technology works. Seeing traditional financial institutions like [Vanguard preventing users from investing in ETFs](#) shows us how early we are. With the ETFs opening doors for traditional finance to move liquidity onto blockchains, and a path now paved for more alternative token options such as an ETH ETF, there is still much more to come down the road.

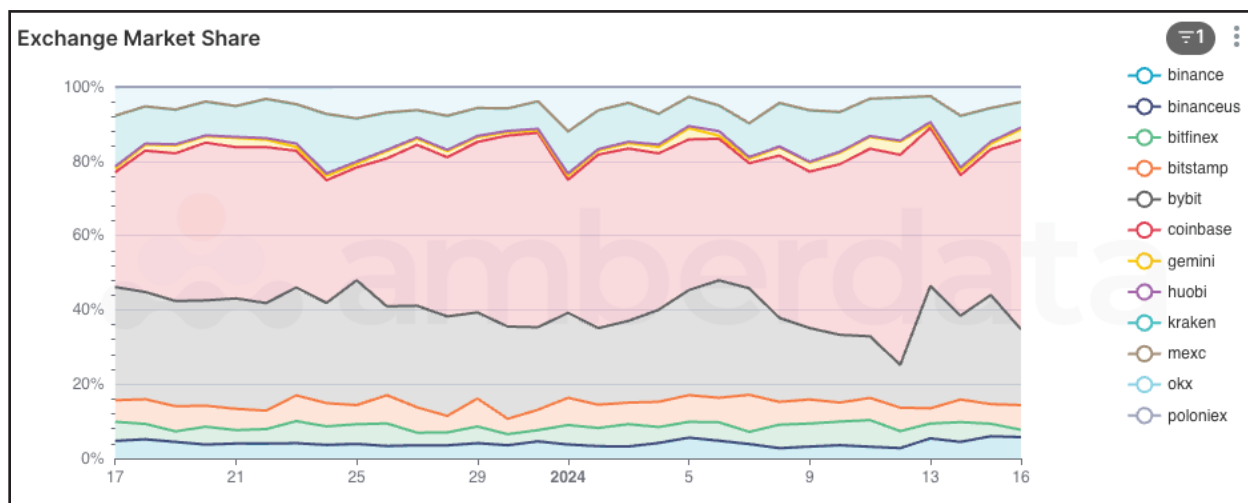
In other news, the ongoing case between Coinbase and the SEC went to the courts on Wednesday as a federal [judge pressed the securities regulator for more specifics](#). In addition to the charges against Coinbase for listing “securities,” the regulator also targets the CEX’s staking program. These charges could bring about major changes to how the United States treats cryptocurrencies and rewards programs like staking, but after a series of SEC admissions within the last year (such as losing the case against Ripple and approving spot ETFs), [Judge Failla will likely take full consideration before issuing a judgment](#). Thus far, [she has been critical of the regulator’s boundaries and arguments used](#), and [without additional clarity](#), this could take some time to play out.

After issuing a requirement that businesses and individuals must report the receipt of digital assets more than \$10,000, the [Treasury Department and Internal Revenue Service announced](#) that the requirements are not upheld until regulations are issued. The highly controversial rule would require significant upheaval to how digital assets are transferred and necessitate the collection of an extremely large amount of Personally Identifiable Information (PII). In many ways, the PII collected far exceeds requirements for other transactions of similar size. By now granting an opportunity to the public to comment on the proposed regulation, we may see this overturned, but that is not guaranteed.

## SPOT MARKET

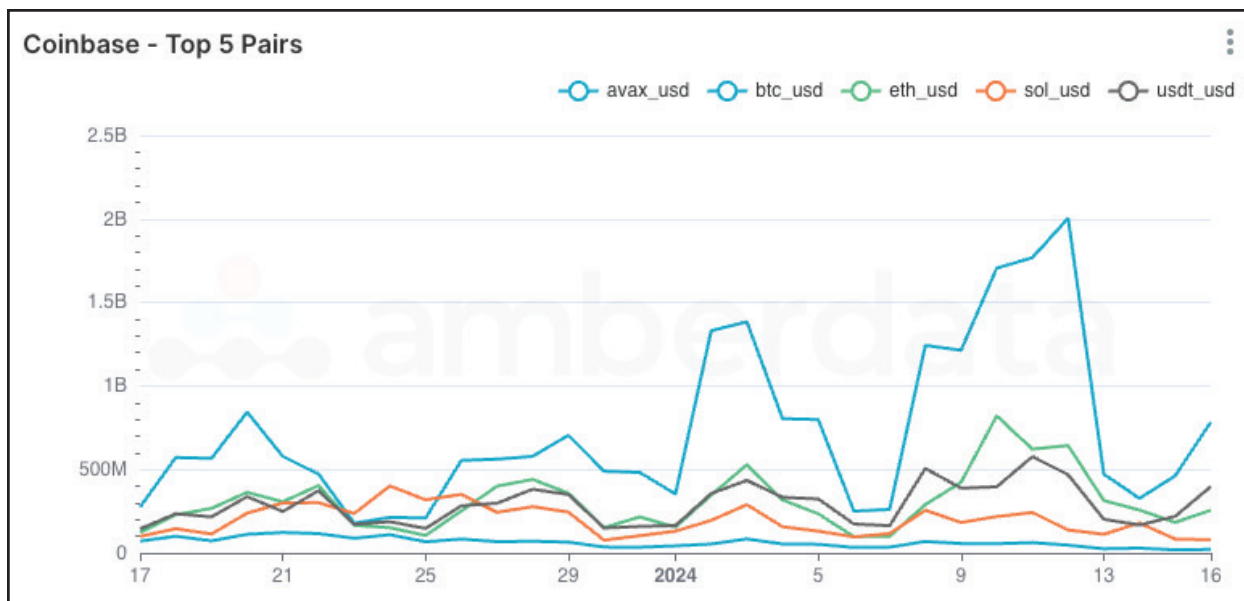
CEX Weekly Update Sorted by Exchange Name	Trading Pairs Active on 1/16	Volume (USD, \$m)		Market Share		BTC Volume (USD, \$m)		ETH Volume (USD)	
		1/9 to 1/16	7d Δ	1/9 to 1/16	7d Δ	1/9 to 1/16	7d Δ	1/9 to 1/16	7d Δ
<b>Binance</b>	2,350	\$117,277m	2.04%	47.77%	8.45%	\$41,099m	20.16%	\$14,444m	49.26%
<b>BinanceUS</b>	383	\$170m	0.30%	0.07%	6.59%	\$93m	-2.94%	\$21m	96.36%
<b>Bitfinex</b>	1,284	\$2,545m	26.31%	1.04%	34.24%	\$1,274m	11.06%	\$704m	80.20%
<b>Bithumb</b>	510	\$11,655m	-58.98%	4.75%	-56.40%	\$4,196m	-80.70%	\$720m	108.70%
<b>Bitstamp</b>	213	\$1,907m	-0.73%	0.78%	5.50%	\$1,107m	-5.45%	\$296m	45.77%
<b>Bybit</b>	519	\$23,597m	3.86%	9.61%	10.38%	\$7,704m	1.63%	\$7,184m	18.71%
<b>Coinbase</b>	672	\$21,763m	9.70%	8.87%	16.59%	\$8,439m	25.82%	\$3,642m	51.67%
<b>Gemini</b>	162	\$706m	39.61%	0.29%	48.38%	\$471m	52.54%	\$154m	50.24%
<b>Huobi</b>	1,675	\$14,757m	-11.01%	6.01%	-5.43%	\$745m	-21.53%	\$413m	16.52%
<b>Kraken</b>	1,176	\$8,482m	2.08%	3.46%	8.50%	\$2,184m	6.56%	\$1,026m	79.24%
<b>MEXC</b>	3,728	\$12,184m	-3.84%	4.96%	2.20%	\$3,563m	10.87%	\$1,582m	19.38%
<b>OKX</b>	973	\$24,627m	-7.72%	10.03%	-1.92%	\$8,015m	-1.95%	\$4,859m	40.61%
<b>Poloniex</b>	1,033	\$5,810m	-5.23%	2.37%	0.73%	\$1,052m	-2.40%	\$560m	1.71%

Centralized Exchange (CEX) comparisons from weeks 1/9/2024 and 1/16/2024



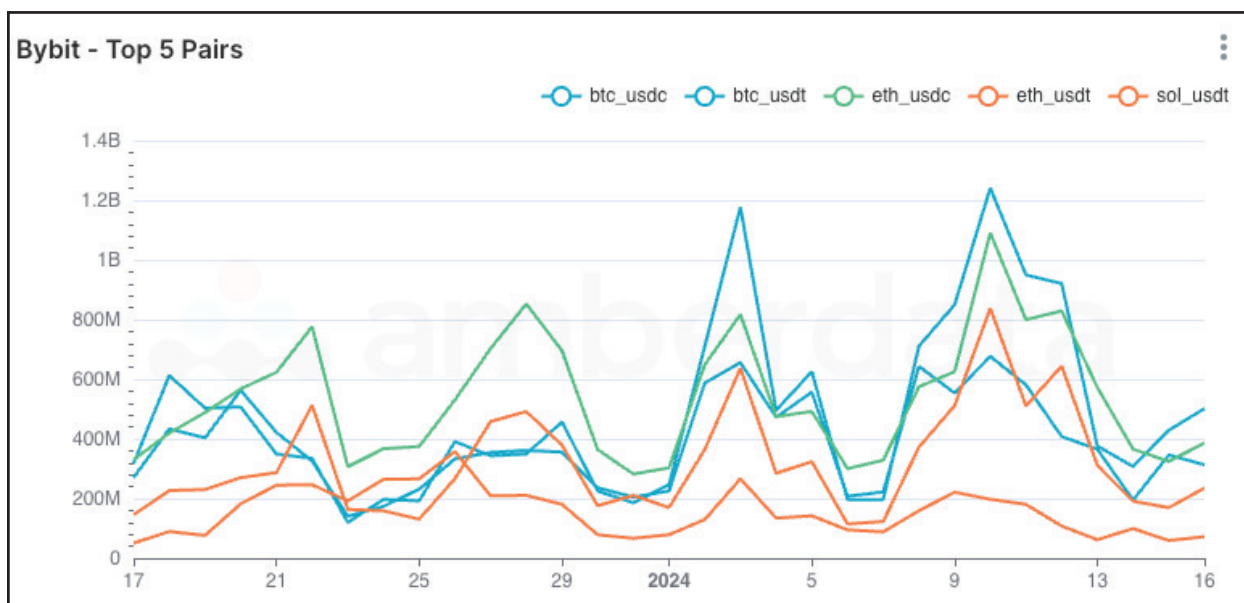
CEX trading volume market share for BTC/USD, BTC/USDC, and BTC/USDT between 12/17/2023 and 1/16/2024

Outside of ETF issuers, the biggest winner of the ETF listings has to be Coinbase. The US-based exchange has been accumulating market share quickly, especially as they were listed on a large majority of the ETF issuer's filings as the custodian for the spot Bitcoin underlying the ETFs. Market share for key BTC trading pairs (BTC/USD, BTC/USDC, and BTC/USDT) grew over the previous 30 days from 40% to 51% and hit a high of 57% during that period.



Top 5 trading pairs for Coinbase between 12/17/2023 and 1/16/2024

An interesting comparison to make is how the top tokens by trading volumes differ between exchanges. Taking Coinbase and Bybit as an example, Coinbase's fiat on-ramp is the biggest contributor to their market share. All 5 of their top traded trading pairs are between a token and USD, which can be either USD or USDC as Coinbase does not differentiate between the two. Essentially, the trading pairs are base trading pairs as there is no crypto-to-crypto element, and all but USDT are native tokens to their respective blockchains.



Top 5 trading pairs for Bybit between 12/17/2023 and 1/16/2024

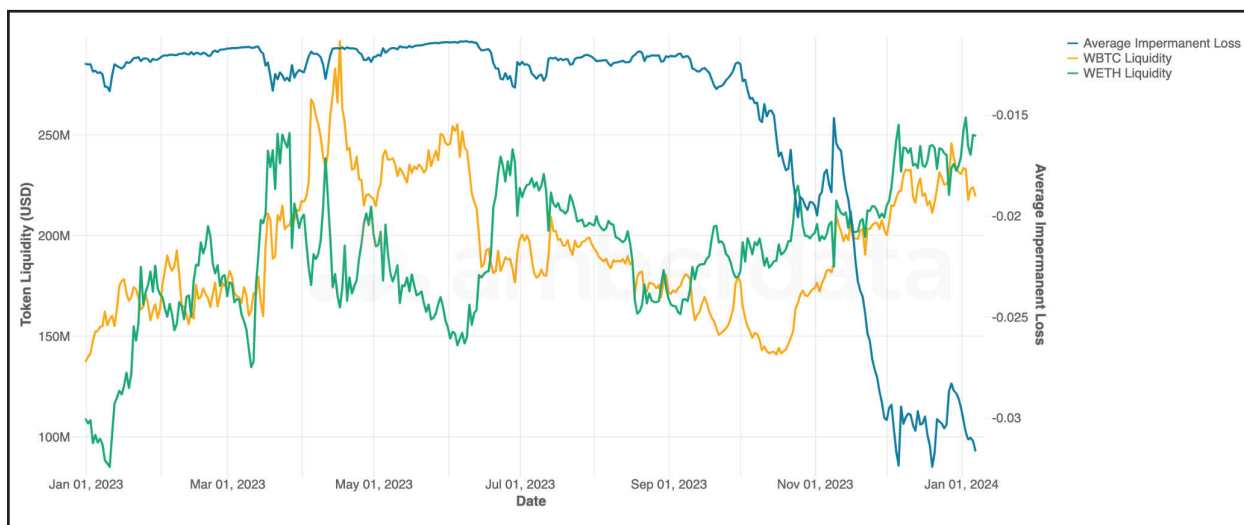


Meanwhile, Bybit, which had the second highest market share for the key BTC pairs at around 20-30%, has several stablecoin trading pairs – none of which are fiat trading pairs. Of Bybit's top 5 trading pairs, two are BTC, and two are ETH pairs. By comparing the two, we can see that Coinbase is acting as a fiat on-ramp as users are swapping USD for crypto and are trading across multiple blockchains. Bybit users, on the other hand, are swapping tokens and investing in the top two blockchains. A signal to watch would be how much Coinbase funds move from the exchange to the blockchains, as it is likely to be new money moving in.

## DEFI DEXS

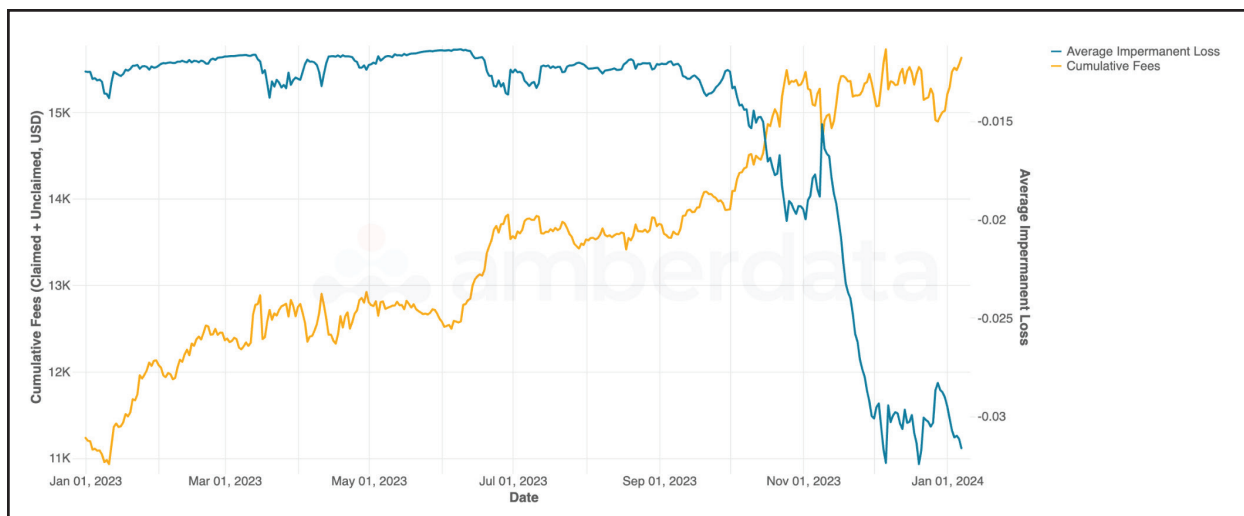
DEX Weekly Update Sorted by Liquidity	Pairs Traded		Cumulative Pairs		Liquidity (\$1m, USD)		Liquidity (WETH)		Volume (\$1m, USD)		Fees (USD)		Trades	
	Active on 1/16	7d Δ	Active on 1/16	7d Δ	As of 1/16	7d Δ	As of 1/16	7d Δ	Active on 1/16	7d Δ	Active on 1/16	7d Δ	Active on 1/16	7d Δ
Uniswap v3	1,500	-5.54%	19,011	0.75%	\$ 1,781	-5.84%	752,911	-6.01%	\$ 5,596	-0.55%	\$ 510,410	-7.94%	41,710,348	5.74%
Uniswap v2	3,215	-6.65%	298,724	0.50%	\$ 1,513	-3.15%	639,632	-3.33%	\$ 429,184	-100.00%	\$ 902,963	9.51%	33,948,227	7.08%
Sushiswap	303	-18.55%	3,892	0.13%	\$ 228	-4.17%	96,230	-4.35%	\$ 82	10.45%	\$ 35,710	-7.99%	4,249,637	6.08%

Decentralized Exchange (DEX) protocol from weeks 1/9/2024 and 1/16/2024



Average LP IL to pool liquidity since January 1, 2023, for WBTC/WETH

Average **Impermanent Loss**, or unrealized losses caused by price fluctuations for underlying tokens, for Uniswap v3 WBTC/WETH liquidity providers (LPs), became extremely large since November 2023 and currently sits around 3.5%. This was caused by the Bitcoin and Ethereum price divergence which grew over this period as investors began to swap WETH and ETH for WBTC and BTC.



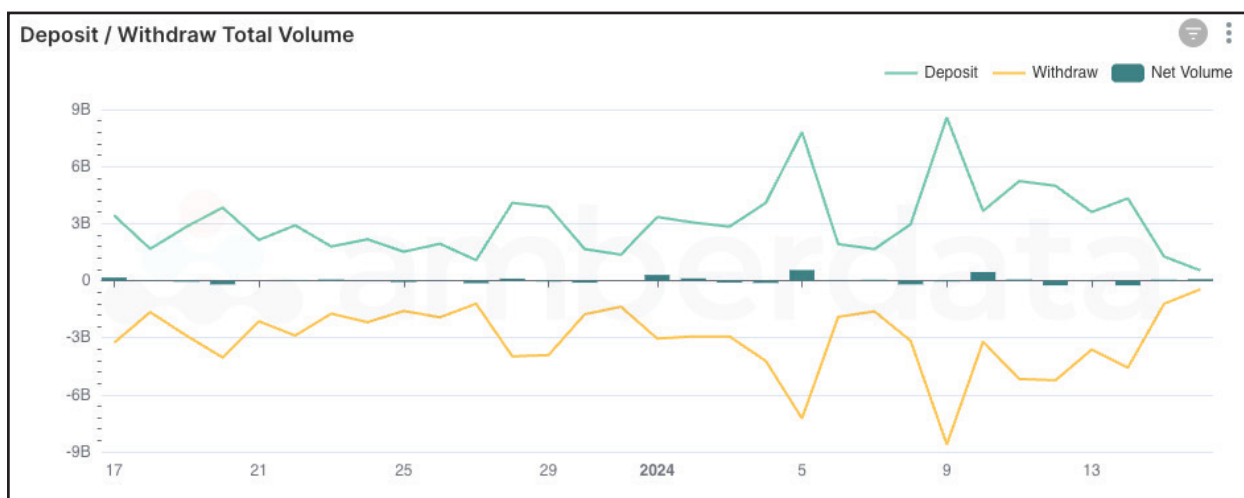
Average LP IL to cumulative holder fees generated since January 1, 2023, for WBTC/WETH

Although IL caused some impact on LP positions, cumulative fees also skyrocketed for this pool.

## DEFI BORROW/LEND

DeFi Lending Weekly Report	Active Markets		Active Assets		Active Addresses		Number of Transactions		Total Transaction Volume (USD)		Principal Liquidated (USD)		Liquidation Profits (USD)	
Sorted by Protocol Name	1/9 to 1/16	7d Δ	1/9 to 1/16	7d Δ	1/9 to 1/16	7d Δ	1/9 to 1/16	7d Δ	1/9 to 1/16	7d Δ	1/9 to 1/16	7d Δ	1/9 to 1/16	7d Δ
<b>Aave (v3)</b>	6	0.00%	110	-3.77%	3,634	1.36%	8,716	-1.85%	\$22,043.49m	24.34%	\$2,218,887	71.36%	\$115,600	73.88%
<b>Aave (v2)</b>	6	0.00%	79	-6.76%	916	-4.57%	2,336	-19.12%	\$686.73m	46.52%	\$95,109	98.91%	\$4,715	98.98%
<b>Compound (v2)</b>	40	2.44%	39	2.50%	381	7.30%	775	14.93%	\$359.46m	27.50%	\$53,746	9.37%	\$4,300	10.32%
<b>MakerDAO</b>	47	-2.17%	15	-7.14%	611	-56.27%	2,653	-21.20%	\$1,839.83m	-50.10%	\$0		\$0	

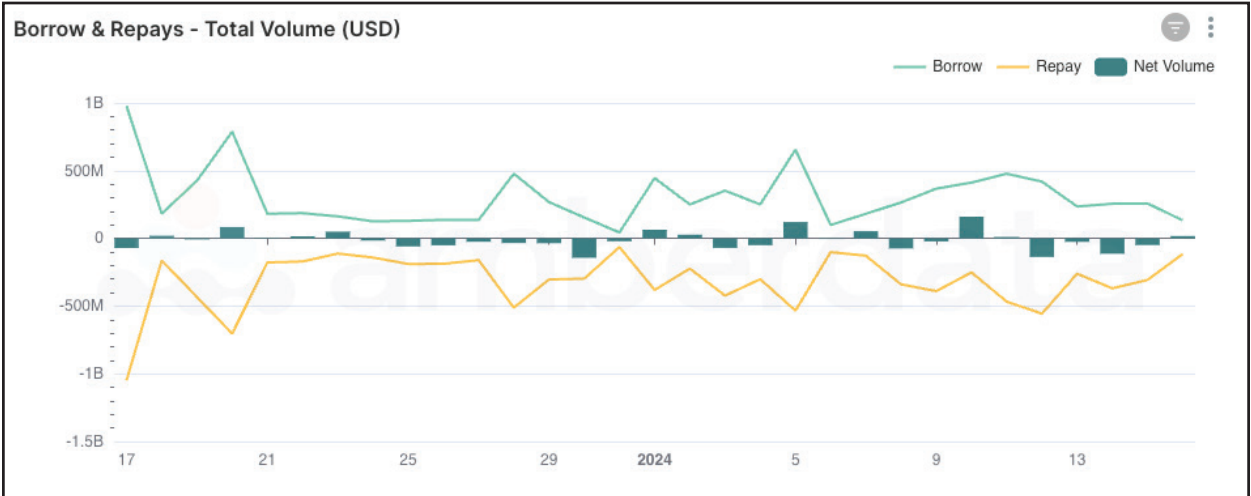
DeFi Lending protocol comparisons from weeks 1/9/2024 and 1/16/2024



DEX deposit and withdrawal volume between 12/17/2023 and 1/16/2024



Deposit volumes on DeFi lending protocols have been falling since the ETF approvals after hitting highs on January 5, 2024, and January 9, 2024. We see that deposit volumes were ramping up at the start of the year with high expectations for the approvals with lenders expecting higher than usual borrow volumes (and subsequent higher lending rates) or with the opportunity to leverage collateral and speculate on token price fluctuations.



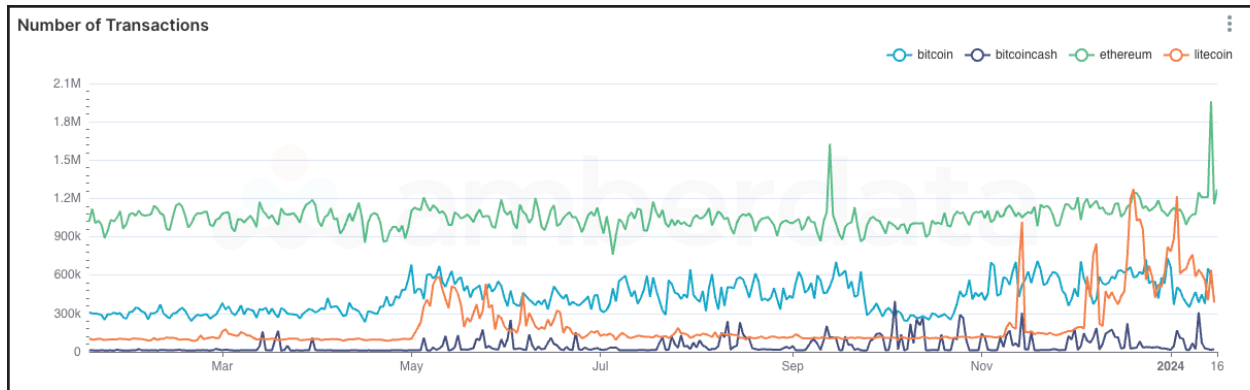
DEX borrow and repayment volume between 12/17/2023 and 1/16/2024

When we add in our borrow volume to the analysis, we can see that the high lending volume dates also coincided with borrow volumes. The ETF was considered by many to be a “sell the news” event. Once the ETFs were all but confirmed (and after the start-stop by the SEC’s X account), borrowers began to cash out their positions and repay loans that were accrued. With an ETH ETF looming in the next few months, a similar pattern is likely to play out around ETH and alt-coins gaining.

## NETWORKS

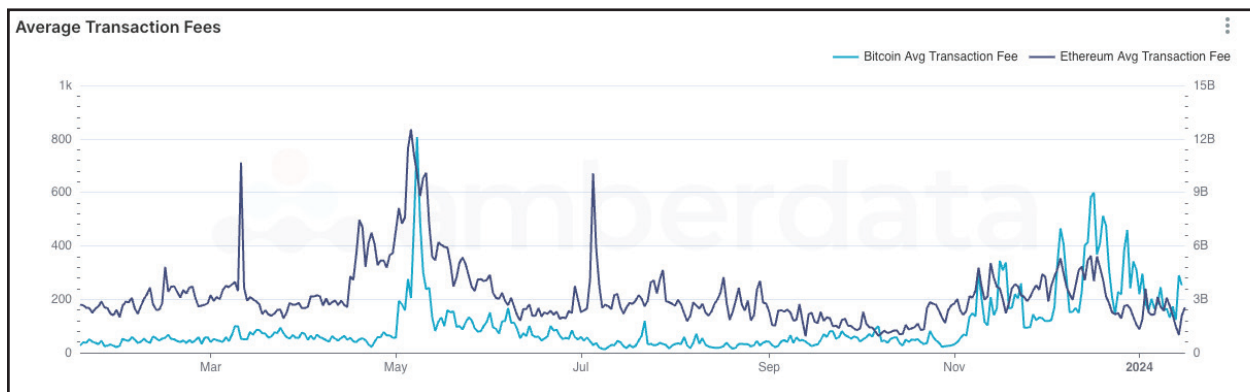
Network Weekly Report <small>Sorted by Name</small>	Average Conf. Time (s)		Number of Transactions		Total Value (USD, \$m)		Total Fees (USD)		Average Fees (USD)	
	1/9 to 1/16	7d Δ	1/9 to 1/16	7d Δ	1/9 to 1/16	7d Δ	1/9 to 1/16	7d Δ	1/9 to 1/16	7d Δ
<b>Bitcoin</b>	2,135.89	-63.07%	3,799,719	48.93%	\$355,956m	72.71%	\$43,852,393	46.48%	\$11.57	-0.41%
<b>Bitcoin Cash</b>			506,991	7.07%	\$2,176m	35.82%	\$2,193	49.88%	\$0.01	136.86%
<b>Ethereum</b>	820.15	-47.91%	10,342,315	61.69%	\$30,994m	78.80%	\$68,070,659	65.89%	\$6.67	4.33%
<b>Litecoin</b>	150.32	-4.64%	4,364,998	-5.84%	\$19,079m	32.73%	\$13,227	34.58%	\$0.00	40.02%

Network comparisons from weeks 1/9/2024 and 1/16/2024



*Network transactions between 1/17/2023 and 1/16/2024*

Litecoin has been growing in volume over the last few months. The Bitcoin offshoot has been staying quiet in the background for the last few years as Bitcoin and Ethereum (not to mention Solana and L2's) gained popularity. But with the Bitcoin ETF speculation several investors have been speculating that a Litecoin ETF is possible.



*Network average transaction fees between 1/17/2023 and 1/16/2024*

Network transaction fees continue to trend high for Bitcoin and Ethereum, though Bitcoin's transaction fees seem to be in a decline while Ethereum fees have been quickly dropping since the start of 2024.



## LINKS

### Recent from Amberdata

- [Amberdata / CryptoNews Podcast](#): CryptoNews Podcast: #300: Greg Magadini, Director of Derivatives at Amberdata, on the Bitcoin ETF Approval, Volatility, and Crypto Derivatives
- [Kitco](#): Spot Ether ETFs more significant than BTC ETFs for the broader cryptos industry – Analysts
- [Benzinga](#): Beyond Bitcoin: Ethereum ETF Approval Has Investors Craving Liquid Staking Gold Rush
- [Coindesk](#): Bitcoin, Asian Stocks Drop as Traders Pare March Fed Rate Cut Bets
- [Kitco](#): Cryptos surge, stocks slump, as investors await the spot BTC ETF decision
- [Reuters](#): Cryptoverse: Bitcoin derivatives traders bet billions on ETF future
- [Schwab](#): Bitcoin Awaits SEC ETF Decision
- [MarketWatch](#): Bitcoin ETFs finally approved after a chaotic, ‘embarrassing’ 24 hours for SEC

### 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-ohlcv>

### 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 DEXes

DEX charts were built using the following endpoints:

- <https://docs.amberdata.io/reference/defi-dex-liquidity>
- <https://docs.amberdata.io/reference/defi-dex-metrics>
- <https://docs.amberdata.io/reference/defi-impermanent-loss>

### DeFi Borrow / Lend

DeFi lending charts were built using the following endpoints:

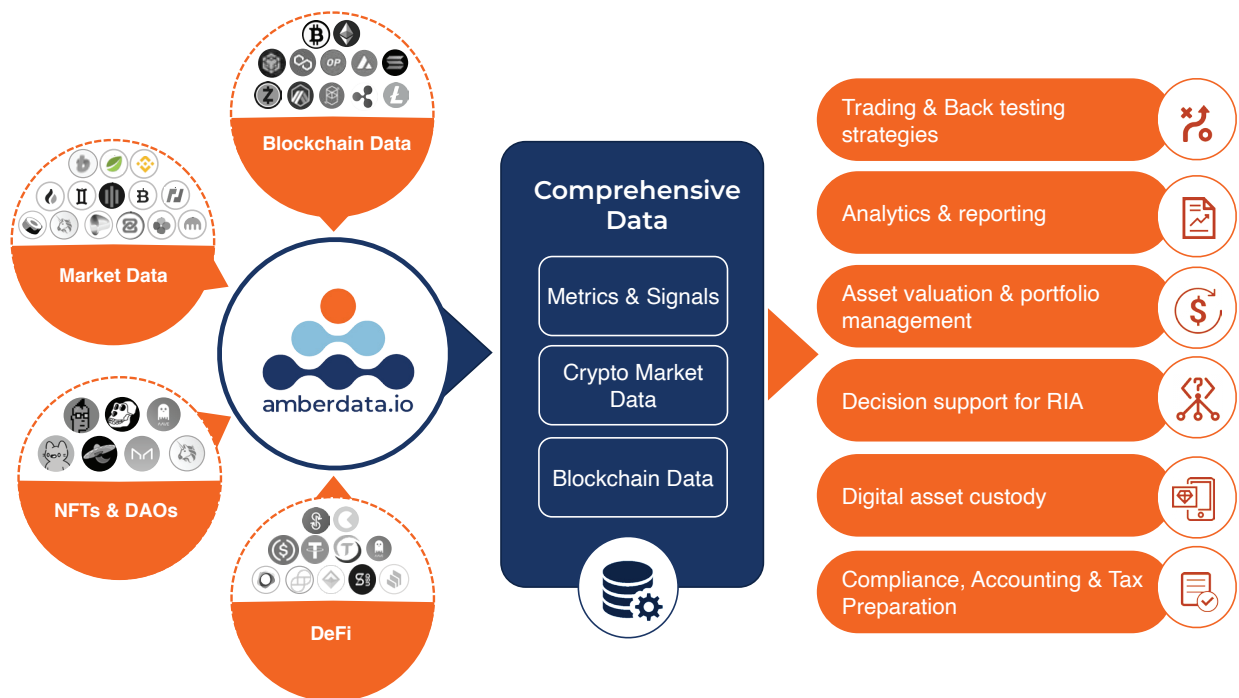
- <https://docs.amberdata.io/reference/defi-lending-protocol-lens>
- <https://docs.amberdata.io/reference/defi-lending-asset-lens>

### Networks

Network charts were built using the following endpoints:

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

# 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.

Our data solutions support all pre- and post-trade functions. We provide deep market data, down to Level 2 order books, facilitating backtesting of quant trading strategies. And our blockchain data provides transparency not seen with other asset classes, allowing you to track pending transactions and wallet balances over time across various blockchain networks, as well as market

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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