AMBERDATA DIGITAL ASSET SNAPSHOT

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Venmo and PayPal Adopt ENS. Venmo and PayPal have integrated Ethereum Name Service (ENS), enabling simpler crypto transfers by using ENS names like "yourname.eth" instead of complex wallet addresses. **Announced by ENS Labs on September 10**, this feature will reach over 270 million U.S. users. The move could accelerate mainstream crypto adoption by making transactions more user-friendly, aligning with PayPal's growing role in the crypto space. This could boost confidence in digital assets and their integration into traditional payment systems.

Congress Divided on DeFi's Future. In the first-ever Congressional hearing on decentralized finance (DeFi) held on September 10, U.S. lawmakers were divided along party lines. The **House Financial Services Committee's hearing** explored the role of blockchain in finance and the potential for tokenization. Republican subcommittee chair French Hill emphasized the transformative potential of DeFi, advocating for a peer-to-peer future without intermediaries, referencing Justin Trudeau's 2022 freezing of protestors' crypto accounts. In contrast, Democratic Representative Brad Sherman criticized DeFi for enabling tax evasion, sanctions evasion, and crime, accusing it of primarily benefiting billionaires.

Key witnesses expressed varied perspectives. **Amanda Tuminelli** of the DeFi Education Fund argued that DeFi promotes financial inclusion by offering open access without gatekeepers, unlike traditional finance, which can be exclusionary. Peter Van Valkenburgh of Coin Center added that DeFi lacked proper regulatory guidance but opposed heavy surveillance. Meanwhile, critics like Mark Hays from Americans for Financial Reform described DeFi as volatile and scam-prone. Crypto lawyer **Jake Chervinsky** noted the significance of DeFi now being discussed in Washington, reflecting its growing relevance.

Linea Growth Lead Resigns. Marco Monaco, the growth lead for Linea, has stepped down, citing a misalignment in vision with the project's future. Linea is a zk-rollup Layer 2 solution by ConsenSys that offers EVM-equivalent scalability for Ethereum with lower gas fees and higher throughput, utilizing zero-knowledge proofs for secure transactions. **In his announcement on Sept. 11, Monaco explained that his departure followed a period of disengagement after previously resigning from Consensys.** Throughout his two-year tenure, he focused on building Linea's ecosystem and pushing for community engagement, but ultimately, his vision no longer aligned with that of Consensys leadership. His exit comes after Linea faced criticism for halting its network in June to block a hacker, raising concerns about centralization, though Linea reiterated its commitment to decentralization.

SPOT MARKET - WEAKER BUT RECOVERING SLOWLY
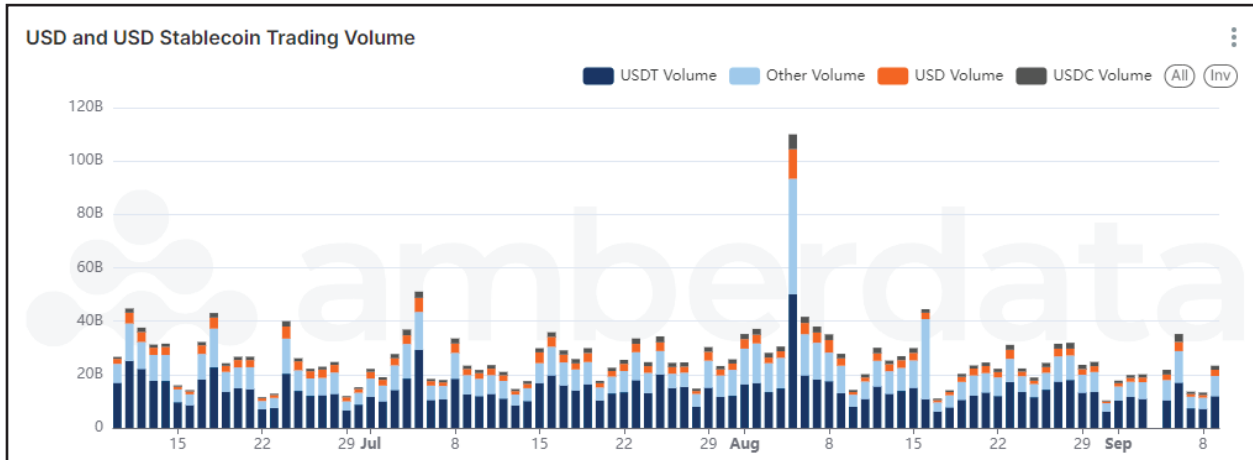
USD and USD Stablecoins

On September 5th, USD and USD stablecoin volumes rebounded to nearly $40 billion, though average volumes remained low at $16 billion compared to $24 billion before the August 5th macro-driven sell-off. The volume increase was concentrated in USDT, highlighting its role as a dominant stablecoin. Post-August 5th, the decline in volume has been more pronounced in smaller stablecoins, which accounted for 85% of the reduction, while major players—USDT, USDC, and USD—have seen only slight decreases.

This shift suggests a growing preference for liquidity and stability in major stablecoins amid market uncertainty. Regulatory scrutiny could further erode non-major stablecoin activity, while macroeconomic pressures continue to play a critical role in crypto market movements. Low volumes also hint at potential liquidity challenges, which could amplify volatility if significant market activity occurs in the coming weeks.
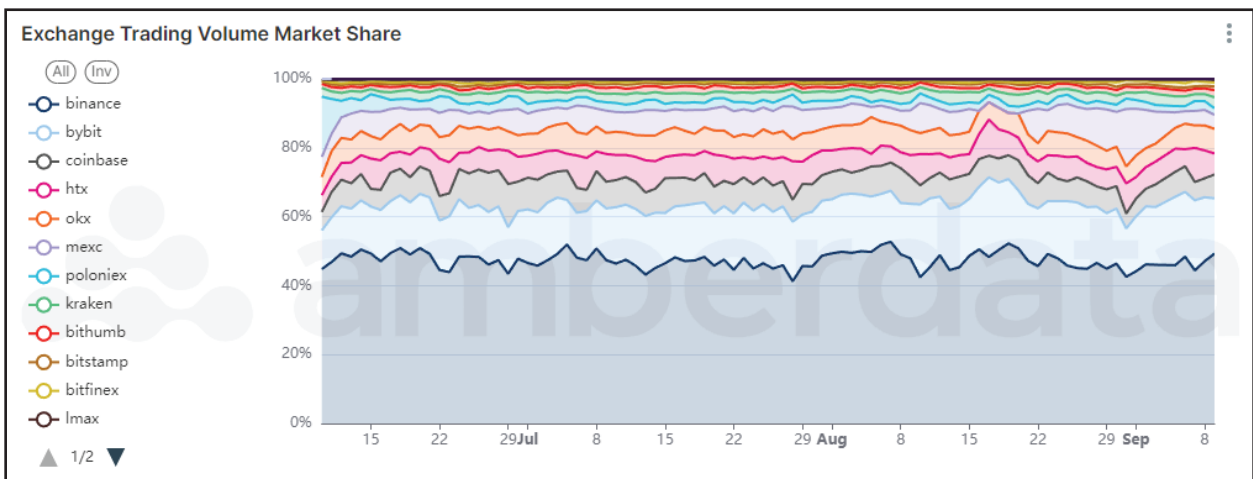

Exchange Trade Volumes

Exchange-traded volume market share has remained stable, with Bybit seeing a notable increase in its share from 16% to 19%, based on a 7-day moving average. Binance and Coinbase continue to dominate, together accounting for over 55% of total exchange-traded volume. This dominance becomes more pronounced during periods of heightened market volatility, indicating that traders prefer these centralized exchanges (CEXs) during uncertain times, likely due to their deep liquidity and reliability.

Bybit's rising market share could be attributed to its growing range of products, such as derivatives, and its user-friendly platform. Meanwhile, the tendency for Binance and Coinbase to gain volume during volatile markets reinforces the perception that traders seek secure and well-established platforms when quick and stable execution is essential. This trend also highlights the ongoing trust in CEXs over decentralized exchanges (DEXs) during turbulent periods, as traders prioritize liquidity and stability.
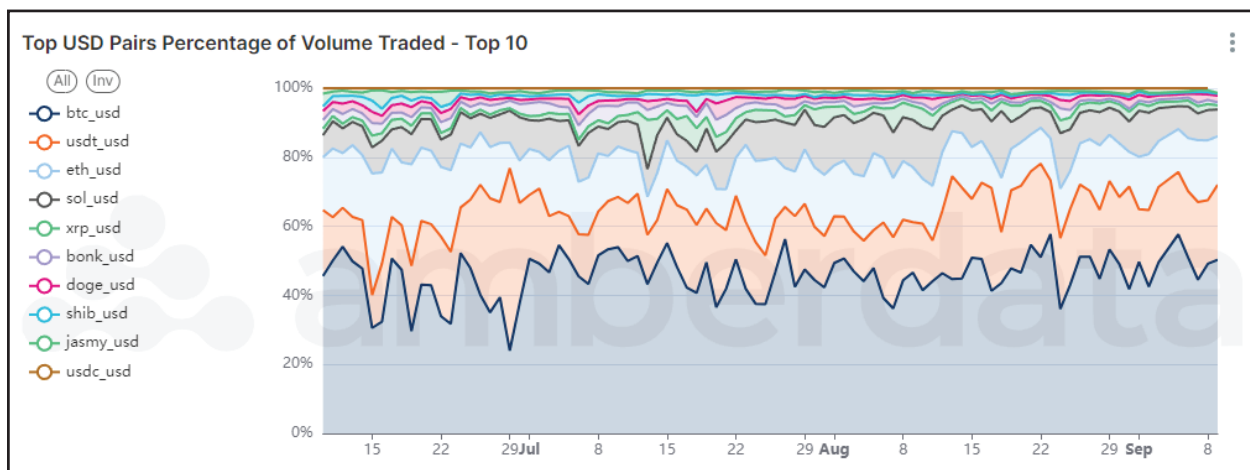

Top USD Pairs

The dominance of the top three USD trading pairs—BTC-USD, ETH-USD, and USDT-USD—has increased by 5% over the past week, largely driven by a rise in ETH-USD trading. Following the August 5th volatility, USDT-USD volumes surged from 15% to 25%, reflecting a risk-off sentiment among traders as they sought safety in stablecoins amid heightened uncertainty.

At the same time, SOL-USD has underperformed, losing 5% in market share over the past two weeks, alongside declining volumes in altcoins in general. This suggests a shift away from more speculative assets as investors focus on more stable and liquid pairs, reflecting caution and risk aversion in the current market environment.

DEFI DEXS - BORROWING AND LENDING DOWN
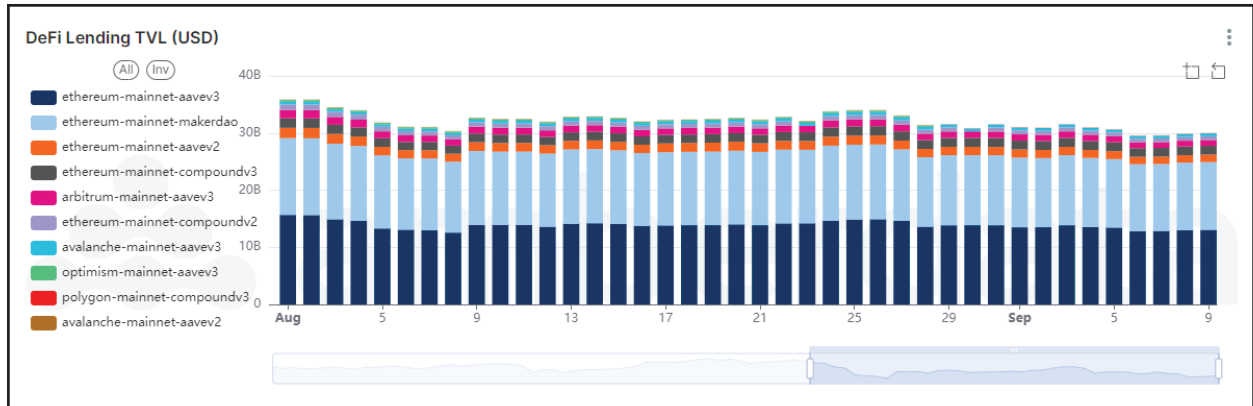
Defi Lending

Total DeFi lending total value locked (TVL) has dropped by $7 billion since the beginning of August, though the pace of the decline has slowed in September, with a $1 billion decrease over the last 11 days. This suggests that while the DeFi market is still contracting, the rate of outflows may be stabilizing, indicating a potential bottoming out or consolidation phase.
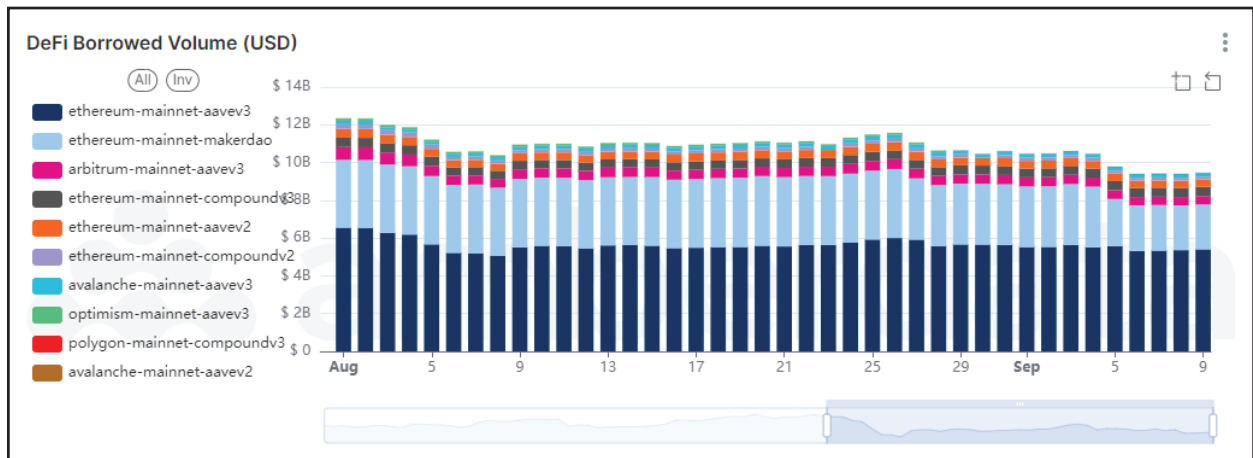

Defi Borrowing

DeFi borrowed volumes have fallen to $8 billion, down from $12.5 billion at the start of August, continuing the downward trend that began around August 5th. This ongoing decline reflects reduced borrowing activity within the DeFi space, possibly driven by broader market weakness and caution among participants.
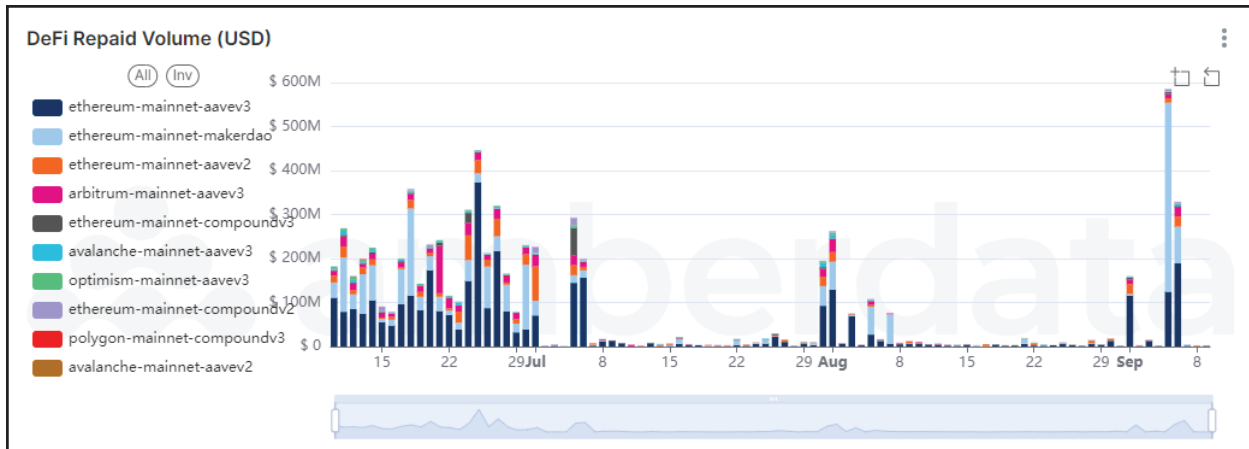
DEFI Repayments

Total DeFi net borrowed has dropped into negative territory, with net withdrawals occurring since the start of September. A notable event was the significant spike in repayments on MakerDAO on September 5th, where $430 million in loans were repaid. This sharp increase in repayments highlights a shift in borrower sentiment, possibly reflecting risk-off behavior or a desire to reduce exposure amid uncertain market conditions.
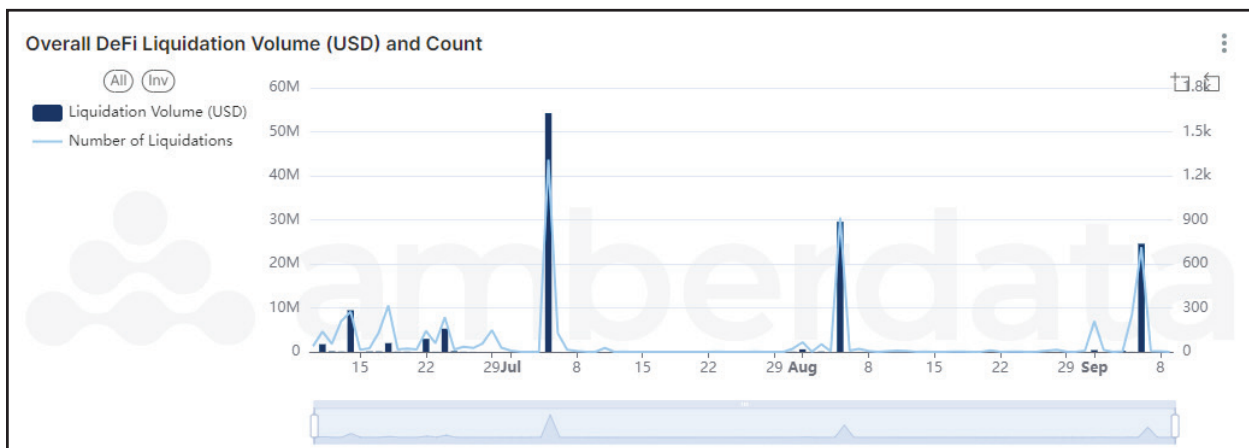

DEFI Liquidations

Liquidations have seen another rise in early September, though they haven't reached the levels observed on August 5th. It's important to note that the volatility on August 5th was significantly higher, which likely contributed to the more substantial liquidations during that period. The recent increase suggests continued market instability, but without the same extreme price movements seen in early August.

NETWORKS - ANXIOUS TIMES, POTENTIAL MARKET TOP
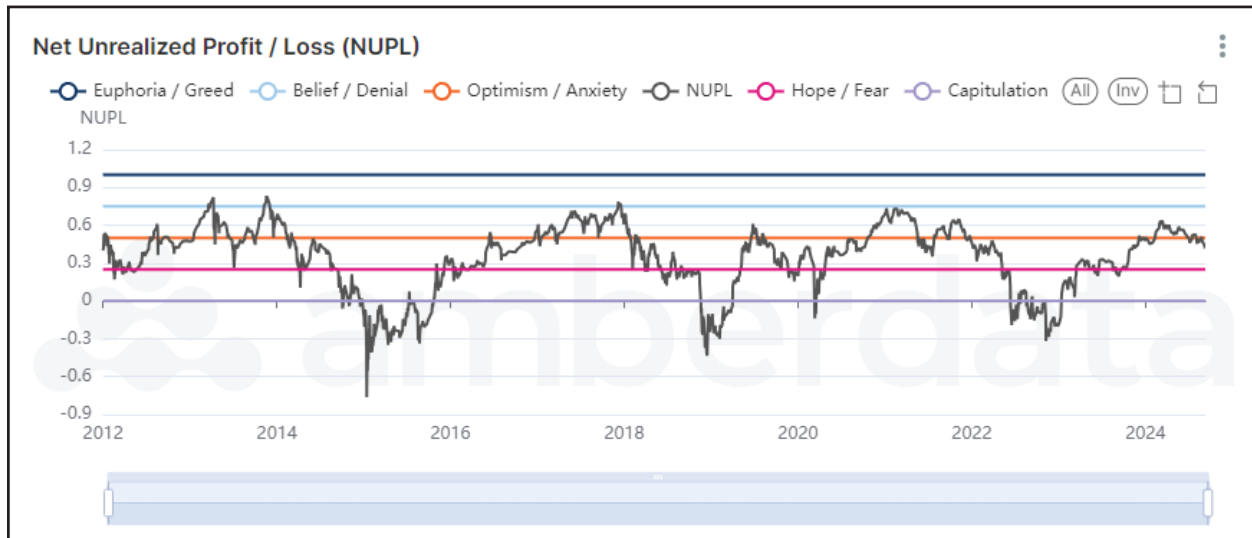
Bitcoin Net Unrealized Profit / Loss (NUPL)

The current market outlook appears bearish, as indicated by the Net Unrealized Profit/Loss (NUPL) metric. When NUPL is greater than 0, the network is in a state of profit; when it falls below 0, it signals a state of loss. Recently, the market breached the optimism/anxiety threshold at 0.5, which suggests that investor sentiment is shifting from optimism to anxiety, potentially signaling further downside risk as profit-taking decreases and losses begin to mount.
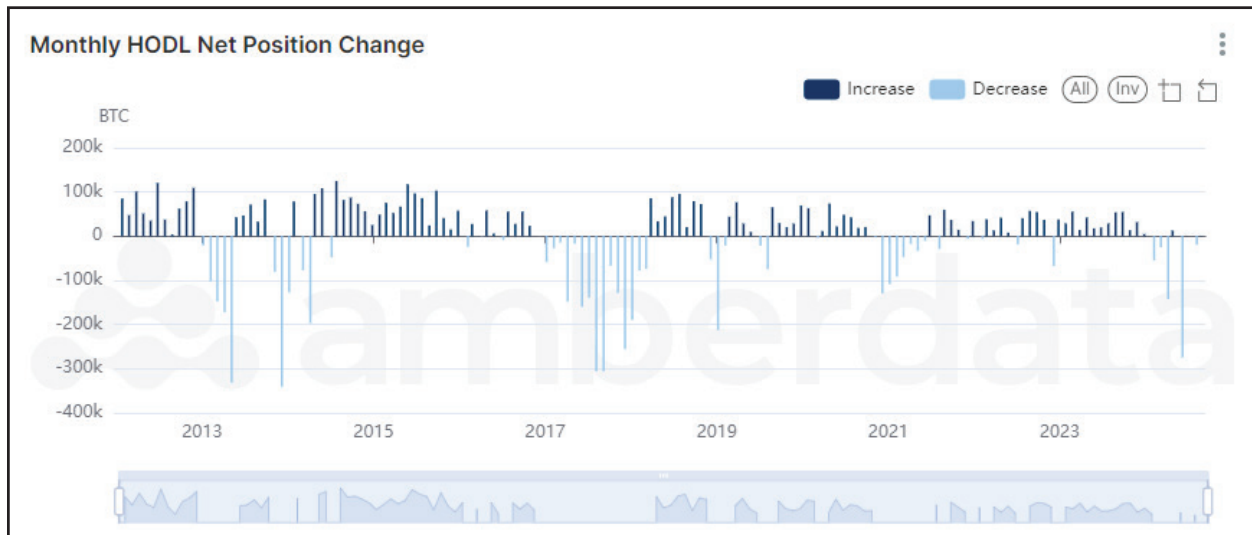
Monthly HODL Net Position Change

This metric measures how many coins the network is HODLing, with negative changes indicating that long-term HODLers are selling or moving their coins, while positive changes suggest more users are holding. A decrease in HODLing activity is often viewed as a market top indicator, signaling profit-taking by long-term investors. Currently, we're witnessing a significant reduction in HODLers' positions, at levels comparable to major market cycles in 2013, 2014, 2017, and 2021. This trend suggests that seasoned investors are offloading, which may indicate the potential for a market correction or peak.

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- **Amberdata:** [AmberLens Product Update: USD & EUR Stablecoin Dashboard Enhancements](#)

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](#)
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Futures
Futures / Swaps charts were built using the following endpoints:
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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:
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- [https://docs.amberdata.io/reference/transactions-metrics-historical](#)
- [https://docs.amberdata.io/reference/get-historical-transaction-volume](#)

LOOKING TO ENTER DIGITAL ASSETS?
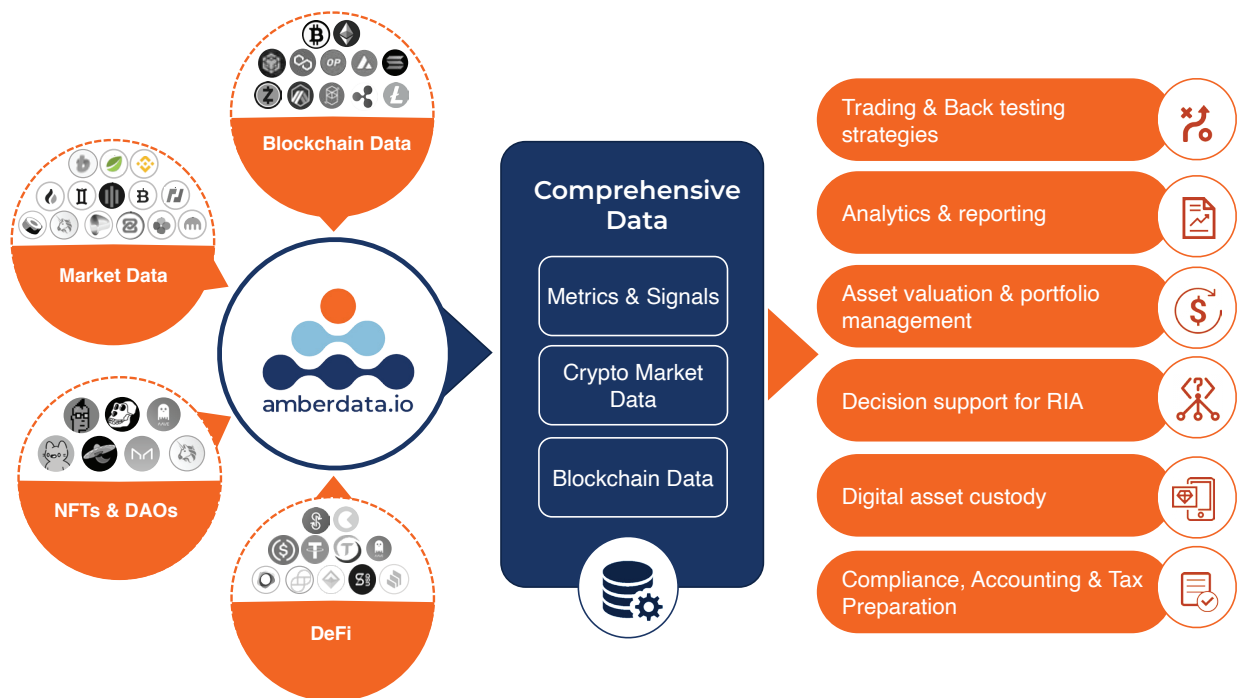
If you're looking to enter the digital asset space, you need Amberdata.

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.

Request a demo to find out how the Amberdata platform solves digital asset data challenges and enables institutions to enter the digital asset space quickly, easily, and reliably. amberdata.io/demo

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