

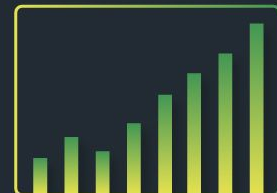
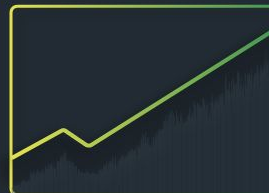
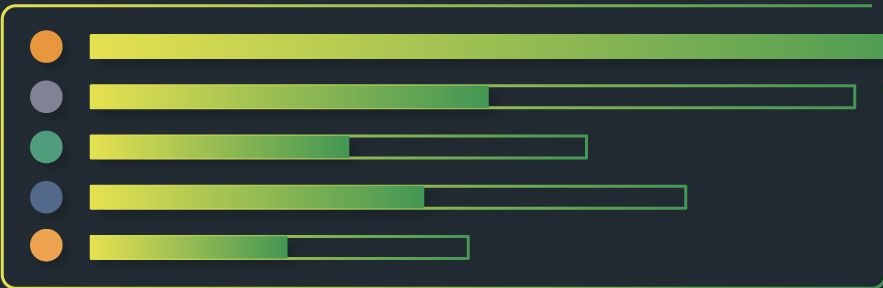


CoinGecko

Quarterly Report

Q2 2020

FULL REPORT



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Analysts:



Bobby Ong



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Kristian Kho



Crystaline Loo



Shu Wei



Erina Azmi

Founders' Note

Q2 2020 saw the recovery of crypto markets after a rough Q1 where the world felt the impact of the COVID-19 pandemic. Total cryptocurrencies market capitalization increased by 44.5% in Q2. The Bitcoin market took only 48 days to recover after falling by 35% within 24 hours during March's Black Thursday.

Q2 saw the huge growth of the Decentralized Finance (DeFi) movement. We at CoinGecko have been actively involved in DeFi ever since we published our How to DeFi book earlier this year.

DeFi yield farming became the "in" thing to do. The launch of Compound Finance's governance token, COMP caught everyone's attention with COMP storming into the Top-30 tokens in terms of market capitalization.

Overall, DeFi tokens have outperformed all other token categories. The market capitalization of the Top-5 DeFi tokens grew by 133%. Their trading volume also almost doubled in Q2.

At CoinGecko, we have been kept busy with product improvements such as our collaboration with Hacken to improve Trust Score with a cybersecurity component, the launch of CoinGecko Candy, and the launch of our stablecoin section.

We are always looking for ways to further improve CoinGecko to make it a better experience for you. Suffice to say, it's been a pretty eventful Q2 and we're looking forward to the second half of the year!

“Q2 saw a huge growth of the Decentralized Finance (DeFi) movement.”



Bobby Ong
COO

TM Lee
CEO

PART 1

MARKET LANDSCAPE

Market capitalization grew significantly, but users were trading less

+44.5%

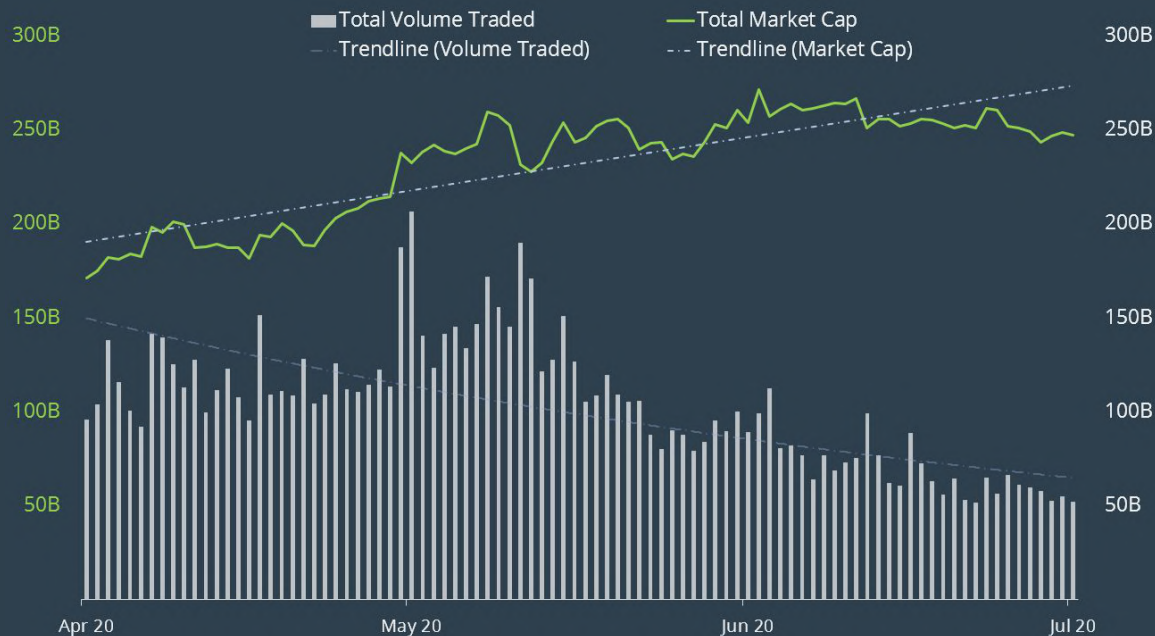
Total Market Cap Increase
in Q2 2020

In Q2 2020, total cryptocurrencies market cap **grew by 44.5%**, but spot trading volume **declined by 55%**.

Historically, market cap and spot trading volumes have been positively correlated, but the trend seemed to have shifted in Q2 2020.

There could be few plausible reasons for such shift: users HODL-ing, diminished market confidence after March's Black Thursday, and market interest shifting towards Decentralized Finance (DeFi) & Derivatives trading.

Top-30 Market Cap & Spot Trading Volume



Top-5 Crypto Returns

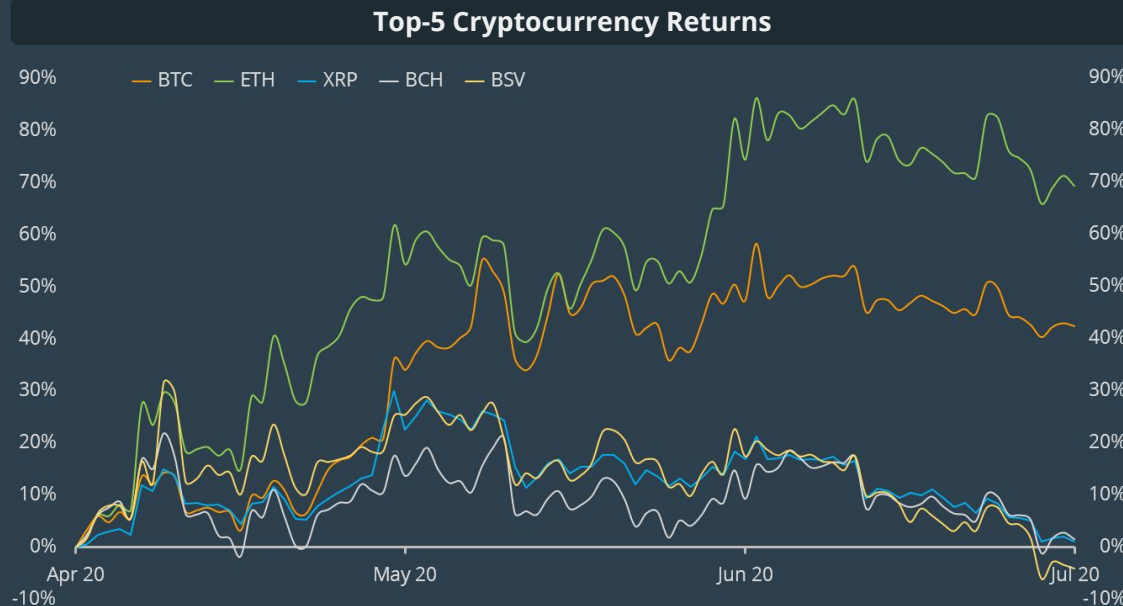
Bitcoin & Ethereum led growth while others lagged behind

+22.0%

Average Top-5 Crypto Returns in Q2 2020

Q2 was a fantastic quarter for ETH and BTC. Ethereum was the largest gainer (+69.3%), followed closely behind by Bitcoin (+42.5%).

XRP, BCH & BSV failed to rally alongside, and ended the quarter with either minor gains or losses.



 **+42.5%**

 **+69.3%**

 **+1.0%**

 **+1.5%**

 **-4.1%**

Top-30 Coins Dominance

Ethereum increased market dominance by 1.6%

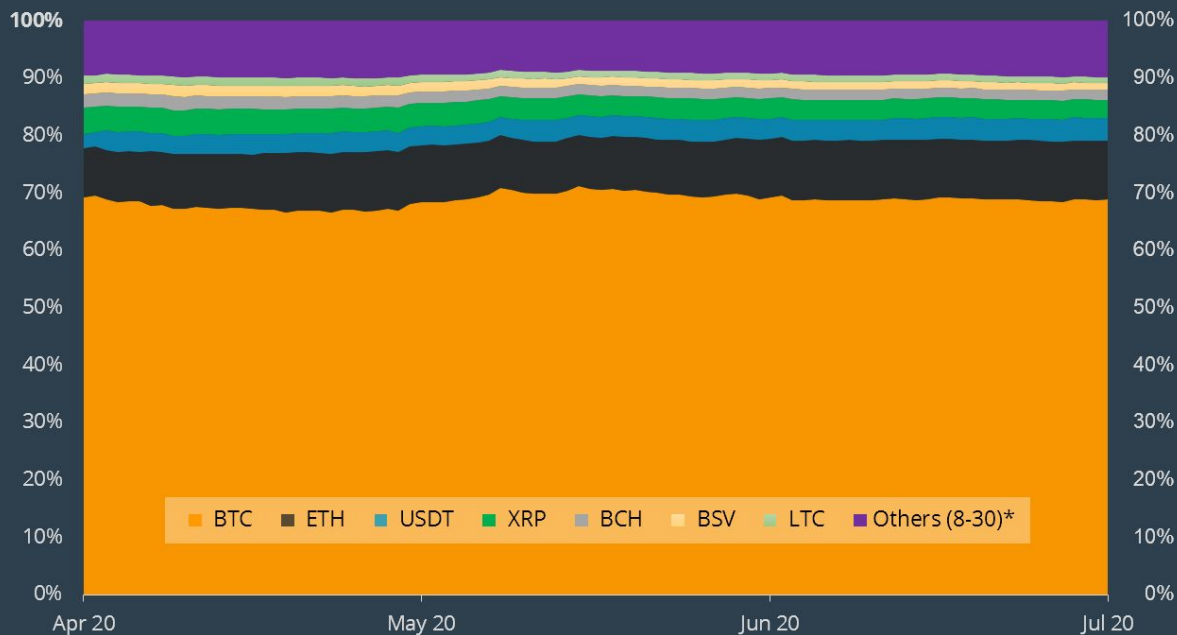
Market Dominance Q2 2020

(% change vs Q1 2020)



Ethereum was once again the biggest gainer in Q2 2020. Its dominance increased by **+1.6%**, surpassing Bitcoin's gain of **+0.3%**.

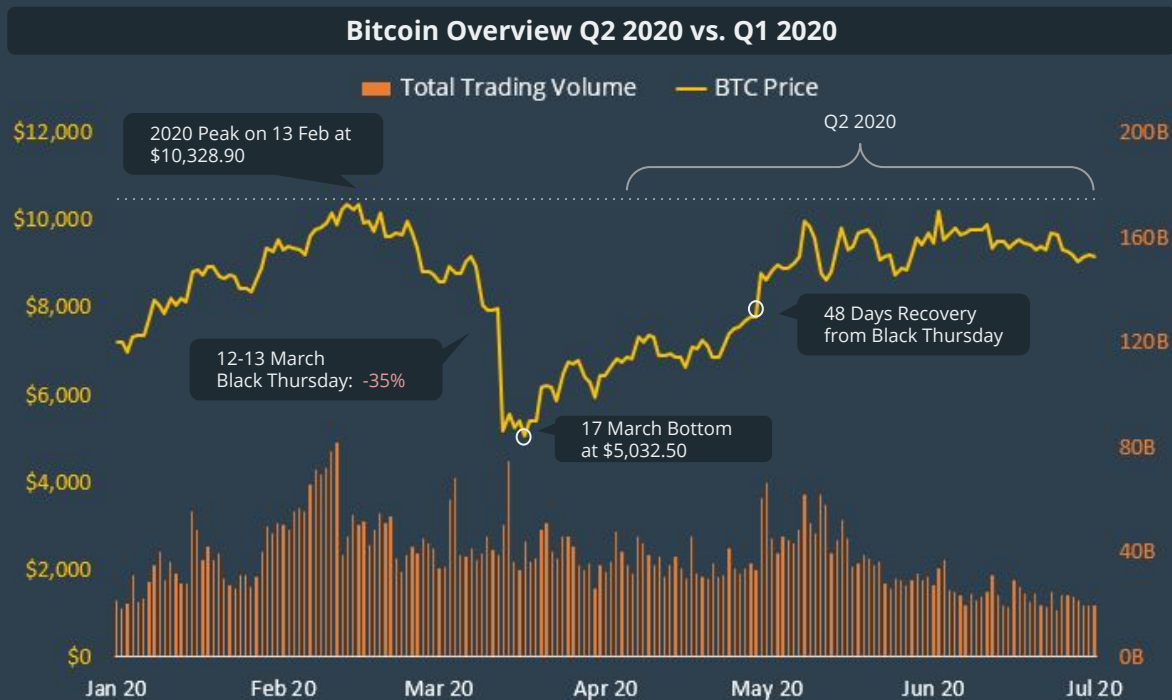
Top 30 Cryptocurrency Dominance Chart



¹Others (8 - 30) refers to top 8 - 30 coins by Market Capitalization on CoinGecko as of 1 July 2020

Bitcoin Price vs. Trading Volume

Bitcoin price up 78% from March's Black Thursday. It had remained flat since May.



Bitcoin closed Q2 up **78%** from March's Black Thursday bottom.

It took **48 days** for Bitcoin to fully **recover** from the Black Thursday.

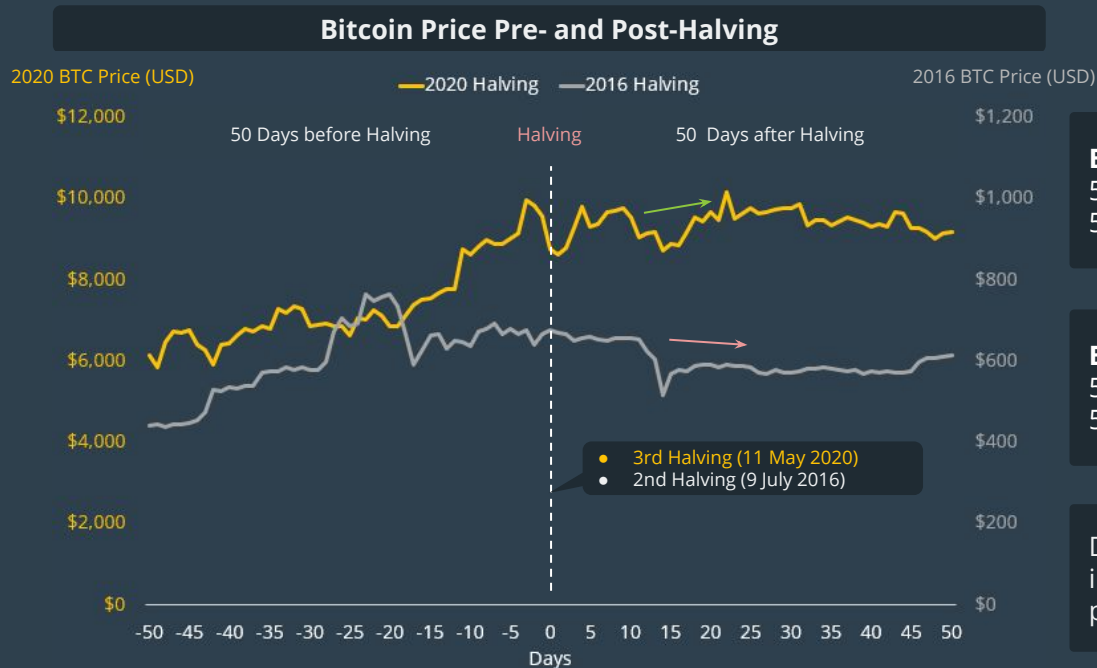
However, Bitcoin has yet to break 2020's price peak of \$10,328.90.

Bitcoin's average trading volume in Q2 were **20% lower** compared to Q1.

BITCOIN'S 3RD HALVING



In the 50-days post-halving in 2020, Bitcoin's price increased by 5%



Bitcoin's 3rd Halving (2020)

50-Days before Halving, BTC's price **increased by 50%**.
50-Days after Halving, BTC's price **increased by 5%**.

Bitcoin's 2nd Halving (2016)

50-Days before Halving, BTC's price **increased by 11%**.
50-Days after Halving, BTC's price **decreased by 9%**.

Despite having a market capitalization **15 times larger** in 2020 than in 2016, Bitcoin showed a more bullish price movement during the 3rd Halving event.

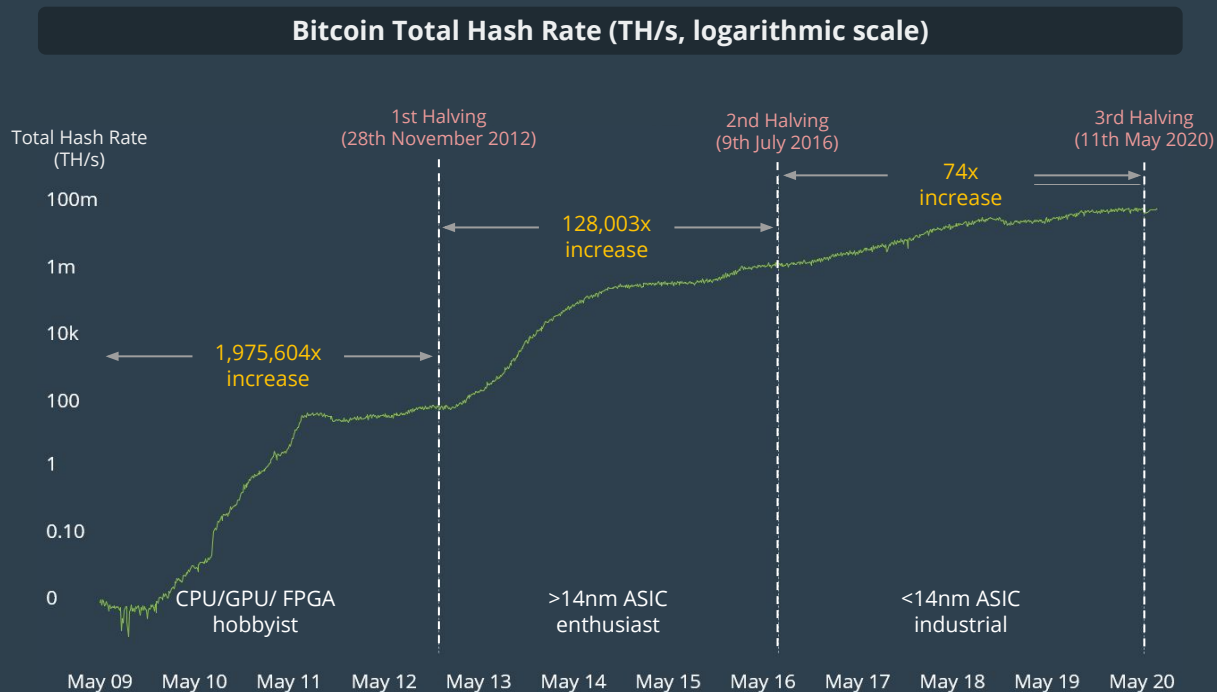
Bitcoin went through its 3rd Halving on 11 May 2020 where miners' block reward were **halved** from 12.5 BTC to 6.25 BTC per block.

Bitcoin mining has become industrialized over the years

Hash rates (H/s) refers to the speed at which a miner computes a hash in a second. Miners all over the world compete to contribute hashes to “win the lottery” and earn the block reward.

Bitcoin hash rates has seen **exponential growth** as more miners participate with increased scale and efficiency. Over the years, miners have switched from CPU/GPU/FPGA hobbyist to ASIC enthusiasts and full-scale ASIC industrial operations.

Fueled by the economic incentive of Bitcoin rewards, miners push the limits of chipset manufacturing. Miners today must optimize all parts of their operations (energy sourcing, logistics, scale etc.)



Bitcoin's hash rate dropped 27% post-halving, eventually recovering by end-Q2

Immediately after the 2020 Halving, Bitcoin's hash rate dropped by **27%**.

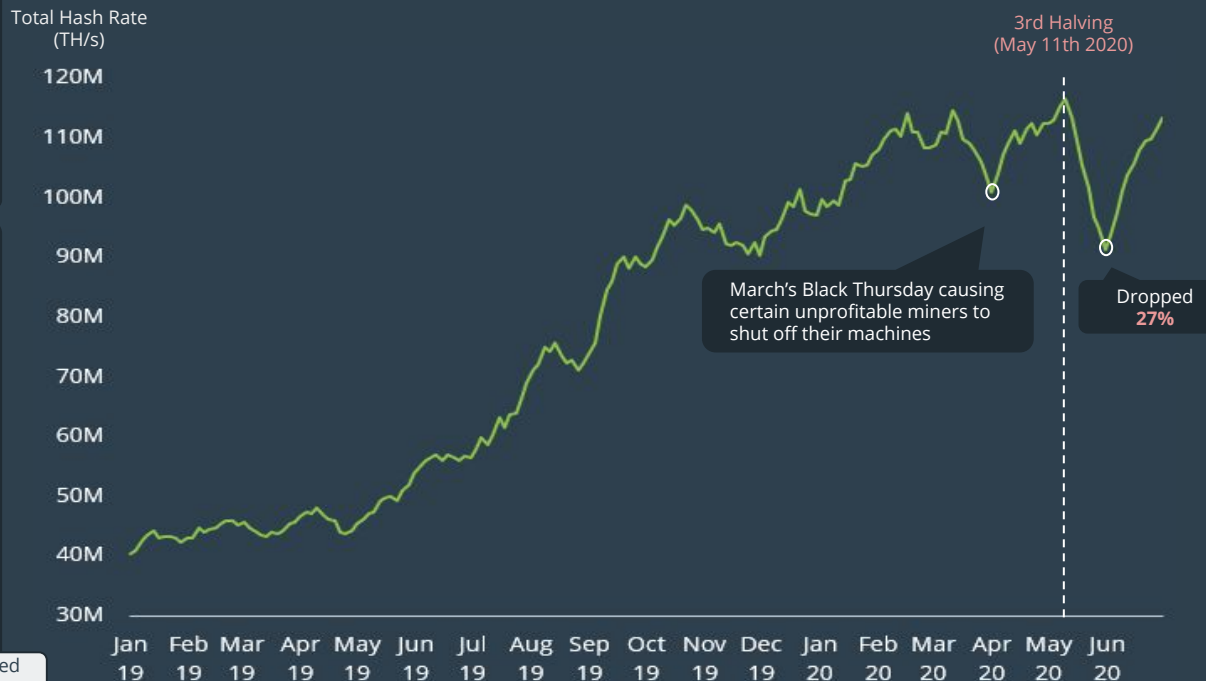
Block rewards were now halved causing certain miners using older ASICs to be unprofitable. These unprofitable miners stopped operations causing the hash rate to drop.

To remain profitable, some older miners switched from mining Bitcoin to other SHA256 compatible blockchains such Bitcoin Cash (BCH) or Bitcoin SV (BSV).

The large drop in hashrate post-halving was also contributed by miners switching off their machines to move to Sichuan. Miners do so to take advantage of the rainy season in Sichuan that will result in excess hydro-electric power in the region with lower electricity cost.

Sichuan province accounted for 54% of global mining share in December 2019.

Total Hash Rate (TH/s)



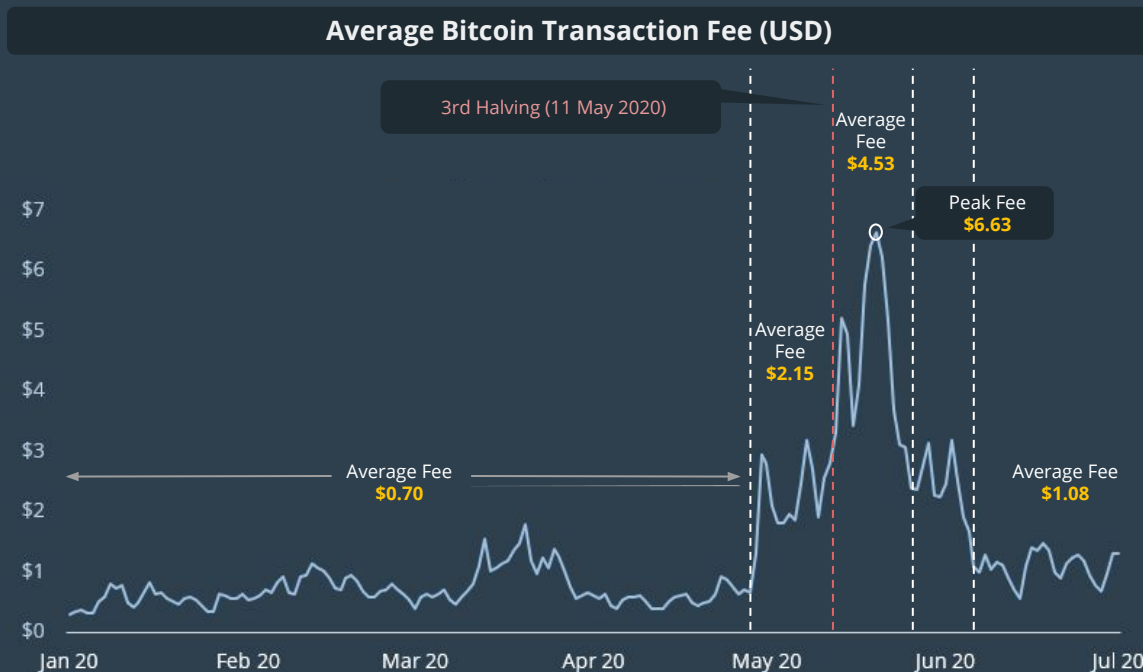
Average transaction fees increased 6.5x during the halving

There was an **increase in the average Bitcoin transaction fee** before, during, and immediately after the Halving.

2 weeks before the Halving, average transaction fee was **306% higher (\$2.15)** compared to Jan-May average (\$0.70).

During the Halving period, average transaction fee was **647% higher (\$4.53)** compared to Jan-May average (\$0.70).

Post-Halving, average transaction fees have gone back down to \$1.08 though it remained higher than the Jan-Apr average.



STABLECOINS



Top-5 Stablecoins Trading Volume

Stablecoins continue to flood the market while trading volume tapers

+\$3.65B

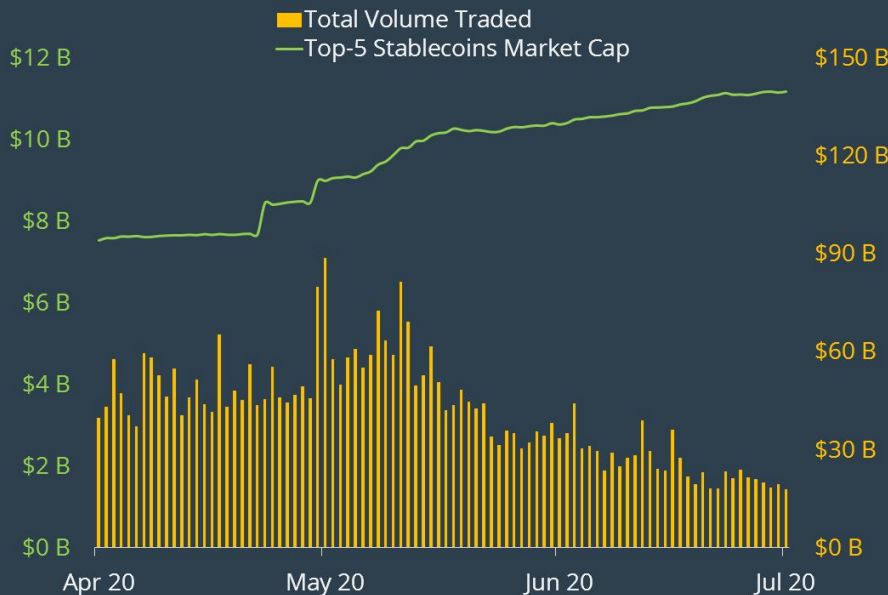
Top-5 Stablecoins
Market Cap in Q2 2020

Top-5 Stablecoins continued its upward momentum, adding **\$3.65B (+48.3%)** and closing Q2 with a total circulation of \$11.2B.


The majority of Q2 increase came from Tether **+\$3.38B (+54.0%)** followed by USDC **+\$293M (+42.0%)**.

Trading volumes have dwindled despite the rise in circulation. This may be a result of investors seeking safe haven and using stablecoins for non-trading related activities such as staking/DeFi.


Top-5 Stablecoins Q2 2020 Overview



Q2 2020 Circulation (change vs Q1 2020)

 **\$9.64B**
USDT **+\$3.38B (+54.0%)**

 **\$0.99B**
USDC **+\$293M (+42.0%)**

 **\$241M**
PAX **-\$6.2M (-2.5%)**

 **\$175M**
BUSD **-\$23M (-11.7%)**

 **\$140M**
TUSD **+\$3.6M (+2.6%)**

Top-5 stablecoins by market capitalization taken on CoinGecko as of 1 July 2020.
For the latest statistics of stablecoins, visit [coingecko.com/en/stablecoins](https://www.coingecko.com/en/stablecoins)

Top 5 Stablecoins Velocity

Stablecoins velocity went down as Bitcoin's price remained stable

Velocity = Volume / Market Cap.

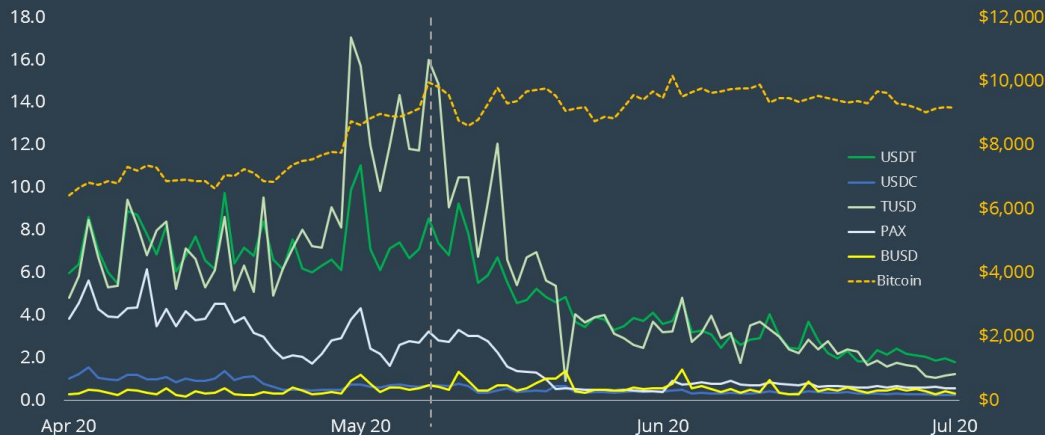
Velocity can be used as a proxy to put into perspective how widely traded a stablecoin is relative to its market cap.

Throughout April to mid-May, **most stablecoins moved at a considerable velocity.**

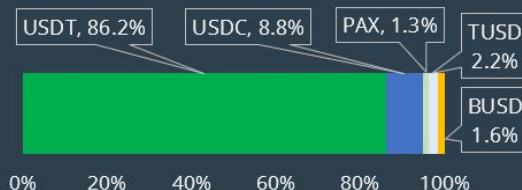
This suggests that as Bitcoin moves up, so do stablecoins as traders seek arbitrage opportunities.

From mid-May onwards, as **Bitcoin price stabilizes**, velocity of stablecoins dropped significantly. This indicates a likely **behavior shift from trading to HODL-ing.**

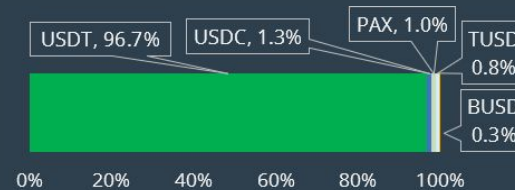
Stablecoins Velocity vs Bitcoin price



Market Cap % Distribution

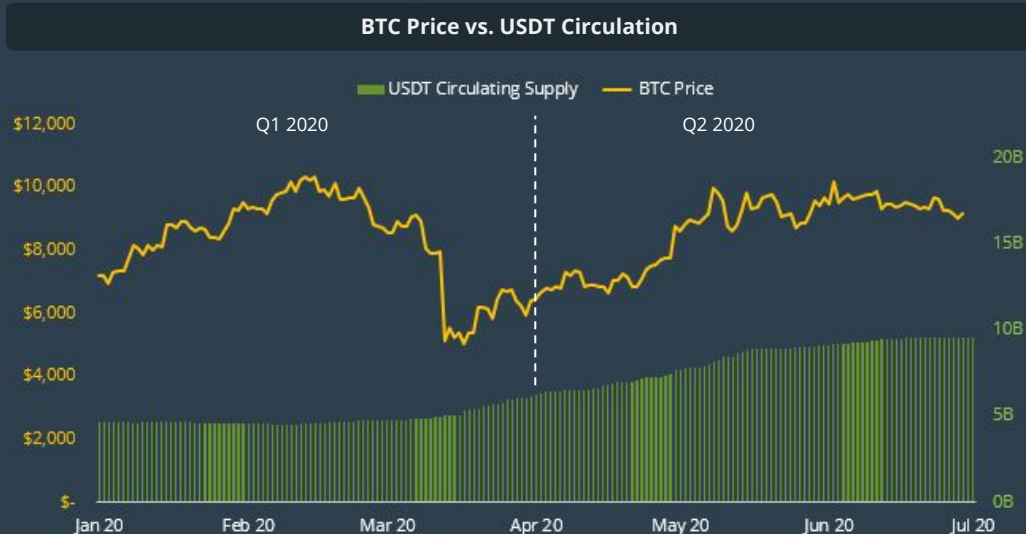


Trading Volume % Distribution



Bitcoin's Price vs. USDT Circulating Supply

USDT is up almost \$1.2 Billion in market cap within Q2 2020, and it is highly correlated to Bitcoin's price



In H1 2020, USDT's circulation **increased by over 100%** from 4.7 billion to 9.6 billion.

Issuance of USDT is **highly positive correlated** with Bitcoin's price, especially in Q2 2020.

USDT is the most popular trading pair in both spot and derivative exchanges. It has seen continuous strong growth in Q2 despite the decrease in spot trading volume. This may be due to the increased usage in businesses engaged in import & export trades in China & Russia.



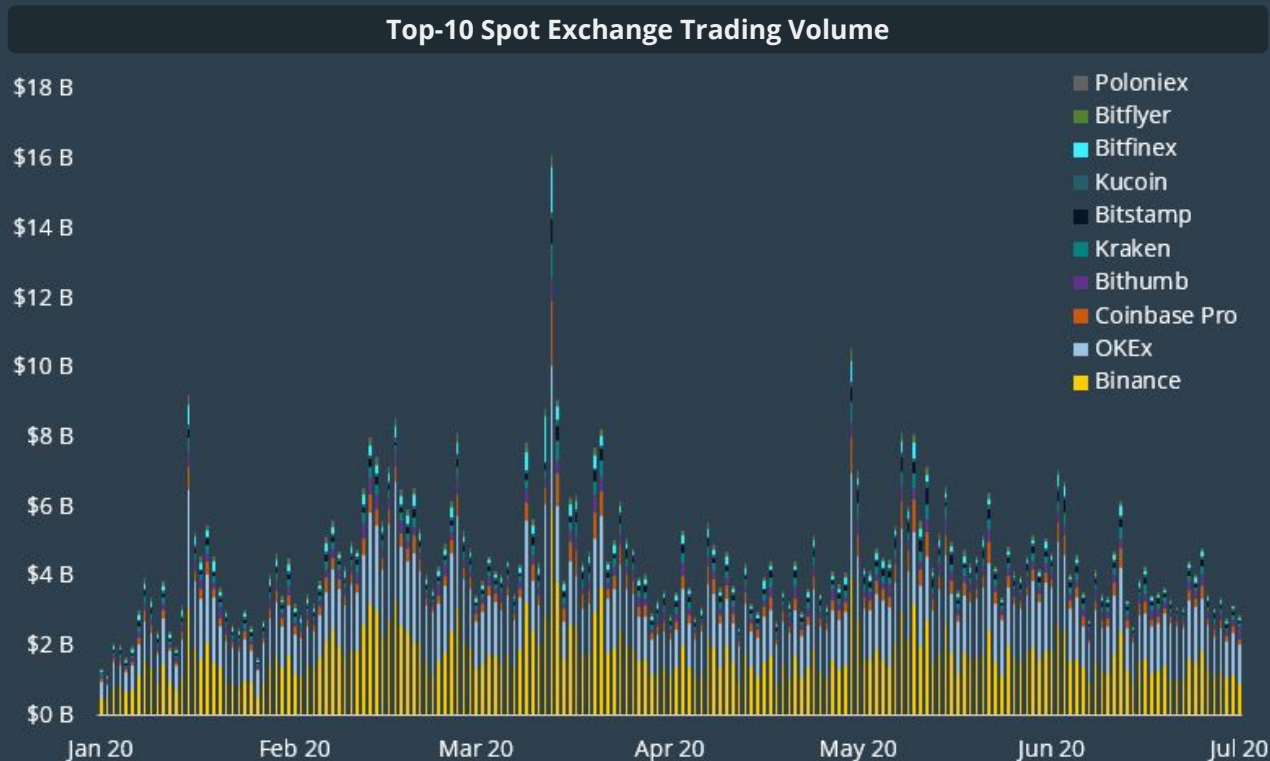
The issuance of USDT is highly positive correlated with BTC Price in Q2 2020.

PART 2

CRYPTO EXCHANGES

Top-10 Exchanges Trading Volume

Trading volume for Top-10 spot exchanges declined 7% quarter-on-quarter, depicting similar downtrend by Top-30 cryptocurrencies total trading volume

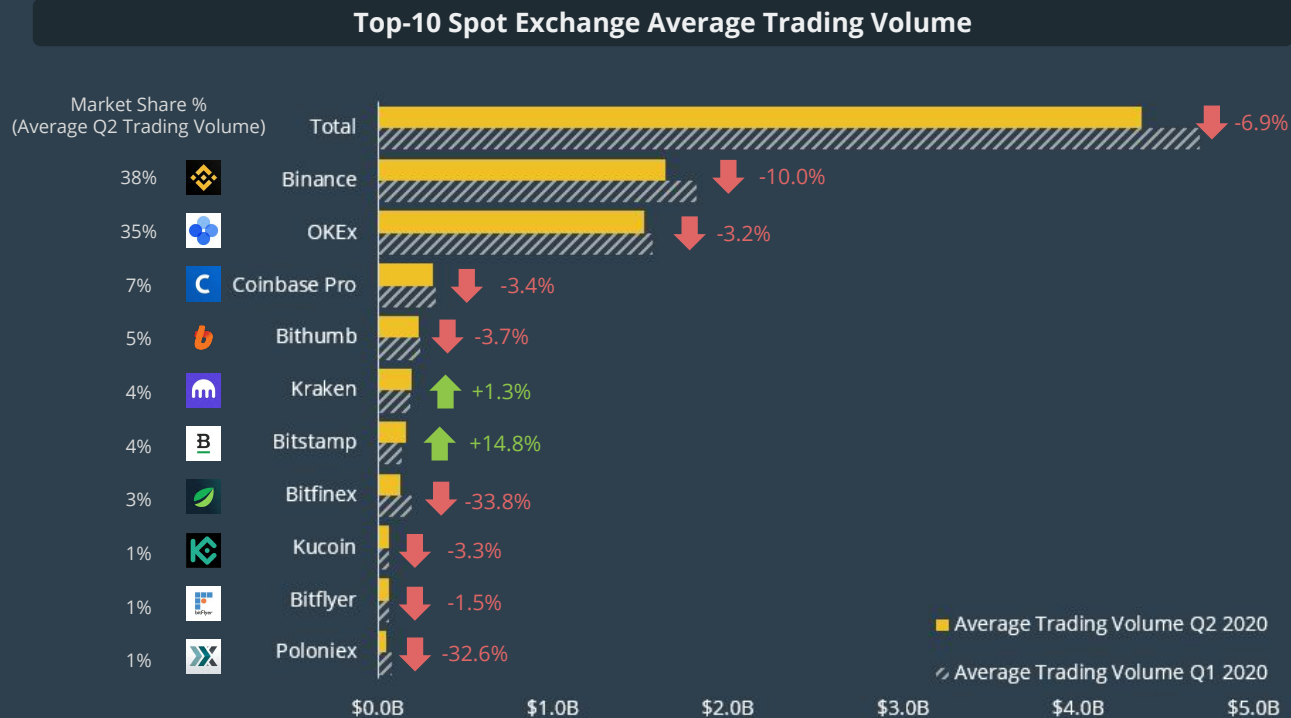


In Q2 2020, the average of Top-10 Spot Exchange trading volume went **down 7%** from Q1 2020.

This is similar with our [Q2 2020 - Part 1 Report](#), where we found that total volume for Top-30 cryptocurrencies were down 55% compared to Q1 2020.

Top-10 Exchanges Trading Volume

Trading volume decline was led by Binance with a fall of 10% (\$183M)



Overall Q2 spot trading volume had a net decline of **7%** vs. Q1 2020. However, **two exchanges** gained its trading volume in Q2: **Kraken** and **Bitstamp**.

Bitstamp had the **highest growth** in its trading volume, growing **14.8% (\$20M)**, accounting for **90%** of the total gross gain in volume.

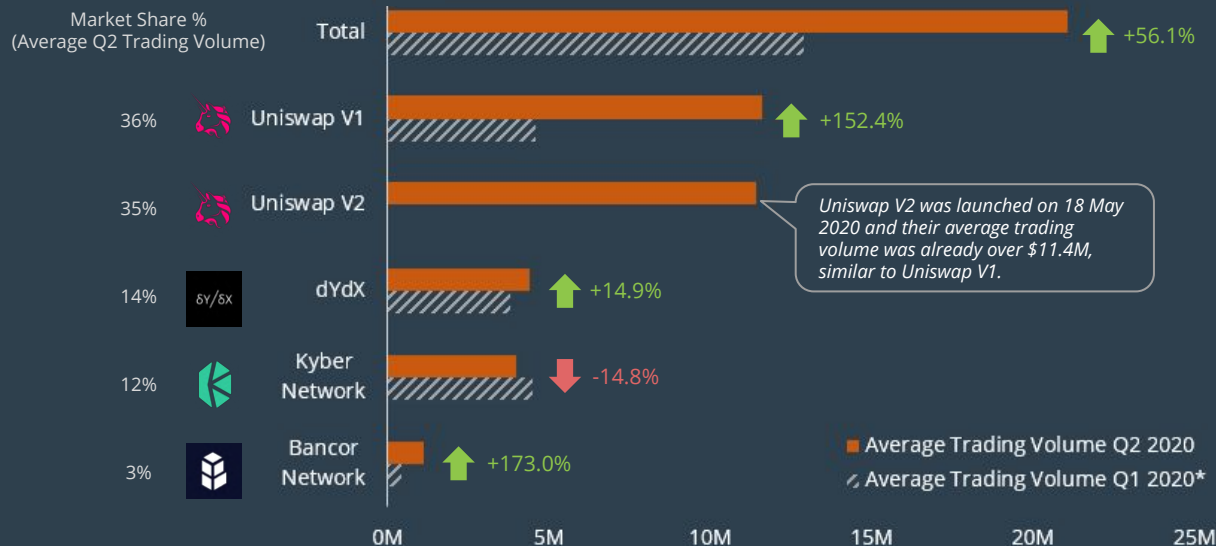
In Q2 2020, **Binance's** trading volume went down by **10% (\$183M)** compared to Q1 2020; accounting for **53%** of the total gross decline in trading volume.

The second major contributor to the decline is **Bitfinex**. Its trading volume went **down** by **34% (\$66M)**.

Top-5 Decentralized Exchanges

As Centralized Exchanges struggle, Decentralized Exchanges thrived amid DeFi boom

Top-5 Spot Decentralized Exchange Average Trading Volume



Overall, **Top-4 Decentralized Exchanges (DEX)** trading volume** had a net increase of **56.1%** in Q2 compared to Q1 2020.

Uniswap V1 had a large jump of **152.4% (\$7M)**, where it contributed to **85%** of total gross gains.

Kyber Network was the only DEX that had a **decline** in its trading volume, going down **14.8% (\$689K)**

The surge in DEX trading volume was due to the rise of **Decentralized Finance (DeFi)** movements such as yield-farming using stablecoins and DeFi governance tokens.

Source: Selected Decentralized Exchanges listed on CoinGecko
 dYdX trading volume is based on spot trading volume, excludes derivatives volume.
 ** Uniswap V2 was not included in the calculation for total average trading volume

Top-20 Exchanges web traffic

Average traffic up, but were there more traders? Research suggests otherwise

In Q2 2020, **Binance** was still the web traffic leader with 30% market share (and by a considerable margin). Binance grew by **+9%** while the rest of the industry grew by an average of **+5%**.

However, our research suggests that traffic growth for certain exchanges may be inorganic, as top traffic referrers were crypto ad or faucet sites.

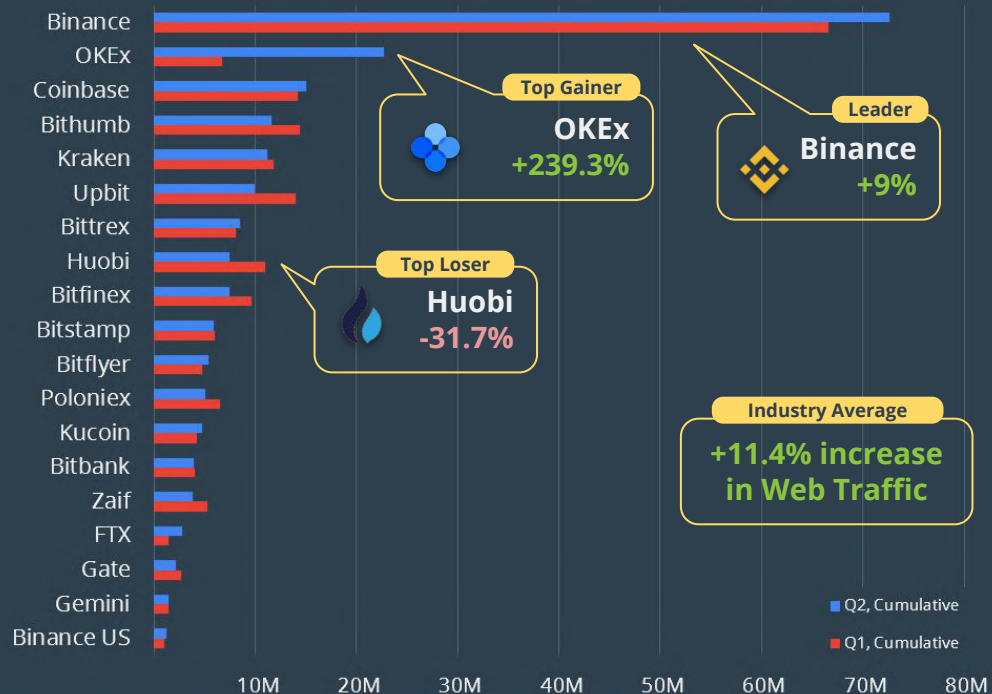
OKEx registered the highest web traffic gain of **+239%** in Q2.

However, **this growth may appear inorganic** as its top 5 referring sites were crypto ad / faucet sites such as adbtc.top and cointiply.com.

Reported trading volume also **did not increase in accordance** with the web traffic spike.

Binance also exhibited similar behavior with its top 2 referrers being crypto ad / faucet sites.

Top-20 Crypto Exchange Traffic (Q2 vs Q1, Cumulative)



Centralized Exchange Tokens

Top-5 Centralized Exchange Tokens

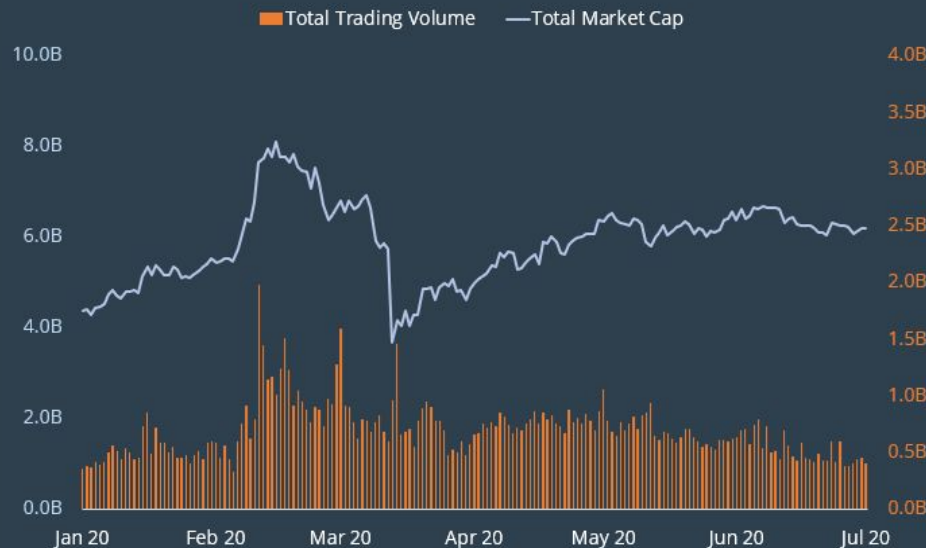
Market capitalization for exchange tokens grew in tandem with the broader crypto market

In Q2 2020, Top-5 Exchange Tokens **total market cap** increased by **24%**.


However the **total trading volume** for the Top-5 Exchange Tokens were down by **10%** Q-o-Q.

The **downtrend in the trading volume** may be a signal that investors were **more careful** with their trading or there were more retail participants who traded a minimal amount of coins while the whales may have been practising HODL.

Top-5 Exchange Tokens




Top-5 Exchange Tokens Market Cap as at 30th June 2020 (vs. growth in Q2 2020)




\$2.3B
(+20%)

Binance Coin (BNB)



\$1.4B
(+16%)

OKB (OKB)




\$1.2B
(+21%)

LEO Token (LEO)



\$970M
(+25%)

Huobi Token (HT)

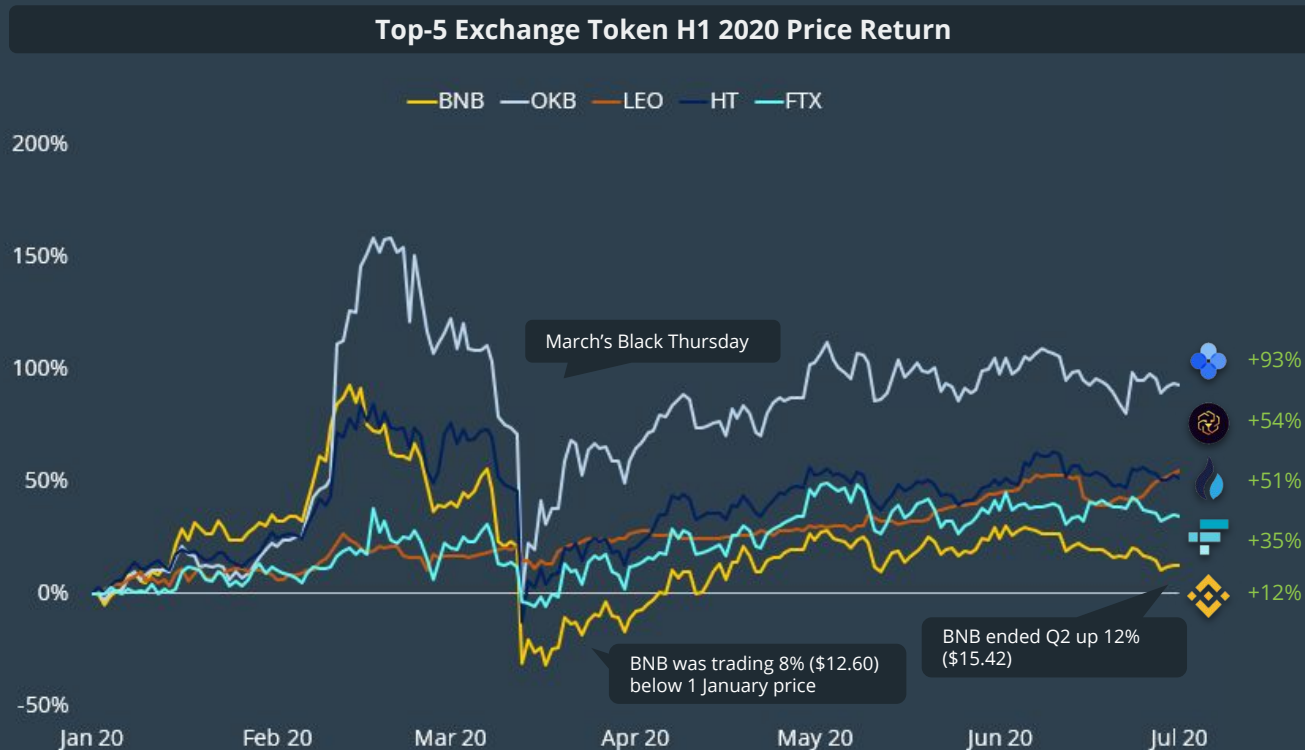


\$287M
(5%)*

FTX Token (FTT)

Top-5 Centralized Exchange Tokens

OKB outperformed with the highest return of 90% in YTD (Jan-June)



Overall, **top 5 exchange tokens had good returns** in H1 2020.

Among the top-5 exchange tokens, **OKB** performed the best with over **90%** increase YTD.

BNB has recovered from its price decline in Q1 2020 and ended Q2 2020 up **12%**.

Top-5 Centralized Exchange Tokens

However, OKB's return actually slowed down in Q2 2020

Top-5 Exchange Token Q2 2020 Price Change



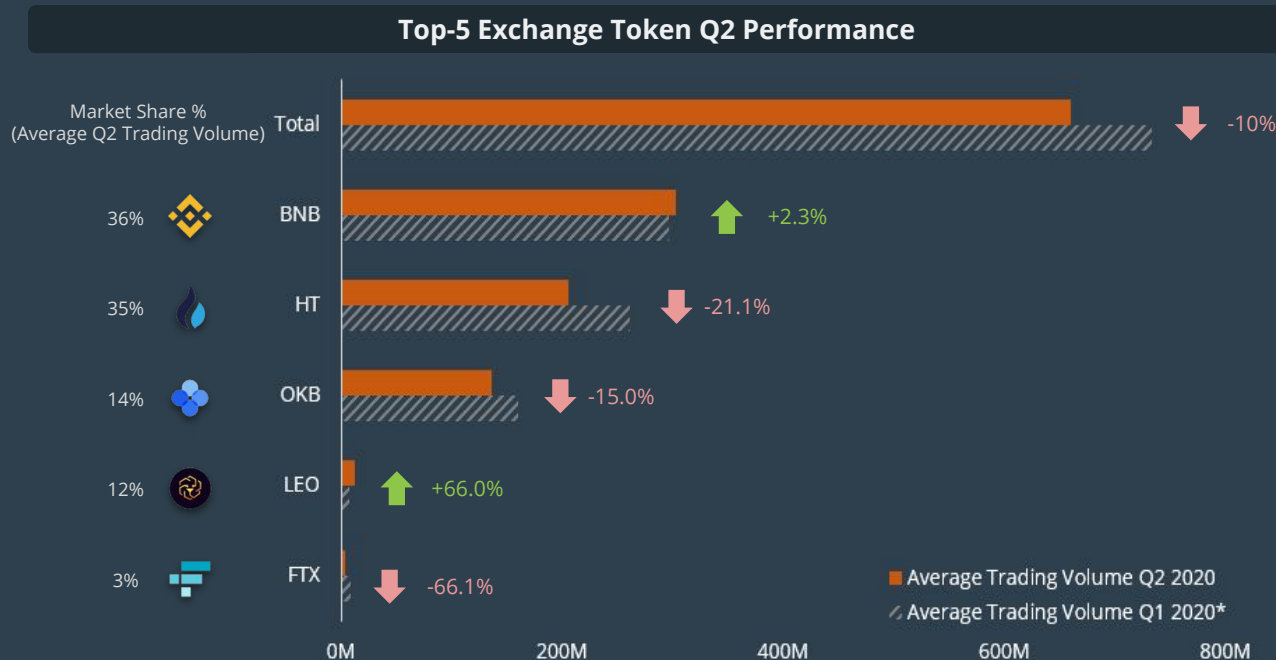
The average return in Q2 2020 for top 5 exchange tokens were **21%**.

BNB ended Q2 2020 up **22%**. This was much better than its Q1 performance of **-8%**.

OKB had **slower growth (+17%)** in Q2 2020, compared to Q1 2020 **(+65%)**

Top-5 Centralized Exchange Tokens

Despite the good price return, users were trading less of the exchange tokens and Huobi Token had the largest fall in trading volume



Overall trading volume went down by **10%** vs. Q1 2020.

There were **two gainers** in Q2: **BNB and LEO**.






BNB was a major gainer with an increase of **2.3% (\$6.8M)**, accounting for **58%** of the total gross increase in trading volume.

HT was the biggest loser with a loss of **21.1% (\$55M)** in trading volume, accounting for **65%** of the gross loss in trading volume.

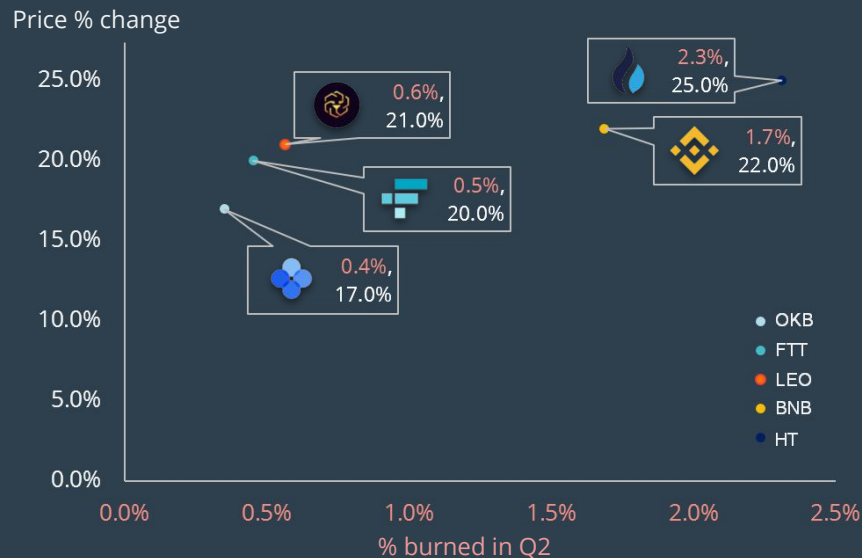
Top-5 Centralized Exchange Tokens

Exchange token price change seemed to be directly correlated with amount burned

Top-5 Exchange-Based Tokens Burn Statistics

Exchange	Ticker	Q2 Amount burned	Q2 % Burned	Price (1 Jul 2020)	% Price Change (Q2)
 OKEx	OKB	3,509,874	0.4%	\$5.05	17%
 FTX	FTT	1,591,247	0.5%	\$2.87	20%
 Bitfinex	LEO	5,661,440	0.6%	\$1.26	21%
 Binance	BNB	3,373,988	1.7%	\$15.35	22%
 Huobi	HT	11,542,762	2.3%	\$4.15	25%

Q2 Price Growth vs. % of Tokens burned



Price change seemed to be directly correlated with amount burned, though it appears that there are diminishing returns. Note that many other factors may also influence price movement.

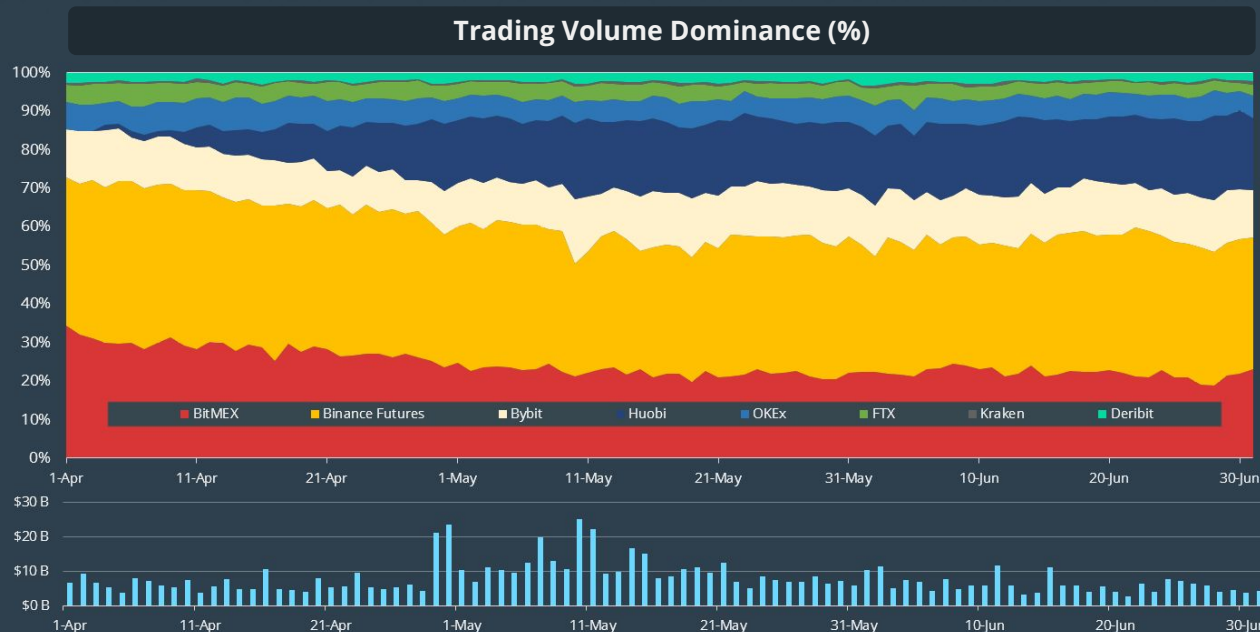
Source: Selected Top-5 Exchange-Based Tokens on CoinGecko
 *Burn % is calculated based on initial supply (eg. 200m for BNB)

PART 3

DERIVATIVES - BTC PERPETUAL SWAPS

Derivatives - BTC Perpetual Swaps

BitMEX and Binance Futures saw large declines in their trading volume dominance



Q2 2020 Volume Dominance (vs Q1 2020)



Derivatives trading volume **trended downwards** and showed sign of **shrinkage in Q2**.

In Q2, BitMEX & Binance Futures saw large declines in terms of volume dominance - likely due to Huobi's entrance to the market.

Huobi ended Q2 with **18.7% volume dominance** - an impressive feat given that the market appeared to be stagnant at best.

Source: CoinGecko. Dominance is measured for top-8 exchanges trading Bitcoin Perpetual Swaps
*Huobi BTC Perpetual swap pair only tracked starting 4th April 2020.

Derivatives - BTC Perpetual Swaps

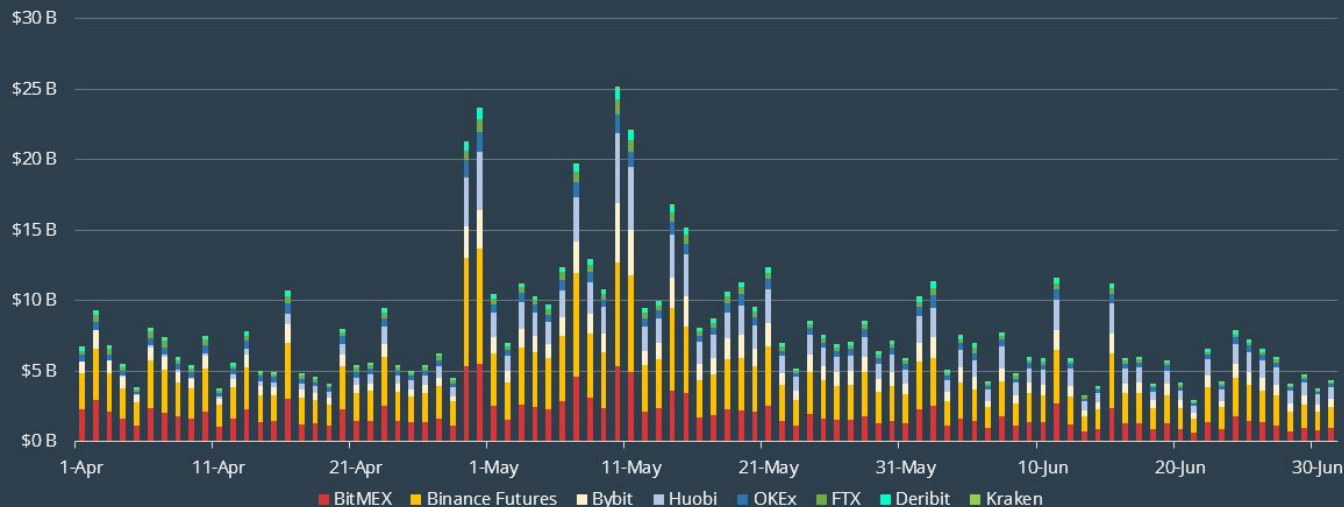
Industry wide experienced over \$2B decline in the trading volume

Q2 saw an industry wide decline, with BitMEX (-\$1.3B) & Binance Futures (-\$1.1B) bearing the brunt of the losses.









Despite the decline, Huobi bucked the trend and managed to grab up to \$800M worth of daily trading volume.

It would seem that derivatives are becoming less popular amongst retail traders.

Trading Volume (\$ Billion) by exchange



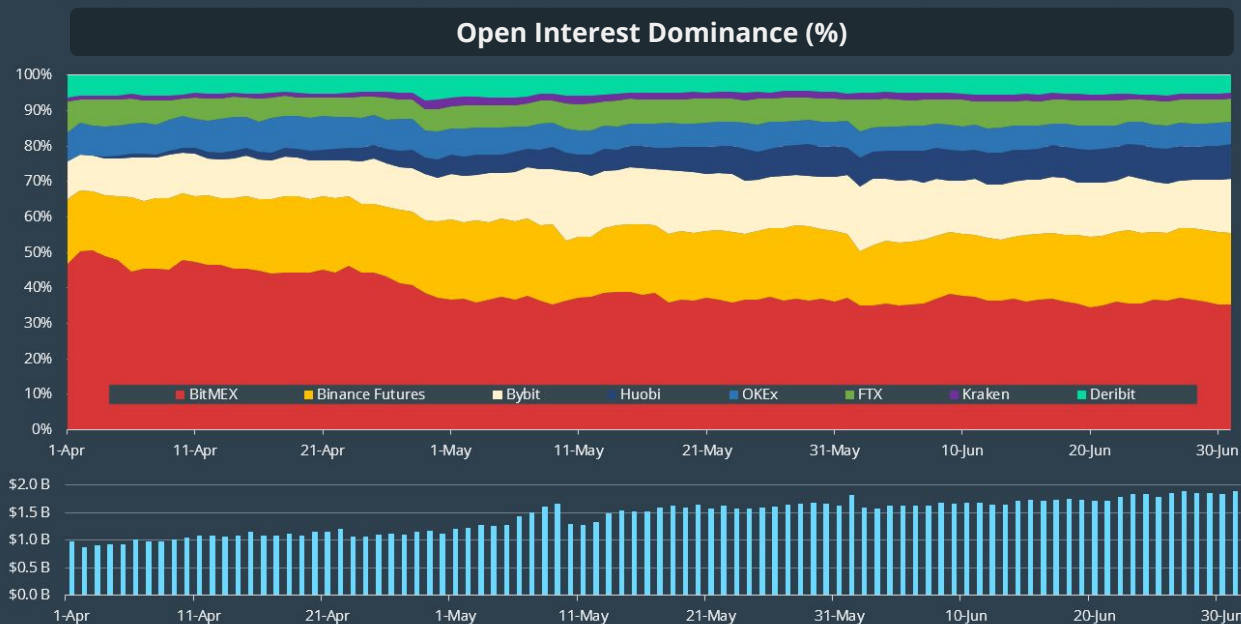
Q2 2020 Trading Volume
(vs. Q1 2020)

 \$1.0B	 \$1.5B	 \$536M	 \$815M	 \$251M	 \$129M	 \$96M	 \$35M
BitMEX -\$1.3B	Binance -\$1.1B	Bybit -\$290M	Huobi N/A*	OKEx -\$235M	FTX -\$160M	Deribit -\$80M	Kraken -\$1.7M

Source: CoinGecko. Dominance is measured for top-8 exchanges trading Bitcoin Perpetual Swaps
*Huobi BTC Perpetual swap pair only tracked starting 4th April 2020.

Derivatives - BTC Perpetual Swaps

However, open interest doubled and BitMEX lost 11.6% in dominance



Q2 2020 Open Interest Dominance (vs Q1 2020)



Overall, open interest volume **doubled** in Q2 2020 - investors are expecting more volatility.

BitMEX lost **-11.6%** in dominance, signalling a shift in investor preferences. Despite losses, BitMEX still remained as market leader for BTC perp swaps in Q2.

Binance Futures and Bybit were both fast catching, posting gains of **+2%** and **+4.6%** respectively.

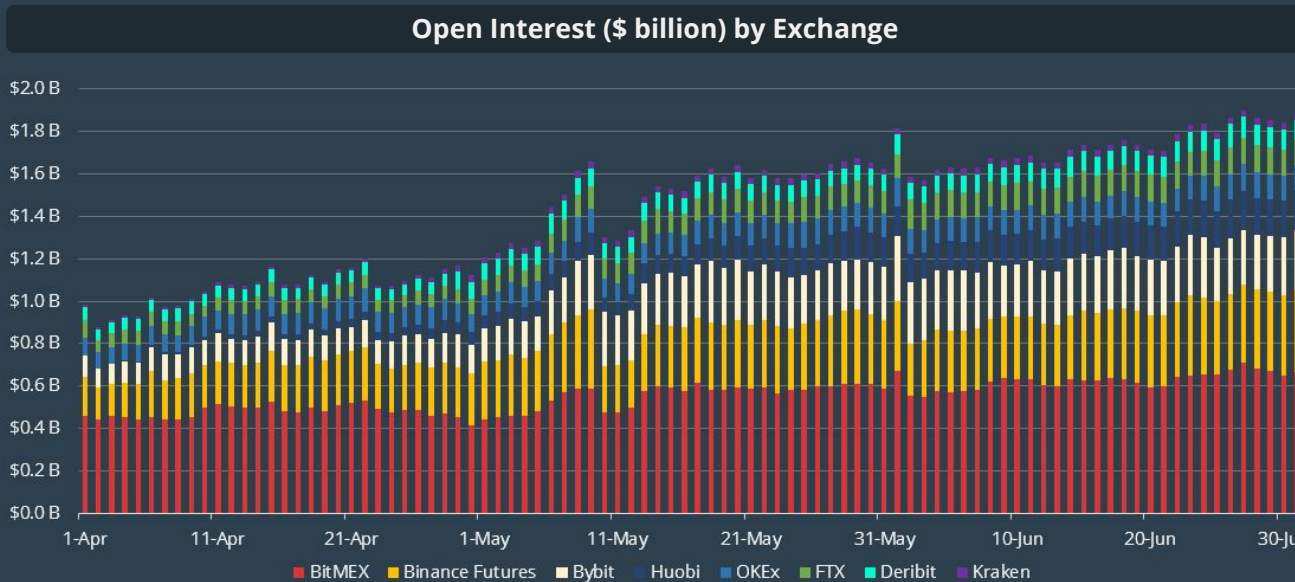
Derivatives - BTC Perpetual Swaps

BitMEX grew despite its dominance decrease. Binance Futures & Bybit fast catching up









Despite seeing a huge **11% decrease** in its market dominance, BitMEX's open interest actually **grew \$204M** to \$665M (+44%).

Binance Futures had a similar absolute increase in its open interest but worth noting it **outperformed** BitMEX with a growth of **112%**.

Bybit & Huobi are the next largest contributor (**+\$182M, +\$185M**) to net increase in open interest.



Q2 2020 Open Interest Dominance
(vs. Q1 2020)

 \$665M BitMEX (+204M)	 \$383M Binance (+203M)	 \$286M Bybit (+182M)	 \$185M Huobi N/A*	 \$120M OKEx (+39M)	 \$119M FTX (+34M)	 \$94M Deribit (+33M)	 \$31M Kraken (+20M)
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Source: CoinGecko. Open interest is measured for top-8 exchanges trading Bitcoin Perpetual Swaps
*Huobi BTC Perpetual swap pair only tracked starting 4th April



eToro is the world's leading social trading network. Powered by millions of users from over 140 countries, eToro has been able to refine their knowledge and experience into practical trading tools.

eToro offers a smarter, easier way to buy, sell, and trade assets. eToro gives you a streamlined and seamless platform with which to check on the market and trade like a professional.

With its clean and intuitive interface and ability to easily mimic the trades of successful traders, eToro is a great way for beginners to get into crypto trading. Even more advanced traders might learn a few things from the popular investors.

[Click here to learn why 13 million users worldwide trust eToro](#)

News Feed

2 days ago from Norway

Etahan Pierce @AltcoinTrader
Investment could potentially flow to **\$BTC** if continues to gain traction as a 'safe haven' alternative to **\$GOLD**

Crypto Analyst Believes Bitcoin 'Could Replace Gold'
After long days with a Bitcoin price under \$7,000 dollars, the famous virtual currency was able to recover and be sold for \$7,400 dollars. And there are some cr...

2 days ago from United Kingdom

Like Comment Share

CHANGE TODAY: +\$6.39

Watchlist

ETHEREUM	728.5340	+142.28%	BUY
XRP	0.64	+14.8892%	BUY
BTC	728.5340		BUY
NEO	73.15	+142.28%	BUY
LTC	153.34		

Social Trading Platform

The array of social features eToro offers is vast and extends well beyond the trading platform itself. While pioneering social features and making the financial market more friendly and accessible to almost anyone around the world, eToro has also extended its reach and is maintaining active social channels.

There's also a social media-like 'Feed' feature, much like Facebook, where traders get to engage, connect, and share knowledge with one another. Join an entire community of crypto traders and benefit from the wisdom of the crowd.

TRADER SPOTLIGHT
troylindsey
Troy has been a crypto enthusiast for the past 3 years. He is also a small business owner and musician.

RETURNS (3Y): -0.91%
RISK: 5

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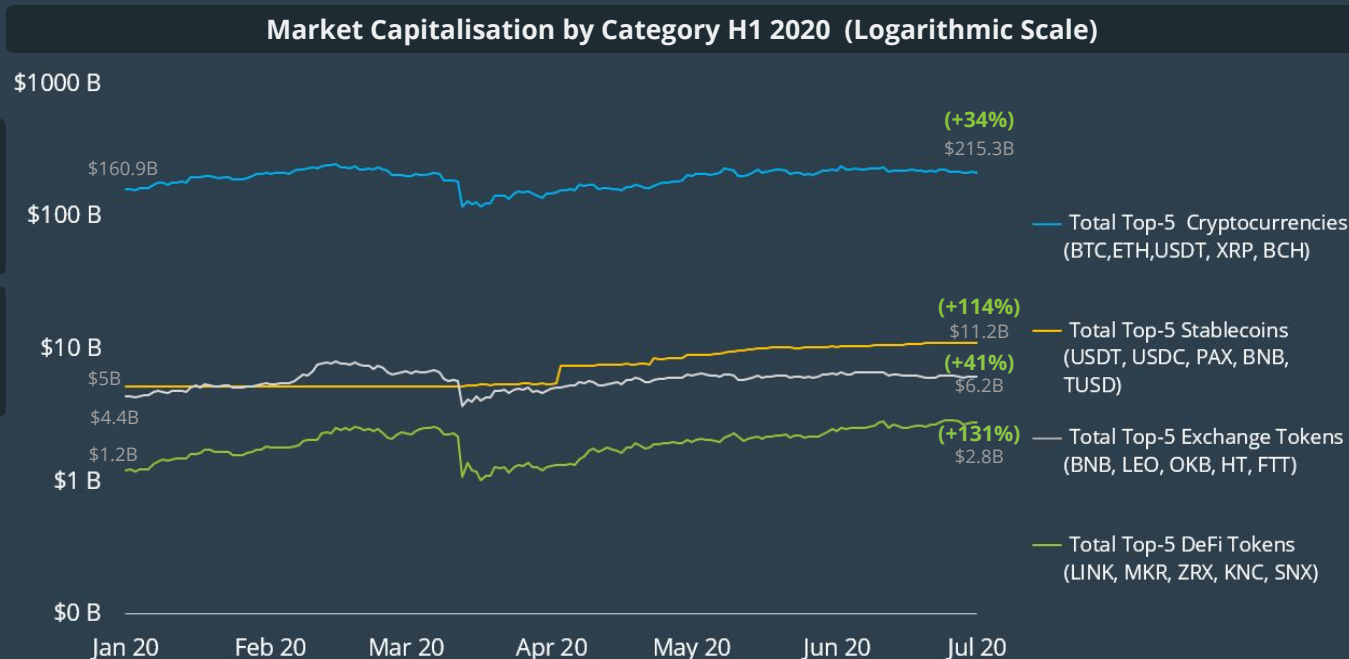
DECENTRALIZED FINANCE (DEFI)

Decentralized Finance (DeFi)

DeFi market capitalization grew at the highest rate

Top-5 **DeFi Tokens** saw the **highest** market capitalization growth of **133%** in H1 2020.

This was followed closely by the Top-5 Stablecoins at **114%**.

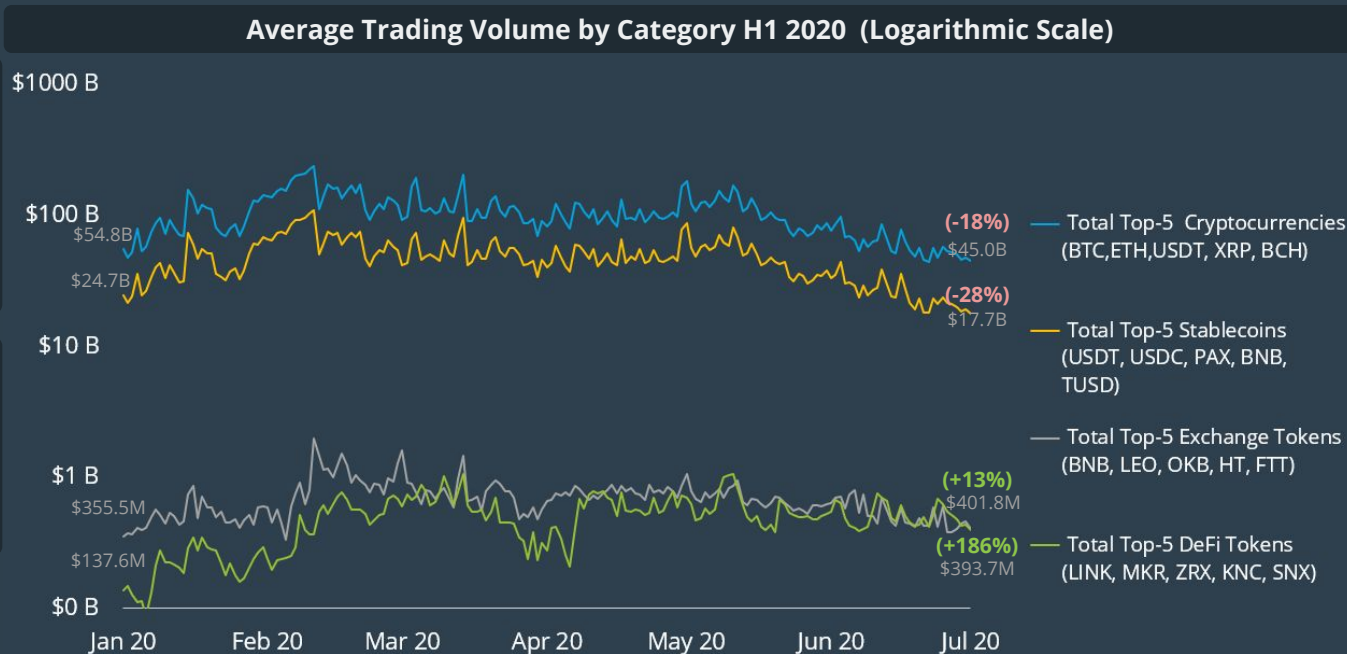


COMP was one of the [top-5 DeFi tokens on 1st July 2020](#) but was excluded as the trades only went live on 17 June 2020.

DeFi popularity booms as Trading Volume almost doubles

DeFi Tokens outperformed all other categories as its trading volume went up by **186%**, followed by Exchange-based tokens, where its trading volume grew by **13%**

As previously explored in Part 1, the trading volume for the top-5 cryptocurrencies and stablecoins went down **18%** and **28%** respectively.



COMP was one of the [top-5 DeFi tokens on 1st July 2020](#) but was excluded as the trades only went live on 17 June 2020.

Decentralized Finance (DeFi)

DeFi-ing the odds, DeFi DeFinitely Outperformed in Q2 2020

Price Return of the Top 5-coins by Categories

	Q1 2020	Q2 2020	H1 2020
Top-5 DeFi Tokens			
LINK	22%	102%	159%
MKR	-32%	56%	5%
ZRX	-18%	121%	86%
KNC	137%	175%	552%
SNX	-50%	222%	62%
Top-5 Cryptocurrencies			
BTC	-11%	42%	27%
ETH	2%	69%	75%
USDT	0%	0%	0%
XRP	-11%	1%	-9%
BCH	8%	1%	9%
Top-5 Exchange Tokens			
BNB	-8%	22%	12%
OKB	65%	17%	93%
LEO	27%	21%	54%
HT	21%	25%	51%
FTX	12%	20%	35%

Q2 was extremely **DeFi-centric**, where DeFi tokens **outperformed** other categories despite the unpromising results from Q1.

In Q2, a total of **4 out of 5** DeFi tokens **top the highest increase** in price return when compared to the other Top-5 cryptocurrencies and Top-5 exchange tokens.

DeFi tokens **MKR**, **ZRX** and **SNX** made a fantastic comeback in Q2, turning around from being the worst performers with negative price returns in Q1 to becoming the major winners of Q2.

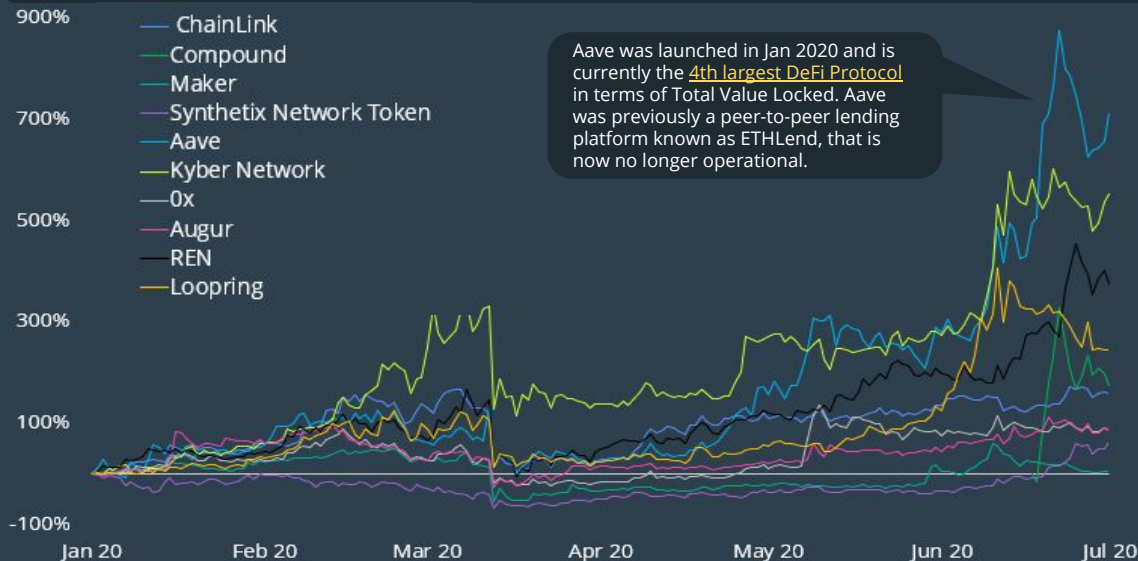
This is highlighted by **SNX** storming ahead with a staggering **222%** increase in price return in Q2 in spite of a **50%** decrease in Q1.

In H1 2020, DeFi token **KNC** had the highest increase in price return at **552%**, followed by another DeFi token **LINK** at **159%**.

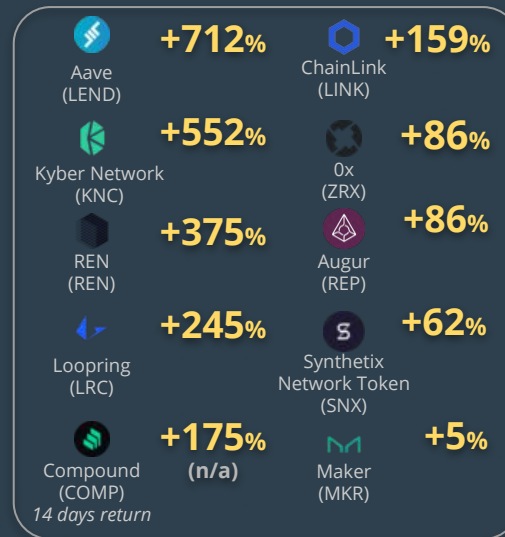
Decentralized Finance (DeFi)

Aave (LEND) led the DeFi Tokens pack in mid-2020

Top-10 DeFi Tokens Price Return H1 2020



Price Returns H1 2020



H1 2020 was an impressive first half of the year for the Top-10 DeFi Tokens as all showed positive gains in price.

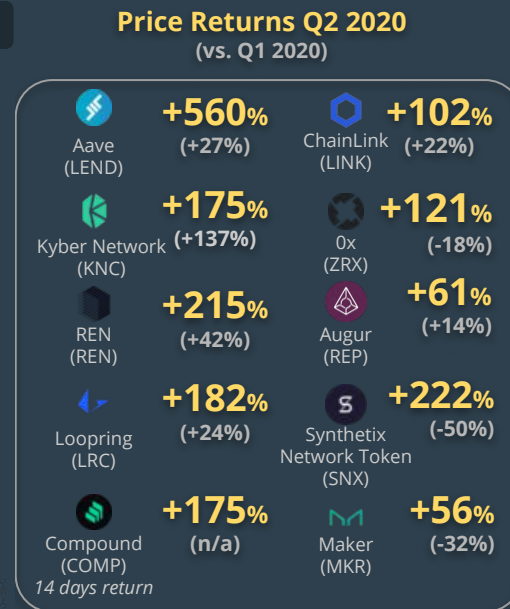
Aave (LEND) had the highest return with a whopping **712%**, followed by Kyber Network (KNC) at **552%**, and REN (REN) at **375%**.

Among DeFi tokens, **Maker (MKR)** had the lowest return at **5%**.

The low growth was due to March's Black Thursday, where a lot of collaterals were liquidated on Maker's platform

Decentralized Finance (DeFi)

DeFi market recovered substantially after the March's Black Thursday



Zooming into Q2 2020, all tokens gained momentum ranging **50% to 600%**.

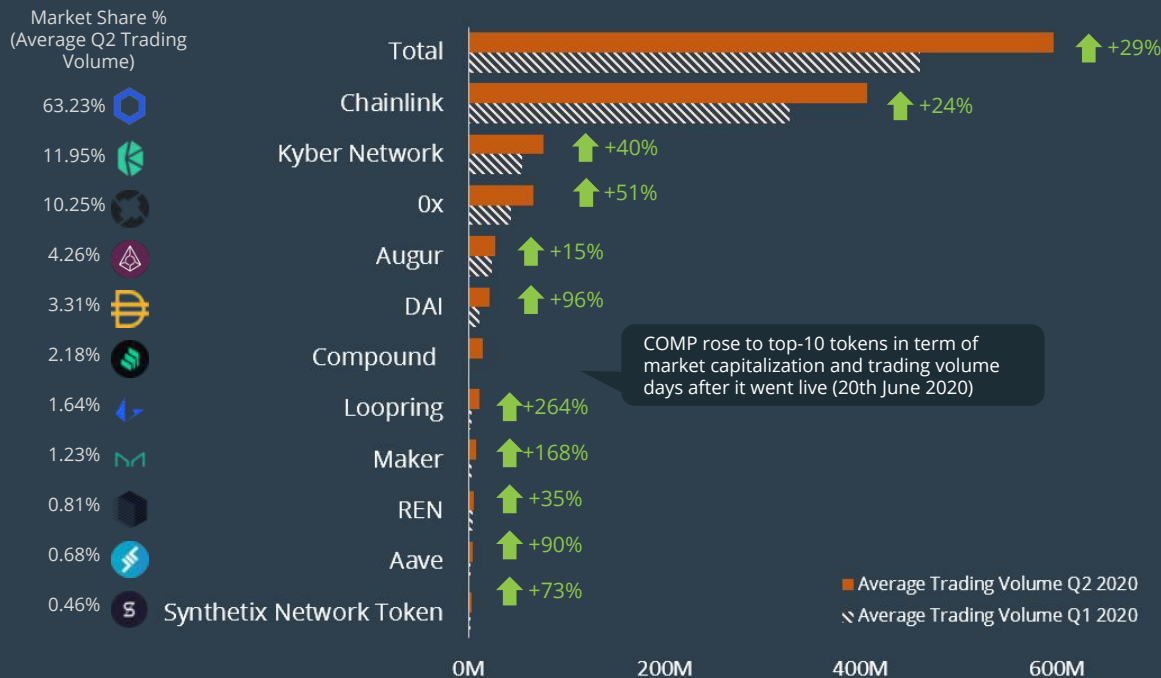
Aave (LEND) remained a token with the **highest growth at 560%**.

Maker (MKR) recovered from March's Black Thursday loss where it fell more than 50% in Q1. It recovered **56%** in Q2.

Top-10 DeFi Tokens

DeFi thrived, more users are now active in trading DeFi tokens

Top-10 DeFi Tokens Q2 2020 Performance



Overall trading volume* went up by **29%** vs. Q1 2020.

Top 10 DeFi tokens all increased in trading volume.

Chainlink (LINK) was the major gainer with an increase of **24%**, accounting for **51%** of the total gross increase in trading volume.

This is possibly due to the recent Chainlink's price oracle integration with China's Blockchain Service Network (BSN), thus driving price and trading volume up.

Compound (COMP), a newly issued governance token emerged to be one of the Top-10 DeFi tokens in Q2.

DAI is excluded and classified as a stablecoin.

With DeFi becoming more popular, three new tokens came to join the market

Compound (COMP)

Compound started in 2017 as the second-largest decentralized lender but its governance token was only traded since 17 June 2020.

COMP price surged where it **increased 300% within 4 days** to \$300.

By the end of Q2, its market capitalization was \$686m, the highest among the other two newcomers and 2nd largest among all DeFi Tokens.

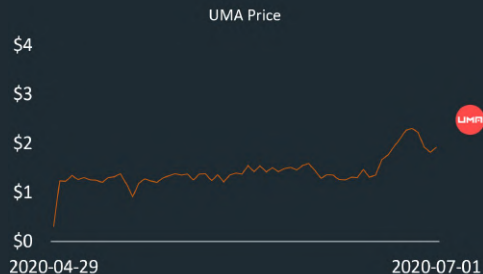


UMA (UMA)

UMA, a new synthetic token used to track ETH/BTC price ratio, was listed on Uniswap on April 29th 2020.

Its price went up by **530%** since it was launched, increasing from \$0.30 to \$1.82.

By the end of Q2, its market capitalization was \$93m, making it the 15th largest DeFi Token.

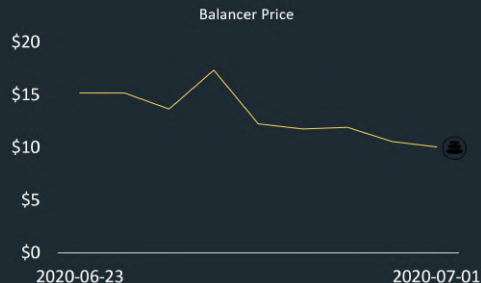


Balancer (BAL)

Following the DeFi mania, Balancer Lab was another DeFi token that went live in Q2.

Its price jumped **14%** to its peak at \$17, before falling **down by 30%** from its initial price.

By the end of Q2, its market capitalization was \$64m, setting it as the 21st largest DeFi token.



DEFI HIGHLIGHTS

DeFi Highlight

Yield Farming

Decentralized Finance (DeFi) is the open financial system (predominantly on Ethereum) which allows anyone from anywhere to make use of various financial protocols (lending, borrowing, trading) without the need of any central authorities.

Yield Farming & Liquidity Mining are the two terms that are going crazy lately. Let's see what they are and explore how crazy things got!



Ways to earn yields in DeFi:

Compound

As a depositor, you could earn interest/yields from the assets that you lend to Compound.

The yield earned comes from interest paid by borrowers.

Uniswap

Provide liquidity to specific pools (eg. ETH/DAI), earn trading fees when users perform a trade.

Yields are earned from users who pay trading fees when they trade.

Maker

Get DAI, put it into Maker's DAI Savings contract, earn interest from it.

The interest is funded by the [stability fees](#) paid by Maker Vault owners.



Yield Farming

To distribute funds in whichever combination across protocols for the best possible returns (eg. 50% Compound, 50% Maker). In the early stages, it was essentially earning from fees paid by users (borrowers, traders) as a liquidity provider.

And then it all changed once **Liquidity Mining** got in and became the rocket fuel for the scene.

DeFi Highlight

Liquidity Mining



Liquidity Mining

Typically in exchanges, market makers are paid to provide liquidity, while exchanges themselves earn from trading fees.

In DeFi, there is no centralized operator and liquidity providers generally earn from users of the platform (borrower interest, trading fees). Liquidity mining steps thing up a notch by providing extra incentive to liquidity providers, most commonly in the form of governance tokens. E.g: Compound (COMP) and Balancer (BAL).

Governance tokens usually gives rights to voting/decision weightage to help define parameters that run a particular platform. The token themselves are not pegged to anything, but instead derives its intrinsic value from the utility of the platform it provides governance rights to.

*“If **Yield Farming** was actually farming, then **Liquidity Mining** is the fertilizer.”*



Yield Farming 

+



Liquidity Mining

=



Lots, lots of profits.



Putting assets to work to generate returns, much like how you are able to earn interest off your cash in bank.

> Earn interest by providing assets

When you provide liquidity, you earn “shares” of the company or protocol you deposit in.

> Earn COMP for lending/borrowing

Liquidity mining made it insanely profitable to put your assets on DeFi protocols that supported it (eg. COMP, BAL), and that brought in a lot of attention.

> Earn Interest & COMP at the same time

Just how crazy did it get?

Total Value Locked (USD) for DeFi protocols, July 2020



DEFI PULSE	Name	Chain	Category	Locked (USD) ▼	1 Day %
	1. Compound	Ethereum	Lending	\$686.3M	-1.20%
	2. Maker	Ethereum	Lending	\$633.2M	0.41%
	3. Synthetix	Ethereum	Derivatives	\$366.5M	-6.02%

Total Value Locked from [DeFi Pulse](#)

Some numbers to put things into perspective:

3.67x

This is how much the Total Value Locked into DeFi surged in Q2.

\$1.4B

The amount of collateral added between June 15 - July 15 alone.

#1

This is where Compound sits in terms of ranking for \$ value locked in.

Compound Dominance
28.27%

It is now Compound Dominance, instead of Maker Dominance.

High yields are fun, but be **mindful of risks**.

See Vitalik's tweet on DeFi, yield & risk:

"... Interest rates significantly higher than what you can get in traditional finance are inherently either temporary arbitrage opportunities or come with unstated risks attached."

COINGECKO HIGHLIGHTS

Cybersecurity evaluated in addition to Liquidity, Scale & API.

At the start, **Trust Score** evaluates exchanges based on the following factors:

Liquidity



How likely crypto assets can be traded at a price which best reflects its intrinsic value.

API Technical Expertise



Measures the coverage of an exchange's API & availability of liquidity/historical data

Scale of Operations



Parameters indicating scale of exchange, yet don't necessarily correlate directly with liquidity.

On July 2020, we added Cybersecurity with Hacken

NEW

NEW



Cybersecurity for Trust Score evaluates how well-prepared an exchange is against external threats towards its platform & users through three facets of cybersecurity:

- 1 **Product & Infrastructure** - Availability of DNS SEC, Firewalls, Spam Protection and more for an exchanges' frontend & web services.
- 2 **User Account Security** - Evaluates the enforcement of 2-factor auth (2FA), Password Policies, Captcha, Phishing protection & more.
- 3 **Bug Bounty & Track Record** - Bug bounty programmes crowdsource vulnerability disclosures in a responsible & controlled manner.

For more, check out our blog post on [Cybersecurity update for Trust Score!](#)

What's new at CoinGecko

Stablecoins New

Track & grab data for all crypto stablecoins at once -

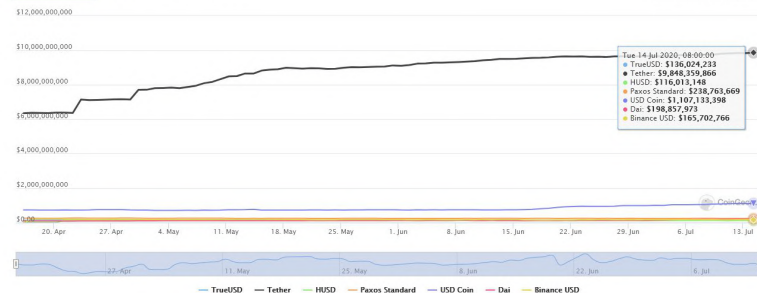
- **Customizable** - Add/Remove coins from the charts.
- **Comprehensive** - CNY, USD, EUR & GBP stablecoins.
- **Market Capitalization Chart** - See how much stablecoins are being circulated across the market.
- **Market Dominance Chart** - Tether is king, who is next?
- **Trading Volume Chart** - Stablecoins volume.

Stablecoins by Market Capitalization

\$11,976,901,467
Market Capitalization

\$19,650,727,310
Trading Volume

Market Capitalization Market Dominance Trading Volume



Discover Coins New

With >7600 coins (at time of writing), it's probably a challenge to find gems to buy. We're here to help! At the start, you'll be able to see:

- **What's new** - Recently Added coins
- **What's hot** - Trending Search coins
- **Popular** - Most Voted by sentiment
- **Long opportunity** - Most Positive Sentiment votes

We'll be adding more ways to help you **Discover Coins**. Stay tuned!

Trending Search		Most Voted Coins		Positive Sentiment	
Elrond	\$0.01440203	Holo	\$0.00072232	Holo	\$0.00072232
Swipe	\$0.675311	Elrond	\$0.01440203	Elrond	\$0.01440203
VeChain	\$0.01810197	Algorand	\$0.260719	Algorand	\$0.260719
Tellor	\$11.33	Balancer	\$8.85	ICON	\$0.406994
bZx Protocol	\$0.160759	ICON	\$0.406994	Kleros	\$0.03693723
Ampleforth	\$1.48	Stakenet	\$0.253169	Stakenet	\$0.253169
Bitcoin	\$9,222.30	Verge	\$0.00623652	Verge	\$0.00623652
Band Protocol	\$2.32	Swipe	\$0.675311	Swipe	\$0.675311
SwissBorg	\$0.106659	Matic Network	\$0.02191571	Matic Network	\$0.02191571
DMM: Governance	\$1.36	iExec RLC	\$0.968262	iExec RLC	\$0.968262

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+50 Day 5	+60 Day 6	+100 Day 7	

Collect 10 Candies

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Limited Edition CoinGecko Genesis Candy Collector v2 NFT



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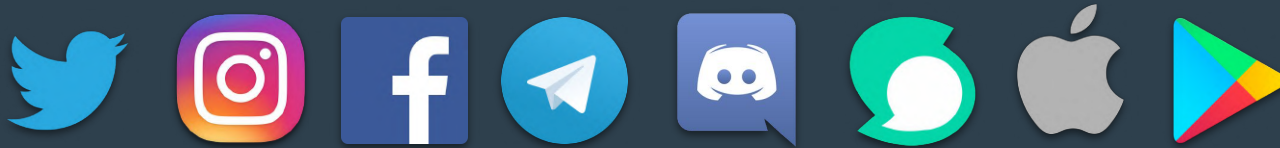
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