Founders’ Note ................................................. 3
Market Landscape ............................................. 4
  - Spot Markets Overview
  - Top-5 Crypto Returns
  - Top-30 Coins Dominance
Market Analysis ................................................ 8
  - Bitcoin Price vs. Trading Volume
  - Bitcoin Price vs. Traditional indices
  - Decentralized Finance (DeFi)
  - Top-5 Stablecoins Market Cap & Trading Volume
  - Capital Inflow - USDT, USDC, DAI & WBTC

Crypto Exchanges .............................................. 15
  - Top-10 Centralized Exchanges and Top-10 Decentralized Exchanges
  - Top-10 Decentralized Exchange Dominance
  - Analysis on Uniswap vs SushiSwap

DeFi Trend Analysis ........................................... 21
  - DeFi Yield Farming

Crypto Highlights ............................................ 23
  - Uniswap (UNI) Tokens Airdrop
  - Non-fungible Token Newcomers
  - Deepdive into MEME token

CoinGecko New Features ..................................... 27
  - CoinGecko Portfolio
  - Yield Farming page on CoinGecko
Q3 2020 was the summer of Decentralized Finance (DeFi). DeFi projects continued its strong growth in July and August though it finally saw some correction in September. Decentralized Exchanges (DEX) saw strong trading volume growth with the top 10 DEX achieving $30 billion in trading volume for September. In Q3, the top 10 DEX saw their volume grow 197% on average month-on-month. This contrasts with the 35% growth for centralized exchanges (CEX).

Q3 also saw the launch of Sushiswap and witnessed the first Vampire Mining attack being executed. Sushiswap introduced its governance token, SUSHI, and sucked liquidity away from Uniswap. During this period, we saw liquidity on Uniswap fall, and this attack probably got the Uniswap team to move forward its plan for the UNI governance token.

When the UNI governance token launch took place on 16 September 2020, it introduced an airdrop to all users who used Uniswap previously. This is a very successful way of rewarding early users and liquidity providers of Uniswap. Moving forward, we anticipate more DeFi projects to implement retrospective reward of governance tokens to early users following the UNI model.

Besides the hectic growth in crypto markets, we have been keeping busy by constantly improving the CoinGecko products. Q3 was significant as we finally launched the portfolio feature as well as introducing widgets for our iOS and Android apps. With yield farming getting hotter, we have put together a yield farming page so that users can easily check the returns from all the hottest and newest yield farms around! We look forward to a great Q4 as we round up what has been a crazy 2020!
MARKET LANDSCAPE
Spot Markets Overview

Market continued uptrend despite decline in September

**Top-30 Market Cap & Spot Trading Volume**

- **Total Volume Traded**
- **Total Market Cap**
- **Trendline (Volume Traded)**
- **Trendline (Market Cap)**

**Q2 market cap growth (%):** +44%
**Q3 market cap growth (%):** +31%

**Q2 trading volume growth (%):** -44%
**Q3 trading volume growth (%):** +34%

In Q3 2020, top-30 cryptocurrencies market capitalization and trading volume grew 31% and 34% respectively.

However, both market capitalization and trading volume experienced a 9% decline in the month of September.

Crypto markets struggled to maintain the Jul-Aug mini bull run as it remains influenced by the uncertain macroeconomic environment.
Top-5 Crypto Returns

BNB led the pack with whopping +90% gains, followed by ETH’s +60% gains.

<table>
<thead>
<tr>
<th>Cryptocurrency</th>
<th>Q3 2020 Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>BNB</td>
<td>+90%</td>
</tr>
<tr>
<td>ETH</td>
<td>+60%</td>
</tr>
<tr>
<td>XRP</td>
<td>+59.4%</td>
</tr>
<tr>
<td>Binance</td>
<td>+37.4%</td>
</tr>
<tr>
<td>Bitcoin</td>
<td>+17.7%</td>
</tr>
</tbody>
</table>

Average Top-5 Crypto Returns in Q3 2020: +41%

BNB price soared as Binance launched Binance Smart Chain on 31st Aug 2020. Users can now stake BNB tokens on Binance Smart Chain.
Top-30 Coins Dominance

Bitcoin gradually losing dominance to altcoins

Top 30 Cryptocurrency Dominance Chart

Market Dominance Q2 2020
(% change vs Q2 2020)

<table>
<thead>
<tr>
<th>Coin</th>
<th>Dominance</th>
<th>Change QoQ</th>
</tr>
</thead>
<tbody>
<tr>
<td>BTC</td>
<td>62.3%</td>
<td>-6.6%</td>
</tr>
<tr>
<td>ETH</td>
<td>1.4%</td>
<td>+0.4%</td>
</tr>
<tr>
<td>USDT</td>
<td>12.7%</td>
<td>+2.3%</td>
</tr>
<tr>
<td>XRP</td>
<td>1.3%</td>
<td>-0.4%</td>
</tr>
<tr>
<td>BNB</td>
<td>4.8%</td>
<td>+0.9%</td>
</tr>
<tr>
<td>BCH</td>
<td>n/a</td>
<td>+0.8%</td>
</tr>
<tr>
<td>DOT</td>
<td>3.4%</td>
<td>+0.2%</td>
</tr>
<tr>
<td>Others (8-30)</td>
<td>11.7%</td>
<td>+0.8%</td>
</tr>
</tbody>
</table>

ETH & USDT both made significant gains in Q3 due to the DeFi boom.

Inability to capitalize on the DeFi movement caused Bitcoin to lose some ground in Q3 (-6.6%).

1Others (8-30) refers to top 8-30 coins by Market Capitalization on CoinGecko as of 1 Oct 2020
MARKET ANALYSIS
Bitcoin Price vs. Trading Volume

Bitcoin price grew marginally in Q3

Bitcoin reached a **new 2020 peak** on 18 August at $12,272. It was close to surpassing 2019’s high of $12,996.

BTC's price hovered above the $10,000 price range for over **65 consecutive days**, surpassing Q1 2018.

In Q3, the price of BTC grew by **8%**. Q3 growth was **trimmed due to September's decline** suggesting that BTC struggled to sustain Q2's bull run.

Year-to-date, BTC had a **50%** price growth. In Sept, trading volume was **12% lower** with more investors staying on the sidelines during economic uncertainties.
**Bitcoin Price vs. Traditional indices**

Bitcoin dipped in September, but lesser impact vs. March Market Crash. Signs of growing volatility?

### March vs. September Market Dip (Price return %)

<table>
<thead>
<tr>
<th>MARCH’S MARKET CRASH</th>
<th>SEPTEMBER’S MARKET DIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day</td>
<td>Gold</td>
</tr>
<tr>
<td>-----</td>
<td>------</td>
</tr>
<tr>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>2</td>
<td>2%</td>
</tr>
<tr>
<td>3</td>
<td>0%</td>
</tr>
<tr>
<td>4</td>
<td>2%</td>
</tr>
<tr>
<td>5</td>
<td>2%</td>
</tr>
<tr>
<td>6</td>
<td>2%</td>
</tr>
<tr>
<td>7</td>
<td>-2%</td>
</tr>
<tr>
<td>8</td>
<td>-1%</td>
</tr>
<tr>
<td>9</td>
<td>-2%</td>
</tr>
<tr>
<td>10</td>
<td>2%</td>
</tr>
<tr>
<td>11</td>
<td>4%</td>
</tr>
<tr>
<td>12</td>
<td>4%</td>
</tr>
<tr>
<td>13</td>
<td>4%</td>
</tr>
<tr>
<td>14</td>
<td>4%</td>
</tr>
<tr>
<td>15</td>
<td>2%</td>
</tr>
<tr>
<td>16</td>
<td>-6%</td>
</tr>
<tr>
<td>17</td>
<td>-8%</td>
</tr>
<tr>
<td>18</td>
<td>-5%</td>
</tr>
<tr>
<td>19</td>
<td>-8%</td>
</tr>
<tr>
<td>20</td>
<td>-8%</td>
</tr>
<tr>
<td>21</td>
<td>-8%</td>
</tr>
</tbody>
</table>

Growing uncertainty in the U.S. stock market fueled by the upcoming Nov. 2020 election & COVID-19 policies may be the cause of the September decline.

### Market volatility (Daily price change %)

- S&P500
- BTC
- Gold

Bitcoin had a high positive correlation with S&P500 with higher downside risks relative to S&P500 in the short-term. However, Bitcoin showed signs of strength during September’s dip compared to March’s Black Thursday crash.

Source: CoinGecko, Yahoo Finance

*Day 0 in March’s Market Crash starts on 19 February 2020 with ending day on 23rd March 2020*

*Day 0 in September’s Market Dip starts on 1st September 2020 with ending day on 1st October 2020*
Decentralized Finance (DeFi)

DeFi tokens have been outperforming the market in 2020 and still leads the pack despite September pullback.

Aave, YFI and UMA made **outsized gains** in 2020 compared to other cryptocurrencies. Top-5 cryptocurrencies (BTC, ETH, XRP, BNB, and BCH) only made relatively marginal gains in comparison.

In September, the DeFi market cooled down with most tokens experiencing pullbacks. BNB however rallied due to the launch of Binance Smart Chain.
Top-5 Stablecoins Market Cap & Trading Volume

USDT and USDC led the growth, though overall stablecoins market is slowing down in Q3 2020

<table>
<thead>
<tr>
<th>Top-5 Stablecoins</th>
<th>Market Cap Change</th>
<th>Trading Volume Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>USDT</td>
<td>$15.52B (+61.0%)</td>
<td>$5.88B (+61.0%)</td>
</tr>
<tr>
<td>USDC</td>
<td>$2.53B (+156.9%)</td>
<td>$1.55B (+156.9%)</td>
</tr>
<tr>
<td>DAI</td>
<td>$905.0M (+598.4%)</td>
<td>$780M (+598.4%)</td>
</tr>
<tr>
<td>BUSD</td>
<td>$503.24M (+187.1%)</td>
<td>$330M (+187.1%)</td>
</tr>
<tr>
<td>TUSD</td>
<td>$393.83M (+182.0%)</td>
<td>$250M (+182.0%)</td>
</tr>
</tbody>
</table>
Capital Inflow - USDT, USDC, DAI & WBTC

Capital inflow accelerated as yield farming movement gained steam

- **+$775m**: As yield farming popularity surged, so did the market cap of USDT, USDC, DAI and WBTC, which represents capital inflow to the space.

- **+$9.15B**

Capital Inflow Q3*

- **USDT**: $5.9b (+61%) Q3 2020 Inflow
- **USDC**: $1.5b (+157%)
- **WBTC**: $946m (+1,766%)

*Only USDT, USDC, DAI & WBTC (ERC-20) were selected for this analysis for ease of visualization of data.

- **13 Aug**: Curve (CRV) Launch
- **28 Aug**: SushiSwap Launch
- **17 July**: YFI Launch
- **18 Sept**: Uniswap UNI Launch
- **13 Aug**: YFI Launch

Q3 2020 Inflow

(change vs Q2 2020 mcap)

- **+$5.9b**: USDT (+61%)
- **+$1.5b**: USDC (+157%)
- **+$946m**: WBTC (+1,766%)
- **+$775m**: DAI (+598%)
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CRYPTO EXCHANGES
DEX’s trading volume grew (explosively) while CEX’s shrank

Q3 2020 had been a vibrant quarter where the DeFi hype and yield farming frenzy took over the cryptosphere. This resulted in a $155B increase (+88%) in total trading volume this quarter.

Q3’s growth was mainly driven by the month of August when the DeFi hype was at its peak and many new DEXes launched such as Serum and Sushiswap.

Centralized exchanges still have the bulk of trading volume, but obvious erosion of market share by DEXes have been observed. Currently, DEX volume stands at 6% of CEX.

Top-10 CEX + DEX Trading Volume Jul - Sep 2020

<table>
<thead>
<tr>
<th>Month</th>
<th>Total trading volume ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul</td>
<td>$171.9B</td>
</tr>
<tr>
<td>Aug</td>
<td>$314.6B</td>
</tr>
<tr>
<td>Sep</td>
<td>$300.2B</td>
</tr>
</tbody>
</table>

+$155B
Total Exchange Volume Growth in Q3 2020*

*Top-10 DEX as of 1st Oct 2020 - Uniswap, Sushiswap, Curve, Ox, Balancer, Kyber Network, Bancor, dYdX, Serum, Loopring

*Top-10 CEX as of 1st Oct 2020 - Binance, Coinbase, Kraken, OKEx, Bitfinex, Bitstamp, Kucoin, Gate.io, Poloniex, Huobi Global
In Q3, monthly average DEX trading volume grew by **197%**, outperforming CEX which saw relatively marginal growth of **35%**.

**Top-10 CEX + DEX Trading Volume Growth % Jul - Sep 2020**

<table>
<thead>
<tr>
<th>Month</th>
<th>CEX Growth %</th>
<th>DEX Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul</td>
<td>26%</td>
<td>216%</td>
</tr>
<tr>
<td>Aug</td>
<td>83%</td>
<td>235%</td>
</tr>
<tr>
<td>Sep</td>
<td>-5%</td>
<td>141%</td>
</tr>
</tbody>
</table>

For DEX, the trading volume surge was due to the DeFi and yield farming frenzy happening in Q3. **Uniswap contributed 60% to this growth.**

For CEX, the growth was mainly driven by trading activities in August. Volume **dropped in September** - dragged by Coinbase and OKEx - both contributing **60%** of the decline.

At CoinGecko, we are seeing a surge of new token listing applications. New tokens are now mostly listed on Uniswap, where it is permissionless to seed liquidity pools to allow trading.

*Top-10 DEX as of 1st Oct 2020 - Uniswap, Sushiswap, Curve, Ox, Balancer, Kyber Network, Bancor, dYdX, Serum, Loopring
*Top-10 CEX as of 1st Oct 2020 - Binance, Coinbase, Kraken, OKEx, Bitfinex, Bitstamp, Kucoin, Gate.io, Poloniex, Huobi Global
Decentralized Exchanges (DEX)

**Uniswap & Curve dominates with 80% market share while others struggle**

In Q3, DEX monthly volumes spiked an impressive 700%, going from $3.8B to $30.4B. During this time, **Uniswap & Curve** further cemented their positions as leading DEXes, and it remains to be seen if **Sushiswap** can continue to grow its market share.

Together, **Uniswap, Curve, and Sushiswap** represented 88% of the DEX trading volume. This is likely fueled by investor’s appetite to trade on newly created coins, yield farming coins, as well as the subsequent flight towards stablecoins during September’s market dip.
**Uniswap vs SushiSwap**

A chronological breakdown - The whole picture in 2 minutes

---

**$2.5B**

Combined Value Locked in Uniswap & SushiSwap

---

**What is SushiSwap?**

*SushiSwap* was deployed on 28 Aug 2020 as a fork of Uniswap by two pseudonymous developers.

*SushiSwap* introduced a new token (SUSHI), distributed via liquidity mining. Unlike Uniswap which shares 0.3% of trading fees to liquidity providers, SushiSwap shares 0.25% to liquidity providers with the remaining 0.05% being converted to SUSHI and distributed to SUSHI holders.

Mining returns of over **2,000%** drew in over **$1.4B** to SushiSwap at its peak.

---

**9 Sept**

*SushiSwap* migrated over **$800M** in liquidity from Uniswap. This is dubbed as the "Vampire Attack".

---

**12 Sept**

End of 10x SUSHI rewards. Yields plummeted and liquidity began moving out with most of it flowed back over to Uniswap.

---

**1 Oct**

As a whole however, the industry kept on growing and grew **54%**, with over **$2.5B** locked across both protocols by the end of Q3 2020.

---

**18 Sept**

Uniswap liquidity mining began and value locked soared to over **$2B**

---

**Total Value Locked on Uniswap and SushiSwap**

- **Uniswap**
- **SushiSwap**
- **Combined**

---

**Vampire mining**: draining liquidity from an existing protocol by offering extra incentives
DEFI TREND ANALYSIS
DeFi Yield Farming

Yield Farming paved the way for food tokens, insurance, and forks

Insurance Gets Attention
As yield farming gained popularity, so did demand for insurance on established protocols. Nexus Mutual experienced a +375% surge in Total Value Locked (for insurance) in August.

Food, Money, Meme
YAM Finance was launched as an experiment and drew in millions of dollars. Following YAM, food-themed projects became the trend.

Forks were Born
Uniswap forks were released to compete for market share, with differences in structure and/or governance.

YFI
Yearn.finance launched its own governance token, YFI. Its success spawned multiple forks such as DFI.money and YFValue

World, Meet Yield Farming
Yield farming refers to the act of providing liquidity in return for native token incentives from a platform.
Kick-started by Compound in June, it attracted much fanfare and gave birth to a whole new movement in the space.
NFT-Yield Farming shows potential as the next big thing

Digital Collectibles Hype
In September, there was significant growth of attention and content in the NFT space, leading to increased demand for NFTs.

NFTs Back in Limelight
As speculators move away, yields began drying up as the market cooled. NFTs however silently plotted a comeback.

NFT-related Tokens Rise in Value & Innovation
NFT protocols such as Aavegotchi and Shroom.Finance release NFT-based projects, with innovative twists such as collateralized NFTs and rarity farming.

So, What’s Next?
Market uncertainty? The Yield Farming trend appears to be cooling down, though liquidity still remains strong.

Uniswap continues to support significant trading volumes. Stablecoin swap protocol, Curve and lending platform, Aave still holds billions of dollars worth of locked collateral.

NFTs? Currently a hot topic, but it is still lacking a key catalyst that will drive it into mainstream interest, as it is slightly more difficult than ERC-20 tokens to get into.
**Uniswap (UNI) Tokens Airdrop**

How an airdrop created a $700m market in 48 hours

- **$622M**
  UNI Token Market Capitalisation on 1 Oct

- **$2.8B**
  Uniswap Fully Diluted Valuation*

**17 Sept**
SushiSwap’s vampire mining attempt probably got Uniswap to bring forward its plan to launch UNI governance token.

With **150 million** UNI tokens worth over $700 million airdropped, gas price soared (252%) to over 500 gwei as users redeemed UNI tokens, making this one of the largest airdrops in the cryptosphere!

**UNI Airdrop Distribution**
- 400 UNI (~$2,000) to all users who have used Uniswap prior to 1 Sept
- 4.92% of total (~$246m) to historical liquidity providers
- 1000 UNI (~$5,000) to SOCKS holders

**Due to UNI token inflation, market capitalization stayed roughly the same (~$600m) despite price falling since launch.**

**What’s next for UNI token holders?**
Community members can look forward to governance participation and vote on liquidity mining incentives, new liquidity pools, spending of treasury funds, and more.

**What’s next for Uniswap users?**
Uniswap may aim to go on L2 for scalability where users can expect faster and cheaper ways to interact with the protocol.

*Fully Diluted Valuation refers to Price * Maximum Token Supply. In Uniswap’s case, the maximum token supply used is the supply before the start of the 2% per annum perpetual inflation rate starting 4 years after token launch.
Non-fungible Token Newcomers

Move over CryptoKitties! A new wave of NFTs is brewing

**Aavegotchi (GHST)**

Aavegotchis are a new breed of NFTs which allow interest bearing collateral (in the form of Aave tokens) to be embedded into it, adding intrinsic value to the collectible.

GHST is the utility and governance token of Aavegotchi. It started trading at $0.20 (public sale), peaking around $0.90.

**MEME**

MEME started out as a joke, but passionate community members turned it into an NFT-focused project where MEME tokens are staked in exchange for NFT collectibles.

Started as a valueless meme token airdropped for fun, it eventually peaked around $1,900 each token.
MEME 🍍 Satirical token worth $1,900 at ATH

**Just a Joke - The Degenerator**
On 15 Aug, [Jordan Lyall joke tweeted](https://twitter.com/JordanLyall/status/1292293474814349568) about “The Degenerator”, a simple tool to create DeFi protocols in less than 5 minutes.

**Joke was called to action**
Community members created MEME with an initial supply of 28,000 tokens airdropped to early members.

**Don’t Buy Meme**
In less than 24 hours, MEME captured the attention of the crypto community. The MEME community called for the community to "Don't Buy Meme" as interest increased.

**Bridge For DeFi and NFT**
On 26 Aug, instead of creating “The Degenerator”, MEME released yield farming pools to mint MEME NFTs.

---

**What are MEME NFTs**
MEME NFTs are limited edition artistic digital cards created by special artists. These cards are similar to your childhood YU-GI-OH cards.

---

**How to mint MEME NFTs?**

1. **Buy MEME**
2. **Stake MEME**
3. **Earn Pineapple**
4. **Mint NFT**

Find out more about MEME on [CoinGecko](https://coingecko.com/en/coins/meme).
COINGECKO NEW FEATURES
CoinGecko Portfolio

Now you can see your favorite list of cryptoassets, Profit and Loss (PNL), and more!
Yield Farming went wild in Q3 and we now provide you with the latest data to decide which pools to farm!
Mobile App Widgets on iOS14 and Android
Customize your crypto list, view your favorite coins at a glance

Follow Top Coins by Market Cap

Top 5 Coins

- **Bitcoin (BTC)**: $10,722, 0.0%

Track your Portfolio

Portfolio

- **Bitcoin (BTC)**: $10,722
- **Ethereum (ETH)**: $355.88
- **Dai (DAI)**: $1.01

Create your favourite Coin Ticker

Coin Ticker

- **Ethereum**: $355.88, 0.3%
THAT’S ALL! THANK YOU FOR READING :)

Take a 1-minute survey and let us know how you feel!