

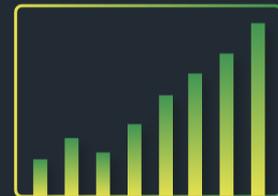
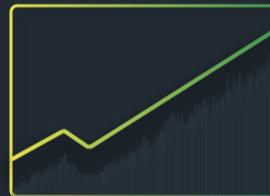
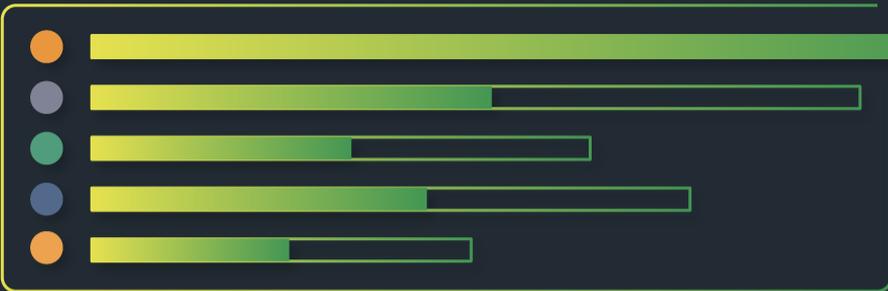


CoinGecko

Quarterly Report

Q2 2021

FULL REPORT



Founders' Note

The total crypto market capitalization has cooled down after hitting a peak of \$2.5 trillion in May 2021. There were a few sharp drawdowns in Q2, with the market cap dropping as much as 20-30% within a day, causing cascading liquidations. As crypto continues marching into the mainstream, the world is scrutinizing it more than ever.

Q2 ends with China banning crypto mining (for real this time) while being globally scrutinized for its environmental impact. Crypto has gone through many cycles of FUD and we believe this is but another bump towards the inevitable worldwide adoption. After all, we already have El Salvador, the first country in the world to adopt Bitcoin as legal tender!

Meme tokens have been the highlight of this quarter as Dogecoin and its brethren rose to new heights. Led by the troll Elon Musk, 'Doggo' coins proliferated and created a new culture where coins without any explicit utility were regarded as 'reliable investments'. We cannot emphasize enough that users should always do your own research!

Beneath the tsunami of memes, Decentralized Finance (DeFi) expanded out of Ethereum on other blockchains. Polygon rose very quickly and dominated the Total Value Locked (TVL) chart, buttressed by the expansion of Aave and Curve. DeFi has also been particularly innovative this quarter. Uniswap v3 launched with concentrated liquidity while protocols have started tokenizing future yield. We can also expect more institutions entering the scene through the Compound Treasury and Aave Pro.

The hype of Non-Fungible Tokens (NFT) have slowed down considerably with falling volume and floor prices. The exception, however, is Axie Infinity who is paving the way forward with its play-to-earn model. A whole new economy is being created in front of our very eyes and players of all ages are taking advantage of this new paradigm. Axie Infinity showcases the immense potential of what NFTs can bring to the world.

And finally, we are happy to announce that we have just released two new books under our How to DeFi series - How to DeFi: Beginner and How to DeFi: Advance. The beginner version is an update of our previous DeFi book while the advance version is a more in-depth dive of DeFi. Do check them out in our CoinGecko Store!

“In Q2, DeFi has expanded beyond Ethereum and is actively being built on multiple blockchains.”



Bobby Ong
COO

TM Lee
CEO

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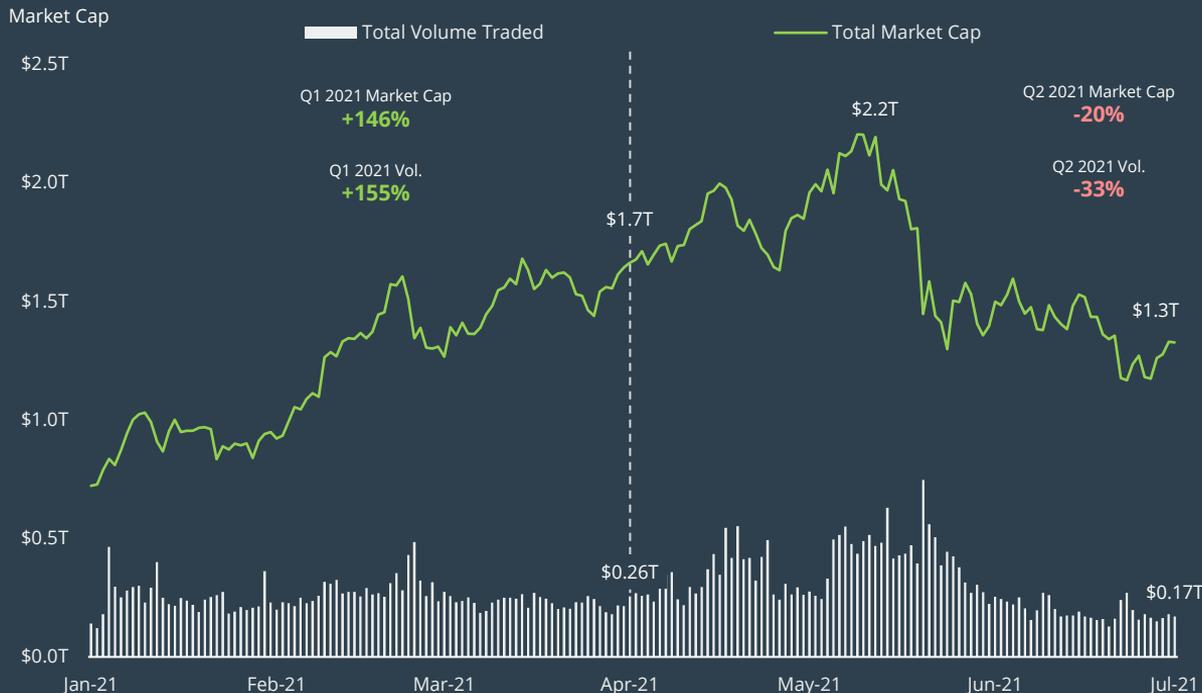
Yi Hong

MARKET LANDSCAPE

Q2 2021 Spot Market Overview

Cryptocurrency market capitalization dropped 20% to \$1.3 trillion

Top-30 Market Cap & Spot Trading Volume (Jan – Jun 2021)



* Top-30 Cryptocurrencies as of 1 July 2021

-20%

Top-30 Cryptocurrencies Market Cap Growth in Q2 2021

Meme coins took over the crypto scene at the beginning of Q2, driving the market cap to a peak of \$2.2 trillion in May.

Compared to Q1, the crypto market experienced a **20% drop in market cap** and **33% drop in trading volume**.

By the end of Q2, the market cap has **dropped by 41% from its peak to \$1.3 trillion**.

The drop coincided with Tesla's announcement to stop accepting Bitcoin payments because of environmental concerns. Bitcoin's supposed high energy consumption was featured prominently in many media headlines during that period.

To cap it off, Q2 ended with a nationwide crypto mining ban in China.

Q2 2021 Top-5 Crypto Returns

Dogecoin flew to the moon following the hype of Meme Coins

Top-5 Cryptocurrency Price Returns (Apr – Jun 2021)



In Q2, the market entered into a meme frenzy. Dogecoin led the pack with an **impressive 366% gain**. Meanwhile, Bitcoin **suffered a loss of 40%**.

* Top-5 Cryptocurrencies excluding Tether (USDT) stablecoin as of 1 July 2021

+72%

Top-5 Cryptocurrencies Average Price Returns in Q2 2021

Price returns Q2 2021
(vs. Q1 2021)

 **-40%**
(+103%)

 **+19%**
(+159%)

 **+0.33%**
(+710%)

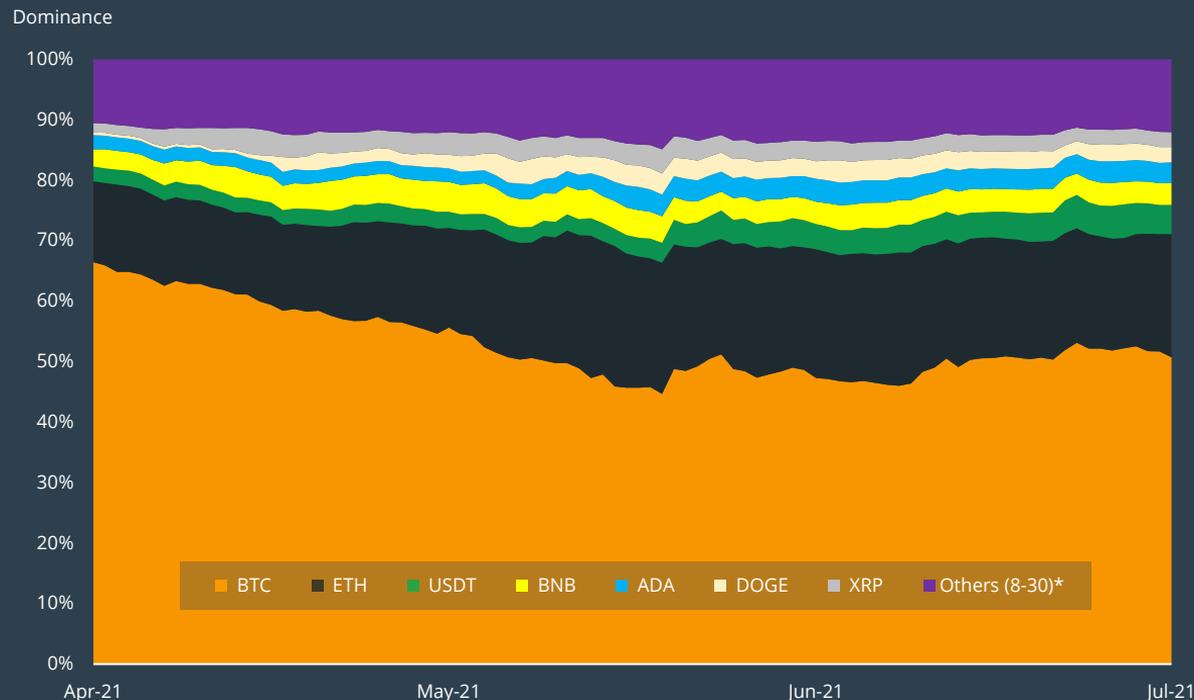
 **+16%**
(+555%)

 **+366%**
(1,055%)

Q2 2021 Top-30 Coin Dominance

Ethereum trumped Bitcoin during this quarter

Top-30 Cryptocurrency Dominance (Apr – Jun 2021)



Market Dominance Q2 2021 (% change vs Q1 2021)



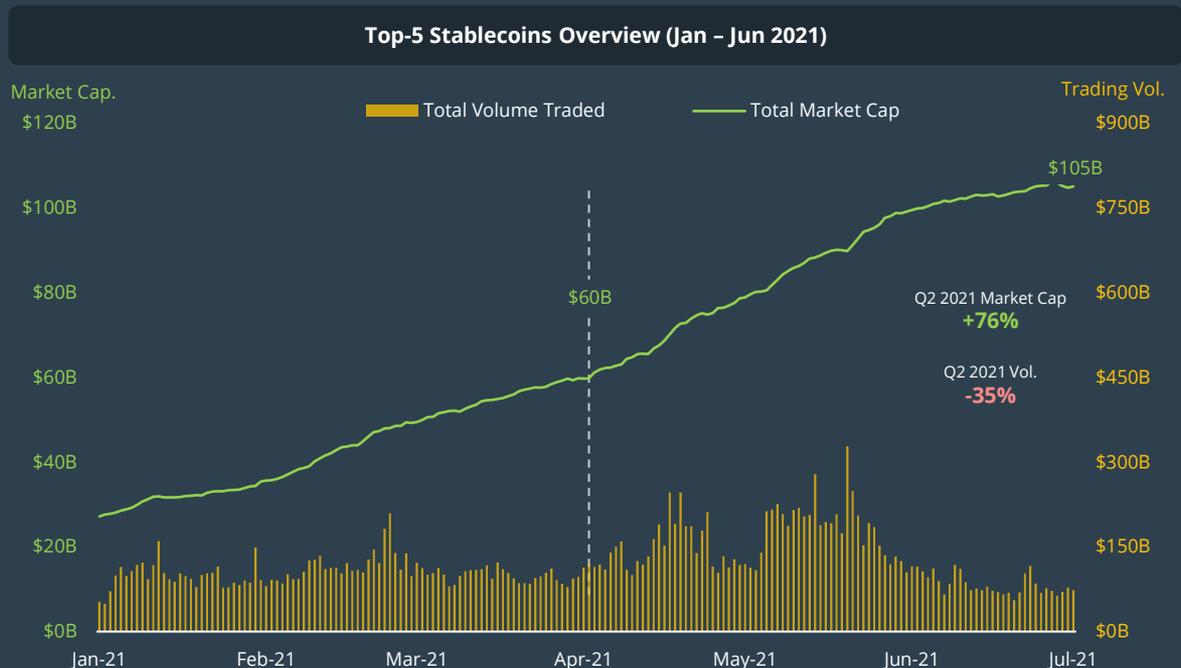
Bitcoin's dominance **dropped sharply by 16.3%** and went below the **50% mark**.

Altcoin season was in full swing. Ethereum grew by **6.7% to a market share of 20%**. On the other hand, Dogecoin replaced **Polkadot to grab 6th place**.

* Others (8 - 30) refers to top 8 - 30 coins by market capitalization on CoinGecko as of 1 July 2021

Q2 2021 Top-5 Stablecoins

Top-5 stablecoins recorded a 76% increase to \$105 billion in circulation



Stablecoins rallied to new highs and reached a \$105 billion (+76%) market cap, however, volume **dropped by 35% to \$73.6 billion**. This is likely because traders opted for safety during the 20% market downturn.

Top-5 stablecoins by market capitalization taken as of 1st July 2021.

+\$45B

Top-5 Stablecoins Market Cap in Q2 2021

Q2 2021 Stablecoins Circulation (Q2 2021 Growth)



BITCOIN ANALYSIS

Bitcoin Price vs. Trading Volume

Bitcoin grinds to a halt ... for now

Bitcoin Price and Spot Trading Volume (Jan – Jun 2021)



-40%

BTC Price return in Q2 2021

After hitting its all-time high in April, Bitcoin has since tapered off. In Q2, Bitcoin hit its lowest price in 2021, briefly touching \$29,154 on 22nd June (representing a **55% drawdown**).

Bitcoin ended Q2 2021 at \$35,969, a **40% decline** in price and has been consolidating between the \$30,000 to \$36,000 range.

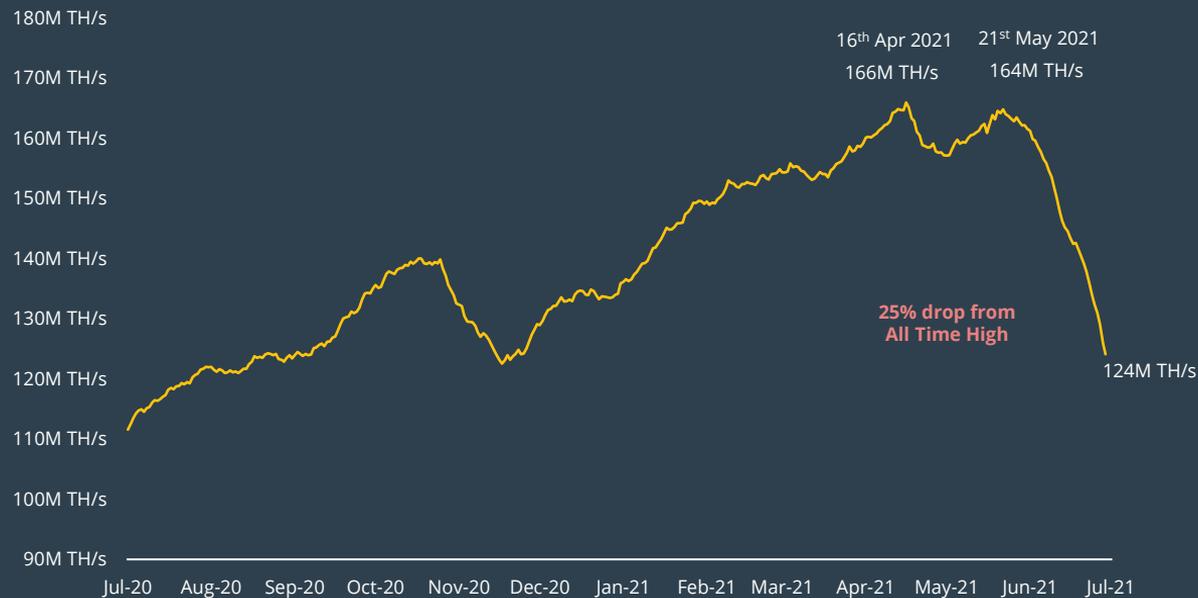
The large sell-off can mainly be attributed to:

- **Tesla** no longer accepts BTC as a medium of exchange due to its environmental impact.
- **The Federal Reserve** may raise interest rates sooner than expected to curb higher than expected inflation.
- **Regulations** from China which clamped down on Bitcoin mining.
- **Overleveraged traders** resulted in cascading liquidations.

The great migration of China's miners

Bitcoin's Total Hash Rate (TH/s) (Jul 2020 – Jun 2021)

BTC Total Hash Rate



-25%

Hash rate drop from April's peak to end of June

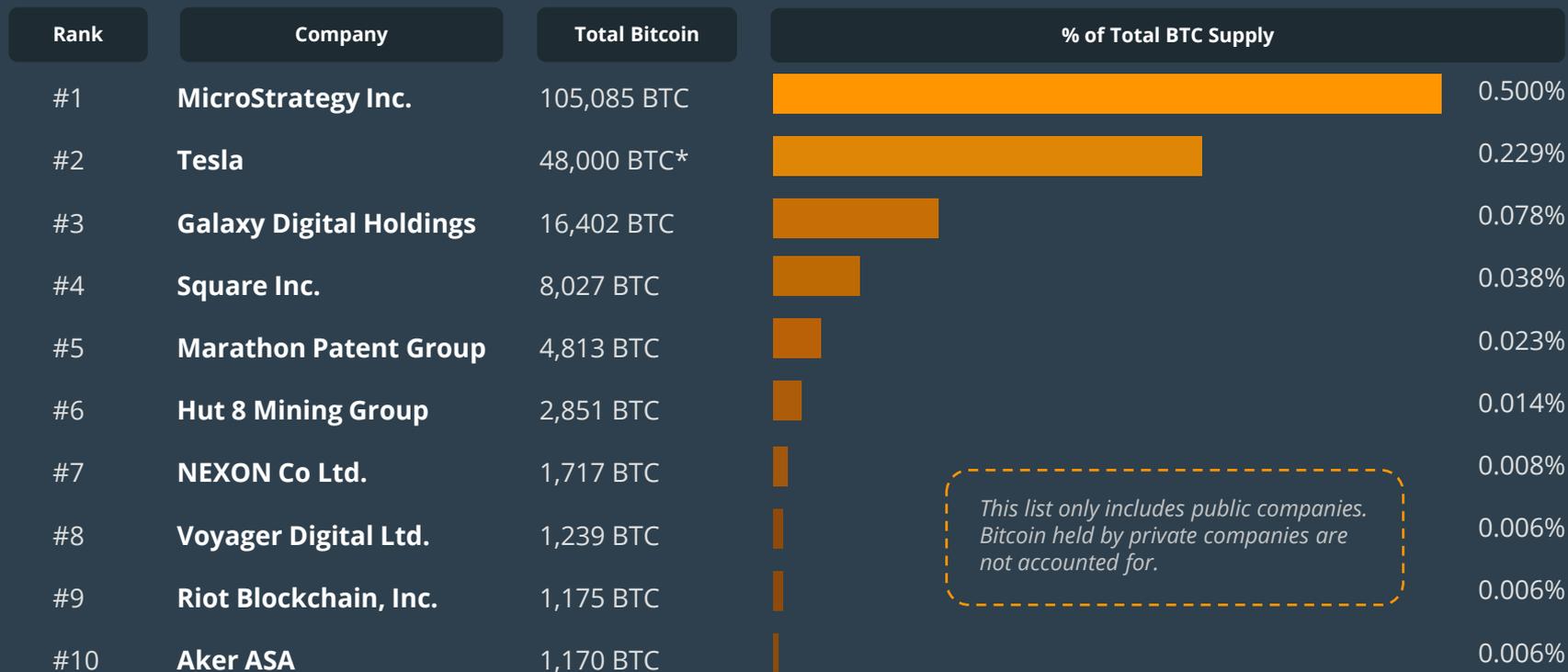
Bitcoin's hash rate dramatically declined by **25%**, falling from **April's peak of 166M TH/s to a low of 124M TH/s by the end of June.**

This decline can be linked to the **nation-wide banning of Bitcoin mining in China on 21st May 2021.**

Miners have already begun moving out of China. However, once their operations resume, we can expect **the total hash rate to recover.**

Bitcoin Treasuries in Publicly Traded Companies as of Q2 2021

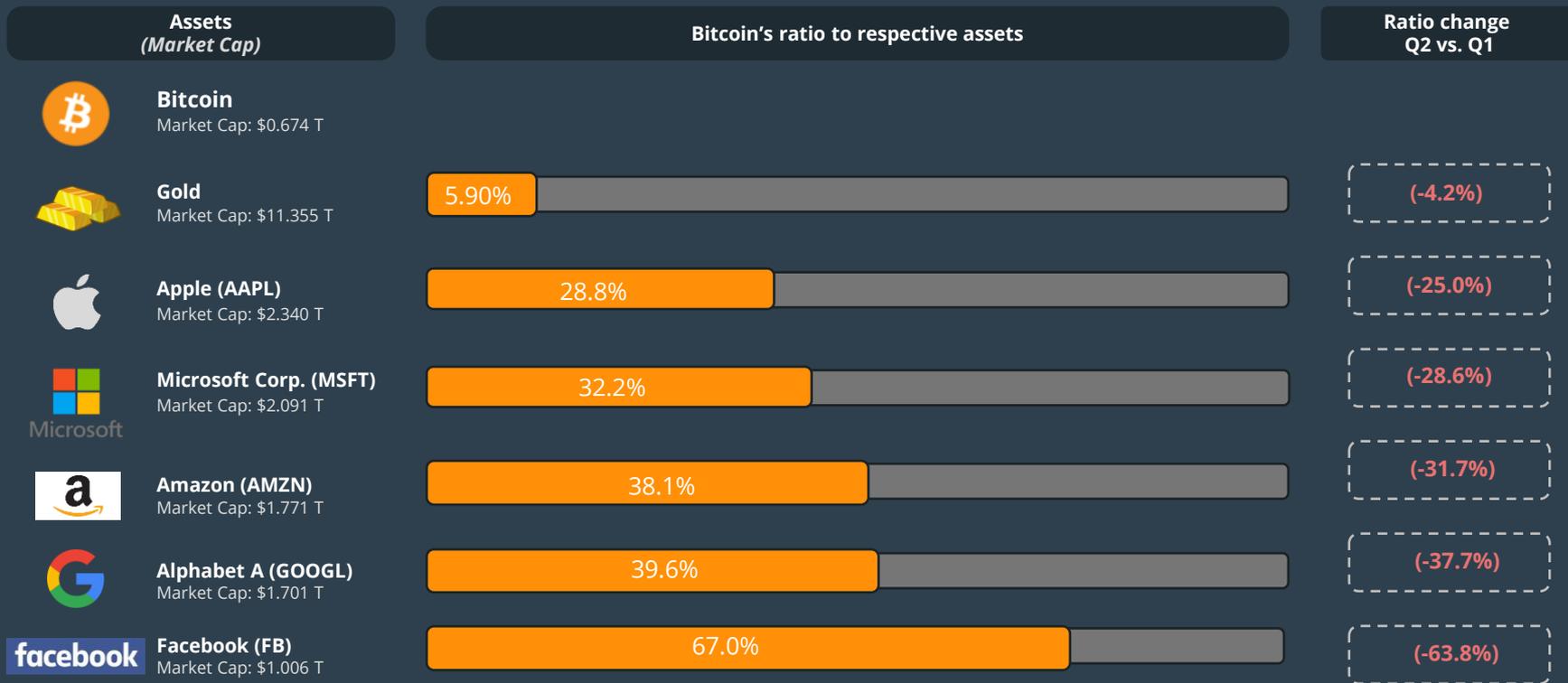
Public companies are now controlling 1.03% of the total Bitcoin supply



*Elon Musk disclosed that Tesla sold a portion of their Bitcoin holdings, though an accurate figure has yet to be revealed
Data is sourced from <https://www.coingecko.com/en/public-companies-bitcoin> as of 1 July 2021

Market Capitalization: Bitcoin vs. Gold & Top-5 S&P 500 Stocks

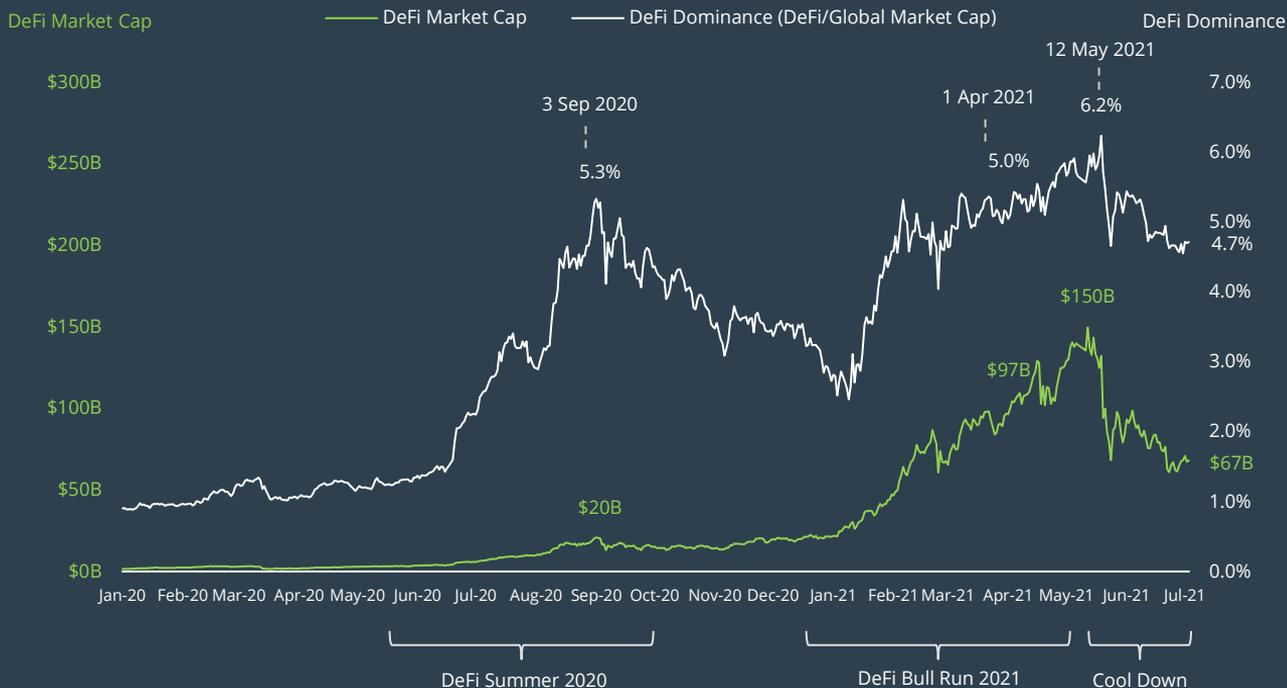
Bitcoin's market capitalization is now 20x away from flipping Gold



DEFI ANALYSIS

DeFi cools down in the second half of Q2

DeFi Market Cap vs. DeFi / Global Market Cap Ratio (Jan 2020 – Jun 2021)



-43%

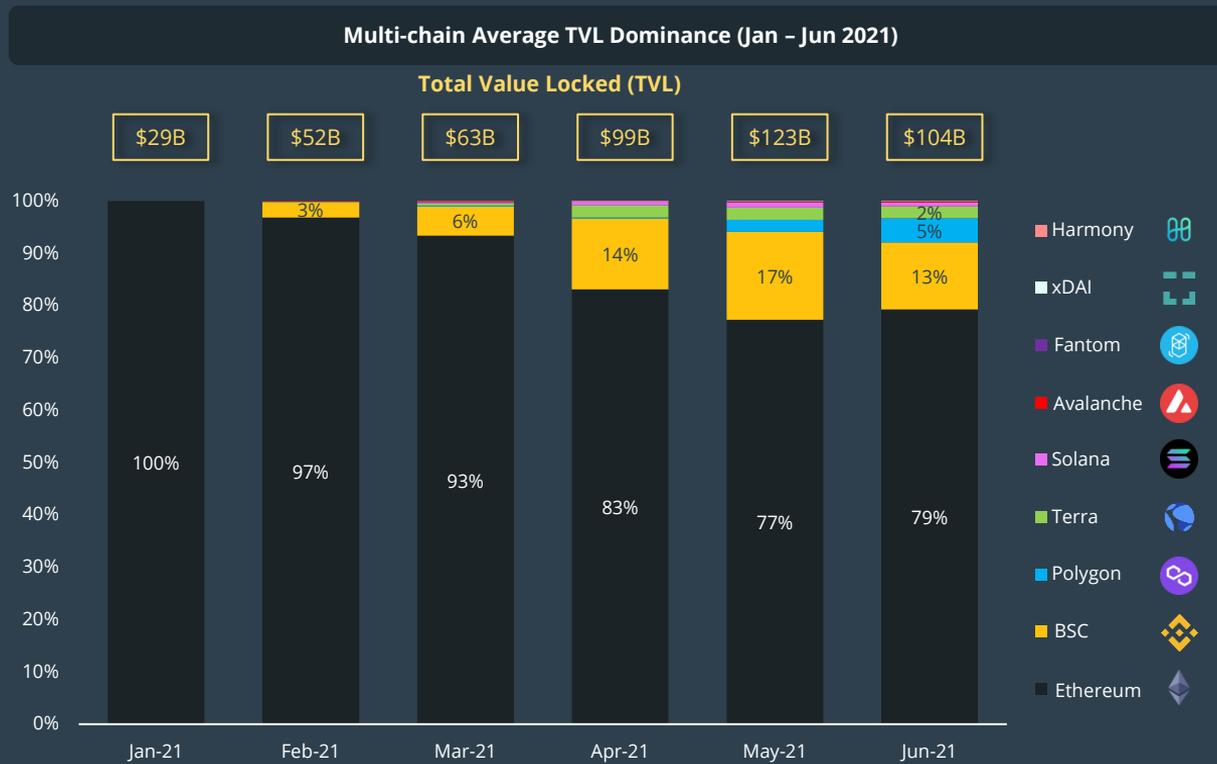
DeFi Market Cap Return in Q2 2021

DeFi market cap reached a \$150B peak in May before suffering a **55% drawdown (\$67B)**. Quarter-on-quarter, DeFi market fell **43%**. However, DeFi **retained its 5% crypto market dominance**.

There is a concern that the in-flow of funds has stagnated. DeFi might be at the peak of inflated expectations, mirroring the **hype cycle**.

This could explain DeFi's focus to onboard more users and institutions from TradFi. For example, MakerDAO has started including real estate loans inside its vault after **integrating with Centrifuge on April 2021**. **Compound Treasury** also has started offering institutional access to DeFi yields. **Aave Pro** will follow suit next quarter.

BSC and Polygon are leading the DeFi expansion beyond Ethereum



+65%

Total Value Locked (TVL) Growth in Q2 2021

Despite the 65% TVL quarterly growth to \$104 billion, Ethereum saw its TVL **drop by 14% to 79%** TVL share by June. Cheaper alternatives such as Binance Smart Chain (BSC) and Polygon have gained market share.

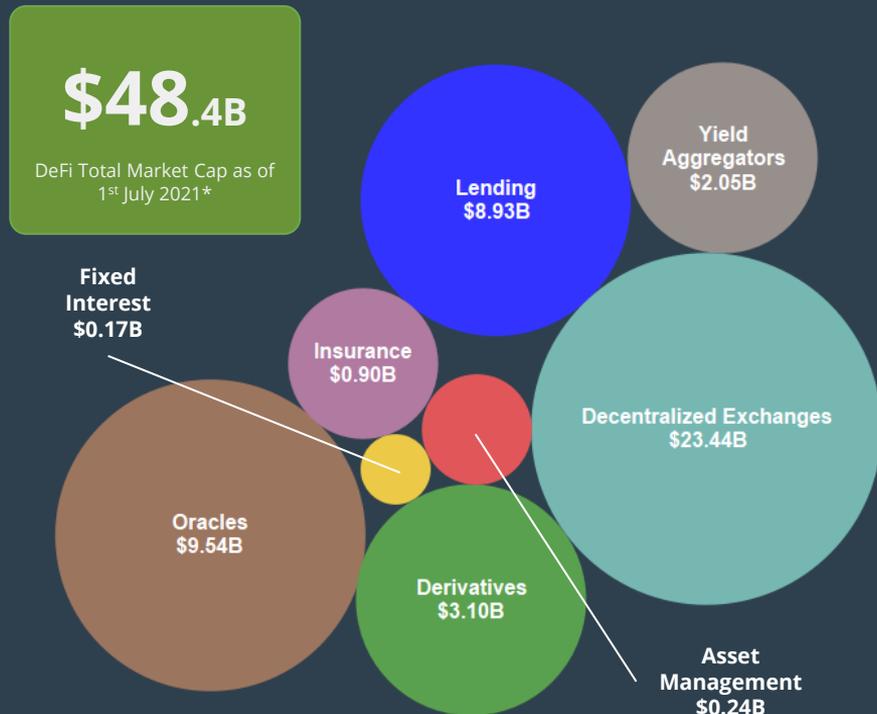
BSC remains undeterred by numerous high-profile hacks (e.g., **PancakeBunny** and **Venus**) as it managed to **capture 13% of June's TVL market share**, an almost 2x increase from March.

Polygon's dominance **grew by 5%** likely because of the delayed launch of other Ethereum scaling solutions such as Optimism and Arbitrum. DeFi heavyweights have also deployed on Polygon such as 1inch, Aave, and Curve. TVL for these Polygon increased significantly as a result.

Data is sourced from <https://defillama.com/home> as of 1 July 2021

Sectors across DeFi were not immune to the downturn

Market Cap of each DeFi Category Q2 2021



Weightage (By 2021 Q2 Market Cap Share)	Sector	QoQ % Change
	Total DeFi Market Cap	-32%
48%	Decentralized Exchanges	-35%
20%	Oracles	-30%
18%	Lending	-16%
6%	Derivatives	-47%
4%	Yield Aggregators	-45%
2%	Insurance	-18%
0%	Asset Management	-49%
0%	Fixed Interest	-31%

DEXs are still the backbone of the DeFi ecosystem as they **make up 48%** of the total DeFi market cap. The main contributors are mostly the top DEXs on Ethereum such as **Uniswap** and **Sushiswap**. Notably, cross-chain DEXs are also starting to gain traction - **THORChain** is ranked 3rd based on market cap.

Both lending platforms and oracles have proven to become integral segments of DeFi. Despite their **16% and 30% quarterly drop respectively**, the market weight for both remains close to the 20% mark.

The number of fixed interest and asset management projects have grown, however, their market cap has **reduced by 30-50%**. This is in line with the massive downturn of the entire DeFi ecosystem.

Performance of Top-5 Tokens from Various Categories

DOGE HODLers have outperformed the market

	Q1 2021	Q2 2021	YTD (1st Jan - 1st July 2021)
Top-5 DeFi Tokens			
UNI 	442%	-31%	273%
LINK 	159%	-33%	74%
AAVE 	332%	-34%	184%
CAKE 	2,843%	-24%	2,140%
MKR 	261%	24%	348%
Top-5 Cryptocurrencies			
BTC 	103%	-40%	21%
ETH 	159%	19%	209%
BNB 	710%	0.3%	712%
ADA 	555%	16%	661%
DOGE 	1,055%	366%	5,289%
Top-5 DEX Tokens			
UNI 	442%	-31%	273%
CAKE 	2,843%	-24%	2,140%
RUNE 	578%	-15%	479%
SUSHI 	412%	-44%	185%
BNT 	484%	-55%	165%
Top-5 NFT Tokens			
THETA 	555%	-43%	272%
CHZ 	242%	-49%	1,094%
ENJ 	1,845%	-55%	784%
MANA 	1,186%	-43%	633%
ECOMI 	35,173%	-82%	6,332%
Top-5 Gaming Tokens			
ENJ 	1,845%	-55%	784%
AXS 	960%	0.5%	965%
UOS 	367%	-30%	227%
ALICE 	-30%	-73%	-81%
GALA 	1,628%	-66%	483%

In Q2 2021, DOGE outperformed other cryptocurrencies, **posting a 3-month return of 366%**. This is followed by ETH and ADA with a 3-month return of 19% and 16% respectively.

The crypto sector that suffered the most is NFT tokens which ranged from **43% to 82%**.

MKR and AXS are the only tokens outside of the top-5 cryptocurrencies which have shown positive quarterly gains of 24% and 0.5% respectively.

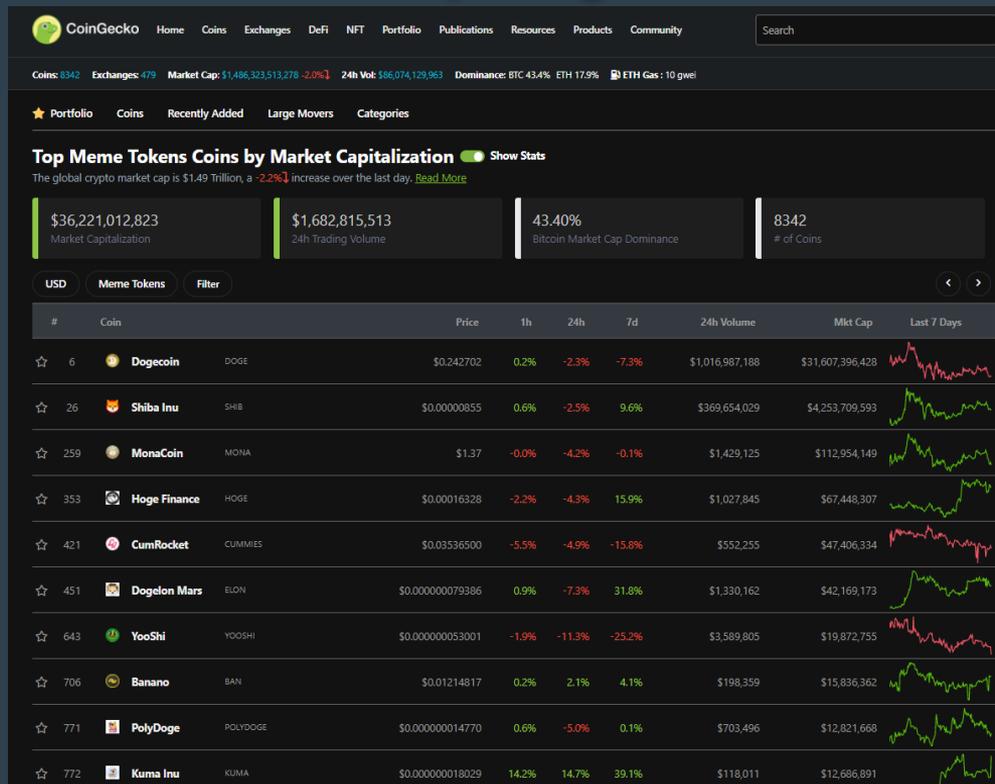
The crypto sector that suffered the most in Q2 is NFT tokens which ranged from **43% to 82%**.

If we zoom out, only ALICE HODLers have **suffered YTD losses of -81%**. The YTD gains for every other token is positive, with the floor set by BTC at **21%**.

Only two tokens saw a positive return of more than **5,000%** which is DOGE and the NFT platform, ECOMI.

MEME COINS

Memecoins are the new paradigm?



What started off **as a meme** has fully evolved into a new movement. Led by DOGE and its cousin, SHIBA, memecoins have gained traction ever since Elon Musk started promoting DOGE on his personal Twitter account in early 2021.

As of July 1, there are **a total of 55 memecoins**, with a **combined market cap of \$36 billion**, which is 1.43 times larger than the 2020 GDP of Cambodia.

Dogecoin accounted for **more than 87% (\$31.6 billion)** of the memecoin market cap, followed by SHIBA (\$4.3 billion) and MonaCoin (\$113 million).

The thing about meme is **that it might be based on a shaky foundation**. Investing in memecoins is **extremely risky** and is **generally not advisable**. Investors are advised to do their own research before purchasing any meme coin.

Dogecoin moves in tandem with Elon Musk, the king of trolls

Price Return of DOGE (Jan - Jul 2021)

YTD Return

16,000%
14,000%
12,000%
10,000%
8,000%
6,000%
4,000%
2,000%
0%

Jan-2021 Feb-2021 Mar-2021 Apr-2021 May-2021 Jun-2021 Jul-2021

All-Time Low : \$0.00008690 on 6 May 2015
All-Time High : \$0.73157800 on 8 May 2021



Price +45.2% in a day



Price +13.3% in a day



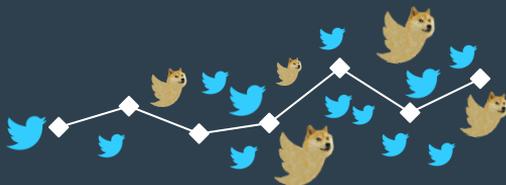
Price +17.8% in a day

Price +150.9% in 10 days



Price +10.1% in a day

5,289%



With a \$1 dollar investment on SHIB, you would have gained \$456,693 at the peak

Price Return of DOGE vs. SHIB (Jan - Jul 2021)

50,000,000%
45,000,000%
40,000,000%
35,000,000%
30,000,000%
25,000,000%
20,000,000%
15,000,000%
10,000,000%
5,000,000%
0%

From:
0xab5801a7d398351b8be11c439e05c5b3259aec9b (Vb)

Interacted With (To):
Contract
0x95ad61b0e150d79219dcf64e1e6cc01f0b64c4ce (Shiba Inu: SHIB Token)

Tokens Transferred:
From Vb To India Covid-Crypto Relief... For 50,693,552,078,053.777804071047582466 (\$1,013,871,041.56)

Value:
0 Ether (\$0.00)

Transaction Fee:
0.051903045 Ether (\$208.74)

Gas Price:
0.000000999 Ether (999 Gwei)

Vitalik Buterin – Co-Founder of Ethereum **donated \$1B to India Covid Relief Fund** by giving out the 50T SHIB tokens gifted to him by the project on 13th May 2021.

45,692,902%

SHIB has gone down by 75% from its All Time High. You would have made a major loss if you were to buy at the top.
Please conduct thorough research before buying any tokens!

-75%

11,566,501%

5,289%



— DOGE — SHIB

Uniswap V3

Uniswap introduces a new take on liquidity provision

	 Uniswap Summary		
	Uniswap V1	Uniswap V2	Uniswap V3
Launched Date	2 nd Nov 2018	18 th May 2020	5 th May 2020
Formula	$x*y = k$		
Trading Fees	Fixed (0.3%)		0.05%, 0.3%, 1%
Supported trading pairs	ETH-ERC20	ERC20-ERC20	
Other Features	<ul style="list-style-type: none"> - Protocol fee (off by default) - Oracles - Flash Swaps 		All in Uniswap V2 <u>New addition:</u> - Concentrated Liquidity - Flexible Fees - Improved Oracles

Uniswap is an Automated Market Maker (AMM) based exchange and launched its third iteration, Uniswap V3, on 5th May 2021. Each version is non-upgradeable by design.

In the latest V3 iteration, Uniswap introduced two new main features:

1 Concentrated Liquidity

In Uniswap V3, **Liquidity Providers (LPs) can choose the price ranges they would like to provide liquidity**. For example, Liquidity Providers for the USDC/ETH liquidity pool may choose to allocate 30% of their capital in the \$2,000 - \$3,000 price range and the remaining 70% in the \$1,500 - \$1,700 price range.

2 Flexible Fees

Uniswap **V3 offers a three-tier pool fee** that LPs can choose accordingly:

- a) 0.05%
- b) 0.30%
- c) 1.00%

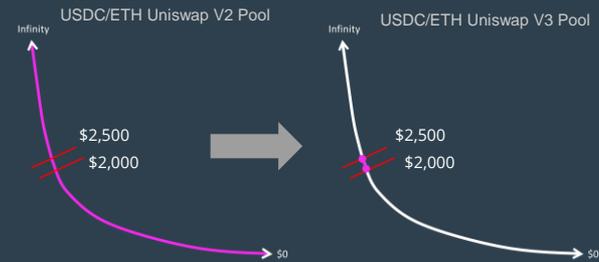
For example, the USDC/DAI trading pair has low price volatility and may warrant a lower 0.05% pool fee. The ETH/DAI trading pair has higher price volatility and would warrant a 0.30% pool fee. Meanwhile, the 1.00% pool fee may be more appropriate for more long-tail or exotic trading pairs.

Concentrated liquidity

Uniswap V3 is more capital efficient but comes with higher impermanent loss risk

In V2, **liquidity is distributed evenly along the price curve** and this enables the users to trade against the pool no matter the price range. However, it only utilizes a fraction of the liquidity provided when the asset price is trading at certain price ranges, thereby making the **remaining unused liquidity inefficient**.

In V3, the **Liquidity Providers (LPs) can choose the price range they wish to provide liquidity**. As a result, **higher capital efficiency is achieved when the assets is traded at that specific liquidity range**. A by-product of this is that LPs will receive Non-Fungible Tokens (NFTs) instead of fungible ERC-20 tokens which represent their LP positions.



Case Study: USDC/ETH Uniswap V3 vs. Uniswap V2 Pool

	Uniswap V3	Uniswap V2	Ratio (V3/V2)
Total Value Locked (TVL)	\$276M	\$304M	0.9x
24-hours Volume	\$90M	\$29M	3.1x
24-hours Fees	\$271K	\$87K	3.1x
Capital Efficiency (Volume/TVL)	0.33x	0.095x	3.5x
24-hr Return (0.3% fee/TVL)	0.098%	0.028%	3.5x

As of 8th July 2021, the TVL in Uniswap V3 for USDC/ETH is \$276 million, which is **0.9x of Uniswap V2**, yet Uniswap V3 is **trading 3.1x higher than V2 (\$90M vs \$29M)**. This means **Uniswap V3 is much less capital intensive than V2** and giving it a capital efficiency of 0.33x (vs. only 0.095x in V2!).

With higher volume in V3, the LPs would **receive 3.5x higher fee returns than in V2**. Nevertheless, this does not account for impermanent loss (IL).

For Uniswap V3, **a narrow price range set by LPs, equates to a higher impermanent loss**, should the price trade out of the price range. Moreover, it is not very user-friendly because users would need to set an optimal price range, while considering the volatile nature of the underlying assets.

Data is sourced from [Uniswap V3 info page](#) & [Uniswap V2 info page](#) as of 8 July 2021

The Pros, Cons, and Risks of Uniswap V3 as a Liquidity Provider

Uniswap v3 requires proactive management to leverage its capital efficiency ...

The Pros, Cons, and Risks of Uniswap V3 as a Liquidity Provider



PROS

- **Higher capital efficiency** because lower capital is needed to handle higher trading volume.
- **Higher fees earned** if you set a narrow price range as liquidity is concentrated to cater to a higher volume within that price range.
- **Flexible fees** with three fee tiers: 0.05%, 0.3%, and 1%.



CONS

- **Fees earned are not compounded** because fees are not reinvested in the LP pool due to your liquidity share being represented as non-fungible tokens instead of ERC20.
- **Difficult to determine the optimal price range** to gain optimal return.



RISKS

- Although you can earn higher trading fees, you are likely **to suffer high Impermanent Loss (IL) in a narrowly defined price range**. The narrower you set your price range, the higher is your Impermanent Loss. This is because when the current price goes out of your defined price range, you will suffer 100% Impermanent Loss.

... however, Vault Fund Managers are performing worse than expected

In Uniswap V3, Liquidity Providers (LPs) have to determine the optimal price range for maximizing LP returns while minimizing Impermanent Loss (IL) risks, which is a major pain point. To address this issue, a new breed of protocols have risen, otherwise known as Vault Fund Managers. The three most well-known are Charm, Visor, and Popsicle Finance. Each of them utilize a different strategy and if you want to read more on this, you can read more on [Vividot's essay here](#).

Uniswap V3 ETH/USDT Pool Vault Performance Alpha Vault (Charm.fi) vs. Hypervisor (Visor) vs. SorbettoFragola (Popsicle Finance)



Chart legend

- **Red line** = ETH performance if you HODL
- **Green line** = Uniswap V2 50/50 LP performance includes IL without fees earned
- **Blue line** = Uniswap V3 vault management performance include IL and fees earned

Conclusion

Despite the different strategies, Vividot's findings (based on Dune Analytics' dashboard) suggest that **Uniswap V2 LPs are performing better** than the Uniswap V3 Vault Managers (represented by the **green line** hovering above the **blue line**). On top of that, this does not account for fees earned from V2 which means that the performance of V2 LPs are actually higher than what is shown here. Nevertheless, it has only been less than 2 months since these vaults launched and it is **still too early to conclude with any certainty**.

TOKENIZING FUTURE YIELDS

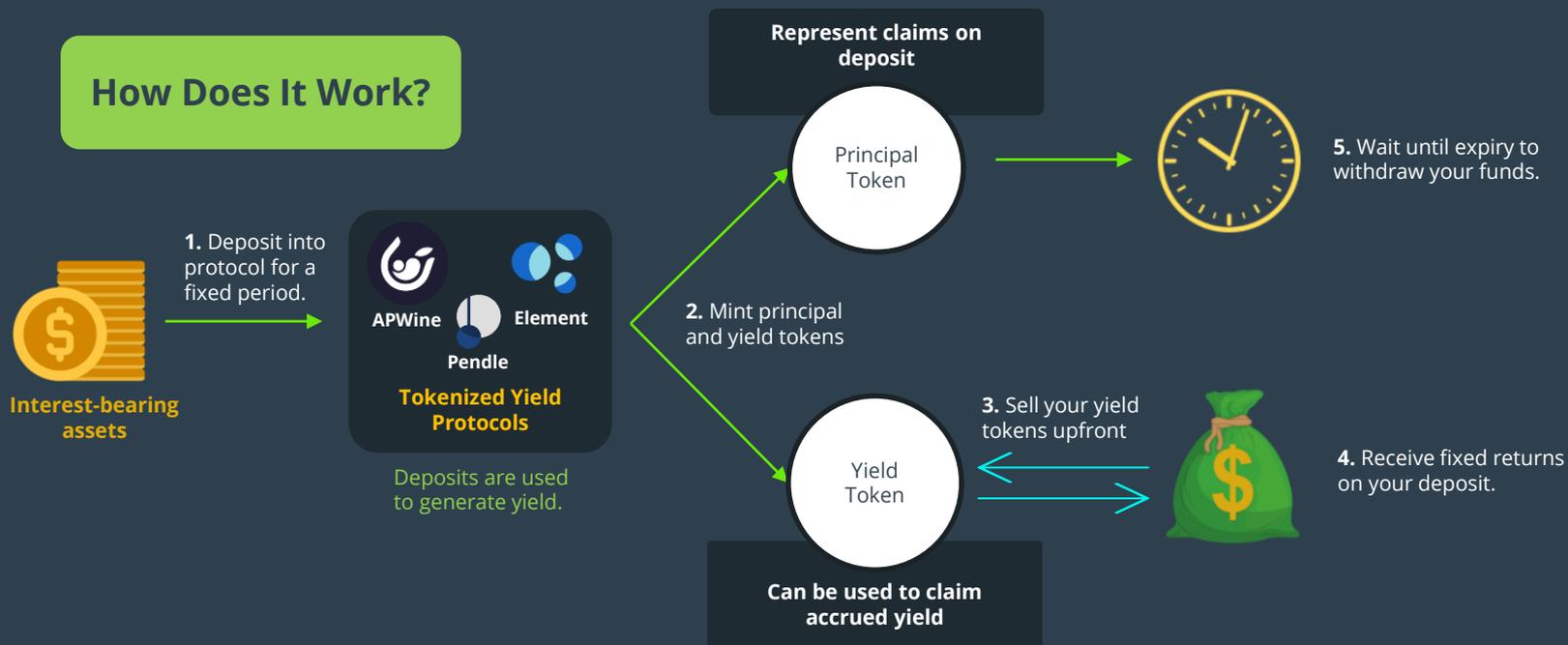
Improve your capital efficiency by splitting principal and yield



What is Tokenized Future Yield?

Users deposit their assets to mint **future yield** tokens, which can be **sold upfront** to **lock in yield**.

How Does It Work?



Tokenized Future Yield

A comparison of some of the latest tokenized yield protocols

	 APWine	 Element	 Pendle
Collateral Deposited	Interest-bearing assets	Regular assets	Interest-bearing assets
Minted Assets	<ul style="list-style-type: none"> Interest-bearing tokens (IBT) Future Yield Tokens (FYT) 	<ul style="list-style-type: none"> Principal tokens (PT) Yield Tokens (YT) 	<ul style="list-style-type: none"> Ownership tokens (OT) Yield Tokens (YT)
How is the Fixed Yield Determined?	Based on the returns from selling FYT upfront . Depositors will receive new FYT at the start of each new period.	Based on the returns from selling YT upfront . After that, depositors must wait until expiry before they can redeem their principal.	Based on the returns from selling YT upfront . YT tokens can be used to claim accrued interest anytime , without having to wait until the end of a period.
Early withdrawal?	Yes , requires burning of FYT	No	Yes , requires burning of YT

These protocols largely operate in the same manner, based off a dual-token model.

Through this method, **they are effectively turning yield into a separate, tradeable asset.**

The yield tokens represent a claim on the accrued interest generated from the protocol's deposits.

Users have the **flexibility to sell them to lock in a fixed interest rate**, or **hold them to receive a variable rate.**

Since yield tokens are relatively cheaper, it offers better capital efficiency **because users can gain exposure** to fluctuating yield rates **without committing large amounts of capital.**

POLKADOT & KUSAMA

Basic Infrastructure of Polkadot and Kusama

Polkadot and Kusama are chains that share the same infrastructure

What are Polkadot and Kusama?

Polkadot is another blockchain built by the ex-CTO of Ethereum, Gavin Wood and has since received \$300 million worth of funding. **Kusama** was created later as a canary network to offer an experimental space for developers to test out their ideas.

2 Key Roles on Polkadot/Kusama Network

Validators
Produce blocks on the Relay Chain.

Collators
Collect Parachain's transactions and provide state transition proofs to the validators.

4 Key Polkadot and Kusama Infrastructure Components

1

Relay Chain - this is the main chain where it is secured by the validators. The Relay Chain does not support smart contracts as its role is simply to connect all the Parachains and Parathreads.

2

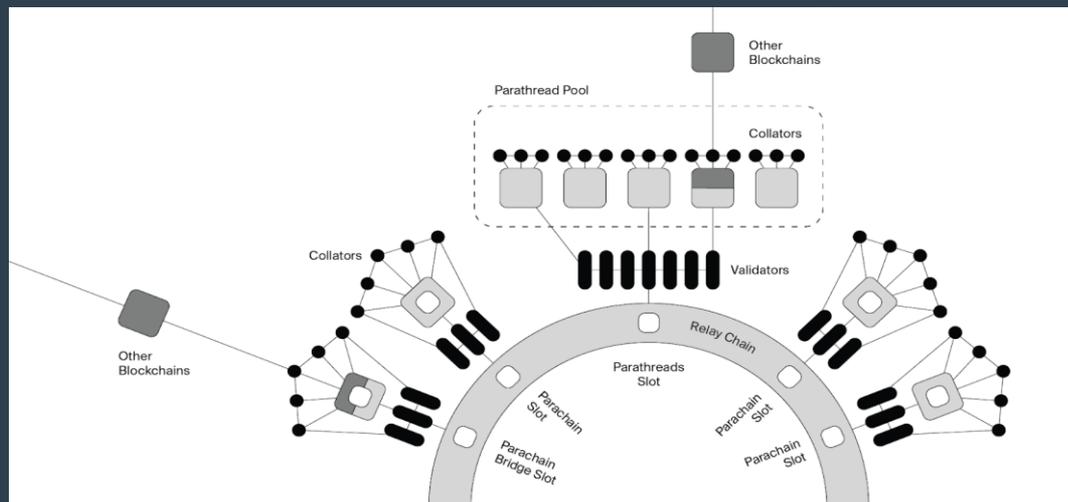
Parachains - this is where these projects can build on and leverage on the security offered by the Relay Chain. This is where the projects can build on and leverage on the security offered by the Relay Chain.

3

Parathreads - this is where new and smaller projects that cannot afford to build on Parachains utilize a pay-as-you-go model. It can be viewed as a split version of Parachains because securing Parachains is a capital-intensive investment and require longer time commitment.

4

A **Parachain Bridge Slot** refers to Parachains that have been reserved to act as a bridge to other blockchains (e.g. Ethereum).



The Differences between Polkadot and Kusama

While Polkadot emphasizes on security, Kusama focuses on speed

	 Kusama (KSM)	 Polkadot (DOT)
Network Role	Canary Network (acts as a sandbox for developers)	The main network
Security	Focused on experimentation and speed instead of stability and security	Focused on stability and security
Governance	Takes 7 days to vote on referendum, 8 days to implement changes	Takes 1 month to vote on referendum, and 1 month to implement changes
Staking	Staked KSM can be unbonded in 7 days	Staked DOT can be unbonded in 28 days
Length of Parachain's Slot	Up to 48 weeks	Up to 2 years
Token Supply	Capped supply at 10 mil	Uncapped supply, inflationary

Crowdloans

Similar to other blockchains, Polkadot and Kusama have limited resources to allocate for Parachains. As such, **they decided to use Candle Auction to choose which projects can take the spot of Parachains**. Projects will bid by having to stake KSM/ DOT during the period of lease. The highest bidder will win the slot. Unlike Initial Coin Offerings (ICOs), the contributed KSM/DOT will be returned back to the users when the lease period ends. Kusama and Polkadot aim to support up to 100 Parachains.

There are **two ways** to raise the required amount of KSM/ DOT for the Parachains Auction:

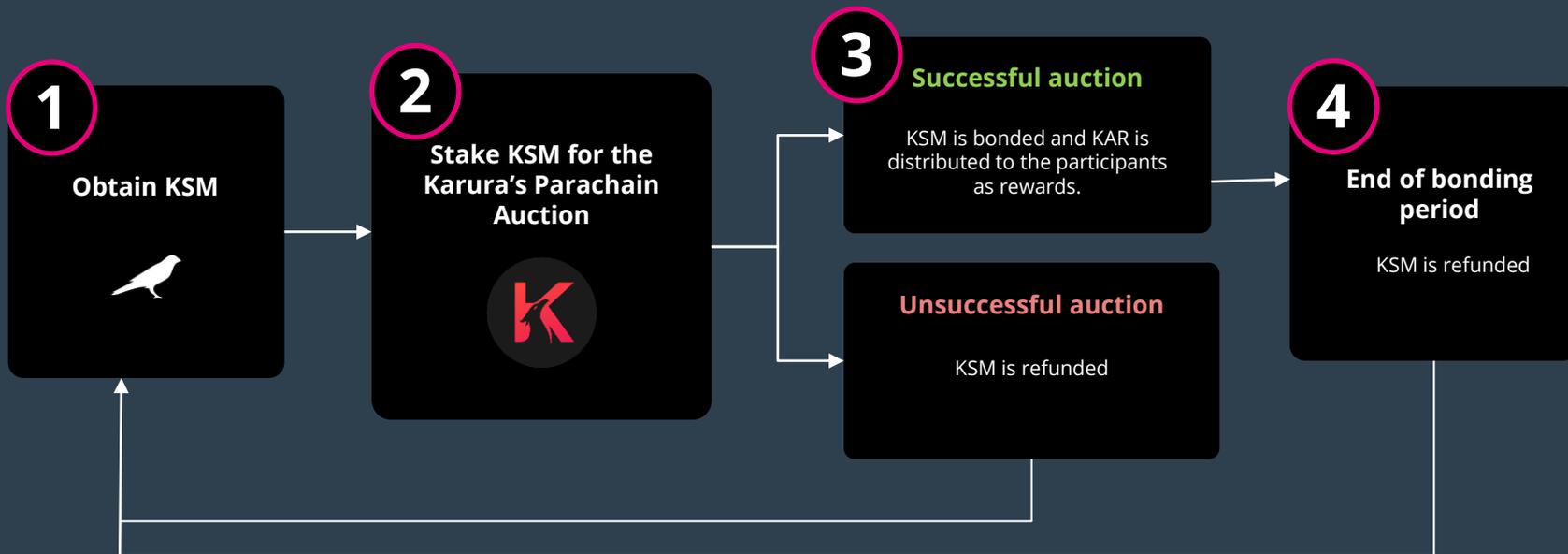
1. The project team can pay the contributions themselves (usually when the team has access to large funds).
2. The project team can acquire a Parachain slot through crowdloans by offering their native tokens up as incentives.

Participating in a crowdloan is similar to staking on a Proof of Stake blockchain

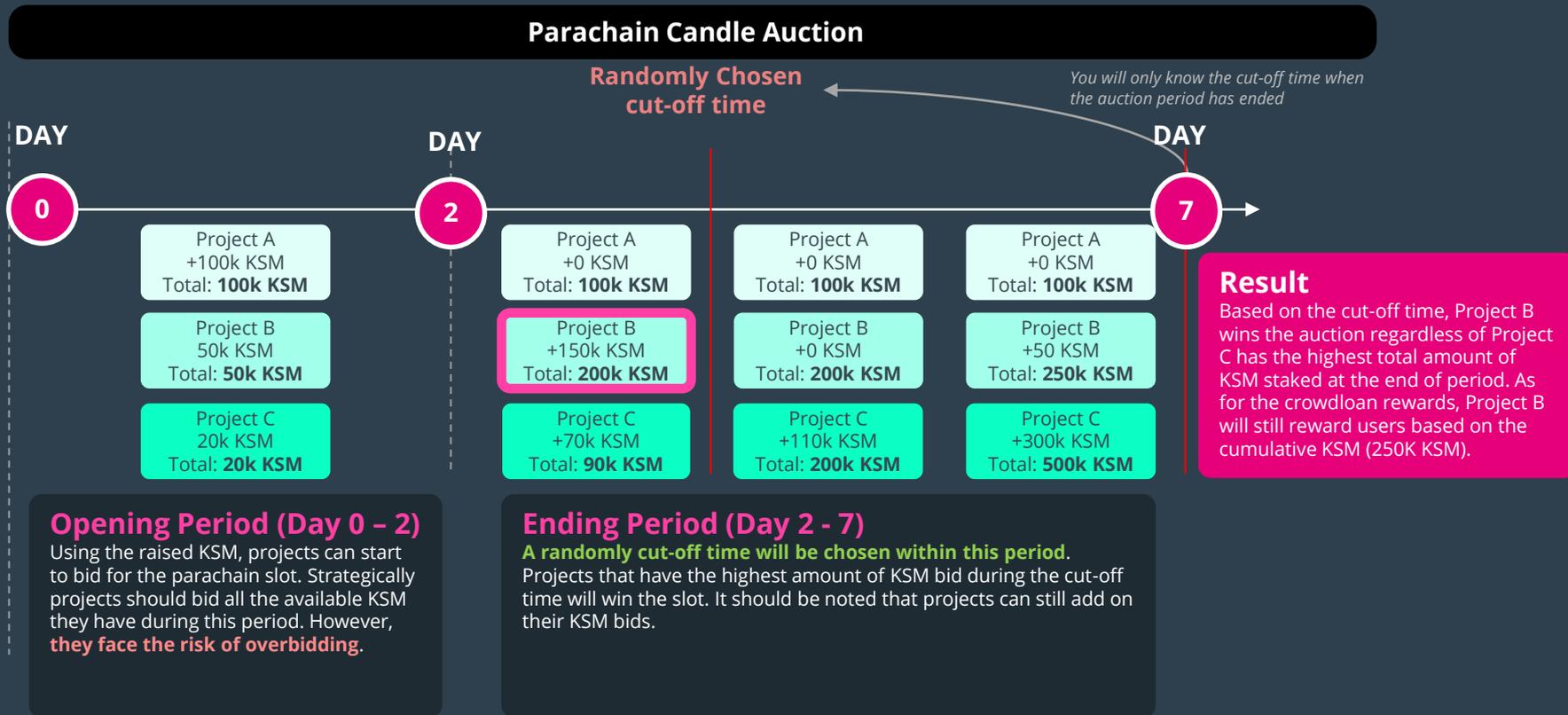
Below shows an example of a user's journey of participating in a Kusama Crowd loan by betting on Karura. The mechanism is **very similar to the process of staking Proof-of-Stake (PoS) tokens**. Users can bet on the success of the projects' securing a Parachain slot by agreeing to stake a certain amount of KSM during the period of leasing.

Users will receive the project's native tokens as a reward if it succeed (in this case KAR) and the **KSM contributed will be returned at the end of the bonding period**. Alternatively, if the project fails, the contributed KSM will be refunded.

User's journey of participating in a Kusama Crowdloan by betting on Karura.



Candle Auctions favor 'all-in' bids at the start to secure a Parachain



Crowdloans

Crowdloans may mark the start of a Kusama/Polkadot season

Kusama (KSM)



Karura



Khala



Moonriver



Shiden



Sakura



Altair

Polkadot (DOT)



Acala



Moonbeam



Clover



Phala



Astar



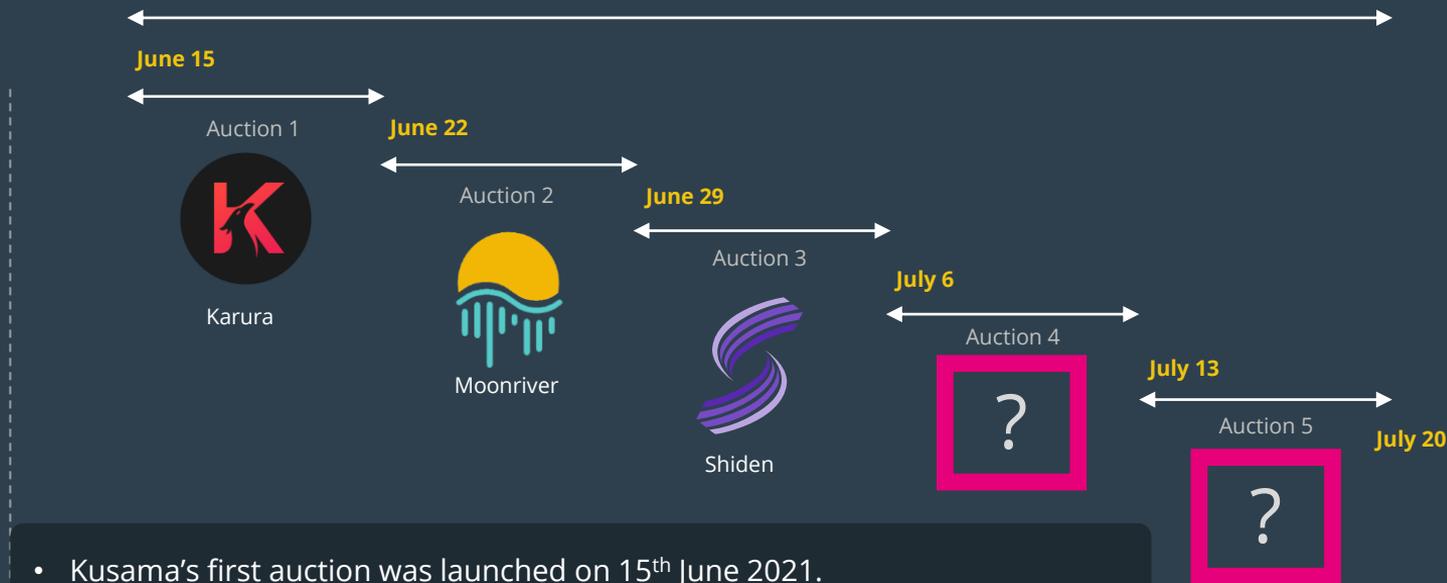
Centrifuge

There are quite a few projects that have decided to build on Kusama and Polkadot in anticipation of the Parachain auction.

The first Parachain auction of Kusama has already started on 15th June 2021.

Projects that choose to build on Polkadot most likely will also launch on Kusama. As such, the same project team will release two different tokens. The table shown on the left are arranged to showcase that. For example, Karura and Acala are built by the same team. Khala with Phala, Moonriver with Moonbeam.

Several winners have already been announced for the Parachain Auctions

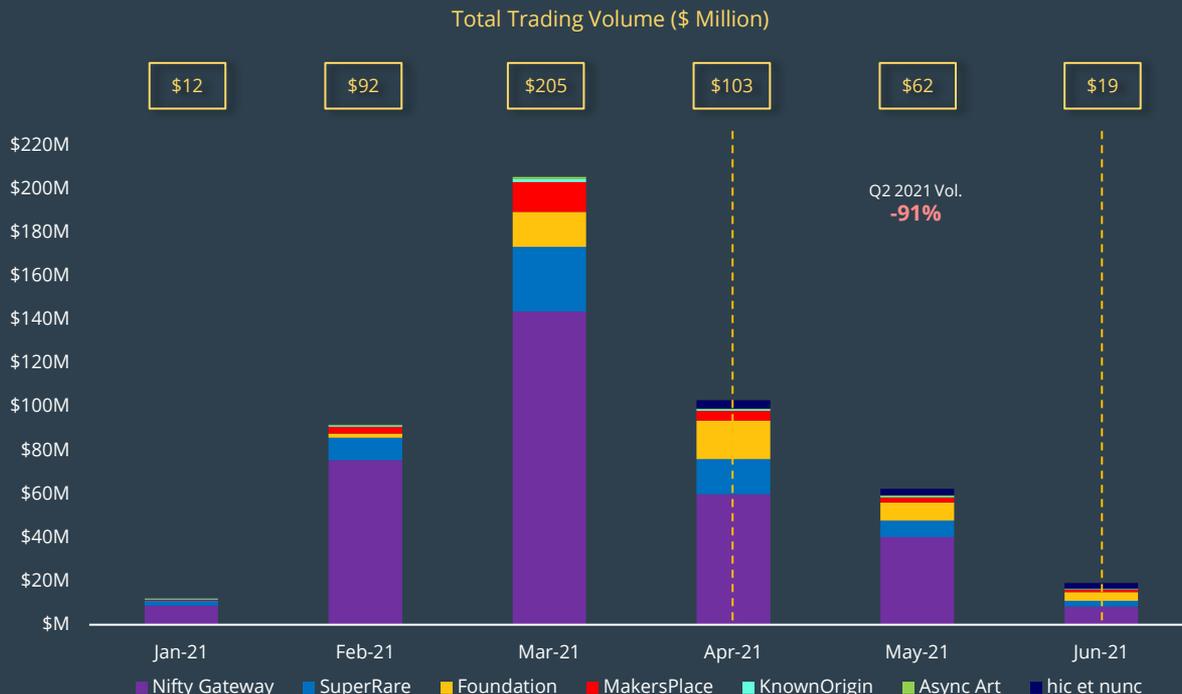


- Kusama's first auction was launched on 15th June 2021.
- Karura, Moonriver and Shiden have won the first three auctions.
- Who will be the next winner?

Non-Fungible Tokens (NFTs)

Art marketplaces have significantly slowed down...

NFT Art-Marketplaces Trading Volume (Jan – Jun 2021)



The appetite for Art-based NFTs has greatly dropped. By the end of June, **trading volume saw a 91% decrease from April.**

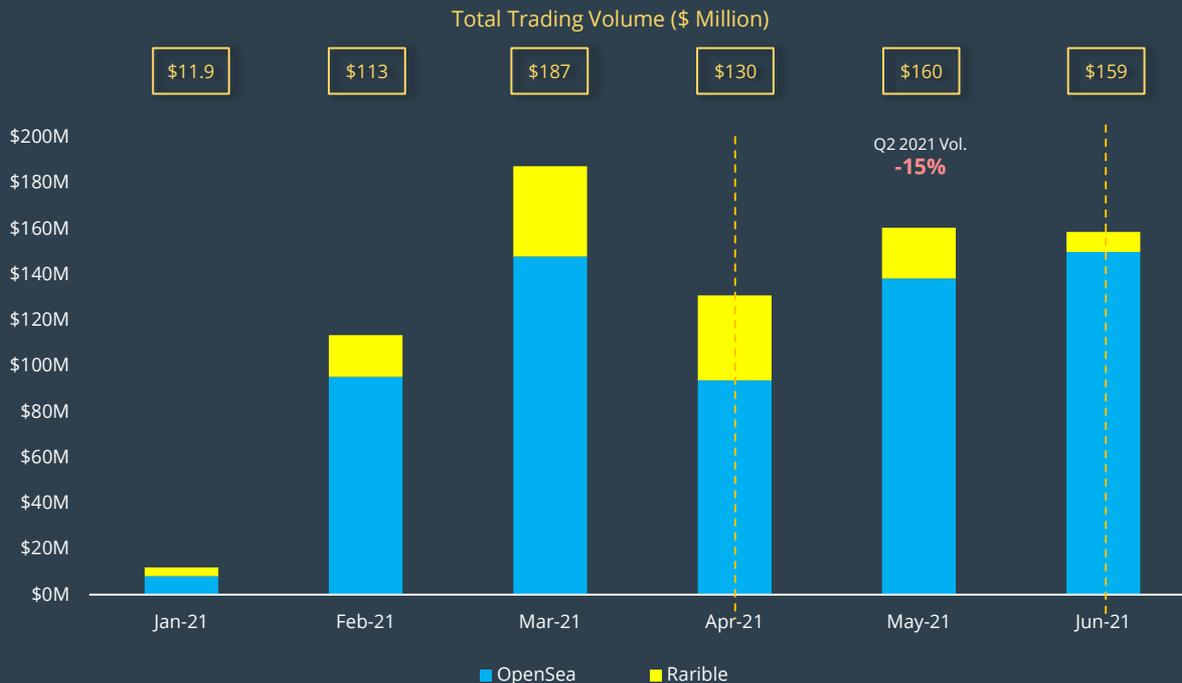
In Q1, art marketplaces saw a total trading volume of **\$312 million**. However, in Q2, that figure dropped to **\$184 million**. Notably, the total trading volume for Q2 is **less than the month of March alone**. This includes the new art marketplace, Hic et nunc, which launched in March on the Tezos blockchain.

Although hic et nunc is a newer platform, **it has a monthly average of \$3.17M trading volume** and has **surpassed smaller incumbents** like MakersPlace (\$2.54 million), KnownOrigin (\$0.47 million), and Async Art (\$0.35 million). Part of its quick success has been attributed to its strong environmental narrative (Tezos uses a Proof-of-Stake Model) and lack of competitors on Tezos.

Data is sourced from @rchen8 (Dune Analytics) and CryptoArt as of 30 June 2021
 *Figures for Hic et nunc were only taken from April 2021 onwards.

... but general marketplaces remain active

OpenSea and Rarible Trading Volume (Jan – Jun 2021)



Market demand for general NFTs appears to have **plateaued** as both OpenSea and Rarible combined saw a **slight decrease in trading volume (-15%)** from April to June.

While trading volume appears to have stabilized, it still cannot compare to its **all-time-high in March (\$187 million)** where the NFT narrative and media hype was at its peak.

One interesting observation is the growing dominance of OpenSea. In April, **OpenSea's trading volume was 3x bigger than Rarible**, however, by the end of June, **it was 17x bigger**. OpenSea even surpassed its **all-time-high in March (\$147 million) by \$2 million**.

A reason for this could be **new NFT collectibles sweeping across Ethereum** which are often listed on OpenSea as their preferred choice.

New NFT Collectibles are all the rage, driving up marketplace activity

Over the quarter, we have seen many new NFTs that borrow elements from CryptoPunk's iconic **2D style**. While some have gravitated towards pixelated art, the more popular ones (some of which are listed below) are banking on **crypto culture** and **memes**. There are however, two outliers which we have pinpointed. One is, in fact, created by the creators of CryptoPunks themselves while the other line of NFTs are curated and randomized blocks of art.



Art Blocks
November 2020

Art Blocks consists of a **variety of art pieces involving geometric shapes, lines, and patterns**. Buyers may choose a preferred artist/style where users may pay to mint a randomly generated version of the selected content. The resulting piece might be a **static image, 3D model, or an interactive experience**. Art Blocks saw renewed interest in June 2021 when new curated art collections were introduced.

4,266
No. of Unique Buyers

\$1.3k
Average Sale Price since inception



Bored Ape Yacht Club
April 2021

The Bored Ape Yacht Club (BAYC) is a collection of 10,000 Bored Ape NFTs with over 170 unique traits. Owners of the NFT will have **access to a collaborative graffiti board known as THE BATHROOM**. Over time, owners will also get other privileges including **exclusive rights to purchase BAYC merchandise and opportunity to participate in a future BAYC Treasure Hunt**.

5,744
No. of Unique Buyers

\$3.3k
Average Sale Price since inception



The Meebits
May 2021

The Meebits are 20,000 **unique 3D voxel characters, created by Larva Labs**, the creators of CryptoPunks. Similar to CryptoPunks, Meebits have randomized traits and rarities. Owners of a Meebit are also given **access to a full 3D model asset pack** which can be used to render/animate the Meebit, or even use it as an avatar in the metaverse.

2,031
No. of Unique Buyers

\$10.6k
Average Sale Price since inception



Wicked Craniums
June 2021

The Wicked Craniums are residents of the fictional island of Osseous. There are 10,762 Craniums with over 180 differentiable features. Owners of the NFT will have **access to The Cradle, a member's only social platform**. Similar to BAYC, there will be future events like **real-life sculpture airdrops and release of trading cards**.

3,075
No. of Unique Buyers

\$868.2
Average Sale Price since inception



Bored Ape Kennel Club
June 2021

The Bored Ape Kennel Club (BAKC) was a **surprise "airdrop" to all owners of BAYC**. Each BAYC NFT entitled the owner to **"adopt" (mint) a new BAKC NFT for free**; they only need to pay for gas. Like BAYCs, there are only 10,000 of them with 170 unique traits. Notably, there is a **2.5% royalty fee** for all transactions on OpenSea for the first 6 weeks where **proceeds would be donated to animal charities**.

1,278
No. of Unique Buyers

\$3.5k
Average Sale Price since inception

Nevertheless, the average prices of 'older' non-gaming collectibles are dropping

Top-5 Non-Gaming Collectibles Average Sales Price Monthly Growth Rate (Jan - Jun 2021)

	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
	196%	127%	-14%	-58%	-52%	-12%
	121%	204%	85%	4%	29%	-47%
						-74%
					565%	259%
		-31%	8%	-20%	-35%	-20%

Floor prices across the board have **dropped considerably** except for the Board Ape Yacht Club (BAYC). NBA Top Shot peaked in February at \$182 while CryptoPunks peaked in May at \$91k. Hashmasks have not recovered since its peak at \$6,245 during its launch month.

Even The Meebits, which launched recently in May, suffered a **74% monthly decrease in floor price** from **\$16.9k to \$4.3k**.

BAYC, despite its launch in April, has **performed extremely well**, and is **ranked 4th out of all non-gaming collectibles** by sales volume (5th place over all NFT collectibles). In June, it had an **average floor price of \$2,081**.

Top-5 Non-Gaming Collectibles Aggregate Sales Volume Since Inception (As of 1 July 2021)



Gaming NFTs saw renewed interest although floor prices have also dropped

Top-5 Gaming Collectibles Average Sales Price Monthly Growth Rate (Jan - Jun 2021)

	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
	171%	69%	9%	0%	-18%	15%
	62%	92%	13%	-29%	-8%	9%
	-64%	-29%	16%	115%	-36%	-7%
			-35%	564%	48%	-44%
	29%	188%	-40%	34%	-25%	-65%

Newer games like Alien Worlds and R Planet saw **large spikes in interest** in Q2 **but has since slowed down**. Alien Worlds token (TLM) was listed on Binance on 13 April and **peaked in April at \$9.05**. R Planet released their R-Planet Land on 14 April 2021 and **peaked in May at \$342.47**.

Floor prices for incumbents (established before 2020) have been relatively stable throughout Q2, except for F1 Delta Time which has dropped significantly from **\$3,534 in February, to \$751 in June**.

One thing to note, however, is the **massive growth Axie Infinity has seen in terms of sales volume** – it is now **1st for gaming NFTs** and ranked **3rd over all NFT collectibles**.

Top-5 Gaming Collectibles Aggregate Sales Volume Since Inception (as of 1 July 2021)



\$170.3M

121,880
Unique Buyers



\$50.6M

43,430
Unique Buyers



\$23.7M

306,784
Unique Buyers



\$15.4M

13,171
Unique Buyers



\$5.3M

1,187
Unique Buyers

The King of Gaming NFTs – Axie Infinity

Axie Infinity is a Pokémon-inspired battle strategy game by Sky Mavis

Adventure Mode (PVE)



Axie Infinity was first developed by gaming studio, Sky Mavis back in 2018. The game **borrow**s many elements from **Pokémon** including a breeding system for skill cards and stats (analogous to Pokémon's moves and IV stats). Gameplay can roughly be divided into two core features - **Player-versus-Environment (PVE)** and **Player-versus-Player (PVP)**.

Arena Mode (PVP)



During a battle, players **must bring three Axies**. Each Axie has **four skills**, represented by cards which are **randomly drawn every round**. There are currently over a 100 different skills and 9 species. Axie Infinity also has **positioning and energy consumption mechanics** similar to Hearthstone.

Mobile App



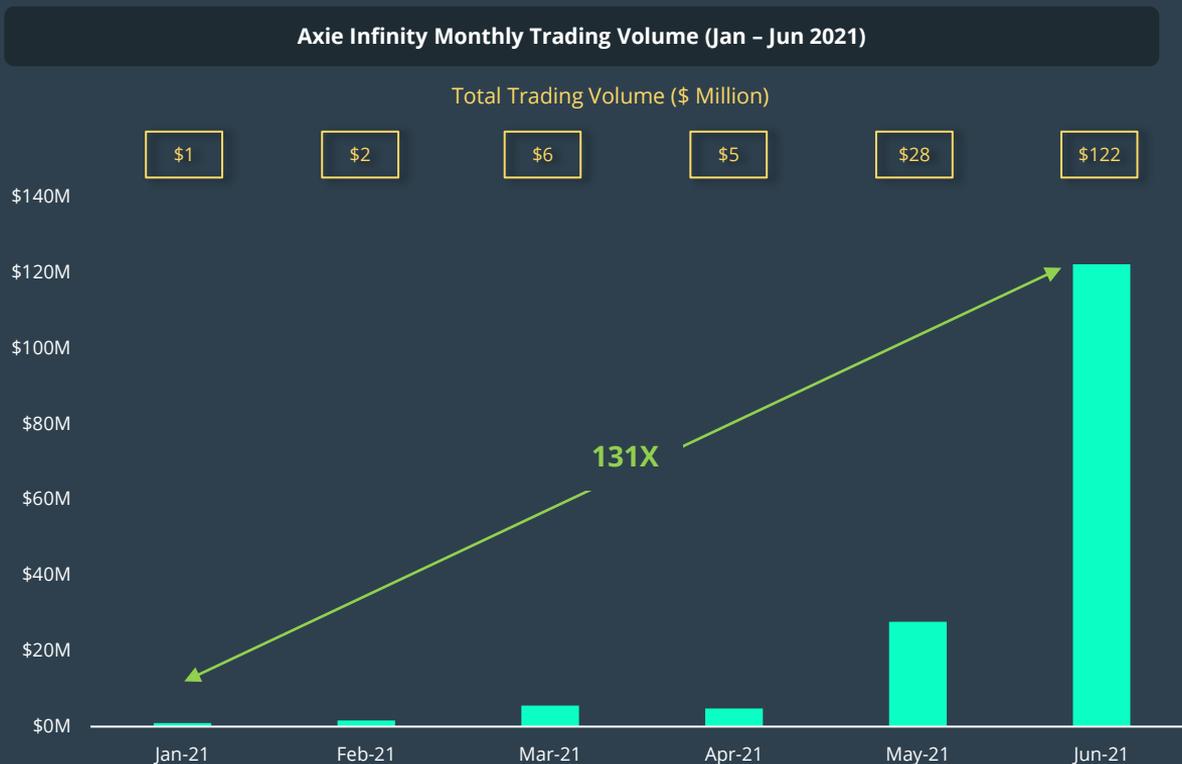
Unlike most blockchain-based games, Axie Infinity **works on both Android and iOS**. This is on top of their desktop app. Users are thus **free to play under one account on all devices**. However, users **must have a Ronin Wallet** (Axie Infinity's sidechain) in order to **acquire and breed Axies**.



Each Adventure/Arena battle requires one Energy to play. The maximum amount and refill rate depends on how many Axies there are in the account.

The King of Gaming NFTs – Axie Infinity

Over the past few months, Axie Infinity has exploded in popularity ...



Although Axie Infinity has been around for more than three years, **its popularity did not take off until 2021**.

Monthly sales volume for Axie Infinity **trended upwards in February 2021** after its Phase 1 launch of its sidechain, Ronin. However, Phase 1 only allowed land-based assets to be migrated.

The **real catalyst came in May 2021** when Axies were migratable and could be traded freely on Axie Infinity's Ronin-based marketplace. The surge in media hype, especially around Axie Infinity's Play-to-Earn elements, **led to a 131x increase** in a span of 6 months.

The King of Gaming NFTs – Axie Infinity

... leading to more revenue than ever

Axie Infinity Monthly Protocol Revenue (Jan – Jun 2021)



Revenue for Axie Infinity is generated from breeding fees and trading fees.

Each time an Axie breeds, it requires 4 AXS, all of which is sent to the protocol's treasury. As for trading fees, each time an asset gets sold on the marketplace, Axie Infinity receives 4.25% worth of trading fees in ETH.

With the Ronin Side Chain Phase 2 implementation, **revenue ballooned along with trading volume**. Within 6 months, **Axie Infinity's revenue went up by 118x**.

Notably, **breeding fees surpassed marketplace fees in May 2021**, likely due to the Ronin migration, (thus lowering the costs of breeding operations) and the increased demand for Axies. In June alone, **breeding fees accounted for \$6.9 million of total revenue (57%)**.

Data is sourced from CryptoSlam as of 30 June 2021

Axie Infinity's success is closely linked to its well-designed P2E mechanics



Axie Infinity has **2 fungible tokens** (aside from Axies NFT themselves). One is **Axie Infinity (AXS)** and the other is **Smooth Love Potion (SLP)**. **Both tokens are required to breed an Axie**. A single Axie can breed a **maximum of seven times**. The **cost of breeding is 4 AXS + a certain amount of SLP** (depending on how many times both parents have bred). For example, if one parent has bred 0 times and the other has bred 2 times, the total SLP cost would be 600. One thing to note is that **Axie parents and siblings cannot mate with each other**. This breeding system forms the backbone of the Axie economy.

Breed Count	(0/7)	(1/7)	(2/7)	(3/7)	(4/7)	(5/7)	(6/7)
SLP Cost	150	300	450	750	1200	1950	3150



The Rise of Play-to-Earn

There are four main ways for players to Play-to-Earn on Axie Infinity

1



Sell SLP/AXS acquired from in-game on exchanges like Uniswap and Binance.

Currently, Axie Infinity operates on its Ronin sidechain where assets would need to be bridged using the Ronin Wallet. However, the team is building a Ronin-based DEX which would remove the need to bridge out SLP/AXS and sell it on the main Ethereum network.

2



A decent team is needed to progress through higher levels of Adventure Mode and higher ranks in the Arena. Many breeders look for specific skills, traits, and parental genetics to ensure they have the best chances of obtaining offspring that fit the current meta. **Breeders will then sell their Axies on the Axie Marketplace or use the offspring to breed new Axies.**

3



AXS also doubles up as a governance token and would eventually be able to be **staked (sometime in 2021) to earn protocol revenue**. Delphi Digital, an Axie infinity Partner who helped design the tokenomics structure, has forecasted an annual percentage yield of **40% for the next 5 years**.

4



Collect and speculate on rare Axies, Axie Land Plots and other land-related assets. Rare Axies are issued by the gaming developers at special events and have different cosmetics. Land also has a limited supply, and different rarities that would influence spawn rates of resources, chimeras etc. However, **land gameplay has not yet been implemented** although users can still buy land.

The Rise of Play-to-Earn

Axie Infinity is sparking a financial revolution by creating a whole new economy



Daily SLP Farmers



Assuming a player has 3 Axies, he would be able to **use 20 Energy per day**.



Technically, a player does not need energy to earn SLP from Adventure mode. However, he would require energy to gain experience to improve his Axies' stats and progress to higher levels. Let's assume **he spends 10 energy per day on PVE games and earns the maximum cap of 100 SLP**.



The remaining 10 Energy is spent on the Arena. Arena battles are a lot more uncertain as it is driven by decision-making, team composition, and a bit of luck. The amount earned from the Arena is also dependent on your rank - the higher your rank, the more SLP you earn. Assuming he **averages a 50%-win rate at 7 SLP per win (average SLP earned in the 1100-1299 MMR bracket), he would earn 35 SLP in total**.



QUESTS

Following this routine, he would also be **able to complete the daily quest for 50 SLP**.



At the time of writing, 1 SLP = \$0.30, putting his total earnings at **185 SLP or \$55.5 USD per day**.*

Axie Infinity has become extremely popular in many developing countries. In May 2021, Axie Infinity released a mini-documentary on its growing adoption rate in the Philippines. Players of all ages have suffered throughout the pandemic and are **playing Axie Infinity for an alternative source of income**.



However, **not everyone has the capital to acquire the minimum number of 3 Axies** to play the game. Budget teams can cost up to 0.5 ETH while specialized competitive teams can cost up to 1 ETH. Floor prices for Axies have also been increasing over the past few weeks.

This has led to the popularization of **Axie Scholarships, a form of loan where Axies are lent to 'Scholars' in return for a portion of SLP earnings**. Some scholars even have CVs!

*Calculations for daily SLP farmers does not include bonus SLP awarded when completing certain levels in Adventure mode

The Rise of Play-to-Earn

Other games are capitalizing on the P2E element, including investors and platforms

Upcoming NFT Games



Guild of Guardians is a **mobile, multiplayer, fantasy, action RPG** that is slated for release in early 2022. One of the key elements include beginner-friendly P2E mechanics where players can earn heroes and items without spending any money.



Aavegotchi recently unveiled their latest plans for the "Gotchiverse" which has some **similarities with Axie Infinity's land game mechanics and rolled up into an action RPG**. There is also a specially designed role known as a "Liquidator" which is meant for P2E players.

Play-to-Earn (P2E) Investors



Yield Guide Games (YGG) is a **decentralized P2E gaming guild**. YGG has numerous gaming assets in a wide variety of NFT games, including Axie Infinity. In June 2021, the guild raised \$4M in a Series Funding A round and plans to launch their new governance token (YGG) on 27 July 2021 via SushiSwap.



BlackPool

BlackPool is a **decentralized autonomous organization (DAO)** that purely operates within the NFT industry. Aside from acquiring collectibles and Art NFTs, the fund also invests in gaming assets and loans them out in return for in-game currency. Some examples include Sorare and Axie Infinity. Blackpool currently has about \$6.6M assets under management.



P2E Platforms are also trending

exeedme

Exeedme is a P2E platform that allows players to **earn crypto and NFTs while playing their own games** (e.g. CS:GO). Users may also win NFTs and unlock achievements in-game through staking their token, XED.



Matrix allows content creators, individuals, and communities to **build better community interactions and raise funds from fans through their gamification platform**. Users may leverage the platform to sell merchandise and NFTs, create quests and rewards for fans, while earning income along the way.

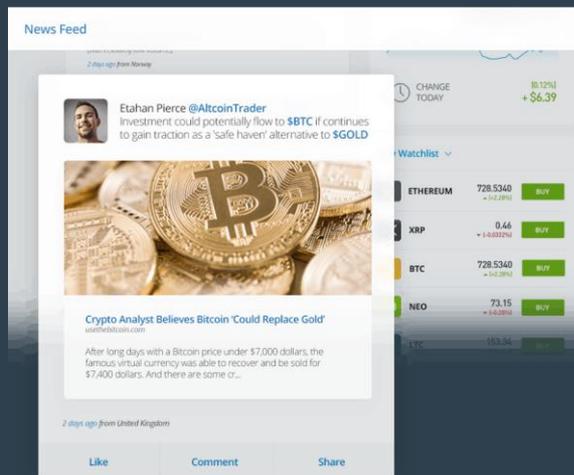


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Etahan Pierce @AltcoinTrader
Investment could potentially flow to \$BTC if continues to gain traction as a 'safe haven' alternative to \$GOLD

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...

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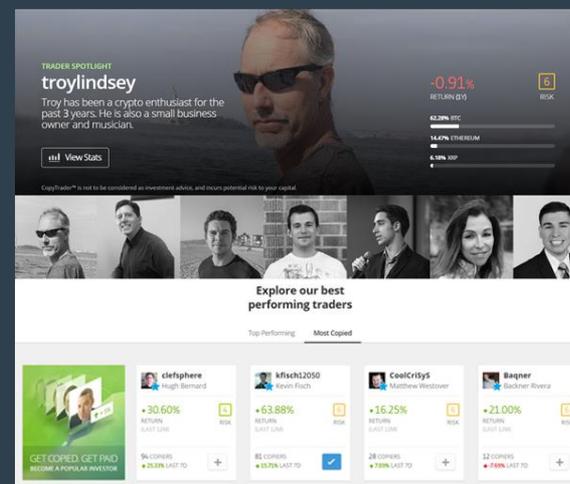
Watchlist

ETHEREUM	728.5340	+142.28%	BUY
XRP	0.44	+1.6202%	BUY
BTC	728.5340	+142.28%	BUY
NEO	73.15	+142.28%	BUY

Social Trading Platform

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

RETURN (31) -0.91%

42.28% BTC
14.47% ETHEREUM
6.19% XRP
6.19% NEO

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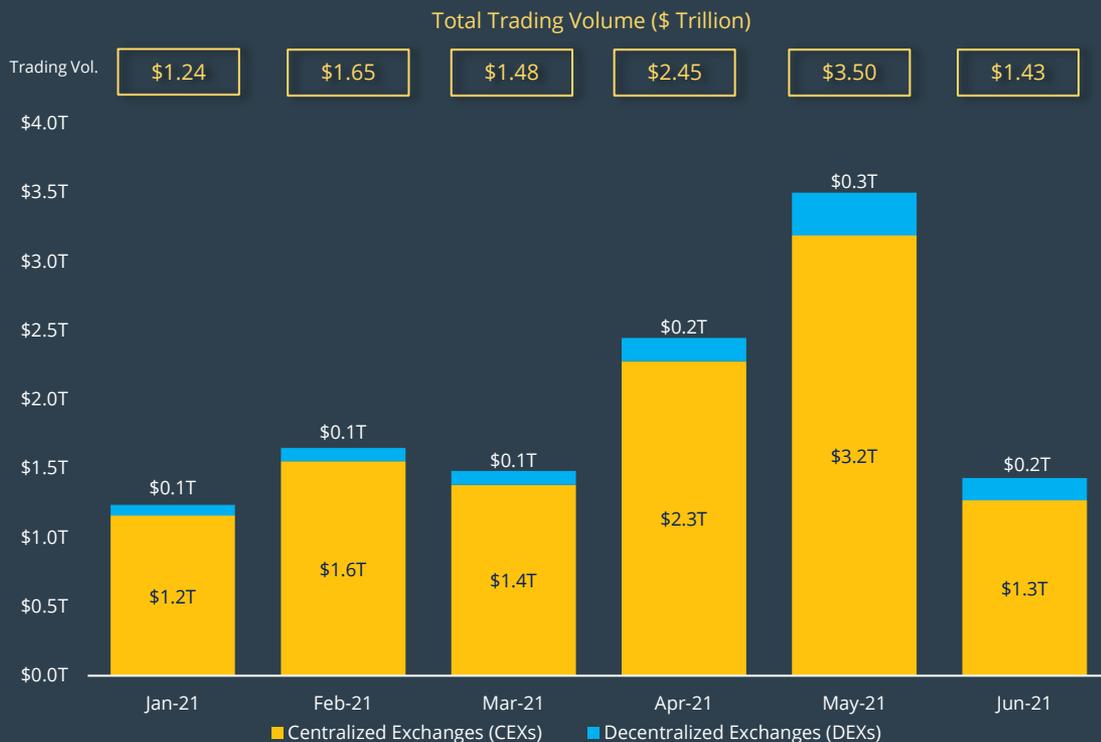
CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. 75% of retail investor accounts lose money when trading CFDs with this provider. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.

EXCHANGES

Q2 2021 Top-10 Cryptocurrency Exchanges

Total spot trading volume grew by 69% to \$7.38 trillion

Top-10 DEX+CEX Trading Volume (Jan - Jun 2021)



+69%

Top-10 (CEXs + DEXs) Total Trading Volume Growth in Q2 2021 vs. Q1 2021

Overall, Q2 spot trading volume across the top-10 centralized and decentralized exchanges **grew from \$4.4 trillion to \$7.4 trillion (+69%)**.

The \$3 trillion growth was driven by **CEXs which contributed to 88% of the quarter's increase**.

DEXs recorded a **higher growth** compared to CEXs (growth rate of 131% vs. 65%) and **contributed to 12% of Q2 total growth**.

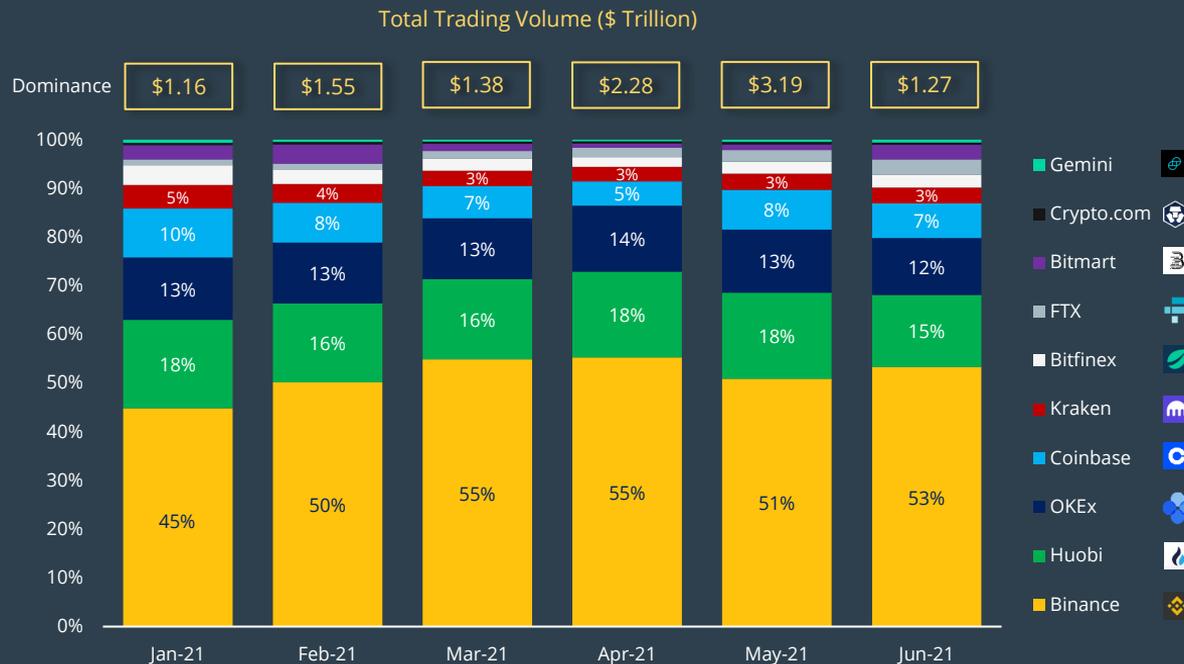
The **DEX-CEX ratio has increased from 6.7% in Q1 2021 to 9.4% in Q2 2021**.

However, the total trading volume of both exchanges has **decreased by nearly 60% in June**, ending the quarter with \$1.43 trillion which is \$2.1 trillion lower than May.

Q2 2021 Top-10 Centralized Exchanges (CEX)

CEXs spot trading volume recorded \$6.74 trillion

Top-10 CEX Trading Volume Dominance (Jan – Jun 2021)



+65%
 Top-10 CEX Total Trading Volume Growth in Q2 2021 vs. Q1 2021

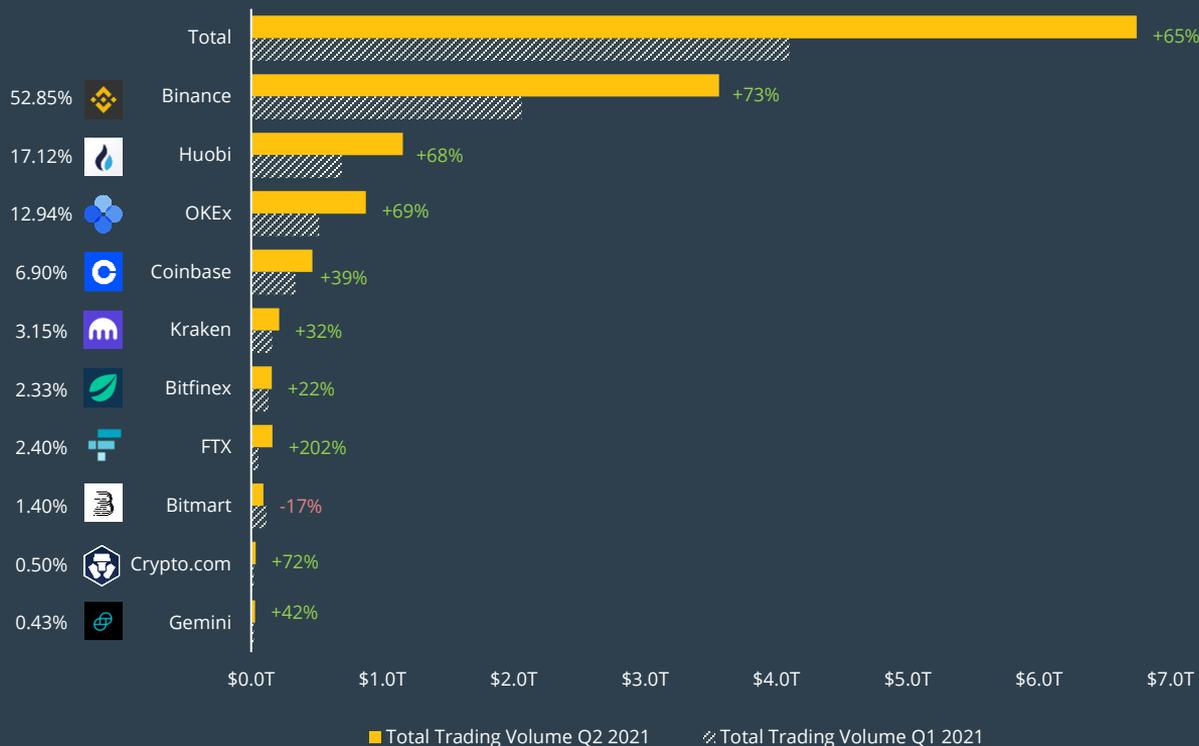
Despite overall \$2.1 trillion volume decline in from May to June, Binance still maintained its dominance by **controlling more than 50% of the market share** throughout Q2.

Huobi's dominance **scaled back from 18% to 15%**, while its trading volume **decreased by \$376 billion (67%)** in June because of the crackdown in China.

Q2 2021 Top-10 Centralized Exchanges (CEX)

Most CEXs trading volume has increased, 53% of growth belongs to Binance

Top-10 CEX Trading Volume (Q2 2021 vs. Q1 2021)



Binance is the major contributor to the increase, **accounting for 53% (+\$1.5 trillion)** of this quarter's increase. This is followed by Huobi (17%), OKEx (13%), and Coinbase (7%).

Bitmart is the only CEX that performed poorly when compared to Q1, **shrinking by 17%** in trading volume.

Otherwise, all the other CEXs **have grown at least 22%**. FTX leads the pack with a **+202% growth**, albeit from a smaller base.

Q2 2021 Top-10 Decentralized Exchanges (DEX)

The DEX ecosystem remains as cutthroat as ever

	Jan-Mar	Apr	May-Jun
1	Uniswap v2	Pancakeswap v1	Pancakeswap v2
2	Pancakeswap v1	Uniswap v2	Uniswap v3
3	Sushiswap	Pancakeswap v2	Uniswap v2
4	1inch	Sushiswap	Quickswap
5	Curve	1inch	1inch
6	0x	Curve	Sushiswap
7	Bancor	0x	Curve
8	Balancer v1	Bancor	Waultswap
9	Tokenlon	Balancer v1	Dodo
10	Dodo	Dodo	Bancor



V2 Launched in April 2021



V3 Launched in May 2021

In Q1 2021, **DEX dominance was linear** throughout the analysis period where the **top-10 DEXs maintained their rank**. This time, however, the same approach may not adequately capture the narrative.

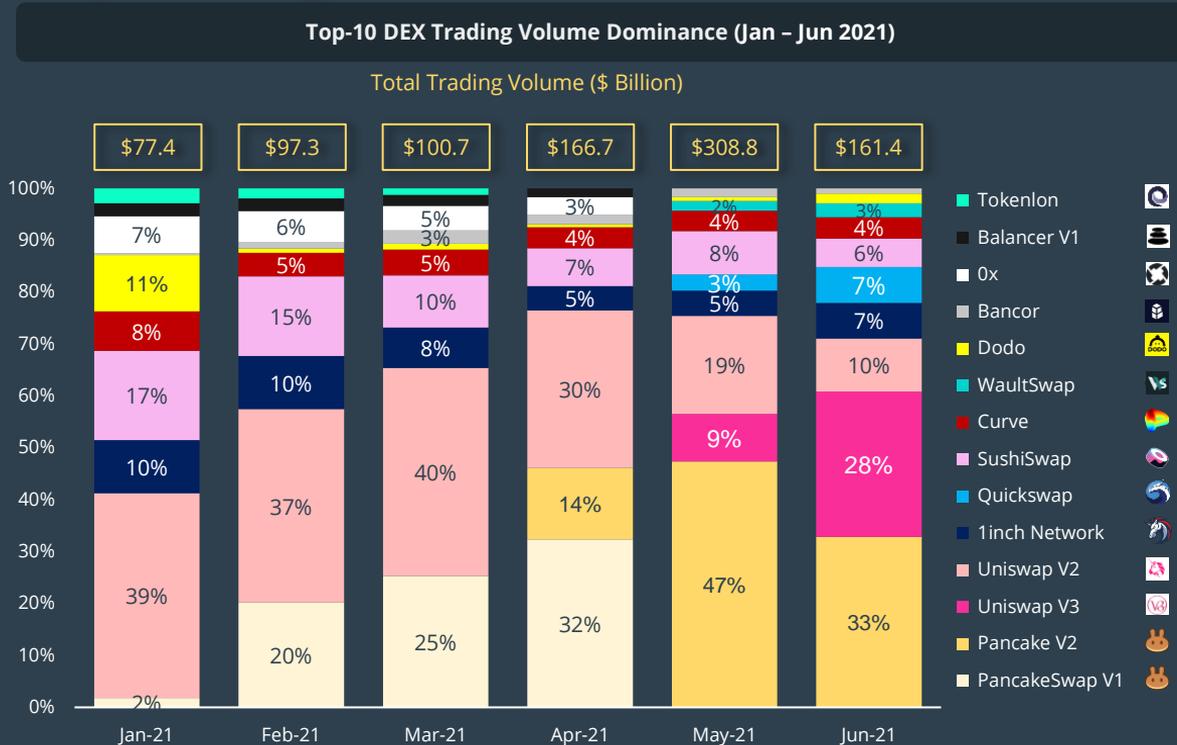
In April 2021, Tokenlon fell out of the top-10 and was replaced by Pancakeswap v2. During the migration to v2, **users were not allowed to add liquidity to Pancakeswap v1**. Even then, the volume of v1 was significant during that period. This however, did not apply to Uniswap v3 when they launched in May 2021 as **users were still allowed to add liquidity into Uniswap v2**.

Similar to Tokenlon, Pancakeswap v1, Balancer v1 and 0x **fell out of the top-10 in May 2021**, and was replaced by Uniswap v3, Quickswap and Waultswap. Quickswap exploded to rank No.4 after riding the hype of users into the Polygon chain during the Ethereum's high gas fee period.

Considering all these events, we decided to **include all exchanges that have appeared in the top-10** throughout Q2 2021 to paint a better picture of the DEX ecosystem.

Q2 2021 Top-10 Decentralized Exchanges (DEX)

DEXs spot trading volume recorded \$486.5 billion



+131%
 Top-10 DEX Total Trading Volume Growth in Q2 2021 vs. Q1 2021

Decentralized exchanges spot trading volume **recorded a total of \$637 billion** in Q2. This marks a 131% increase from Q1. However, it suffered **\$148 billion loss (-48%) loss from May-June**, representing the biggest month-on-month loss

Unlike CEX, the **top-10 DEX ranks are not constant throughout the quarter**. Tokenlon, Balancer V1, and 0x lost to newer exchanges, especially to DEX from alt-chains (PancakeSwap & WaultSwap – BSC, and QuickSwap – Polygon)

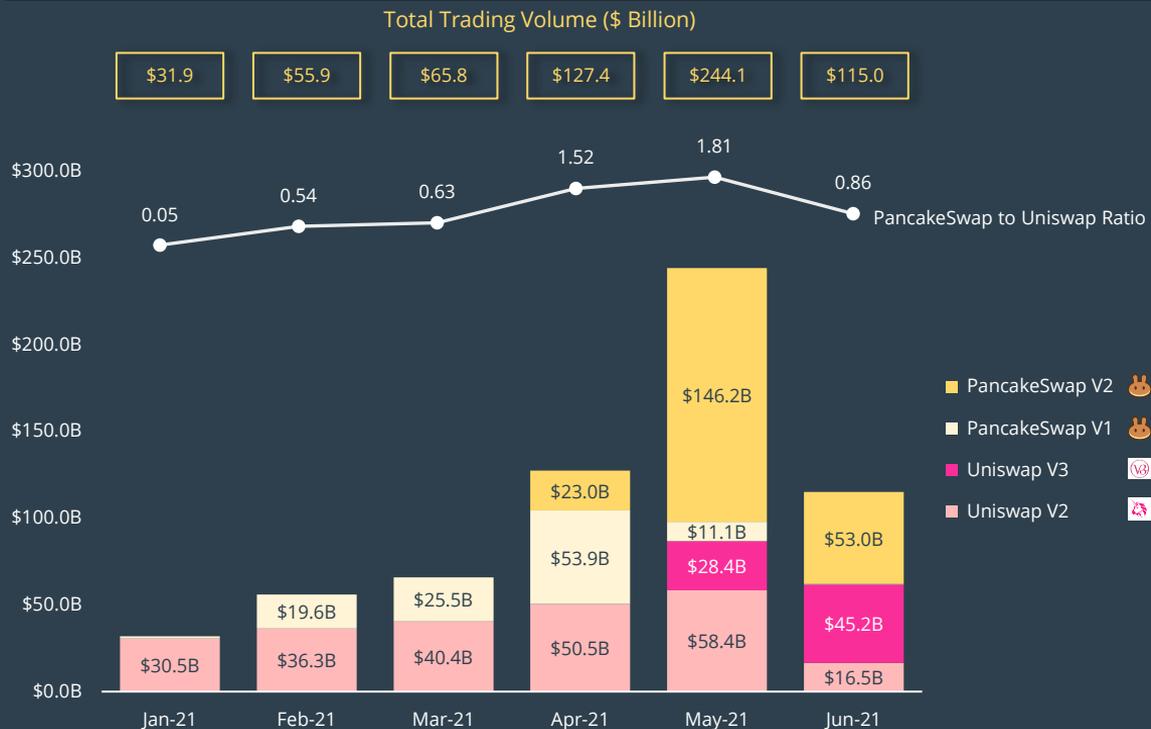
There's a clear rivalry between Uniswap and Pancake, **Overall, Uniswap is still the king of DEX reigning at 38% (V2 & V3)**. However, Pancake V2 is at 33% (excluding V1 as it is not part of the top-10 DEX by 1st July 2020)

Top-10 DEX as of 1 April 2021 – PancakeSwap v1, Uniswap v2 1Inch, Sushiswap, Curve, DODO, Bancor, 0x, Balancer, Tokenlon
 Top-10 DEX as of 1 May 2021 – PancakeSwap v2, Uniswap v2, 1Inch, Sushiswap, Curve, DODO, Bancor, 0x, Balancer,
 Top-10 DEX as of 1 July 2021 – PancakeSwap v2, Uniswap v3, Uniswap v2, 1Inch, Quickswap, Sushiswap, Curve, DODO, WaultSwap, Bancor

Q2 2021 Top-10 Decentralized Exchanges (DEX)

PancakeSwap took over Uniswap in April, fell again in June

Uniswap vs. PancakeSwap DEX Trading Volume Dominance (Jan - Jun 2021)



PancakeSwap flipped Uniswap in April and May during the bull run, suggesting that **retail investors dominated the market during that period.**

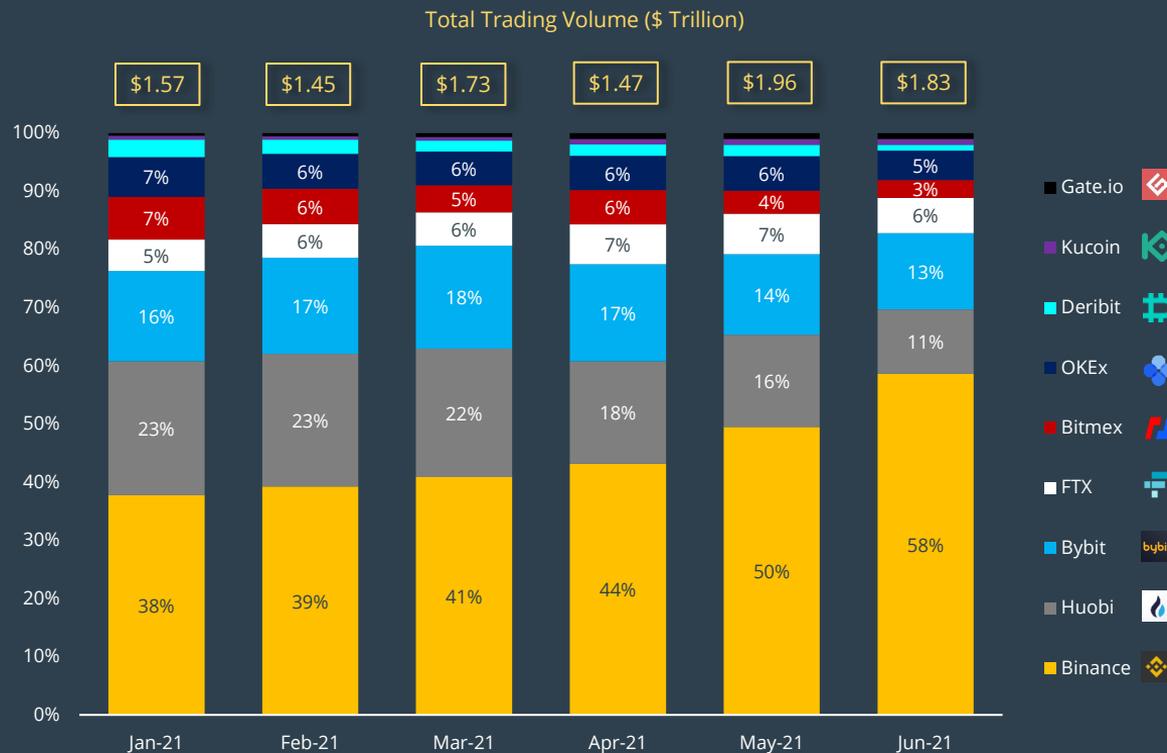
PancakeSwap trading volume has **increased sharply by 517%**, from \$26 billion in March to \$157.3 billion in May. However, Uniswap **rose again to become the top DEX in June** with a combined volume of \$62 billion.

*PancakeSwap V2 was launched on 23 April 2021.
 *Uniswap v3 was launched on 5 May 2021.

Q2 2021 Derivatives Exchanges – Bitcoin Perpetual Swaps Volume

BTC perpetual swaps trading volume recorded \$5.26 trillion

Aggregate Monthly Bitcoin Perpetual Trading Volume Dominance (Jan – Jun 2021)



+6%
Top-9 Bitcoin Perpetual Swap Trading Volume Growth in Q2 2021

Bitcoin perpetual swaps trading volume across the top-9 derivative exchanges saw a **quarterly increase of 6% to \$1.8 trillion.**

In terms of dominance, **Binance continued to lead the pack**, increasing its dominance to **58%**, while others fell or remained consistent. Huobi had the biggest drop of **-7%**.

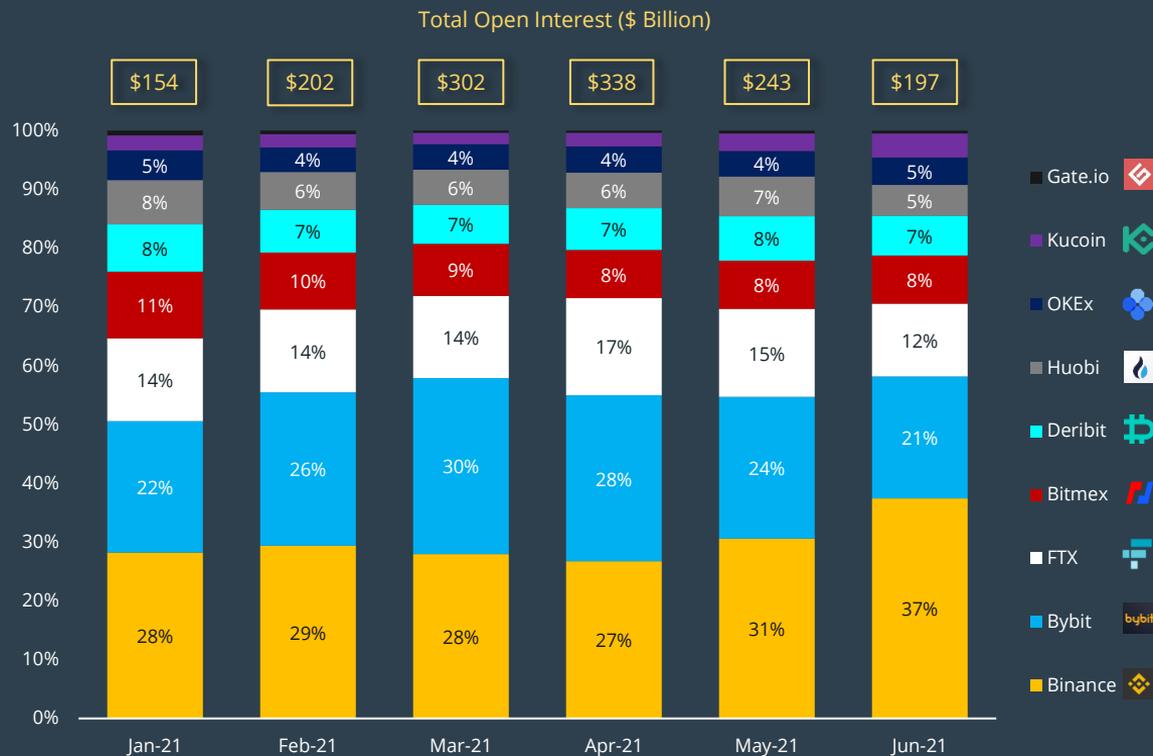
Although their **dominance has shrunk**, Bitmex and FTX have achieved a **significant increase** in trading volume compared to Q1, **recording a 201% and 108% increase respectively.**

-  Gate.io
-  Kucoin
-  Deribit
-  OKEx
-  Bitmex
-  FTX
-  Bybit
-  Huobi
-  Binance

Q2 2021 Derivatives Exchanges – Bitcoin Perpetual Swaps Open Interest

Binance continues to solidify its dominance of Open Interest (OI)

Aggregate Monthly Bitcoin Perpetual OI Dominance (Jan – Jun 2021)



-35%
Top-9 Bitcoin Perpetual Swap Open Interest Growth in Q2 2021

Bitcoin perpetual swaps open interest (OI) across top-9 derivative exchanges **recorded a total of \$778 billion** ending June; representing a **quarterly decrease of 35% to \$197 billion** in Q2.

Bybit (46%), Binance (9%), and FTX (16%) accounted for **71% (-\$75 billion)** of the quarterly decrease.

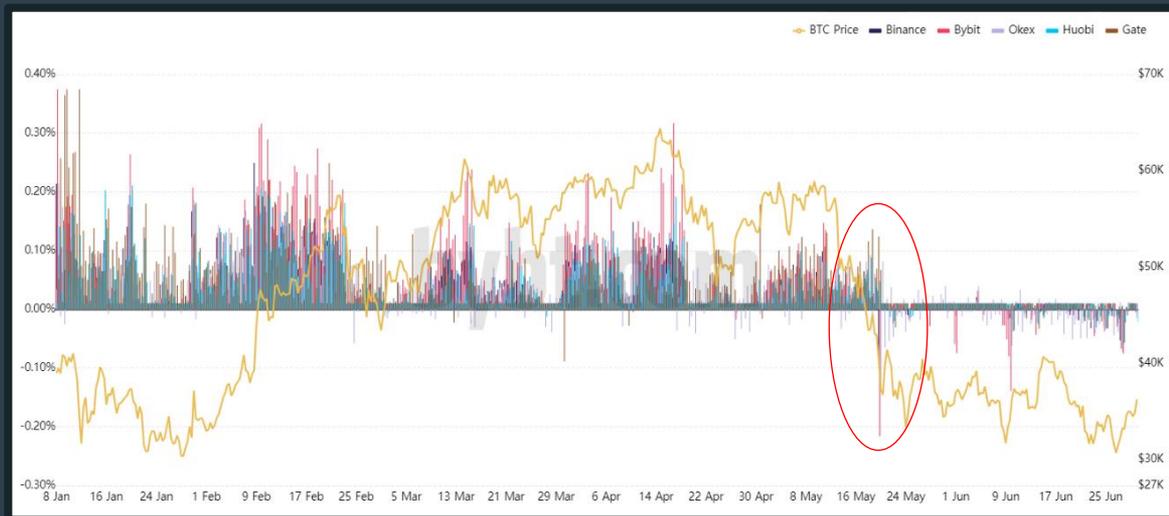
As BTC perpetual swaps open interest continued to dwindle in Q2, **Binance increased its dominance from 27% to 37%**, while Bybit and FTX **suffered a hefty 7% and 5% drop**, respectively.

-  Gate.io
-  Kucoin
-  OKEx
-  Huobi
-  Deribit
-  Bitmex
-  FTX
-  Bybit
-  Binance

Q2 2021 Derivatives Exchanges – Bitcoin Perpetual Swaps Funding Rate

From April's highs, funding rates plunged to rock-bottom levels in mid-May.

8-Hour USD-Margined Bitcoin Perpetual Funding Rates (Jan – Jun 2021)



0.008% (-6.4 b.p.)

Weighted-Average 8-hour Bitcoin Funding Rates in Q2 2021

Funding rates on Bitcoin perpetual swaps **significantly decreased** from an average of **0.07% in April to 0.01%**.

During Bitcoin's run-up to \$60k, funding rates remained consistently high, even reaching **over 0.3%**, as traders became **overleveraged**.

However, the massive crash in Bitcoin price on May 19th **sharply reversed** funding rates to negative, going **as far as -0.2%**. Over \$7 billion dollars worth of liquidations were triggered.

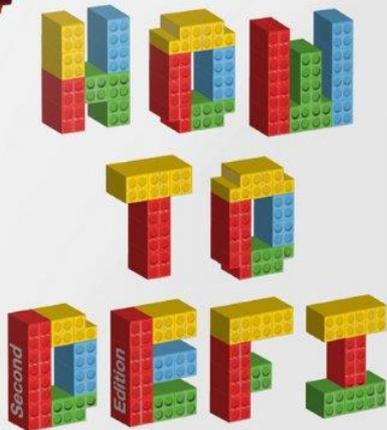
Since then, funding rates have remained **relatively stable** in May and June as Bitcoin consolidates in the **\$30,000 - \$36,000 range**.

COINGECKO ANNOUNCEMENT





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- Kain Warwick, Founder of Synthetix

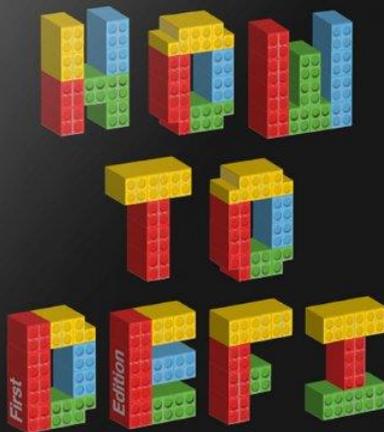


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Howdy! Here's one of our past Farmwatch. We talked about some em' crops on BarnBridge - up to 118% APY!



Total value locked
\$101,418,222.54

Token Name	Senior Liquidity	Senior APY	Junior Liquidity	Junior APY	Originator APY	
 AAVE Markets	Total value locked \$26,228,526.66					
 DAI Dai Stablecoin	116.75K DAI \$116.75K	2.19%	3.39M DAI \$3.39M	2.93% <small>+134.8% APR</small>	2.89%	Details
 GUSD Gemini dollar	33.04 GUSD \$33.04	2.1%	661.9K GUSD \$661.9K	2.77% <small>+135.83% APR</small>	2.77%	Details
 USDC USD Coin	0 USDC \$0	1.57%	14.9M USDC \$14.9M	2.07% <small>+104.4% APR</small>	2.07%	Details

Farm Location: [BarnBridge](#)

You will need: Dai ([DAI](#)), Tether ([USDT](#)), or USD Coin ([USDC](#))

Tips: Based on your risk appetite, you can opt for a fixed or variable yield by selecting the appropriate tranche.

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Rewards: Deposited asset, [BOND](#) and/or [stkAAVE](#)

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