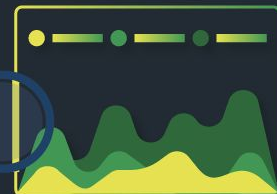
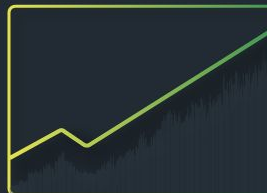
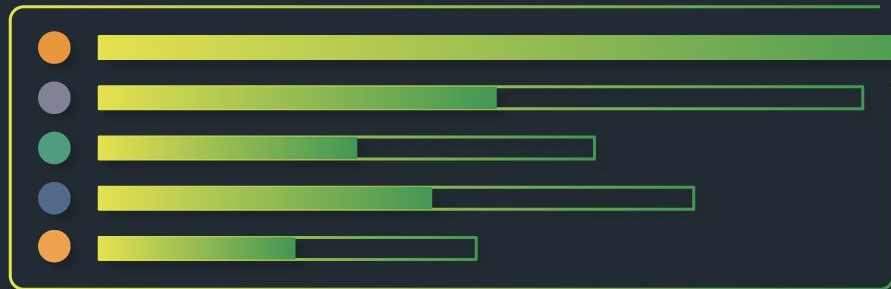




CoinGecko

October 2020 Monthly Crypto Report



Market Data. Analysis. Crowdsourced Insights.

Market capitalisation recorded a new yearly-high of \$378 billion

+20%

Top-30 Market Cap In October 2020

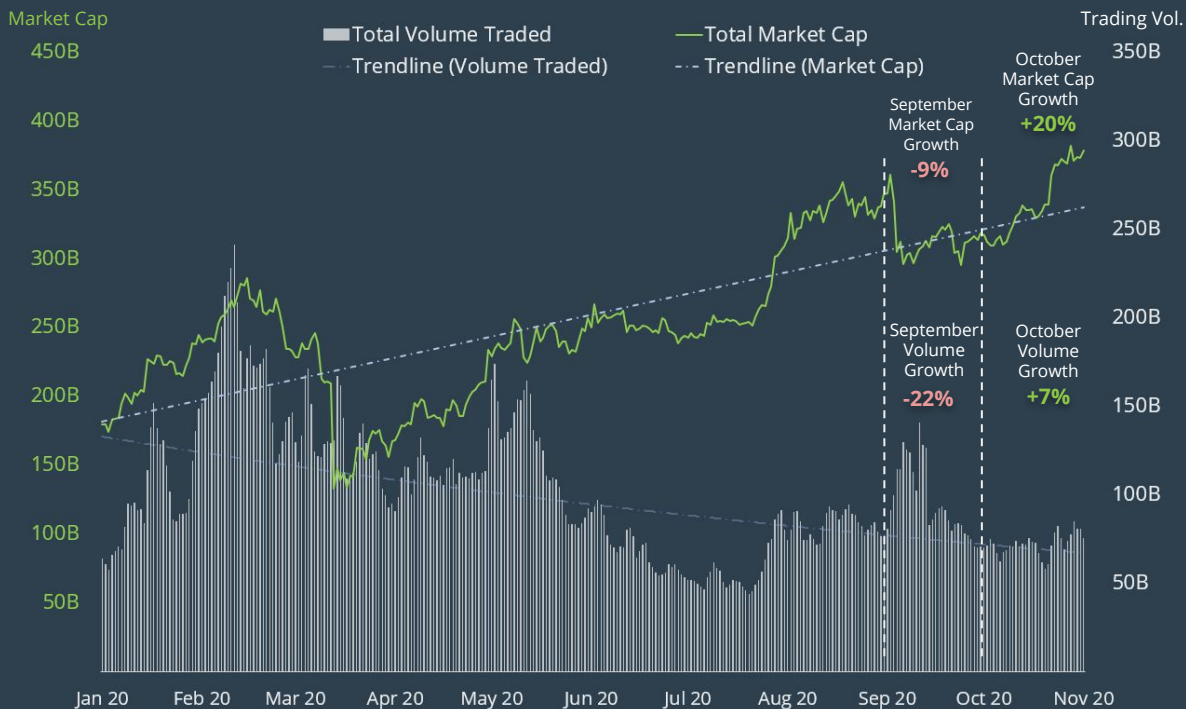
Despite the slight pullback in September, top-30 crypto market cap increased **20%** in October, hitting yet another **yearly-high of \$378 billion**.

Trading volume saw a subdued recovery (**+7%**), returning to average trading volumes last seen in August.

This was likely driven by a **surge of large institutions adopting Bitcoin** as part of their business strategies (Paypal, Square, MicroStrategy, and DBS Bank).

However, the high market capitalisation with relatively low trading volume may imply **growing volatility ahead of the US election (3rd November 2020)**.

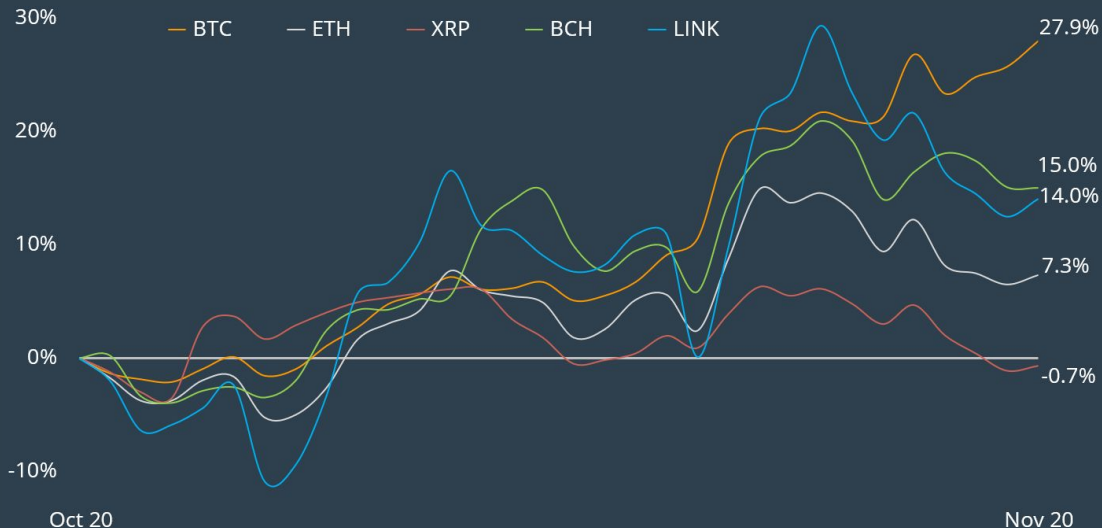
Top-30 Market Cap & Spot Trading Volume



Top-5 Crypto Returns

Bitcoin led the pack with the best performance at 28% growth

Top-5 Cryptocurrency Price Returns



Bitcoin began its rally as the ETH craze driven by DeFi cooled down. Bitcoin adoption-related news (Paypal, MicroStrategy, Square) also helped drive positive sentiments for Bitcoin.

+11%


Average Top-5 Crypto Returns* in October 2020


Price returns Oct 2020


(vs. Sep 2020)

 **+27.9%**
(-7.7%)

 **+7.3%**
(-17.5%)

 **-0.7%**
(-14.5%)

 **+15.0%**
(-17.2%)

 **+14.0%**
(-37.1%)

*Top-5 Cryptocurrencies exclude Tether (USDT) stablecoin

Top-30 Coins Dominance

Bitcoin was the sole gainer of market dominance, with a significant 4.5% increase

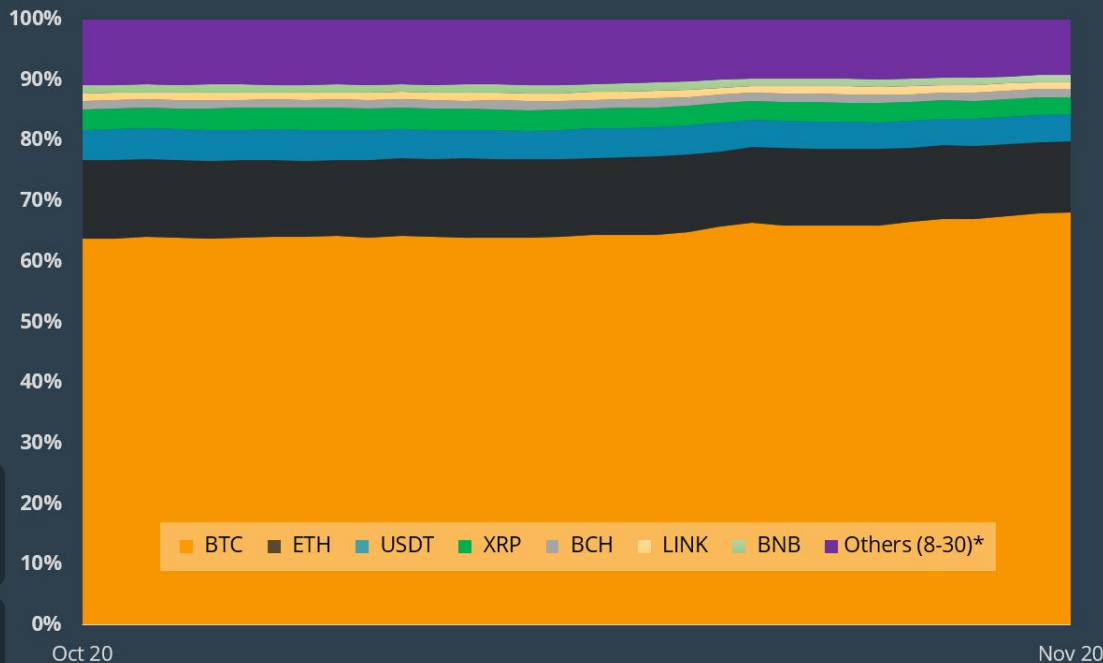
Market Dominance October 2020 (vs. September 2020 market dominance)



Bitcoin was the **only gainer this month** with a **4.5% increase to 66.9% market dominance**. The biggest loser was Ethereum with a decline of **1.3%**.

This could be a signal that **alt-cycle is slowing down** as investors move back heavy into Bitcoin in their portfolio allocation.

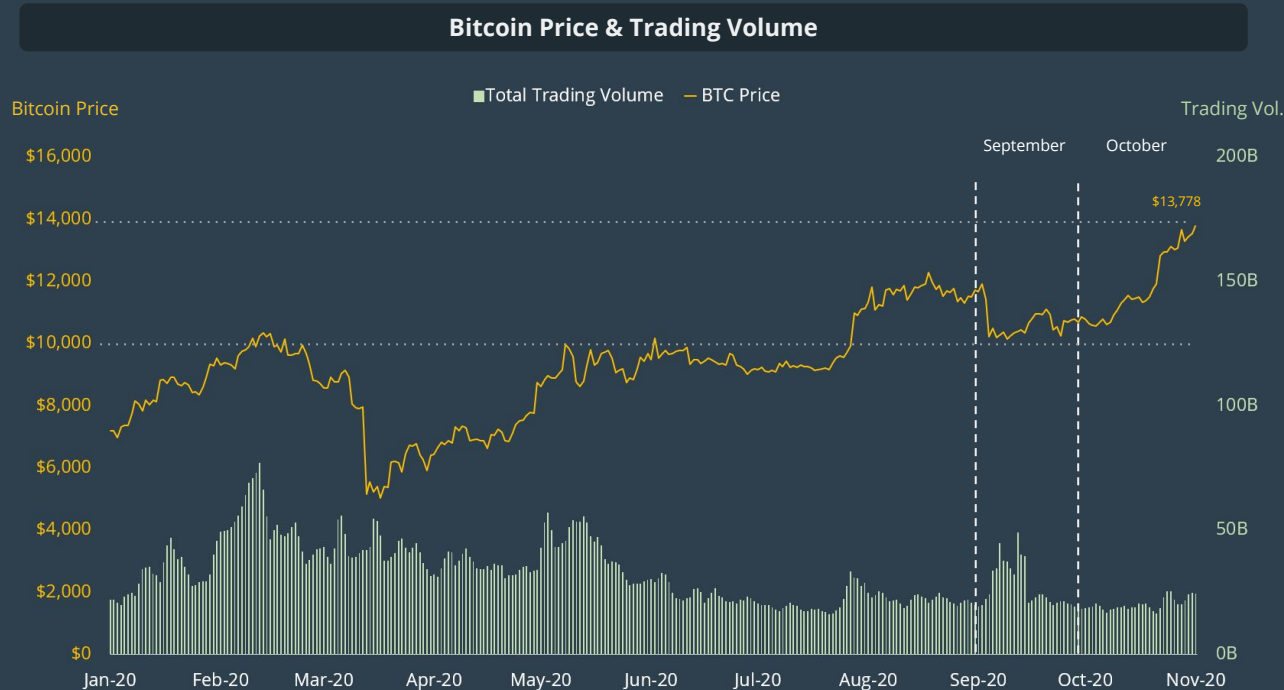
Top-30 Cryptocurrency Dominance Chart



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

Bitcoin Price vs. Trading Volume

Bitcoin's price rose by 28%, recorded new multi-year high of \$13,778



Bitcoin's price closed the month of October **28% higher**, and climbed to new multi-year high of \$13,778. This is **43% below** its All Time High of \$19,665 in 2017.

Bitcoin **trading volume** ended the month with a **22% jump**, illustrating its **best monthly performance** since the Feb-March Market Crash.

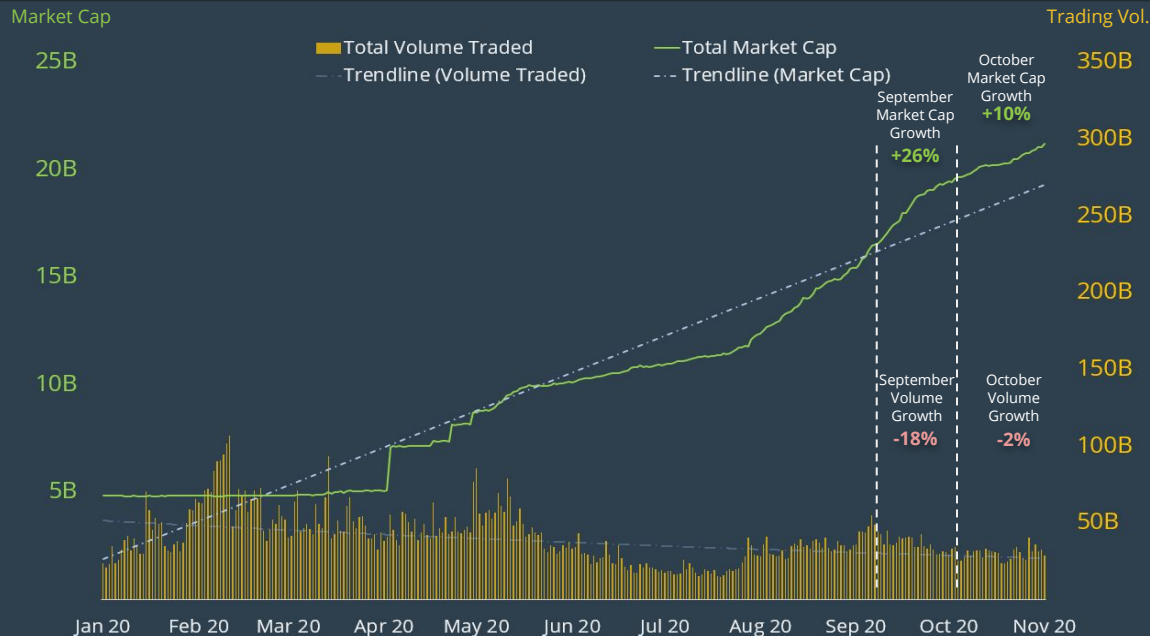
Up till 31st October 2020, Bitcoin has had 97 consecutive days where its price has stayed above the \$10,000 mark - the longest period in history where this has occurred.

	Price Return	Trading Volume
Jan	29%	52%
Feb	-8%	-39%
Mar	-25%	-6%
Apr	34%	-12%
May	10%	-12%
Jun	10%	-58%
Jul		13%
Aug	3%	-6%
Sep	-8%	-12%
Oct	28%	22%

Top-5 Stablecoins Trading Volume

Stablecoins circulating supply increased marginally by 10% to \$22 billion






Top-5 Stablecoins October 2020 Overview



The stablecoin market **grew much slower** in October compared to September (**+10%** vs **+26%** respectively), likely due to much **lower demand from declining yields** across DeFi protocols.

+\$1.9_B
 Top-5 Stablecoins Market Cap in October 2020

Oct 2020 Circulation (change vs September 2020)

- 
\$16.5B
 USDT +\$1.1B (+7%)
- 
\$2.9B
 USDC +\$403M (+16%)
- 
\$935.0M
 DAI +\$30M (+3%)
- 
\$710.3M
 BUSD +\$207M (+41%)
- 
\$430.1M
 PAX +\$136M (+46%)

Top-5 stablecoins by market capitalization taken on CoinGecko as of 1 November 2020. For the latest stablecoins statistics, visit coingecko.com/en/stablecoins

Decentralized Finance (DeFi)

Summer of DeFi ended as the DeFi tokens prices tumbled for two consecutive months, while Bitcoin soared high, outperforming all others

Top-5 DeFi Tokens Price Return June - October 2020

	Jun	Jul	Aug	Sep	Oct	YTD
Top-10 DeFi Tokens						
LINK	10%	70%	101%	-37%	14%	91%
MKR	-1%	22%	22%	-16%	-9%	20%
UNI	-	-	-	21%	-46%	-34%
UMA	35%	120%	432%	-60%	-24%	2125%
SNX	146%	100%	90%	-36%	-36%	150%
COMP	175%	-38%	81%	-45%	-32%	15%
AAVE	-	-	-	-	-47%	-47%
LEND *	54%	131%	143%	-28%	-44%	250%
YFI	-	-	749%	-32%	-56%	1226%
0x	6%	14%	61%	-34%	-21%	79%
REN	60%	8%	220%	-53%	20%	824%
Top-5 Cryptocurrencies						
BTC	-3%	24%	3%	-8%	28%	91%
ETH	-3%	53%	26%	-17%	7%	199%
XRP	-14%	48%	9%	-15%	-1%	24%
BCH	-7%	35%	-9%	-17%	15%	28%
LINK	10%	70%	101%	-37%	14%	537%

The month of October **favoured Bitcoin** as it registered the best **price return of 28%** while DeFi tokens tumbled.

YFI recorded the **worst performance** with its price declining by almost **60%**, though it is still up 1,226% since its inception in September.

UNI and AAVE also dropped by **almost 50%** in the month October. UMA fell by 24% but is still performing exceptionally well year-to-date with a gain of **2,125%**.

Among all DeFi tokens, only LINK and REN witnessed a positive price return at **14%** and **20%** respectively in October.

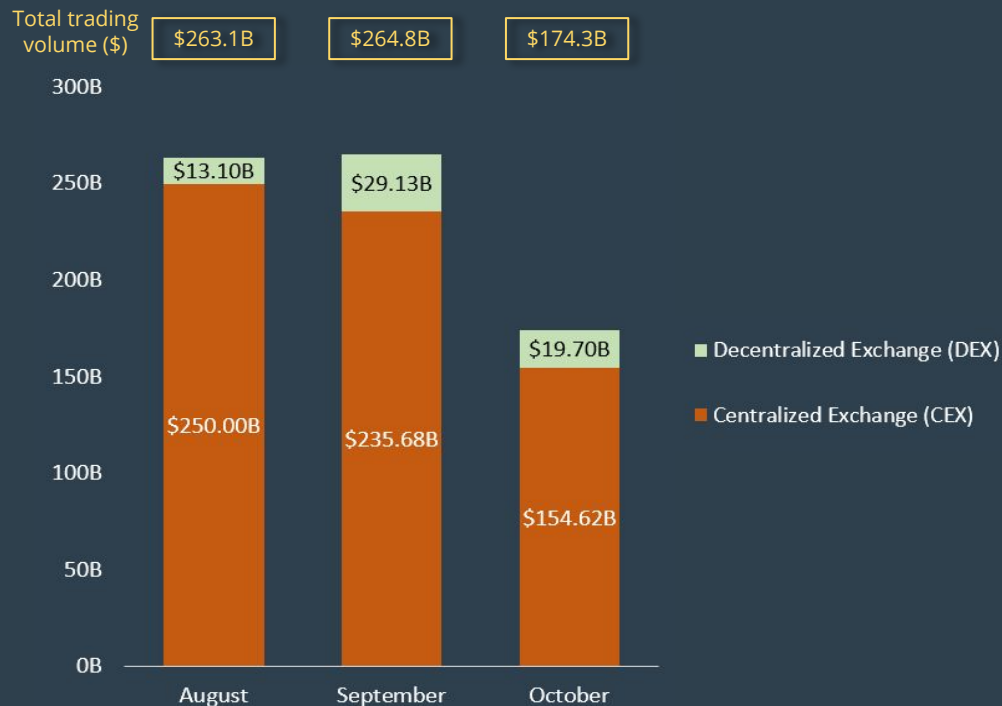
Top-10 DeFi tokens based on 1st November 2020

* LEND is being migrated to AAVE at a rate of 100 LEND per 1 AAVE from 2nd October 2020.

Top-7 Cryptocurrency Exchanges

Trading volumes across both CEXs and DEXs fell by 34%

Top-7 CEX + DEX Trading Volume August - October 2020



-34.2%
Total Exchange Volume Growth in October 2020

In October, trading volumes across the top-7 centralized and decentralized exchanges **fell by \$90.5 billion**. Binance and Huobi accounted for **78% of the loss**. The decrease was marginally smaller for DEXs at **32%** compared to CEXs at **34%**.

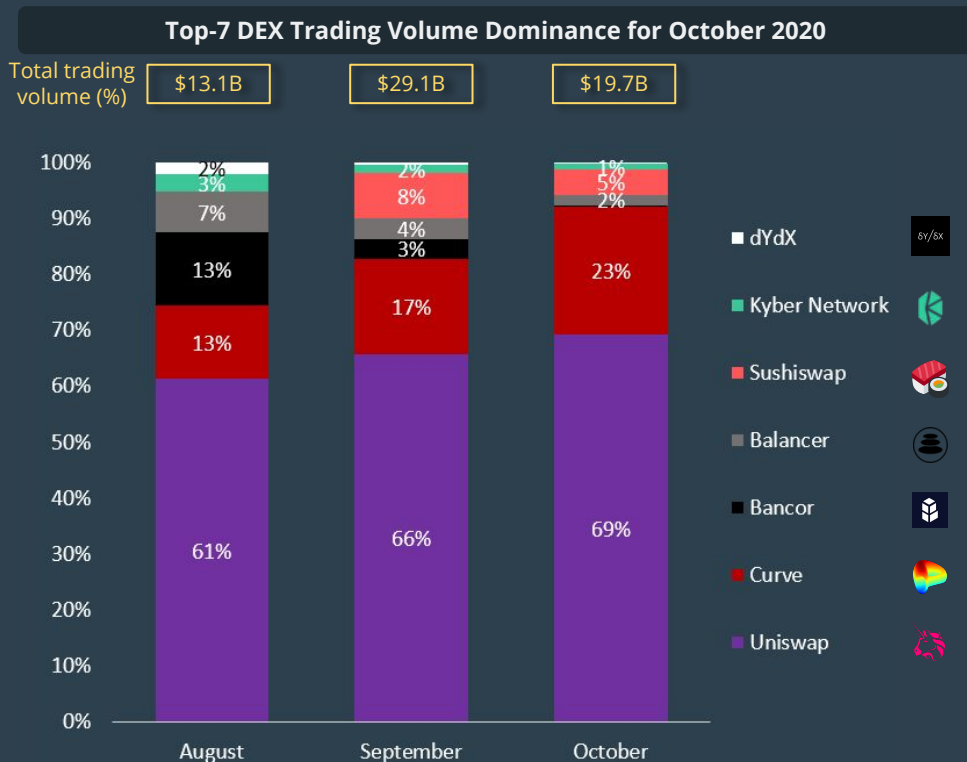
The fall in DEXs was likely due to **the moderation of yield incentives** in the DeFi space. Meanwhile, the fall in CEXs volume **reflected global macroeconomic uncertainties** driven by new waves of the COVID-19 pandemic and the U.S. election.

Despite the fall in the overall exchange volume, DEXs volume ratio relative to CEXs **has increased from 9% to 12%** in October.

Top-7 DEX as of 1st November 2020 – Uniswap, Curve, Bancor, Balancer, Sushiswap, Kyber Network, dYdX
 Top-7 CEX as of 1st November 2020 – Binance, Huobi, Coinbase, Kraken, Bitfinex, Gate.io, Kucoin

Top-7 Decentralized Exchanges (DEX)

Uniswap solidified its lead despite fall in trading volume, while Curve got a good boost



Top-7 DEX as of 1st November 2020 – Uniswap, Curve, Bancor, Balancer, Sushiswap, Kyber Network, dYdX

-\$9.4B
 Top-7 DEX Total Trading Volume decrease in October 2020

In October, DEX volumes **fell \$9.4 billion (-32%)**. All exchanges were unable to maintain the previous month's exponential growth of \$16 billion (+122%).

Uniswap was the biggest loser contributing **\$5.5 billion (-59%)** to the overall losses. Nevertheless, it managed to increase its DEX market share further, rising from **66% to 69%**.

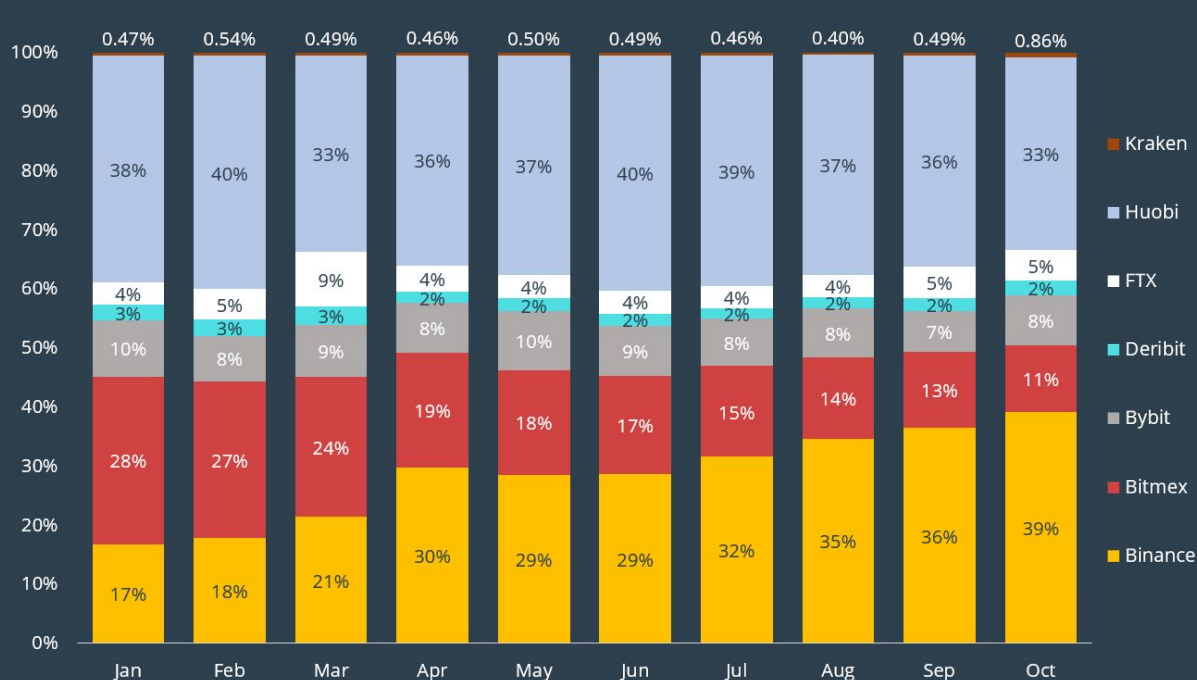
For Curve, it only saw a **marginal decrease of \$4 million (-8%)**. The losses were smaller relative to other DEXs, likely mitigated by the huge volume spike spurred by the [recent Harvest exploit](#).

This has enabled Curve to enjoy a rebound in dominance from **13% in August to 23% in October**, similar to its dominance level in July.

Derivative Exchanges - Trading Volume

BitMEX gradually lost market share as Binance Futures dominance continued to rise

Monthly Trading Volume Dominance (%)



BitMEX's derivatives market share reduced by **more than half** since January. It ended October with only **11% market share** from 28% in January.

Whereas for Binance, its market share has **steadily increased to 39% of the total trading volume** in October.

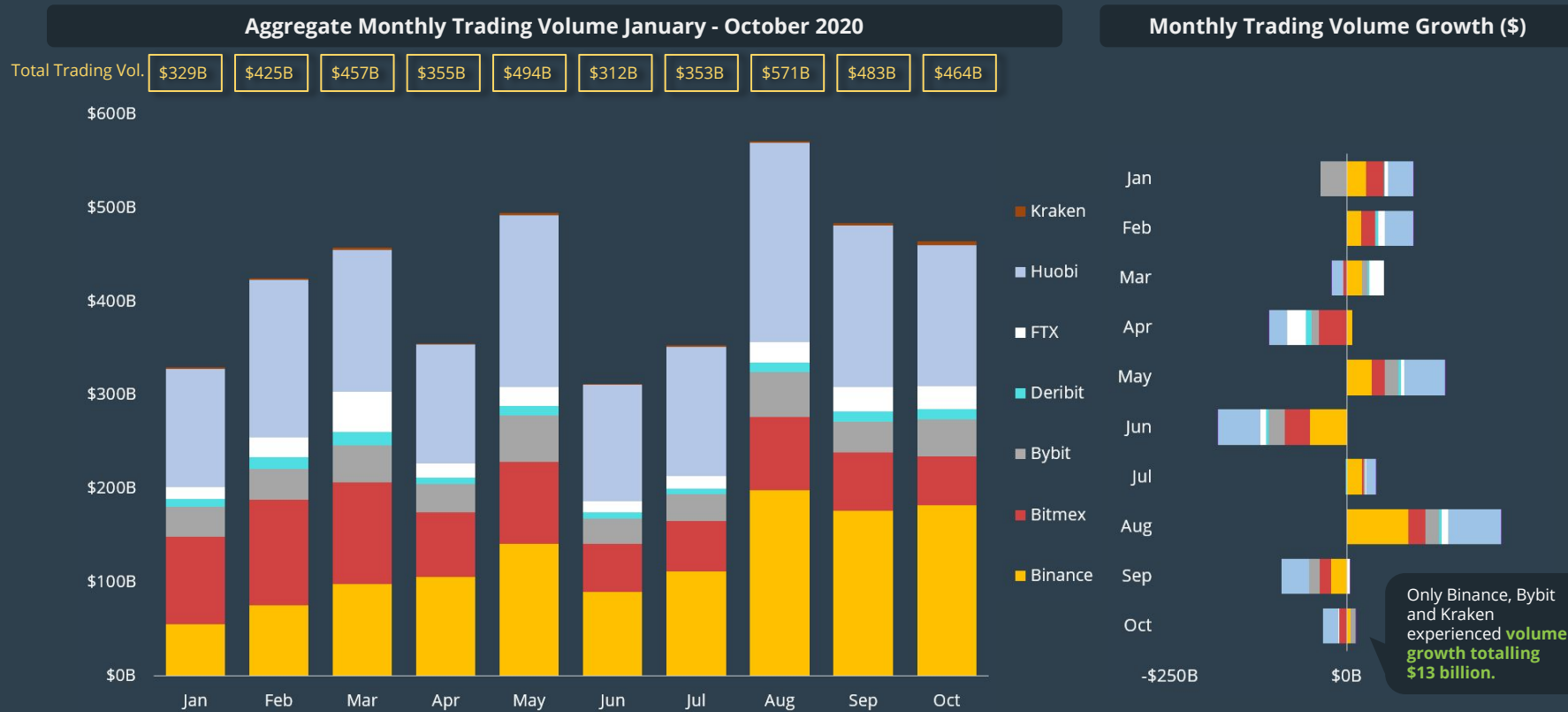
The shrinkage in BitMEX's market share was propelled by the filing of civil and criminal charges by CFTC and DOJ on BitMEX and its founders on 1st October. BitMEX's ex-CTO, Samuel Reed was arrested.

The news caused **BitMEX users to flee the platform** with **over \$337 million** in BTC moved.

We suspect that the majority of users have switched to Binance and Bybit, further boosting Binance's market dominance.

Derivative Exchanges - Trading Volume

Derivatives value steadily declined since August, closing October with 4% dip M-o-M

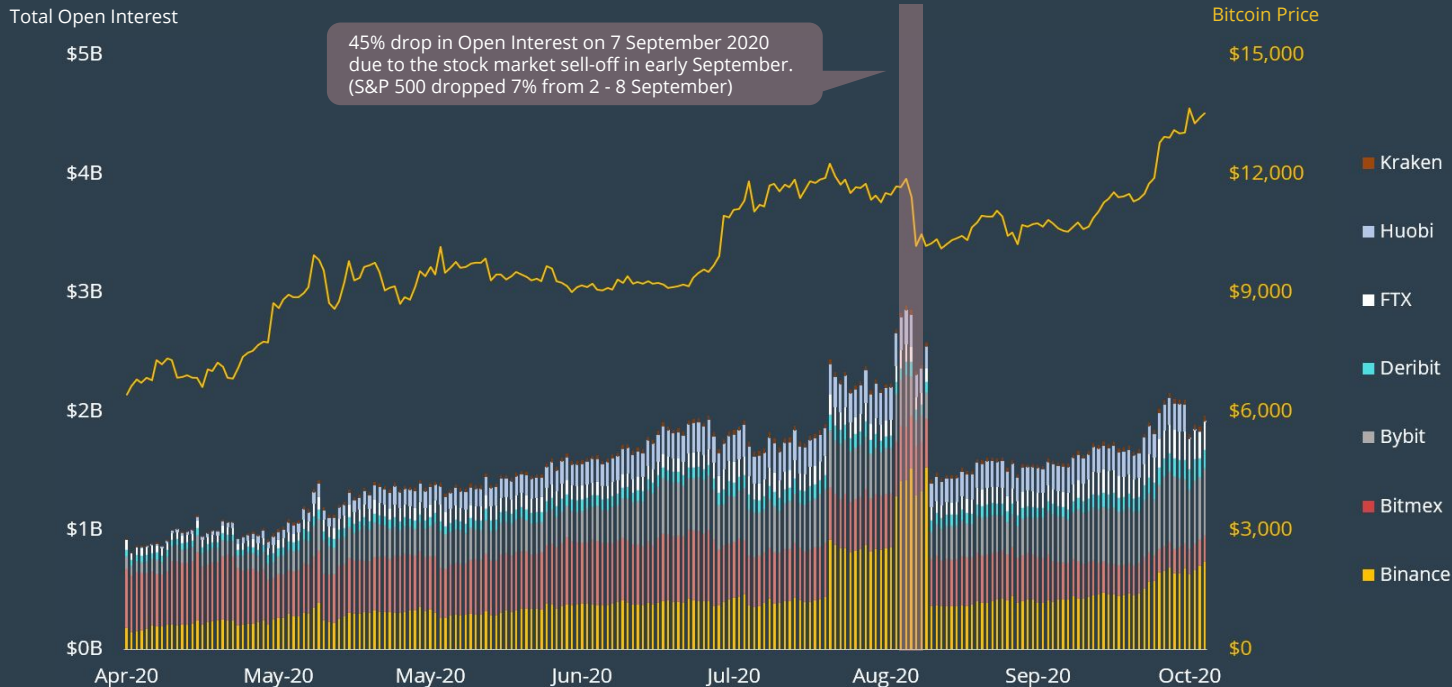


Source: CoinGecko. Trading Volume dominance is measured for Bitcoin Perpetual swaps trading pair of top-7 exchanges.

Derivatives Exchanges - Open Interest

Open Interest on BTC Perp swaps reach \$2 billion as Bitcoin price rallies to \$14,000

Aggregate Monthly Bitcoin Perpetual Open Interest January - October 2020



Aggregate daily Bitcoin Perpetual open interest (OI) was **up \$87 million (+5%)** ending 31st October, reaching \$2 billion.

Binance made up **the lion's share** of the Bitcoin Perpetual Open Interest at **\$738 million**, followed closely by Bybit at **\$563 million**.

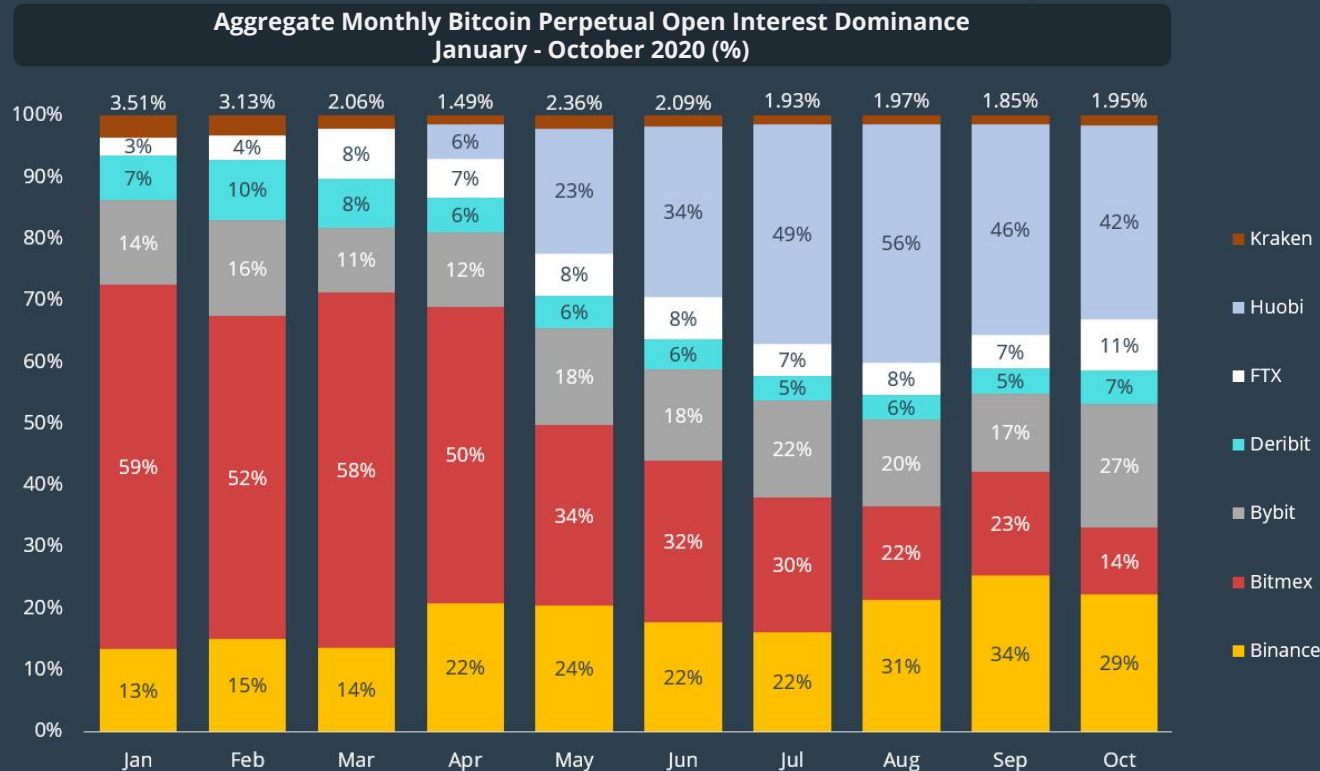
Overall, Open Interest has **increased almost 40%** since the largest daily drop on 7th September.

The increase in Open Interest may have been **due to new money coming in**, capitalizing on **the bullish action of Bitcoin** as it climbed towards \$14,000.

Source: CoinGecko. Open Interest dominance is measured for Bitcoin Perpetual swaps trading pair of top-7 exchanges.

Derivatives Exchanges - Open Interest

BitMEX dominance shrank, cannibalized by Huobi, Bybit, and Binance



Bitmex witnessed its market share for the Bitcoin Perpetual Swap product **continuously drop each month**. Its market share decreased **11%** in October and it now has **14%** market dominance.

This significant drop was largely due to recent filings against BitMEX, which spurred **over \$337M** worth of Bitcoin to move out of the platform.

Bybit came out as the biggest winner in market dominance, up **10% to 27%** market share in October.

FTX now holds **11%** of the Bitcoin Perpetual Swap market, the highest market share it has had.

Source: CoinGecko. Open Interest dominance is measured for Bitcoin Perpetual swaps trading pair of top-7 exchanges.

October Newcomers - BarnBridge

BarnBridge aims to bring stability to yield-farming

BarnBridge (BOND)

BarnBridge markets itself as the **first tranching yield protocol**. Their initial products aim to offer users **returns that are tailored to their risk profiles**.

SMART Yield Bonds provide a fixed-rate yield that is **risk-flexible** while **SMART Alpha Bonds** provide varying levels of **asset price exposure** divided into **tranches**.

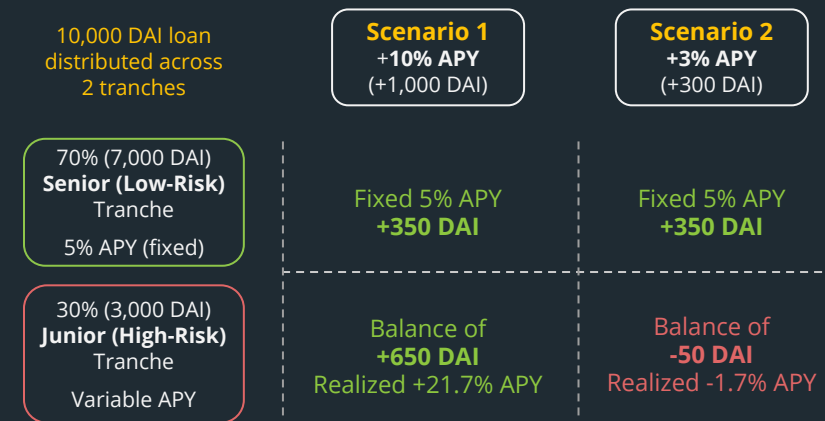
BarnBridge's **yield farming program** started on October 19th, followed by its **Liquidity Pool Incentivization** on October 26th.

Its token price **reached \$180** in the first week after BOND farmed token were distributed, but has since **decreased to \$45**.



How It Works (e.g. 70/30 SMART Yield Bond)

The **total pool** is made up of multiple **risk tranches**. In a pool, low-risk tranches receive fixed returns* first, while the remainder goes to the higher-risk tranches. If there are losses, high risk tranches would bear them. Here is an example of a 10,000 DAI loan distributed across two tranches - 70% senior tranche (low-risk) and 30% junior tranche (high-risk). We work out 2 scenarios and the respective payoffs:



In **Scenario 1** where APY payoff is high, senior tranche holders will get a fixed 5% APY. A large remaining balance results in high realized APY for junior tranche holders. However, in **Scenario 2** where overall APY payoff is low, any amount required to provide fixed APY to the senior tranche holders will be taken from the junior tranche holders. In this example, the junior tranche holders will suffer a loss.

*Yield is derived from various lending protocols such as Aave & Compound with variable interest rates

October Newcomers - Filecoin

One of the most hyped & anticipated ICO - how has it fared?

Filecoin (FIL)

Filecoin is a decentralised storage blockchain built on the **InterPlanetary File System (IPFS)** which started as an ICO that raised over \$250M in 2017.

Filecoin acts as an incentive layer to support and grow the IPFS by helping with **storage** and **retrieval** of files.



Market Capitalization

\$792M

~4x of \$200M ICO raise

Fully Diluted Valuation

\$57B

Higher than ETH (\$44B)

Filecoin's fall from \$240

-88.3%
Since ATH of \$240

Filecoin began trading at ~\$240. However, as the day progressed, prices fell to around \$60 before stabilizing around \$30 throughout October.

Looking at Supply & Demand factors to the price movement:

Demand:

- Speculation by traders
- Miners need to lock up FIL to maximize mining capacity
- FIL for storage/retrieval uses

Supply:

- Mining rewards (75% vested for 180 days)
- Team/private sale token unlock (varying [vest schedule](#))

Filecoin so far:

1. Allegations on price movement

[Allegations](#) regarding **testnet tokens being sold** on exchanges surfaced (flooding market with FIL tokens) as the reason Filecoin price tanked from \$240 to \$50.

2. Miner's Chicken & Egg problem

Miners need FIL to mine at full capacity, but there are little to no FIL available early on due to the 180-day mandatory vesting for rewards. As a result, [a protocol upgrade](#) now unlocks 25% of FIL rewards immediately and the remainder 75% across 180 days.

*Fully Diluted Valuation refers to market capitalization at maximum theoretical supply



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