



Stablecoins & CBDCs Report

FEBRUARY 2024

Mission Statement

About CCData

CCData is an FCA-authorized benchmark administrator and global leader in digital asset data, providing institutional-grade digital asset data and settlement indices. By aggregating and analysing tick data from globally recognised exchanges and seamlessly integrating multiple datasets, CCData provides a comprehensive and granular overview of the market across trade, derivatives, order book, historical, social and blockchain data.

About This Report

The stablecoin sector has grown in size and interest over the past year. Pegged to the value of an asset, stablecoins serve as the fundamental means for trading digital assets, allowing for the on-ramp of fiat-pegged money into blockchain applications. However, recent developments surrounding stablecoins including the collateral of Tether and the collapse of TerraUSD have raised concerns from investors and regulators.

CCData's Stablecoins Report aims to capture the key developments within the stablecoins sector. Our review focuses on analysis that relates to market capitalisation and trading volume of stablecoins, segmented by their type based on collateral, and the pegged asset, among others. This report is conducted on a monthly basis and caters to both the crypto-enthusiast interested in a broad overview of the stablecoins sector, as well as investors, analysts and regulators interested in more specific analyses.

Explore CCData's API

For those interested in accessing CCData's data for their own purposes, including cryptocurrency trade data, order book data, blockchain data, social data or historical data across thousands of cryptocurrencies and 300+ exchanges, please take a look at CCData's API here: <https://developers.cryptocompare.com/>

Disclaimer

Due to the nature of exchange API endpoints and the practice of backfilling data, there may be data discrepancies between this edition and previous reports. The data presented below is correct up to the release date of this report.

Contents

Latest News	4
Key Insights	5
Stablecoins Overview: Market Cap & Volumes	6
Stablecoins Overview: Top 10 Stablecoins	7
CBDC's Overview: February Events	8
Stablecoins: Trading Volumes	9
Trading Volume: Bitcoin Trading Pairs	10
Ondo Finance: Price and Trading Volume	11
Ethena USDe: Market Capitalisation	12
Peg Deviation: Magic Internet Money (MIM)	13

Latest News

Topic	Story	Date
USDY	Ondo Finance expands to Asia Pacific	Jan 22
DAI	MakerDAO balance sheet now majority crypto-backed loans	Jan 25
USDC	Coinbase to charge fees on USDC to USD conversions over \$75 million	Jan 29
PYUSD	PayPal invests \$5 million of its PYUSD stablecoin into Plaid-for-crypto startup Mesh	Jan 29
USDC	Circle to Issue Its Stablecoin USDC on Celo Network to Boost RWA Capabilities	Jan 30
USDT	Tether calls JPMorgan 'hypocritical' after bank's analysts say stablecoin dominance is bad for crypto	Feb 2
USDC	Tether and Circle Stablecoin Purchases Dominate in Argentina	Feb 12
PYUSD	Backed's Tokenized RWAs to Enable PYUSD Loans on Morpho Blue	Feb 14
USDe	USDe developer Ethena raises new funding round at \$300 million valuation	Feb 16
Regulation	UK Minister Expects Stablecoin and Staking Legislation Within Six Months	Feb 19

Key Insights

Stablecoin Market Cap Rises For Fifth Consecutive Month

In February, the total market capitalisation of stablecoins rose 1.95% to \$138bn, recording the fifth consecutive increase in the end-of-month market capitalisation and the highest since December 2022.

Meanwhile, the market cap dominance of stablecoins fell to 7.09% in February, marking the lowest market share since December 2021.

MIM Stablecoin Depegs Following Smart Contract Exploit

On January 30th, the price of Magic Internet Money (MIM) depegged to as low as \$0.86 after its issuer, Abracadabra Money, was exploited for nearly \$6.50mn.

The market capitalisation of Magic Internet Money (MIM) has continued to remain stable at around \$60.2mn in February, with the stablecoin announcing its recent v3 upgrade, and integration with upcoming chains including Blast and Berachain.

FDUSD Trading Volume Surges After ETF Approval

In January, the trading volume of FDUSD pairs on centralised exchanges rose 51.1% to \$122bn, making it the second most popular trading pair after USDT. The BTC-FDUSD pair on Binance was the most traded pair for BTC amidst the spot Bitcoin ETF approval, recording a monthly volume of \$80.8bn

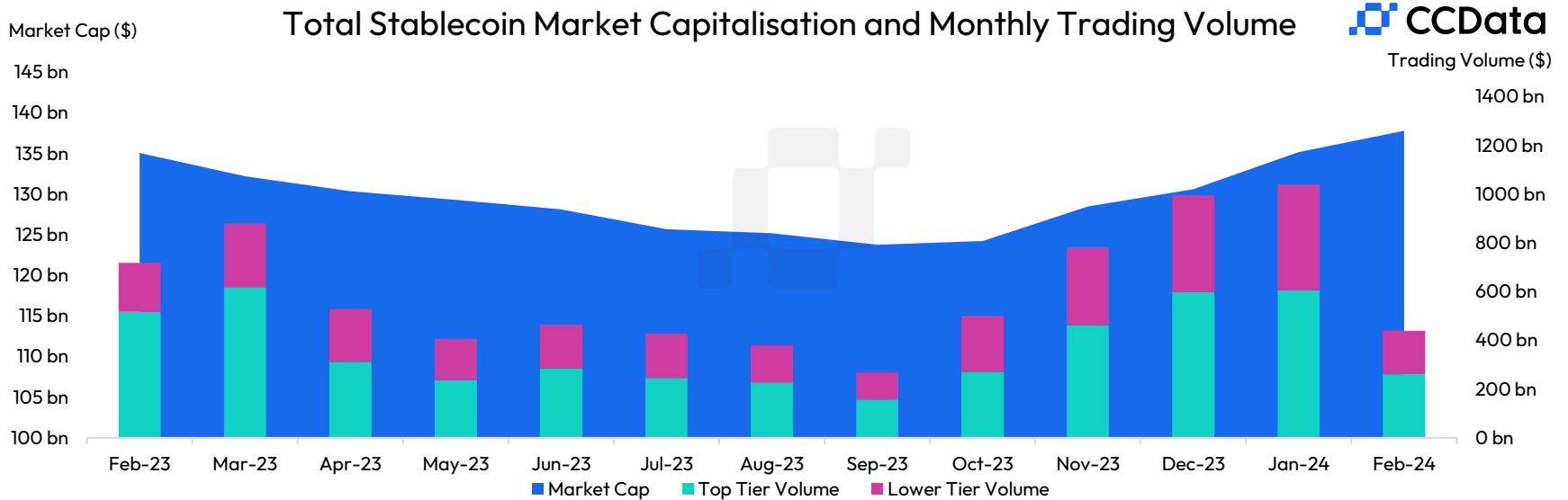
Meanwhile, the market capitalisation of FDUSD rose 12.5% to \$2.44bn, a new all-time high.

Ethena USDe Market Cap Rises After Mainnet Launch

On February 19th, Ethena Labs announced the launch of its public mainnet, providing users access to its yield-bearing stablecoin USDe by depositing liquid staking tokens (LSTs), ETH or USDC.

The market capitalisation of USDe rose by \$47mn following the announcement, with the stablecoin recording a new all-time high of \$227mn in February.

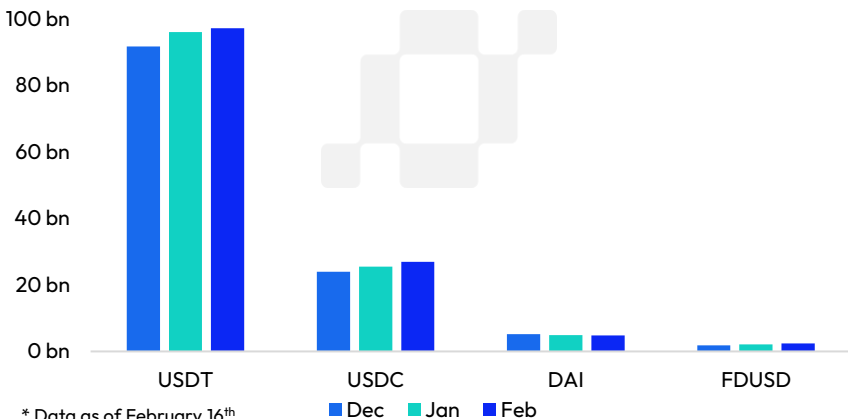
Stablecoins Market Cap & Volumes



- In February, the total market capitalisation of stablecoins rose 1.95% to \$138bn (as of Feb 16th), recording the fifth consecutive monthly increase in market capitalisation. This is the highest market capitalisation for stablecoins since start of 2023.
- Stablecoin market dominance is currently at 7.09%, falling from 8.15% in January. This recorded the sixth consecutive monthly decline in the stablecoins' dominance, and the lowest since December 2021 as markets continue to trend upwards following the strong inflow from spot Bitcoin ETFs.
- Stablecoin trading volume rose 4.54% to \$1.04tn in January, recording the highest stablecoins trading volume on CEXs since December 2021. Volumes are on track to record a higher total in February, with \$440bn traded in volume on CEXs as of the 16th.

Stablecoins Overview: Top 10 Stablecoins

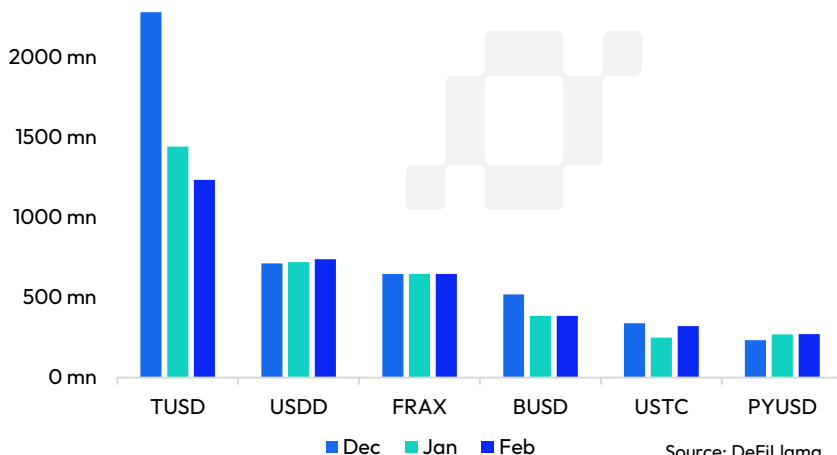
Market Cap (\$) 120 bn



* Data as of February 16th



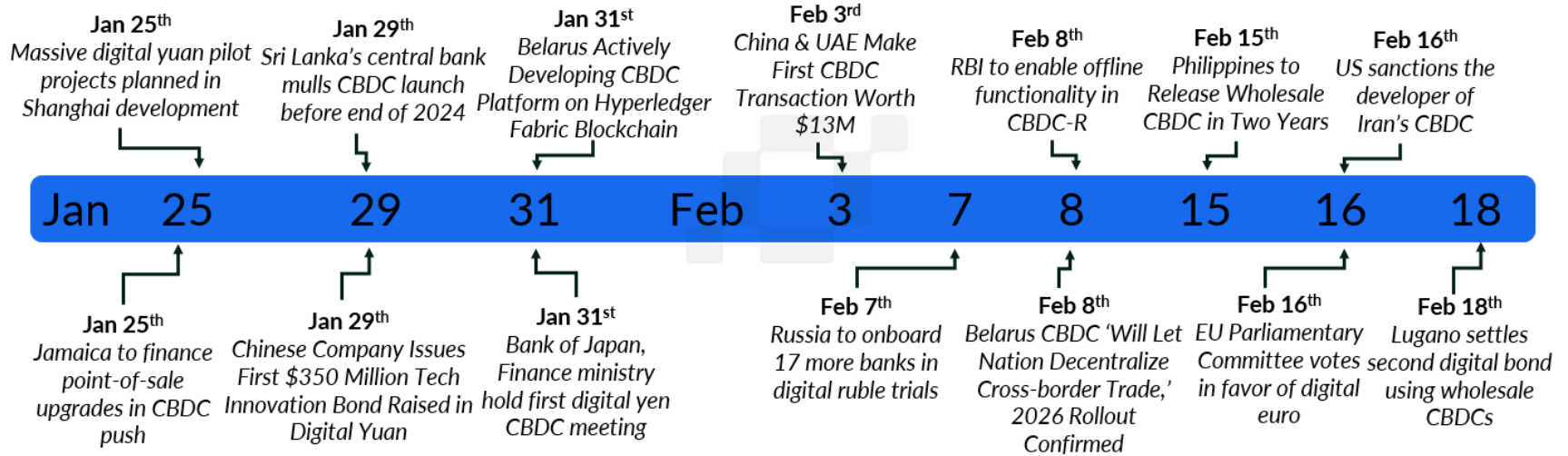
Market Cap (\$) 2500 mn



Source: DeFiLlama

- In February, the market cap of TetherUSD (USDT) rose by 1.23% to \$97.3bn, recording an all-time high circulating supply for the stablecoin. The market dominance of USDT relative to other stablecoins is currently 70.6%.
- The market capitalisation of USD Coin (USDC) rose for the third consecutive month, rising 5.34% to \$26.9bn, recording the highest market capitalisation since June 2023. Meanwhile, the market capitalisation of First Digital USD (FDUSD) rose 12.5% to \$2.44bn, recording a new all-time high for the stablecoin.
- Meanwhile, the market capitalisation of TrueUSD (TUSD) continued to slide for the fifth consecutive month, falling 14.3% to \$1.23bn as demand for the stablecoin on Binance continued to dwindle due to the popularity of FDUSD trading pairs.

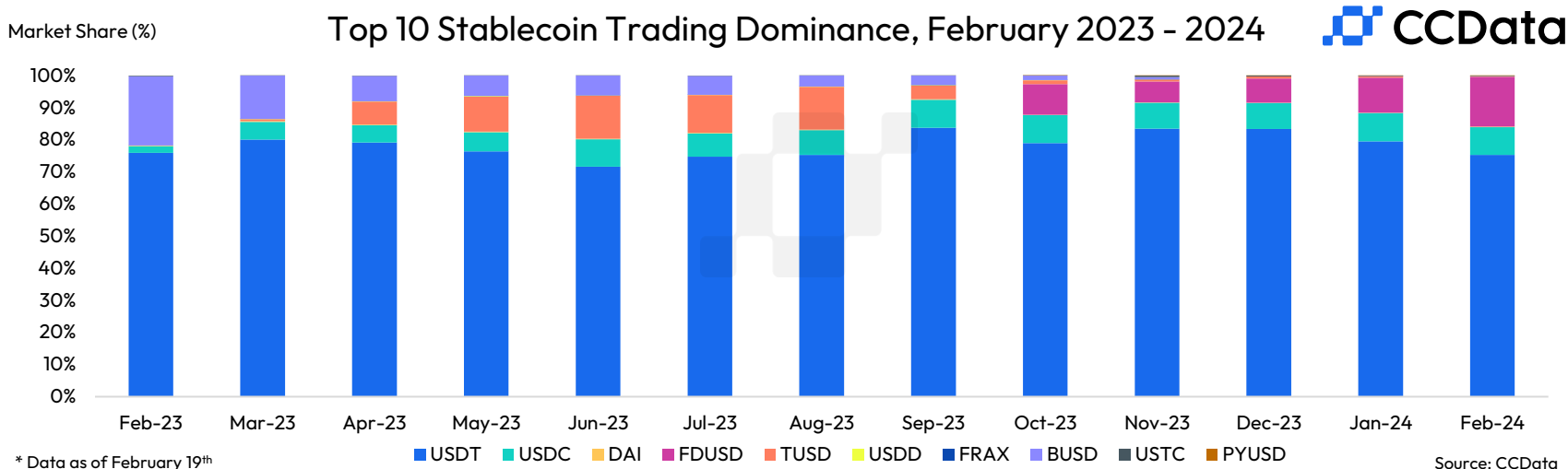
CBDCs Overview: February Events



- CBDC developments continued in February, with both Belarus and the Philippines announcing plans to fully launch their CBDC's Digital Belarusian Ruble (DBR) and Digital Peso by 2026. Meanwhile, the Sri Lankan Central Bank announced plans to explore a CBDC to improve the country's financial inclusion and complement cash use, with executives eyeing the end of 2024 as a potential launch date.
- Use cases of CBDCs currently in the pilot program continued to increase, with a Chinese infrastructure company, Shandong Hi-Speed Group, raising \$350mn in Digital Yuan for its innovation bond. Meanwhile, China and the UAE executed a transaction amounting to \$13.6mn using mBridge infrastructure, marking a key step towards de-dollarization in trade and adoption of CBDC currencies.

Stablecoins: Trading Volumes

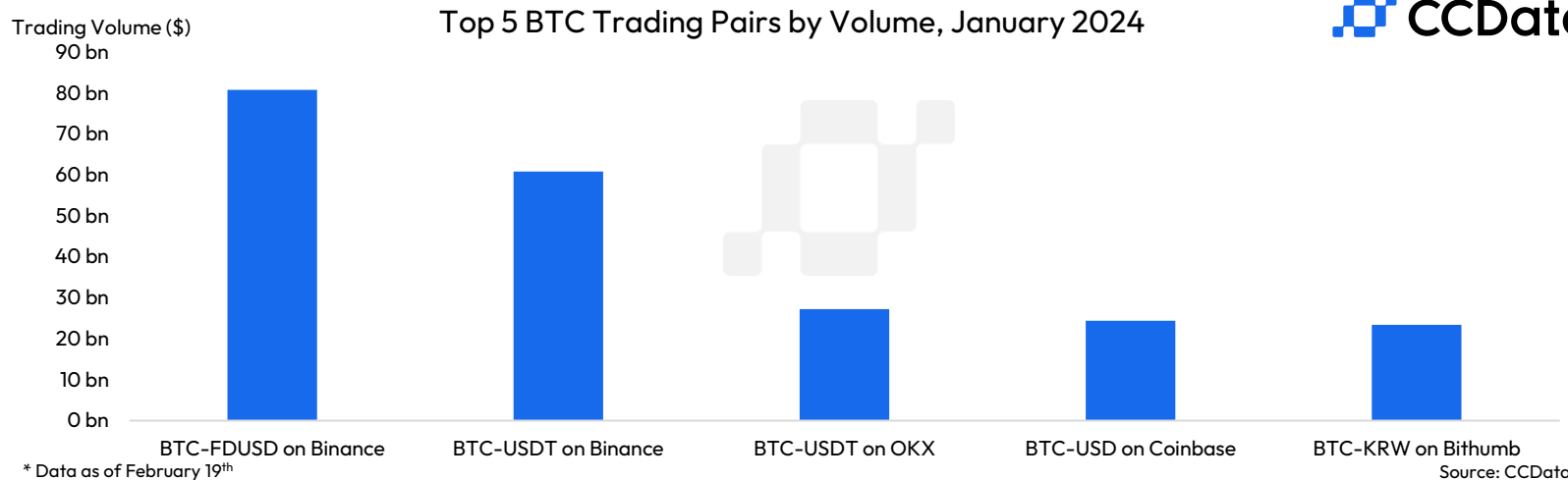
FDUSD Market Share Among Top 10 Stablecoins Rise Following Surge in BTC Trading Volumes



- In January, the stablecoins trading volume on centralised exchanges rose 4.54% to \$1.05tn, recording the highest stablecoins trading volume on CEXs since December 2021. USDT continues to dominate the trading activity on centralised exchanges accounting for 75.3% market share among the top 10 stablecoins by market capitalisation. However, the decline from 79.5% in January recorded the stablecoin's lowest market dominance since August 2023.
- Meanwhile, FDUSD's market share among the top 10 stablecoins continues to rise to a new all-time high, now accounting for 15.6% as of the latest data in February. The popularity of the BTC-FDUSD pair on Binance following the approval of spot Bitcoin ETFs has contributed to the stablecoin's rise.

Trading Volume: Bitcoin Trading Pairs

BTC-FDUSD Pair on Binance Leads Volumes Following the Approval of Spot Bitcoin ETFs in the US



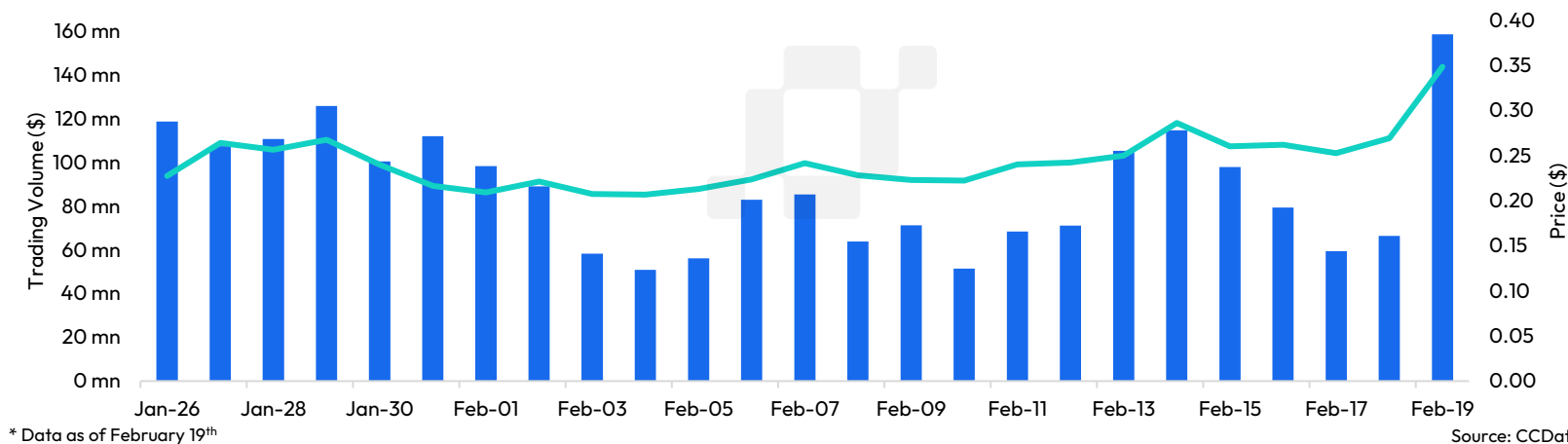
- The spot trading volume for BTC pairs on centralised exchanges rose 23.1% to \$510bn in January following the approval and launch of the heavily anticipated spot Bitcoin ETFs in the US. This was the highest volume for the BTC trading pairs since February 2023. The BTC-FDUSD pair on Binance was the highest-traded pair, followed by the BTC-USDT pair on Binance, recording a monthly volume of \$80.8bn and \$60.8bn, respectively.
- Analysing the stablecoin counterparty for BTC pairs on centralised exchanges, USDT continues to be the dominant pair with a monthly volume of \$241bn. Meanwhile, FDUSD has overtaken USDC in the last five months as the second most popular pair for BTC, courtesy of its zero-fee trading program on Binance.

Ondo Finance: Price and Trading Volume

Ondo Finance Launches its Governance Token As Protocol TVL Continues to Climb



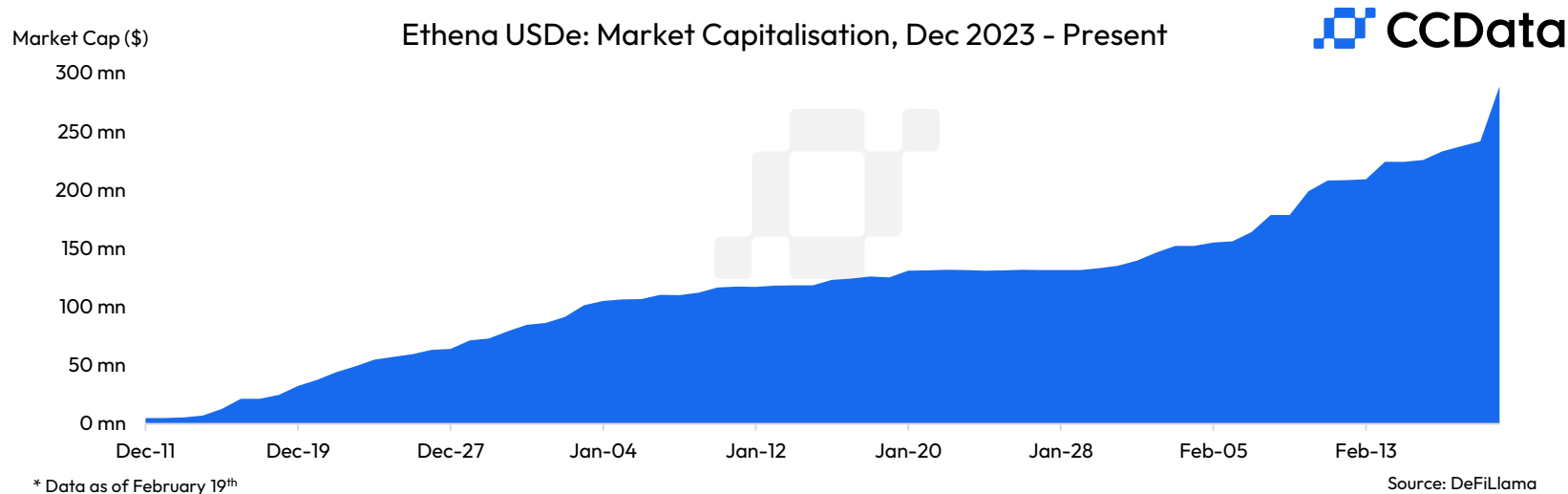
Ondo Finance (ONDO): Price and Trading Volume, 2024



- Popular Real-World Asset protocol Ondo Finance launched its governance token on January 18th, with its price rising 60.9% to \$0.35 in February, month-to-date. The governance token allows holders to participate in the governance of Flux Finance’s lending operations. The token has already traded over a billion in volume this month, recording a daily high trading volume of \$159mn on February 19th.
- Ondo Finance allows exposure to US-based asset classes via its three tokenized products – OUSG for the US Treasury, OMMF for the US money market funds, and USDY, a stablecoin currently offering 5.10% in yield. The market capitalisation of the USDY stablecoin rose 26.4% to \$23.8mn in February, recording an all-time high for the stablecoin.

Ethena USDe: Market Capitalisation

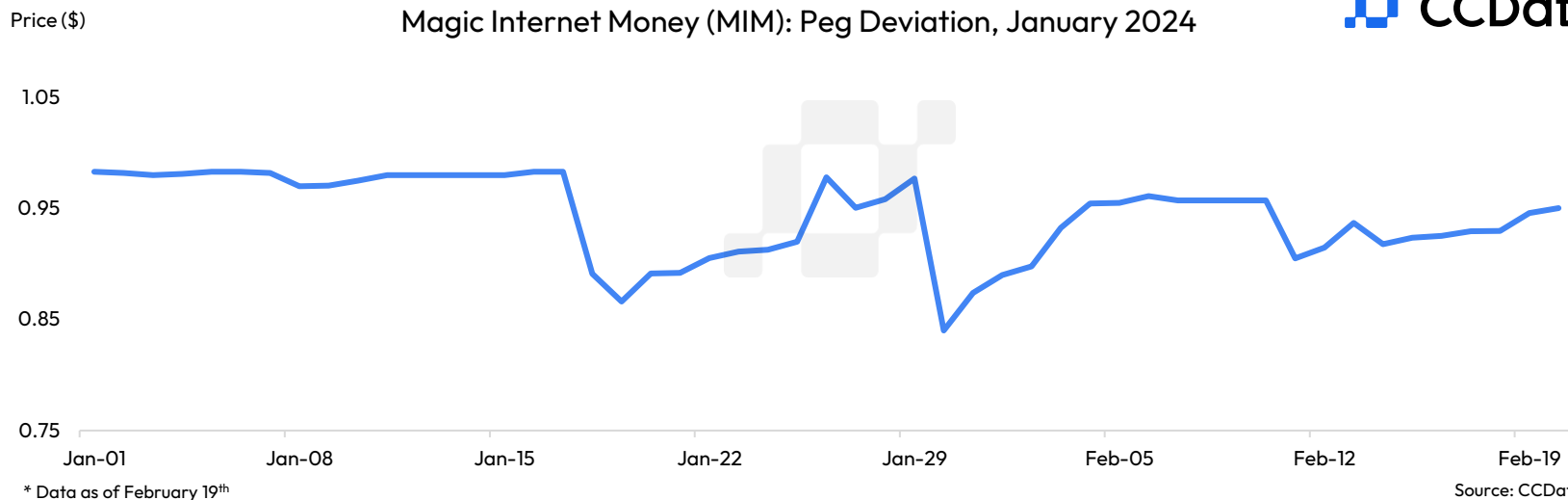
Market Capitalisation of Ethena USDe Continues to Climb After the Launch of the Ethena Mainnet



- Ethena Labs announced the launch of its public mainnet allowing users to deposit any form of liquid staking tokens, Ethereum or USDC, to receive USDe which accrues attractive yield from staked Ethereum and funding rates. By combining the native staking yield of Liquid Staking Tokens and a short ETH perpetual futures position, the protocol can offer nearly 27% APY using its delta-neutral strategy.
- Backed by popular VCs in the crypto space including lead investors Dragonfly Capital and Arthur Hayes, the protocol announced a new seed raise of \$14mn from investors including Franklin Templeton. The market capitalisation of the stablecoin rose 68% to \$227mn in February (as of the 16th), making it the 11th largest stablecoin.

Peg Deviation: Magic Internet Money (MIM)

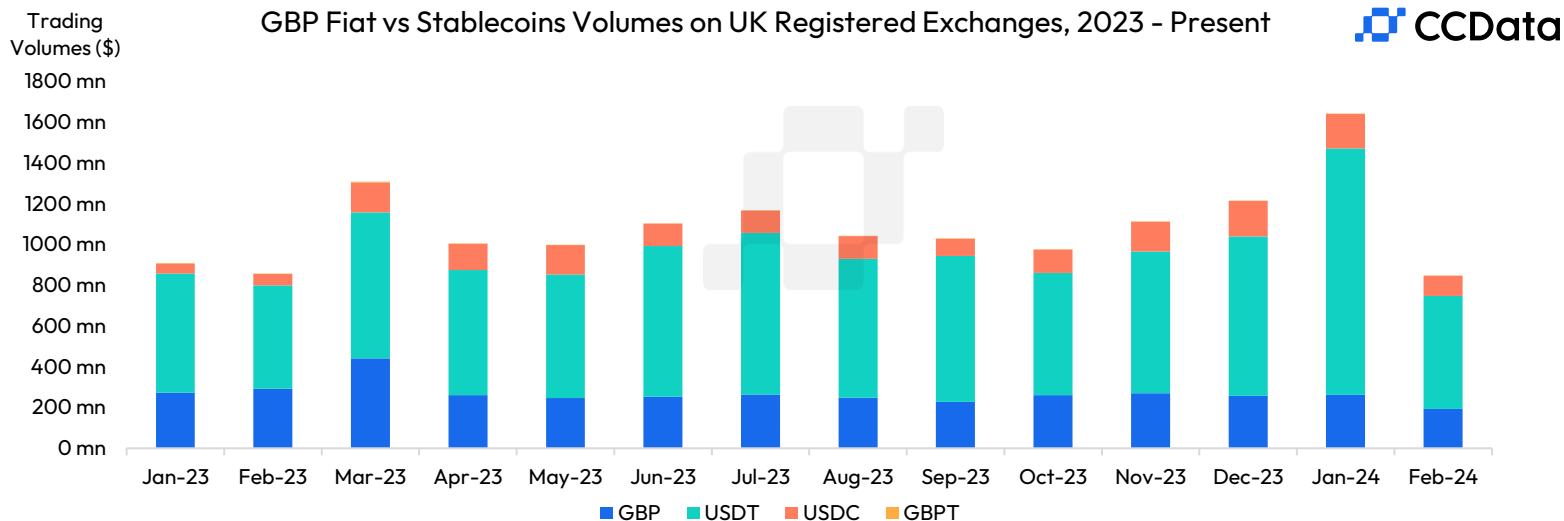
Magic Internet Money Loses Parity Following the Smart Contract Exploit of Abracadabra Money



- On January 30, the price of Magic Internet Money (MIM) depegged to as low as \$0.86 after its issuer, Abracadabra Money, was exploited for nearly \$6.50mn. The root cause of the incident was confirmed to be a rounding error in the cauldron v4 contracts, which facilitate the lending and borrowing of digital assets. The price of the stablecoin has since recovered after the exploited amount was fully collateralised by the DAO.
- The market capitalisation of the Magic Internet Money (MIM) stablecoin rose 0.13% to \$60.2mn in February, with the protocol recently launching its v3 upgrade. The stablecoin has also been integrated into upcoming chains such as the Blast and Berachain testnets in the last month.

GBP Stablecoins: Market Cap and Trading Volume

Stablecoin Usage in the UK Continues to Dominate the Market as Minister Expects Stablecoin Legislation Within Six Months



- On February 20th, the UK Economic Secretary of the Treasury, Bin Afolami, revealed that he expects new legislation focusing on stablecoins and staking services to be introduced within the next six months. With the majority of the users in the country using USD stablecoins as a means of trade on centralised exchanges, there is heightened interest in the implications of the upcoming laws on the asset sector.
- The market capitalisation of GBP stablecoins is currently at \$1.12mn, constituted by Binance GBP stablecoin (BGBP) – which was discontinued in 2020, Pound token (BGPT) and Aryze eGBP (eGBP). However, the trading volumes on CEXs for these coins remain low, with the Pound token trading \$1.03mn compared to the GBP fiat which traded a volume of \$262mn in January.

Glossary

- **Stablecoins:** Cryptocurrencies whose value is pegged to another currency, commodity, or financial instrument.
- **CBDCs:** Government-backed digital currencies used by consumers and businesses
- **Centralised Stablecoins:** Stablecoins that are collateral backed with corresponding assets by a third-party custodian.
- **Decentralised Stablecoins:** Non-custodial stablecoins that are issued by a DeFi protocol or DAO.
- **Fiat-Backed stablecoins:** Stablecoins that are backed 1:1 by fiat currencies and other short-term assets.
- **Algorithmic stablecoins:** Stablecoins where price stability is achieved using specialized algorithms and smart contracts that manage the supply of tokens in circulation.
- **Crypto-backed stablecoins:** Stablecoins that are backed by another cryptocurrency as collateral. Most decentralised stablecoins that use smart contracts instead of relying on a central issuer are crypto-backed.

This report currently covers 118 stablecoins. This includes 16 centralized stablecoins including Tether, USDC, and BUSD. The rest of the 75 decentralised stablecoins covered in this report include DAI, MIM and USTC.

The report covers 23 fiat-backed stablecoins, 19 algorithmic stablecoins, and 76 crypto-backed stablecoins.

As of February 2024, the trading volume data consists of the 37 stablecoins that are currently trading on the centralized exchanges integrated with CCData API.

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CCData is an FCA-authorized and regulated global leader in digital asset data, providing institutional and retail investors with high-quality real-time and historical data.