

INSIDER TRADING IN CRYPTOCURRENCY MARKETS

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INTERNET APPENDIX

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Table 1. Listing announcement difference in means

This table reports the difference in means between the full sample of token listings and the ERC20 token listings. *Market Cap* is the token’s market capitalization on the listing day reported in \$ millions. *Volume*_[−300,−1] is the sum of volume in the period 300 hours before the listing announcement, reported in \$ millions. *Previous Listings* is the number of listings in other cryptocurrency exchanges the token had prior to being listed on Coinbase. The *CAR* variable denotes cumulative abnormal returns computed over different time ranges—as indicated by the different subscripts—in hours from the time of the listing announcement. All continuous variables are winsorized at 1% and 99%.

	Sample Mean	ERC20 Mean	Δ	t-statistic
Market Cap (\$ Millions)	679	327	352	2.49**
Volume _[−300,−1] (\$ Millions)	1,773	1,236	537	0.88
Previous Listings	7	6	1	1.95*
$CAR_{[-300,+100]}$	0.25	0.28	−0.03	−0.49
$CAR_{[-168,-1]}$	0.14	0.15	−0.01	−0.25
$CAR_{[-72,-1]}$	0.10	0.11	−0.01	−0.29
$CAR_{[-24,-1]}$	0.07	0.07	−0.00	−0.17

Significance: * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$

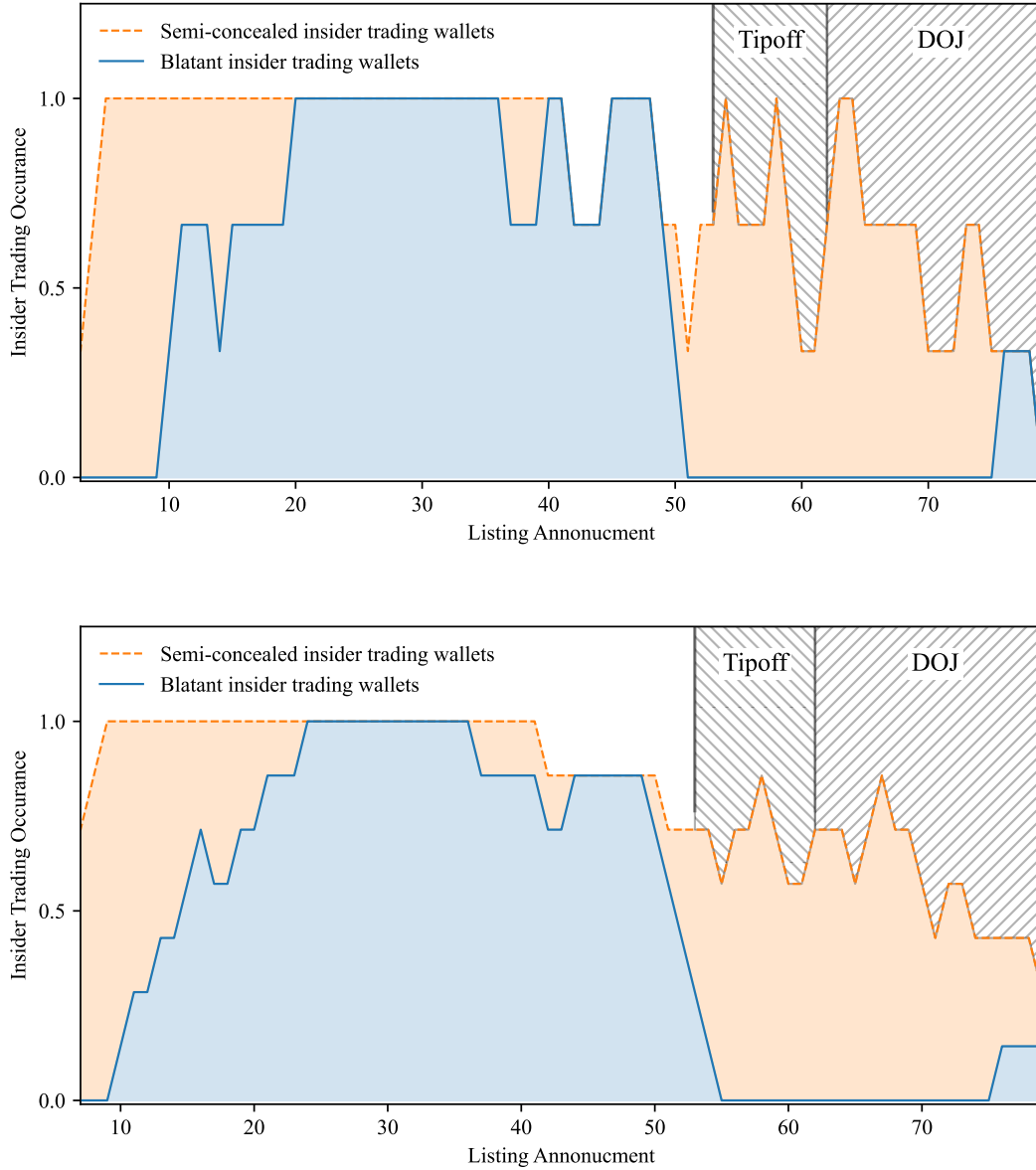


Figure 1. Prevalence of insider trading activity over time.

These figures presents the 3 and 7-announcement moving average of a dummy variable that is equal to 1 if the listing announcement was traded by a blatant insider trading wallet (blue area), or only traded by a semi-concealed insider trading wallet (orange area). The top figure presents the 3-announcement moving average and the bottom figure presents the 7-announcement moving average. The downward sloping background region represents the listing announcements that were made after the tip-off. The upward sloping background region represents the listing announcements that were made after the DOJ indictment.

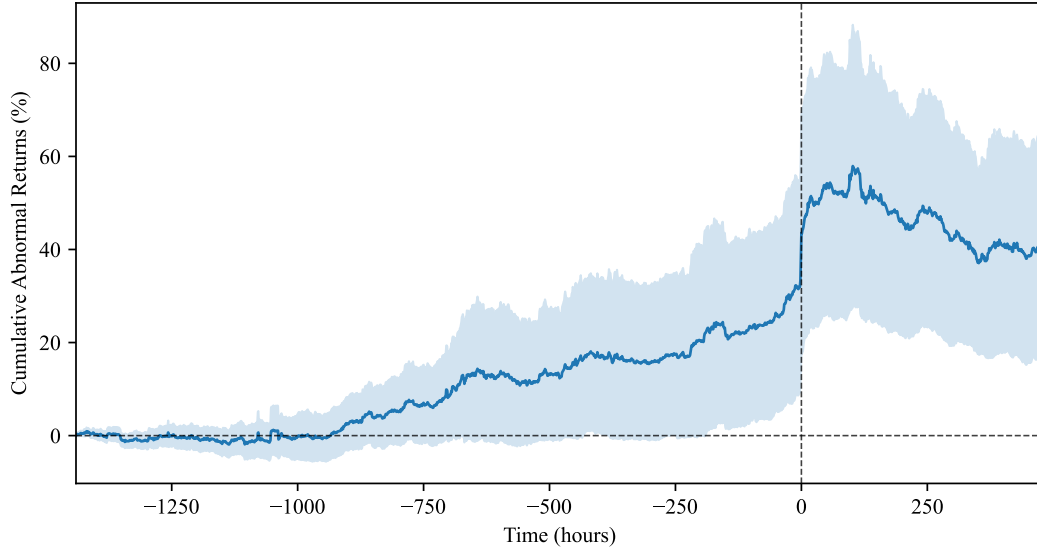


Figure 2. Cumulative abnormal returns for token listing announcements.

This figure plots the mean cumulative abnormal returns for the tokens listed on Coinbase before and after the listing announcements at $t = 0$. The cumulative returns are measured in hours over a period of 1440 hours before the listing announcement, up until 480 hours after it (60 days before and 20 days after the listing announcement at $t = 0$). The shaded region represents the 5% to 95% confidence bounds. The sample contains 252 tokens that were listed on Coinbase between September 2018 to January 2024.

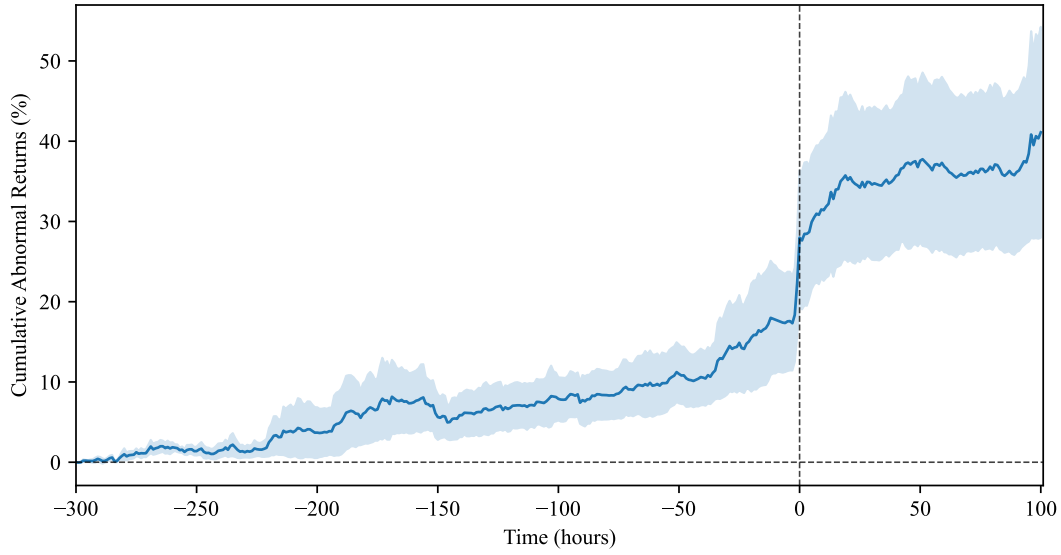


Figure 3. Cumulative abnormal returns for token listing announcements. (Smallcap)

This figure plots the mean cumulative abnormal returns for the tokens listed on Coinbase before and after the listing announcements at $t = 0$. The cumulative returns are measured in hours over a period of 300 hours before the listing announcement, up until 100 hours after it. The calculation of abnormal returns rely on the market returns from the MVIS[®] CryptoCompare Small Cap Digital Assets 100 Index (MVDASC). The shaded region represents the 5% to 95% confidence bounds. The sample contains 252 tokens that were listed on Coinbase between September 2018 to January 2024.

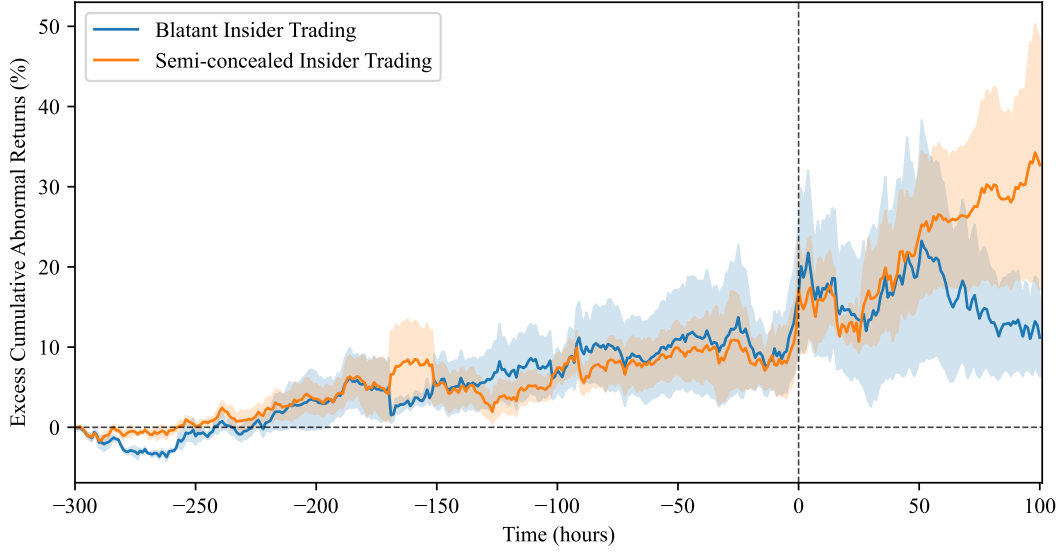


Figure 4. Excess cumulative abnormal returns of tokens traded by the blatant and semi-concealed insider trading wallets. (Smallcap)

This figure plots the mean cumulative abnormal returns for the tokens traded by the blatant and semi-concealed insider trading wallets in excess of the cumulative abnormal returns for the null group (token listings that are not traded by either group), before and after listing announcements at $t = 0$. The excess cumulative returns are measured in hours over a period of 300 hours before the listing announcement, up until 100 hours after it. The calculation of abnormal returns rely on the market returns from the MVIS[®] CryptoCompare Small Cap Digital Assets 100 Index (MVDASC). The blue region represents the tokens traded by the blatant wallets, while the orange region depicts the tokens traded by the semi-concealed wallets. The shaded regions display the 5% to 95% confidence bounds. The sample includes 71 tokens traded by blatant wallets and 118 traded by semi-concealed wallets.