



Stablecoins & CBDCs

JULY 2024

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Mission Statement



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About CCData

CCData is an FCA-authorised 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. The market cap data is sourced from DeFiLlama. All data presented is correct up to July 25th.



News

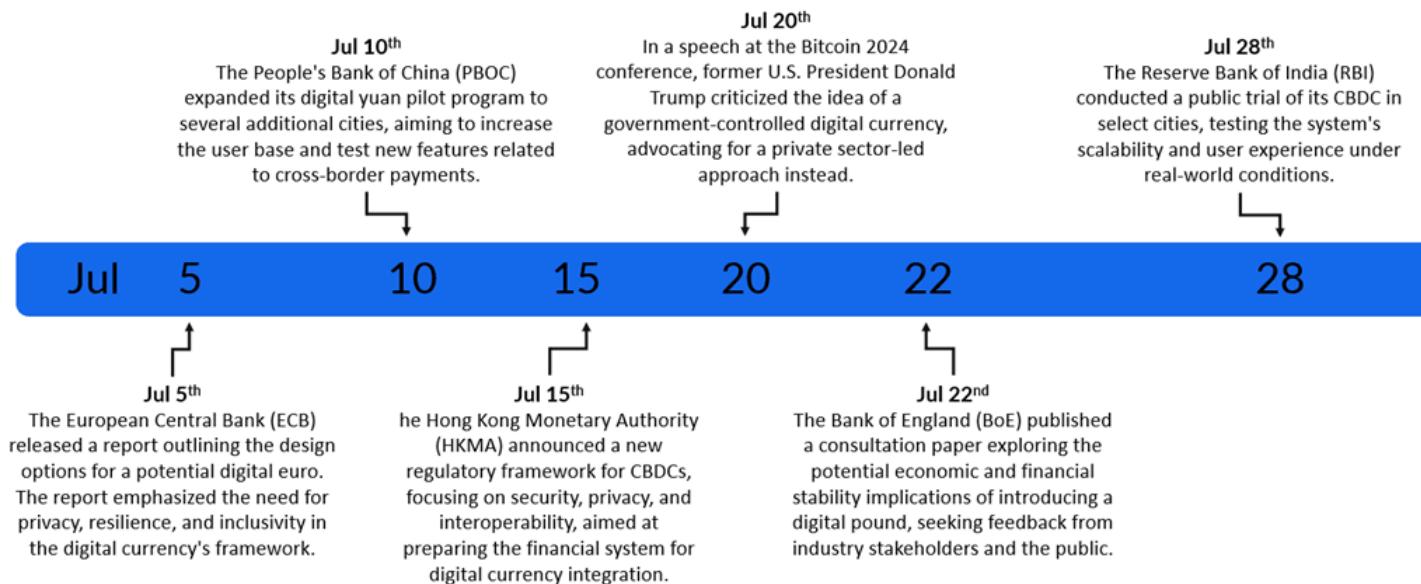


Latest News

Topic	Story	Date
USDC	Circle clears MiCA hurdle to become licensed stablecoin issuer in EU	Jul 1
GHO	Aave Launches GHO Stablecoin On Arbitrum	Jul 2
EURC	Circle Launches Euro-Backed EURC Stablecoin on Base	Jul 10
BUSD	SEC drops its investigation into BUSD stablecoin following probe into Paxos	Jul 11
USDA	Cardano Stablecoin USDA To Launch Under New Ownership	Jul 12
State Street	State Street planning tokenized deposits and stablecoin	Jul 17
HKD	Stablecoin pegged to Hong Kong dollar unveiled	Jul 24
M	First stablecoins minted on M^O Network	Jul 24
COPW	Colombia's Largest Bank Tops Chainlink Proof-of-Reserves For COPW Stablecoin Open full table in browser: https://content.ccdatalo.io/story/stablecoin-report-july-2024/page/4/1	Jul 25
DAI		Jul 26



CBDCs Overview: July Events



- Global CBDC developments in July highlighted a mixed landscape for the sector with some regions advancing rapidly while others face political and technical challenges. Russia announced the digital ruble pilot programme has led to more than 30,000 transactions being completed with plans to extend the number of participants from 34 to 1200 banks and merchants in the second half of 2024.
- Meanwhile, progress on retail CBDC in the US has stalled, becoming a contentious issue in the presidential campaign. Several politicians, including Senator Cynthia Lummis, have voiced strong opposition, arguing that a retail-facing digital dollar should not be launched.



Key Updates



Key Findings

Stablecoins Rises For the Tenth Consecutive Month

In July, the total market capitalisation of stablecoins rose 2.11% to \$164bn, recording the tenth consecutive increase in the end-of-month market cap and the highest since April 2022.

This is the highest monthly rise in the stablecoins market capitalisation since April, suggesting inflows of new capital into the markets as reflected by the positive price action of digital assets in July

European Stablecoins Struggle Amidst MiCA Regulations

In July, the market capitalisation of European stablecoins fell by 1.43% to \$235 million, marking the seventh consecutive decline in the sector's end-of-month market capitalisation.

Monerium's EUR eMoney and Membrane Finance's EUROe—two MiCA-compliant stablecoins—saw their market capitalisations fall by 16.5% and 9.92% to \$14.3mn and \$1.71mn.

Trading Volume on Trend For First Increase Since March

Stablecoin trading volume fell 8.35% to \$795bn in July as of the 25th. However, the volumes are on trend to record higher monthly volumes, following the launch of spot Ethereum ETFs and the bullish sentiment on the industry expressed at the Bitcoin Conference last week.

USDT continues to dominate trading activity on centralised exchanges, accounting for 73.5% market share among the top 10 stablecoins.

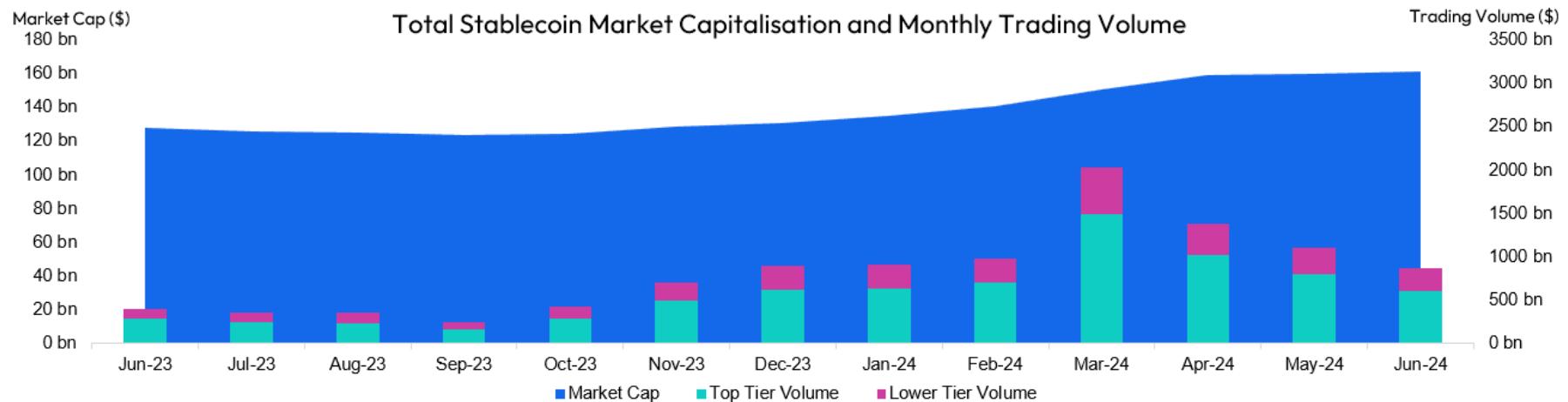
USDC Market Cap and Trading Volume Surges

In July, the market capitalisation of USD Coin (USDC) rose 5.36% to \$33.6bn, recording the first increase in end-of-month market capitalisation for the stablecoin since April.

The trading volumes on USDC pairs on centralised exchanges rose 48.1% to \$135bn, benefitting from the stablecoin's MiCA compliance after the European regulations took effect late last month.

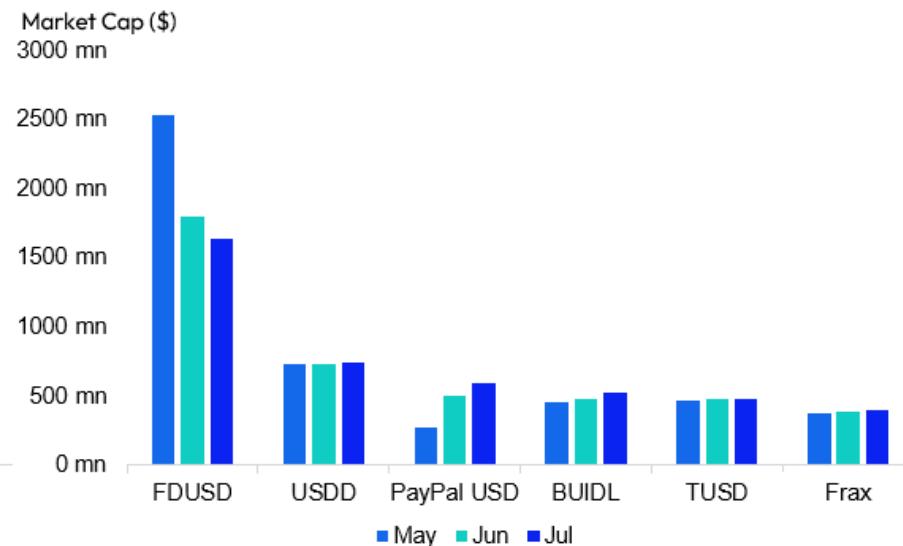
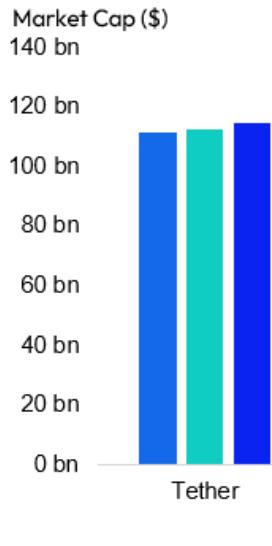


Stablecoins Market Cap & Volumes



- In July, the total market capitalisation of stablecoins rose 2.11% to \$164bn, recording the tenth consecutive monthly increase in market capitalisation. This is the highest market capitalisation for stablecoins since April 2022. This is the highest monthly rise in the stablecoins market capitalisation since April, suggesting the inflow of new capital into the markets as reflected by the positive price action of digital assets in July.
- Stablecoin market dominance is currently at 6.93%, rising from 6.83% in June. The rise recorded the second consecutive increase in the stablecoins dominance and the highest since April.
- Stablecoin trading volume fell 8.35% to \$795bn in June as of the 25th. However, the trading activity is on trend to record the first increase in monthly trading volumes since March following the launch of spot Ethereum ETFs, and bullish sentiment following the Bitcoin Conference last week.

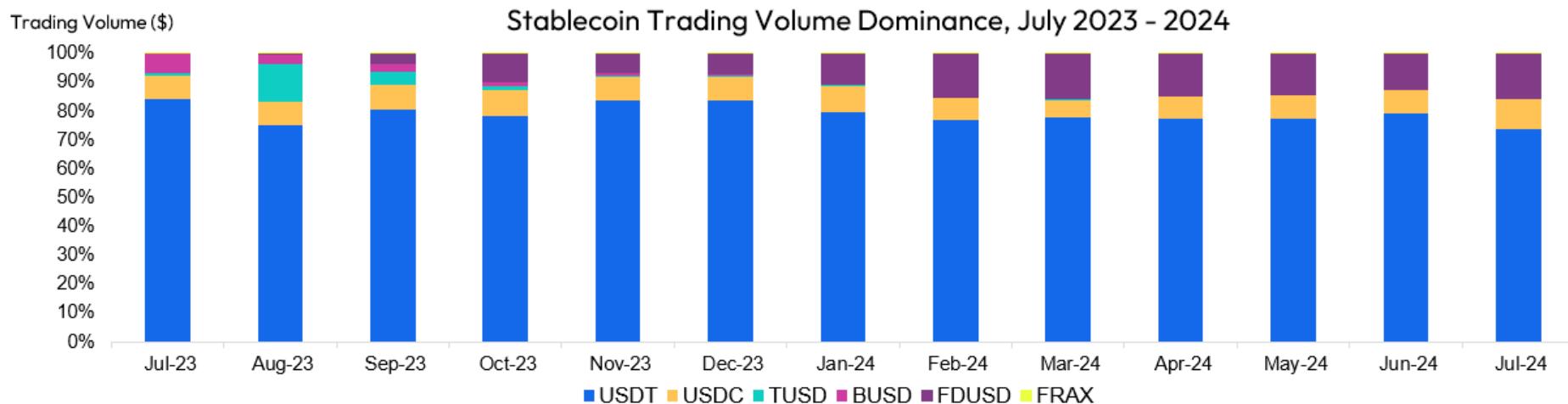
Stablecoins Overview: Top 10 Stablecoins



- In July, the market cap of TetherUSD (USDT) rose by 1.61% to \$114bn, continuing to record a new all-time high for the stablecoin with its eleventh consecutive monthly increase in market capitalisation. The market dominance of USDT is currently at 69.6%.
- The market capitalisation of USD Coin (USDC) rose 5.36% to \$33.6bn, recording the highest market capitalisation since February 2023. Meanwhile, BlackRock's BUIDL saw its market capitalisation increase by 9.17% to \$589mn, recording a new all-time high for the tokenized money market fund. PayPal USD continued to be the largest gainer among the top ten stablecoins, rising 17.9% to \$589mn, a new all-time high for the stablecoin.
- First Digital USD (FDUSD) and Ethena USDe saw their market capitalisation fall the most among the top 10 stablecoins, declining 8.77% and 5.73% to \$1.64bn and \$3.40bn respectively.

Stablecoins: Trading Volume

Stablecoins Trading Volumes on Centralised Exchanges On Trend to Record First Increase in Four Months



- In July, the trading volume for stablecoin pairs on centralised exchanges fell by 8.35% to \$795bn (as of the 25th), marking the fourth consecutive monthly decline. However, volumes are trending towards higher monthly figures due to increased volatility following the launch of spot Ethereum ETFs and the bullish sentiment expressed at the Bitcoin Conference last week.
- Despite recent MiCA regulations raising concerns about the future of the Tether stablecoin in Europe, USDT continues to dominate trading activity on centralised exchanges, accounting for 73.5% of the market share among the top 10 stablecoins by market capitalisation. FDUSD saw its market share by trading volume increase to 15.8%, while trading activity for USDC pairs on centralised exchanges also rose to 10.2%.

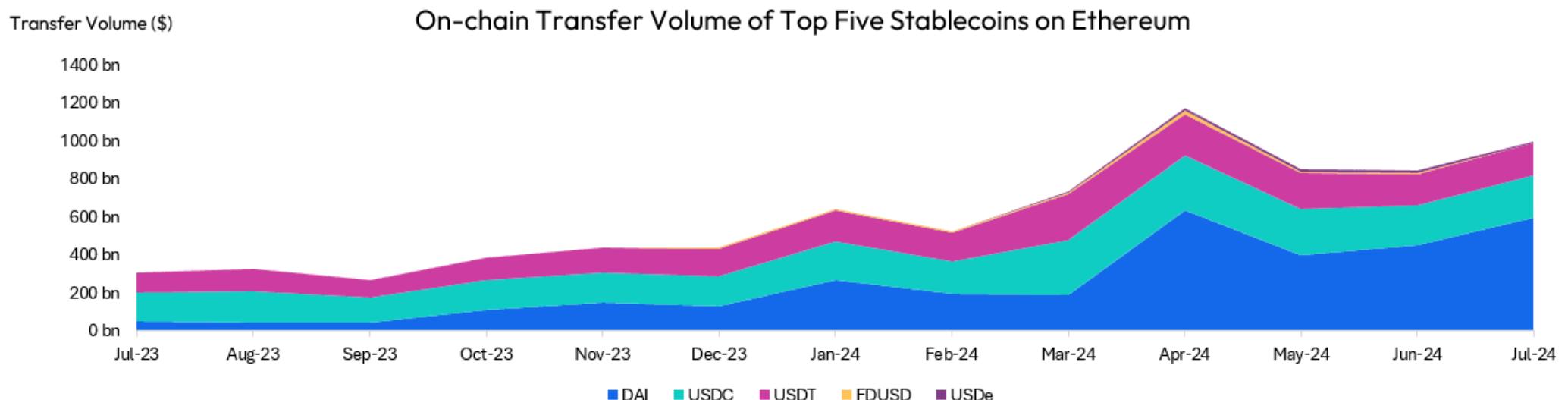
Relevant Trends



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Stablecoins: Onchain Transfer Volume

On-chain Stablecoins Transfer Volume Reaches Second Highest Level Of The Year



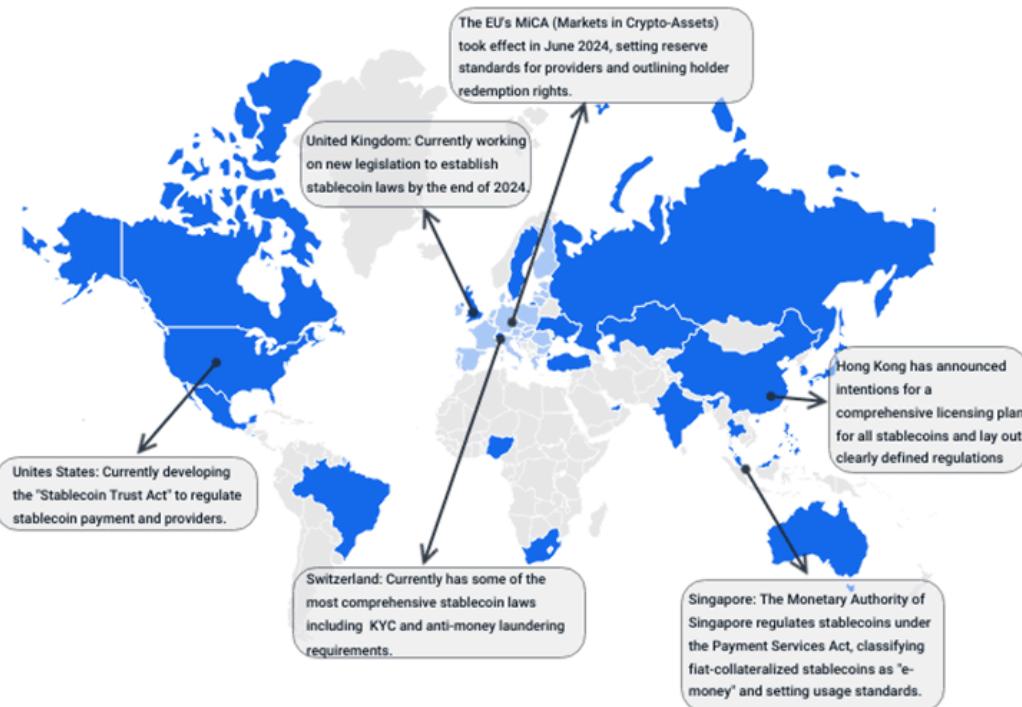
- In July, on-chain transfer volumes of stablecoins rose 18.3% to \$999bn. This is the highest recorded volume since the peak in April. Total volumes have risen 69.4% from the previous year, indicating strong momentum following the approval of spot-ETFs in the U.S.
- Among the top 5 stablecoins on Ethereum, DAI leads the group for on-chain transfer volume with \$599bn exchanged in July, accounting for 59.95% of the market share. USDC and USDT follow with a transfer volume of \$218bn and \$173bn, accounting for 21.8% and 17.4% of the total volume of the top 5 stablecoins on Ethereum.

Stablecoin Regulations

- **Implementation and Classification:** MiCA, which launched on June 30th, establishes a regulatory framework for stablecoins in the EU, categorising them into e-Money tokens and Asset-Referenced Tokens.
- **Compliance and Market Impact:** The regulations require stablecoin issuers to secure e-money licences and maintain significant reserves, enhancing market security. Major stablecoins like Circle's USDC and EURC have already complied.
- **Integration into the Financial Ecosystem:** MiCA aims to integrate digital assets into the EU's financial system by providing a consistent regulatory framework across member states, aiding in secure cross-border transactions and boosting investor confidence.

Stablecoin Legislation Map

Countries with Established or Proposed Legislations



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USDC: Market Cap and Trading Volumes

USDC Market Cap and Trading Volumes Rise Following MiCA Regulation



- In July, the market capitalisation of USD Coin (USDC) rose by 5.36% to \$33.6bn, marking the first increase in end-of-month market capitalisation for the stablecoin since April. This is the highest market capitalisation for USDC since February 2023. USDC's market dominance by capitalisation currently stands at 20.4%.
- Trading volumes for USDC pairs on centralised exchanges rose 48.1% to \$135bn, benefitting from the stablecoin's MiCA compliance after the European regulations took effect late last month. Meanwhile, Circle's Euro stablecoin, EURC saw its market capitalisation rise by 4.05% to \$33.0mn with the stablecoin expanding to the Base chain earlier this month.

European Stablecoins: Market Cap and Trading Volumes

Market Capitalisation of European Stablecoins Continues to Slide Amidst MiCA Regulations



- In July, the market capitalisation of the European stablecoins fell 1.43% to \$235mn, recording the seventh consecutive decline in the end-of-month market capitalisation of the sector. Several European stablecoins have struggled even with the MiCA compliance, as investors flock towards larger MiCA compliant coins such as Circle's EURC.
- Monerium's EUR eMoney and Membrane Finance's EUROe – two MiCA-compliant stablecoins saw their market capitalisation fall by 16.5% and 9.92% to \$14.3mn and \$1.71mn. Meanwhile, Tether's EURT, which is yet to be MiCA-compliant, saw its market capitalisation fall by 4.63% to \$31.2mn.

BUSD: Market Cap and Trading Volumes

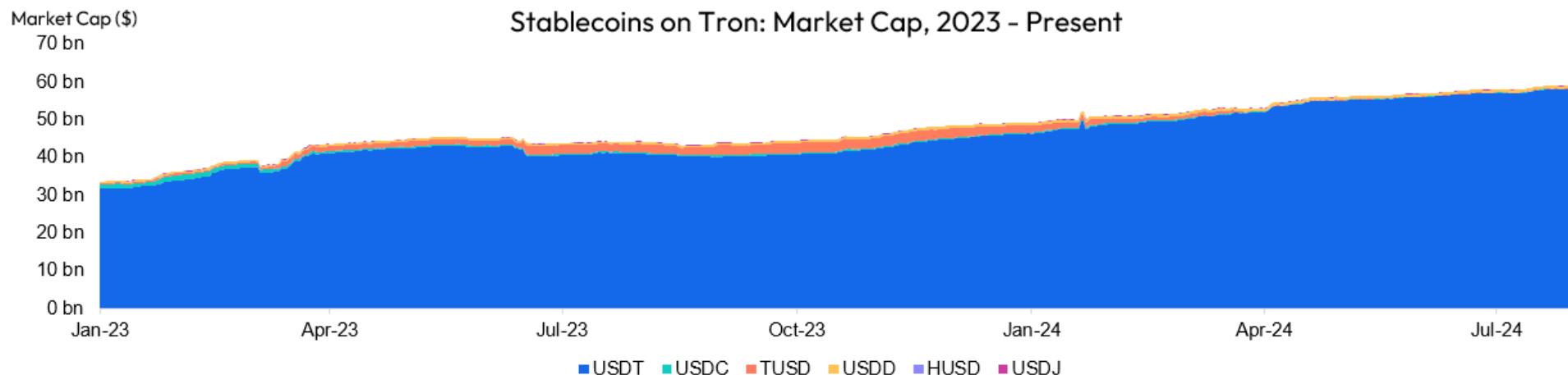
SEC Drops Investigation of Paxos Regarding BUSD After 18 Months



- Following the announcement of a possible lawsuit, and SEC investigation into Binance's partner, Paxos, the stablecoin BUSD saw its market cap fall by 97.3% from February 2023, with the state of New York State ordering Paxos to stop issuing the coin.
- The monthly trading volume for BUSD also decreased exponentially on centralised exchanges, with a 99.99% fall from February 2023. In June of this year, a U.S. judge ruled that BUSD was not a security. In July, Paxos announced that the SEC had dropped their inquiry after 18 months. No infringements were found and Binance and Paxos will receive no penalties.

Tron: Market Cap by Stablecoins

Tron Announces Gasless Stablecoin Transfer Solution, Expected to Launch in Q4



- Earlier this month, Tron Founder, Justin Sun announced the blockchain will support a gasless stablecoin transfer solution, expected to launch in Q4 of 2024. The solution that removes transaction fees for peer-to-peer stablecoin transfers uses smart contracts to determine the necessary amount, taking into account exchange rates and other costs, which are then covered by the stablecoins themselves.
- In July, the market capitalisation of stablecoins on the Tron blockchain rose 1.94% to \$59.2bn, an all-time high for the blockchain. USDT dominates the stablecoins on the network, accounting for 98.3% of the supply. The blockchain has grown in popularity for stablecoins in recent years, due to the lower gas fees which allows users in developing countries to make peer-to-peer payments.

Glossary



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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 centralised 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 June 2024, the trading volume data consists of the 37 stablecoins that are currently trading on the centralized exchanges integrated with CCP API.



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