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What Is Binance BTCDOM Index?

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Disclaimer: In compliance with MiCA requirements, unauthorized stablecoins are subject to certain restrictions for EEA users. For more information, please click [here](#).

Binance BTCDOM Index is a cryptocurrency price index reflecting the market dominance performance of Bitcoin. The BTCDOM Index is a metric that traders can use to quickly get a sense of Bitcoin's value relative to that of the broader cryptocurrency market.

Unlike the real Bitcoin market dominance indicator, which is capped within 0~100%, the BTCDOM index is uncapped and more suitable for derivatives trading. It is calculated with Bitcoin price denominated in the constituent cryptocurrency, e.g. BTC/ETH, BTC/BNB, BTC/ADA, etc.

Uses For BTCDOM Index

The BTCDOM Index provides insights into the market and can be used as a tool to speculate on Bitcoin’s relative strength against altcoins. Essentially, the index measures the demand for Bitcoin relative to altcoins.

When altcoins gain market share relative to Bitcoin, the BTCDOM index loses value. Conversely, when Bitcoin gains market share relative to altcoins, the BTCDOM index will gain value.

In certain conditions, if Bitcoin falls in price, but the rest of the cryptocurrency market falls at a similar rate, then Bitcoin dominance is likely to remain the same.

1. Index Specifications

Index Symbol	Index Name	Description	Base Date
BTCDOMUSDT	USDT BTCDOM Index	BTCDOM index denominated in USDT	2021-06-21 02:30AM (UTC)

2. Base Index

The base level is 1000.

3. Samples and Constituents

3.1. Sample Universe

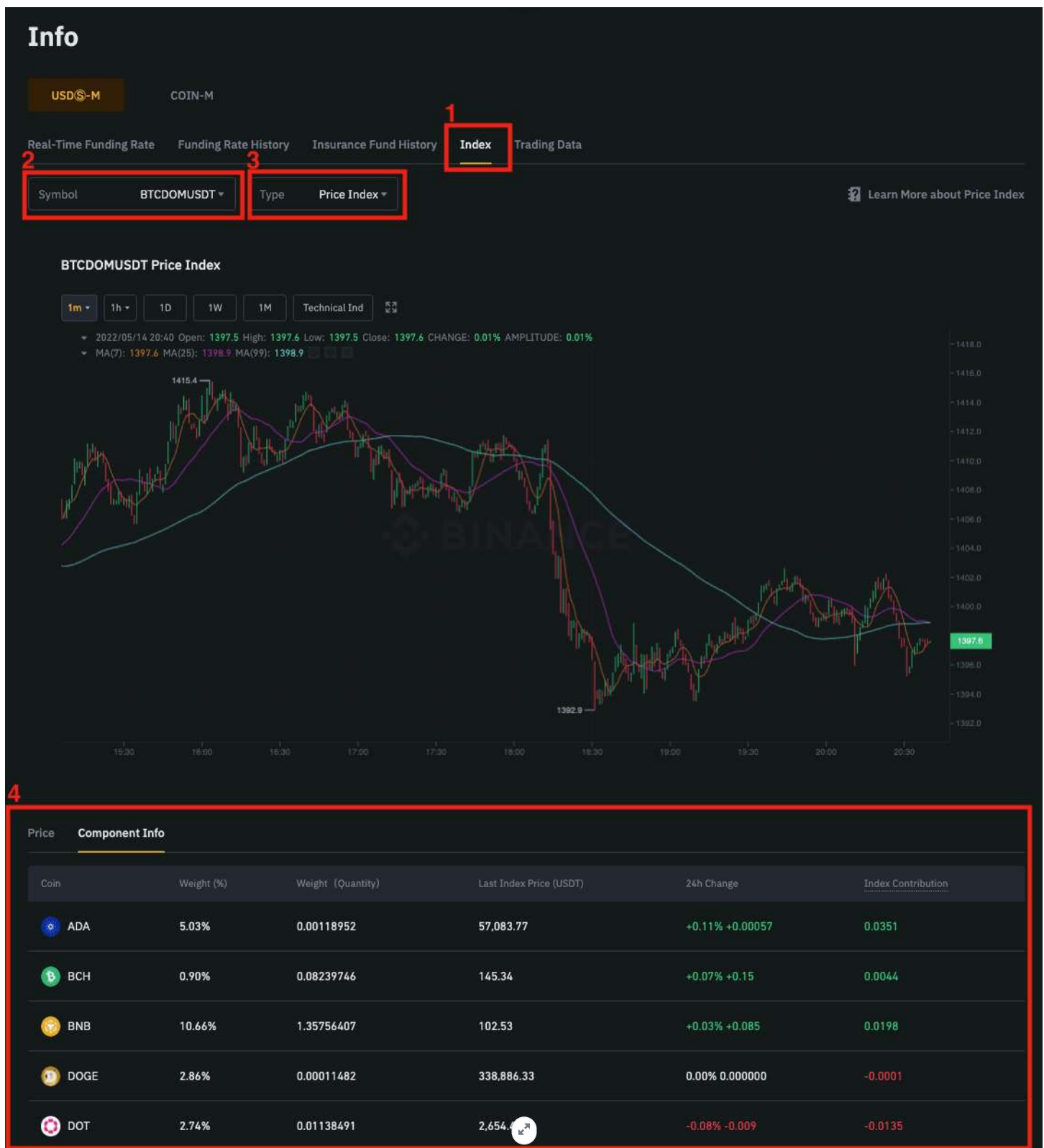
The sample universe includes the top 20 cryptocurrencies by market capitalization listed on [Binance](#) and [Binance Futures](#) excluding Bitcoin and stablecoins.

3.2 Constituents Selection

All cryptocurrencies listed on [Binance](#) and [Binance Futures](#) are prioritized and ranked by market capitalization for index inclusion.

To review the constituents selected, click [here](#) and go to [Index], select [Symbol] - BTCDOMUSDT], select [Type] - [Price Index], scroll down and click on [Component Info].





4. Index Calculation

The BTCDOM Index is calculated with the weighted average prices of its constituents. The price used for the BTCDOM index is different from other indices because it is calculated with Bitcoin price denominated in the constituent cryptocurrency, e.g. BTC/ETH, BTC/BNB, BTC/ADA, etc.

The formula is:



$$Index_t = \sum_{i=1}^n \frac{p_i \times w_i^t}{Divisor_t} \times 1000$$

In which n is the constituents count, p_i is the latest price of constituent i (denominated in the index denomination), w_i^t is the weight of constituents i at the latest reported time t , $Divisor_t$ is the latest stable divisor, which ensures a continuous change of index constituents/weight and the index price affected only by the constituents price change.

The divisor on base-day is:

$$Divisor_0 = \sum_{i=1}^n P_i \times w_i^0$$

And at report time t :

$$Divisor_t = Divisor_{t-1} \times \frac{\sum_{i=1}^{n_t} P_i^t \times w_i^t}{\sum_{i=1}^{n_{t-1}} P_i^{t-1} \times w_i^{t-1}}$$

In which n_t is components count at report time t , and n_{t-1} is the components count from previous report time.

The weight is calculated by a weighting factor (the weight will remain unchanged between rebalances):

$$w_i^t = \frac{Index_t \times \text{weighting factor}_i}{p_i^t}$$


The weighting methods for Binance BTCDOM Index is market cap weighting with a weighting factor calculated as follow:

$$weighting\ factor_i = \frac{market\ cap_i}{\sum_{i=1}^n market\ cap_i} \times 100\%$$


The *market cap i* (at rebalancing time) is the market cap of constituent *i*, all metrics are measured with the index denomination.

The following table shows an example of how the BTCDOM Index is calculated:

Quote	Name	Market Cap (\$)	Weight in %	1/Price in BTC (Last Rebalance)	Weight (Quantity)	Index (Last Rebalance)
ETH	Ethereum	292,557,000,000	46.81%	13.4164	34.890348	1000.0
BNB	Binance Coin	54,315,456,382	8.69%	95.8330	0.906859	
ADA	Cardano	50,706,647,036	8.11%	21,795.0988	0.003723	
DOGE	Dogecoin	42,579,375,329	6.81%	103,940.8784	0.000655	
XRP	XRP	40,452,252,991	6.47%	39,115.2834	0.001655	
DOT	Polkadot	20,675,304,866	3.31%	1,561.9197	0.021180	
UNI	Uniswap	13,532,527,083	2.17%	1,444.2265	0.014993	

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LTC	Litecoin	10,417,011,700	1.07%	1,421.4074	0.011727
SOL	Solana	11,319,309,882	1.81%	782.4009	0.023148
POL	Polygon	9,340,119,522	1.49%	23,415.1680	0.000638
THETA	THETA	9,011,782,488	1.44%	3,718.5453	0.003878
XLM	Stellar	8,104,336,974	1.30%	98,814.2293	0.000131
VET	VeChain	7,297,692,808	1.17%	298,474.5654	0.000039
ETC	Ethereum Classic	6,619,071	1.06%	601.1873	0.017617
FIL	Filecoin	5,922,606,778	0.95%	454.4575	0.020851
EOS	EOS	4,834,691,030	0.77%	6,786.0051	0.001140
TRX	TRON	5,204,848,964	0.83%	466,725.3963	0.000018
Total		624,982,564,708	100.00%		

5. Rebalances

5.1 Regular Rebalances

The index constituents and their weight will be rebalanced every Thursday at 08:00:00 UTC to adapt to changes in the market.

5.1 Special Adjustment

Special adjustments are deemed necessary when one or several constituents face drastic changes (e.g. delist or no organic volume). Two kinds of adjustment can occur: exclude and recalculate weight (and Divisor); and exclude and fill up with constituents from the alternate list, where recalculation is also needed.

5.2 Hard Fork/Airdrop/Mapping Adjustment

The cryptocurrency price index, which is based on blockchain, will be adjusted for hard fork/airdrop/mapping following these guidelines:

- No adjustment needed for soft fork or hard fork which does not generate new coins
- For components hard fork/airdrop with new coins, the new coins should be included in the index with its original components' weight and excluded on the next regular rebalance if sample selection criteria are not met
- Airdrop/mapping with components' coins replaced by new coins, especially for split/reverse split occasions, the components should be replaced by the new coins with the weight adjusted according to the split ratio

**Disclaimer: The numbers in this article are subject to change without further notice. Please refer to the [English version](#) for the most updated numbers.*

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