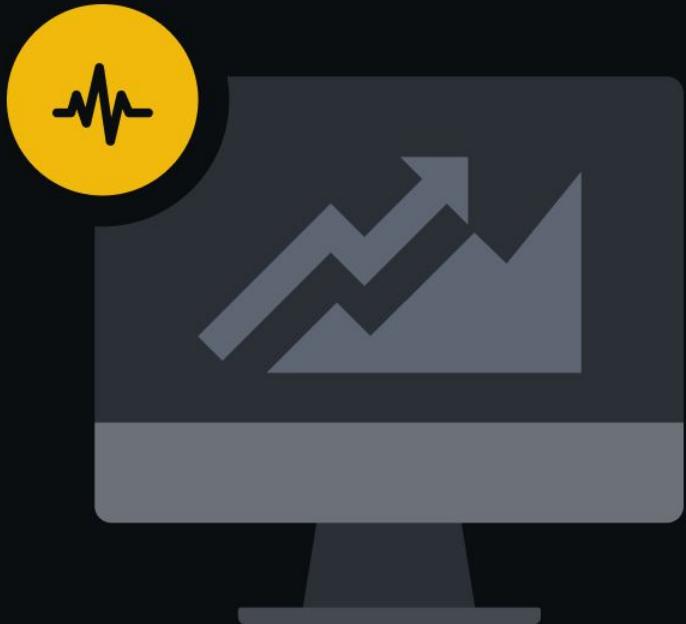


Q1 State of Crypto: Market Pulse

APRIL 2024



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Key Takeaways

Market Pulse is a compilation of key charts and insights by Binance Research, shedding light on the state of crypto.



Overview

Q1 2024 saw positive developments in the crypto industry, propelled by the successful launch of spot BTC ETFs, which collectively attracted over US\$12B in net inflows. Total Market Cap increased by 60% QoQ.



Layer 1s & 2s

Solana delivered an impressive performance in the quarter, driven by meme coin trading and robust ecosystem traction, experiencing steep growth in several on-chain metrics.



DeFi

Total value locked (“TVL”) in DeFi increased 70.6% QoQ to US\$92.0B, driven by liquid staking and liquid restaking. Both sectors attracted TVL from investors to participate in yield and airdrop farming.



NFTs

The total NFT sales volume notched a QoQ gain of 27%, driven by a general increase in activities across Bitcoin, Ethereum and Solana.

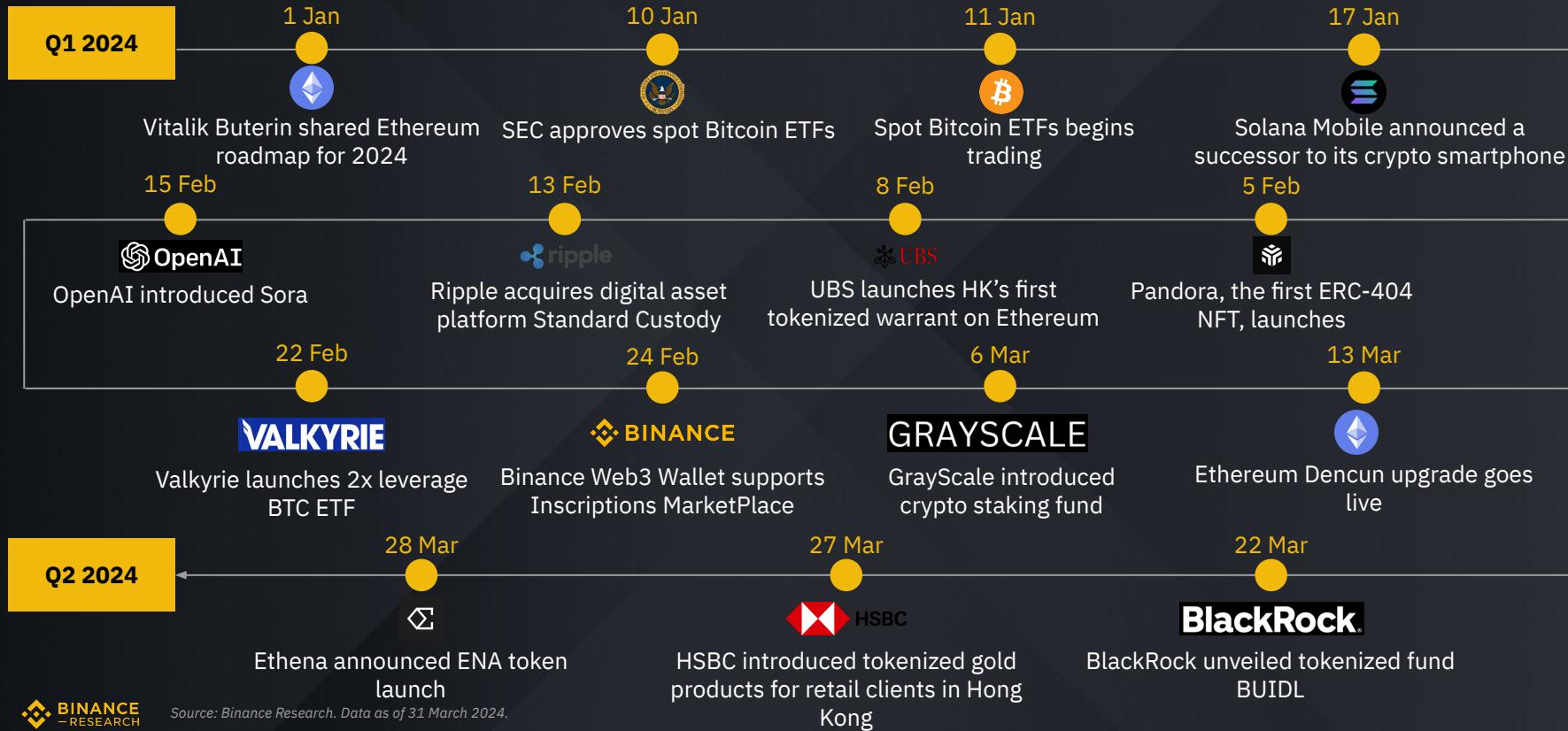


Gaming

The gaming landscape was spearheaded by BNB Chain, Ethereum, and Polygon, controlling approximately 70% of market share (by number of games).

Market Overview

Notable Events in Q1 2024



Crypto Market Overview

Market Cap increased in Q1

Global Crypto Market Cap



Increase of +60% QoQ

- In Q1, driven by the strong performance of spot BTC ETFs, the crypto market cap witnessed a significant gain of 60% QoQ.
- Near the end of the quarter, the market experienced some volatility due to a slowdown in ETF capital inflows, divergent views on post-halving price action, and shifting expectations of rate cuts.

Performance of Largest Coins by Market Cap

The top 3 coins held their spot in 2022, 2023 and 2024

Price Performance of the Top 10 Coins

	2017	2018	2019	2020	2021	2022	2023	2024
Decreasing Market Cap ↓	Bitcoin 1317.08%	Bitcoin -72.39%	Bitcoin 92.48%	Bitcoin 308.91%	Bitcoin 59.70%	Bitcoin -64.42%	Bitcoin 156.40%	Bitcoin 67.62%
	XRP 34096.50%	XRP -84.11%	Ethereum -2.99%	Ethereum 478.27%	Ethereum 397.84%	Ethereum -68.17%	Ethereum 91.50%	Ethereum 58.68%
	Ethereum 8762.26%	Ethereum -81.94%	XRP -45.46%	XRP 24.75%	BNB 1258.62%	BNB -54.25%	BNB 27.93%	BNB 92.81%
	Bitcoin Cash 451.97%	Bitcoin Cash -93.21%	Bitcoin Cash 26.19%	Litecoin 217.78%	Solana 10682.40%	XRP -59.68%	Solana 923.06%	Solana 97.74%
	Cardano 3400%	EOS -66.60%	Litecoin 37.44%	Polkadot 188.93%	Cardano 620.39%	Dogecoin -56.45%	XRP 81.83%	XRP 2.48%
	Litecoin 5019.14%	Stellar -73.92%	EOS 1.34%	Bitcoin Cash 73.63%	XRP 251.18%	Cardano -81.21%	Cardano 142.38%	Dogecoin 141.75%
	IOTA 867.48%	Litecoin -86.39%	BNB 130.73%	Cardano 452.21%	Terra Classic 13310.47%	Polygon -68.92%	Avalanche 256.31%	Cardano 9.01%
	NEM 29070.31%	Bitcoin SV 5.84%	Bitcoin SV 9.60%	BNB 180.23%	Avalanche 3408.97%	Polkadot -84.90%	Dogecoin 28.08%	Avalanche 38.23%
	Dash 9377.84%	Tron -57.00%	Tezos 194.10%	Chainlink 542.13%	Polkadot 197.82%	Tron -29.53%	Polkadot 91.17%	Toncoin 133.80%
	Stellar 17666.95%	Cardano -94.15%	Stellar -60.09%	Bitcoin SV 72.34%	Dogecoin 3389.64%	Litecoin -54.24%	Tron 98.31%	Shiba Inu 194.3%



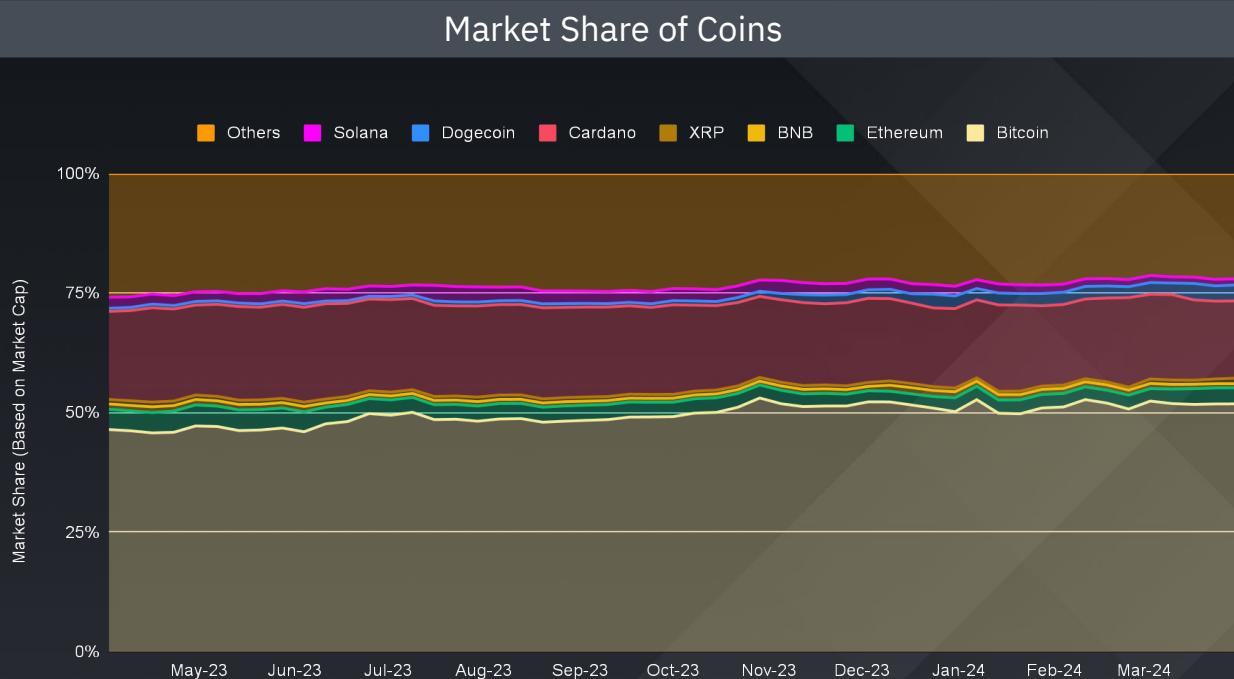
Meme coins saw a resurgence

- DOGE and SHIB were the standout performers among the top 10 cryptocurrencies in Q1 2024, boasting impressive gains of 140% and 190%, respectively.
- Solana continued to be one of the top performers, driven by ecosystem wealth effects, attracting significant inflows of users and capitals. On the other hand, TON regained its momentum, propelled by market's expectation of the chain's addressable user base and expanding ecosystem.

Market Share of Coins

Slight increase in BTC dominance

Market Share of Coins

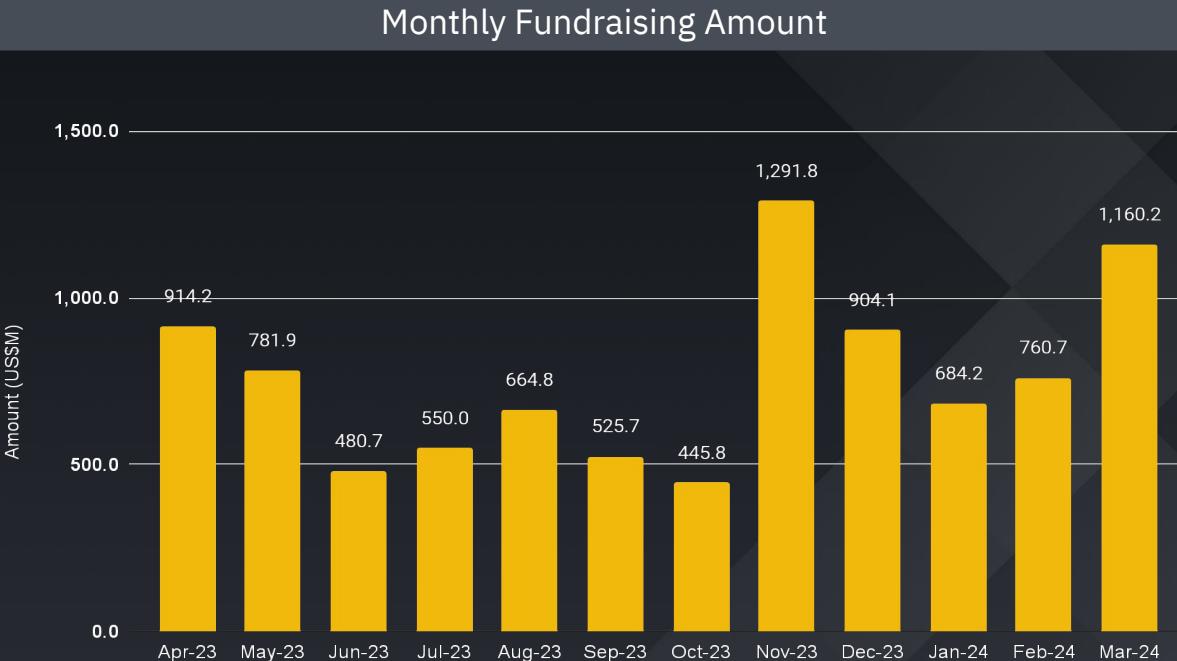


+1.6% QoQ for BTC

- With the successful launch of spot BTC ETFs, BTC remained the center of market focus in Q1 2024, seeing a 1.6% increase in its dominance. Meanwhile, Ethereum continued to underperform, with a slight decrease in dominance.
- BNB experienced a notable surge in demand, with its dominance increasing by 0.47%, contributed partially by several Binance Launchpool events.

Crypto Fundraising

Amount of funds raised remained strong in Q1 2024



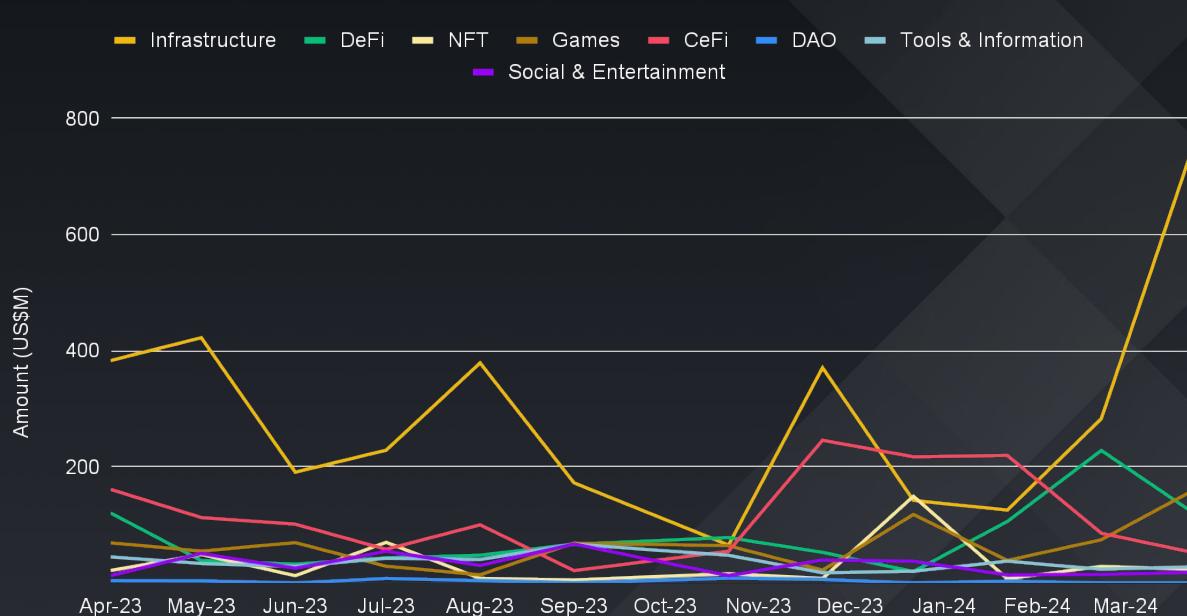
Rejuvenated fundraising activity

- Investment appetite remained strong in Q1 2024, staying at an elevated level, with funds raised surpassing US\$2.6B and sustaining the momentum from the previous quarter.
- Notable fundraises in the period included EigenLayer and HashKey Group, each securing US\$100M, and Optimism's US\$89M round, among others.

Crypto Fundraising by Sectors

Infrastructure projects lead in attracting funding

Funds Raised by Sectors



Infrastructure continued to hold the top spot in Q1

- With a total raised amount of US\$1.14B, Infrastructure raised the most funds in Q1 2024, accounting for roughly 44% of total funding. This is followed by DeFi with US\$459M, accounting for approximately 18% of total funding.
- Sectors like CeFi and Gaming also saw a notable amount of total funds raised. CeFi raised US\$359M and Gaming US\$269M, accounting for 14% and 10% of the total funds, respectively.

Crypto Fear & Greed Index

Fear & Greed index rose as optimism increased



+8 points in Q1 2024

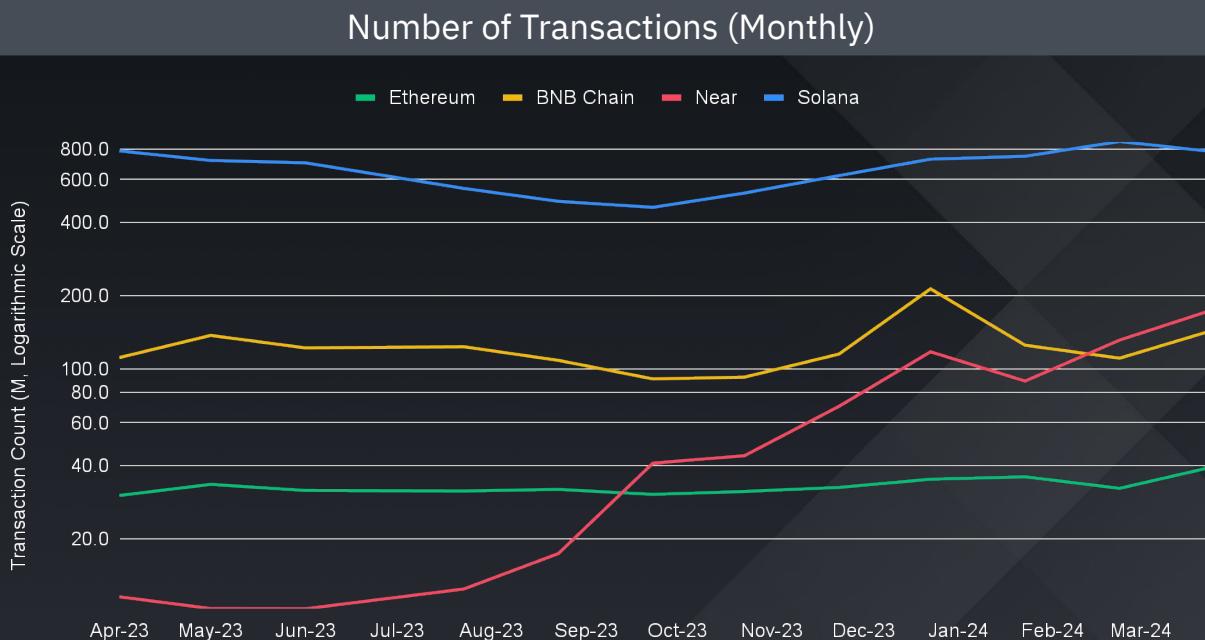
- Market sentiment remained in the “Greed” zone in Q1 2024, driven by heightened speculative activity. Strong spot BTC ETF inflows, the upcoming Bitcoin halving, and anticipated rate cuts have led the index to reach the “Extreme Greed” zone on multiple days.
- The Fear & Greed Index and BTC price exhibited a high correlation, reaching 80.5% over the past year.

Layer 1s



Monthly Transactions by Chain

Solana's momentum continued in Q1 2024



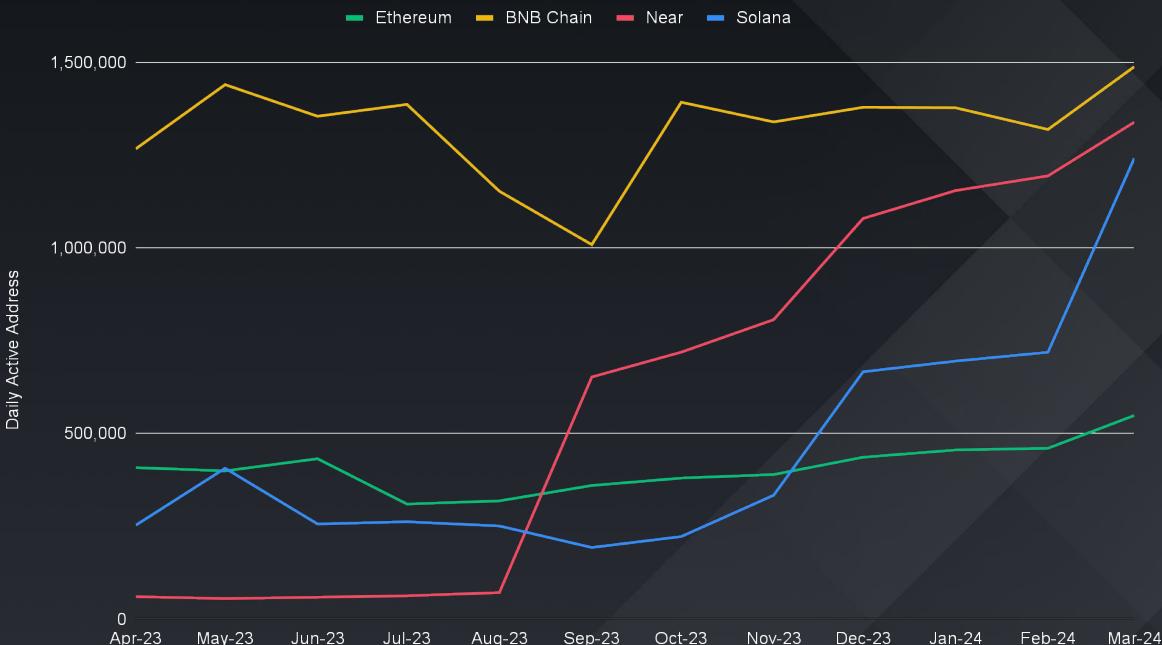
Solana activity remained elevated

- In Q1 2024, transactions on the Solana network remained high, fueled by multiple airdrops, ongoing points farming, and a surge in meme coin trading.
- Meanwhile, apart from Near, which saw an increase in transactions, both BNB Chain and Ethereum experienced minor fluctuations in Q1.

Average Daily Active Addresses by Chain

Active addresses have generally increased

Average Daily Active Addresses



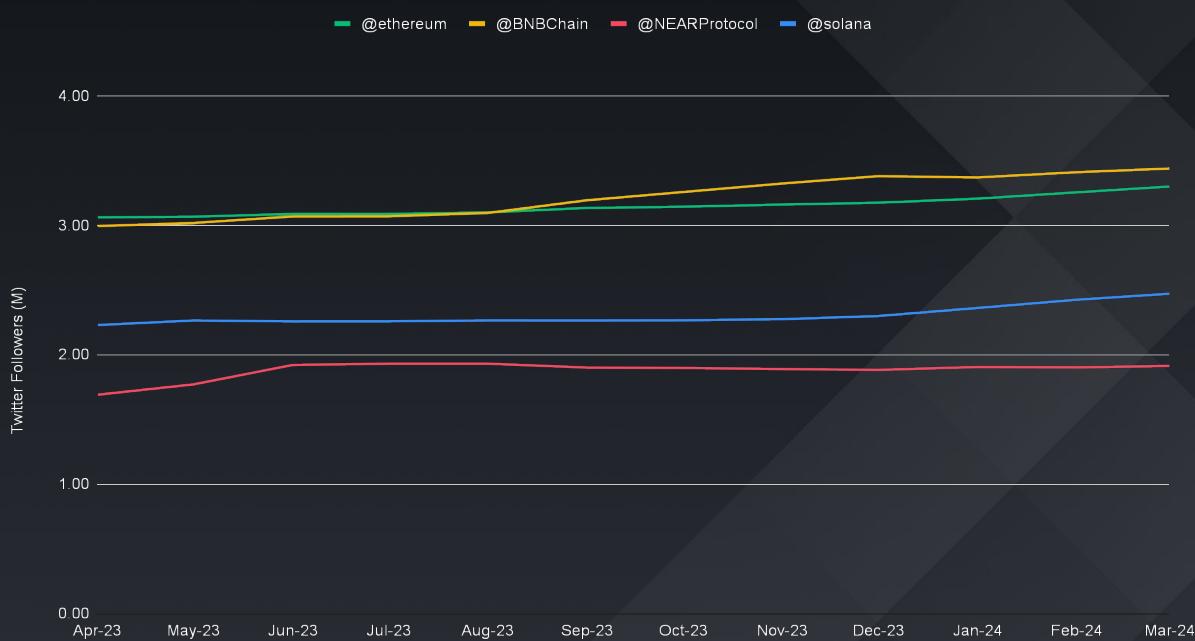
Solana recorded a steep QoQ increase

- The steep growth of Solana active addresses is in line with increased activity on Solana, driven by airdrop farming and memecoin trading.
- Near and Ethereum also saw modest QoQ gains in active addresses, increasing by 42% and 24%, respectively, while BNB Chain's addresses remained flat throughout Q1, showing some increase only towards the end of the quarter.

Twitter Followers

BNB Chain takes the top spot as the most followed chain

Cumulative Twitter Followers by Official Blockchain Accounts



@BNBChain leads, overtaking @ethereum

- With over 3.4M followers, @BNBChain has surpassed @ethereum, which boasts approximately 3.3M followers

BTC: Hash Rate vs Miners' Block Revenue

Miners' revenue from block rewards to be halved soon

Hash Rate vs Miners' Block Revenue

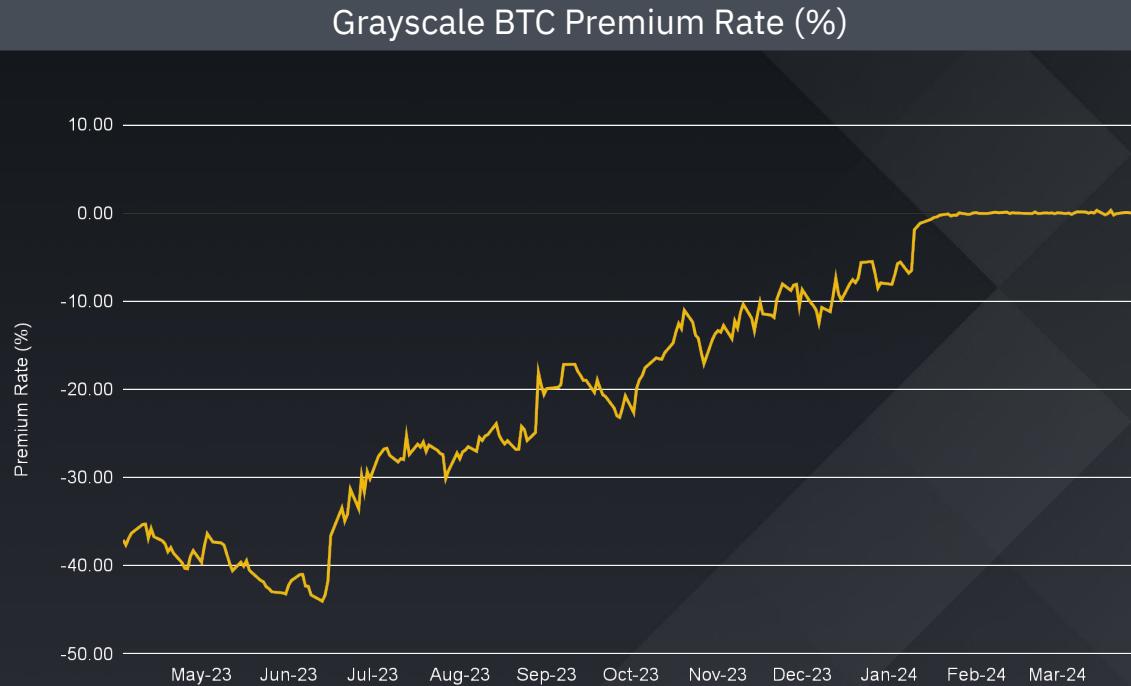


Hash rate recorded a new peak

- With the upcoming halving in April and an increasing hash rate, miners may face reduced profitability, potentially leading to consolidation among those who can manage the high operational costs of Proof of Work ("PoW").
- The percentage of transaction fees accounting for miners' revenue experienced a notable drop in Q1 2024. This reduction could be partly attributed to the cooldown of transactions related to BTCfi activities, leading to an overall decline in network transactions.

BTC: Grayscale Bitcoin Trust (“GBTC”) Premium

The GBTC discount dissipated in Q1 2024



Discount to NAV:

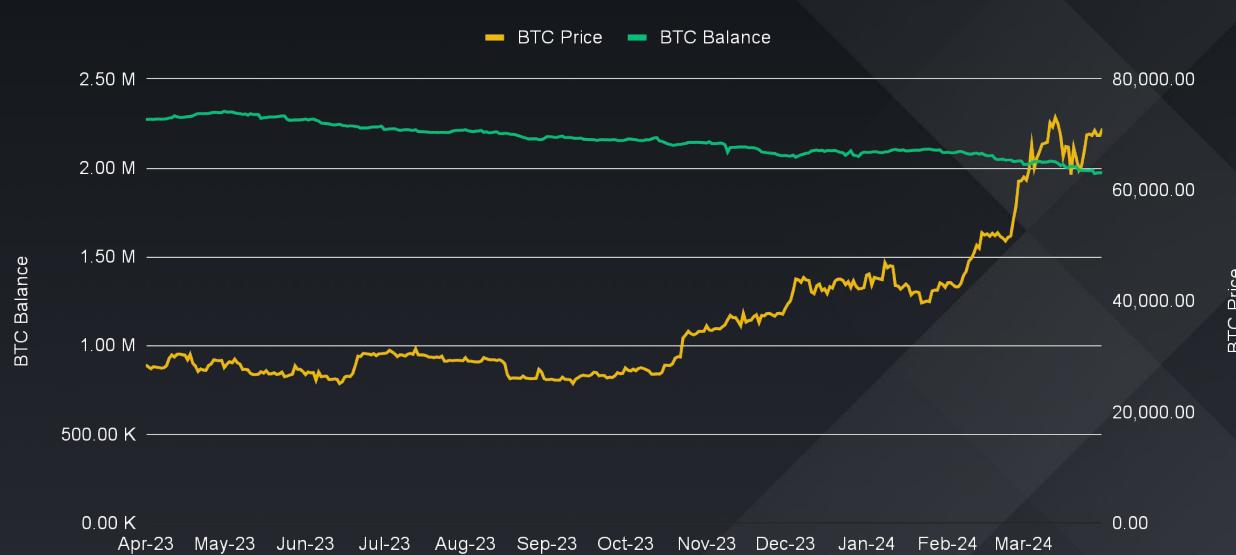
- ❖ End of Q2-23: **-30.2%**
- ❖ End of Q3-23: **-20.7%**
- ❖ End of Q4-23: **-8.1%**
- ❖ End of Q1-24: **+0.0%**

- With the implementation of the ETF conversion, the discount on Grayscale Bitcoin Trust has finally dissipated in Q1 2024, aligning GBTC's price with its net asset value.

BTC: Bitcoin Balance on Exchanges vs. Price

Balance on exchange hit the lowest level in Q1 2024.

BTC Balances on Exchanges vs. BTC Price

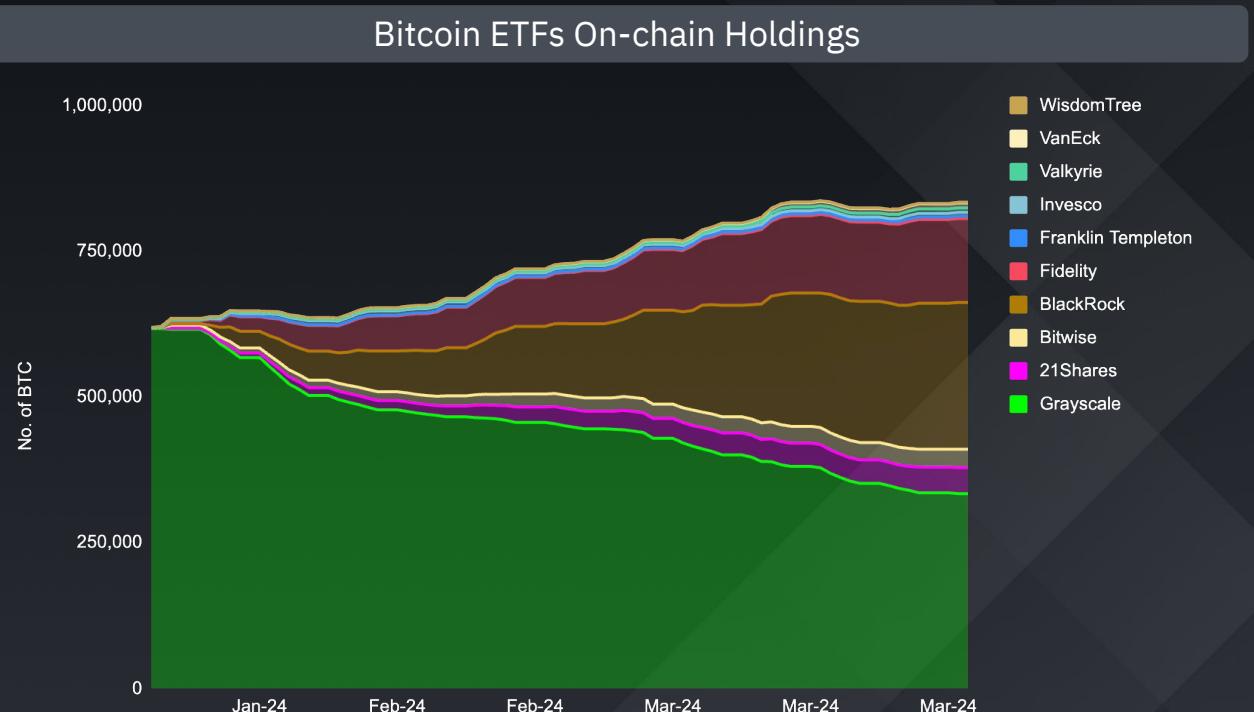


Rising price, decreasing exchange balances

- Bitcoin balances on exchanges hit their lowest levels in Q1 2024, while the price continued its upward trend, reaching new highs of \$73,000 in March.
- This uptrend has brought over 99% of Bitcoin holders into profitability, reaching multi-year highs according to data from IntoTheBlock.

BTC: Strong performance of spot BTC ETFs

Bitcoin ETFs collectively hold over 800K of Bitcoin

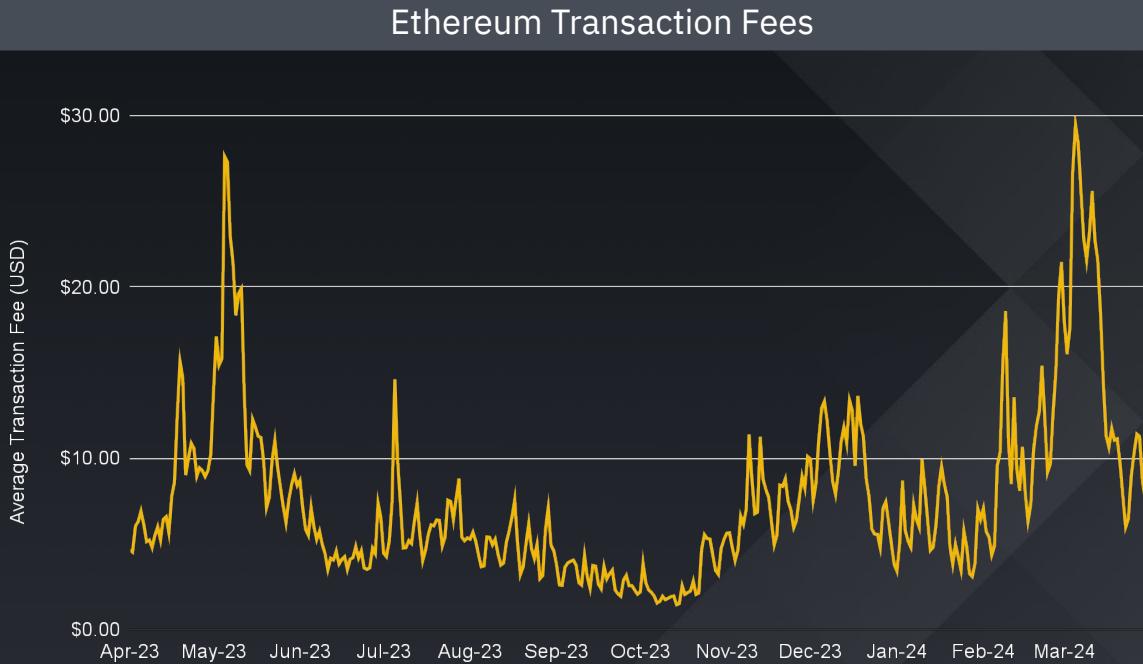


Strong demand for spot Bitcoin ETFs

- Since their launch in January 2024, spot BTC ETFs have consistently seen strong net inflows, with total capital inflows exceeding US\$12B, indicating robust investor demand.
- Excluding Grayscale, BlackRock and Fidelity appear to be two of the most popular options among investors, boasting market shares of 50% and 29%, respectively.

ETH: Average Transaction Fees

Average Ethereum fees increased in Q1



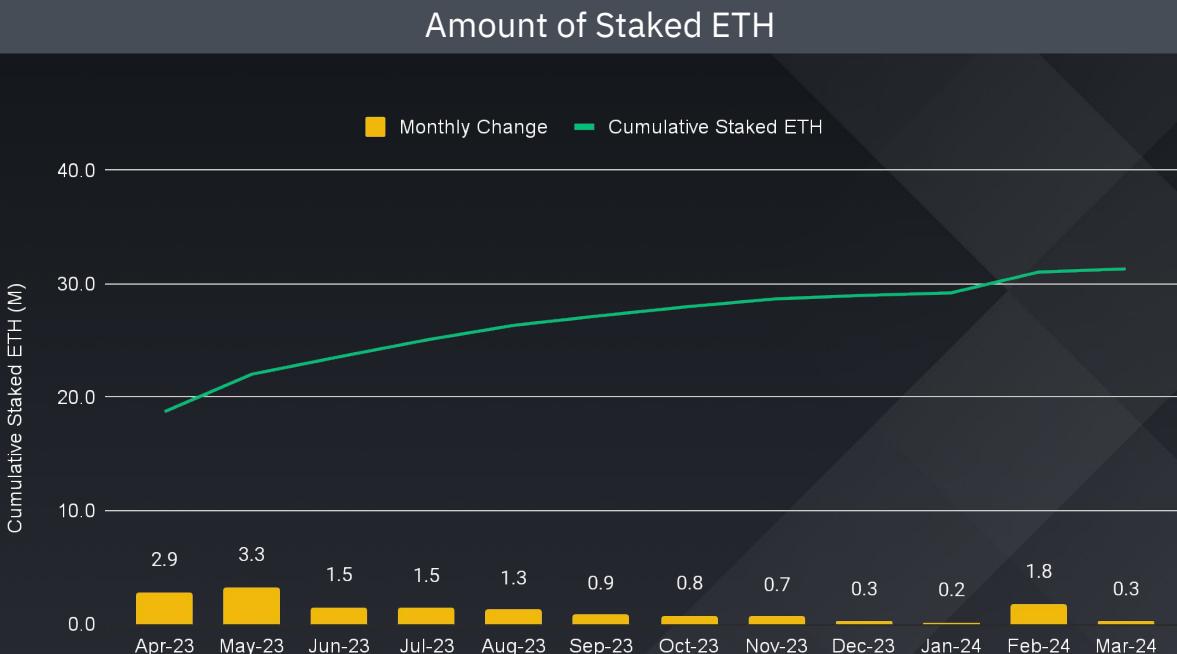
Average fee/transaction:

- ❖ Q2-23: **US\$8.8**
- ❖ Q3-23: **US\$4.8**
- ❖ Q4-23: **US\$6.4**
- ❖ Q1-24: **US\$10.8**

- Average transaction fees on Ethereum increased by 69% QoQ in Q1 2024, primarily due to spikes in late February and March, with March recording the highest levels over the past year.

ETH: Staked ETH Statistics

Close to 27% of all ETH in circulation has been staked

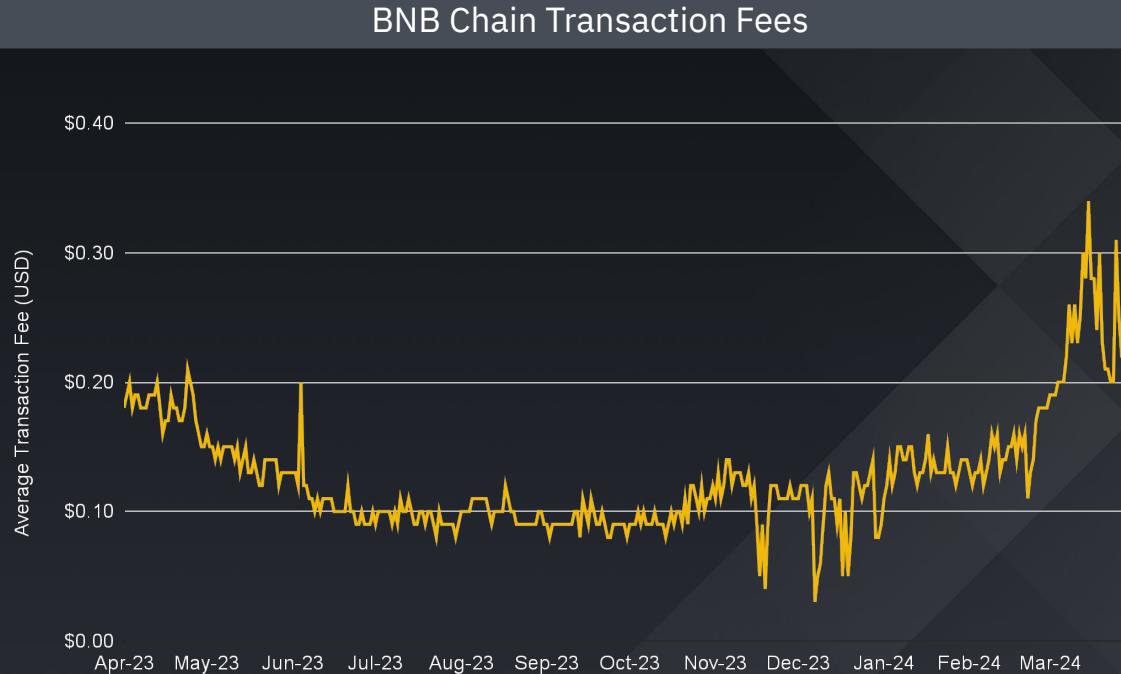


>32M ETH staked

- The amount of ETH staked has steadily increased in Q1 2024, with a notable rise observed in February.
- Besides vanilla ETH staking, there remains significant interest in Ethereum restaking among market participants. This is evident from the substantial growth of EigenLayer's TVL in Q1, which grew from US\$1B to over US\$13B. Liquid restaking also saw huge investor interest, with the sector now collectively boasting over US\$10B in TVL.

BNB Chain: Average Transaction Fees

Average transaction fees saw a rise in Q1 2024.



Average fee/transaction:

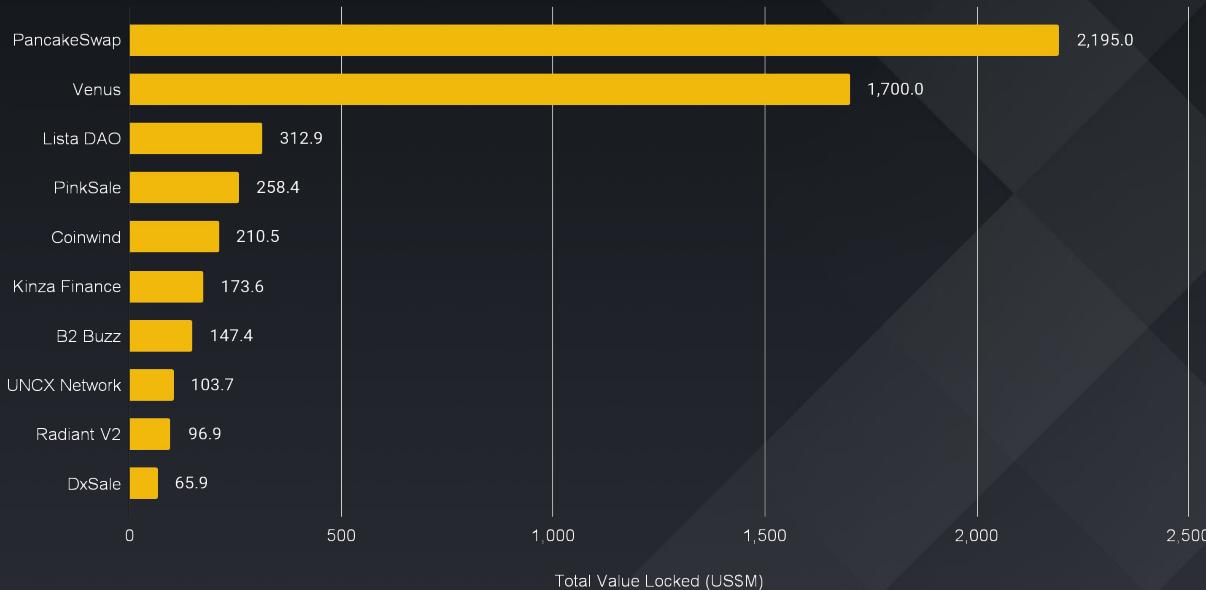
- ❖ Q2-23: **US\$0.14**
- ❖ Q3-23: **US\$0.09**
- ❖ Q4-23: **US\$0.10**
- ❖ Q1-24: **US\$0.17**

- For the first two months of Q1 2024, there were no significant changes in terms of transaction fees on the BNB chain. However, there were notable spikes towards the end of the quarter as activity on BNB Chain increased.

BNB Chain: Top dApps by TVL

DEXes and lending remained the largest verticals

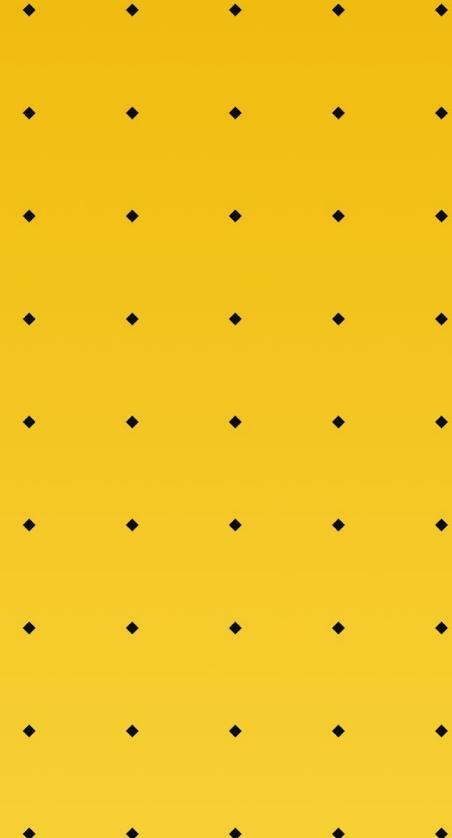
Top 10 dApps on BNB Chain (by TVL)



PancakeSwap remained the dominant dApp

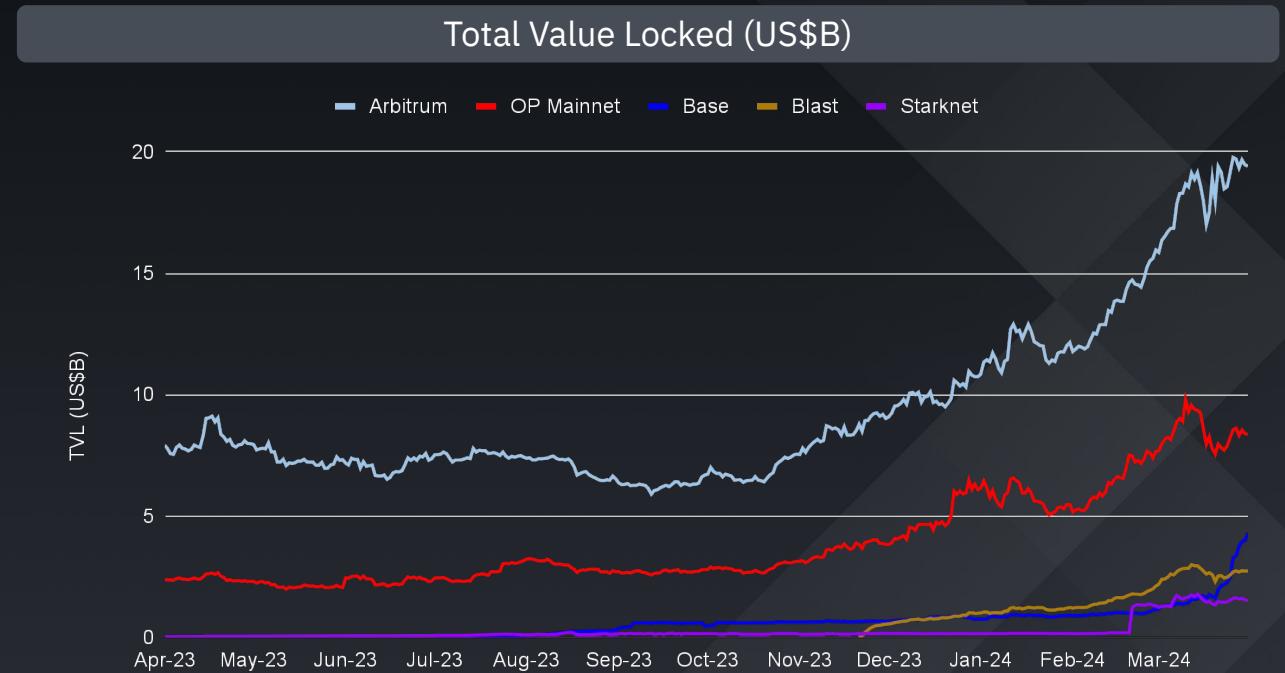
- PancakeSwap continues to lead as the top DeFi dApp on BNB Chain. Similarly, Venus also maintained its position as the 2nd largest DeFi dApp on BNB Chain, with its TVL experiencing a QoQ gain of 55%.
- Lista DAO, a decentralized stablecoin lending protocol powered by LSDfi, has seen significant TVL growth after its Cosmic Adventure Challenge event in February, swiftly becoming the 3rd largest protocol on BNB Chain.

Layer 2s



Total Value Locked in Top L2s

Arbitrum, Optimism and Base are the top L2s



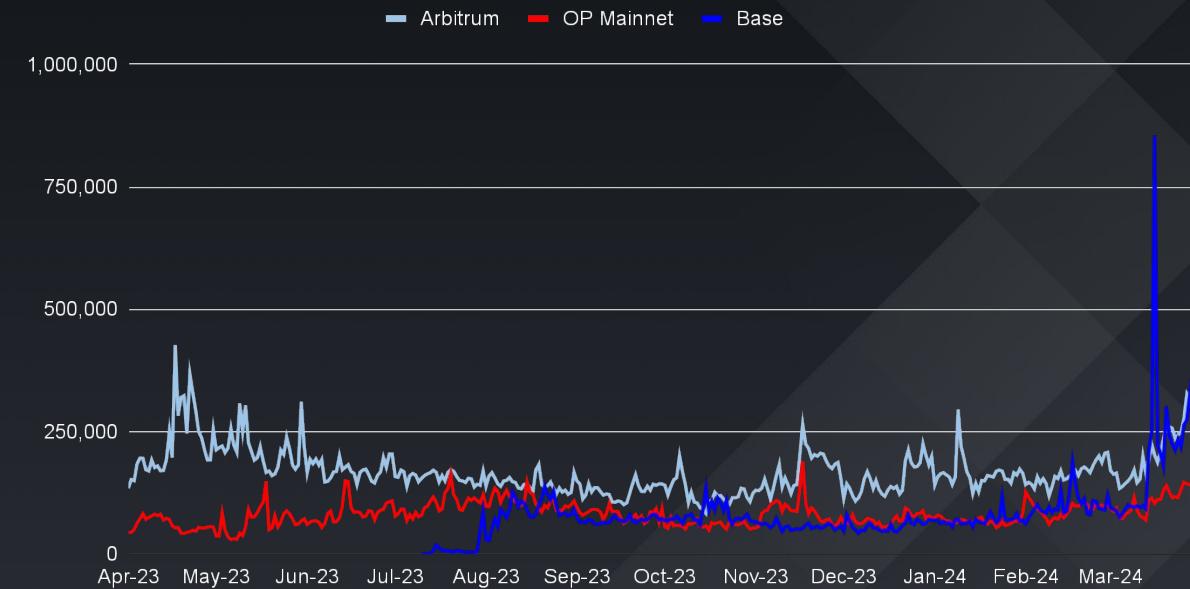
L2s experienced notable TVL gains

- Arbitrum maintained its position as the top Layer 2 network in terms of TVL, culminating in a QoQ gain of 80% and ended the quarter with TVL close to US\$20B.
- Base narrowed its gap with OP Mainnet, driven by increased meme coin trading on the network. Additionally, Starknet saw a surge in its TVL, surpassing US\$300M at the end of the quarter following its token launch in February.

Daily Active Addresses of the Top L2s

Base closes the gap with other top L2 networks

Daily Active Addresses of the Top L2s

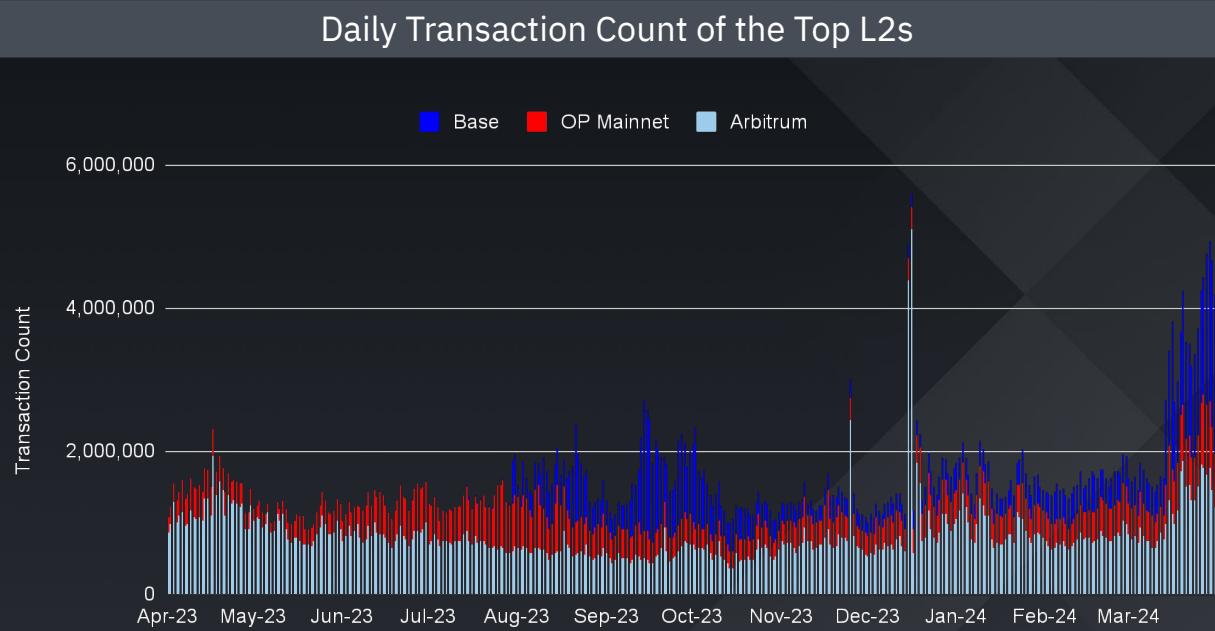


Base saw a notable spike in active addresses in March

- The surge in Base's active addresses was mainly driven by meme coin trading, which drove the chain's overall activity.
- Q1 average daily active address stood at 180K for Arbitrum, 88K for OP Mainnet, and 127K on Base, representing a +22%, +22% and +98% QoQ change respectively.

Daily Transaction Count

Transaction activity on Base saw an increase



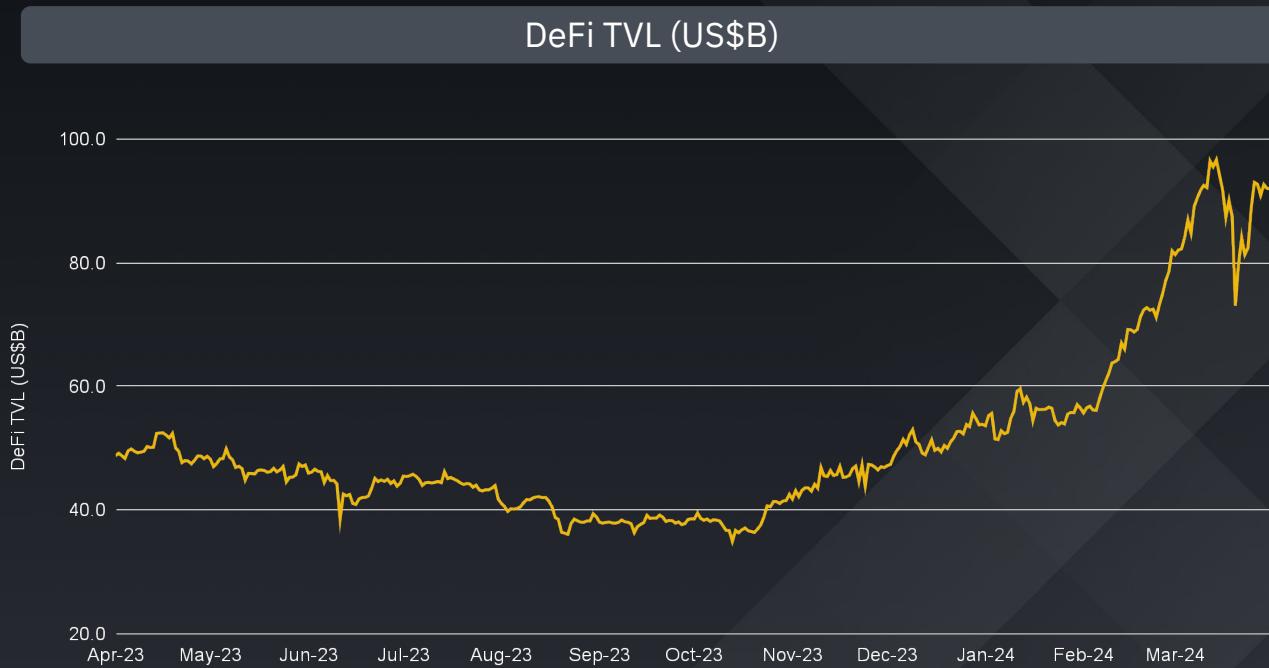
Base catches up with its peers

- Alongside a rise in daily active addresses, Base also saw a significant increase in daily transaction counts, particularly in March when meme coin trading on the network intensified.
- Arbitrum and OP Mainnet also experienced an increase in daily transactions in Q1 2024, ending the quarter with a QoQ increase in transaction count of 17% and 37%, respectively.

DeFi

DeFi TVL

DeFi TVL grew in Q1



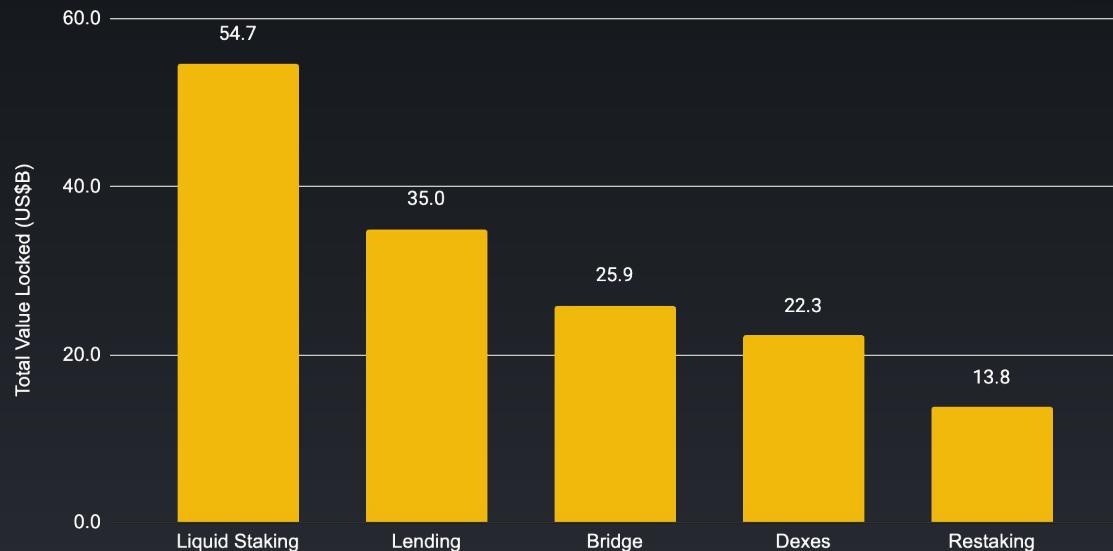
+70.6% growth QoQ

- TVL in the DeFi ecosystem experienced a boom in Q1, coinciding with a broad market rally.
- Liquid staking protocols like Lido saw significant growth in TVL, increasing by 61.5% QoQ.
- Lending also experienced significant growth, with protocols like Aave and Compound recording QoQ increases of 66.8% and 21.1%, respectively.

Top 5 DeFi Sectors

Restaking emerged as a leading narrative

TVL Of The Top 5 DeFi Sectors



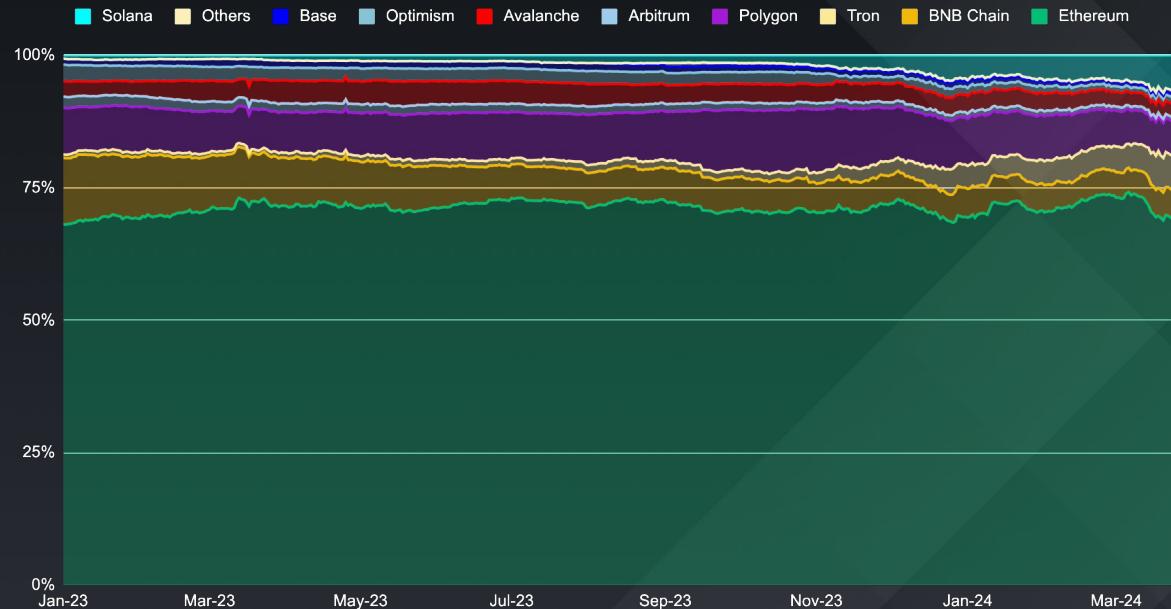
Restaking knocks CDP out of Top 5

- The restaking narrative has gained significant traction in Q1, with EigenLayer having over US\$12B in TVL.
- The removal of deposit cap on EigenLayer has led to an exponential growth in the Restaking market and is expected to continue growing with the launch of EigenLayer's mainnet on 9 April.

TVL by Blockchain

Solana's growth remained strong in Q1

DeFi TVL Market Share by Chain



Solana in the spotlight

- Solana's DeFi TVL dominance increased from 4.18% in Q4 to 6.79% in Q1 2024, marking one of the most substantial QoQ growth rates among all chains.
- Key drivers for Solana: Positive price action of SOL, meme coin frenzy (e.g., WIF, SLERF, BOME), points and airdrop farming activities, and the continued growth of DeFi sectors (liquid staking, lending, Dexes, derivatives etc). It now boasts a range of bluechip DeFi projects which has helped keep liquidity in the ecosystem.

Top DeFi dApps by TVL

EigenLayer and Pendle enters top 10

Top 10 DeFi dApps

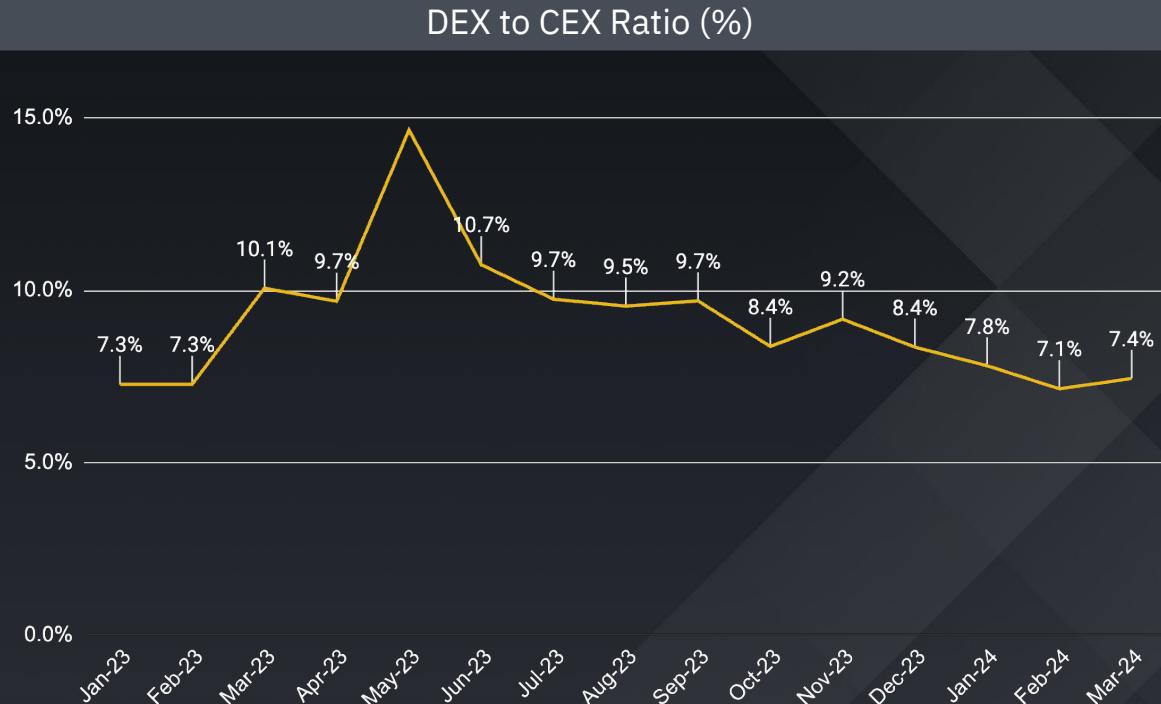


Growth of EigenLayer and Pendle

- EigenLayer has rapidly ascended the rankings, surpassing major protocols like Aave and Maker. EigenLayer TVL has increased by 1012% QoQ.
- Pendle has also entered the top 10 DeFi dApps by TVL in Q1. Much of Pendle's TVL growth can be attributed to the restaking boom, particularly through yield trading for restaked ETH. Pendle TVL has grown 277.6% QoQ.

DEX/CEX Trading Volume

The DEX/CEX ratio was slightly lower at the end of Q1



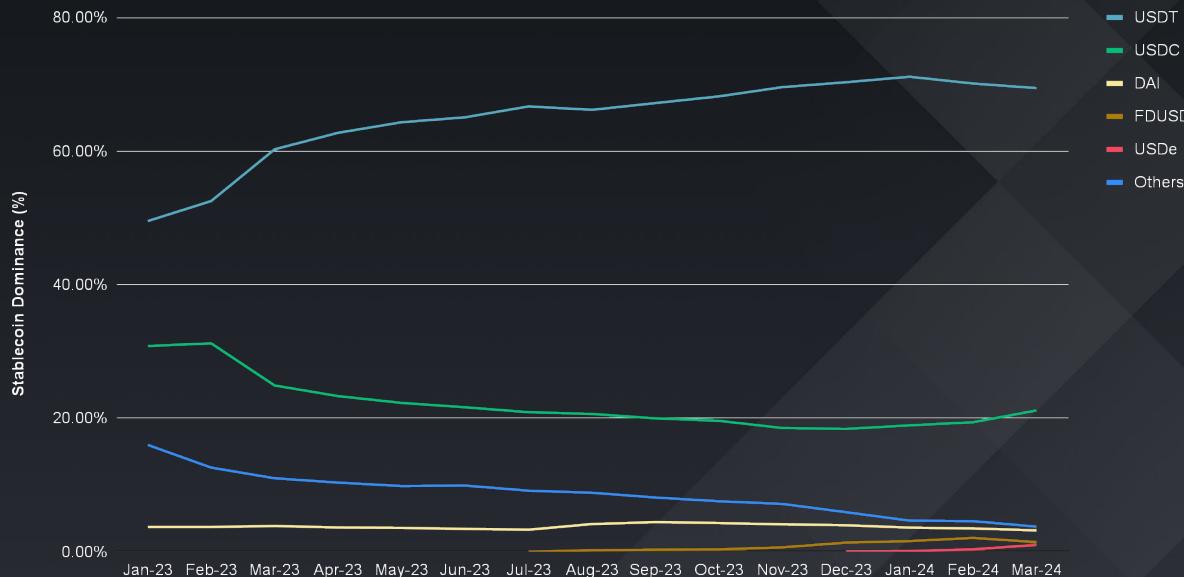
-1.4% (absolute) in Q1

- Although the DEX/CEX ratio declined in Q1, DEX trading volume still experienced robust growth, reaching US\$180B in March 2024, nearly matching the all-time high set in 2021.
- The average monthly spot DEX volume grew by an impressive 69.1% QoQ.

Stablecoin Market Share

Rise of new stablecoin, USDe

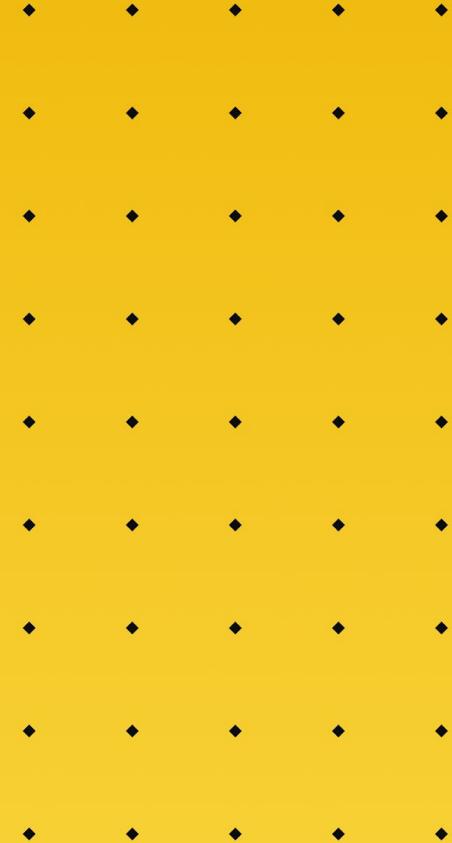
Stablecoin Market Share (By Market Cap)



New Stablecoin, USDe

- USDe, a synthetic dollar issued by Ethena Labs, employs a delta-neutral strategy to maintain its collateral backing. Thanks to its high APY, USDe has attracted considerable demand, propelling it into the top 5 stablecoins by market cap.
- On a QoQ basis, USDT has maintained a market share of approximately 70% in the stablecoin market, while USDC competes with new entrants like FDUSD and USDe for market share.

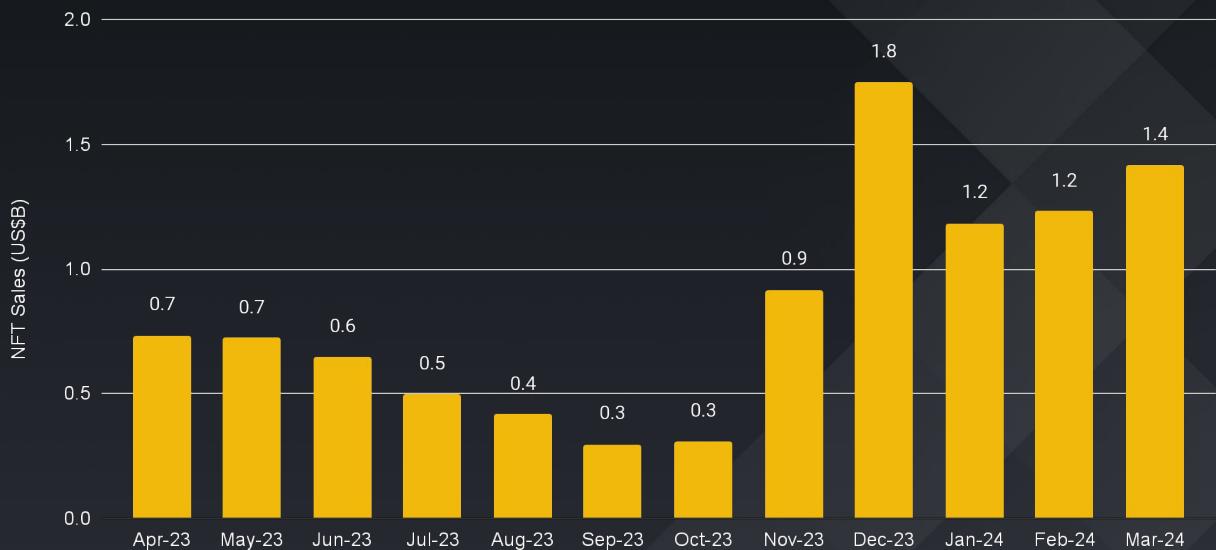
NFTs



Total NFT Sales

Sales rose in Q1, sustaining momentum from Q4 2023

NFT Sales by Month

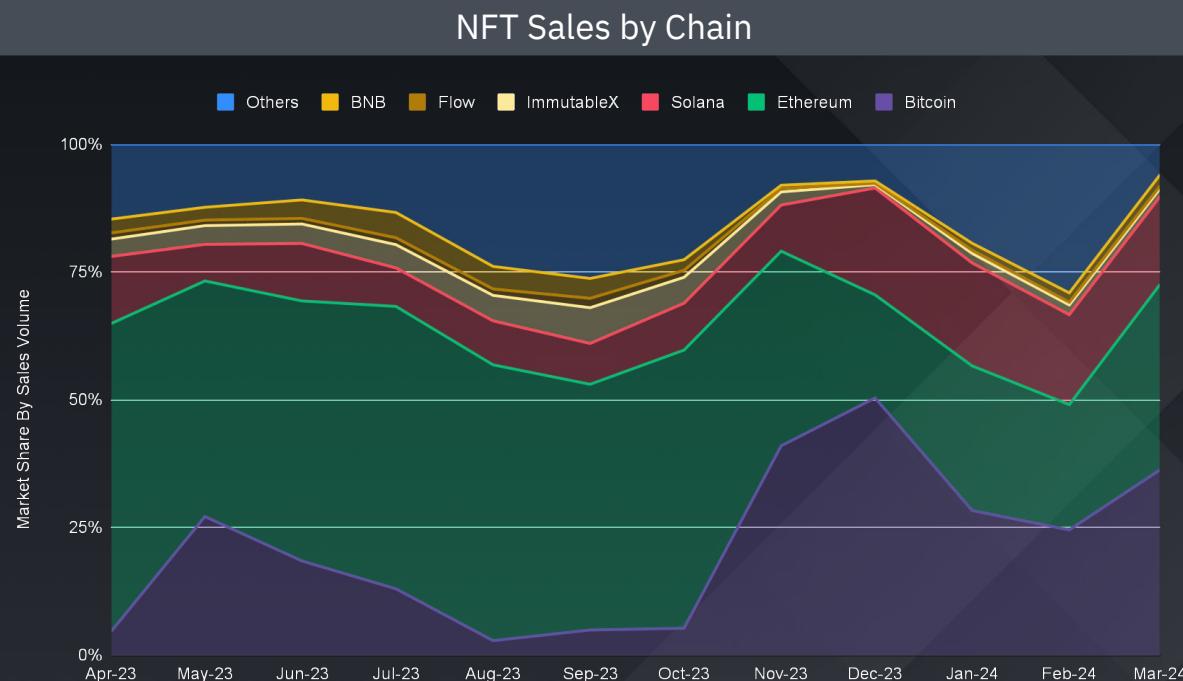


NFT sales continued to increase in Q1 2024

- NFT sales in Q1 notched gains of 27%, caused by a general increase in activities across Bitcoin, Ethereum and Solana.
- The uptrend in NFT sales volume from the end of 2023 persisted into Q1 2024, with major networks such as Bitcoin, Ethereum, and Solana all reporting increased total sales. Popular collections driving this growth include Bitcoin Ordinals, NodeMonkeys, Pandora, and Mad Lads, among others.

NFT Sales Volume by Blockchain

Ethereum still has the largest NFT sales volume



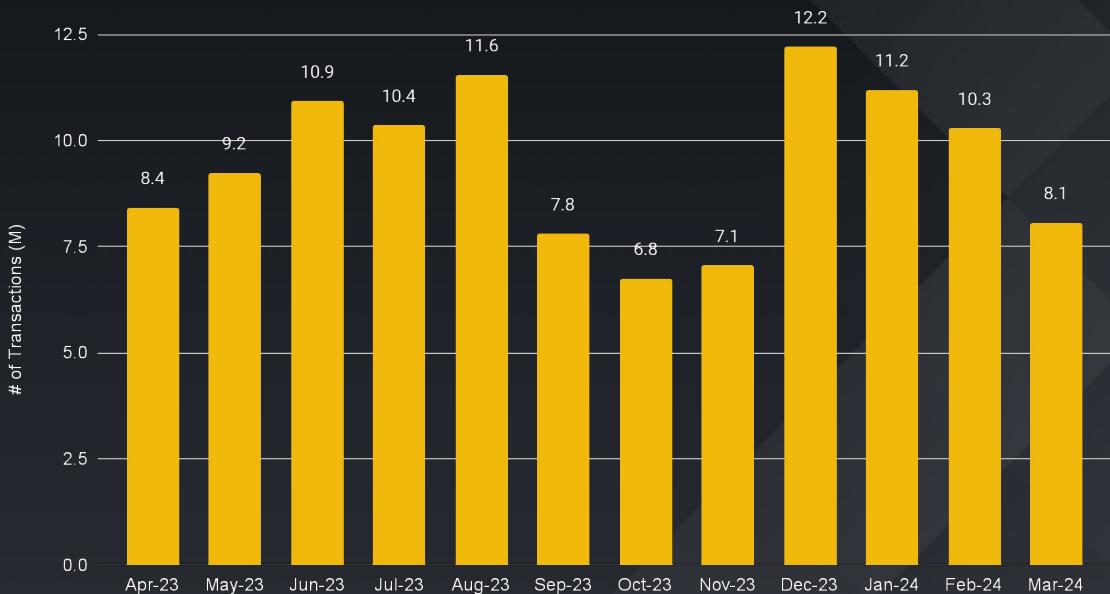
Emergence of ERC-404

- In Q1 2024, Ethereum led NFT sales with a volume of US\$1.4B, closely followed by Bitcoin at US\$1.15B.
- Pandora, the first NFT collection using the ERC404 standard, emerged as a standout among Ethereum's NFT collections. Launched in February, it quickly amassed nearly US\$180M in sales, representing 12.8% of Ethereum's total NFT sales volume for Q1.

Total NFT Transactions

Transaction count rose in Q1 2024

Number of NFT Transactions by Month



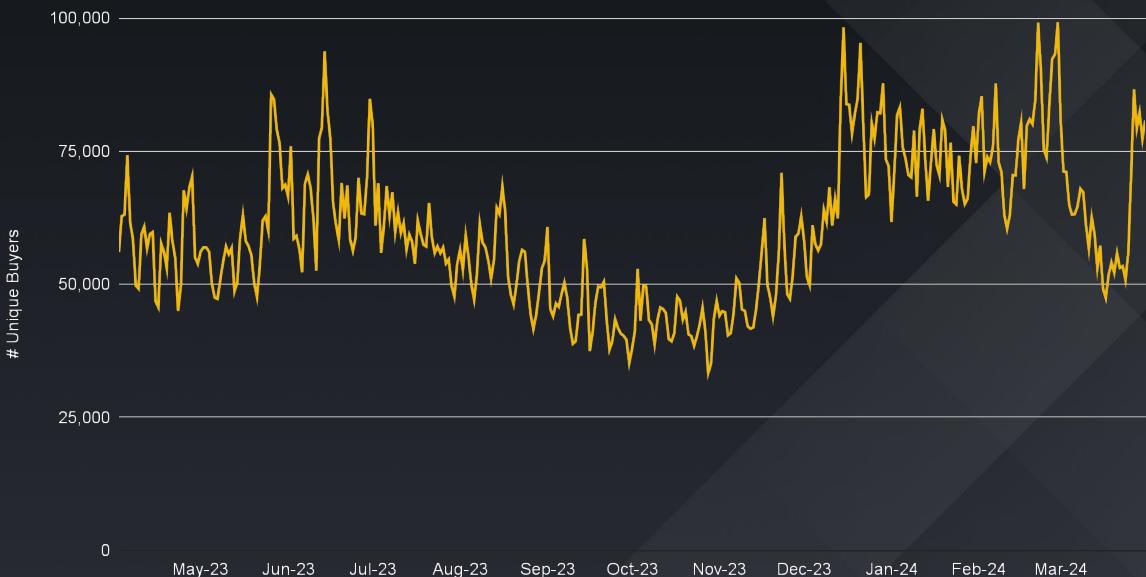
Q1 2024 transactions increased 13.4% QoQ

- Despite a gradual monthly decrease in transaction counts during Q1, the quarter still saw an overall increase in total transactions compared to the previous quarter.
- The increase in transaction counts paralleled the rise in total sales volume, indicating heightened activity in the NFT market, with Bitcoin and Solana NFTs emerging as key contributors.

Number of Unique Buyers

The uptrend in unique NFT buyers has continued

Number of Daily Unique Buyers

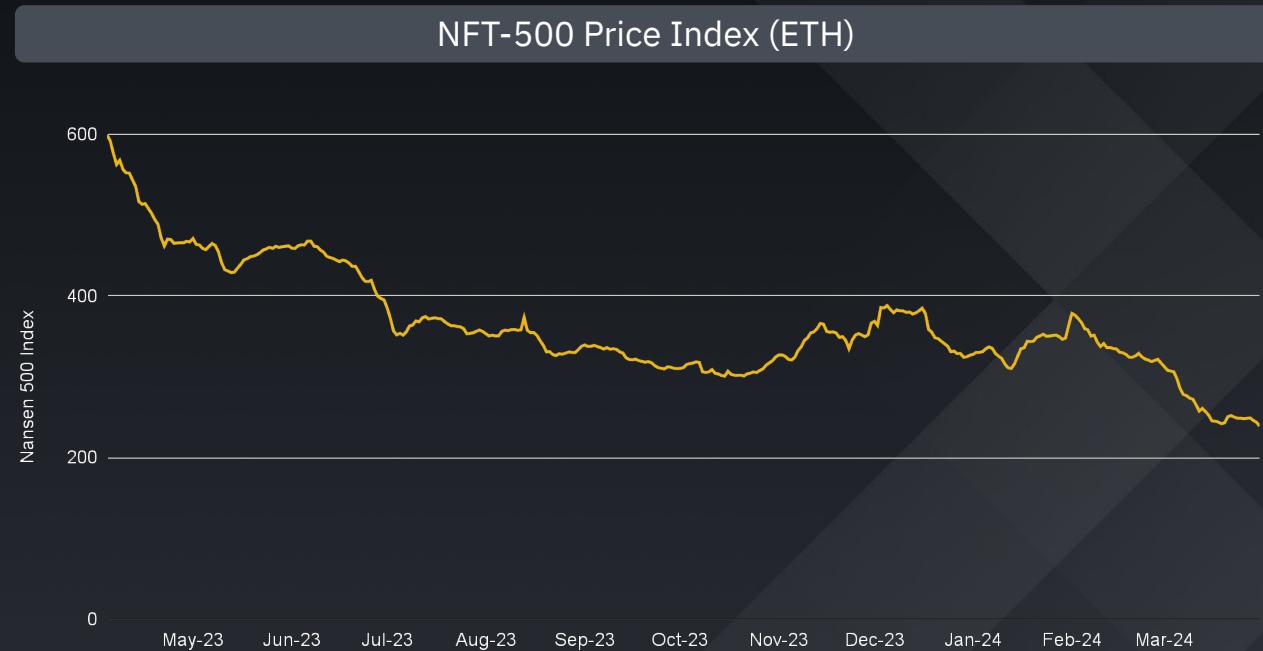


Unique buyers increased in Q1 2024

- The average number of daily unique NFT buyers in Q1 increased by 30% QoQ.
- In Q1, the number of monthly unique buyers exceeded the number of monthly unique sellers, maintaining the positive shift observed in the previous quarter.

NFT-500 Price Index

Performance of NFTs deteriorated in Q1 2024



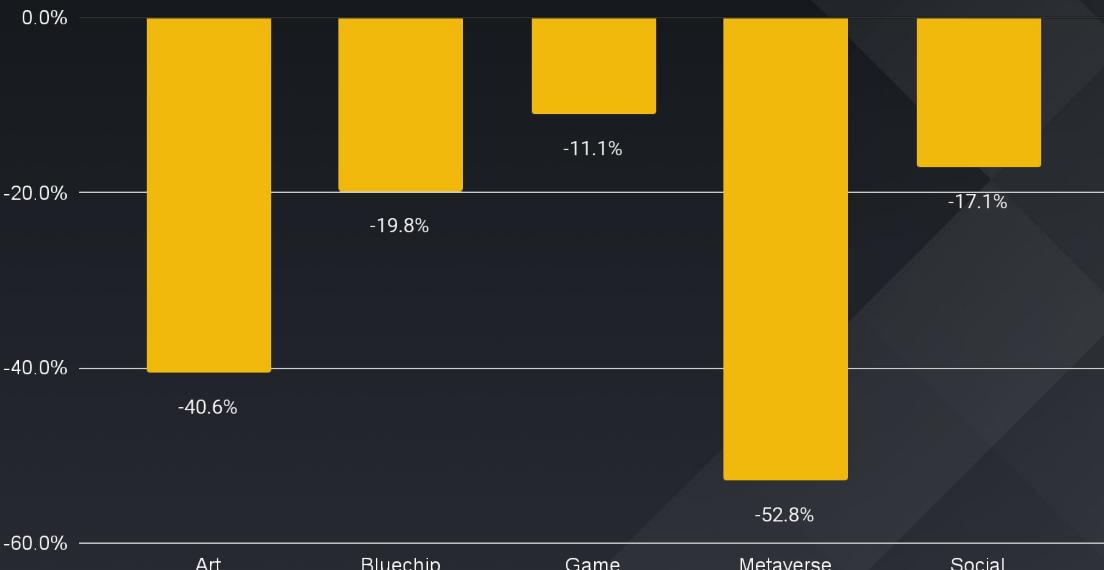
-27% QoQ in NFT-500 Index

- With a 27% QoQ decline in performance, the NFT-500 index is now sitting at its lowest point since inception.
- Notably, the index only tracks the market activity of NFTs issued on the Ethereum blockchain. Therefore, strong performers like Bitcoin NFTs are not reflected in the index.

Price Performance by Sector

Gaming-related NFTs outperformed in Q1 2024

NFT Index QoQ Performance (Q1 2024)



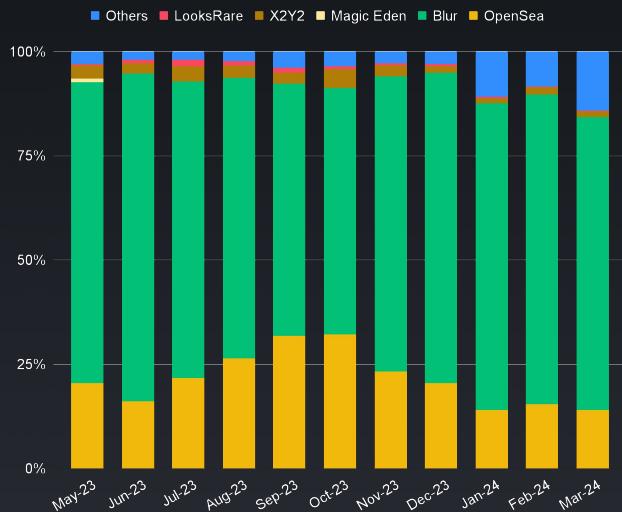
Gaming-related NFTs demonstrated relative strength

- With a QoQ decline of 11.1%, Gaming NFTs showed resilience compared to other sectors.
- Social NFTs and Blue Chip PFP collections saw a decline in performance compared to the previous quarter, ending Q1 with a QoQ decrease of 17.1% and 19.8%, respectively.
- Metaverse collections suffered the most, closing Q1 with a substantial QoQ decline of 52.8%.

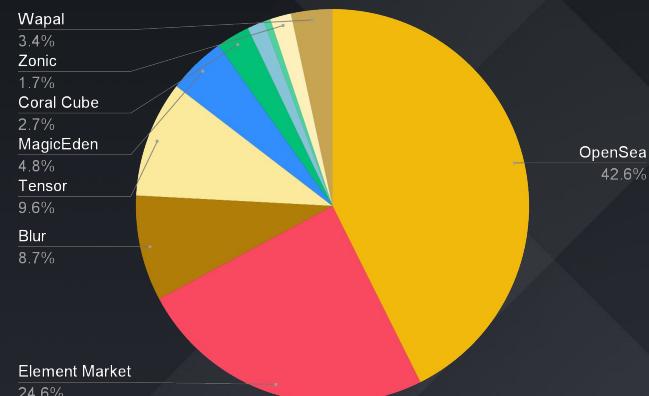
Top NFT Marketplaces by Market Share

Blur continues its dominant position

By Volume



Active Wallets (Last 3 Months)



Blur dominance has further strengthened

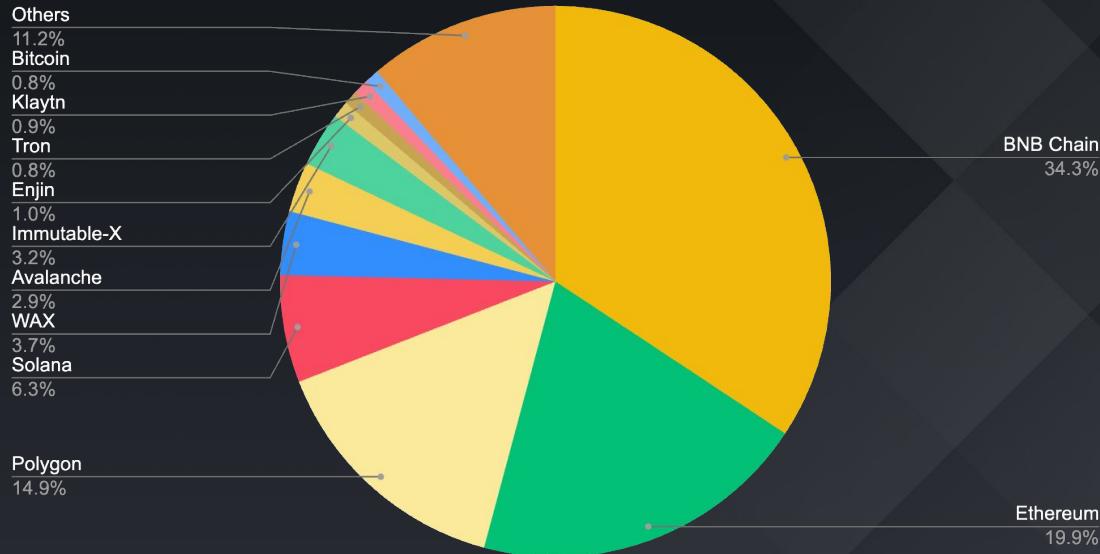
- Blur's dominance in transaction volume further strengthened in Q1, capturing 73.6%, 74.4%, and 70.2% of the market in January, February, and March, respectively. In contrast, Opensea's volume shares declined, accounting for 14%, 15.4%, and 14.1% during the same months.

Gaming

Games by Chain

BNB Chain leads with the most number of games

Web3 Games by Chain



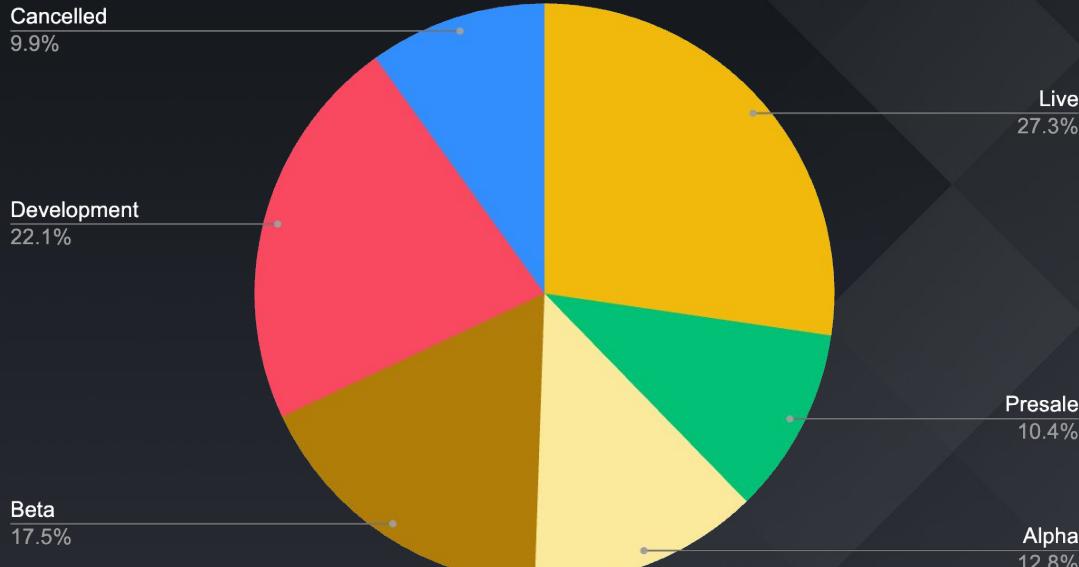
BNB Chain continued to dominate the gaming landscape in Q1

- On a quarterly basis, BNB chain continues to lead with over 1,000 games on its network, including popular titles like Fortitude, Superior, and Ardoxus. In Q1, Ethereum saw the largest increase in games from the previous quarter, with new entrants such as Pixel and Portal Gaming.
- BNB Chain has stood out due to its low gas fees and the infrastructure it provides for building innovative games.

Games by Status

Gaming well positioned to take off in 2024

Web3 Games by Status

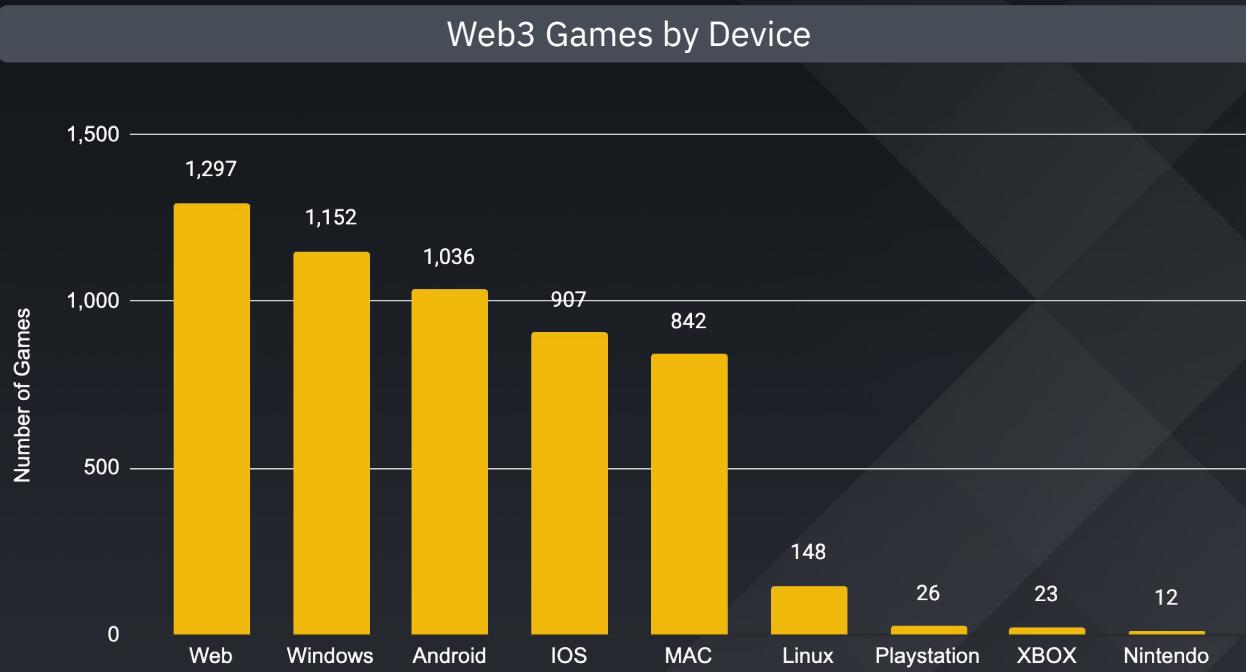


Growing list of AAA games across statuses

- The percentage of market share occupied by games in development has increased in Q1, as developers continue building new games.
- Games in the alpha stage include Champions Arena, Matr1x Fire, among others
- Games in the beta stage include Big Time, GRIT, Town Star, among others.
- Games in the development stage include Legacy, Eternal Paradox, among others.

Games by Device

Most blockchain games remain on Web and Windows



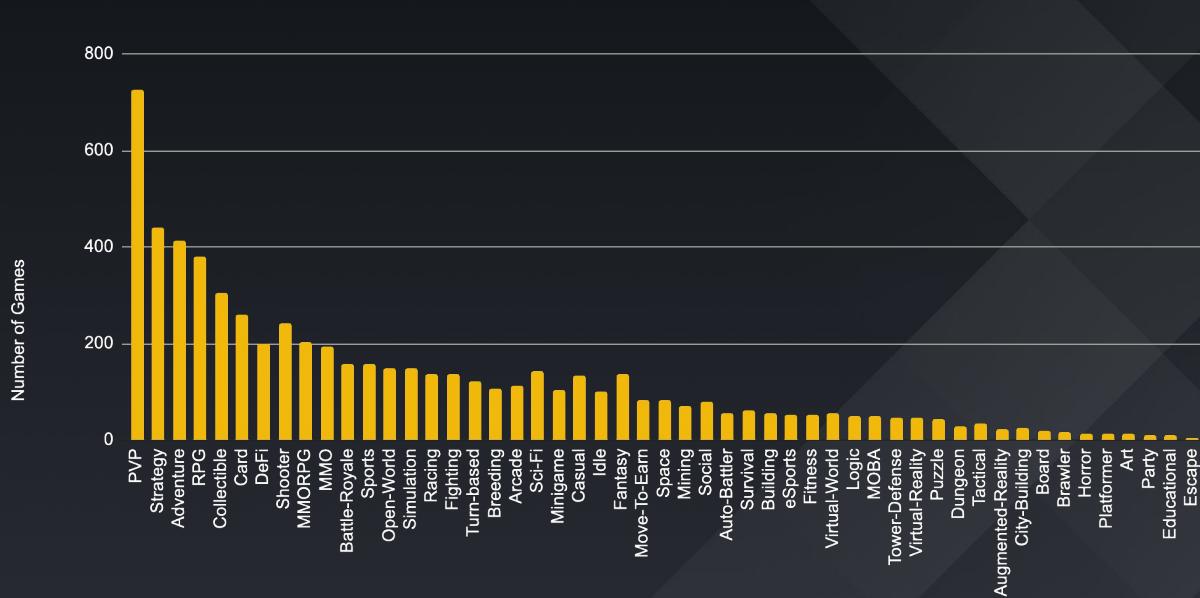
Web-based games continue to lead

- The number of Web-based games increased by 2.5% QoQ, while Windows- and Mac-based games saw a combined growth of 8.4% QoQ.
- Mobile-based games recorded a 3.8% QoQ growth. Notable mobile games currently under development are Matr1x Fire and Heroes of Mavia.
- Console adoption of Web3 gaming continues to lag behind other platform types.

Games by Genre

Player versus Player games lead

Web3 Games by Genre



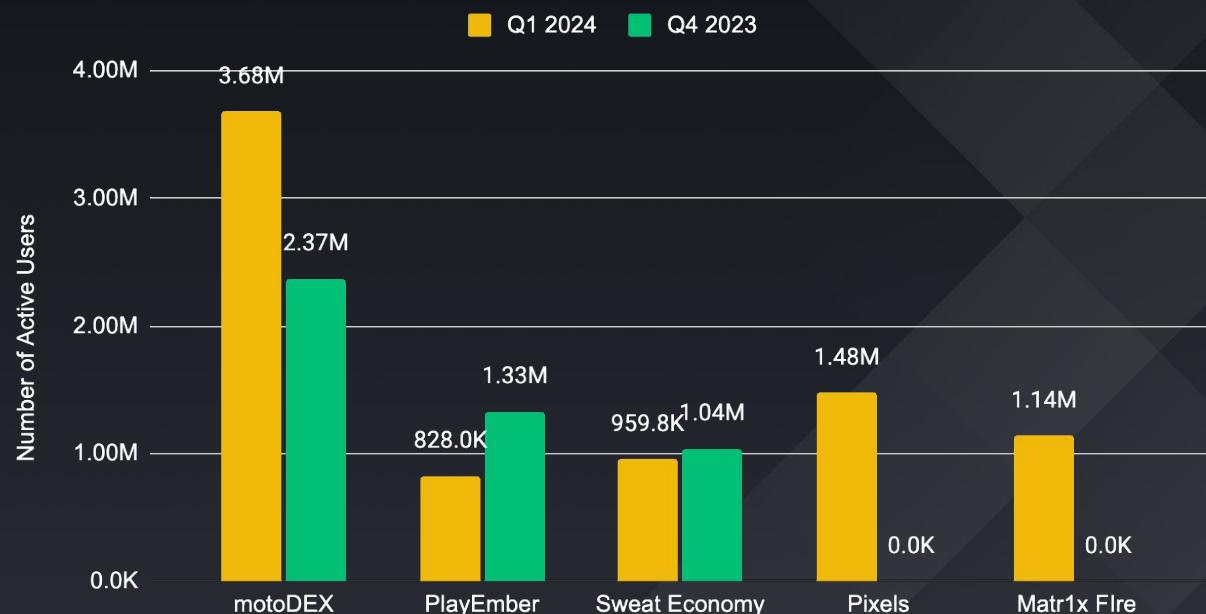
PvP has the highest number of games

- PvP, Strategy, and Adventure are the categories with the highest number of games, possibly indicating that developers see these genres as having the most potential.
- All 3 categories also hold popular AAA games such as Matr1x Fire, Big Time, Shrapnel, Nyan Heroes, among others.

Ranking The Most Popular Games

Pixels and Matr1x Fire garner new interest from gamers

Games by Unique Active Wallets (Q1 2024)



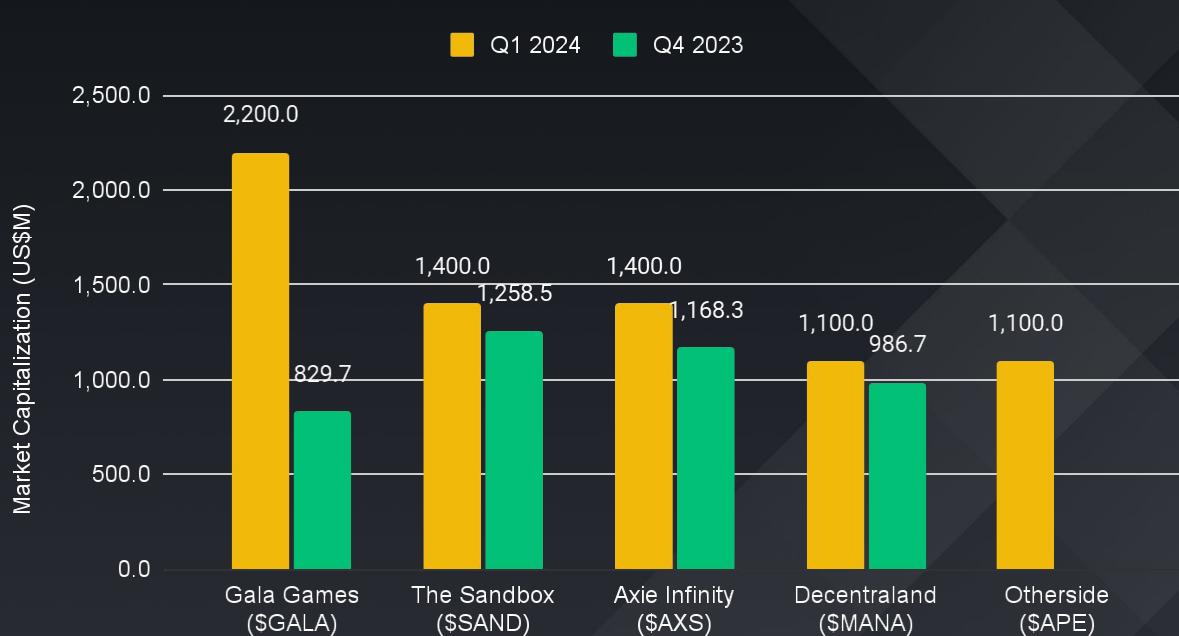
Competitive PvP games take top position

- Pixels (PIXEL) is a new social casual Web3 game on the Ronin Network, featuring an open-world environment centered on farming, exploration, and creation.
- Matr1x Fire, developed by Matr1x studio, has attracted many players in their popular first person shooter mobile game in the metaverse.
- motoDEX, a game developed by OpenBiSea game studio, has maintained its lead and seen its UAW rise to 3.68M in Q1.

Top 5 Gaming Tokens by Market Cap

\$GALA overtook top spot

Gaming Tokens by Market Cap (Last 30 Days)



Broad uplift in metaverse tokens

- Metaverse tokens have seen their market cap rise in tandem with the overall growth seen in crypto markets.
- Gala Games, a gaming platform, has more than doubled its market cap, overtaking top metaverse games. The platform offers a wide array of captivating games across various genres, including Town Stars, Spider Tanks, Mirandus, and others.

Contributors



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Brian is currently working for Binance as a Macro Research intern. Prior to joining Binance, he worked as a DeFi researcher at a financial service startup and a Web3 education organization. He holds a Master of Finance degree from the University of California, Irvine (“UCI”), and has been involved in the cryptocurrency space since 2021.



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About Binance Research

Binance Research is the research arm of Binance, the world's leading cryptocurrency exchange. The team is committed to delivering objective, independent, and comprehensive analysis and aims to be the thought leader in the crypto space. Our analysts publish insightful thought pieces regularly on topics related but not limited to, the crypto ecosystem, blockchain technologies, and the latest market themes.



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The image shows a mobile application interface for Binance Research. At the top, there are three yellow dots. The main title is "Binance Research". Below it is a sub-section titled "Binance Research provides institutional-grade analysis, in-depth insights, and unbiased information to all participants in the digital asset industry." To the right of the text are three 3D bar charts and a pie chart. Below this section, there are four market data cards: "BTC / USDT" (30,745, +2.12%, Volume: 1,107,144,397 USDT), "BNB / USDT" (221, +2.41%, Volume: 100,260,231 USDT), "ETH / USDT" (1,687, +2.54%, Volume: 557,307,226 USDT), and "UNI / USDT" (4.28, +1.52%, Volume: 9,560,450 USDT). At the bottom left is a "charts" button. On the right, there is a "Insights & Analysis" section with a title "Demystifying the Intent-Centric Thesis" and a subtitle "Understanding the Intent-Centric Thesis".

