

# Monthly Market Insights

October 2024



# Table of Contents

<b>Key Takeaways</b>	<b>2</b>
<b>Crypto Market Performance</b>	<b>3</b>
Decentralized Finance (“DeFi”)	6
Non-Fungible Token (“NFT”)	8
<b>Charts of the Month</b>	<b>9</b>
Wrapped BTC Upholds Strong Market Presence	9
ETH’s ‘Ultrasound Money’ Status in Question	10
Real-World Assets Show No Signs of Slowing Down	11
Crypto Hacks Amount to US\$1.3B Year-To-Date	12
<b>Upcoming Events and Token Unlocks</b>	<b>13</b>
<b>References</b>	<b>14</b>
<b>New Binance Research Reports</b>	<b>15</b>
<b>About Binance Research</b>	<b>16</b>
<b>Resources</b>	<b>18</b>

# Key Takeaways

- ◆ In September 2024, the cryptocurrency market experienced an 8.0% increase in total market capitalization, driven by positive sentiment from the Federal Reserve's decision to lower the federal funds rate and improved U.S. labor market data. The People's Bank of China also reduced interest rates and the reserve requirement ratio to counteract deflationary pressures, injecting 1 Trillion Yuan into the banking system. These favorable global macroeconomic developments led to rallies in major equity markets and the crypto market. However, future economic reports and central bank policies remain crucial to watch.
- ◆ Wrapped Bitcoin (“wBTC”) continues to uphold its strong market presence, with weekly transactions reaching all-time highs in recent weeks and holding over 65% of the market share. This comes despite controversy surrounding its new 'multi-jurisdictional and multi-institutional' custody model and growing competition in a market that now has over 20 players.
- ◆ ETH issuance reached ~0.74% annually in September, a high not seen in two years, moving further away from its 'Ultrasound Money' narrative. This shift was driven by reduced network activity, influenced by broader market conditions and Layer 2 (“L2”) cannibalization. Lower transaction fees and burns have prevented ETH from remaining deflationary, resulting in the net positive daily supply changes we now see.
- ◆ Total on-chain RWAs are at all-time highs at US\$12+B (excluding the US\$175+B stablecoin market). Private credit is the largest part of the market, accounting for about 70% of all RWA value at US\$9.1B, largely attributed to a fintech company called “Figure”. Tokenized treasuries have also experienced explosive growth in 2024, growing from US\$769M at the start of the year to over US\$2.2B in September. This growth has likely been impacted by US interest rates being at a 23-year high (until the recent rate cut).
- ◆ The total amount lost to cryptocurrency hacks year-to-date stands at US\$1.3 billion, reflecting a continued decline since 2021 as the industry adopts stronger security protocols. While the most significant hacks this year have targeted centralized exchanges - such as DMM Bitcoin and WazirX losing US\$305 million and US\$235 million, respectively - the industry is actively enhancing security measures to protect users’ assets. Investors should continue to prioritize secure storage and management of their crypto assets, particularly during periods of market exuberance.

## 2

# Crypto Market Performance

In September 2024, the cryptocurrency market saw an 8.0% gain in total market capitalization, in line with strong equities performance following positive sentiment around the Federal Reserve's decision to lower the federal funds rate by 50 basis points to 4.75%-5%. Labor market concerns eased slightly with improved unemployment data for August with inflation converging towards the Fed's 2% target. However, this has elicited mixed reactions from investors, balancing concerns over a potential economic slowdown against hopes for a successful "soft landing." On 27 September, the People's Bank of China lowered interest rates on seven-day reverse repurchase agreements by 20 basis points and reduced the reserve requirement ratio (RRR) by 50 basis points. This move aimed to counteract deflationary pressures from a property market downturn and weak consumer confidence, releasing 1 Trillion Yuan (US\$142.5B) into the banking system. As equities in major markets like the U.S. and China rallied due to favorable global macroeconomic developments, the crypto market also benefited from the improved sentiment, continuing its upward trend into October. However, monitoring of the upcoming economic reports and central bank policy decisions remains critical.

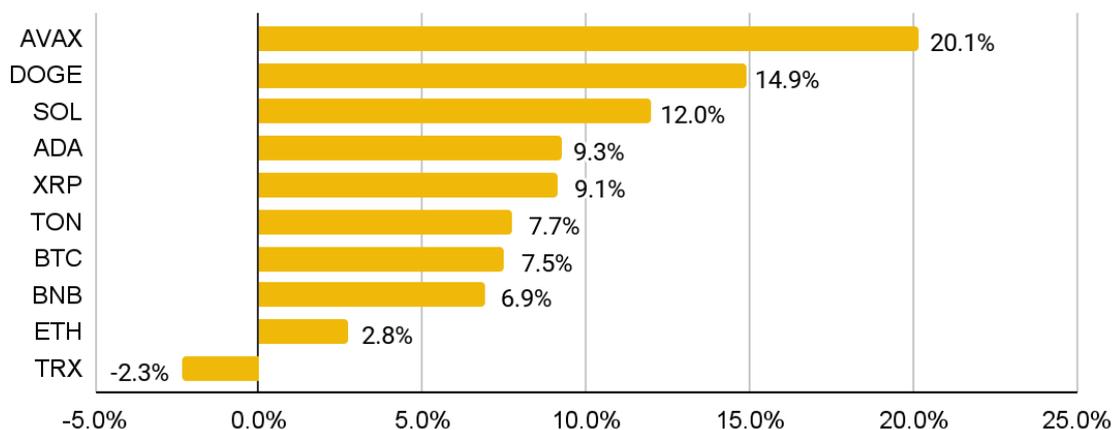
**Figure 1: Monthly crypto market capitalization increased by 8.0% in September**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2024	0.4	40.0	16.3	-11.3	8.6	-11.4	5.6	-12.4	8.0			
2023	30.4	3.4	9.3	3.2	-6.0	3.3	1.0	-8.8	2.6	19.0	11.0	15.2
2022	-22.6	-0.3	25.3	-18.1	-25.2	-31.7	21.8	-11.4	-2.1	7.2	-18.0	-4.5
2021	33.9	39.6	31.1	11.4	-25.7	-5.9	12.5	25.2	-9.9	42.9	-1.0	-15.0
2020	35.4	-5.5	-27.7	38.8	10.0	-4.5	25.9	13.7	-7.6	14.6	37.5	39.7
2019	-11.6	12.3	11.1	17.1	55.5	30.8	-22.5	-6.5	-13.7	14.8	-14.7	-7.9

Source: CoinMarketCap

As of September 30, 2024

**Figure 2: Monthly price performance of the top 10 coins by market capitalization**



Source: CoinMarketCap

As of September 30, 2024

In descending order of performance:

- ◆ AVAX stood as the top performer with a 20.1% month-on-month gain. The Avalanche Foundation has announced a US\$40M grant program called “Retro9000” to incentivize developers to build on the Avalanche network ahead of the highly-anticipated Avalanche9000 upgrade. This initiative aims to elongate the testnet process and reward developers retroactively based on their contributions, with the goal of enhancing the ecosystem before deploying on mainnet. Avalanche9000 is the largest network upgrade for Avalanche since its mainnet launch, featuring the Avalanche consensus for near-instant finality, aiming to make launching L1 blockchains more cost-effective, easier to customize, maintain, and faster to market. It includes the activation of ACP-77, a comprehensive set of upgrades, additional community proposals, a live testnet for development, and numerous builder rewards.
- ◆ DOGE surged 14.9% following increased social media attention, driven by Elon Musk’s post on X. The post, which featured a playful reference to the term “Department of Government Efficiency,” generated significant attention and speculation, contributing to a price rally.
- ◆ SOL saw a 12.0% gain after several key developments in the ecosystem were announced, particularly at Solana Breakpoint 2024. Firstly, ZK Compression by Light Protocol and Helius Labs went live on Solana mainnet, enabling developers to scale applications using compressed on-chain state with largely reduced costs, and validity proofs. Jump Crypto also announced “Frankendancer”, an early version of their validator client Firedancer, going live on mainnet. Jambo announced the launch of “JamboPhone 2”, an upgraded version of their first Web3 mobile device, expanding to the Solana blockchain while Solana Mobile’s “Chapter Two” device rebrands to Seeker, with new features such as enhanced

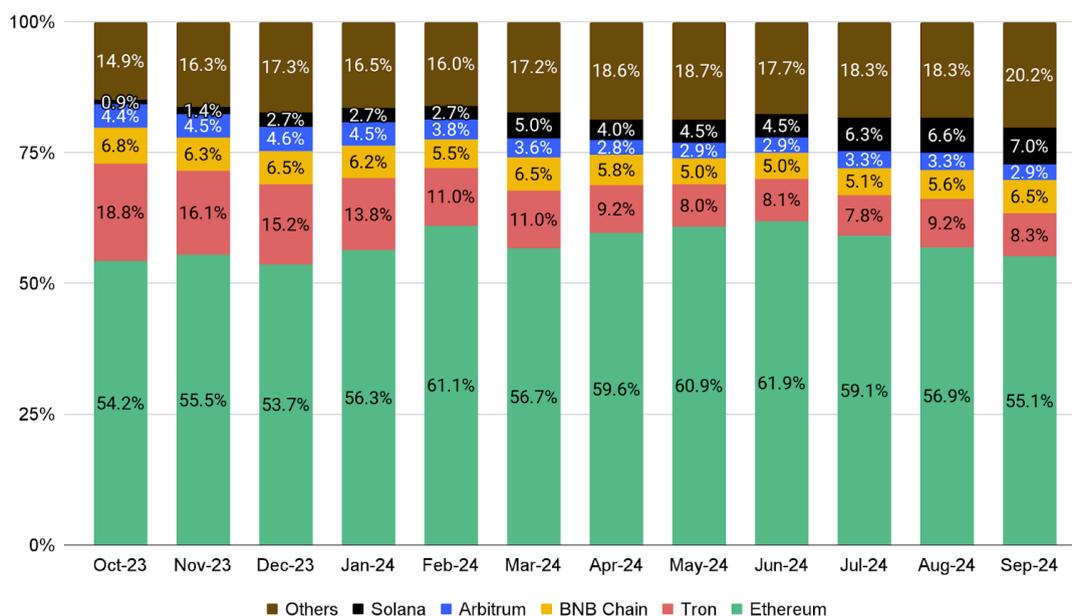
hardware, seed vault wallets, and a Solana mobile dApp store. Solana also saw increased developments in the DePIN space, while new institutional adoption by Franklin Templeton and Citibank demonstrated strong belief in the blockchain's capabilities.

- ◆ ADA experienced a 9.3% gain in September, driven by the launch of the Chang Hard Fork, a significant milestone for the blockchain. This upgrade marks the beginning of the Voltaire era, introducing decentralized governance mechanisms. It enables stakeholders to propose and vote on protocol changes directly on the blockchain and improves stake pool operations with refined fee calculations and better management of stake pool deposits. Additionally, the Chang Hard Fork enhances the PlutusV3 ledger language with advanced cryptographic features and new functionalities to facilitate decentralized application (DApp) development.
- ◆ XRP surged 9.1%, driven by significant developments on the XRP Ledger, including the introduction of smart contract capabilities, the launch of the XRPL EVM sidechain, and progress on Ripple's stablecoin RLUSD. Nearly six months after the initial announcement, Ripple reportedly minted approximately 800,000 RLUSD tokens on Ethereum and XRPL on September 29, sparking speculation that the stablecoin project may launch soon. Following the conclusion of Ripple's lawsuit against the SEC, which resulted in a US\$125M settlement and a ruling that XRP is not a security in secondary market transactions, there is heightened speculation about the coin, particularly with the SEC's potential appeal deadline approaching on October 7.
- ◆ TON saw a 7.7% gain, with key developments such as a scheduled network upgrade mandating validators to upgrade their node softwares to optimize and stabilize validation. TON Foundation also partnered with Curve Finance to develop a new stable swap project leveraging Curve's Constant Function Market Maker (CFMM) to minimize price impact on swaps.
- ◆ BTC ended the month with a 7.5% gain, primarily influenced by global macroeconomic developments. The Federal Reserve's decision to cut interest rates by 50 basis points, along with slightly positive job data, generated positive sentiment among traders, particularly for risk-on assets. Other factors, such as political developments, geopolitical tensions, and upcoming economic reports, may further impact BTC price movements.
- ◆ BNB jumped 6.9% in the month following the implementation of the Bohr Hard Fork which introduced four BEPs (BNB Evolution Proposal) aimed at improving validator capabilities and network performance.

- ◆ ETH witnessed a modest 2.8% gain, lagging behind other altcoins amid concerns over the Ethereum Foundation offloading substantial amounts of ETH. Additionally, Ethereum's economic sustainability remains a key concern following the Dencun Upgrade in March, as value accrual from Layer 2 solutions to the mainnet has significantly decreased due to reduced gas fees on L2. Users are also worried about ETH becoming inflationary again, as the amount of burned ETH fell sharply along with mainnet gas fees.
- ◆ TRX saw a 2.3% decline as interest in Tron-based memecoins waned. However, positive developments include the launch of the T3 Financial Crime Unit (T3 FCU) by TRON, Tether, and TRM Labs to combat illicit activities involving USDT on the TRON blockchain, which has already resulted in the freezing of over USDT 12 million linked to various scams. Additionally, Proposals 94 and 95 were unanimously approved, making significant changes to TRON's dynamic energy model to enhance network security and integrity.

## 2.1 Decentralized Finance (“DeFi”)

**Figure 3: TVL share of top blockchains**



Source: DeFiLlama  
As of September 30, 2024

In September, the DeFi Total Value Locked (“TVL”) experienced a 9.6% gain as on-chain activity heated up alongside the market rally. The inflow of capital into the DeFi markets

have led to notable TVL gains in certain chains, with Sui up by 60.7%, Base by 44.6%, and Sei by 102%.

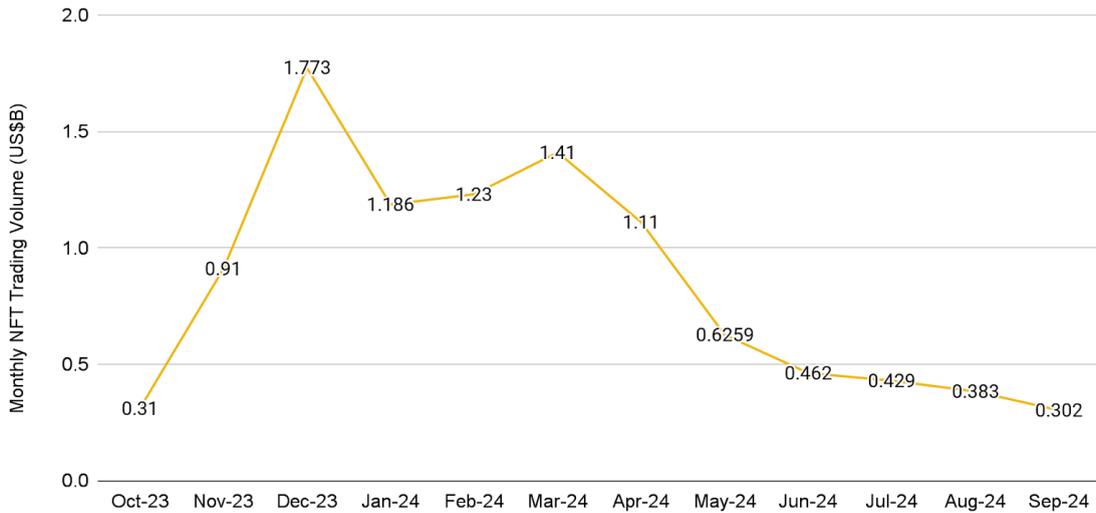
Sui has seen remarkable growth in its DeFi Total Value Locked (TVL), fueled by increasing interest in the Move-based L1. The network is also undergoing a phased rollout of Mysticieti, which is its new consensus engine with protocol upgrades that enhances transaction speeds while reducing CPU requirements for validators. The Sui Builder House in Singapore also unveiled several major updates, such as the integration of Circle's USDC on Sui Mainnet, and the release of the Walrus Whitepaper. The launch of the AUDS stablecoin on the Sui network in early September, following its success on Ethereum and Avalanche, has further bolstered Sui's DeFi ecosystem. Since Sui's focus is on gaming, they released a handheld Web3 gaming device known as SuiPlayOX1. Other than supporting Sui games, SuiPlayOX1 can also support Steam and Epic Games libraries, combining a premium gaming experience with digital assets. Driven by strong interest in DeFi projects, Base has experienced a significant 44.6% increase in Total Value Locked (TVL), surpassing US\$2.2 billion. Various protocols in Lending, Derivatives, and Decentralized Exchanges have seen substantial TVL inflows, with Aerodrome standing out as the most notable gainer achieving a 94.0% month-on-month growth. According to TokenTerminal, Aerodrome, a native DEX on Base, ranks sixth in 30-day revenue, generating \$15.6 million from swap fees. Additionally, Base saw a 64.2% rise in the average number of daily active addresses, which is now at 1.2 million. This growth can be attributed to Coinbase's smart wallet, which uses account abstraction to offer a seamless user experience for interacting with on-chain dApps, allowing smart wallet users to utilize their Coinbase balance without the need for complex transfers to a self-custody wallet.

Sei, a parallelized EVM Layer 1 blockchain, experienced a notable 102% increase in Total Value Locked (TVL) in September, driven by heightened interest in DeFi. Yei Finance, a native lending protocol forked from Aave V3, saw a remarkable 158% growth in TVL fueled by attractive incentive rates on USDT lending. Yei now dominates over 66.1% of the DeFi market share on Sei. Silo Stake, an MEV-focused liquid staking protocol, followed closely with a 161% TVL gain in September. As traction builds in the parallelized L1 space, capital inflows are primarily directed towards liquid staking, lending, and DEXes. Native DEXes such as DragonSwap, and JellyVerse also reported significant TVL gains, increasing 82.8% and 52.6% respectively.

2.2

# Non-Fungible Token (“NFT”)

**Figure 4: Monthly NFT trading volume**



Source: CryptoSlam  
As of September 30, 2024

In September, the NFT market continued its six-month downward trajectory, with total sales volume declining by 21.2% to US\$302M. This prolonged slump has created a challenging environment for NFTs, as major collections experience significant drops in trading volume.

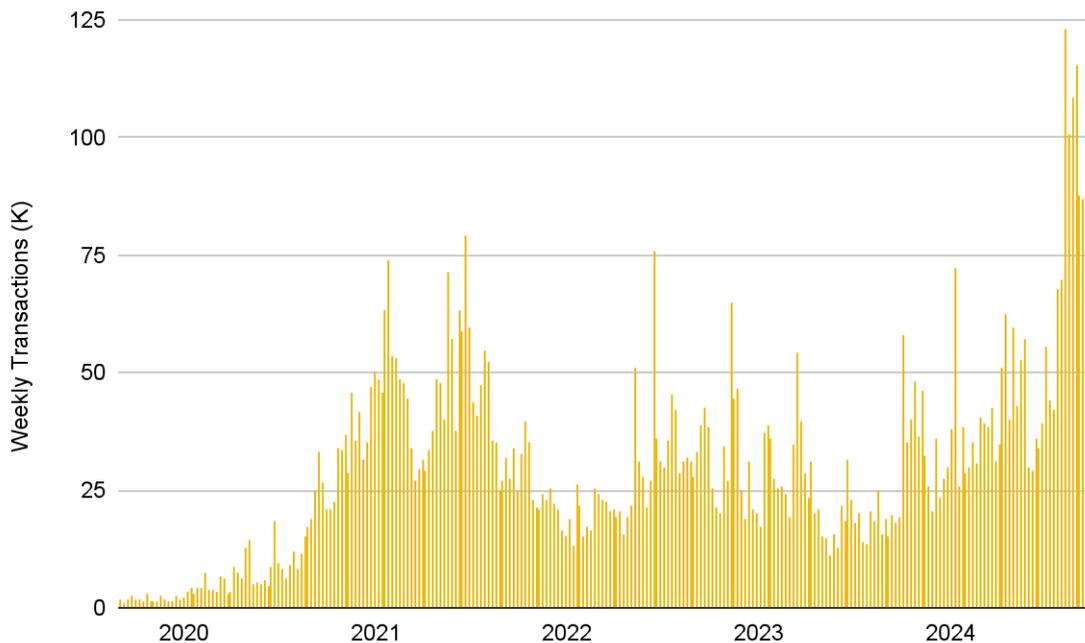
On Ethereum, prominent collections such as CryptoPunks, Bored Ape Yacht Club, and Pudgy Penguins saw trading volumes decrease by 13.9%, 38.2%, and 55.3% respectively. In contrast, top Ordinals collections like Bitcoin Puppets and NodeMonkes gained brief traction, with increases of 26.6% and 0.51% in trading volume respectively.

Across major blockchains, NFT sales volumes collectively declined, with Bitcoin, Ethereum, and Solana experiencing reductions of 33.5%, 47.7%, and 41.8%, respectively. However, Blast saw a 30.0% increase in trading volume, which may be largely driven by significant activity on the social trading card game Fantasy.top. In general, market interest in NFTs appeared to be dwindling.

## Charts of the Month

### Wrapped BTC Upholds Strong Market Presence

**Figure 5: Wrapped BTC reached record activity in recent weeks, with weekly transactions exceeding 100K on several occasions for the first time ever**



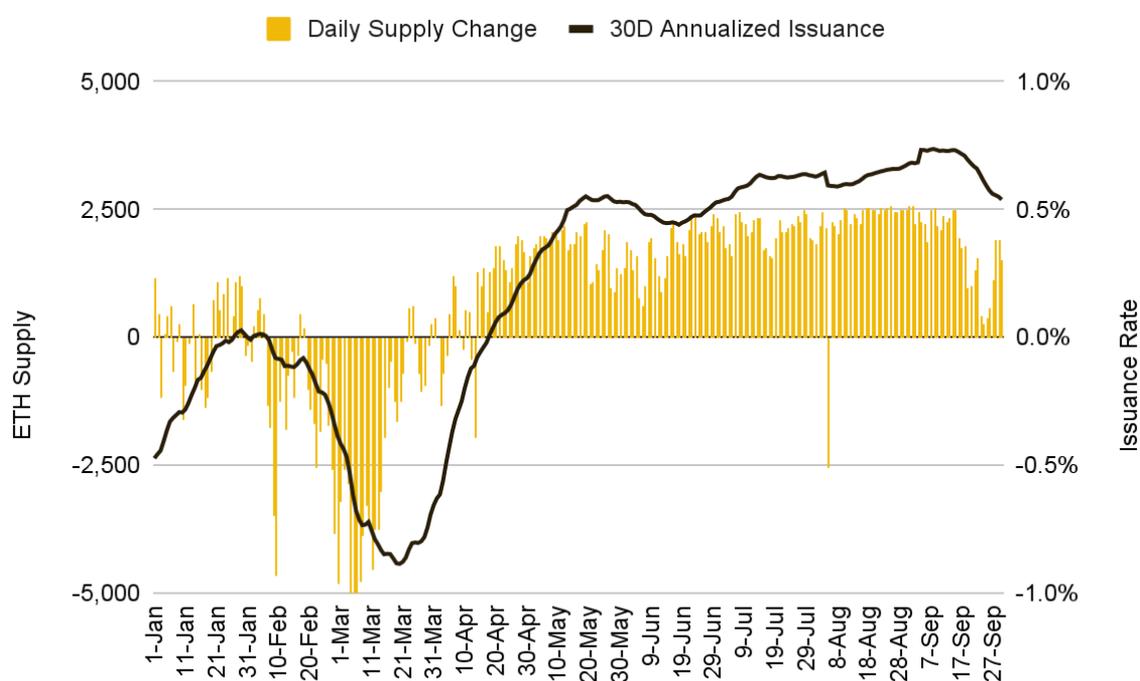
Source: Dune Analytics (@serotonin\_data), Binance Research  
As of September 30, 2024

Wrapped Bitcoin (“wBTC”) continues to dominate the market, with weekly transaction activity reaching an all-time high of 123.2K. The supply of wBTC remains stable at over 152.4K, representing more than 65% of the total wrapped Bitcoin market. This milestone comes amid controversy surrounding wBTC’s new 'multi-jurisdictional and multi-institutional' custody model, raising concerns about transparency and trust. In response, competition seems to have emerged, most notably with Coinbase’s cbBTC aiming to capture market share from wBTC.

Though still early, wBTC has maintained its dominance, benefiting from its established branding, deep liquidity, along with user inertia and the associated switching costs. However, with over 20 wrapped Bitcoin players now in the market, competition is intensifying, with the crypto community continually debating which product best serves users. Adoption by on-chain protocols will be crucial - Sky (formerly Maker) has already proposed removing wBTC as collateral, while other major DeFi projects are closely monitoring the situation and will likely influence market dynamics going forward.

## ETH's 'Ultrasound Money' Status in Question

**Figure 6: With daily issuance consistently outpacing burns, ETH's 30-day annualized inflation reached ~0.74% this month, a level not seen in two years**



Source: Dune Analytics (@21co), Binance Research  
As of September 30, 2024

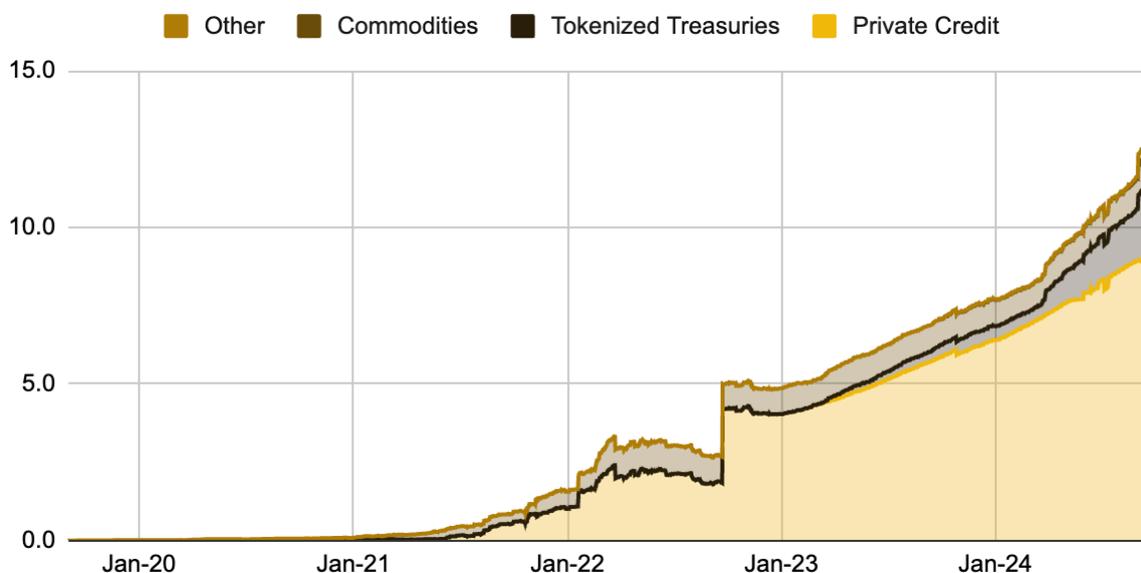
In September, ETH issuance rates continued to rise, moving further from its prior deflationary status and reaching ~0.74%, a level not seen in two years. This increase has raised doubts about the 'Ultrasound Money' narrative, which draws inspiration from Bitcoin's 'sound money' principle, aiming to create a system resistant to inflation while preserving purchasing power.

This development is part of a broader trend that began in March after the Dencun upgrade, specifically EIP-4884 (Proto-danksharding), which caused Layer 2 ("L2") fees to drop. As L2s cannibalized network activity throughout the year - further impacted by broader market conditions - transaction fees and, consequently, burned fees on Ethereum declined, with September recording one of the lowest levels since the Merge. This has prevented ETH from decreasing in supply to remain deflationary, leading to the net positive daily supply changes we now see.

For ETH to regain its deflationary status, increased activity on the Ethereum mainnet may be crucial. However, with the growth of L2s, users are increasingly drawn to these scaling solutions due to their improved usability and lower costs. Nevertheless, the Ethereum community is actively exploring ways to adapt to this evolving landscape, and it will be interesting to see how ETH's 'Ultrasound Money' narrative unfolds.

## Real-World Assets Show No Signs of Slowing Down

**Figure 7: Total on-chain RWAs are at all-time highs at US\$12B+ (excluding the US\$175B+ stablecoin market)**



Source: rwa.xyz, Binance Research  
As of September 30, 2024

RWAs refer to tokenized, on-chain versions of tangible and intangible non-blockchain assets, such as currencies, real estate, bonds, and commodities. Private credit is the largest part of the market, accounting for about 70% of all RWA value at US\$9.1B. The majority of this TVL (over US\$8.5B) can be attributed to “Figure”, a fintech company that provides lines of credit collateralized by home equity, which is essentially a loan against your home.

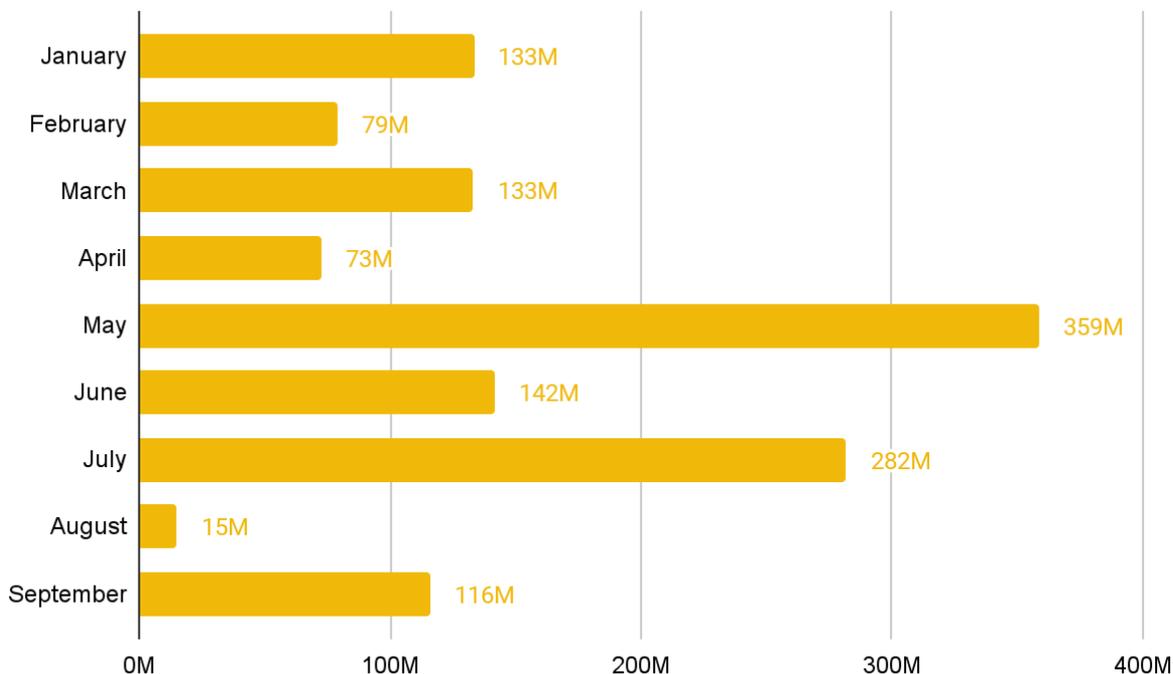
In general, private credit has grown as an overall share of the wider economy due to banks facing stricter lending standards since the 2008 financial crisis. Key benefits of bringing this market on-chain include increased transparency, integration of smart contracts (e.g., for automated payouts), and reduced transaction costs. On the other hand, borrower default risks remain a key concern, similar to private credit businesses in the TradFi world.

Additionally, tokenized treasuries have also experienced explosive growth in 2024, growing from US\$769M at the start of the year to over US\$2.2B in September. This growth has likely been impacted by US interest rates being at a 23-year high, with the federal funds target rate having been held steady at 5.25 - 5.5% (until the recent rate cut). This has made the US government-backed yield of Treasuries an attractive investment vehicle for many investors.

For more details, check out our recently published report, [“RWAs: A Safe Haven for On-Chain Yields?”](#)

## Crypto Hacks Amount to US\$1.3B Year-To-Date

**Figure 8: US\$1.3B has been lost in crypto hacks year-to-date, on a downward trend since 2021**



Source: Immunefi, Binance Research  
As of September 30, 2024

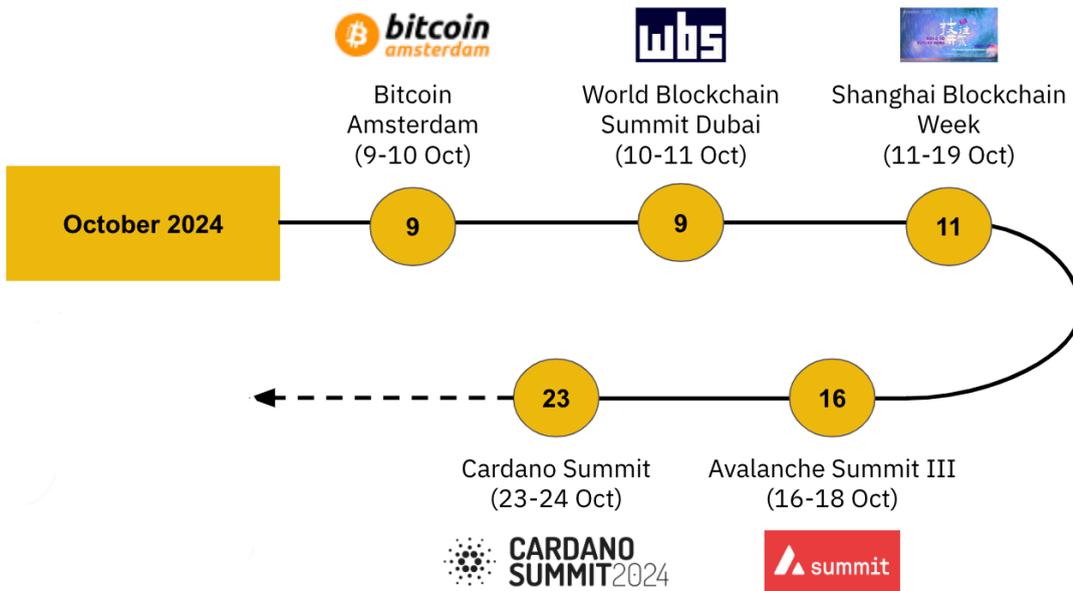
Cryptocurrency hacks have consistently attracted significant media attention. As of 2024, over US\$1.3 billion has been lost to such incidents. The most significant hacks this year have targeted centralized exchanges. May was the largest single-month loss of 2024, wherein DMM Bitcoin, a Japanese trading platform, suffered a US\$305 million hack, resulting in the loss of approximately 4,500 BTC. Come July WazirX, an Indian exchange, lost US\$235 million.

Despite the ongoing media buzz surrounding cryptocurrency hacks, data from the past few years indicates a downward trend in losses: US\$8.1 billion in 2021, US\$3.9 billion in 2022, US\$1.8 billion in 2023, and US\$1.3 billion year-to-date in 2024.

Ongoing efforts by exchanges to enhance security and the introduction of funds like Binance' SAFU (Secure Asset Fund for Users) may further improve the market's stability and trustworthiness. During periods of market excitement, it is especially important for users to safeguard their crypto assets by choosing exchanges with robust security measures and exploring secure self-custody practices.

# 4 Upcoming Events and Token Unlocks

Figure 9: Notable Events in October 2024



Source: Binance Research, Coinmarketcap

Figure 10: Largest token unlocks in US\$ terms

PROJECT	TOKEN	UNLOCK IN US\$ EQUIVALENT	% OF SUPPLY	UNLOCK DATE
	TIA	1.05B	2.33%	31 Oct
	SUI	146.5M	2.47%	3 Oct
	APT	89.49M	2.65%	12 Oct
	AXS	69.6M	2.06%	14 Oct
	RON	64.58M	18.23%	27 Oct
	ARB	58.84M	15.71%	16 Oct
	IMX	55.93M	3.95%	4 Oct
	STRK	29.47M	2.54%	15 Oct
	CFX	16.47M	19.02%	9 Oct
	APE	12.77M	7.92%	17 Oct

Source: Token Unlocks, Binance Research

# References

<https://defillama.com/>

<https://coinmarketcap.com/>

<https://www.cryptoslam.io/>

<https://token.unlocks.app/>

<https://dune.com/>

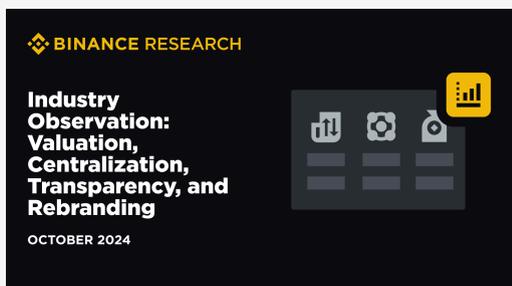
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<https://farside.co.uk/?p=1321>

# New Binance Research Reports



## Industry Observation: Valuation, Centralization, Transparency, and Rebranding

A summary of key observations in the crypto market



## Navigating Crypto: Industry Map

An overview of different verticals in crypto



## RWAs: A Safe Haven for On-Chain Yields?

An update on recent RWA growth, TradFi involvement, and a tech-driven look at some of the most interesting protocols in the space.



## Monthly Market Insights - September 2024

A summary of the most important market developments, interesting charts and upcoming events

# 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 research topics, including but not limited to the crypto ecosystem, blockchain technologies, and the latest market themes.



## Jie Xuan Chua

### Macro Researcher

Jie Xuan (“JX”) is currently working for Binance as a Macro Researcher. Prior to joining Binance, he worked as a Global Investment Specialist with J.P. Morgan and had prior Equity Research experience at various fund houses. JX is a CFA charterholder. He has been involved in the cryptocurrency space since 2017.



## Joshua Wong

### Macro Researcher

Joshua is currently working for Binance as a Macro Researcher. He has been involved in the cryptocurrency space since 2019. Prior to joining Binance, he worked as a product manager at a Web3 fintech startup, and a market analyst at a DeFi startup. He holds a Bachelor of Laws (LLB) from Durham University.



## **Moulik Nagesh**

### **Macro Researcher**

Moulik is a Macro Researcher at Binance, and he has been involved in the cryptocurrency space since 2017. Prior to joining Binance, he had experience spanning cross-functional roles in Web3- and Silicon Valley-based tech companies. With a background in co-founding start-ups and a BSc in Economics from the London School of Economics & Political Science (“LSE”), Moulik brings a comprehensive perspective to the industry.



## **Kennard Low**

### **Macro Research Intern**

Kennard is currently working for Binance as a Macro Research Analyst intern. Prior to joining Binance, he worked as a DeFi research analyst at a real-world asset private credit protocol and a Web3 consulting firm. He is a junior at Singapore Management University (“SMU”) and has been involved in the cryptocurrency space since 2021.

# Resources



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