“Both the traditional and cryptocurrency markets are seeing unprecedented moves as traders navigate their way through a crisis never seen before in modern history. All asset classes took a risk-off approach, however in the cryptocurrency derivative space we are starting to see open interest pick up again and spreads tighten to pre-crisis levels that indicates confidence is coming back into the wider cryptocurrency markets.

Greg Dwyer
Head of BD

“The exchange should pay more attention to the construction of infrastructure, increase the investment in research and development of the trading system, increase the high concurrent processing capacity of matching transactions and increase its trading depth under extreme market conditions to increase the stability of the trading system.”

Linda
CMO

“This year, the exchange has been optimizing traditional financial markets, including contracts, indices, and wealth management products. The next popular product is option contracts. However, the option’s front-end development looks simple, but the back-end product design and system development are quite difficult.”

Xiang Xiang
General Manager of ZBG

“The birth of derivatives always follows the demand for corresponding products. This year will have a breakthrough in option markets. If the options market is mature, it will provide underlying assets for structured financial products. In addition, there are no good credit derivatives in the secondary market. I believe this direction will also make progress.”

Le Le
VP of Huobi Global Business

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Le Le
VP of Huobi Global Business

“Similar to the lack of stock index futures and index ETFs in traditional markets, the reason is that there are too few basic assets with qualities, and the classification and tracking ratings of basic assets have not established a unified standard for the entire market.”

Kun Xu
CSO

“On the occasion of the frequent occurrence of the topic of commodities such as gold and crude oil, cryptocurrency derivatives as an investment carrier for new alternative assets will inevitably attract wider market attention, stable and reliable technical reserves will help it move to a larger financial stage.”

Jianhua Ju
Founder & CEO of HBTC

“Exchanges should focus on optimizing system risk control, enhancing liquidity, and leveraging control.”

Lin
Head of Asian Business

“The cryptocurrency industry should work together to improve from four perspectives: risk control, user interface, fiat currency support, and data quality.”

Sam
CEO

“With the continuous growth of user demand, the derivatives market is in a stage of rapid growth, and the future will be a blue ocean. What our practitioners need to do is to stay focused, product-driven, provide value to users, and be a more professional derivatives exchange.”

Greg Dwyer
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Sam
CEO
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Executive Summary

① $2 trillion: The total volume of Q1 cryptocurrency derivatives in 2020 exceeded $2 trillion, an increase of 314% from 2019 four quarters’ average.

② $62.5 billion: The highest daily trading volume. The average daily trading volume of the entire derivatives market for the quarter was $23.3 billion, an increase of 274% over the previous year; the highest daily trading volume was $62.5 billion.

③ Lower Correlation The correlation between 2020 Q1 derivatives and spot market trading was 0.31, significantly lower than 0.76 in 2019 Q4, indicating that the market participants in the futures market may have been relatively independent of the spot.

④ Leading indicators Cryptocurrency futures already have some of the market’s leading indicator attributes. Spot investors can refer to futures trading volume for position management.

⑤ Major futures pairs only The most liquid and active futures trading pairs such as BTC, ETH and EOS account for more than 90% of the total market turnover. Due to the liquidity and market uncertainties, investors are not recommended to trade non-major futures contract for the time being. Some exchanges (such as Bybit and ZBG, etc.) currently only have launched futures trading on major pairs, which protects investors.

⑥ Steady growth COVID-19 and the oil war have led to the idea that cash is king among the global capital market participants, but the total volume of cryptocurrency futures is still steadily climbing.

⑦ Among the top six derivatives exchanges, Huobi DM and OKEx each occupies roughly 30% of the market share; BitMEX accounts for 20%.

⑧ Profit opportunities The market is shaking BitMEX’s leading position in the industry, and the market participants can pay close attention to the trend of the outstanding platform token in the industry. Some exchanges (such as Bybit, Bitget, and ZBG) have a high volume of single contract trading, and expect a positive potential development trend.

⑨ Early stage In the field of cryptocurrencies, the development of the options market is still in an early stage, and the options trading volume still has a significant gap when compared to futures market.

⑩ Business Planning Data demonstrate that after a significant decline in total trading volume, the turnover of the top tier futures exchanges returns to an industry average. When the market shrinks, it is a positive sign for exchanges to expand.

⑪ Compliance Huobi, OKEx, Binance, and Bitget exchanges have obtained the cryptocurrency payment service exemption issued by the Monetary Authority of Singapore.
INDUSTRY DYNAMICS

January

1. Deribit plans to sell a 10% stake at a valuation of hundreds of millions of dollars
2. OKEx officially launches Bitcoin options
3. Nasdaq Stock Exchange CEO Adena Friedman said that he is working with partners to launch cryptocurrency futures products
4. JP Morgan strategist Nikolaos Panigirtzoglou expressed high expectations for cryptocurrency option contracts

February

1. Bitget established branches in Japan and South Korea to start localized operation mode
2. Huobi Global launches HT position-to-position leverage trading, with a maximum of 2X leverage
3. FTX expects net profit to exceed US $ 40 million this year
4. FTX exchange adds five 2020 US presidential election forecast futures contracts
5. Bakkt identified as a key factor in the growth of ICE performance on the Intercontinental Exchange, ICE earnings per share increased to $0.95 year-on-year

March

1. Bybit launches USDT perpetual contract and contract insurance
2. Bitget Exchange obtains US MSB, Singapore MAS exemption, Canadian MSB financial license, and Australian DCE financial license
3. Huobi DM adds a step-up system
4. ZBG Exchange launches perpetual contract, supporting 100% leveraged trading of multiple cryptocurrencies such as Bitcoin and Ethereum
5. FTX adjusts quarterly components of six index contracts
6. BitMEX fails to suspend trading
7. Phemex completes $3.5 million in Series A funding led by NGC Ventures
8. Binance plans to start offering options contracts in the second quarter or early third quarter
INDUSTRY LANDSCAPE

Spot Exchange

- Binance
- Coinbase
- Liquid
- HitBTC
- Bitstamp
- DigiFinex
- HamiEx
- CoinAll
- Poloniex
- Upbit
- CEX
- EXMO
- Huobi
- MAX
- ZB
- OKEx
- CoinEx
- Bitfinex
- Biki
- LBANK
- HitBTC
- BitZ
- Bittrex
- HOPEX
- Binance Futures

Derivatives Exchange

- BitMEX
- Bybit
- FTX
- Bitget
- HuobiPro
- Okex
- CoinEx
- Kraken
- Bibex
- BitFlyer
- DBX
- bitFlyer
- BNB
- Binance
- FTX
- Binance Futures

Decentralized Exchange

- Kyber Network
- Saturn
- EtherFlyer
- Switcheo Network
- IDEX
- DELTA
- Newdex
- BambooRelay
- BIRAKE
- Binance DEX
- DDEX
- TOEX
Trading Volume Trend

The total turnover of cryptocurrency derivatives in 2020 Q1 exceeded $2 trillion, data demonstrate that futures market participants may have been relatively independent from the spot.

In 2020 Q1, TokenInsight includes 12 derivatives exchanges on the market in the trading volume analysis, including BitMEX, OKEx, Huobi DM, Binance Futures, Deribit, Bitget, Binance JEX, Gate.io, BFX.NU, BitZ, and KuMEX; some emerging derivatives exchanges (such as ZBG, Bybit, etc.) are also been considered by TokenInsight, and will be included to the full market database after a period of market observations.

In 2020 Q1, the total futures trading volume in the industry reached $2.1048 trillion, an increase of 314% from 2019 four quarters’ average.

- Comparison of cryptocurrency futures trading volume between 2020 Q1 and 2019 Q4
  Source: TokenInsight

The figure above shows that, except for a slight decline in 2019 Q4, the trading volume of cryptocurrency futures has growth steadily in 2019; the total market turnover in 2020 Q1 is roughly 8x than 2019 Q1.

The average daily trading volume of the whole market in 2020 Q1 was $23.3 billion, up 274% from 2019; the highest daily trading volume was $62.5 billion. The daily trading volume is shown in the figure below.

- Volume of cryptocurrency futures in 2020Q1
  Source: TokenInsight

Correlation between futures trading volume and spot trading volume: 0.31 (19Q4: 0.76)
During the quarter, the correlation coefficient between futures trading volume and the spot trading volume slips to 0.31; was 0.76 in 2019 Q4. This phenomenon indicates that the futures market participants may have been relatively independent from the spot. As shown in the figure above, the highest futures trading volume in March 2020 reached before the spot market; this phenomenon also occurred in February 2020, but it is not very obvious.

"We believe the cryptocurrency futures have already possessed some attributes of market-leading indicators, and spot market participants can refer to futures trading volume for position management."

The chart above shows the combination of the total volume of cryptocurrency futures with the TI index that represents the overall market situation. It can be discovered that the total volume of futures trading has increased significantly (on March 9) prior to the March 12 market plunge. Also, there was a short-term rebound in the TI index value on March 13; however, futures trading volume did not decline significantly but instead increased again. This phenomenon means that although the spot market stabilized for a short period, the futures market has not fully digested the market volatility yet. The spot market crashed again and eventually stabilized after the shrinkage of futures trading volume.

In summary, some cryptocurrency futures already have the attribute of market-leading indicators, and spot investors can leverage indicators in the futures market for position management. Specifically, when the futures market is abnormally traded, it means that the spot market may experience large market fluctuations. At this time, investors need to adjust their positions. Besides, in the market downturn, only when the future volume finally shrinks, the market may experience a meaningful rebound.
Major Asset Futures Contract

The major contract accounts for more than 90% of the market volume, and investors are advised pause to trade the non-major contract due to liquidity and market uncertainties.

The data demonstrate that the three major asset contracts of cryptocurrency futures accounted for more than 90% of the total market turnover in 2020 Q1, and the remaining contracts accounted for less than 10%; among them, the BTC futures contract turnover accounted for 78%.

Volume is an intuitive manifestation of liquidity relatively speaking, and low volume relative to other pairs represents insufficient liquidity. Market views generally believe that one of the reasons for the March 12's market plunge is lack of liquidity. The impact of COVID-19 and the oil war on the capital market also contribute to the downfall of the cryptocurrency market.

In the extreme market condition, the inherent leverage property of futures trading will multiply the losses that investors may suffer. Some exchanges (such as Bybit, ZBG, etc.) currently only launch a small number of major futures contracts, which we believe they are protecting the investors.

Based on the phenomenon that the volume of non-mainstream cryptocurrency futures contracts is relatively low, indirectly reflecting lack of liquidity, investors are advised against to trade non-major futures pairs.

Comparison of Futures and Spot Trading Volume

Cash is king when crisis begins, but the total trading volume of cryptocurrency futures is still growing steadily.

TokenInsight's “2019 Annual Derivatives Exchange Industry Research Report” shows that the cryptocurrency futures turnover in 2019 is about 20% of the spot; it is expected that the futures trading volume for the year 2020 will be more than doubled the spot market.

The graph on the left shows that in the first quarter of 2020, the total turnover of cryptocurrency futures has reached more than 33% of the spot. Compared with the idea of cash is king in the current market conditions, the cryptocurrency futures industry is still developing rapidly.
Trading Volume by Exchange

BitMEX’s leading position has been taken, the market participants can pay close attention to the trend of the well-positioned platform tokens in the industry.

Based on the data from 2020 Q1, there are 7 exchanges with a total futures turnover exceeding $100 billion; Huobi DM, OKEx, BitMEX, Binance Futures, Bitget* and Bybit. Among them, Huobi DM and OKEx both surpassed BitMEX in terms of volume; they ranked No. 1 and No. 2 in the industry with volume above $400 billion, respectively.

Exchange volume of cryptocurrency futures by exchange in 2020 Q1 [Unit: US $ billion]
Source: TokenInsight

<table>
<thead>
<tr>
<th>EXCHANGE</th>
<th>VOLUME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Huobi DM</td>
<td>438</td>
</tr>
<tr>
<td>OKEx</td>
<td>417</td>
</tr>
<tr>
<td>BitMEX</td>
<td>310</td>
</tr>
<tr>
<td>Binance Futures</td>
<td>222</td>
</tr>
<tr>
<td>Bitget</td>
<td>157*</td>
</tr>
<tr>
<td>Bybit</td>
<td>103</td>
</tr>
<tr>
<td>bitFlyer</td>
<td>92</td>
</tr>
<tr>
<td>FTX</td>
<td>75</td>
</tr>
<tr>
<td>Bitforex</td>
<td>61</td>
</tr>
<tr>
<td>Deribit</td>
<td>34</td>
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<tr>
<td>Hopex</td>
<td>27</td>
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<td>CoinFLEX</td>
<td>23</td>
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<td>BTSE</td>
<td>16</td>
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<tr>
<td>Bibox</td>
<td>10</td>
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<tr>
<td>Gate.io</td>
<td>8</td>
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<td>CME</td>
<td>7</td>
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<td>Kraken</td>
<td>6</td>
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<td>ZBG</td>
<td>3</td>
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<tr>
<td>Bakket</td>
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Top 3 Market Share: 56%
Top 6 Market Share: 81%

Unlike the fierce competition of the industry's top three exchanges, the pattern of top tier cryptocurrency futures exchanges (that is, the top six exchanges by volume) is relatively stable. In this exchange ranking, the top three exchanges accounted for 56% of the market volume, and the top six exchanges accounted for 81%. Fully regulated exchanges have not developed significantly, with CME and Bakket trading volumes of US $6.83 billion and US $1.51 billion, respectively.

From a data perspective, the total quarterly turnover of $10 billion and $100 billion is the threshold for the exchange for entering the industry’s front line and industry head, respectively.

*Among them, Bitget and ZBG are independent data sources.
The use of spot tradings fees for platform token repurchase and destruction gains market traction in the industry; some exchanges have plans to reduce futures transaction fees to repurchase and destruction. The scale of futures trading fees on the leading exchanges is considerable; if the above situation occurs, it will inevitably putting upward pressure on its platform token. Therefore, investors can pay close attention to the movement of platform tokens issued by the well-known industry players in the future market, arrange in advance, and seize profit opportunities.

The picture on the right shows that among the six futures exchanges in the market, Huobi DM and OKEx each occupies roughly 30% of the market; BitMEX accounted for 20%; Binance accounted for 14%; except for these four, there was no exchange market exceeded 10%. Comparing the market share data of Huobi DM, OKEx and BitMEX exchanges in 2019; it can be found that while the market share of Huobi DM increased by about 6%, the market share of BitMEX fell by about 13%, with OKEx remained at the front line of 28%.

However, the number of existing futures trading pairs and the proportion of trading volume provided by each exchange are different; the specific situation is shown in the table below; investors can make comprehensive judgments based on this data combined with the platform investment opportunities mentioned above.

*Among them, Bitget is from an independent data source*
As from the graph above, Huobi DM released a total of 37 trading pairs, occupying the top spot in the industry in 2020 Q1; Similarly, Bitget relies on 13 trading pairs to squeeze into the top positions; That is, its single trading volume is higher than other exchanges. After these two products are abundant, and the futures trading fees will be used to repurchase exchange-based token or after the exchange-based token is issued, the exchange-based token could gain a positive market expectation.

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Comparison of spot trading volume of Huobi, Binance and OKEx futures in 2020 Q1
Source: TokenInsight

The spot trading volume ratio of futures in 2020 Q1 is as shown in the figure above; Huobi futures trading volume ratio is about 3.56 times of spot; Binance is approximately 1.34 times; OKEx is about 2.91 times. This set of data supports the prediction that the total futures trading volume in 2020 will be double than the spot, and also supports the prediction of the above-mentioned exchange-based token related market opportunities; the focus of the cryptocurrency industry is accelerating the shift towards derivatives markets represented by futures contract.
Exchange Daily Volume

“When volume shrinks, it is an opportunity for the exchange to expand”

The daily trading volume data of the exchanges shows that the changes in the market share of the exchanges mostly occur during the overall contraction period represented by trading volume.

† Daily transaction volume of cryptocurrency futures by exchange in 2020 Q1
Source: TokenInsight

From January 9th, the total trading volume in the market began to decline rapidly; Huobi DM overtook OKEx after the trading volume bottomed out. A similar situation occurred multiple times in 2020 Q1; each time the market shrinkage ended, the trading volume of the top three exchange returned to the same level, and a new round of competition began.

Trading Volume for Different Contract Types

The data shows that the increase in the volume of cryptocurrency futures in 2020 Q1 mostly came from deliverable contracts. Under normal circumstances, investors will think that perpetual contracts are easier to understand than deliverable contracts, and the characteristics of no-delivery-date will bring them better liquidity. However, as shown on the right, the deliverable contract represented by Huobi DM has sprung up this quarter, and trading volume has surpassed the perpetual contracts.

† Comparison of contract transaction volume in this period
Source: TokenInsight

$300B
$900B
$600B
$300B
Jan Feb Mar

Volume of Perpetual Contract
Volume of Deliverable Contract
The development of the options market is still in its early stage

Compared with the rapid development of futures contracts, the current options market is still in its early stage; its main features include:

The number of types of underlying assets is limited, and the reference prices for the underlying assets are not uniform. As for today, the underlying assets that provide trading on options involving around Bitcoin. Some exchanges also offer Ethereum options instrument, but compared with the traditional options market, the underlying assets of cryptocurrency options are still very limited, and more than 95% of the trading volume is around Bitcoin as the underlying asset.

The number of options trading platforms is limited, and non-regulated platforms dominate the forefront of innovation and trading volume. One of the critical reasons for the rapid development of cryptocurrency spot and futures markets is the large number of platforms. However, in the field of options, the complexity of options trading systems, risk control capabilities, and other technical and financial knowledge requirements are significantly high, and development costs are also relatively high, so there are currently fewer such platforms. According to the TokenInsight statistics, there are currently 8 platforms offering cryptocurrency options trading. These platforms can be divided into two categories, and one is regulated, represented by CME, Bakkt, and LadgerX, which are traditional derivatives trading institutions. The other type is the newly opened trading platform with the rise of cryptocurrencies, represented by exchanges such as Deribit and FTX.

The options market generally has higher counter-party risk. The cryptocurrency market is highly speculative and can experience significant market fluctuations. Investors have substantial homogeneity, chasing up and down. These characteristics are transmitted in the options market, showing that investors often buy call and put options at the same time. Therefore, sellers in the cryptocurrency option market are mostly the exchange itself or its anchor market makers. Due to the high trading costs, high short-selling costs, and relatively low liquidity of the cryptocurrency market compared to the traditional market, market makers or exchanges cannot fully hedge position risks and have to be exposed to market risks, especially when the market is volatile. Therefore, for speculators, the potential default risk or counter-party risk of market makers or exchanges cannot be simply ignored. The existence of counter-party risk has led to a lack of institutional investors in the current options market and a low trading volume. Comparing the daily trading volume of futures with $12-30 billion, the current daily trading volume of entire options market is between $0.5-180 million (Retrieved on March 5, 2020).
"BitMEX still has user advantages, Huobi DM has higher per capita trading volume"

2020 Q1 user distribution statistics included user data of four cryptocurrency pure futures exchanges, BitMEX, Deribit, Bybit, and Huobi DM. Because OKEx and Binance Futures could not distinguish between spot and futures visits, they were excluded in the analysis.

As shown in the figure below, BitMEX’s unique visits (UV) are still in an absolute leading position in the industry; however, its data in March has declined more than 8% from January. The other three exchanges also demonstrate a similar downward trend.

Huobi DM is the exchange having the lowest UV among the above four, but considering that some users use Huobi’s other websites for futures trading, the actual UV should be higher. The data in this group shows that if the reported trading volume of Huobi DM is a real trading volume, it has a higher trading volume per capita, additionally, the number of mobile app visits is not included.

The data also shows that the March 12 market plunge have generated interest among new users in understanding cryptocurrency futures. Bitcoin Futures’ Google search popularity peaked on March 15, and the followed by March 13’s popularity.
With the highest value 100, the following are the top ten countries/regions for cryptocurrency futures trading activities: Singapore (100), United States (80), Hong Kong, China (75), Australia (52), Qatar (52), Puerto Rico (50), Latvia (50), Canada (41), China (41) and Slovenia (38).

Since it is impossible to distinguish the proportion of spot and futures traders, Binance and OKEx’s Twitter followers should be higher than their futures active trading users. Taken together, the number of Twitter followers on futures only exchanges is generally average, or only a few exchanges have a Twitter follower volume that can effectively help their business grow.
REGULATION OVERVIEW

Latest News

On January 10, 2020, the European Union’s fifth edition of the Anti-Money Laundering Order (AMLD5) came into effect, and wallets and investment platforms were required to collect customer information; central banks in Canada, the United Kingdom, Japan, the European Union, Sweden and Switzerland will cooperate in cryptocurrency research.

On January 7, 2020, Kraken pointed out in the 2019 Transparency Report that the number of regulatory inquiries received in 2019 increased by 50% compared with the previous year; on March 22, 2020, the SEC coordinated and simplified the amendments to the securities issuance exemption framework Approved; on January 10, 2020, the New York Stock Exchange ARCA wrote to the SEC to withdraw its Bitcoin ETF application.

On January 9, 2020, the Hong Kong Securities Regulatory Commission disclosed that five platforms will enter final approval, and the first batch of licensed crypto exchanges will be available soon.

On January 13, 2020, Huo Xuewen, director of the Beijing Local Financial Supervision and Administration, said that virtual exchange licenses might not be issued in the future; on January 6, 2020, the National Intellectual Property Administration (NIPA) of China further simplified the blockchain patent application process.

On January 16, 2020, Bithumb filed a lawsuit against the National Tax Service (NTS) in the Tax Court, arguing that Bitcoin income is not "capital income" and no additional tax is required.

On January 16, 2020, Uzbekistan plans to establish a "national mining pool". The first licensed cryptocurrency exchange will be launched, and miners who join the "national mining pool" will enjoy the privilege of lower electricity charges.

On January 17, 2020, CSA issued the latest regulatory guidelines, and Canadian cryptocurrency exchanges will be subject to national securities laws; on March 21, 2020, Canada tightens cryptocurrency regulatory regulations and proposes new Reporting requirements.

On January 22, 2020, the Hong Kong Monetary Authority (HKMA) and the Central Bank of Thailand (Bank of Thailand) announced the results of the Central Bank Digital Currency (CBD) joint research project, "Inthanon-LionRock Project."

On January 29, 2020, MAS formally implemented the Payment Services Act, and all digital payments and cryptocurrency transactions require an operating license.
<table>
<thead>
<tr>
<th>Country</th>
<th>Date</th>
<th>News</th>
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<tbody>
<tr>
<td>Australia</td>
<td>2020/2/7</td>
<td>On February 7, 2020, the Australian government officially launched its national blockchain strategy; the Reserve Bank of Australia (RBA) stated that Libra cannot be launched in Australia even if it meets strict regulatory requirements.</td>
</tr>
<tr>
<td>Belgium</td>
<td>2020/2/11</td>
<td>On February 11, 2020, the Belgian regulator Financial Services and Markets Authority (FSMA) urged the government to develop cryptocurrency regulations.</td>
</tr>
<tr>
<td>Egypt</td>
<td>2020/2/13</td>
<td>On February 13, 2020, the National Bank of Egypt and Ripple signed a cooperation agreement to establish a new remittance channel.</td>
</tr>
<tr>
<td>Russia</td>
<td>2020/2/21</td>
<td>On February 21, 2020, FSB and the Russian Central Bank reached an agreement prohibiting the use of cryptocurrencies as a means of payment in Russia.</td>
</tr>
<tr>
<td>Cyprus</td>
<td>2020/2/23</td>
<td>On February 23, 2020, CySEC issued a report to discuss matters regarding the exchange platform between CySEC and fintech and regulatory technology departments launched in October 2018.</td>
</tr>
<tr>
<td>Japan</td>
<td>2020/2/24</td>
<td>On February 24, 2020, it was reported that Japan’s three major economic regulators, the Ministry of Finance, the Financial Services Agency and the Bank of Japan, jointly promoted research on central bank cryptocurrencies (CBDC); on February 12, the Bank of Japan and Europe Central Bank jointly issued a report on the results of the fourth phase of the distributed ledger project “Stella”.</td>
</tr>
<tr>
<td>Germany</td>
<td>2020/3/3</td>
<td>On March 3, 2020, the German financial regulator officially classified cryptocurrencies as financial instruments.</td>
</tr>
<tr>
<td>Ukraine</td>
<td>2020/3/3</td>
<td>On March 3, 2020, the National Corruption Prevention Agency (NAPC) of Ukraine defined cryptocurrencies as an intangible asset in a recently issued guideline.</td>
</tr>
<tr>
<td>France</td>
<td>2020/3/16</td>
<td>On March 16, 2020, the French central bank announced that it will launch a cryptocurrency experiment plan to test the risks and mechanisms of CBDC.</td>
</tr>
<tr>
<td>India</td>
<td>2020/3/22</td>
<td>On March 22, 2020, the Indian government is discussing the regulatory framework for cryptocurrencies with the Central Bank, the Reserve Bank of India (RBI) and the Securities and Exchange Commission of India (SEBI).</td>
</tr>
</tbody>
</table>
TokenInsight conducted a survey and analyzed view from 34 representative exchanges to gain an in-depth understanding of how the industry professionals view the 312 market plunge.

"Regarding the 312 plunge crisis, professionals have mixed feeling on its potential impact"

Individuals/organizations who have a favorable view of crisis events generally believe that such crises will allow the industry to face problems in the industry together. The crisis exposed many problems in the industry, and hiding or pretending to have no problems does not change the existence of the problem. The development of the industry requires joint efforts within the industry and only can be achieved by facing and discovering the problems. Hence, to solve the issues.

On the other hand, the individuals/organizations with a negative opinion believe that the cryptocurrency industry is still in the early stage of development, and it is not possible to experience such a “wind wave” which will be detrimental to the development of the industry for a long time.

"Half of the individuals / institutions still believe that Bitcoin can be considered as safe-haven asset"

In terms of whether bitcoin can be considered as a safe-haven asset. Although it has experienced a sharp fall, half of the individuals/organizations believe that bitcoin still can be considered as the safe-haven asset; 31.25% believe that Bitcoin can not be considered as a safe-haven asset.

In terms of reflection on the crisis, many exchanges have expressed the importance of the system stability of the exchange itself. The topics of stability, risk control, concurrent processing capacity, extreme market processing capacity, and limiting the scale of leverage have been mentioned many times by most individuals / organizations. In addition, Citex co-founder William said that resources should also be expanded at the hardware level to prepare such extreme market. Doris from Hotbit said that the platform needs to consider the the infrastructure costs more reasonably. BigOne CEO Cheng Jun believes that most exchanges may be at this stage. It is not yet possible to prepare for a similar crisis; Huang Meng, head of product at KuCoin Contract Business Unit, said that in addition to the above basic measures, the exchange should also respond to emergency response plans for extreme market conditions.

In the aspect of future of the spot market, although the derivatives market is currently developing actively, most individuals/institutions still believe that the spot market is the fundamental, and the development of the derivatives market will not weaken the position of the spot market.

Among them, Hubi CMO Weng Decheng said that the derivatives market is a weapon to stimulate the spot market, and the two markets are actually complementary. Hopex Marketing Director Zhang Xiaoleng believes that the development of the spot market still needs policy, supervision, market education and the development of the blockchain technology itself. This is a long-term process; and OceanEX CEO Nan Xiaoning emphasized that the Spot is fundamental to the derivatives market. The development of the spot market should enhance the “user-specific” matching ability and exchange’s AI deep learning capability.
TokenInsight released a new cryptocurrency derivatives exchange rating based on data from the exchange from January 1, 2020 to March 31, 2020. BitFlyer, Kraken, Bitforex, Hopex, PrimeXBT, MXC and BFX were included to this rating release; the Gate.io rating has been upgraded. The list of derivatives exchange ratings is as follows.

**2020 Q1 DERIVATIVES EXCHANGE RATING RESULTS**

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<th>Exchanges</th>
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<th>Previous Ratings</th>
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<td>Binance Jex</td>
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<td>Gate.io</td>
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<tr>
<td>BFX</td>
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</tbody>
</table>

Note: Blue indicates that the rating is newly added; red indicates that the rating is downgraded; green indicates that the rating is upgraded.
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