

AlphaPoint

Q2 2020 Regional Liquidity Report

June 28, 2020 Executive Summary

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Executive Summary

1. Introduction

- a. Regional exchanges are emerging to dominate respective domestic markets
- b. Unlike most reports that examine the top global exchanges, especially the ones that service US citizens, this report examines the rise of regional exchanges from a non-US centric perspective

2. Methodology of Variables

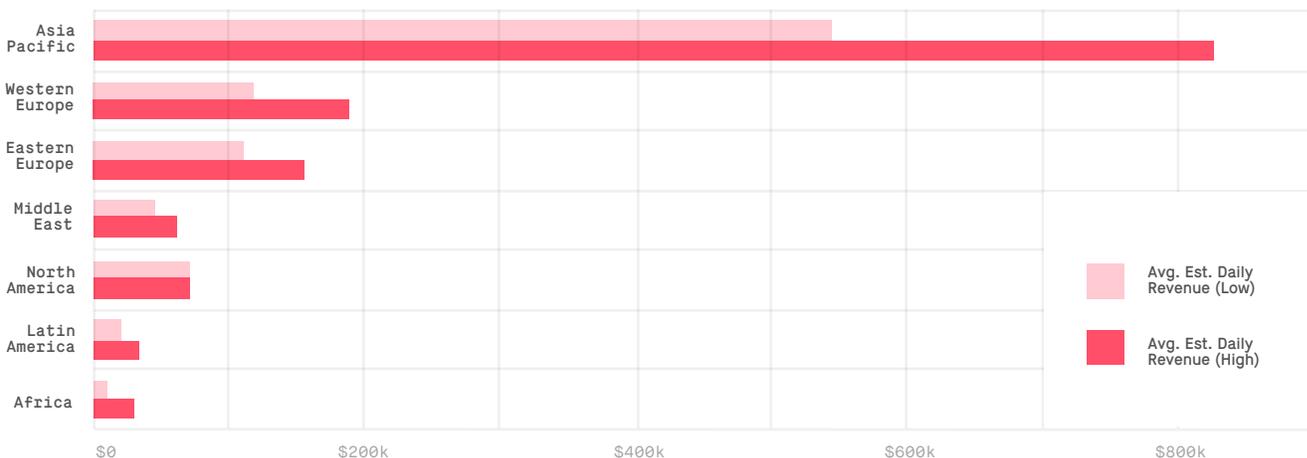
- a. Variables include name of region, number of exchanges, average web traffic, average liquidity, average estimated daily volume, average taker fees, average maker fees, average estimated daily trading revenue, average funding, average inception date
- b. The average daily estimated volume variable utilized in this report is unique in that the variable discounts reported daily volumes by a composite score of the liquidity and web traffic variables; in this way, we believe we are more accurately estimating volume rather than purely using reported daily volume since those volumes are often inflated

3. Maps

- a. Year Bitcoin started actively trading in each country
- b. Number of major exchanges within each region

4. Macro Analysis

- a. Bar graphs comparing the different regions on the variables examined
- b. Example: **Average Daily Estimated Trading Revenue**



5. Individual Region Analysis (Asia Pacific, Africa, Western Europe, Eastern Europe, Latin America, Middle East, and North America)

- a. Provides relevant statistics for each region and accompanying narrative text that delves into what the differences in statistics could mean
- b. Example: **Narrative text from Asia Pacific page**

Asia Pacific

Asia Pacific by far has the most competitive digital asset exchange market outside of the US. The region has the most competitive market because most Asian Pacific Countries have high demand for digital asset trading and thus many entrepreneurs are seeking to serve that demand. Demand could be high because often strict capital controls are implemented in these countries, and thus it is more difficult to access alternative asset classes beyond the native country's domestic markets.

This demand correlates to Asia Pacific having by far the most estimated average trading revenue by exchange.

Despite high demand, **fees across the region are amongst the lowest in the world.** The fact that fees are low makes sense, considering competition is high with 108 exchanges across the region. Additionally, new operators have to compete with **exchanges who have raised on average \$28 million.**

While the upside for starting an exchange in the Asia Pacific region is quite palpable, operators will be entering a highly competitive market.

At a Glance

3rd

Ranked Average Web Traffic

2nd

Ranked Average Liquidity

\$296,077,126

Avg. Est. Daily Volume

.15%

Avg. Taker Fee

.12%

Avg. Maker Fee

\$546,598

Avg. Est. Daily Revenue (L)

\$824,873

Avg. Est. Daily Revenue (H)

\$28,306,728

Avg. Funding

April 2017

Avg. Inception