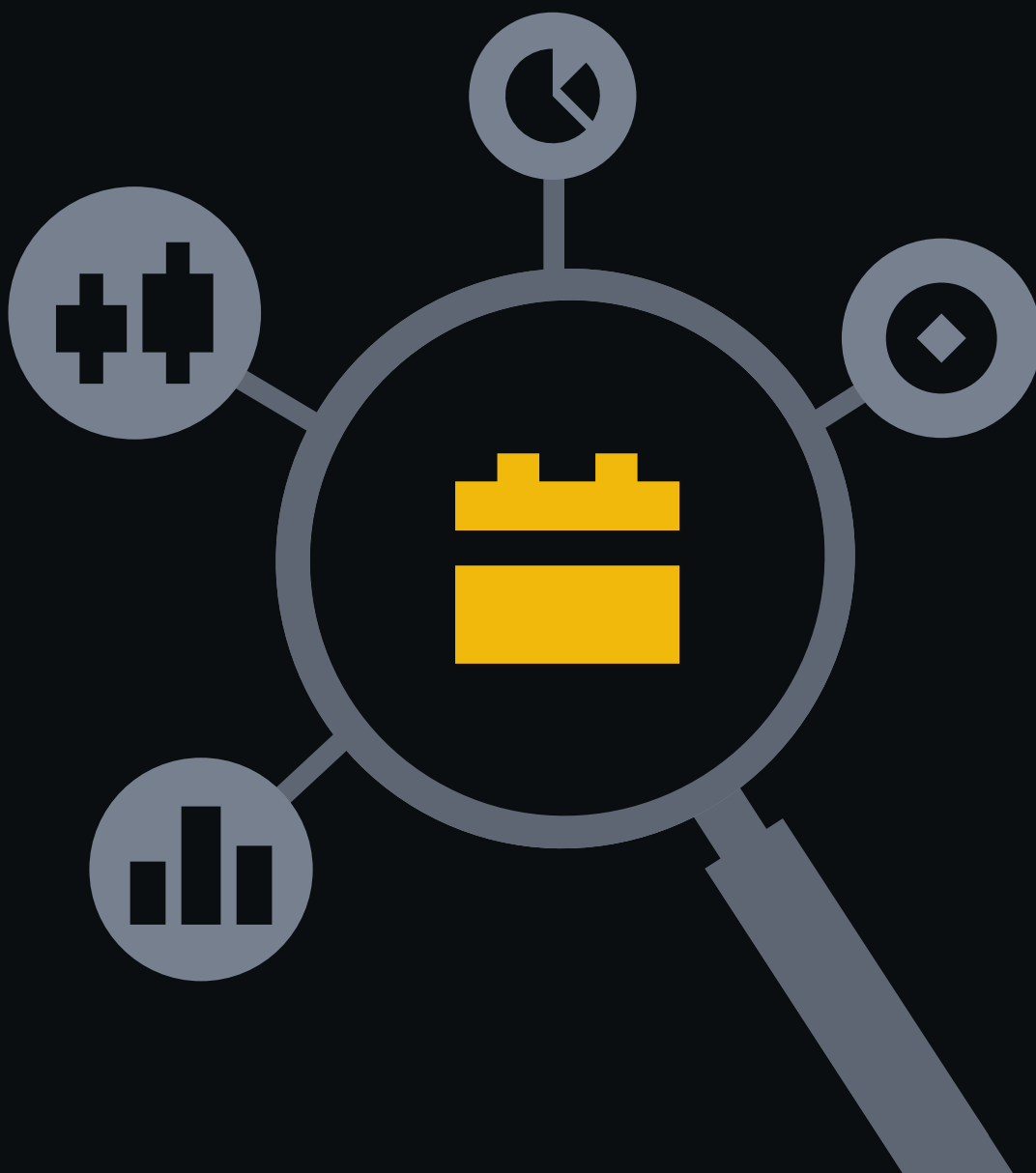


# Monthly Market Insights

November 2024



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# Key Takeaways

- ◆ In October 2024, the cryptocurrency market saw a 2.8% increase in total market capitalization, driven by significant BTC spot ETF inflows and positive U.S. job data. The market is also anticipating potential regulatory shifts from the U.S. presidential election. However, external challenges such as the Israel-Iran conflict and allegations against Tether for funding illegal activities have emerged.
- ◆ Bitcoin's correlation with the S&P 500 is nearing all-time highs, reflecting shifting sentiment as it's increasingly viewed as both a risk-on asset and hedge against macro uncertainties. Historically, its correlation with equities has been weak, with brief spikes - often driven by liquidity or interest rate shifts - typically proving short-lived. Whether this trend will persist remains to be tested with time.
- ◆ Revenues earned by on-chain applications have been increasing, potentially signaling an increase in user adoption. Currently, out of the 15 highest revenue earning chains and applications, 12 are applications. This could be an early indication that a significant proportion of industry-wide revenue will accrue to applications rather than the underlying infrastructure.
- ◆ Solana has emerged as the leading blockchain for new token launches. The surge in popularity of memecoins and the launch of the memecoin launchpad pump.fun have significantly lowered barriers for token creation, driving a proliferation of new tokens on the Solana network. This ease of token creation has fueled a frenzy of speculative activity, with Solana capturing a record 90.6% of all token launches in the week ending on October 21.
- ◆ Memecoins saw strong activity in October, with four out of the top five performing tokens over the last 30 days being memes. Memecoin share relative to the top 50 altcoins (by market capitalization) has also steadily increased, from ~6% in 2023 to upwards of 12% in 2024 so far. On certain days, this number has also exceeded 20%. In terms of underlying numbers, memecoins have averaged approximately US\$5B in daily trading volume since February.

# 2

# Crypto Market Performance

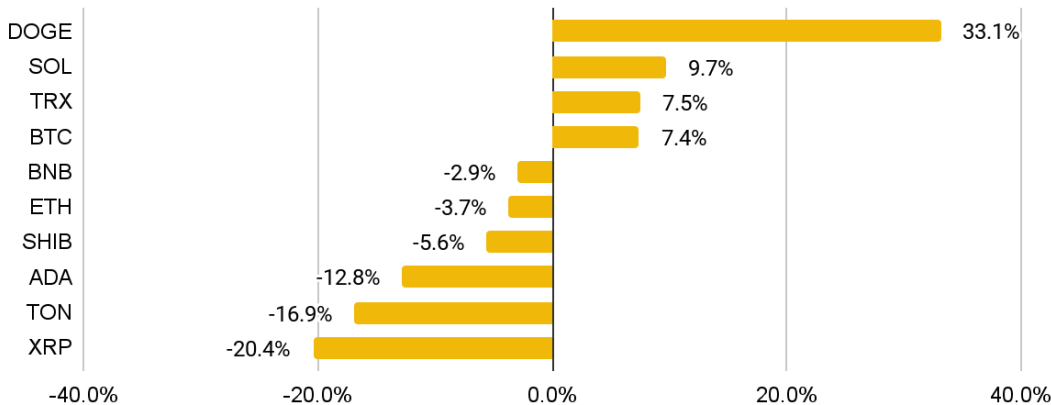
In October 2024, the cryptocurrency market saw a 2.8% increase in total market capitalization, demonstrating resilience amid various external pressures. Traditionally a strong month, BTC closed October near previous all-time highs, driven by significant spot ETF inflows totaling around US\$5.4B. Positive sentiment was also influenced by September’s U.S. job data, which exceeded expectations with strong nonfarm payroll growth and a declining unemployment rate. The market appears to be factoring in potential impacts from the U.S. presidential election held on Nov 5, with hopes for favorable regulatory shifts in the crypto landscape. Nonetheless, external challenges emerged, including the Israel-Iran conflict coupled with allegations that Tether, the largest stablecoin issuer, is under investigation for suspected involvement in funding illegal activities.

**Figure 1: Monthly crypto market capitalization increased by 2.8% in October**

	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	2.8		
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: CoinGecko  
As of October 31, 2024

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



Source: CoinMarketCap  
As of October 31, 2024

In descending order of performance:

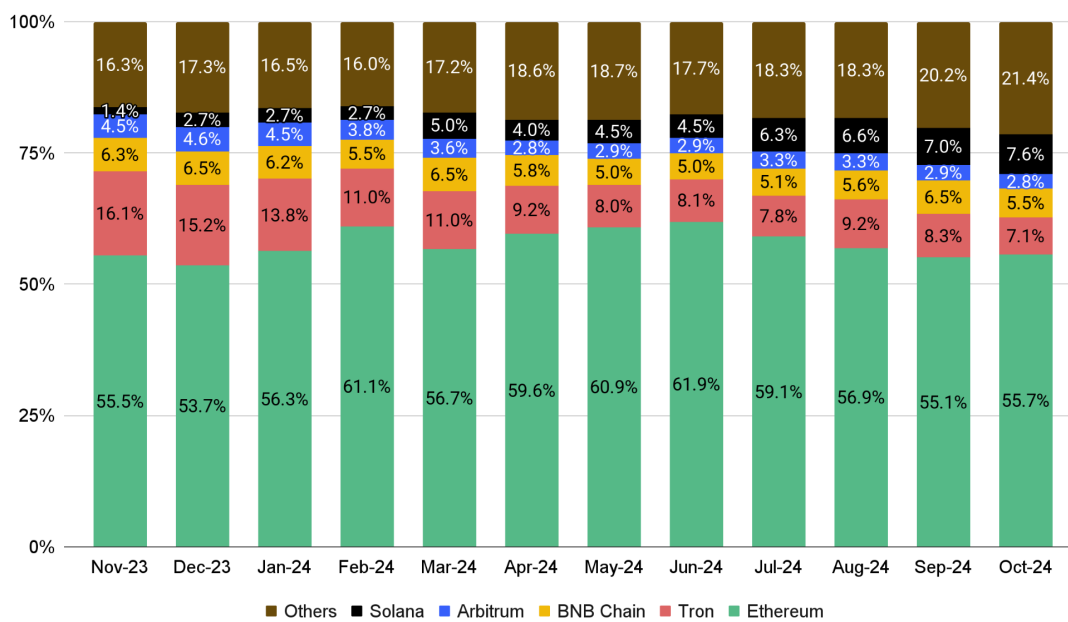
- ◆ DOGE was the top performer in October, surging 33.1% following Elon Musk's mention of the "Department of Government Efficiency" (D.O.G.E) at Donald Trump's rally in New York. The proposed initiative aims to conduct a comprehensive audit of the federal government, identifying and implementing significant reforms to reduce waste and fraud in government spending.
- ◆ SOL rose 9.7% as memecoin trading activity continued to rise on the Layer 1, with a new wave of AI-related memes continuously being launched on their native token deployer pump.fun. The strong retail interest in Solana also led to continued robust growth in its DeFi Total Value Locked (TVL), as Liquid Staking, Decentralized Exchanges (DEXes), and Lending Sectors which captured the significant liquidity flows into the chain.
- ◆ BTC saw a 7.4% gain in October, driven by renewed TradFi interest and robust ETF inflows of around US\$5.4 billion. In the final week of October, BTC approached previous all-time highs, crossing a key level of US\$73,000. Institutional demand grew sharply, indicating increasing acceptance of Bitcoin as a mainstream investment asset. Anticipation around the U.S. presidential election also fueled bullish sentiment, with investors hopeful for favorable regulatory changes. Additionally, corporate moves, such as MicroStrategy's substantial Bitcoin holdings and an upcoming Microsoft shareholder vote on Bitcoin investments, added further momentum to BTC's gains.
- ◆ TRX recorded a 7.5% gain while BNB Chain saw a modest decline of 2.9%. Notably, BNB Chain announced the final sunset upgrade for the BNB Beacon Chain, scheduled to conclude by mid-November 2024. The announcement urges asset holders to migrate tokens to prevent avoidable losses.
- ◆ ETH experienced a 3.7% drop, lagging behind its major counterpart BTC during the market resurgence. Ongoing concerns about Ethereum's fee capture persisted, as the rise of appchains with independent rollups raised worries among users that value was not accruing to the mainnet. This sentiment contributed to ETH's relatively subdued performance.
- ◆ SHIB experienced a 5.6% decline as interest in the memecoin began to wane, while ADA suffered a sharper drop of 12.8%.
- ◆ TON fell 16.9% as demand for the Telegram-linked blockchain declined, coinciding with a drop in hype around Tap-to-Earn projects, simultaneously decreasing activity and DEX trading volumes. Negative sentiment was further fueled by Telegram's updated policies, which now include handing over users' IP addresses and phone numbers to authorities with valid legal requests. CEO

Pavel Durov justified this policy change, stating it aims to discourage criminal activities. However, Durov’s recent arrest and charges related to enabling criminal activity on the platform raised privacy concerns as it contradicted his statement.

- ◆ XRP fell 20.4% amidst its ongoing lawsuit with the U.S. Securities and Exchange Commission (SEC). The SEC's appeal against Judge Torres's ruling, which had previously favored Ripple by declaring XRP sales to retail investors as non-securities, contributed to negative market sentiment. Additionally, the uncertainty surrounding the legal battle and the SEC's missed filing deadlines further fueled investor concerns, leading to a significant drop in XRP's price.

## 2.1 Decentralized Finance (DeFi)

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



Source: DeFiLlama  
As of October 31, 2024

In October, the DeFi Total Value Locked (TVL) increased by 1.0%, building on September's on-chain momentum. Solana, Base, and Aptos stood out, with notable TVL gains of 13.4%, 22.2%, and 57.1%, respectively.

Driven by strong institutional and retail interest, Solana reached US\$7.6B in DeFi TVL as capital continuously flowed into the Layer 1 blockchain. Solana DeFi captured a substantial portion of this inflow, with significant surges in liquid staking protocols such as Jito,

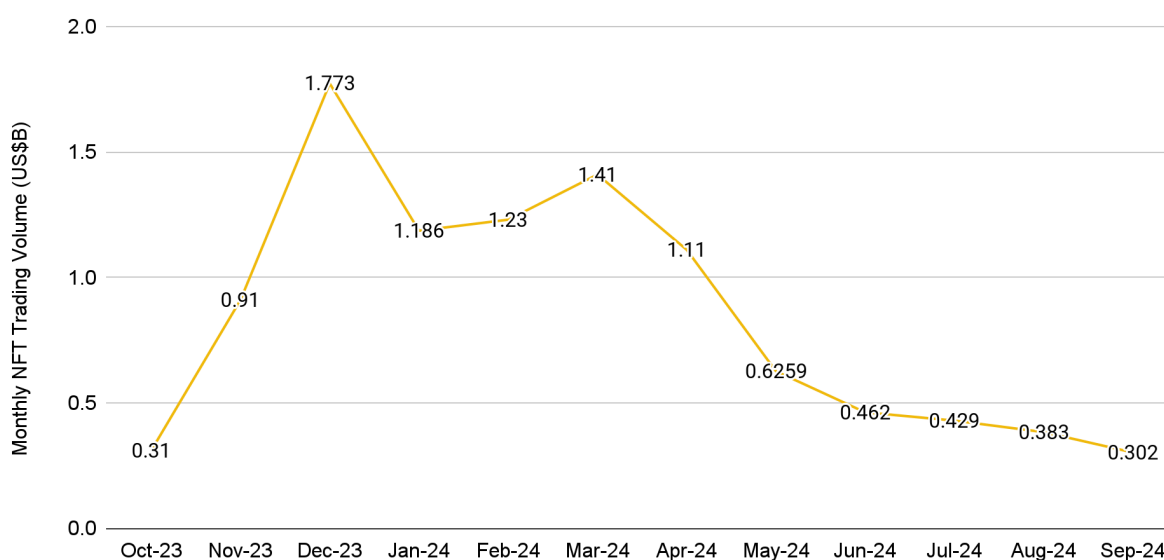
Marinade, and Sanctum. Jupiter and Raydium remained key "pick and shovel" projects, providing essential liquidity as on-chain volumes increased. Notably, in the RWA private credit sector, Maple Finance and Credix saw impressive growth, with TVL increases of 366.2% and 168.0%, respectively.

Base's DeFi TVL reached an all-time high of US\$2.7B. This growth can be attributed to the increased activity on Base, with over 166.5 million monthly transactions and a significant rise in monthly DEX trading volumes, hitting US\$26.8 billion which is a 83.6% increase from September. Aerodrome, the native decentralized exchange (DEX) benefitted substantially, experiencing a 23.8% increase, surpassing US\$1.4B in TVL, dominating 50.9% of Base's DeFi market share. In the lending sector, the largest lending protocol on Base known as Morpho Blue saw a notable 69.8% increase in TVL as the modular lending primitive began to gain traction.

Aptos' DeFi TVL approached US\$866.5M as a strong rotation of capital into Move-based chains was observed. Native DeFi projects like Aries Markets (lending), Amnis Finance (liquid staking), and Thala (a DeFi hyperapp with AMM, CDP, and LST primitives) experienced significant growth in TVL across the board. Echo Protocol, a BTC yield and liquid restaking protocol, was a standout performer, gaining over US\$152 million in October.

## 2.2 Non-Fungible Tokens (NFTs)

**Figure 4: Monthly NFT trading volume**



Source: CryptoSlam  
As of October 31, 2024

In October, the NFT market experienced a 15.8% increase in total sales volume, reaching the US\$350 million mark. This marks the first month-over-month increase since March 2024, after a six-month decline.

On Ethereum, prominent collections had mixed sales performance: CryptoPunks saw a volume decline of 39.8%, while Bored Ape Yacht Club and Pudgy Penguins rose by 42.5% and 22.7% respectively. Significant volume gains were observed in meme collections like Milady Maker, which increased by 144.1%, Project AEON by a remarkable 1667.4%, and Sproto Gremlin by 1008.1%. Bitcoin Ordinals saw a strong resurgence in volume across key collections. Bitcoin Puppets rose by 72.1%, Ordinal Maxi Biz by 36.4%, and Based Angels by an impressive 865.2%, though NodeMonkes experienced a 19.2% decline.

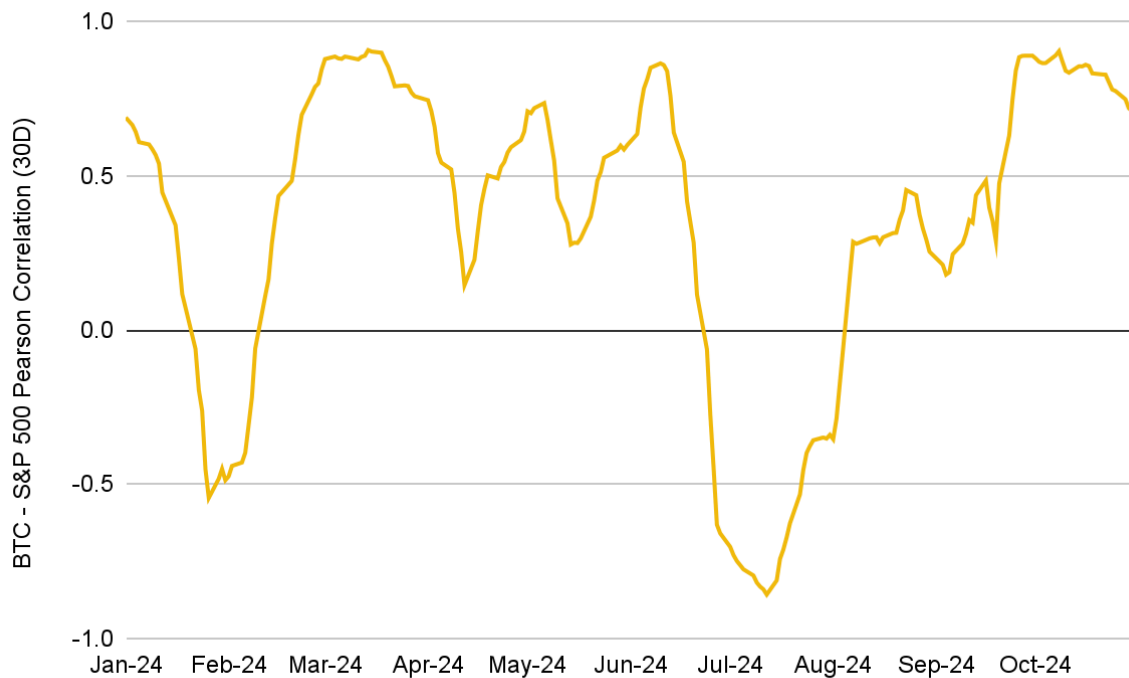
Despite these gains, major blockchains like Bitcoin, Ethereum, and Solana saw overall sales volume reductions of 34.5%, 28.4%, and 23.7%, respectively. However, other chains such as Mythos, Algorand, and Fantom reported significant increases in sales volume — Mythos by 136.0%, Algorand by 335.1%, and Fantom by 195.5%. With a positive outlook for the crypto market, the NFT sector appears to be showing some signs of revival.



## Charts of the Month

### Bitcoin and S&P 500 Correlation Nears All-Time Highs

**Figure 5: The correlation between Bitcoin and the S&P 500 is nearing all-time highs as risk-on appetite increase**



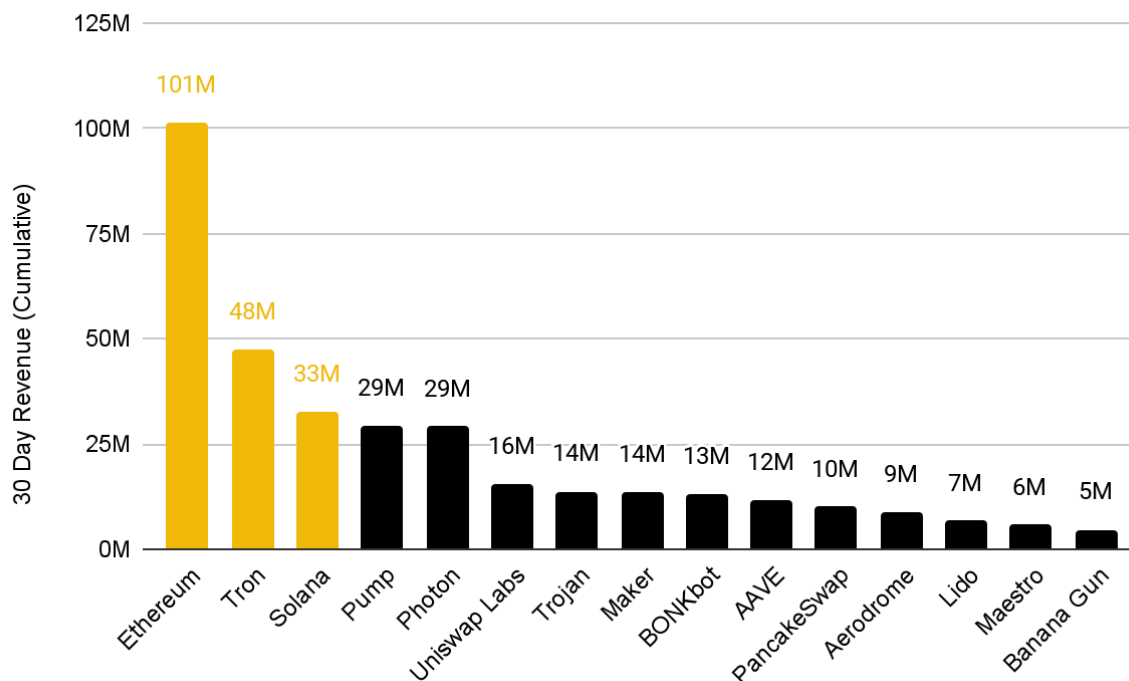
Source: The Block, Binance Research  
As of October 31, 2024

Historically, Bitcoin maintained a weak relationship with U.S. equity indices, underscoring its appeal as a hedge against traditional market volatility. However, this trend recently appears to be shifting as Bitcoin's correlation to the S&P 500 nears an all-time high. This shift reflects evolving investor sentiment, where Bitcoin is increasingly seen both as a risk-on asset and a potential hedge against macroeconomic uncertainties.

This higher correlation first emerged amid rising global interest rates, resurfacing once more with the launch of spot Bitcoin ETFs. As markets began anticipating rate cuts, it also drew more TradFi players in. While Bitcoin has shown brief correlation spikes — especially during sudden shifts in market liquidity or U.S. dollar real interest rates, these instances have generally been short-lived. If Bitcoin's correlation with equity markets deepens, it could reduce its effectiveness as an independent hedge and portfolio diversifier, which is key to its role as an alternative asset class. This highlights the importance of this metric, particularly as we await clarity on whether these trends will persist in the long run.

## Application Revenues Are on the Rise, Signaling Real Adoption

**Figure 6: Application revenues are gaining market share against infrastructure revenues, with 13 of the top 15 protocols being applications**



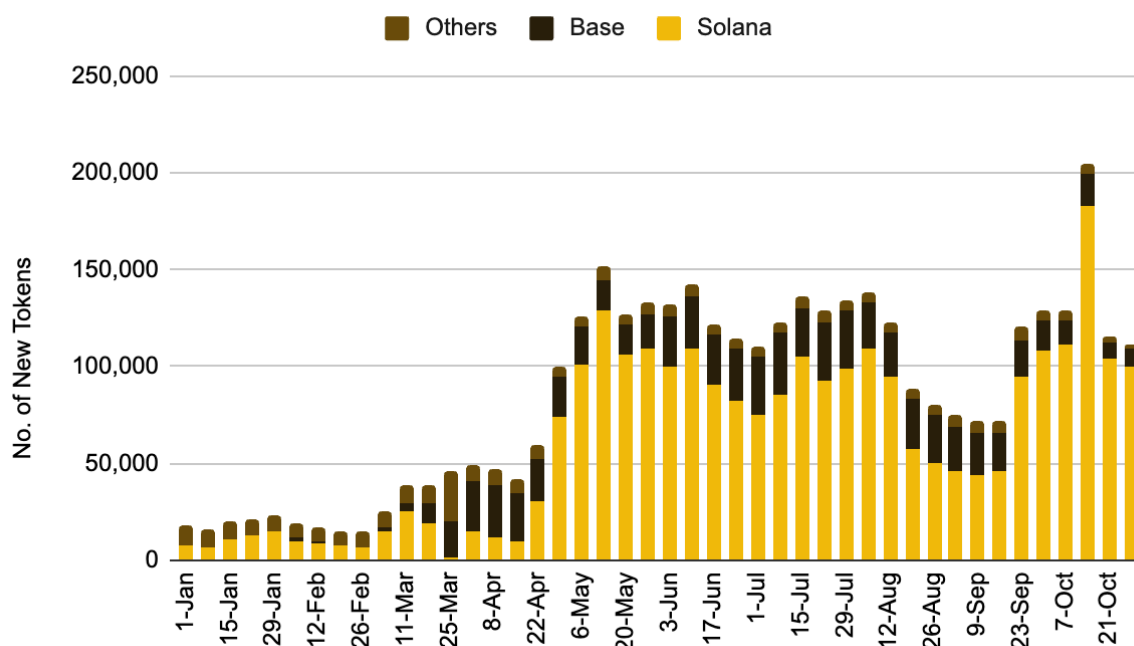
Source: DefiLama, Binance Research  
As of October 31, 2024

We have seen a steady rise in usage of applications in recent months, whose revenues have begun to outstrip all but the three most popular infrastructure projects. Out of the 15 top projects by revenue, 12 are on-chain applications. The combined 30 day revenue of these 12 equates to US\$164M, almost equal to the combined revenue of the top three infrastructure projects, which sit at a total of US\$182M. This could be taken as an early indication that perhaps in the future, user-facing applications and services may capture a large proportion of revenue share. As the industry continues to mature, observing the revenue ratios between infrastructure and applications will shed light on which crypto assets are accruing the most revenue capture in the long run.

With the plethora of infrastructure projects being launched in the form of new Layer 1s and 2s, a question being debated is whether the industry is overfunding these initiatives. While infrastructure is vitally important, applications that achieve product-market fit play a crucial role in bringing new users into our still-burgeoning industry.

## Solana Hits A Record in New Token Launches

Figure 7: Solana accounted for 90.6% of new weekly token launches in October



Source: The Block, Binance Research  
As of October 31, 2024

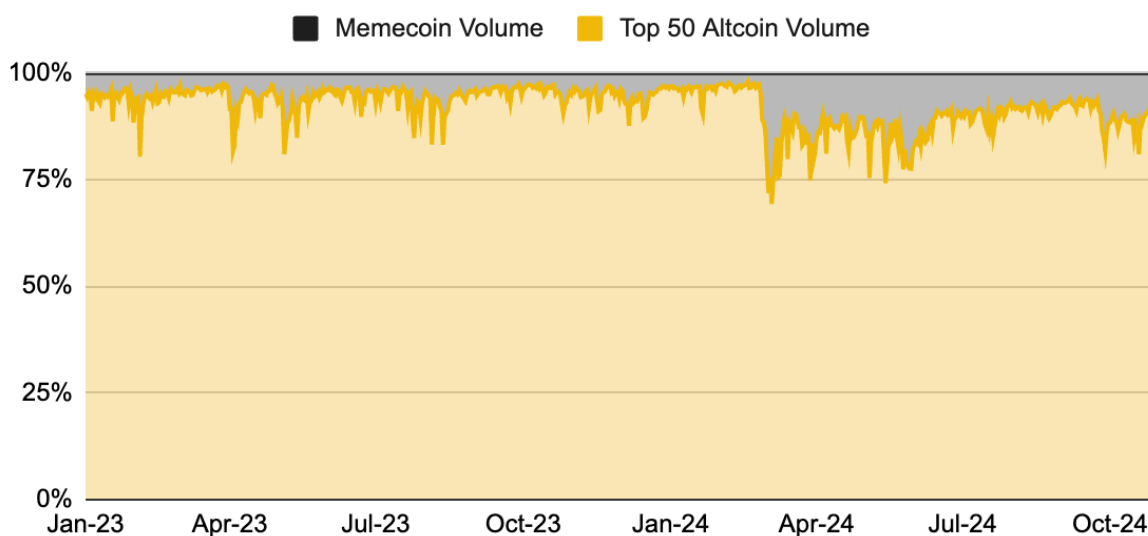
Solana has firmly established itself as the leading blockchain for new token launches, consistently outpacing other blockchains. Since January, Solana has maintained a dominant presence in this sector, bolstered by the surge in popularity of memecoins and the launch of the memecoin launchpad pump.fun. Platforms like pump.fun have democratized the token creation process, making it more accessible than ever for users to participate in the crypto economy by significantly lowering the barriers to entry for users to create and launch their own tokens. This has sparked a surge in speculative activity and drove the proliferation of new tokens on the Solana network.

The ease of token creation has fueled a frenzy of speculative activity, with Solana capturing a record 90.6% of all weekly token launches for the week ending October 21 — an all-time high for the chain. While Solana leads the pack, other blockchains like Base have also seen significant activity, though they trail Solana by a considerable margin. In general, Base accounts for less than 20% to 30% of weekly token launches.

On a year-to-date basis, over 3.7M tokens have been launched on decentralized exchanges, with Solana accounting for 2.7M (72.6%) of them, and Base accounting for 723K (19.3%).

## Memecoins Demonstrate Strong Volume Growth

Figure 8: Memecoins' volume share relative to the top 50 altcoins is up >100% in 2024



Source: CoinMarketCap, Binance Research  
As of October 31, 2024

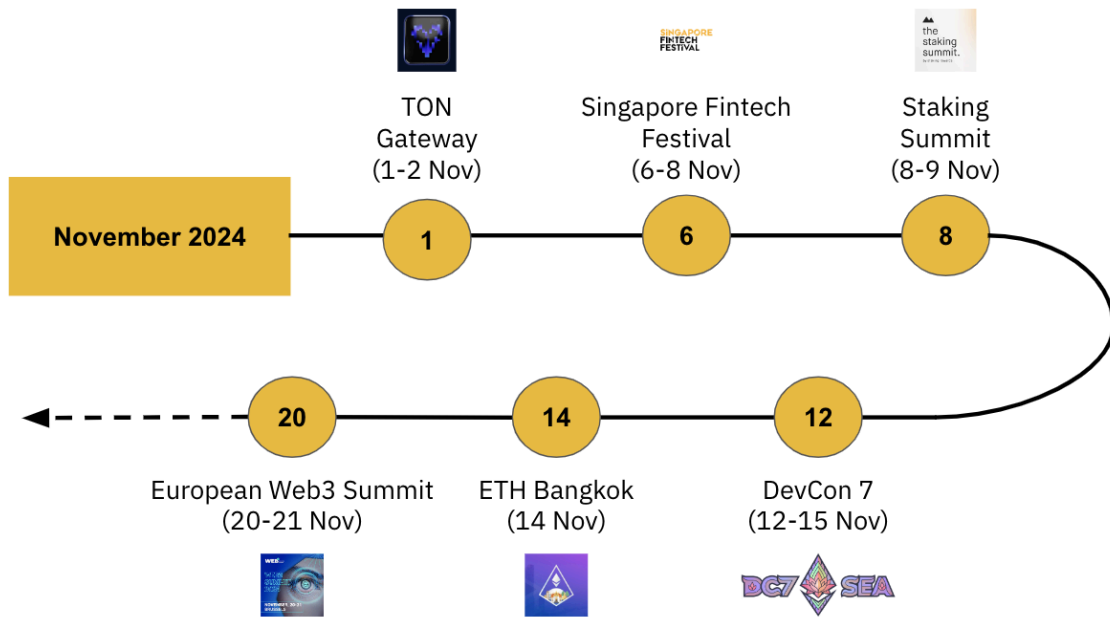
Memecoins saw strong activity in October, with four out of the top five performing tokens over the last 30 days being memes. Memecoin's share of trading volume relative to the top 50 altcoins (by market capitalization) has also steadily increased, from ~6% in 2023 to upwards of 12% in 2024 so far. On certain days, this number has also exceeded 20%. In terms of underlying numbers, memecoins have averaged ~US\$5B in daily trading volume since February.

Year-to-date performance has also been strong, with four out of the five top performers in the top 100 tokens by market capitalization, being memecoins. This demonstrates their significant outperformance compared to many traditional altcoins. What is driving this level of popularity?

There are two main factors to point out here. Firstly, we have their perceived "fairness", especially when compared to traditional venture capital (VC)-backed tokens. Many VC tokens have allocations biased towards insiders, with various cycles of token unlocks. Memecoins typically have all of their supply circulating and no future unlocks, which is seen as fairer by the market. However, we should note that many so-called "memecoin cabals" exist and certain tokens might be closer to the VC-backed meta than the market might think. There is also the concept of accessibility. Many memecoins are focused around cute animals or famous Internet memes. This instantly creates a larger potential target market, compared to the newest layer-2 or middleware altcoin. Only time can tell if memecoins can sustain this volume and potentially even grow it as we head into the final two months of the year.

# 4 Upcoming Events and Token Unlocks

Figure 9: Notable Events in November 2024



Source: Binance Research, Itez

Figure 10: Largest token unlocks in US\$ terms

PROJECT	TOKEN	UNLOCK IN US\$ EQUIVALENT	% OF SUPPLY	UNLOCK DATE
	SUI	165.22M	2.97%	4 Nov
	APT	110.16M	2.18%	13 Nov
	OP	56.14M	2.56%	1 Nov
	ARB	52.03M	2.32%	17 Nov
	IMX	44.63M	1.98%	2 Nov
	CHEEL	30.5M	4.71%	11 Nov
	STRK	25.27M	3.29%	16 Nov
	ZKJ	17.97M	17.00%	20 Nov
	APE	16.91M	2.12%	18 Nov
	CFX	13.3M	1.93%	10 Nov

Source: CryptoRank, Binance Research

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# New Binance Research Reports



## Understanding the Rise of Memecoins

An analysis of the novel, exciting, and speculative world of memecoins



## Spot ETFs in Crypto Markets

An in-depth analysis of Spot ETFs and their impacts on the crypto markets



## Overview of Stablecoin Regulation

An overview of the various stablecoin and regulation frameworks around the world



## Monthly Market Insights - October 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.



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### 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.



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### Macro Researcher

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