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# Key Takeaways

- ◆ The crypto market saw a modest uptrend in March, ending the month with a 16% increase in total market capitalization. Notably, Bitcoin reached an all-time high, touching US\$73,000 twice before experiencing a sharp retracement, with the lowest point at US\$60,000. In the latter half of March, capital inflows into spot BTC ETFs slowed, especially during the week of March 18. However, with over US\$12B in net inflows since their inception, periodic outflows don't necessarily indicate a market reversal; longer-term observations are needed to establish trends.
- ◆ Average daily net flows for the spot Bitcoin ETFs were US\$98M in January, US\$287M in February, and US\$231M in March. March also saw two of the highest inflow days recorded so far, with over US\$1B and US\$680M in inflows on March 12 and 13. This has helped bring total net flows to over US\$12B. This has also coincided with Bitcoin breaking its all-time high and trading as high as US\$73K earlier in March. With the Bitcoin halving coming up in April, it will be interesting to see how ETF flows and prices evolve from here.
- ◆ Ethereum's Dencun upgrade went live on March 13. The introduction of EIP-4844 (a.k.a. proto-danksharding) has resulted in a dramatic decrease in transaction fees on layer-2s ("L2s"). Median L2 gas fees have fallen by as much as 96.8% post-Dencun.
- ◆ Trading volumes on Solana's Decentralized Exchanges ("DEXes") increased by more than 224% month-over-month ("MoM"), at times even outpacing Ethereum to become the highest-volume network on several days in March. The significant uptick in activity has been driven by the rising popularity of meme coins on the network.
- ◆ Stablecoin yield opportunities have been on the rise. In response, MakerDAO increased the Dai Savings Rate ("DSR") from 5% to a high of 15%, cushioning against potential DAI demand shocks. Following the rate hike, DAI deposits have grown past US\$1.6B, reflecting a 39.6% increase and reversing much of their previous decline.

## Crypto Market Performance

The crypto market saw an uptrend in March, ending the month with a 16.3% increase in total market capitalization. Notably, Bitcoin reached an all-time high, touching US\$73,000 twice before experiencing a sharp retracement, with the lowest point at US\$60,000. Regarding spot BTC ETFs, the latter half of March showed a slowdown in capital inflows, evident in the week of March 18th. Nevertheless, since their launch, spot BTC ETFs have seen significant net inflows of over US\$12B. Hence, periodic outflows don't necessarily signify a market reversal, and longer-term observations are needed to establish trends. Moving into April, we are less than 20 days away from Bitcoin Halving, one of the most anticipated events in our industry. The market will likely shift its focus towards Bitcoin and related narratives, with volatile price action expected.

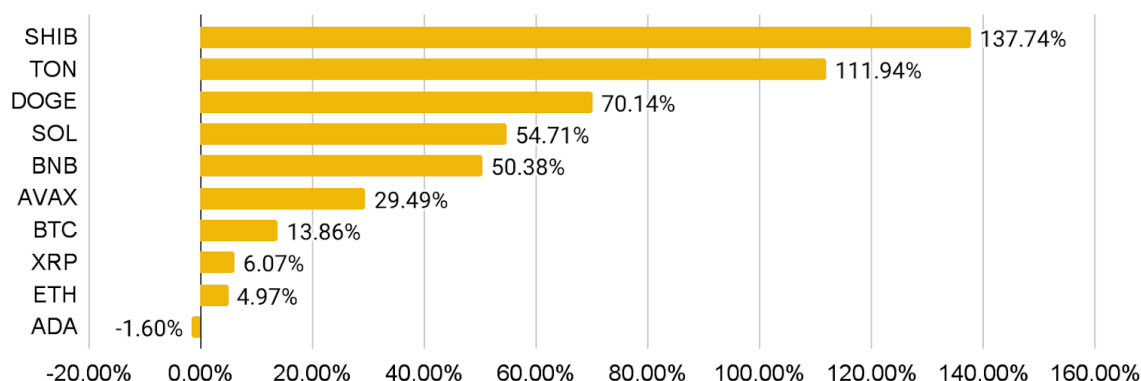
**Figure 1: Monthly crypto market capitalization increased by 16% in March**

**Monthly Change in Crypto Market Cap (%)**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2024	0.4	40.0	16.3									
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 March 31, 2024

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



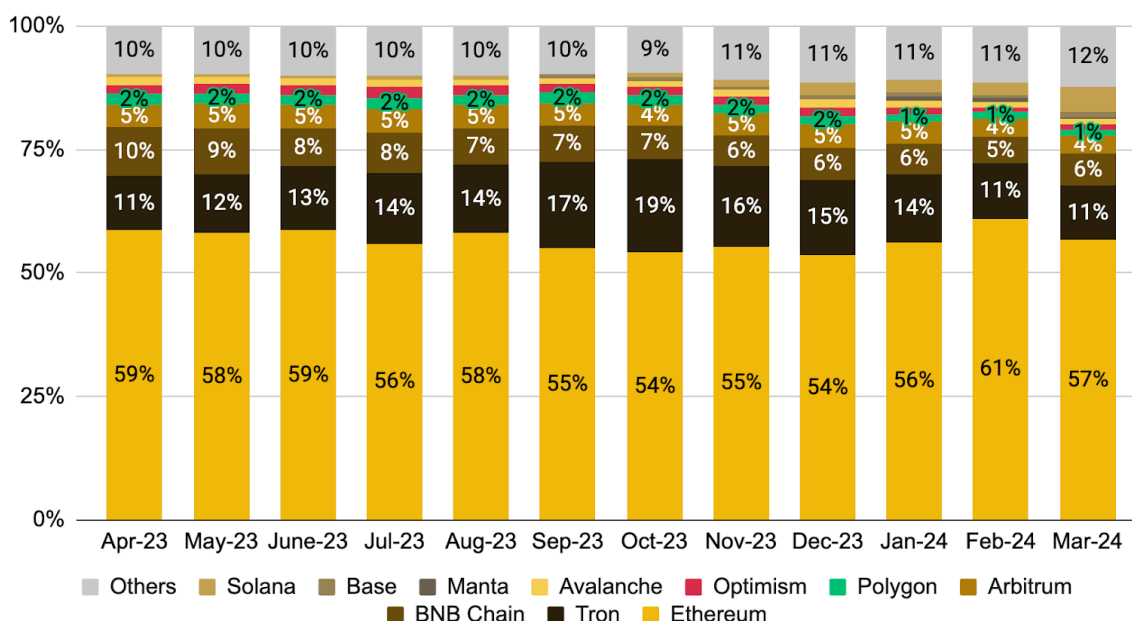
Source: CoinMarketCap  
As of March 31, 2024

In descending order of performance:

- ◆ Most of the top ten cryptocurrencies experienced positive price action in March, continuing the market's upward momentum from previous months. SHIB, TON, and DOGE led the way with MoM gains of 137%, 112%, and 70%, respectively. In recent months, meme coin trading has emerged as a major narrative, thanks to the immense popularity these tokens have gained across various networks, such as Solana and Base. Factors like significant price volatility and low unit bias have driven traders to speculate on these coins. Meme coins such as SHIB and DOGE, which already possess significant market capitalization, also witnessed notable MoM gains of 137% and 70%. TON, after experiencing a prolonged period of consolidation, regained its momentum in March, returning to the list of top ten coins (excluding stablecoins). Noteworthy developments for Telegram in March included the company mulling over an IPO as its user numbers surged and the TON Foundation's US\$115M community rewards program, which is set to distribute 30M \$TON to ecosystem projects and users.
- ◆ SOL and BNB showed notable gains, ending the month with a price increase of 54% and 50%, respectively. SOL delivered an impressive performance in March, hitting an all-time high in market capitalization. Additionally, Solana's decentralized exchange ("DEX") volume reached a new record of US\$74.5B. AVAX also had an outstanding month, culminating in an MoM gain of 29%. BNB's strong performance in recent months has been driven by Binance Launchpool events.
- ◆ BTC experienced a gain of 13% in March, with its price reaching an all-time high of US\$73,000 twice. ETH, XRP, and ADA were on the lower end of performance. ETH and XRP saw a 6% and 5% gain, respectively, whereas ADA experienced a decrease of 1.6%.

## Decentralized Finance (“DeFi”)

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



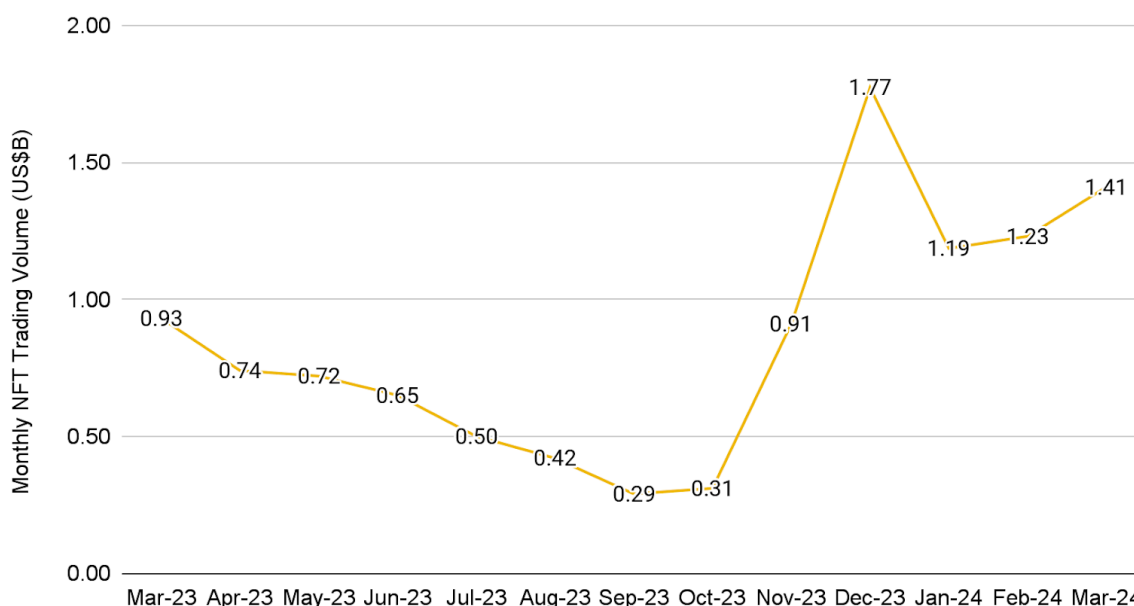
Source: DeFiLlama  
As of March 31, 2024

March saw the DeFi market continue its uptrend in TVL, posting an MoM gain of 14%. Among the top ten chains, Solana and Base stood out, recording increases of 94% and 143%, respectively. Solana’s DEX volume hit a record high of US\$60B in March — the highest monthly DEX volume for the network, largely driven by a frenzy surrounding meme coins, including \$BOME and \$SLERF, which sparked a pre-sale trend on Crypto Twitter. A similar trend occurred on Base, with its DEX volume also reaching a record high of US\$7.82B, helped in large part by popular meme coins like \$DEGEN and \$TYBG. As meme coin trading heats up on Base, the potential of these coins to drive adoption of the network has become a popular topic of discussion on Crypto Twitter.

Moving into April, a key DeFi event to watch will be the token launch of Ethena, a synthetic dollar protocol, on April 2. Since its mainnet public launch on February 19, Ethena has grown tremendously. It became the highest-earning protocol in the industry, and the supply of USDe, Ethena’s synthetic dollar, has grown to over US\$1.3B. The token launch will be a significant milestone for the protocol, and it will be interesting to see how supply-demand dynamics around USDe evolve in the coming months with the Ethena (\$ENA) token entering the liquid market.

## Non-Fungible Token (“NFT”)

**Figure 4: Monthly NFT trading volume**



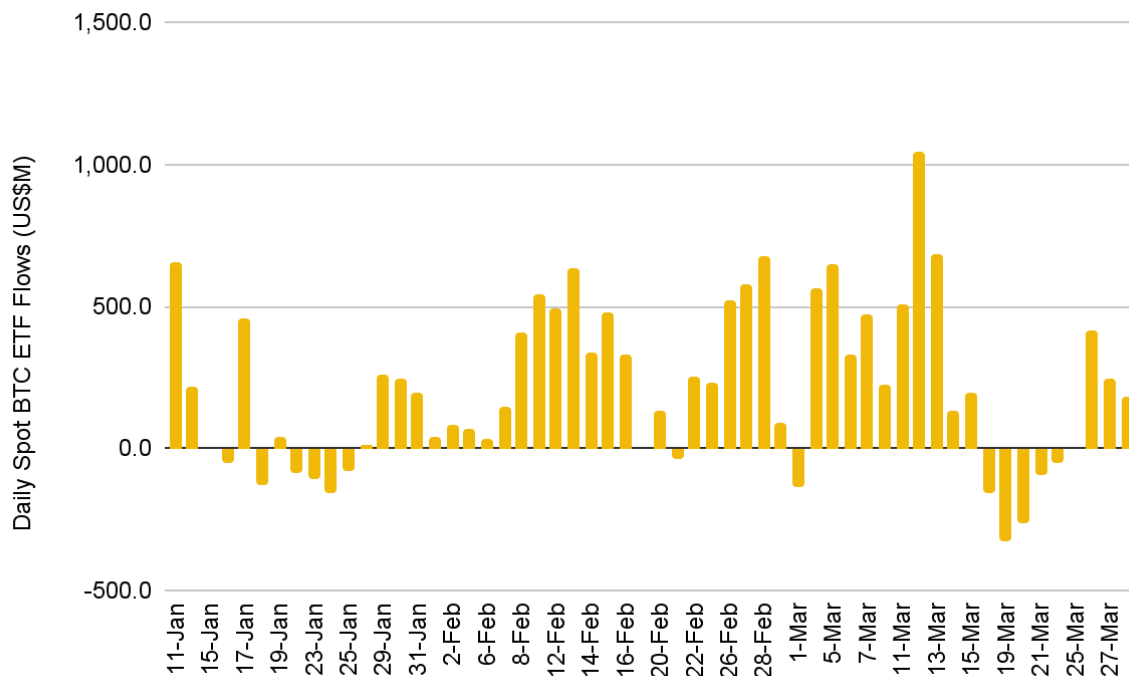
Source: CryptoSlam  
As of March 31, 2024

The NFT market experienced an uptick in March, with a total sales volume of US\$1.41B, marking a 14.6% increase from February. Notably, Bitcoin collections, such as Ordinals and NodeMonkes, saw a significant surge in sales volume, with an MoM increase of 170% and 140%, respectively, making them top-performing sales collections. Contrastingly, the buzz surrounding Pandora, the first NFT collection using the ERC-404 standard, cooled down in March, with the collection’s sales volume reducing by 78%. Mad Lads, a blue-chip Solana NFT collection, witnessed a notable increase in collector interest, ending the month with a total sales volume of US\$35M, ranking fifth among all collections. In terms of NFT sales volume across top chains, Bitcoin led with a sales volume of US\$514M, followed closely by Ethereum with US\$489M, and Solana with US\$243M, with all other chains recording volumes substantially lower than the top three.

## Charts of the Month

### Spot ETF Inflows Continue as Bitcoin Breaks All-Time High

**Figure 5: Spot BTC ETF flows are now over US\$12B**



Source: Twitter (@JSeyff), Binance Research  
As of March 28, 2024 (last trading day in March)

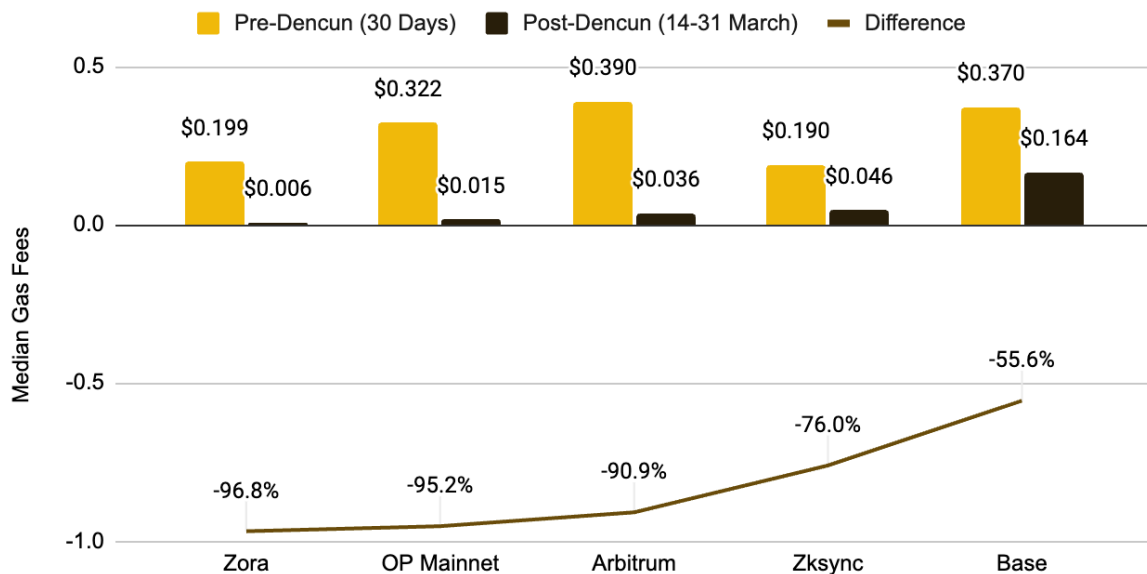
Flows for the spot bitcoin ETFs have been rising since the approval earlier this year, with average daily net flows of US\$98M in January, US\$287M in February, and US\$231M in March. March saw two of the highest inflow days recorded so far, with over US\$1B in inflows on March 12 and over US\$680M on March 13. This has helped bring total net flows to over US\$12B.

Regarding individual players, Grayscale's GBTC has continued to see outflows (nearly US\$15B since January), while BlackRock's IBIT and Fidelity's FBTC have seen inflows of over US\$13B and US\$7B, respectively. Ark Invest's ARKB and Bitwise's BITB have also seen significant inflows (US\$2.3B and US\$1.6B, respectively), while the other new ETFs have seen inflows ranging from US\$60M to over US\$450M.

March also saw Bitcoin break its previous all-time high of US\$69K when it traded at over US\$73K during the middle of the month. The market has since consolidated a price of around US\$70K per bitcoin. With the next Bitcoin halving coming in April, it will be interesting to see how ETF flows and Bitcoin's price evolves from here.

## Ethereum's Dencun Upgrade Lowered L2 Fees Significantly

Figure 6: L2 transaction fees declined by as much as 96.8% post-Dencun



Source: Dune Analytics (@21co), Binance Research  
As of March 31, 2024

Ethereum's Dencun hard fork went live on March 13, introducing nine changes to the network. Notably, the update implemented EIP-4844 (a.k.a. proto-danksharding), allowing users to benefit from lower gas fees on L2 transactions. This is a major milestone for Ethereum's road to scalability and lays the groundwork for [danksharding](#) in the future.

EIP-4844 introduced "blobs," which provide L2s with a more gas-efficient way to post transaction data. Blobs store the bulk of data off-chain and employ a pricing mechanism called "blob gas" that operates independently from Ethereum's gas market. Additionally, data is stored temporarily for around two weeks rather than permanently.

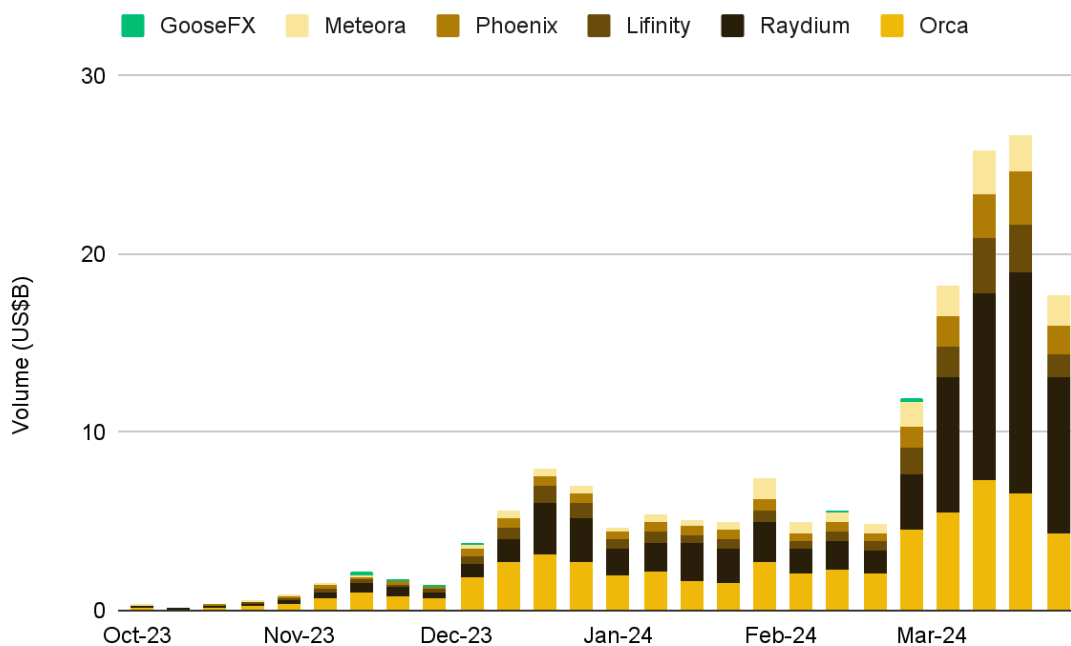
With the rollout of the EIP-4844, L2 transaction fees have fallen significantly across the board. Referring to Figure 6, median gas fees have fallen by as much as 96.8% post-Dencun, now costing less than US\$0.1 on most L2 networks. Base's relatively higher fees, compared to the rest of the L2s, are a result of heightened blockspace demand in recent weeks. Compared to pre-Dencun levels, daily transactions on Base spiked as much as 5 times higher to [2.3M on March 30](#) as on-chain activity soared.

While future increases in blockchain demand and on-chain activity should drive transaction fees higher over time, the Dencun upgrade has nevertheless provided a critical boost to the scalability of L2s.



## Solana DEX Volumes Reach New Heights

**Figure 7: Volumes on Solana's DEXes surged by more than 224% MoM, outpacing Ethereum to become the highest-volume network on several days in March**



Source: Dune Analytics (@ilemi), Binance Research  
As of March 31, 2024

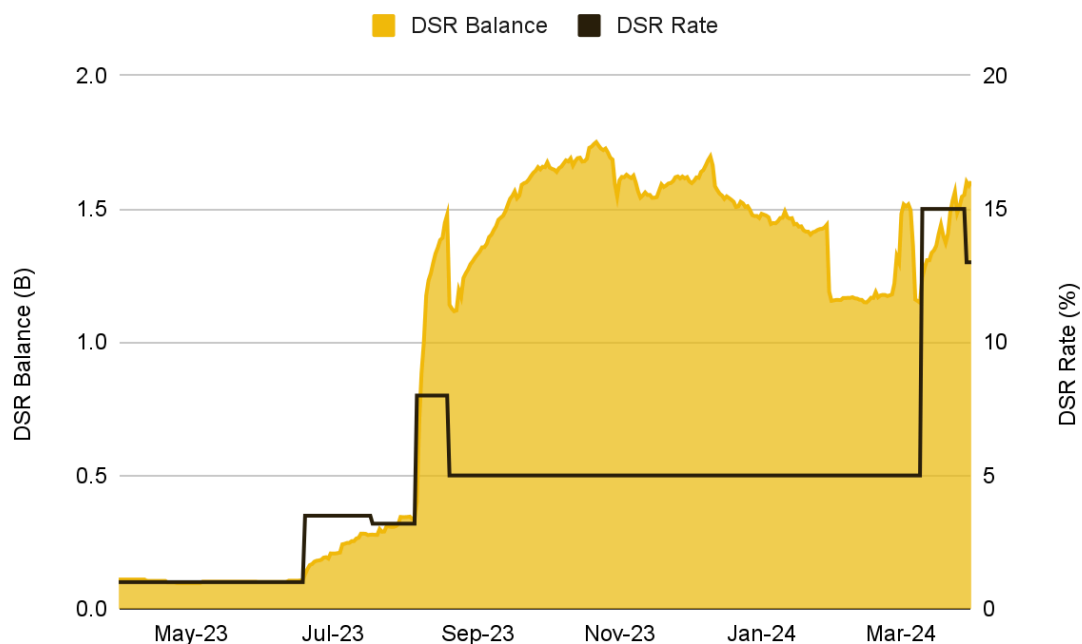
Solana saw impressive growth throughout March, not only achieving an all-time high in market capitalization but also reaching new heights in terms of DEX trading volumes. With an MoM increase of over 224%, totaling US\$88.4B and averaging US\$22.1B weekly, Solana even surpassed Ethereum in daily volumes on several occasions this month.

The significant uptick in Solana's activity can be attributed to the rising popularity of meme coins on the network. Users are drawn to its low transaction fees, cohesive product suite free from fragmentation, and improved trading tools, making Solana an attractive hub for meme coin trading. The network has benefited from the rallies of several notable meme coins, which have brought a wave of new users and liquidity into the Solana ecosystem by capturing the "attention economy." Additionally, the distribution of points and airdrops has generated recurring demand for the network, directly impacting DEX activity. This increased volume has been absorbed by Solana's growing list of top-tier DeFi protocols.

Raydium emerged as a primary beneficiary, surpassing Orca to become Solana's largest DEX by volume in March, accounting for over 49% of Solana's DEX market share. Nevertheless, the standout player is Jupiter, Solana's main DEX aggregator, which channels a substantial portion of the trade volume. Jupiter provides materially better trading routes for users, offering experiences that are similar to centralized exchanges ("CEXs") and supporting a range of attractive trading tools, with dollar-cost averaging ("DCA") especially gaining traction.

## MakerDAO Increases Dai Savings Rate

**Figure 8: Following the DSR hike, DAI deposits have surpassed US\$1.6B, reflecting a 39.6% increase and reversing much of their previous decline**



Source: Dune Analytics (@steakhouse), Binance Research  
As of March 31, 2024

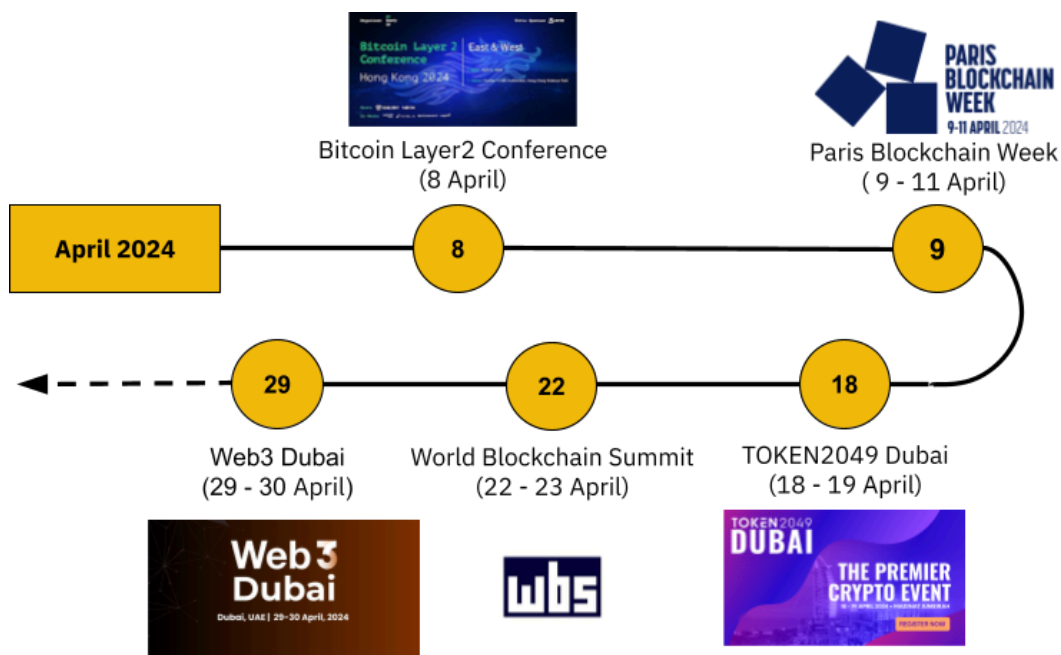
On March 8, MakerDAO swiftly approved a governance proposal to raise both the stability fees and the Dai Savings Rate (“DSR”), notably increasing the DSR from 5% to 15%. This strategic move was designed to cushion against potential DAI demand shocks arising from general market volatility and increasing competition within the stablecoin sector.

Stablecoin yield opportunities have been on the rise, highlighted by Aave’s USDC rates hitting new peaks and Ethena’s USDe offering around 30% in yields. Ethena in particular has encroached on DAI’s market share, reflecting the current market trend of users flocking toward protocols that provide the most attractive rates and incentives. Following the DSR hike, DAI deposits have risen to exceed US\$1.6B, a growth of 39.6%, reversing much of their previous decline. Moreover, DAI saw unprecedented demand on SparkLend, its main lending protocol, after maxing out its 1.5B DAI debt ceiling. This led to a proposal to expand the debt ceiling to 2.5B DAI, enabling SparkLend to accommodate increased demand for DAI with further market growth.

Amid these developments, MakerDAO is also in the process of reinventing itself. As part of its ambitious “Endgame” roadmap, Maker will introduce new infrastructure to its ecosystem with a comprehensive revamp of its tokenomics and governance mechanisms. While this transition may temporarily shift attention away from its stablecoin, it promises to enhance DAI’s utility in the long run, placing it in a better position to compete with some of the larger centralized players.

## 4 Upcoming Events and Token Unlocks

Figure 9: Notable events in April 2024



Source: Binance Research

Figure 10: Largest token unlocks in US\$ terms

PROJECT	TOKEN	UNLOCK IN US\$ EQUIVALENT	% OF SUPPLY	UNLOCK DATE
APTOS	\$APT	\$405.68M	6.25%	12 Apr
ARBITRUM	\$ARB	\$143.60M	3.49%	16 Apr
STARKNET	\$STRK	\$129.28M	8.79%	15 Apr
AXIE INFINITY	\$AXS	\$109.78M	7.61%	17 Apr
IMMUTABLEX	\$IMX	\$97.79M	2.40%	19 Apr
OPTIMISM	\$OP	\$83.83M	2.40%	29 Apr
SUI	\$SUI	\$67.50M	2.67%	3 Apr
MANTA NETWORK	\$MANTA	\$42.15M	6.00%	18 Apr
PIXELS	\$PIXEL	\$36.97M	7.05%	19 Apr
Echelon Prime	\$PRIME	\$35.98M	4.44%	30 Apr

Source: Token Unlocks, Binance Research

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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 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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## **Shivam Sharma**

### **Macro Researcher**

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## **Brian Chen**

### **Macro Research Intern**

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