



The State of USDC

SEPTEMBER 2018–JANUARY 2019



The State of USDC

TRANSFERRED ON-CHAIN

5.5B+

TRADED ON EXCHANGE

1.6B+

TOTAL TRANSACTIONS

86,000+

CIRCULATING SUPPLY

300M+

TOTAL REDEMPTIONS

~250M

TOTAL ISSUANCE

550M+

WALLETS

8,000+

ECOSYSTEM SUPPORTERS

~100

COUNTRIES SUPPORTED

75

After its launch in September, USDC quickly became the second largest stablecoin by market cap and a top 20 crypto asset. With over \$300M in circulation and nearly 100 ecosystem supporters, USDC has emerged as a preferred option for traders, crypto companies and institutions including market makers, liquidity providers, exchanges and OTC desks.

In this report, we'll detail why USDC has grown so quickly and why it has become the preferred option for many across the crypto ecosystem.

GET USD COIN



BUY FROM CIRCLE



BUY FROM COINBASE

Crypto exchanges and OTC desks drive USDC adoption

As of January 31, 2019, over 5.5B (5,539,841,412.24) USDC has been transferred via the Ethereum blockchain with over 86,000 (86,632) transactions completed on-chain. Over 550M (556,179,473.97) USDC has been issued with nearly 250M (248,385,750.32) USDC being redeemed by retail and institutional users.

This initial usage and demand was fueled by:

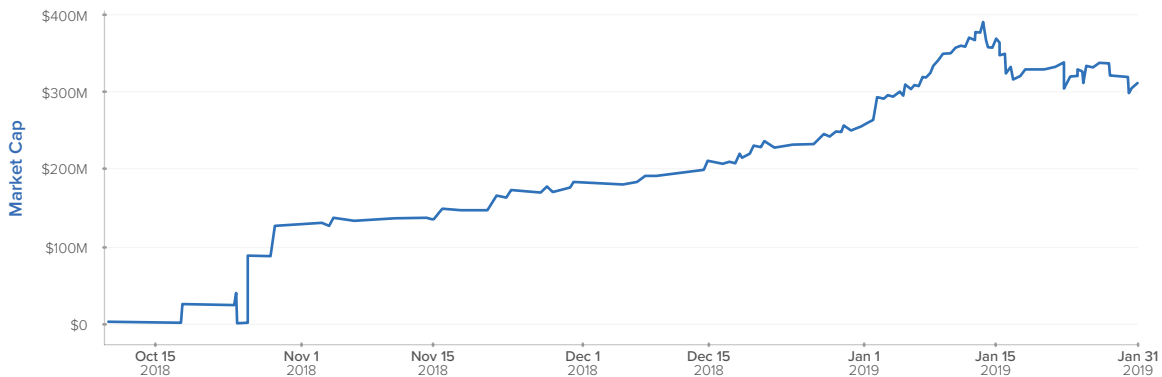
- Integration across major global crypto exchanges and availability from crypto OTC desks
- Adoption from institutions and market makers that trade within the global crypto markets

USDC is currently being held in over 8,000 individual addresses, including the wallets of leading exchanges that custody the stablecoin for hundreds of customers. By the end of January, over 1.6B USDC had been traded on cryptocurrency exchanges across the globe.

USDC has become a superior tool for institutions and large traders to move funds across markets and execute various crypto-to-crypto trading strategies.

USDC MARKET CAP

Source: coinmarketcap.com
as of Jan 31, 2019



MAJOR EXCHANGES SUPPORT USDC

With Circle and Coinbase partnering to form the **CENTRE Consortium**, USDC was quickly integrated into Circle's Poloniex and Coinbase Pro. USDC also received support from many of the leading crypto exchanges whose operations span the financial hubs of the US, UK, EU, Hong Kong, Korea, Japan and Singapore.

MAJOR EXCHANGES SUPPORT USDC

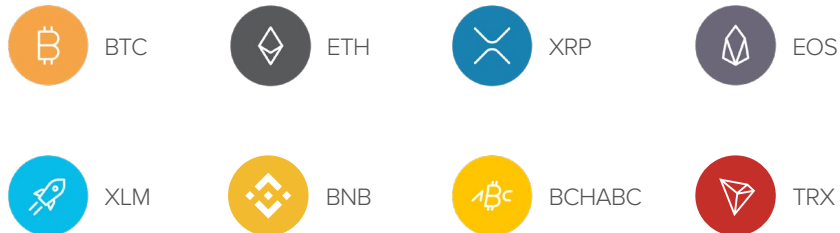
Major global exchanges currently offering USDC trading pairs include:



In addition to USDC pairs being offered on a broad number of global exchanges, USDC was implemented as a quote currency on Poloniex, Coinbase and Binance for major crypto assets - a designation previously occupied mainly by Bitcoin, Ether & Tether.

USDC is currently listed as a quote currency for 20 top crypto assets - those pairs include: BTC/USDC, ETH/USDC, XRP/USDC, EOS/USDC and XLM/USDC. Going forward, we expect to see increased proliferation of USDC's use as a quote currency throughout the crypto markets.

USDC QUOTE CURRENCY PAIRS



LARGE OTC DESKS BOOST CIRCULATION

In addition to broad support from major exchanges, adoption by crypto OTC desks like Circle Trade and Coinbase were a contributing factor in driving USDC demand and usage. Where exchanges are key for distribution across a wide array of users, OTC desks that deal in large volumes (typically \$100K or more) contributed to circulation of USDC at scale.

For OTC desks, USDC was used for faster, cheaper trade settlement. Demand for USDC increased precipitously as the stablecoin began to be more deeply integrated into the exchange ecosystem.

USDC ecosystem grows beyond trading

While USDC's initial success was driven by its availability on major exchanges and adoption by crypto institutions and large traders, the long term vision for CENTRE and USDC goes well beyond trading. In the long run, there is significant opportunity for the application of USDC in lending, commerce, global remittances, Internet-of-Things and usage within a broad range of financial contracts.

As developers all over the world build creative protocols, platforms and applications on top of smart contracts and blockchain infrastructure, we recognize the importance of offering a price-stable asset that is functional and interoperable across these emerging use cases. As such, we worked with developers to integrate USDC into the products and applications that will define the future of open finance.

USDC has seen support from a diverse range of blockchain projects in various stages of development. At present, the total number of USDC ecosystem supporters in the first few months since launch stands at nearly 100.

DEVELOPERS BUILD THE DECENTRALIZED FUTURE ON USDC

Thousands of developers around the world are busy building the future of decentralized finance. We believe that these applications will eventually revolutionize global finance using crypto assets and smart contracts, and many developers have been quick to integrate support for USDC.

USDC ECOSYSTEM SNAPSHOT

LENDING



ONLINE MARKETPLACES



INVESTMENT MANAGEMENT



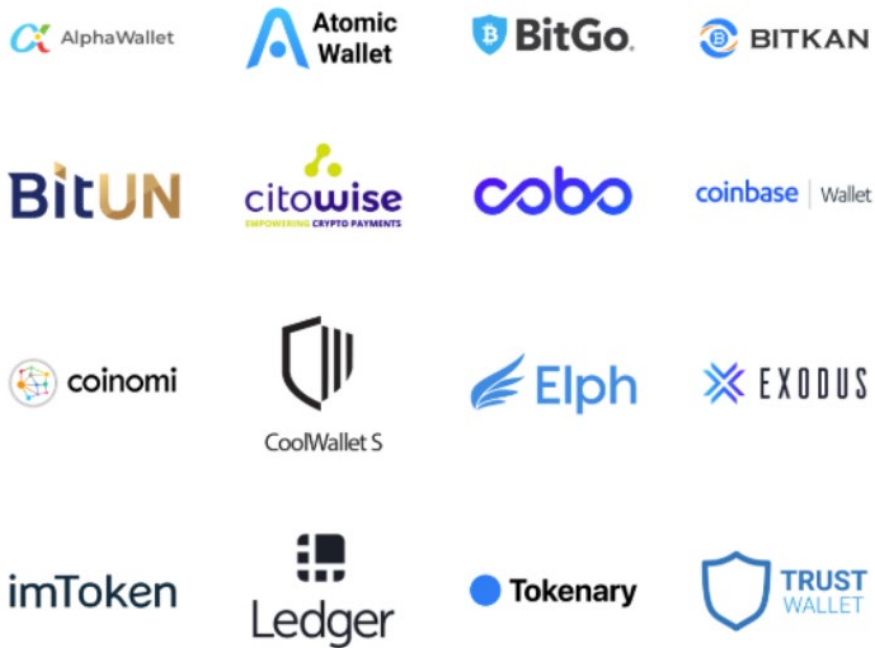
FINANCIAL SUPPLY CHAIN



While these projects differ in scope and objective, all can benefit from a price-stable medium of exchange and a token that can be employed across the various emerging decentralized financial protocols.

CRYPTO WALLETS OPEN FOR USDC

As blockchain-based applications continue to develop and reach mainstream adoption, the way the average consumer will interact with these new applications will be through digital wallets. For USDC to be truly useful within these applications, it needs to be compatible with the various digital wallets that people use to interface with them. As such, we've seen some of the most popular digital wallets add support for USDC.



An open, transparent stablecoin

MULTI-ISSUER MODE

An equally important element to adoption was building USDC with seamless on-ramps for anyone moving from the traditional financial system into crypto markets. CENTRE's unique consortium model allows for multiple points of issuance and redemption through Circle and Coinbase, and eventually others.

After onboarding through Circle's or Coinbase's tokenization service, anyone can send funds directly from over 75 countries. USDC is typically issued within 15 minutes and can then be sent to any supporting exchange or digital wallet. Institutions and retail users who have accounts with both platforms can seamlessly redeem their USDC through either service.

EASY, RELIABLE REDEMPTION

Where the speed and ease of issuance attributed to rapid growth of USDC, the ease with which USDC can be redeemed as fiat currency and the trust that USDC remains backed 1:1 with USD is of equal importance. Through the same methods that institutions and retail traders convert their USD into USDC, they can convert their USDC back into fiat. Since inception, nearly 250M USDC has been redeemed back into fiat by users.

THIRD PARTY ATTESTATIONS ON USD RESERVES

In addition to giving users the confidence that USDC can be easily redeemed, users also need confidence that fiat reserves of USDC are properly maintained. To instill the necessary levels of trust, USDC reserves are attested to on a monthly basis by an independent third party.

The first three USDC attestation reports were released by leading accounting services firm Grant Thornton LLP, attesting to USDC reserves held from inception through December 2018.

[DECEMBER 2018 / CIRCLE - DOWNLOAD REPORT](#)

[NOVEMBER 2018 / CIRCLE - DOWNLOAD REPORT](#)

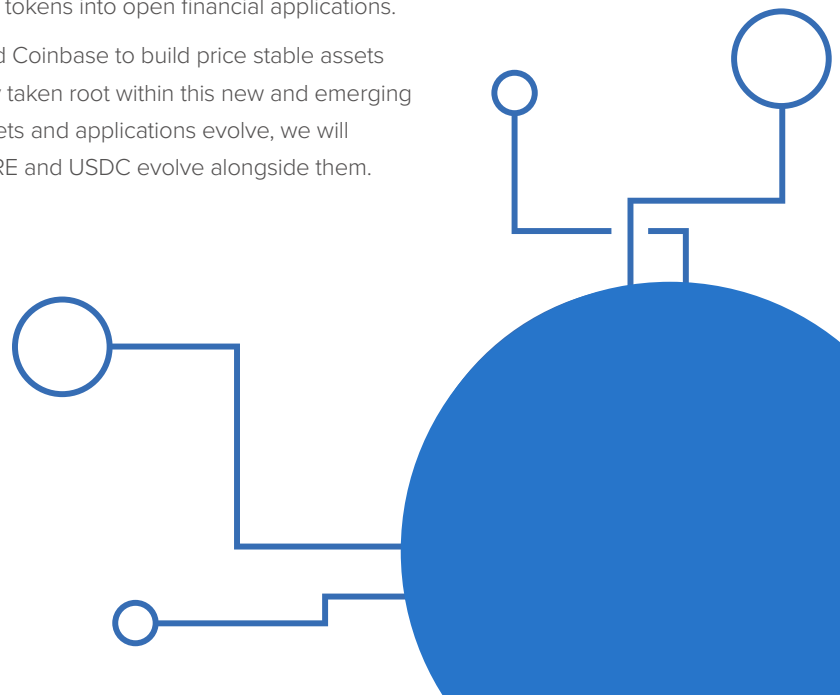
[OCTOBER 2018 / CIRCLE - DOWNLOAD REPORT](#)

USDC reserve attestations will continue to be published on a monthly basis.

What's next for USDC

In the coming years, crypto markets, applications and use cases will continue to integrate themselves into our everyday lives. The CENTRE network will continue to advance in 2019, whether in terms of growing its issuer membership, expanding its range of fiat tokens, optimizing technology for more use cases, or better supporting the integration of fiat tokens into open financial applications.

The early efforts of CENTRE, Circle and Coinbase to build price stable assets backed by fiat currencies have already taken root within this new and emerging global financial system. As these markets and applications evolve, we will continue to work to ensure that CENTRE and USDC evolve alongside them.





The power of the dollar at the speed of crypto

[LEARN MORE](#)



The CENTRE consortium was founded as a joint venture between Circle and Coinbase, aimed at establishing a standard for fiat currencies that work over the open internet. USD Coin is the first fiat stablecoin issued under this model, with CENTRE acting as the governing body that oversees fiat reserves and ensures regulatory compliance of USDC issuers.

CENTRE's consortium model allows industry leaders to work together to define open standards for building a global financial system on crypto rails and blockchain infrastructure using price stable assets. This open model for collaboration helped create significant network effects that attributed to the initial ecosystem adoption USDC experienced to date.

Disclosures

This report has been prepared solely for informative purposes and should not be the basis for making investment decisions or be construed as a recommendation to engage in investment transactions or be taken to suggest an investment strategy in respect of any financial instruments or the issuers thereof. This report has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research under the Market Abuse Regulation (EU) No 596/2014. Reports issued by Circle Internet Financial Limited ("Circle") or its affiliates are not related to the provision of advisory services regarding investment, tax, legal, financial, accounting, consulting or any other related services and are not recommendations to buy, sell, or hold any asset. The information contained in this report is based on sources considered to be reliable, but not guaranteed, to be accurate or complete. Any opinions or estimates expressed herein reflect a judgment made as of the date of publication, and are subject to change without notice. Trading and investing in digital assets involves significant risks including price volatility and illiquidity and may not be suitable for all investors. Circle and its affiliates trade and hold positions in digital assets and may now or in the future trade or hold a position in the asset that is the subject of this report. In addition, employees and other associated persons may trade and hold positions now or in the future in the asset that is the subject of this report. As a result, Circle, its affiliates, and its employees or other associated persons may be subject to certain conflicts of interest in connection with the provision of this report. Circle will not be liable whatsoever for any direct or consequential loss arising from the use of this Information.