

Looking back at 2023: WazirX's POV

Foreword

After a brutal start to the crypto winter in 2022, the industry continued to sustain its efforts and put their best foot forward to keep the ecosystem running in 2023. After a rather lackluster beginning in terms of trading activities, the onset of regulations started showing a much needed silver lining.

From the MiCA framework released in April, Ripple's victory against SEC and finally the much anticipated G20 framework based on the International Monetary Fund-Financial Stability Board joint Synthesis Paper, the industry hopes sprouted as brighter horizons seemed to be on the cards.

As predicted in our 2022 report, regulations did come into being to bring some method into the madness that the industry had fallen upon. Some pathbreaking moves in the ecosystem such as SBF trial and Binance CEO stepping down further strengthened the necessity of a complaint crypto platform across countries who abide by domestic as well as international regulations. The Financial Intelligence Unit also made it mandatory for crypto platforms to abide by their guidelines focussed on AML, mandatory KYC checks, etc. to further streamline the compliance process for domestic players.

The collaboration between WazirX and TaxNodes witnessed some exemplary results as users were able to file their taxes seamlessly while ensuring no errors or information inaccuracy at their end. However, the concern regarding high tax rates continues to remain among investors.

The trend of gifting crypto on special occasions and festivals continued this year despite no significant uptick in trading volumes.

The last week of October kicked off a dynamic momentum in Bitcoin's price fuelled by the anticipation of ETF approval for BTC in January 2024 and the halving of the token in April-May.

After several setbacks and challenges of 2022, 2023 definitely brought some much needed buzz in the industry owing to several positive developments.

User behavior highlights

- WazirX saw trading volume worth around 1 billion in USDT till 30th November 2023. In 2022, the same was \$10B and the year before it was \$43B.
- Around 600,000 new users signed up on the exchange this year.
- The top tokens traded on WazirX were BTC, SHIB, XRP, ETH, TRX, MATIC.
- The states with the highest trading volumes are Tamil Nadu, Uttar Pradesh, Maharashtra, West Bengal and Haryana. The highest number of traders were based in Uttar Pradesh, Maharashtra, Tamil Nadu, Gujarat and Haryana.
- Women traded 22% of all tokens traded on the platform.
- Women in the age group of 21-40 contributed to 83% of the total trading volume by all women users on the platform as compared to men in the age group of 21-40, who contributed to 76% of the total trading volume by all men users on the platform.
- The age group with the highest volume of investments in memecoins were 18-26 and 41-55.
- The top tokens on WazirX saw the highest number of traders in the age group of 26-40.
- In Haryana and West Bengal, female investors surpassed their male counterparts in number of transactions.
- Women's top 5 tokens contribute to 49% of their total trading volume whereas mens top 5 contribute to 37% of their total trading volume.

Insights from 2023 trading activities

1. The top ten tokens on the exchange after USDT which facilitates P2P buying on the platform are as follows in order of volume
 1. Bitcoin (BTC)
 2. Shiba Inu (SHIB)
 3. Ripple (XRP)
 4. Ethereum (ETH)
 5. Tron (TRX)
 6. WazirX (WRX)
 7. Dogecoin (DOGE)
 8. Polygon (MATIC)

9. Gifto (GFT)
10. FTX (FTT)

2. Bitcoin and Shiba Inu remained the top performing tokens by volume on the exchange. WazirX users are known for their affinity towards Shiba Inu as indicated by trends and patterns of the last few years. Bitcoin definitely remains the top token of choice and as the ETF application verdict nears, it is gaining momentum.
3. The trading volume of WazirX mirrored the global Crypto community trends which indicates a baseline knowledge of the ecosystem among investors
4. Sentiments of traders on WazirX continue to be shaped by social media buzz, and sometimes they get affected by market FUD. However, the community has consistently engaged with tokens despite relatively less active market conditions

Month	Popular Tokens on WazirX	Insights
January	Bitcoin Shiba Inu Ethereum Gala	<p>GALA was one of the top performing tokens in the Crypto ecosystem globally. Its partnership announcement with actors Dwayne Johnson and Mark Wahlberg, and subsequent introduction of measures to reduce high cost by revising existing tokenomics, paved the way for its rise. In addition to that, the possible use of GALA tokens for DeFi transactions also boosted trader activity.</p> <p>The traders on WazirX echoed the sentiment as it was the 4th largest token by volume for the month.</p>
February	Shiba Inu Bitcoin Matic Gifto	<p>It was reported this month that MATIC, the native token of Polygon, had the second largest number of users. Whales or high net worth individuals in the ecosystem also started accumulating MATIC. With announcements on various brand partnerships, and zkEVM testnet, it was a popular choice for traders.</p> <p>Gifto token didn't have any significant catalyst for growth apart from their usual announcements on partnerships and enabling</p>

		resale of NFT. However, it went up by 2600% overnight causing a frenzy among traders.
March	Bitcoin Shiba Inu Ethereum Ripple	<p>There were market reports of ETH sell offs leading to the Merge (Shanghai Upgrade) in the month of April. This caused some FUD in the market initially. However, the token did experience a surge in trading volumes in the month in anticipation of the hard fork.</p> <p>Ripple surged in price due to an anticipation among the community that it will win its case against the SEC. Though there were no confirmations on the same, the positive market sentiment and partnership deals of Ripple globally, sustained the price increase of the token in the month, and led to an increase in trading volumes.</p>
April	Bitcoin Dogecoin Shiba Inu Ethereum	<p>Elon Musk continued to have a profound impact on the industry as he briefly changed the Twitter (Now X) blue bird logo to that of Dogecoin. Similar to last year, his endorsement of the token led to an increase in its price by almost 30% and caused a buzz on social media. The traders on WazirX echoed the larger sentiment of the ecosystem and led to DOGE being the second largest traded token by volume on the platform for the month.</p> <p>The Ethereum Merge witnessed a spike in token purchase and a subsequent sell off</p>
May	Bitcoin Tron Shiba Inu Ripple	<p>TRON and USDT are linked since the majority of USDT, about \$46 billion, is issued on Tron. The increasing market cap of USDT. There was a significant rise in USDT minted on Tron as compared to Ethereum. This led to the price surge of TRON and improved trading volumes.</p> <p>Ripple went all in on partnerships and new initiatives in April amidst the SEC lawsuit. The market noise helped them sustain their high trading volumes especially since they launched a platform for issues of CBDCs.</p>

June	Bitcoin Shiba Inu Ripple Tron	TRON continued to witness high trading volumes on WazirX as it was one of the top 4 tokens on the platform by volume alongside Ripple for the second consecutive month. This was due to an improved staking ecosystem, transfer of tokens on the network and other growth plans.
July	Bitcoin Ripple WazirX Shiba Inu	Ripple's landmark victory against the SEC saw a rapid surge in its price after the verdict. It led to a huge spike in trading activities for the XRP token on all platforms globally, including WazirX.
August	Bitcoin Shiba Inu Ripple Ethereum	Application of Ethereum futures ETFs led to a surge in trading for the token.
September	Bitcoin Ripple Tron Shiba Inu	Ripple's price went down after massive gains in July which led to a brief sell off, indicating a rise in trading. TRON's trading volumes were up since it was generating high revenues and growing significantly due to a rise in demand for trustworthy stablecoin transactions. This reflected in its popularity among traders on WazirX
October	Bitcoin Ripple WazirX Shiba Inu	SEC's appeal to contest the loss against Ripple was denied and subsequently led to all charges being dropped against Ripple. This created a wave of positive sentiment in the market, increasing the price of the token and its trading volume.
November	Bitcoin FTT Ripple Shiba Inu	Reports suggesting the acquisition of FTX exchange after its fall by former New York Stock Exchange President perked the hopes of FTT token holders. Following this, the SEC expressed its willingness to support the revival of the exchange if only all regulations were followed. This came as a big surprise to the community which started making use of the price increase through this opportunity, to boost trading activities.

		<p>During the same time, the Grayscale spot Bitcoin ETF was also added as a discussion agency for the SEC and propelled the steady growth of Bitcoin from its long term resistance levels, the signs of which were first noticeable towards the end of October.</p>
December	Bitcoin Gifto Shiba Inu Ripple	<p>Optimistic predictions around Gifto token on social media and its technical indicators have given rise to the GFT token price and many investors are trading this token. There are no news updates from the GFT team for this price surge to take place but the price movements aren't too volatile to indicate a market manipulation either</p>