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## Current Crypto Market in 2022 Q2: Crypto Total Market Cap Fell Below \$1 Trillion

Original:

<https://www.btcc.com/en-US/academy/research-analysis/current-crypto-market-in-2022-q2-crypto-total-market-cap-fell-below-1-trillion>

According to CoinGecko, the largest cryptocurrency aggregator in the world, its Second Quarterly Report for 2022 has just been issued.

The article investigates the [crypto market](#)'s huge losses in the wake of the [Terra collapse](#) and the [Three Arrows Capital \(3AC\)](#) catastrophe. [DeFi](#)'s hegemony was further eroded as markets fell. The crypto total market cap went below \$1 trillion, a decline of 50% since the beginning of the year. As a result of the bear market, even stablecoins, which had a tendency to rise, took a beating. A new intra-year low in NFT trade volumes (-26.2 percent ) was recorded by Magic Eden and X2Y2, although NFT marketplaces such as Magic Eden have taken over more of the market.

"Even if crypto was making progress, the euphoria surrounding it was outpacing that progress. This was never going to last. Despite the fact that market corrections cause collateral damage, they serve to refocus the sector on its true fundamentals "remarked Bobby Ong, CoinGecko's co-founder and chief operating officer. "The ideal time to build is during challenging times."

### Highlights of the Current Crypto Market in 2022 Q2

#### 1. Stablecoins Lost \$34 Billion in Market Value (-18 percent )

In contrast to Q1 when investors de-risked into stablecoins amid market uncertainty, the decline in [stablecoin](#) market share, discounting [USTC](#), shows that some capital has left the crypto ecosystem. Even while Tether was able to hold on to its lead, [USDC](#) gained pace on it. Despite the fact that USTC never regained its peg, it nevertheless managed to hold on to seventh position. FRAX and DAI, on the other hand, both suffered substantial losses in market capitalization, probably because of their poor link with algorithmic stables.

#### 2. 3AC's Dominos Keep Falling in the Liquidation Process

BlockFi, [Voyager](#), and others that invested in [Three Arrows Capital](#) are now also victims of its liquidation, losing a significant amount of money. Even DeFi protocols like Maple Finance, which are vulnerable to third-order effects, were not exempt from the suffering.

[Ethereum](#) partially reclaims TVL dominance, while Avalanche, [Polygon](#), and Solana retain their

respective shares. Terra's TVL shrank to just 5% with the fall of UST and [LUNA](#) in May, and Terra 2.0 has been unable to reclaim the popularity it had before. DeFi TVL as a whole fell by 55% in the third quarter.

### **3. As Markets Fell, DeFi's Hegemony was Further Eroded**

As the rest of the crypto market, DeFi's market value fell from \$142 million to just 36 million in a span of three months. In the wake of the collapse of Terra and its stablecoin (UST), much of the DeFi market capital was lost. Terra ecosystem initiatives and protocols supporting these assets were wiped altogether. It's worth noting that panic spread to other stablecoins, resulting in huge withdrawals of USDT and other algo-based stablecoins being depegged.

Investors are losing faith in compromised protocols like Inverse and Rari due to an increase in DeFi vulnerabilities in Q2, which has had an adverse effect on token pricing.

### **4. By 2022, OpenSea's Market Share Will Fall From 59% in April to 42%, as Rivals Magic Eden and X2Y2 Gain Ground**

OpenSea has managed to stay onto its precarious top spot, but Magic Eden and X2Y2 are closing in quickly. The inclusion of Solana in the OpenSea system also "backfired," opening the floodgates for Solana NFTs, an outcome that favored Magic Eden over OpenSea in the end. The rapid rise of X2Y2 in Q1 was reminiscent of LooksRare's due to traders taking advantage of its rebate and incentive program through wash trades; without these, its volume would be comparable to that of LooksRare.

### **5. In Comparison to Q1, Trade Volume on the Decentralized Exchange (DEX) Fell by 38.6%**

Uniswap remains the biggest DEX when looking at all chains combined, but Curve saw the largest quarterly gain due to the (collapsed) USTC pools and the flight to stablecoins in the market. Since Solana and BNB Chain have maintained or expanded their relative market share, this indicates that there is a viable demand for DEXs outside of Ethereum.