



crypto.com

Crypto Market Sizing

Global Crypto Owners Reached 516M

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Research and Insights

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Executive Summary

- Global crypto owners increased by **21%** in the first half of 2023, rising from 425 million in December 2022 to **516 million** in June 2023.
 - Bitcoin (BTC) owners grew by **22%** from 219 million in December 2022 to **267 million** in June 2023, accounting for 52% of global owners;
 - Ether (ETH) owners grew by **21%** from 87 million in December 2022 to **105 million** in June 2023, accounting for 20% of global owners.
- The main catalyst behind BTC's adoption growth was the introduction of the Bitcoin Ordinals protocol. This enabled NFTs and fungible tokens to be minted on the Bitcoin network. Strong interest from institutional investors also contributed to the increase in BTC's adoption.
- ETH's adoption growth was mainly driven by Ethereum's Shanghai upgrade, which allowed the withdrawals of staked ETH from the now-Proof of Stake (PoS) blockchain.



1. Introduction

We have updated our on-chain market sizing estimates. This report follows the [updated methodology](#)¹ that combines on-chain data with blended parameters to estimate the number of global crypto owners.

Crypto adoption in the first half of 2023 achieved new milestones, with the number of crypto owners around the world reaching **516 million** (June 2023) as the global economy recovers.

Crypto adoption was steady and sustainable in the first half of 2023. In April, the Ethereum blockchain successfully completed its [Shanghai upgrade](#), which helped increase Ethereum network activity and caused ETH to rally.

Additionally, the newly introduced Bitcoin NFT and BRC-20 token standard derived from the Ordinals protocol, drove strong demand for Bitcoin's block space. Moreover, strong interest from institutions like [BlackRock's Bitcoin ETF filing](#) and [Bitcoin ETF refilings from other investment heavyweights](#) continued to push institutional adoption.
























Trusted by over 80 million customers worldwide, **Crypto.com** has secured a series of regulatory licences globally in the first half of 2023, which empowered the vision of Cryptocurrency in Every Wallet™ and drove crypto adoption as well.

¹ To see the original methodology, please refer to the [first edition](#) of our report.

In this report, we dynamically updated the parameters below. If you are interested in learning more about our methodology, please read the previous report [here](#).

Parameter	Description
$r_{BTC\ deposit}$	The ratio of users depositing BTC from one exchange to another
$r_{ETH\ deposit}$	The ratio of users depositing ETH from one exchange to another
$r_{BTC\&\ ETH}$	The ratio of BTC owners who also own ETH
$r_{\overline{BTC\&\ ETH}}$	The ratio of users who own neither BTC nor ETH

The exchanges included in our on-chain data extraction are:

Exchange	Logo
Crypto.com	
Binance	
Bitfinex	
Bittrex	
BitMax	
Bithumb	
Bitstamp	
Gemini	
Huobi	
Kraken	
KuCoin	
OKX	
Liquid	
BitFlyer	
Gate.io	
Zaif	
Poloniex	
UPbit	
BitMEX	
Deribit	
itBit	
HitBTC	
Bybit	

2. Results

The following tables list the results of key calculations for BTC and ETH adoption rates as of June 2023:

BTC Results Table

Step	Parameter (BTC)	Notation	Result
(1)	User deposit ratio	$r_{deposit}$	14%
(2)	Total no. of on-chain overlapping addresses	$N_{on-chain\ overlapping\ addresses}$	34,328
(3)	Total no. of on-chain addresses (select exchanges)	$N_{exchange\ total\ addresses}$	34,447,485
(4)	No. of on-chain non-overlapping addresses	$N_{on-chain\ non-overlapping\ addresses} = (3)-(2)$	34,413,157
(5)	Weighted average no. of exchanges per user	$k_{addresses\ per\ user}$	3.36
(6)	Selected exchanges' coverage ratio	$r_{total\ market\ share}$	92%
(7)	Total no. of BTC owners	$\frac{[(2) \div (5) + (4)]}{(1) \times (6)}$	~ 267M

ETH Results Table

Step	Parameter (ETH)	Notation	Result
(1)	User deposit ratio	$r_{deposit}$	20.5%
(2)	Total no. of on-chain overlapping addresses	$N_{on-chain\ overlapping\ addresses}$	8,840

(3)	Total no. of on-chain addresses (select exchanges)	$N_{\text{exchange total addresses}}$	19,754,605
(4)	No. of on-chain non-overlapping addresses	$N_{\text{on-chain non-overlapping addresses}} = (3)-(2)$	19,745,765
(5)	Weighted average no. of exchanges per user	$k_{\text{addresses per user}}$	3.36
(6)	Selected exchanges' coverage ratio	$r_{\text{total market share}}$	92%
(7)	Total no. of ETH owners	$\frac{[(2) \div (5) + (4)]}{(1) \times (6)}$	~ 105M

Summary Statistics

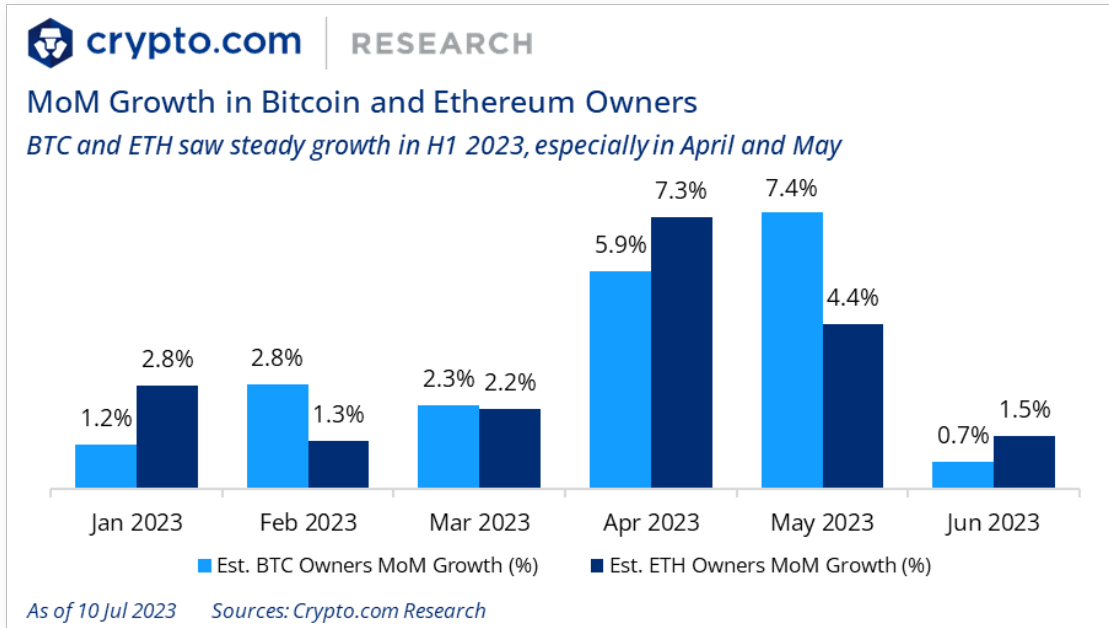
Step	Estimates	Notation	Result
(1)	BTC owners	$N_{\text{BTC owners}}$	~ 267M
(2)	ETH owners	$N_{\text{ETH owners}}$	~ 105M
(3)	% of BTC owners who also own ETH	$r_{\text{BTC\Ð}}$	22.5%
(4)	% of users who own neither BTC nor ETH	$r_{\text{BTC\Ð}}$	41.5%
(5)	Exchange adoption ratio	r_{exchange}	89%
(6)	Overall crypto owners	$\frac{(1)+(2)-(1) \times (3)}{[(5)-(4) \times (5)]}$	~ 516M

Trends

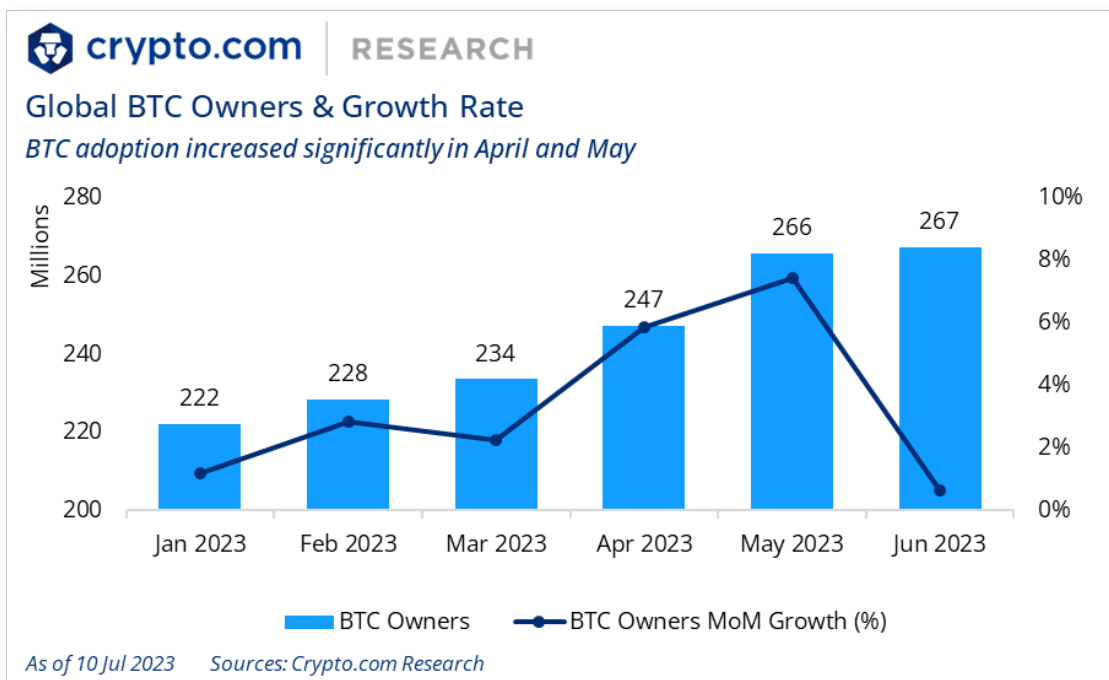
In this section, we analyse how the crypto population trended in the first half of 2023. Overall, **global crypto owners grew by 22% from 425 million to 516 million in H1 2023**. On the other hand, the growth rate was 15% during the same period in 2022. April and May saw exceptionally strong monthly growth rates of 5.1% and 6.7%, respectively. This coincided with the successful deployment of Ethereum’s Shanghai upgrade and the release of the Bitcoin Ordinals protocol.



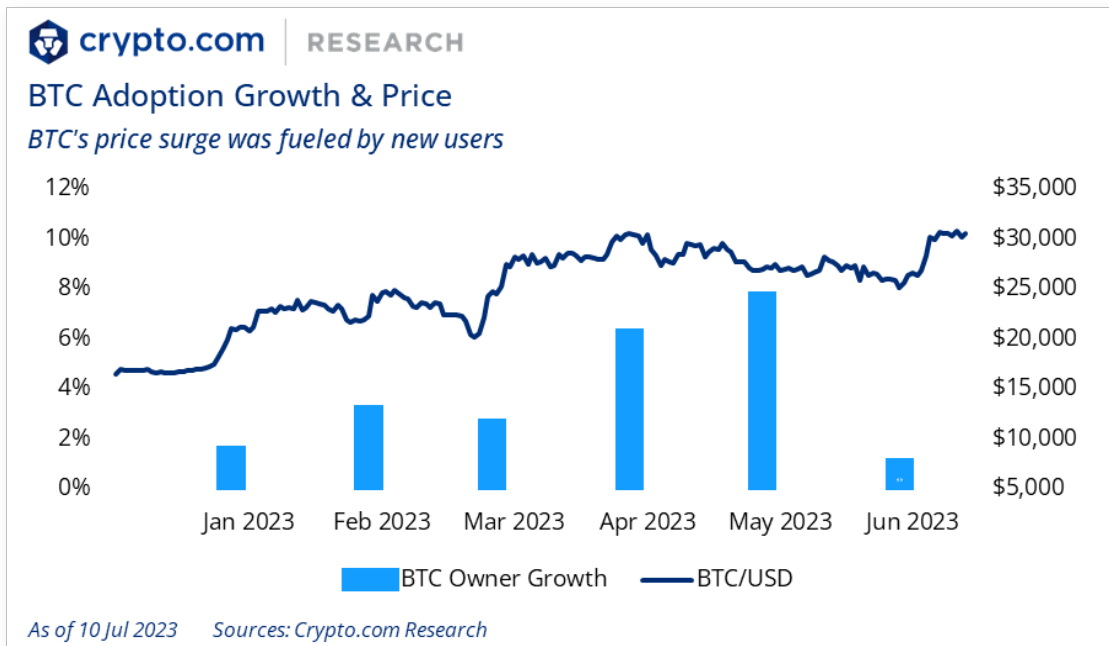
There are several interesting observations when the data is broken down into BTC and ETH owners. **BTC owners grew by 22%, from 219 million in December 2022 to 267 million in June 2023. ETH owners increased by 21%, from 87 million to 105 million during the same period.**



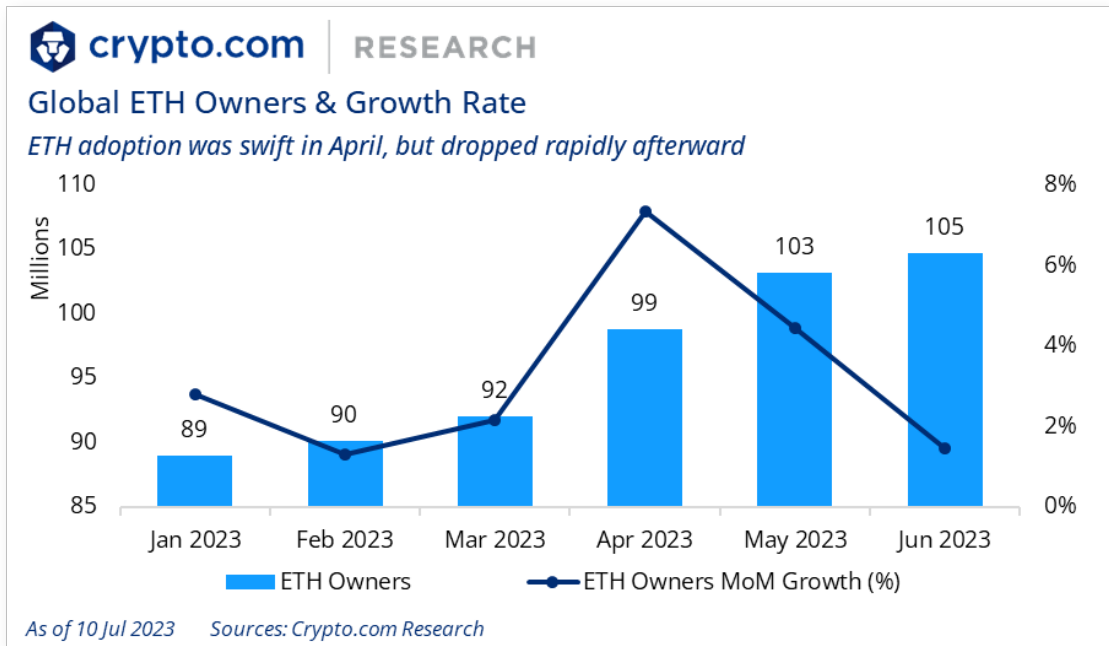
BTC’s exceptional growth in April and May was likely attributed to the momentum of Bitcoin Ordinals, which provides a method for minting NFTs on the Bitcoin network. More than [17 million](#) Ordinal inscriptions are now engraved onto the Bitcoin network and the total inscription fees paid exceeded [1,800 BTC](#) (US\$55 million) at the time of writing.



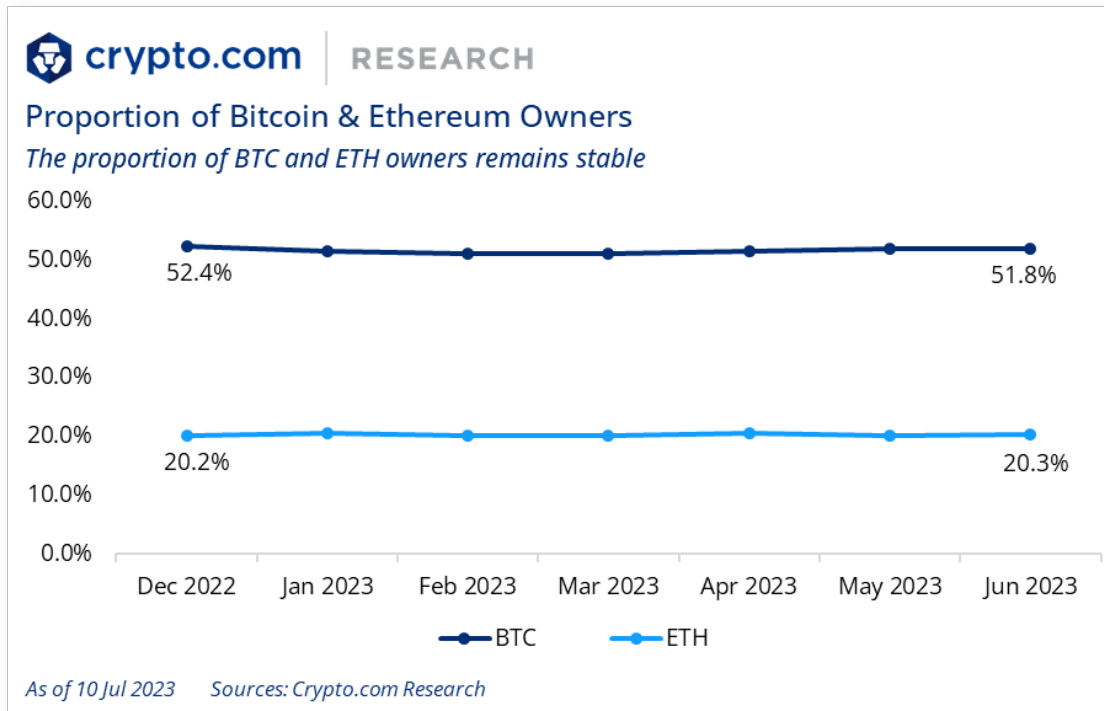
Additionally, the newly introduced BRC-20 token standard allowed for the creation of fungible tokens using the Ordinals protocol, which drove strong demand for Bitcoin’s block space. At the same time, BTC’s price reached [\\$30,000 for the first time since June 2022](#).



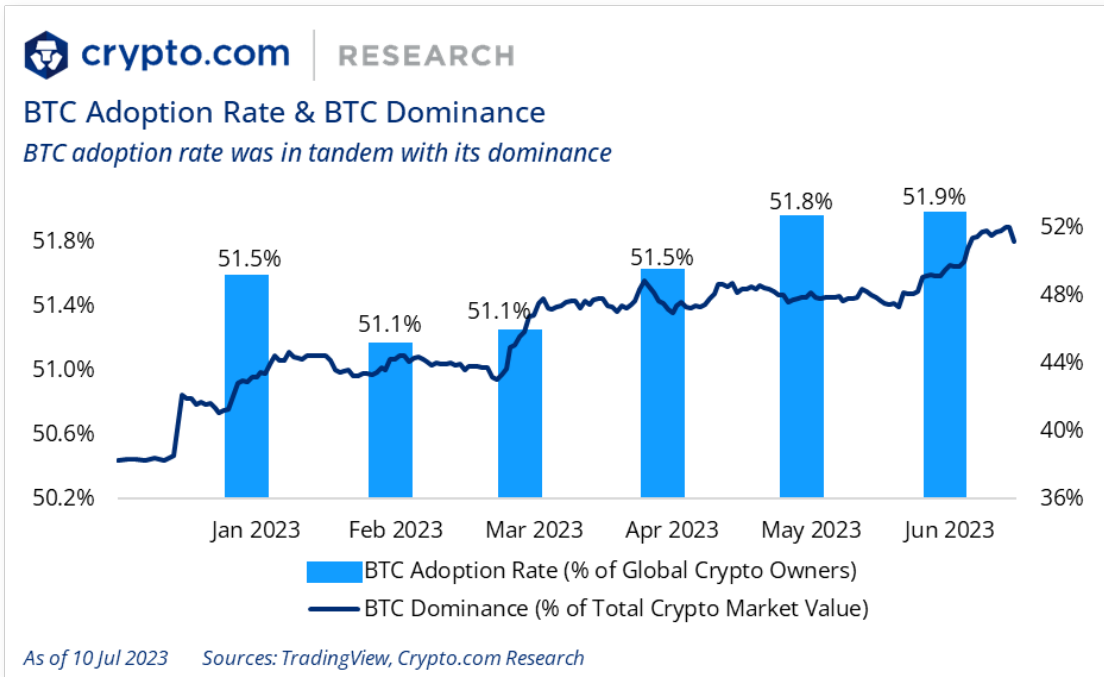
The impressive surge of ETH’s price in April and May was fueled by its blockchain’s successful Shanghai upgrade. This allowed the withdrawals of staked ETH from the now-PoS blockchain. The long-awaited upgrades helped increase Ethereum network activity and kickstarted the rally of ETH, with its price [rising above \\$2,000 for the first time in eight months](#).



When analysing the composition of crypto owners, we found that the share of both BTC and ETH were flat due to the growth of denominator (the total number of crypto owners). ETH’s adoption rate almost did not change, while Bitcoin dropped 0.6% during the same period of time.



However, when we amplify BTC’s adoption trend, it displays a correlation with its growing dominance. In June, BTC’s dominance reached 50% for the first time in two years. This may have contributed to the strong interest from financial institutions regarding Bitcoin ETFs. For example, [BlackRock](#) and other financial institutions, including [Fidelity](#), [Citadel Securities](#), [Invesco](#), [VanEck](#), [21Shares](#), and [WisdomTree](#) have become more involved with BTC, spurring investor optimism.



3. Limitation and Caveats

Our analysis is built on a combination of Bitcoin and Ethereum on-chain data, survey analysis, and Crypto.com's own internal data. While we believe our updated methodology presents a more accurate estimate than our previous version, it is still subject to the following limitations and caveats:

- Our method assumes that all on-chain users still own cryptocurrency today, but it is likely that some may have already sold their holdings.
- We assumed all the selected exchanges use the same deposit sweeping flows, and did our best to remove exchanges that use different flows.
- OTC trading and users who have never made on-chain transactions may not be effectively captured.
- Sub-accounts in exchanges may not be accurately reflected.
- Parameters obtained by surveys may change over time.
- Since all parameters are at least partially sourced from Crypto.com users (either by survey or internal data), sampling bias is inevitable.
- The result has dependency on the third-party tools and data that we used.

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