

Binance is the world's largest digital asset exchange, offering trading services for retail and institutional clients. Beyond trading, Binance provides futures, staking, and its own asset (BNB).

A critical function within Binance is the Spot and Wallet Data Team, which manages transaction monitoring, liquidity analysis, risk and compliance reporting, and commercial monitoring.

The Challenge

Binance's Spot and Wallet Data Team typically focuses on managing and analyzing data related to user transactions, wallet balances, and overall platform liquidity. They faced challenges with:

1. Transaction monitoring and asset flows across other major centralized exchanges

Without clear visibility into how assets move between exchanges, the team struggled to assess overall market liquidity and capital flow trends. This limited their ability to make informed trading and risk decisions.

2. Gaining visibility into stablecoin liquidity

Stablecoins play a crucial role in digital asset trading & liquidity provisioning. Understanding

the distribution and movement of stablecoins across exchanges is essential for assessing market sentiment and liquidity risk.

3. Establishing a reliable source of truth for on-chain analysis

Without a consistent and comprehensive dataset, both the Spot and Wallet Data Team and the Binance Research Team lacked confidence in certain findings, making it difficult to share across departments and externally.

Without these insights, Binance's teams struggled to effectively monitor market movements and optimize risk management strategies.

Solution

Glassnode formed a dedicated project task force involving experts from Commercial, Data, Analyst, and Product teams to address Binance's needs.

The process included:

1. Discovery session

Understanding Binance's specific challenges and determining if customization was necessary.

2. Custom dashboard development

Glassnode analysts created a tailored dashboard, built around input and feedback from Binance stakeholders.

3. Testing and validation

Binance conducted a two-week trial of Glassnode to ensure the dashboard's reliability and effectiveness.

4. Expansion and training

The project was extended to Binance's Research Team, along with a dedicated onboarding session and best practices training.

5. Implementation

Glassnode provided segregated platform access, training on relevant tools, and customized API-driven monitoring alerts.

Key features that made the difference:

Glassnode provided Binance with critical data insights that significantly enhanced its business intelligence and operational strategies. Key applications included:

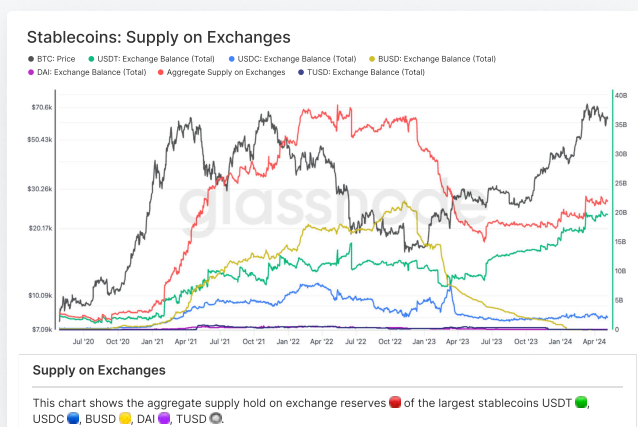
1. Tracking exchange inflows/outflows

Binance utilizes Glassnode's real-time exchange balance data to monitor capital flows between major exchanges. During periods of market volatility, Glassnode's insights reveal rising BTC outflows, helping improve liquidity provisioning.



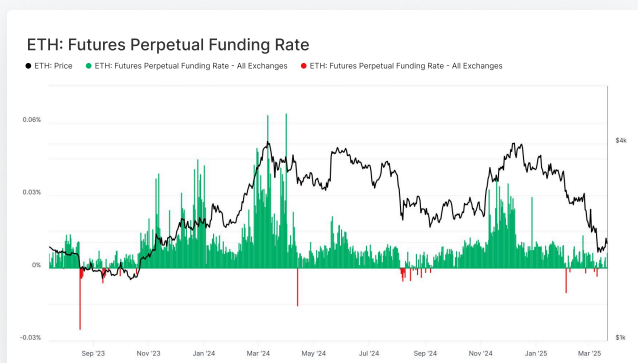
2. Stablecoin monitoring for sentiment analysis

Binance relies on Glassnode's stablecoin supply data to assess liquidity conditions across trading venues. When USDC supplies surge on competitor exchanges, Binance may infer increased buying pressure and adjust their positioning accordingly.



3. Derivatives market analysis for risk management

Binance leverages Glassnode's derivatives data to track its funding rate relative to competitors. E.g. when Binance's funding rate spiked higher than competing exchanges, it indicated a stronger demand for long positions on Binance. This insight enabled Binance to anticipate shifts in open interest and arbitrage activity, resulting in a more balanced derivatives strategy.



Results

Glassnode empowered Binance with intelligence on market dynamics, enabling them to:

Key outcomes

- **Improve risk management:** A broader understanding of asset balances and exchange flows enabled more strategic allocations.
- **Provide market insights:** Tools like exchange balance tracking and stablecoin data enhanced treasury management accuracy and efficiency.
- **Expedited decision-making:** Personalized dashboards & tailored market alerts enhanced response times.

Conclusions

Binance gained new capabilities in tracking activity across major centralized exchanges, improving their risk management and the quality/speed of decision-making.

"We are particularly impressed by the Charts and Dashboard feature, which includes entity balance folder, stablecoin data, spot volumes, and staking capability. We genuinely appreciate the innovative solutions Glassnode Studio offers, and we believe they can add significant value to our operations."

— **Andy Chung**, Senior Data Analyst, Binance