Kaiko Research

Binance Wins Back its Market Share Within a Day

November 5, 2026

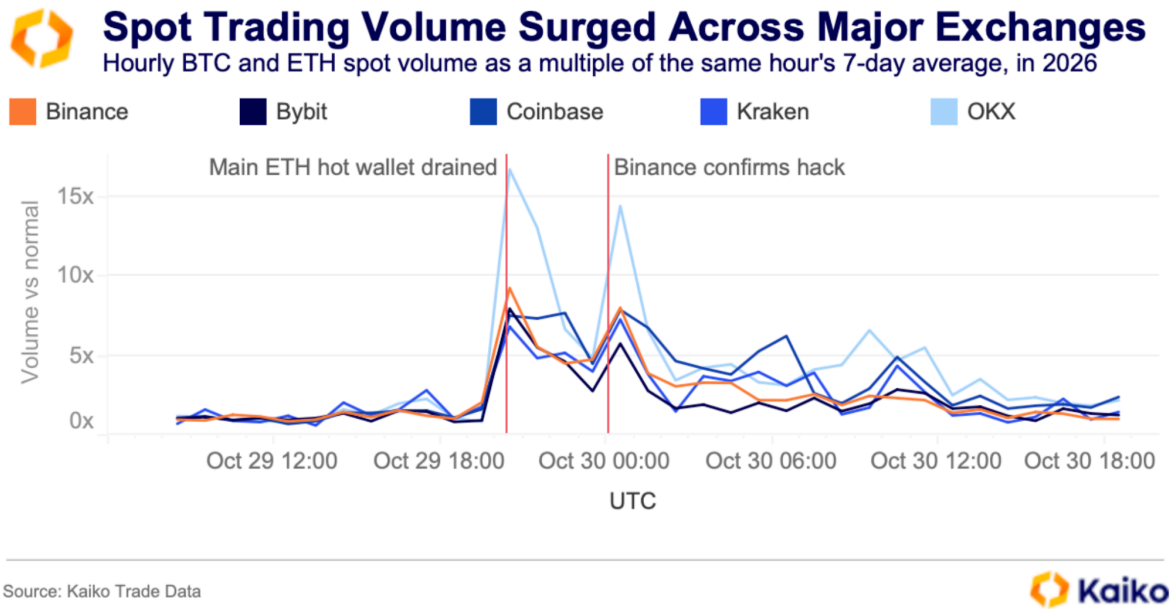
By Thomas Probst

Binance is the cornerstone of the crypto market, which is why a hack on its own wallets quickly became a market-wide event. On the evening of October 29, hackers drained Binance's hot wallets. The exchange put the damage at around $6.3 billion, with about $3 billion frozen, roughly 4 times the $1.5 billion taken from Bybit in February 2025, previously the largest crypto theft on record. Binance said user funds were safe and that it would cover all hacking losses, while deposits and withdrawals were temporarily suspended during its security checks. Because Binance handles around 30% of spot trading volume among major exchanges, more than any other venue, the incident tested the resilience of the whole market.

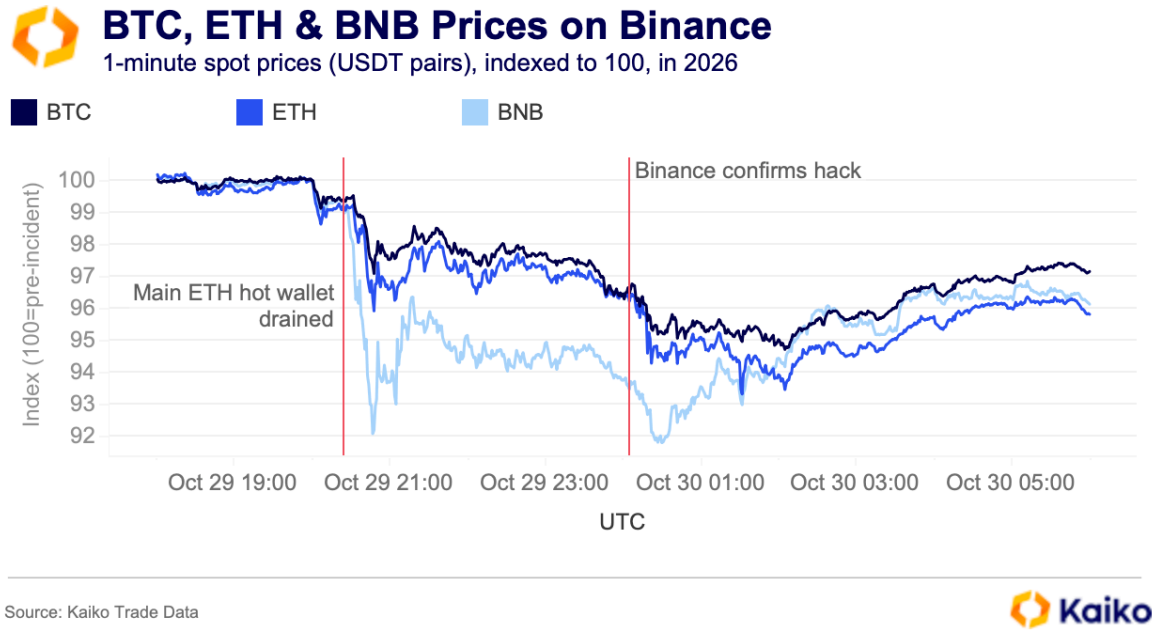
- 1% market depth fell around 30% on both Binance and Coinbase after the hack.
- Binance's spot market share dropped from 27% to 19% as Binance halted withdrawals, then recovered to 28%.
- BTC perpetual open interest is up about 7% since the hack.

A Shock Felt Across Every Exchange

The first sign of contagion came from trading activity. In the hour after the main ETH hot wallet was drained, Bitcoin (BTC) and Ether (ETH) spot volume jumped to 7 to 9 times its usual level on Binance, Coinbase, Kraken and Bybit, and to nearly 17 times on OKX. A second surge followed shortly after midnight UTC, when Binance confirmed the hack, with volumes again reaching around 8 times normal on most exchanges. Activity remained elevated throughout October 30 before gradually returning toward normal levels.

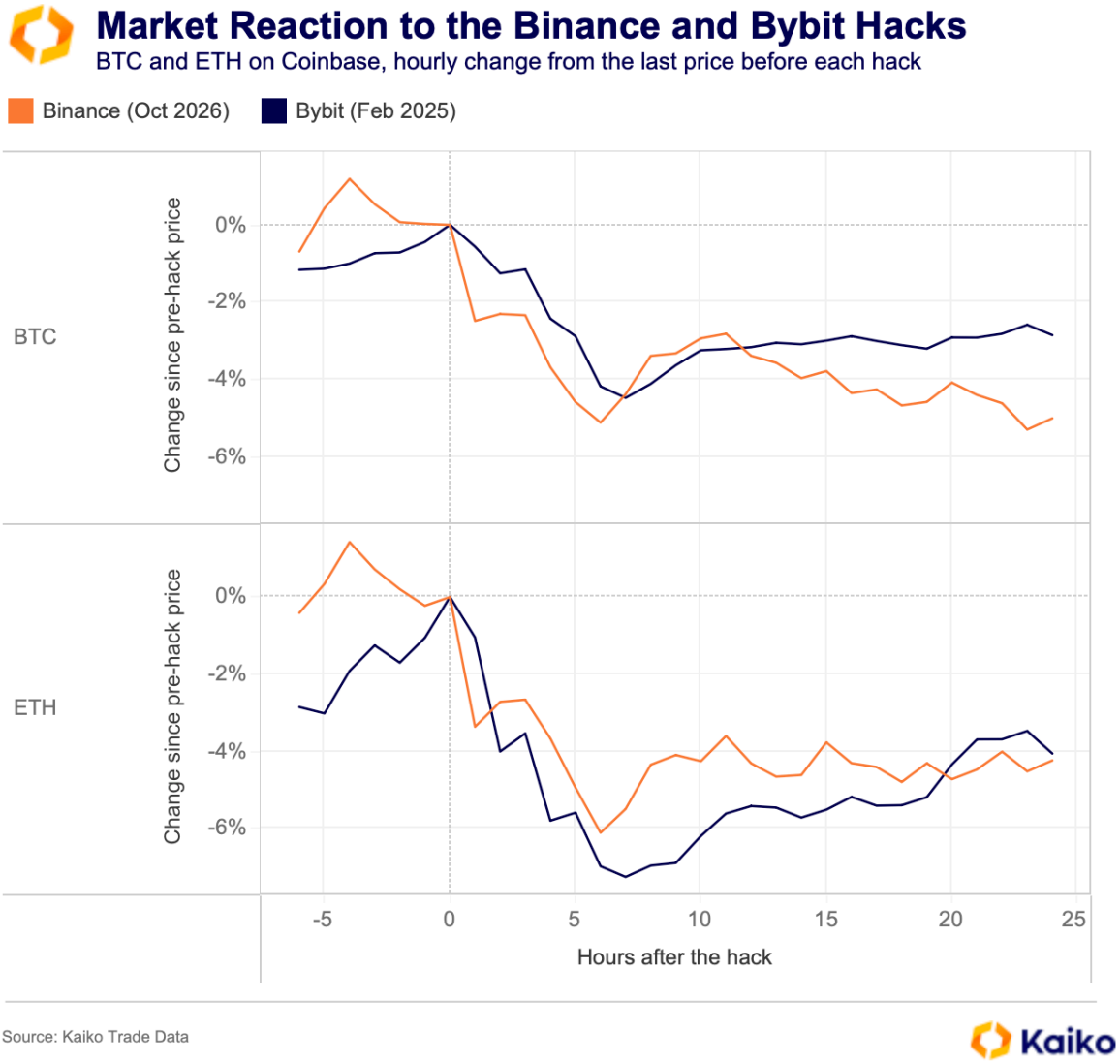


Prices fell in lockstep. BNB, Binance's own token, was hit first and hardest, losing about 8% within an hour. BTC and ETH declined more gradually, with a second leg lower after Binance's confirmation, leaving BTC down about 5% and ETH nearly 7% at their lows in the early hours of October 30. All three assets then partly recovered, with BTC trimming its losses to around 3% by the morning.

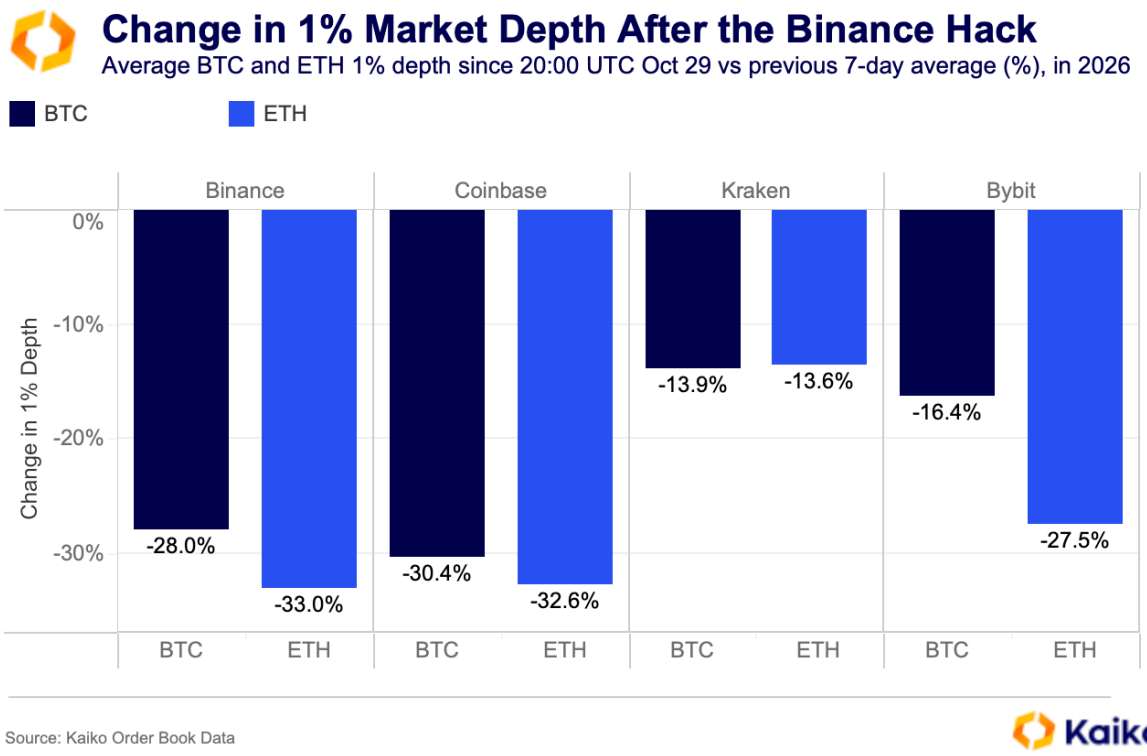


Compared with the Bybit hack, the market reaction was similar in size despite a theft 4 times larger. BTC fell about 5% within 6 hours, close to its drop after the Bybit hack, while ETH fell less, at about 6% versus 7%. The first hour was sharper this time, with BTC down

2.5% against less than 1% after Bybit. The main difference lies in persistence. Twenty-four hours after the hack, BTC was still about 5% lower, compared with less than 3% at the same point after Bybit, while ETH ended the day at similar levels in both cases.

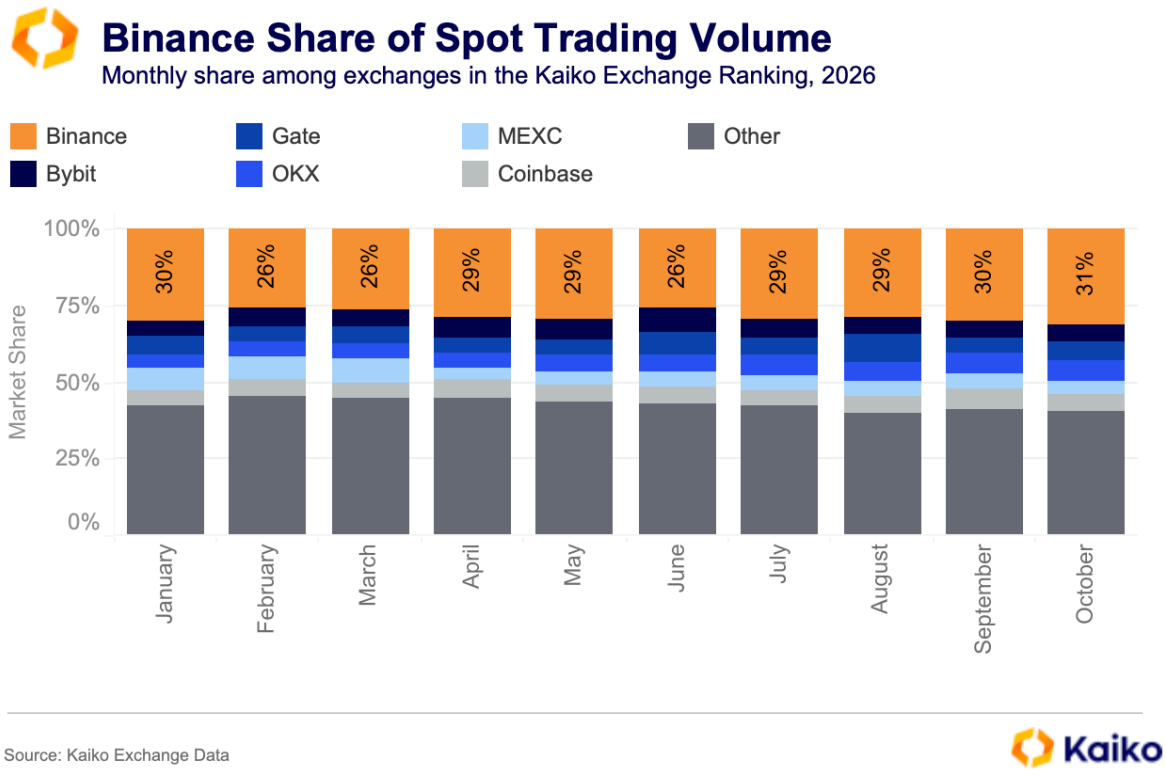


Liquidity thinned across the market at the same time. In the first hours after the hack, average BTC and ETH 1% market depth fell by 28% and 33% on Binance compared with the previous week, and by a near-identical 30% and 33% on Coinbase, an exchange that was not hacked. Declines were smaller on Kraken, at around 14% for both assets, and on Bybit, at 16% for BTC and 27% for ETH. The shock was not confined to the affected exchange, as market makers pulled back across the board.



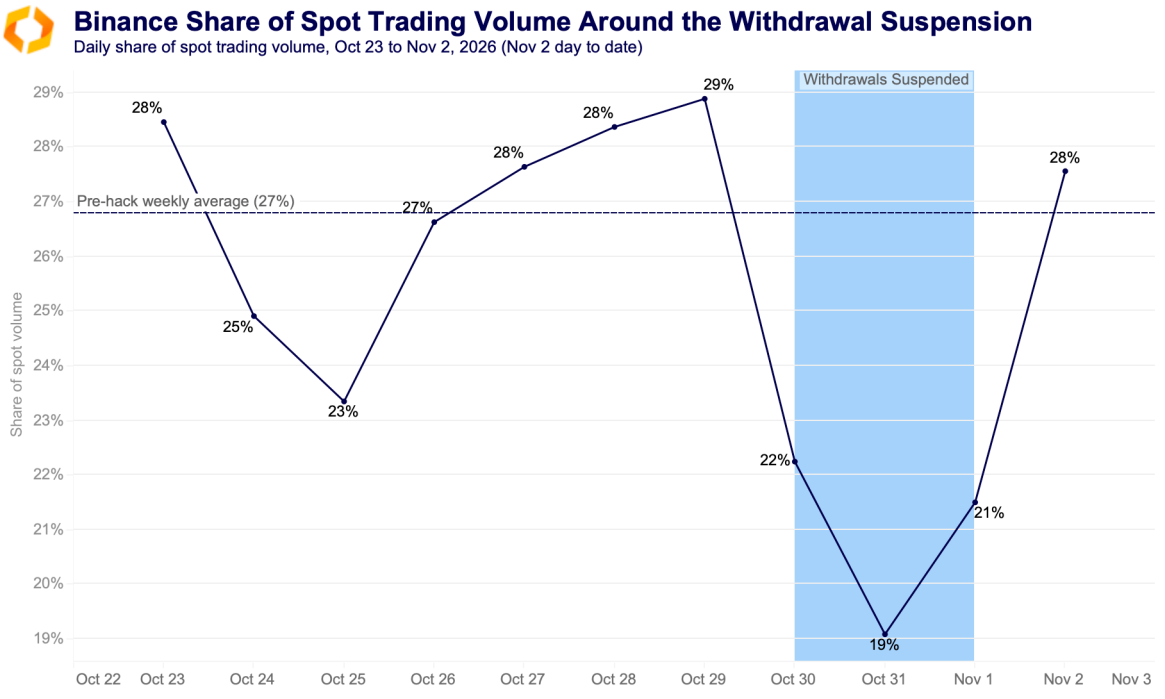
Activity Shifts Away From Binance During the Withdrawal Suspension

Binance's weight in the market explains why the suspension mattered so much. Throughout 2026, the exchange has accounted for between 26% and 31% of monthly spot trading volume among the exchanges in the Official Kaiko Exchange Ranking, reaching 31% in October, far ahead of any other venue.



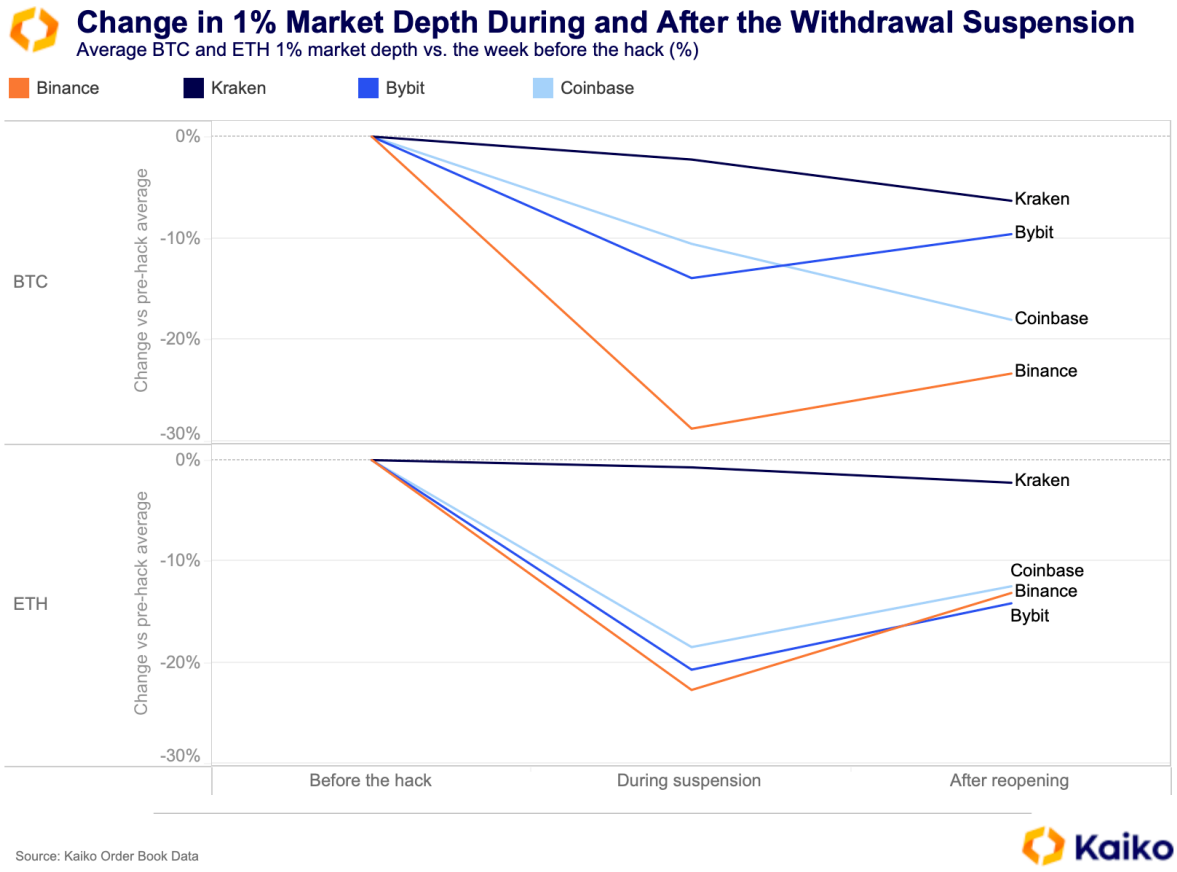
Source: Kaiko Exchange Data

That position weakened while funds were locked. Binance's daily share of spot volume, which stood at 29% on October 29, the day of the hack, fell to 22% on October 30 and 19% on October 31, well below its pre-hack average of 27%. Trading surged across the market on October 30 and fell broadly over the weekend, with volumes on Binance rising less and falling further than on other exchanges.

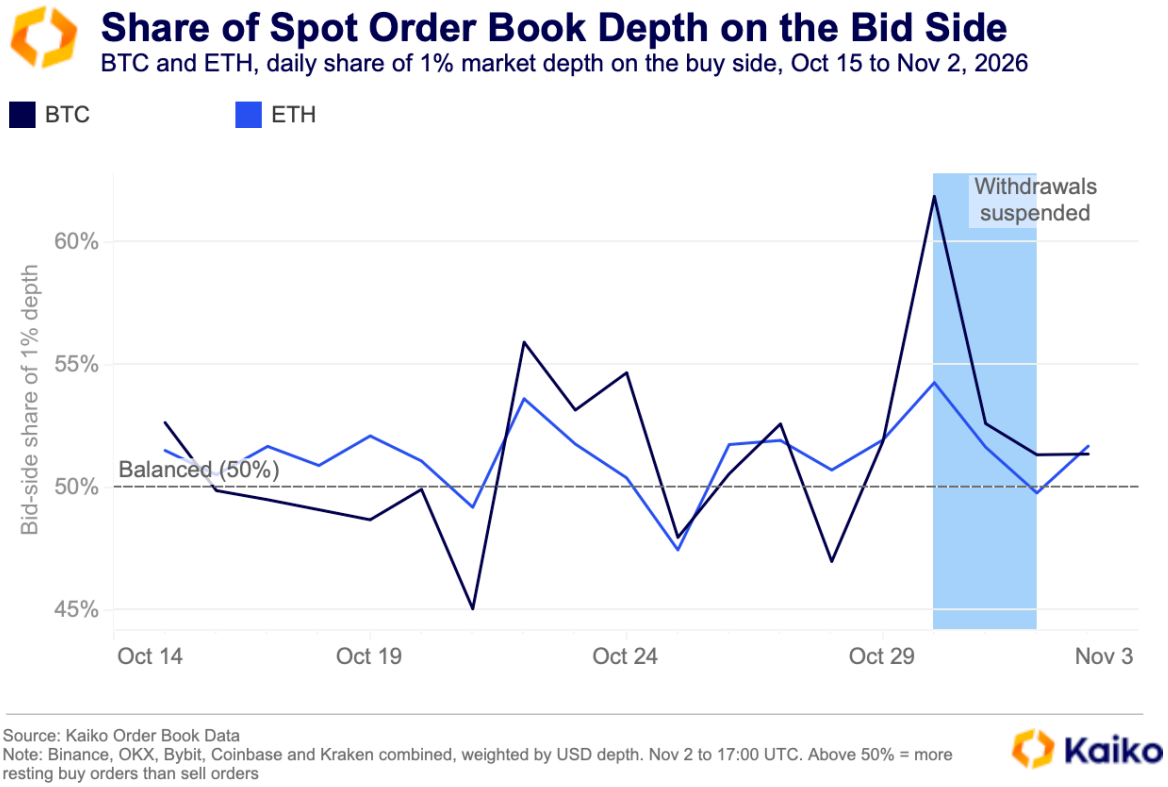


Source: Kaiko Exchange Data
Note: Share among the exchanges in the Kaiko Exchange Ranking

Liquidity followed the same pattern. Other venues rebuilt their order books faster, and the impact became increasingly concentrated on Binance. Over the full suspension period, BTC depth on Binance averaged 29% below its pre-hack level, the largest decline among the exchanges we track, compared with declines of 2% to 14% on Kraken, Bybit and Coinbase. For ETH, the drop was more evenly spread, at 23% on Binance against around 20% on Bybit and Coinbase, while Kraken was barely affected.



Spot order books became lopsided in the process. On October 30, buy orders made up 62% of BTC 1% market depth across major exchanges, against 38% for sell orders, compared with a roughly even split in the previous weeks. Sell orders were withdrawn from the books rather than buy orders added. With deposits suspended, sellers could not bring new coins to Binance, and market makers typically cut their exposure during such shocks.



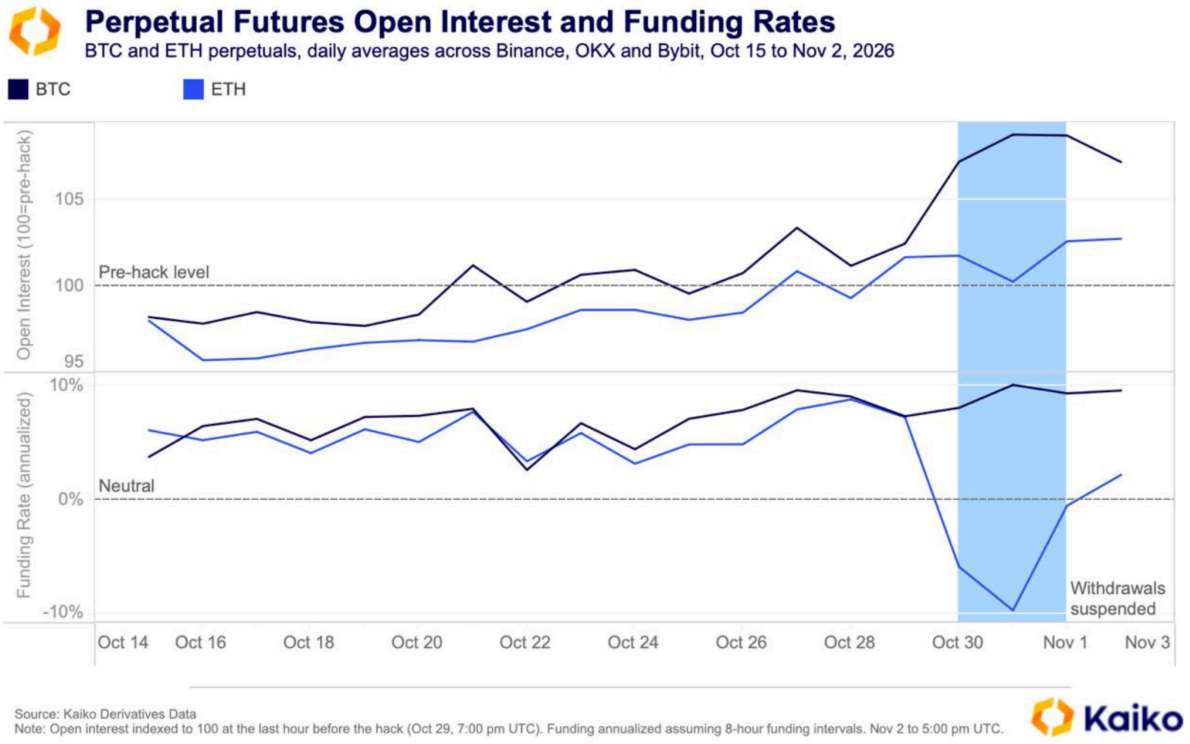
Reopening and Repositioning

Binance began restoring withdrawals in phases at 6 a.m. UTC on November 1, and reported a net outflow of about $3.64 billion in the first nine and a half hours, or 2.1% of its assets under management. Binance's share of spot volume recovered quickly, from 21% on November 1 to about 28% on November 2, back in line with pre-hack levels. Part of this activity may be linked to the hack itself, as users trade or convert assets around their withdrawals, so a few more days of data will be needed to assess the lasting impact. For reference, Bybit's BTC market depth fully recovered within 30 days of its February 2025 hack, a relatively quick rebound given the scale of the incident.

Liquidity is recovering more slowly. Since the reopening, BTC 1% depth on Binance has averaged 23% below its pre-hack level and ETH depth 13% below. Order books also remain thinner than before the hack on other venues, including Coinbase, where BTC depth is about 18% lower. Across major exchanges, however, buy and sell orders are back near a 51/49 balance, suggesting that the imbalance seen during the suspension has faded.

Derivatives traders, meanwhile, have not stepped back. BTC perpetual open interest on Binance, OKX and Bybit rose after the hack and is about 7% above its pre-hack level, while funding rates have held at around 9-10% annualized, above their average of about 7% in the two weeks before the hack. Traders continue to pay to hold leveraged long

positions, a sign that they are leaning long despite the shock. ETH positioning has been more cautious. Funding fell to about -10% annualized during the withdrawal suspension, as traders paid to hold short positions on the asset at the center of the hack, before turning slightly positive again ahead of the US midterm elections.



Conclusion

The episode shows how central Binance has become. A hack on a single exchange moved volumes, prices and liquidity on every major venue, from Coinbase to OKX, and triggered a market reaction comparable to the Bybit hack despite a theft 4 times larger. The impact on Binance's own activity appears temporary so far. Its share of spot trading fell while funds were locked and returned to pre-hack levels within a day of withdrawals resuming.

The recovery is not complete yet. Order books on Binance remain thinner than before the hack, BTC prices have proved slower to recover than after Bybit, and ETH traders are only just returning to neutral positioning. Bybit offers a benchmark for what comes next, as its BTC market depth returned to pre-hack levels just one month after the event. Whether Binance follows the same path will depend on how quickly market makers rebuild their order books now that funds can move freely again.