Kaiko Research

Crypto Markets Remained Resilient Amid Record $6.3 Billion Security Incident

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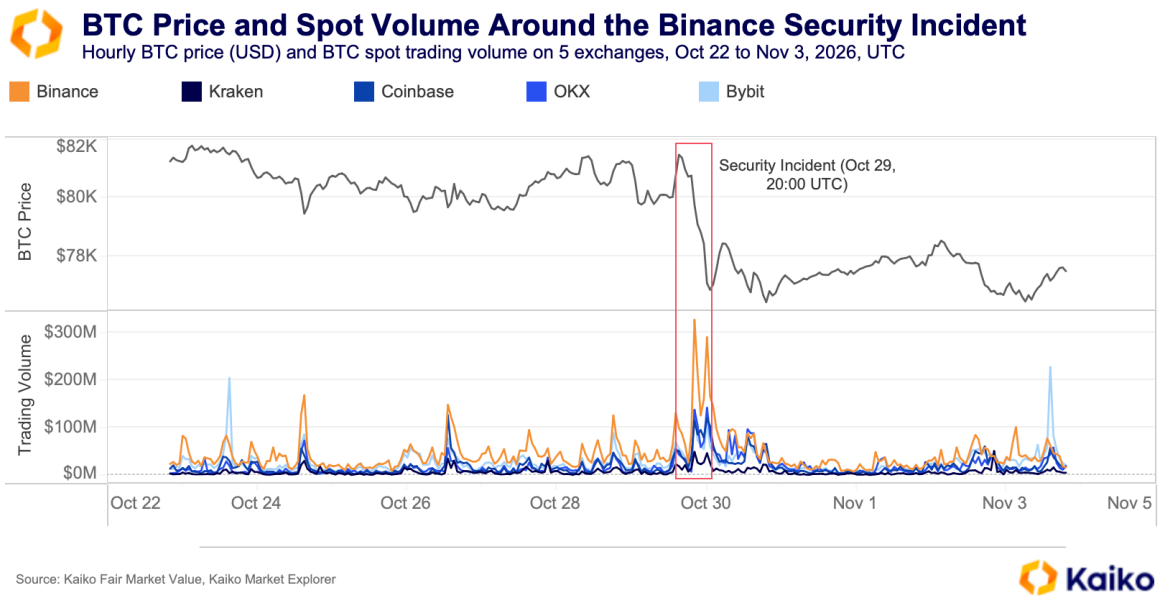
On the evening of October 29, hackers drained a number of Binance's hot wallets in a theft the exchange estimated at $6.3 billion, about four times the $1.5 billion taken from Bybit in February 2025, which was previously the largest crypto exchange security incident on record. Binance temporarily suspended withdrawals while it secured its systems and began a phased reopening at 6 a.m. UTC on November 1, less than 60 hours after the attack. Deposits, trading and other platform services remained operational throughout. As the largest spot exchange by volume, Binance sits at the center of crypto market liquidity, which made the incident a stress test for both the exchange and the market. The data shows a fast recovery: prices stabilized within days, Binance's market share and order book depth rebounded within a day of the reopening, and the exchange remained the most cost-efficient venue to trade BTC throughout.

A Sharp but Contained Market Shock

The security incident affected the market, and crypto prices fell in the hours that followed. BTC was trading at around $80,800 just before 8 p.m. UTC on October 29 and fell below $77,000 within hours, reaching a low of about $76,400 on the evening of October 30. Trading on Binance surged, with hourly BTC volume rising above $300 million in the hour of the security incident, its highest level over the period, and a second spike in the early hours of October 30. Activity also jumped on Coinbase, OKX, Kraken and Bybit.

The surge was short-lived and concentrated in the hours after the attack. Volumes on all five exchanges had fallen back by October 31, before Binance had even reopened withdrawals, and BTC stabilized between roughly $76,500 and $78,500 through the reopening and into early November.

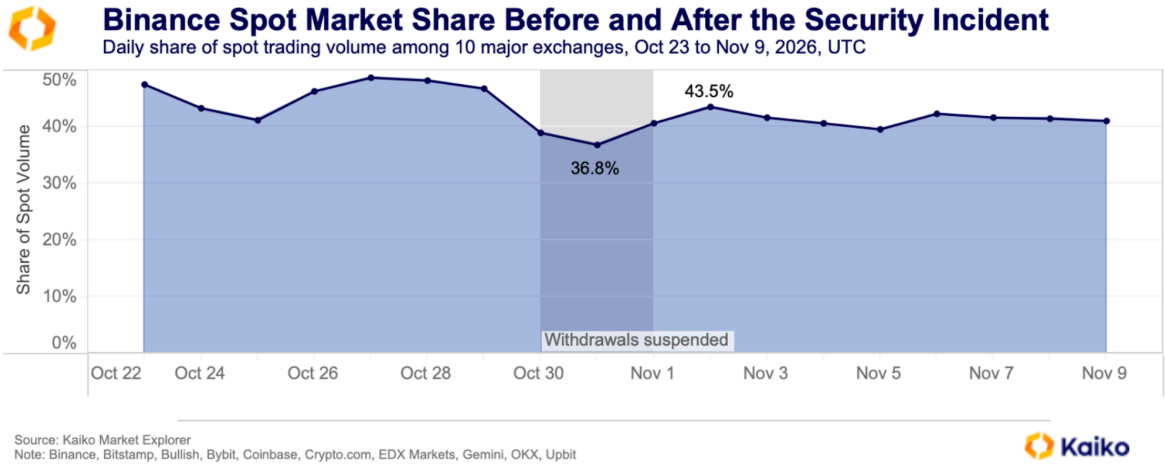


Binance Bounces Back as Withdrawals Resume

On Binance, execution costs began to improve even before withdrawals resumed, market share started to recover when withdrawals reopened, and order book depth rebounded the following day.

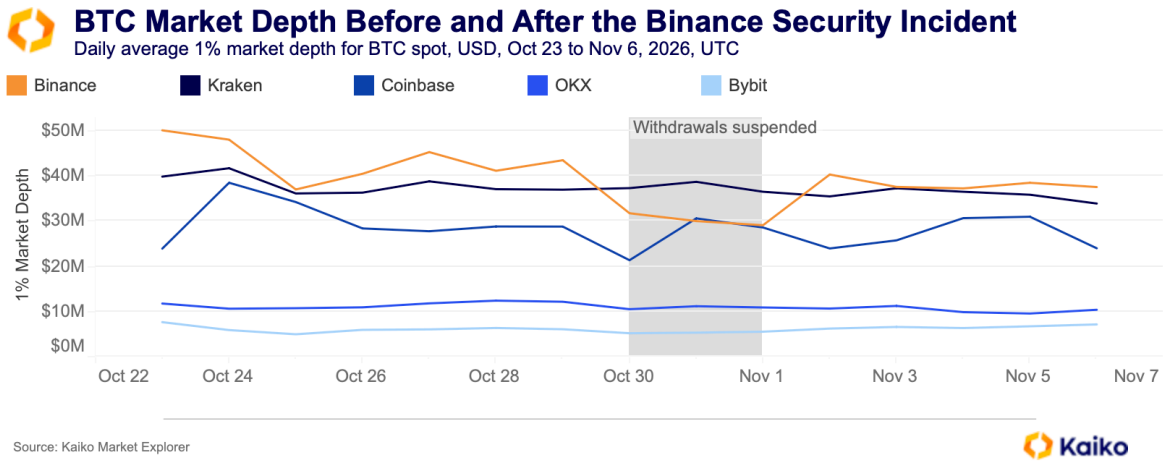
Binance's share rebounded to about 41% on November 1, the day withdrawals resumed, and to 43.5% on November 2, the first full day after the reopening. It has since held at around 40% to 42% through November 9, close to its pre-incident range.

Among 10 major exchanges, Binance accounted for between 41% and 49% of daily spot volume in the week before the incident. Even at its low of 36.8% on October 31, with withdrawals suspended, Binance still handled more than a third of spot volume among these exchanges.

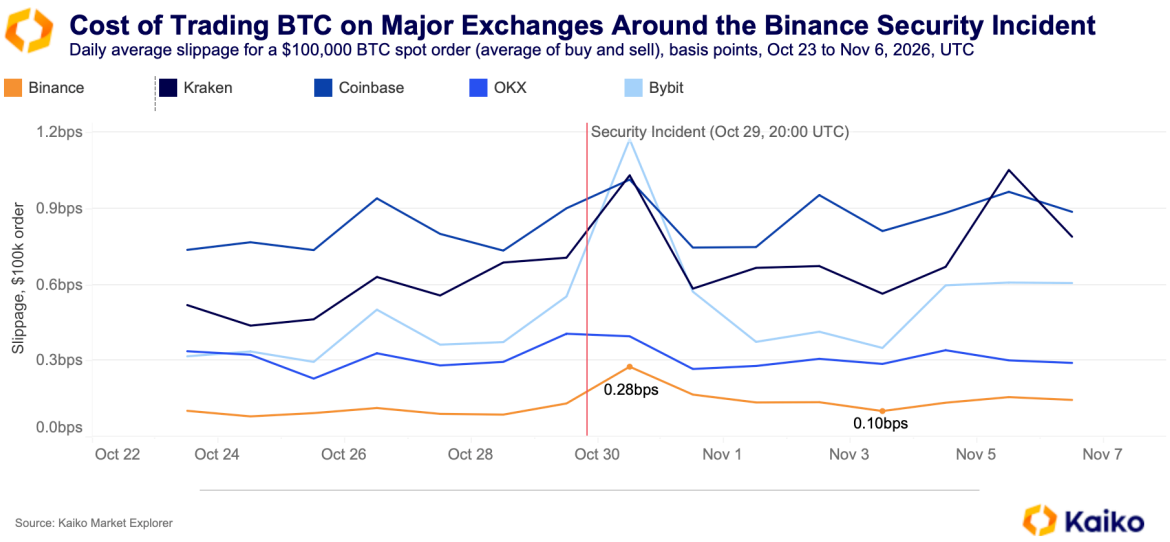


Order books followed a similar path. Before the security incident, Binance's BTC 1% market depth ranged between about $37 million and $50 million a day, the deepest of the five exchanges every day, ahead of Kraken at around $36 million to $42 million. It fell to around $30 million during the suspension, when Kraken briefly held the deepest order book. Depth also fell on Coinbase, OKX and Bybit on October 30, a sign that the pullback in liquidity was not limited to Binance.

Depth on Binance rebounded to about $40 million on November 2, putting the exchange back ahead of Kraken. Through November 6, it held at around $37 million to $39 million, again the deepest BTC order book among the exchanges tracked and back within its pre-incident range.



Market depth shows how much liquidity sits within 1% of the price. Execution cost is a more direct gauge, and on this front Binance remained the most cost-efficient venue among the exchanges tracked throughout the episode. Slippage on a $100,000 BTC order, the price impact of buying or selling that amount at once, stood at about 0.1 basis points on Binance before the security incident, compared with roughly 0.2 to 0.9 basis points on OKX, Bybit, Kraken and Coinbase. On October 30, estimated slippage for a $100,000 BTC market order on Binance rose to 0.28 basis points, equivalent to about $2.80, but remained lower than on OKX, Bybit, Kraken and Coinbase.



The largest crypto security incident on record tested Binance on every front at once. Prices stabilized within days, and Binance remained the most cost-efficient venue to trade BTC among the exchanges tracked throughout, with execution costs back to their pre-incident level by November 3. Its market share and order book depth rebounded within a day of the reopening and returned close to their pre-incident levels. For a theft four times larger than the previous record, the data shows that Binance absorbed the shock and largely recovered within days.

About the data

This analysis uses Kaiko spot market data. Trading volume, BTC 1% market depth and slippage on a $100,000 BTC order cover Binance, Coinbase, OKX, Kraken and Bybit, using BTC-USDT on Binance, OKX and Bybit and BTC-USD on Coinbase and Kraken. Market depth is the value of bids and asks within 1% of the mid price, and slippage is the price impact of a market order of that size. Market share is Binance's share of daily spot volume across 10 major exchanges, namely Binance, Bitstamp, Bullish, Bybit, Coinbase, Crypto.com, EDX Markets, Gemini, OKX and Upbit. All times are UTC.

Disclosure

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