

# Bitcoin Market in Brazil

# Aug/2015

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**AUGUST** ended with the **highest number of monthly transactions** in the Brazilian market history and the **highest daily volume** at **R\$ 712.172,57 (US\$ 204,576.75)** on August 19th, getting very close to **JULY's** historical monthly volume.

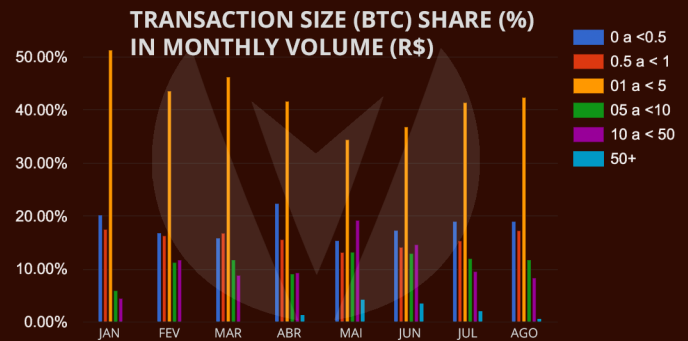
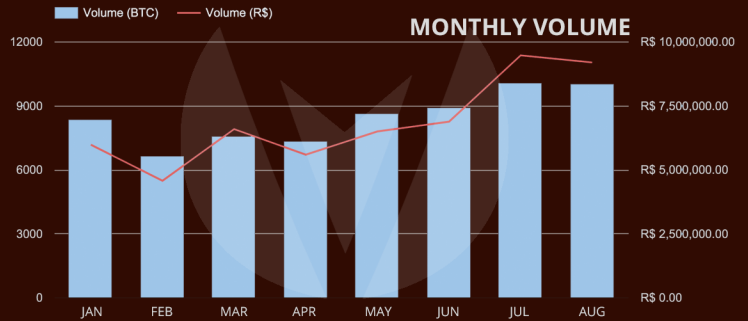
The monthly volume was **41%** above the monthly average of the first 7 months of the year, showing that the new volume high achieved in July can be consistent.

By keeping this monthly average, the Brazilian market could end 2015 with double the volume of 2014, projecting more than R\$ 80 millions (**US\$ 32 million**).

Market depth of order books in Brazil is still a key issue easily observed by 4 trades executed this month with prices below **R\$ 100 (US \$40.00)** including the new **lowest price recorded** in Brazil as 1 BTC was sold by **R\$ 0,85 (US\$ 34 cents)** at FlowBTC.

The average transaction value in August decreased to **R\$ 333 (US\$ 133)** strongly led by a change in deal size at the BitcoinToYou exchange which had more than **three times the number of transactions** of last month, perhaps caused by an increase of "bots" operating in the Brazilian market.

Trades between 1BTC and 5 BTC still represents the majority of the monthly volume with **42%**.



## MARKET SHARE

Basebit is the first to close doors in 2015 with a YTD market share of only 0.27%.

Given the still small total volume of trades in Brazil, exchanges that try to survive only from trade fees will have to either capture a significant market share or follow Basebit's steps.

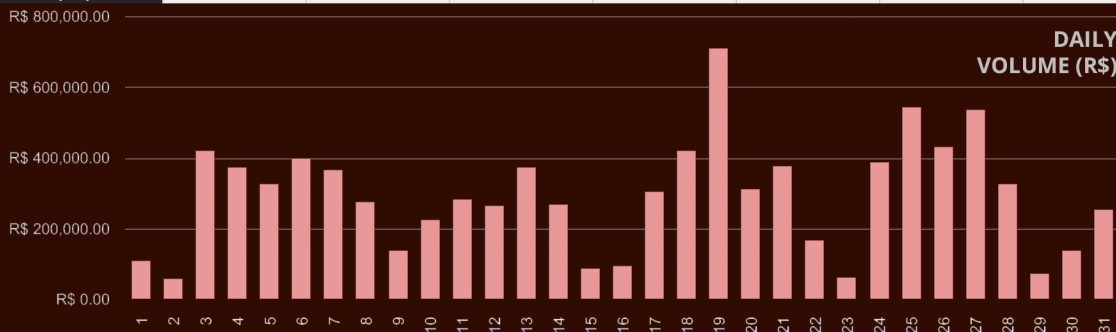
For the third month in a row, the **TOP3** exchanges lost their combined market share, down to 83% of the market (previous low was 86% in July).

**FLOWBTC** repeats July's performance by grabbing **+4p.p. (11%)** and **reach for the first time R\$ 1 million (US\$ 400k)** in trades closing in **BITCOINTOYOU** (16%) who is the third largest exchange in volume but now faces competition threatening its long held position.

**FOXBIT** even after losing **-5p.p.** maintains the leadership (**38%**) for the fourth month in a row.

**MERCADOBITCOIN** keeps the second spot of the month (**28%**) with a small gain compared to July (**+1.5p.p.**).

Exchange	Mercado Bitcoin	FoxBit	BitcoinToYou	Local Bitcoins	flowBTC	Basebit	BitInvest	NegocieCoins	TOTAL
Market Share	28.48%	38.25%	16.11%	2.18%	11.17%	0.10%	1.42%	2.30%	100.00%
Last Price	R\$ 865.15	R\$ 884.97	R\$ 864.00	R\$ 903.61	R\$ 875.00	R\$ 1,025.00	R\$ 880.00	R\$ 878.00	
High (R\$)	R\$ 1,018.50	R\$ 1,017.14	R\$ 1,019.94	R\$ 1,327.12	R\$ 1,249.93	R\$ 1,069.00	R\$ 1,039.90	R\$ 1,017.80	R\$ 1,327.12
Low (R\$)	R\$ 761.11	R\$ 751.00	R\$ 10.00	R\$ 739.48	R\$ 0.85	R\$ 967.14	R\$ 810.00	R\$ 815.00	R\$ 0.85
Volume (BTC)	2,849.12	3,827.50	1,646.63	213.33	1,131.99	9.28	138.88	226.63	10,043.36
Volume (R\$)	R\$ 2,620,357.71	R\$ 3,518,748.94	R\$ 1,482,274.98	R\$ 200,327.49	R\$ 1,027,288.89	R\$ 9,563.77	R\$ 130,250.73	R\$ 211,497.80	R\$ 9,200,310.31
Trades	7,126	10,009	8,199	271	920	36	240	821	27,622
Average Price	R\$ 919.71	R\$ 919.33	R\$ 900.18	R\$ 939.05	R\$ 907.51	R\$ 1,031.05	R\$ 937.89	R\$ 933.24	R\$ 916.06
Monthly Volatility	11.5%	13.8%	19.1%	44.9%	12.5%	10.1%	18.1%	11.7%	--
Average Daily Amplitude	4.7%	4.3%	9.3%	17.6%	4.6%	3.3%	3.2%	2.1%	--
Average Trade (BTC)	0.39982008	0.38240624	0.20083354	0.78719926	1.23042443	0.25765914	0.57864923	0.27603818	0.36359990
Average Trade (R\$)	R\$ 367.72	R\$ 351.56	R\$ 180.79	R\$ 739.22	R\$ 1,116.62	R\$ 265.66	R\$ 542.71	R\$ 257.61	R\$ 333.08
Trade Fees (%)	1.00%	0.50%	0.85%	1.00%	0.70%	0.85%	0.60%	0.50%	0.73%
Trade Fees (R\$)	R\$ 26,203.58	R\$ 17,593.74	R\$ 12,599.34	R\$ 2,003.27	R\$ 7,191.02	R\$ 81.29	R\$ 781.50	R\$ 1,057.49	R\$ 67,511.24



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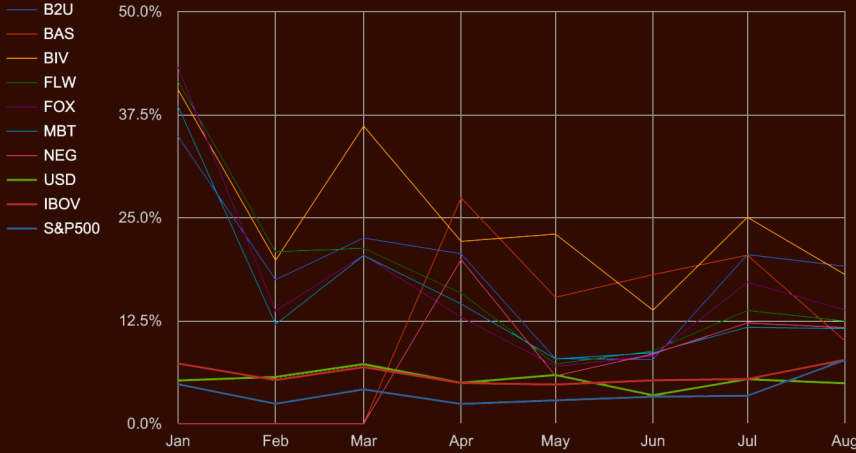
## VOLATILITY

The report this month presents two new indicators of the market in Brazil: **Monthly Volatility** and **Average Daily Amplitude**. For both indicators, two days of abnormal trades were removed where, due to a shallow order book, trades got down to a few cents.

**Average Daily Amplitude** represents the average change between a daily's High and Low price for every day of the month. The objective is to identify the average amplitude the price will have and fluctuate on a day.

**Monthly Volatility** represents the financial indicator Historical Volatility (or Statistical Volatility) that is used as a way to identify the risk profile of an asset.

For those interested in the formula,  $\text{Monthly Volatility} = \text{SQUARE\_ROOT}(\# \text{ days in the month}) * \text{STD\_DEV}(\text{DAILY PRICE CHANGE } \%)$



Mês	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Annual
B2U	34.9%	17.5%	22.5%	20.6%	7.9%	7.8%	20.5%	19.1%	57.6%
BAS	0.0%	0.0%	0.0%	27.4%	15.3%	18.1%	20.5%	10.1%	53.5%
BIV	40.5%	19.8%	36.1%	22.1%	23.0%	13.8%	25.0%	18.1%	74.1%
FLW	41.5%	20.9%	21.3%	15.9%	7.2%	8.8%	13.7%	12.5%	56.2%
FOX	43.2%	13.7%	20.5%	12.9%	7.0%	8.2%	17.2%	13.8%	56.6%
MBT	38.5%	12.1%	20.4%	14.5%	7.9%	8.6%	11.7%	11.5%	51.3%
NEG	0.0%	0.0%	0.0%	19.9%	5.8%	8.5%	12.2%	11.7%	32.1%
USD	5.2%	5.7%	7.2%	5.0%	5.9%	3.5%	5.4%	4.9%	15.4%
IBOV	7.3%	5.3%	6.9%	4.9%	4.8%	5.3%	5.4%	7.8%	17.2%
S&P500	4.8%	2.4%	4.2%	2.4%	2.8%	3.3%	3.4%	7.7%	11.8%
LOC	203.8%	176.3%	76.2%	29.3%	23.1%	108.8%	32.6%	44.9%	292.0%

When comparing Bitcoin with other assets like US Dollar rate (USDxBRL), Brazilian Stock Index Bovespa (IBOV) and Standard&Poor 500 (S&P500) it is clear the high volatility aspect of Bitcoin.

The surprise occurs when comparing "calm" months like May and June where Bitcoin's volatility wasn't too far from others.

The mid to long-term trend seems to be that Bitcoin's volatility will converge to similar numbers, reducing the risk profile of Bitcoin.

	Jan	Fev	Mar	Abr	Mai	Jun	Jul	Ago	2015
Last Price	R\$ 644.00	R\$ 746.00	R\$ 859.94	R\$ 740.28	R\$ 768.98	R\$ 859.58	R\$ 1,010.00	R\$ 865.15	R\$ 865.15
High (R\$)	R\$ 1,492.54	R\$ 1,495.09	R\$ 1,488.10	R\$ 1,037.99	R\$ 1,492.54	R\$ 1,556.87	R\$ 4,999.00	R\$ 1,327.12	R\$ 4,999.00
Low (R\$)	R\$ 404.19	R\$ 605.74	R\$ 713.84	R\$ 652.01	R\$ 675.50	R\$ 670.00	R\$ 693.00	R\$ 0.85	R\$ 0.85
Volume (BTC)	8,402.30	6,687.78	7,597.58	7,346.57	8,676.93	8,926.30	10,109.73	10,043.36	67,790.55
Volume (R\$)	R\$ 5,985,963.87	R\$ 4,576,768.09	R\$ 6,595,838.11	R\$ 5,596,517.60	R\$ 6,504,917.82	R\$ 6,887,053.82	R\$ 9,478,650.57	R\$ 9,200,310.31	R\$ 54,826,020.21
Trades	21,317	13,603	16,663	17,439	15,297	15,780	20,065	27,622	147,786
Average Price	R\$ 712.42	R\$ 684.35	R\$ 868.15	R\$ 761.79	R\$ 749.68	R\$ 771.55	R\$ 937.58	R\$ 916.06	R\$ 808.76
Average Trade (BTC)	0.39415976	0.49163998	0.45595512	0.42127243	0.56723078	0.56567158	0.50384919	0.36359990	0.45870752
Average Trade (R\$)	R\$ 280.81	R\$ 336.45	R\$ 395.84	R\$ 320.92	R\$ 425.24	R\$ 436.44	R\$ 472.40	R\$ 333.08	R\$ 370.98
Mercado Bitcoin	45.19%	35.51%	42.24%	48.42%	35.59%	31.82%	26.99%	28.48%	35.59%
FoxBit	35.06%	42.64%	33.41%	30.87%	39.36%	44.59%	43.81%	38.25%	38.82%
BitcoinToYou	14.34%	15.54%	14.72%	8.89%	16.66%	15.03%	14.95%	16.11%	14.69%
Local Bitcoins	1.37%	1.42%	1.98%	4.13%	2.86%	2.48%	3.15%	2.18%	2.49%
flowBTC	2.05%	4.00%	6.71%	4.99%	3.61%	2.35%	7.16%	11.17%	5.71%
Basebit				0.33%	0.33%	0.82%	0.45%	0.10%	0.27%
BitInvest	1.99%	0.90%	0.93%	2.15%	1.04%	0.87%	1.81%	1.42%	1.41%
NegocieCoins				0.22%	0.55%	2.04%	1.66%	2.30%	1.02%

