

COINMETRICS INDEXES

MARKET CONSULTATION

CMBI TOTAL MARKET UPDATE: FOCUS CMBITM

Last Revised - August 21 2025

TABLE OF CONTENTS

Introduction	2
CMBI 10 Index Background	3
Proposed Changes	4
Overview	4
Reasons for Change	4
Proposed Changes to Index Methodology	5
Include USDC/USDT Trades in ATVR Calculation	5
Eligibility Impact	5
Test Results	5
Conclusion	6

Introduction

Coin Metrics is committed to ensuring that the CMBITM Index continues to remain representative of the market it is intended to track and meets the needs of investors. Regular reviews of index rules are undertaken to ensure they are aligned with stated index objectives. Coin Metrics periodically consults the market regarding significant changes to the index methodologies and a robust governance process exists to facilitate this type of engagement with stakeholders.

Responding to the consultation:

CMBI stakeholders are invited to respond by 29 August 2025. The responses will be reviewed by the Coin Metrics Oversight Committee and any changes will be communicated by via an announcement, which will be available on the coinmetrics.io public website

Please submit your response to the consultation to "cmbi-support@coinmetrics.io".

All responses will be treated as confidential.

If you have any questions about this consultation, please contact "cmbi-support@coinmetrics.io".

CMBITM Index Background

The CMBI Total Market Series is reflective of the returns an investor would expect by purchasing all of the constituent cryptoassets at the corresponding weights for each index. All cryptoassets in the index series are members of the datonomy, a classification system for digital assets created jointly by Coin Metrics, Goldman Sachs, and MSCI.

Proposed Changes

Overview

Annualized Traded Value Ratio, “ATVR”, is used as a measure of liquidity for a given cryptoasset and used as part of the selection criteria to determine eligible assets fit for inclusion in our Total Market Indexes.

Liquidity is measured by the 30-day and 180-day annualized traded value ratio (ATVR). The ATVR is designed to measure normal levels of liquidity and is robust to outliers where extremely high or low levels of volume may be observed on a given day. The 30-day ATVR and 180-day ATVR are used to evaluate a cryptoasset’s liquidity over a short-term and intermediate-term period.

Reasons for Change

Coin Metrics will now support the consideration of *USDC/USDT-denominated* trades within its ATVR calculation for determining asset eligibility for indexes. ATVR previously considered only *USD*-, *BTC*-, and *ETH-denominated* trades across markets for consideration, not accounting for the increase in usage of stablecoins with trading - *USDC* and *USDT*. This prevented many eligible assets with considerable levels of liquidity (when considering *USDC/USDT-denominated* trades) to be excluded from CMBI Indexes, leading to volatility in index constituent lists and not fully representing liquidity amongst asset markets.

For more information regarding Coin Metrics’ enhancements to its Ethereum metrics, please visit <https://coinmetrics.io/eth-supply-updates>.

Proposed Changes to Index Methodology

Include USDC/USDT Trades in ATVR Calculation

In determining asset eligibility for index constituents, *USDC/USDT-denominated* trades will be used in calculating annualized traded value ratio (ATVR) alongside *USD-*, *BTC-*, and *ETH-denominated* trades.

Eligibility Impact

To test and ensure the inclusion of stablecoin-denominated trades would maintain the integrity of the eligibility assessment, we analyzed the current month's (August 2025) ATVR values excluding stablecoins versus those including the stablecoins.

Test Results

In previous months we had seen the asset 'BNB' removed from our Total Market index, CMBITM, due to ATVR values lower than the required 5 percent (0.05).

Asset	ATVR 30 - Excluding Stablecoins	ATVR 30 - Including Stablecoins	ATVR 180 - Excluding Stablecoins	ATVR 180 - Including Stablecoins
Bitcoin	0.294	1.109	0.367	1.630
Ethereum	1.274	5.811	1.674	7.536
BNB	0.0272	0.560	0.046	0.946

Many observations are revealed:

- ATVR is significantly higher across the board when including **USDC** and **USDT** asset market trades

- We can conclude stablecoin-denominated trades contribute a large portion of market trades and excluding them from calculations would severely underestimate market liquidity and activity.
- 'BNB' was ineligible for inclusion due to low ATVR values, after the inclusion their ATVR values greatly increased, exceeding the requirement
 - inclusion of stablecoin-denominated trades would more accurately reflect market liquidity, not only for these assets but across all asset markets.

Conclusion

After review, Coin Metrics will support the inclusion of *USDC*- and *USDT-denominated* trades when calculating ATVR for determining asset eligibility.

Considering the state of the crypto market and increased usage of stablecoins in trading cryptoassets, it would be more appropriate and representative of market liquidity to consider stablecoin-denominated trades as part of trade volume. This would lead to a more inclusive eligibility assessment for assets, resulting in increasingly representative indexes. Beginning with the September 2025 Rebalancing and Reconstitution, *USDC*- and *USDT-denominated* trades will be included as data inputs when calculating ATVR for determining asset eligibility.