



KYROS
VENTURES



VIETNAM

CRYPTOCURRENCY

MARKET REPORT

H1/2023



Continuing the legacy of the longest-running series, Kyros Ventures, Coin68 and Animoca Brands team are delighted to introduce the **Vietnam Cryptocurrency Market Report** for the first half of 2023.

This publication also serves as a heartfelt expression of gratitude to all the readers who participated in the survey and followed along since the very first issues. On behalf of the team, I would like to thank all the partners who supported this report. Every one of you is the driving force behind fostering a robust and thriving Vietnamese cryptocurrency community.

Jenny - COO of **Kyros Ventures**



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KEY TAKEAWAYS

- The market is becoming **more mature** with a rising number of infrastructure projects as well as a sheer amount of experienced investors sticking around throughout the dull market.
- Investors' belief has returned with **70%** believing that the downtrend cycle has ended or about to end. The positivity is demonstrated through **higher participation rates** across all segments compared to the previous year. *
- However, **nearly 60%** of respondents still hold stablecoins accounting for over half of their investment portfolio, while **three-quarters** desire for regulatory governance or intervention.
- **Investment decisions influenced by friends** is a popular trend in Vietnam with this figure being **2.5 times higher** than in the United States.

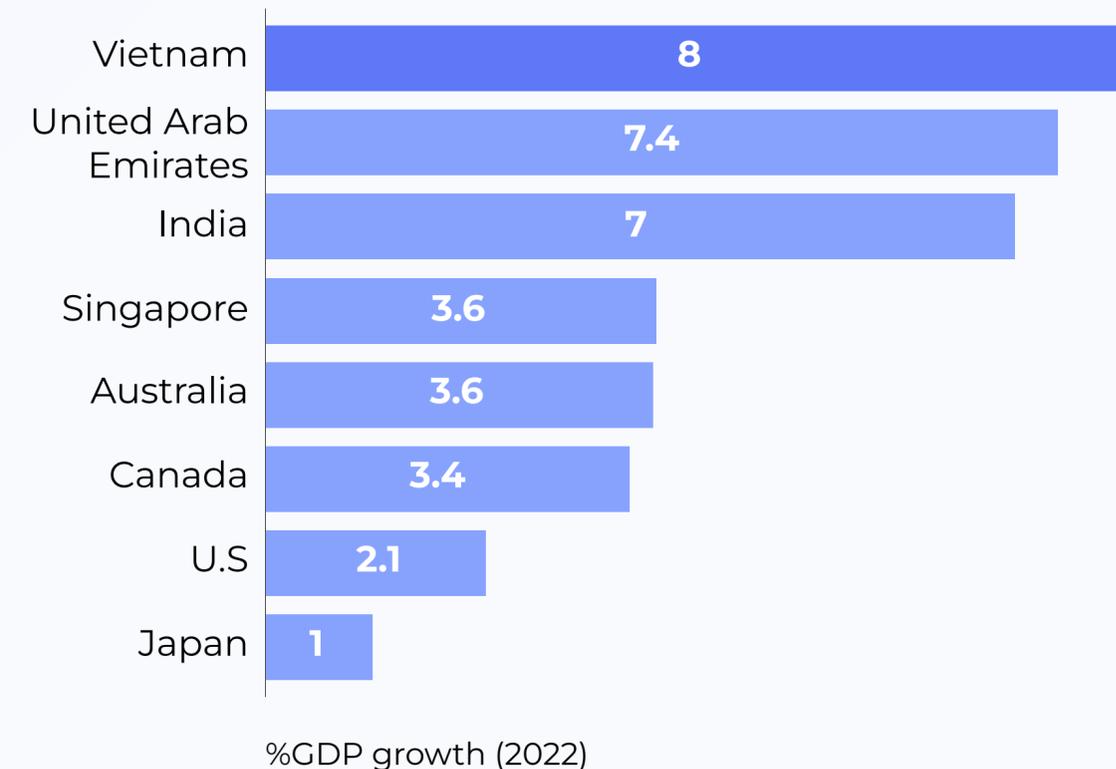
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VIETNAM MARKET LANDSCAPE

VIETNAM ECONOMY AND MARKET OVERVIEW

- The global economic landscape remains uncertain due to ongoing challenges such as inflationary pressures and supply chain disruptions. Central banks worldwide are cautiously monitoring these factors while adjusting monetary policies.
- The provided data outlines the annual GDP growth percentages for several countries. **Vietnam is among the highest growth group** with 8% in 2022. Meanwhile, developed economies like Japan and the United States exhibit relatively lower growth rates of 1% and 2.1%, emphasizing a varied economic landscape.

Vietnam experiences a high GDP growth rate



Source: World Bank

MACROECONOMICS

- **Friendly Regulation Outlook:** Vietnam currently does not consider cryptocurrencies as legal tender, resulting in no crypto taxes. While discussions on crypto regulations persist, major changes are limited. Notably, peer-to-peer lending and virtual asset service providers are excluded from new anti-money laundering laws in March this year (*Baker & McKenzie, 2023*).
- **Currency Hedge:** Recent fluctuations in the VND's value due to central bank actions have led to increased interest in Bitcoin as a hedge against instability. Bitcoin's popularity as a tool for hedging against currency risks grew notably in 2022, according to *Statista*.



VIETNAM CRYPTOCURRENCY MARKET

- By December 2022, Vietnam has over 200 active blockchain projects spanning various fields.
- According to Statista, the revenue from crypto exchanges in the Vietnamese market is projected to reach 109.4 million USD in 2023, and the number of crypto users is expected to grow to 12.37 million by 2027.
- Furthermore, Vietnam ranks among the top 5 countries with the highest trading volume on Binance, according to a recent report by the Wall Street Journal.

#1

Crypto Adoption

(Chainalysis 2021 & 2022)

#2

DeFi Adoption

(Chainalysis 2021)

19%

Vietnamese crypto owners

(Triple-A 2022)

VIETNAM BLOCKCHAIN & CRYPTO MAP

Education



Solution



Venture Capital



Media



Community



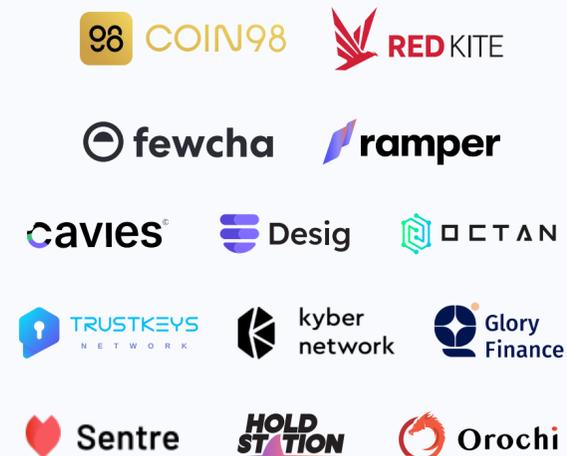
Blockchain Project



Exchange



DApps & DeFi



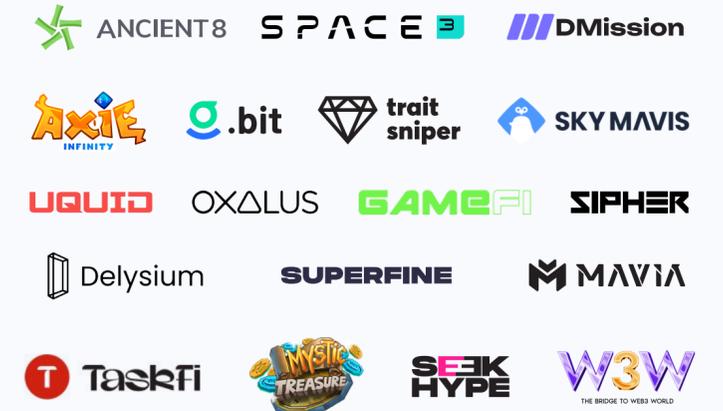
Government Certified Organization



Game Studio



Web3



BLOCKCHAIN ORGANIZATIONS CERTIFIED BY VIETNAM GOVERNMENT



- For the first time in the history of the blockchain industry in Vietnam, an officially recognized legal entity has emerged.
- Vietnam Blockchain Association, or VBA in short, was founded according to Decision No. 343/QĐ-BNV issued by the Ministry of Home Affairs, on April 22, 2022.

EDUCATION



- In comparison to the previous year, the number of educational institutions offering courseworks in blockchain area has increased to 9.
- In particular, FuniX provides a 10-month in-depth IT training course for students desiring to become a Blockchain Developer.
- Also, RMIT has introduced a minor called Blockchain Enabled Business and a Fintech-Crypto hub partnering up with Binance.
- Additionally, students can explore formal courses from the University of Technology (HCMUT), as well as numerous seminars and programs related to Blockchain by other educational organizations.

BLOCKCHAIN INFRASTRUCTURE



Oraichain

AIOZnetwork



- The number of blockchain infrastructure projects has increased to 8.
- The most outstanding project is Aura Network which has raised a total of 9 million USD from Republic Crypto, Hashed, Coin98 Ventures, and others.
- TomoChain was acquired by Coin98 Finance.
- Remitano Network launched its mainnet in October 2022, backed by long-standing P2P Remitano exchange in Vietnam.
- Firebird, formerly known as PolkaFoundry, is focusing on a blockchain-based Web3 game platform.
- Verichains discovered a Private Key Extraction Vulnerability worth a total amount of up to 8 billion USD.

DECENTRALIZED FINANCE (DEFI)



- Compared to last year, there are still many projects continuing to develop despite the bear market conditions.
- Among them are successful projects that have emerged after the Web3 Matching event hosted by Kyros Ventures in December 2022, such as Fewcha, Octan Network, Orochi, Cavies, and so on.

WEB3



- Despite there being no major breakthroughs within the GameFi sector in H1 of 2023, Vietnam is still the **gaming powerhouse** with GameFi participation rate and mobile game production both ranked top five globally, according to *Finder* and *Bloomberg*. Vietnam's comeback within the GameFi space is inevitable.
- Meanwhile, the infrastructure sector has been thriving with a series of projects gaining reputation after the Web3 Matching and GM Vietnam 2023 events such as Space3, SeekHype, W3W, and Oxalus.

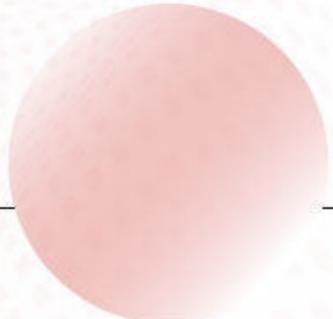
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INVESTOR PERSONA

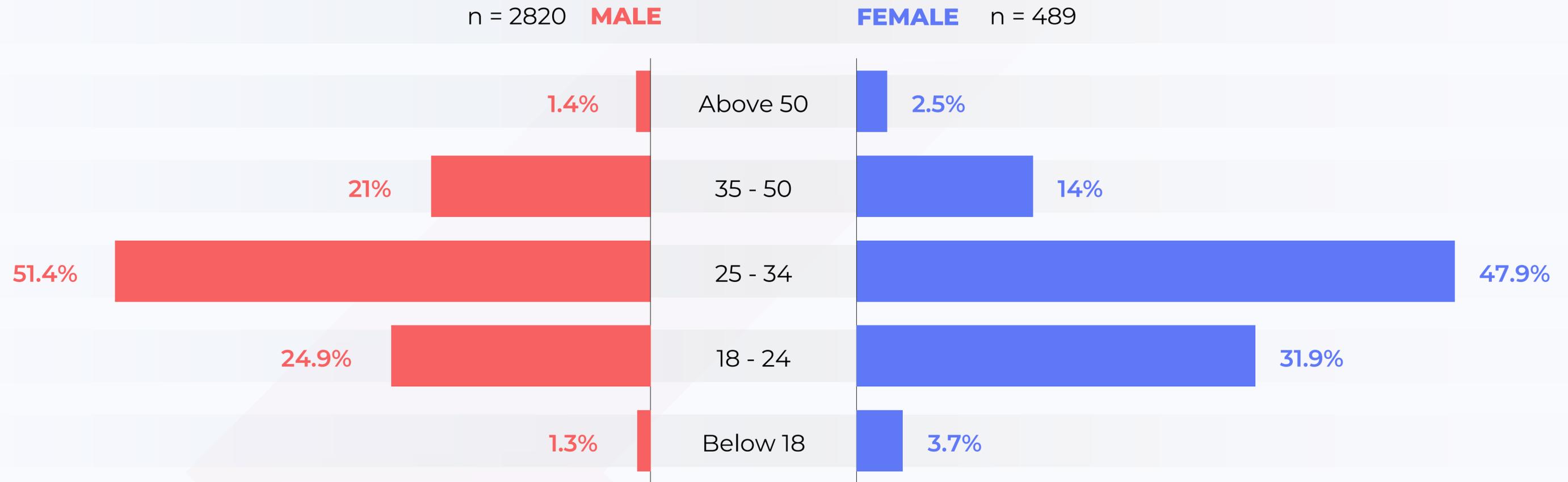


3.1

DEMOGRAPHIC INSIGHTS



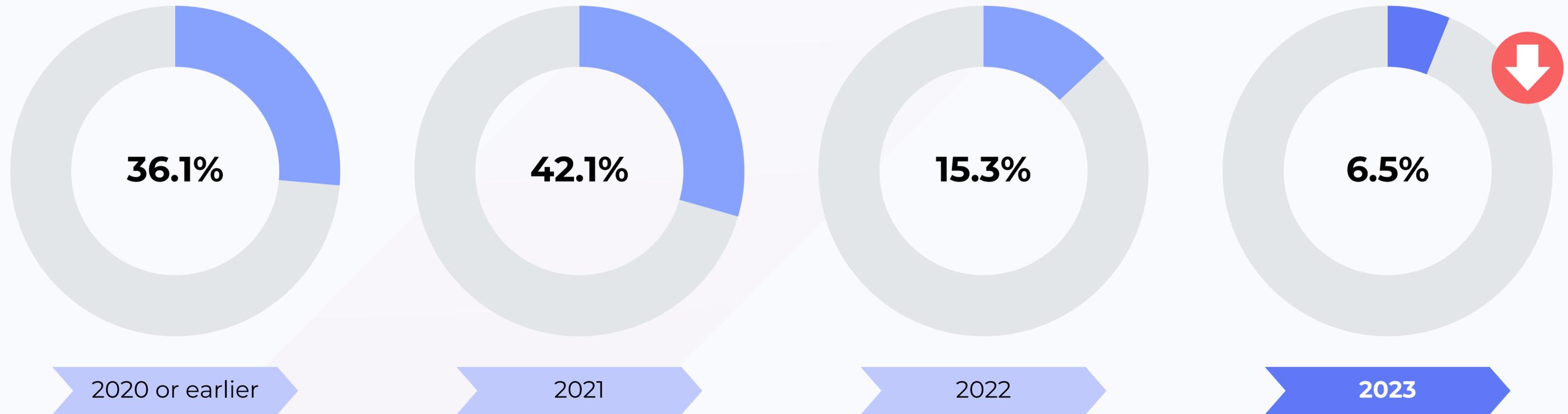
DEMOGRAPHIC INSIGHTS



The bracket of people aged between 25 to 34 remains the dominant group. Compared with 2022 data, the proportion of participant aged between **18 to 24 decreases** from 38% to 26%.

INVESTOR PROPORTION YEAR OVER YEAR

n=3309



- **Over 90%** of respondents gain over 1 year of experience in the market. **Only 6.5%** are **newcomers** in 2023 which shows **a lower figure (11%)** compared to 2022.
- The group that entered the market in 2021 still accounts for the largest wave of newcomers, showcasing their strong belief in the market whether bearish or not.

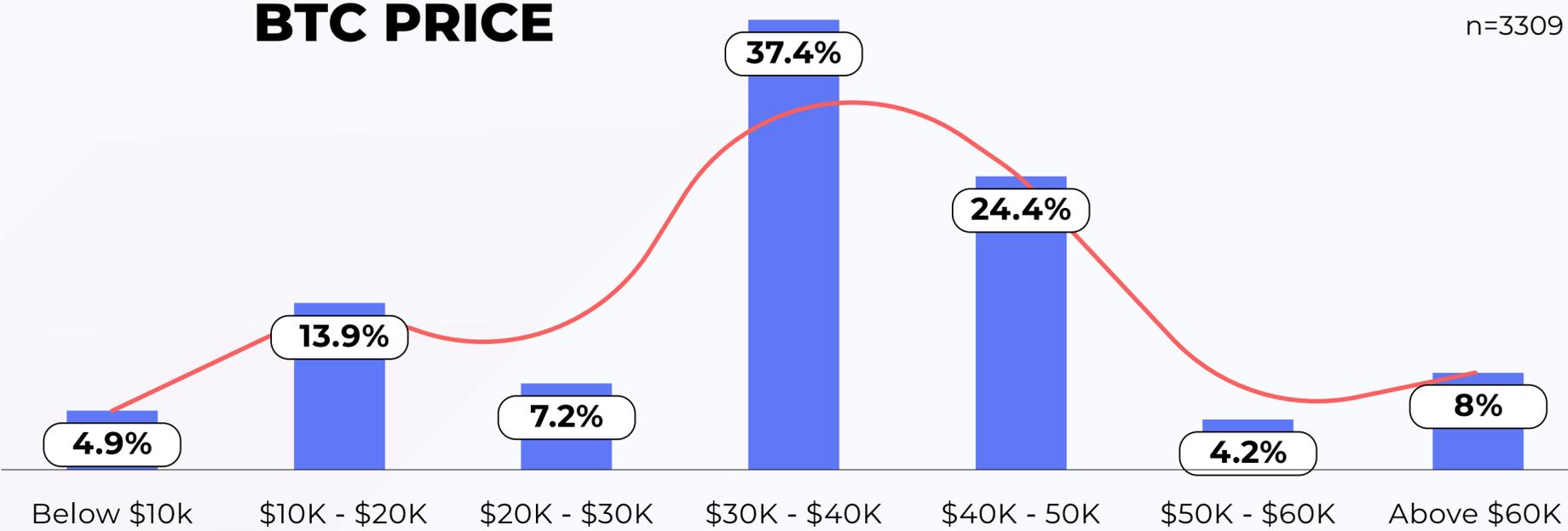


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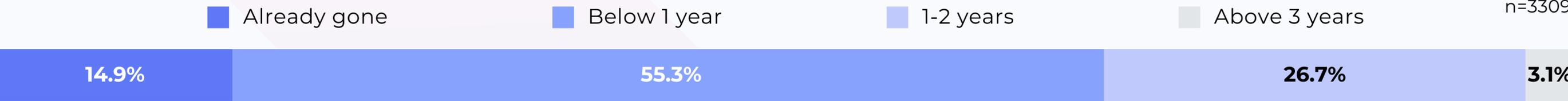
PERSONAL PERSPECTIVE AND BEHAVIORS

PERSPECTIVE

- The consensus toward BTC price in general is around the range of **\$30.000 to \$50.000** until the end of 2023.
- **Only roughly 20%** of investors believe that BTC will **drop below \$20.000**.



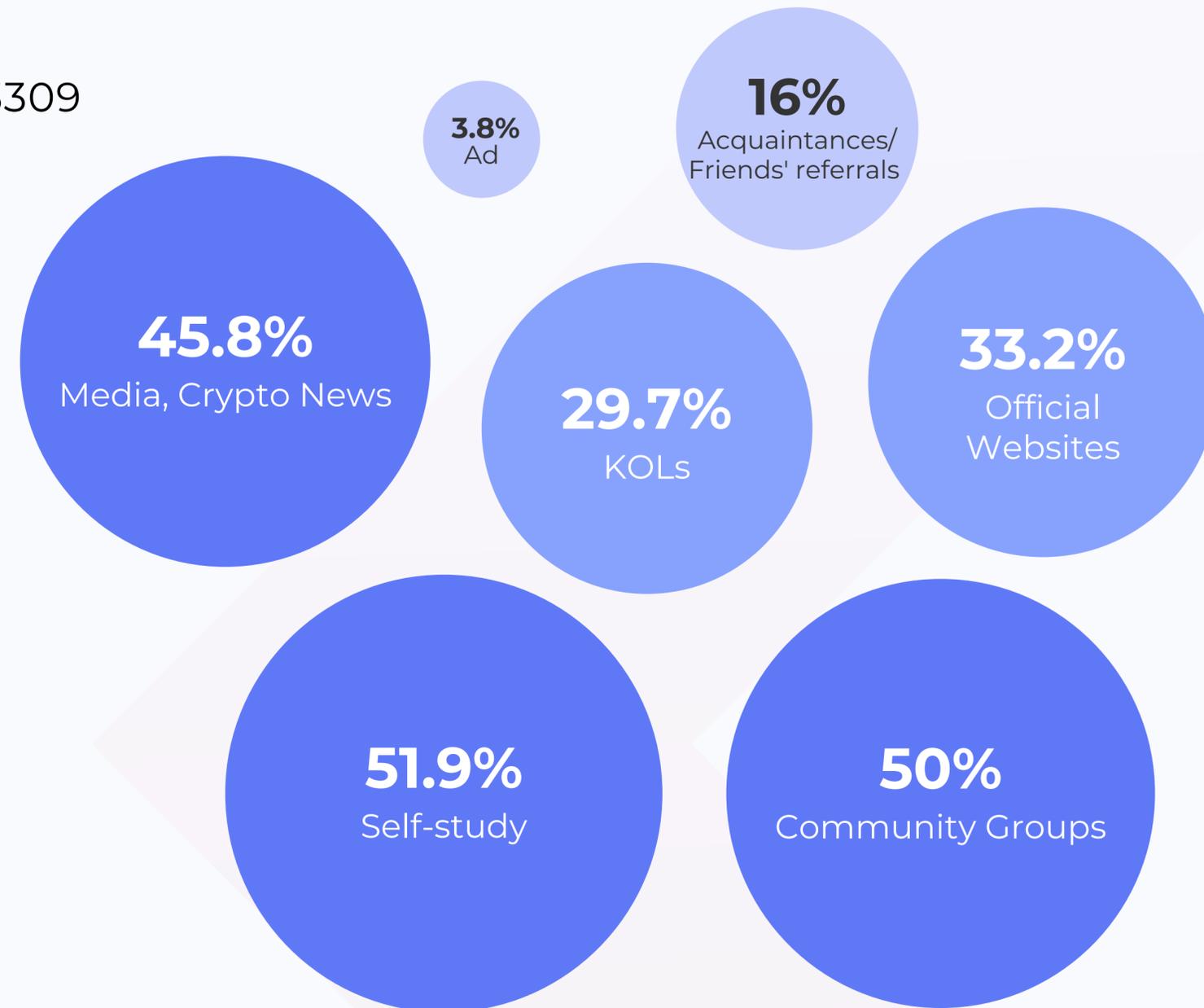
WINTER MARKET



Nearly 70% of respondents said that the crypto winter would last less than a year or has already ended.

SOURCES OF INFORMATION ACCESS

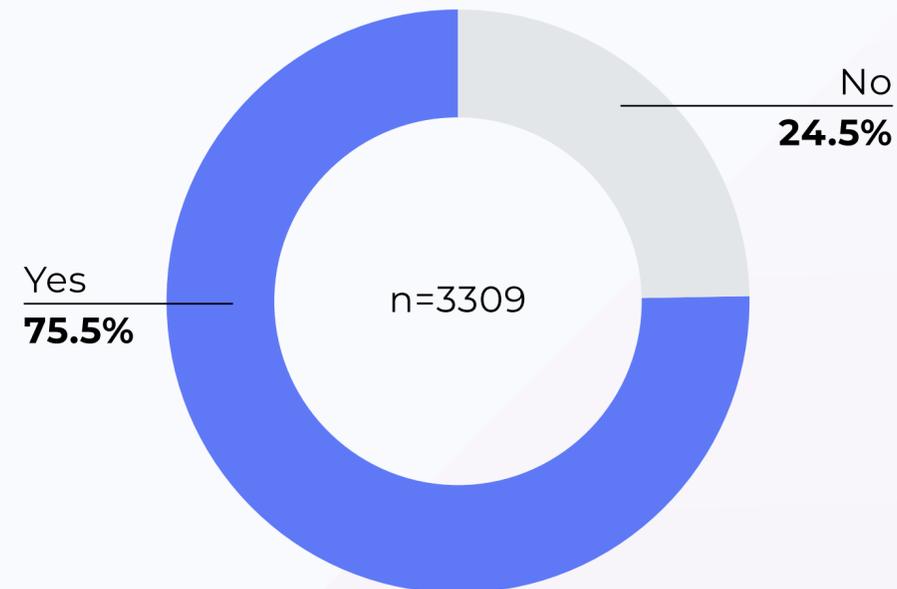
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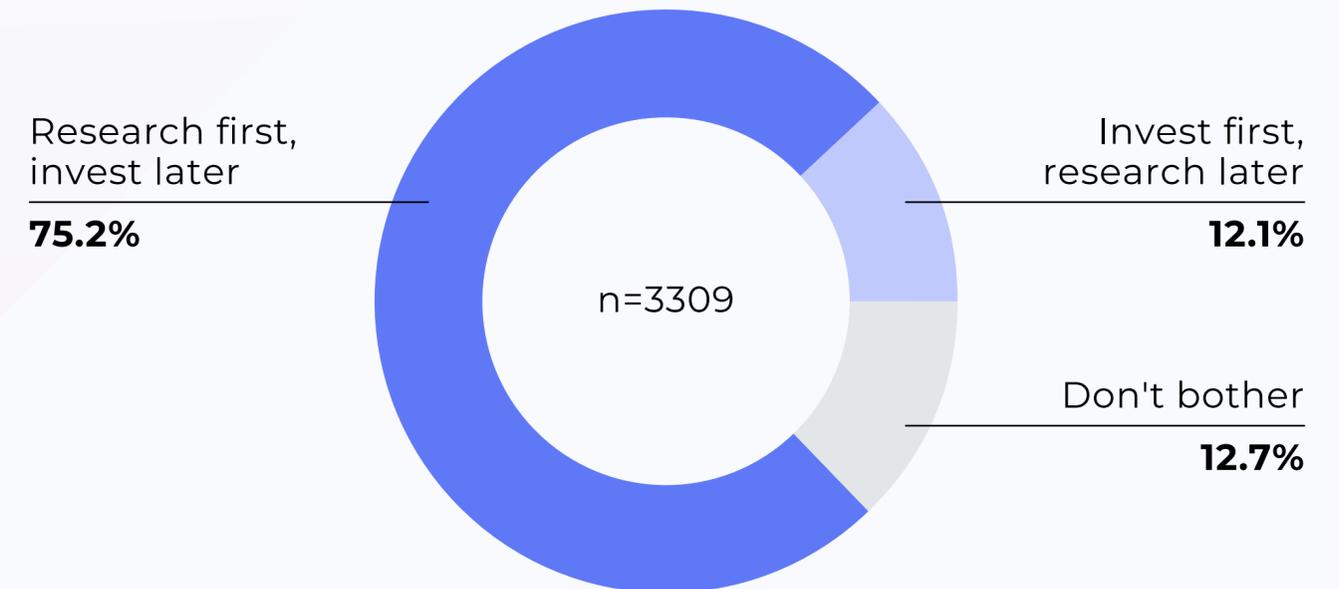
Vietnamese investors still **maintain the habit of researching projects** primarily via online or social media sources, news, and community groups. The second option is that they would choose to learn more about the projects through its official websites.

INVESTMENT DECISIONS BY REFERRALS

THROUGH FRIENDS' REFERRALS



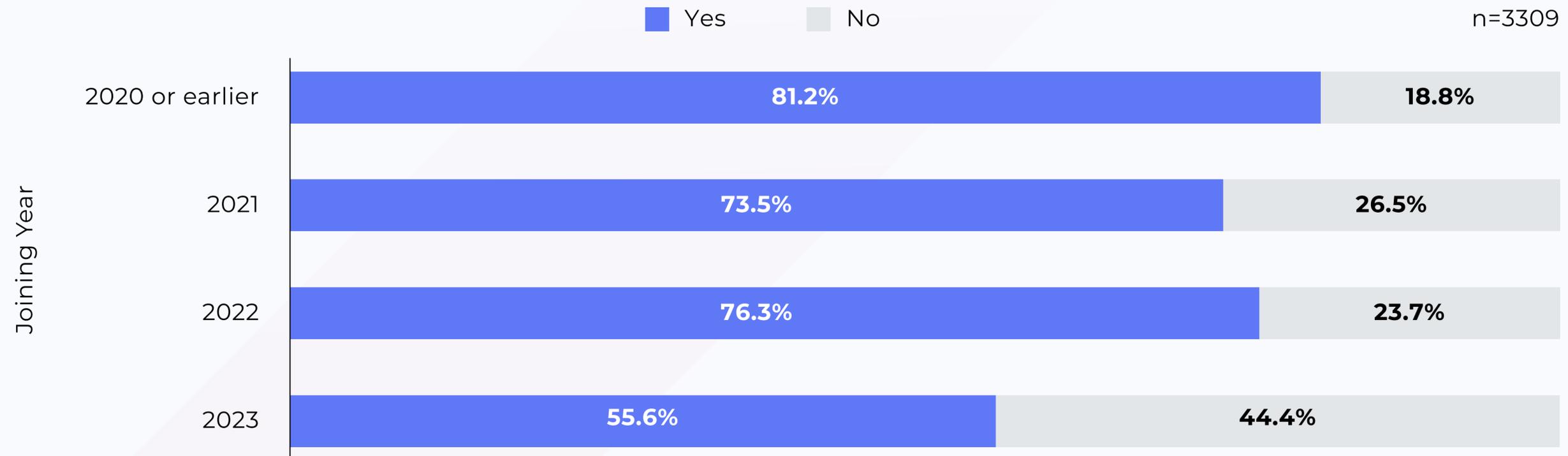
DECISIONS MAKING



- Three-fourths of the surveyees are **influenced by recommendations or referrals**, although this figure accounts for a minor percentage when gathering market insights.
- When asked about investments relying on a trustworthy person's opinions, the majority of respondents choose to **thoroughly research the project first**. It is obvious that investors are very careful and cautious before making their investment decisions.

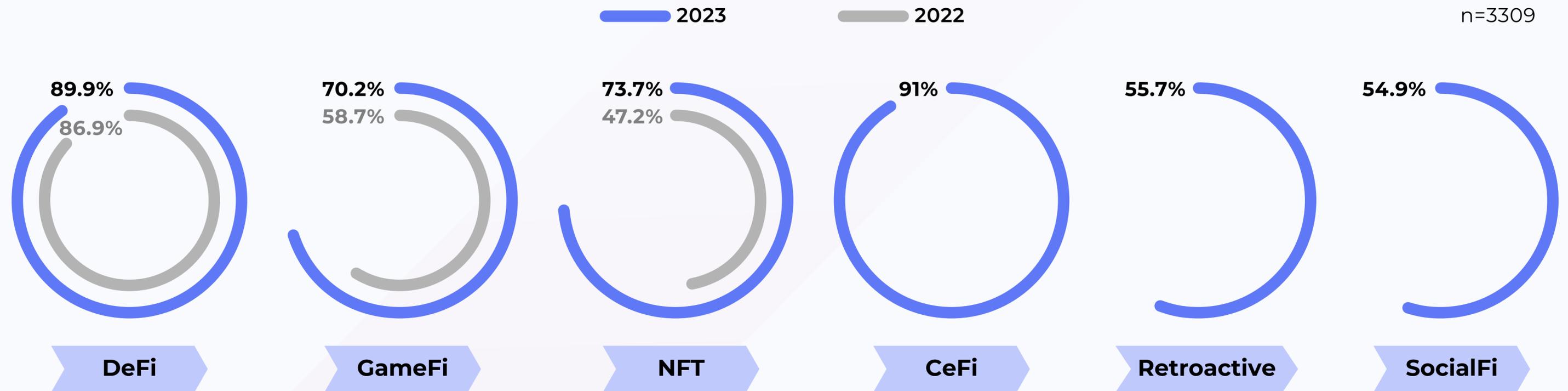
INVESTMENT DECISIONS BY REFERRALS

DIFFERENCE BETWEEN GROUPS



- When delving deeper into the investment decisions of each group, **newcomers** are skeptical the most.
- A paradox here is that the remaining groups mostly decided to invest in crypto based on recommendations.

PARTICIPATION PERCENTAGE BY SEGMENTS



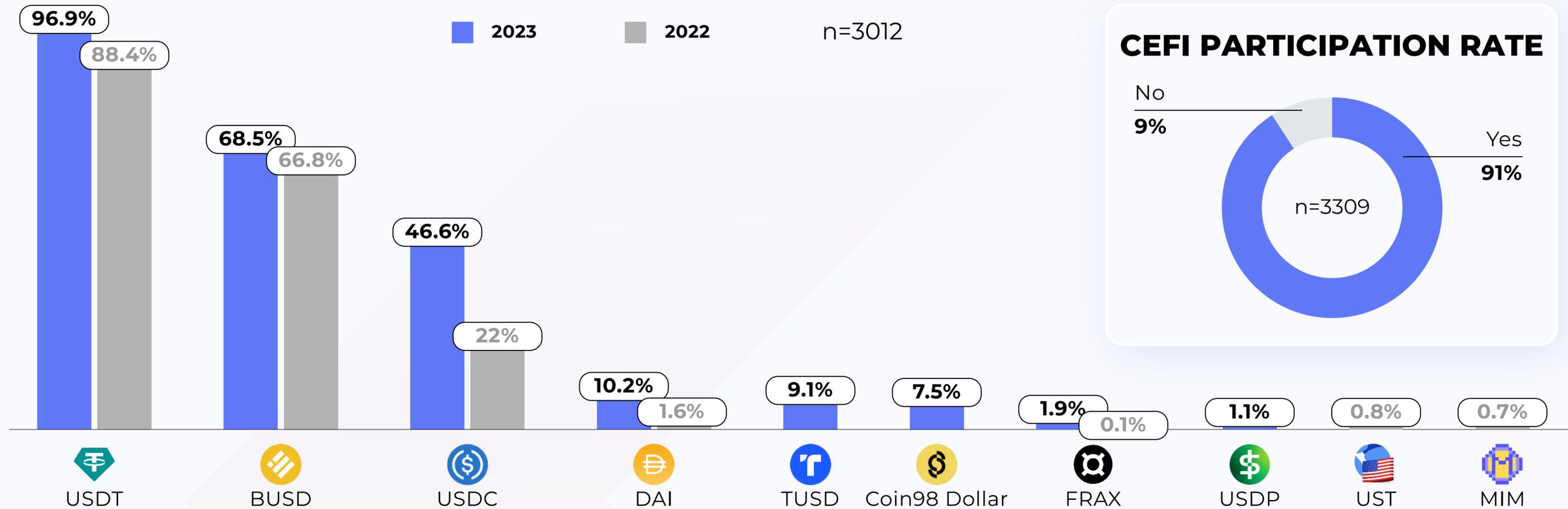
- The participation percentage in **DeFi, GameFi, and NFT** have increased in comparison with 2022. NFT and GameFi witness a significant growth.
- Despite having been existed for a while and considered the most favourite community activities in 2021, the participation proportion in Retroactive makes up the second lowest.



3.3

CEFI AND DEFI

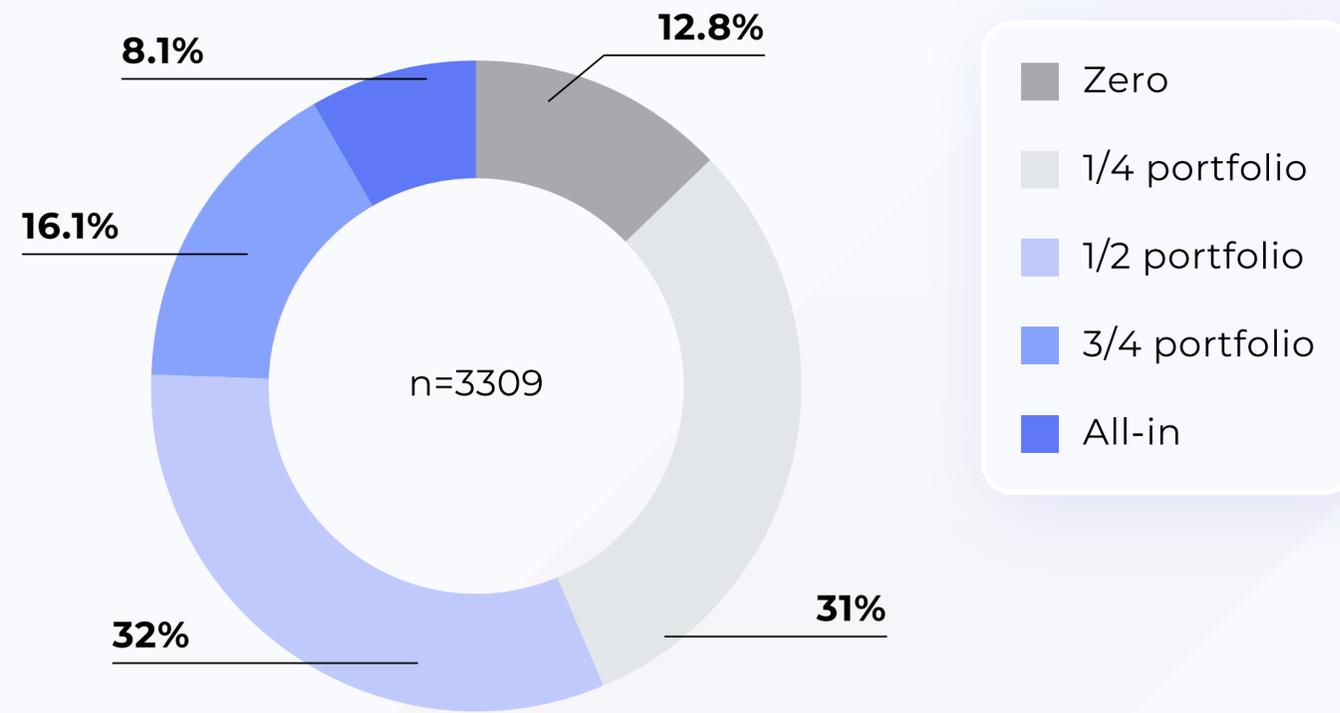
POPULAR STABLECOINS



- After a year, the top 4 positions remain unchanged. **USDT continues to be the most used stablecoin.** USDC and DAI specifically have experienced the highest growth rates. TUSD and Coin98 Dollar (CUSD) are two new stablecoins replacing UST and MIM.
- **75.8% of investors hold more than 2 stablecoins in their wallets** to diversify their portfolio and mitigate risks.

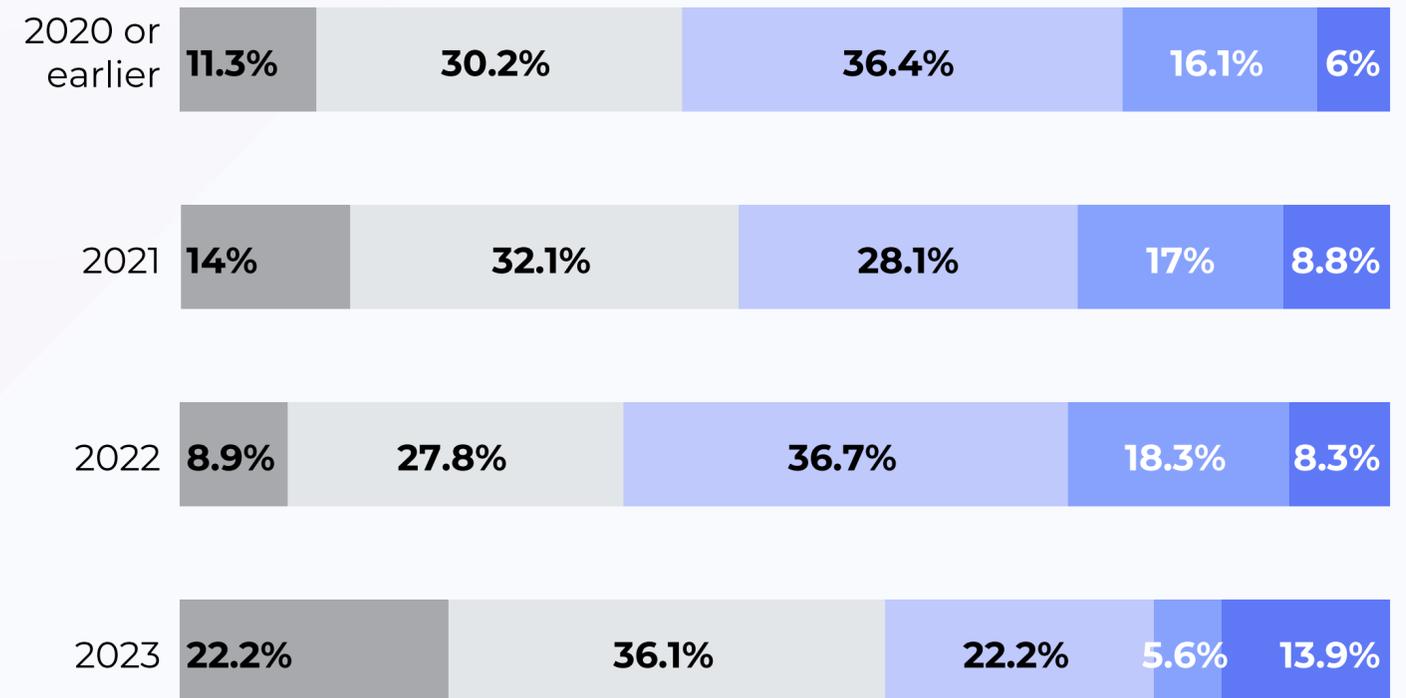
STABLECOIN ALLOCATION

OVERVIEW



Although majority of participants have a positive outlook on BTC price, many still hold **25% and up to over 50% of their stablecoins**. This reflects cautious consideration towards crypto investments during the market downtrend.

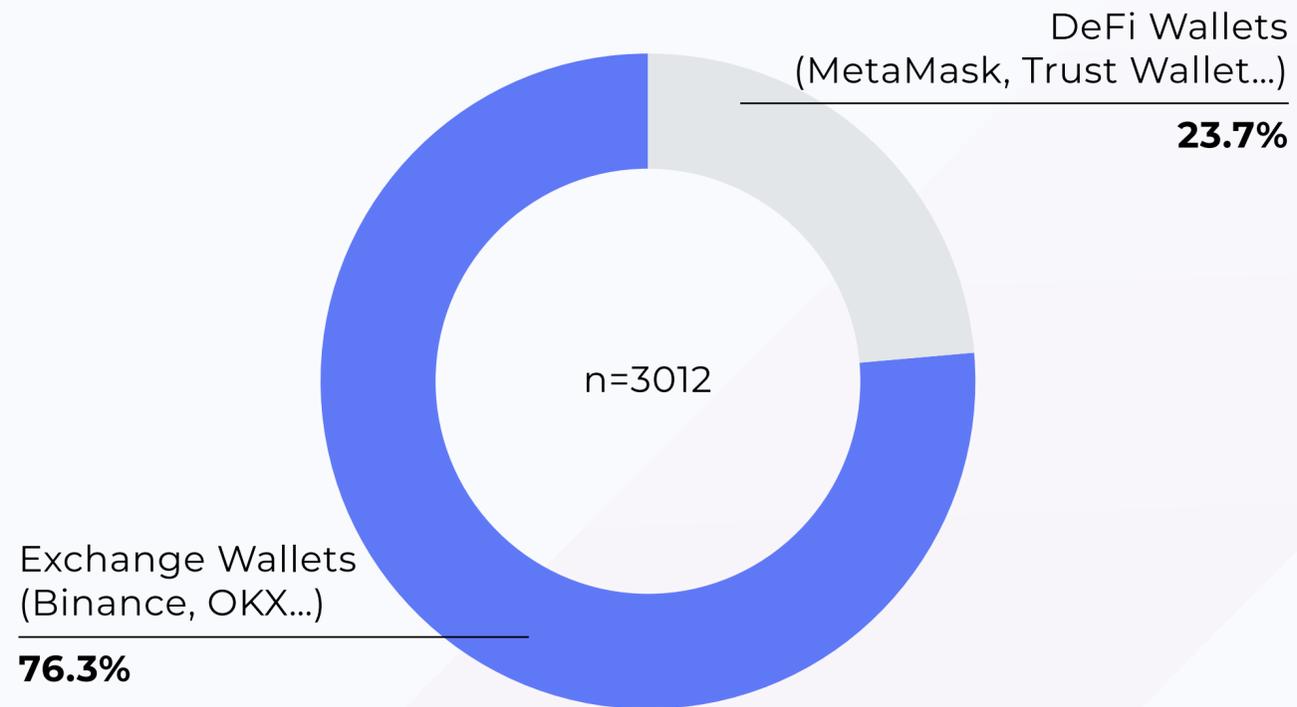
STABLECOIN ALLOCATION



Noticeably, newcomers are those who hold no stablecoins the most.

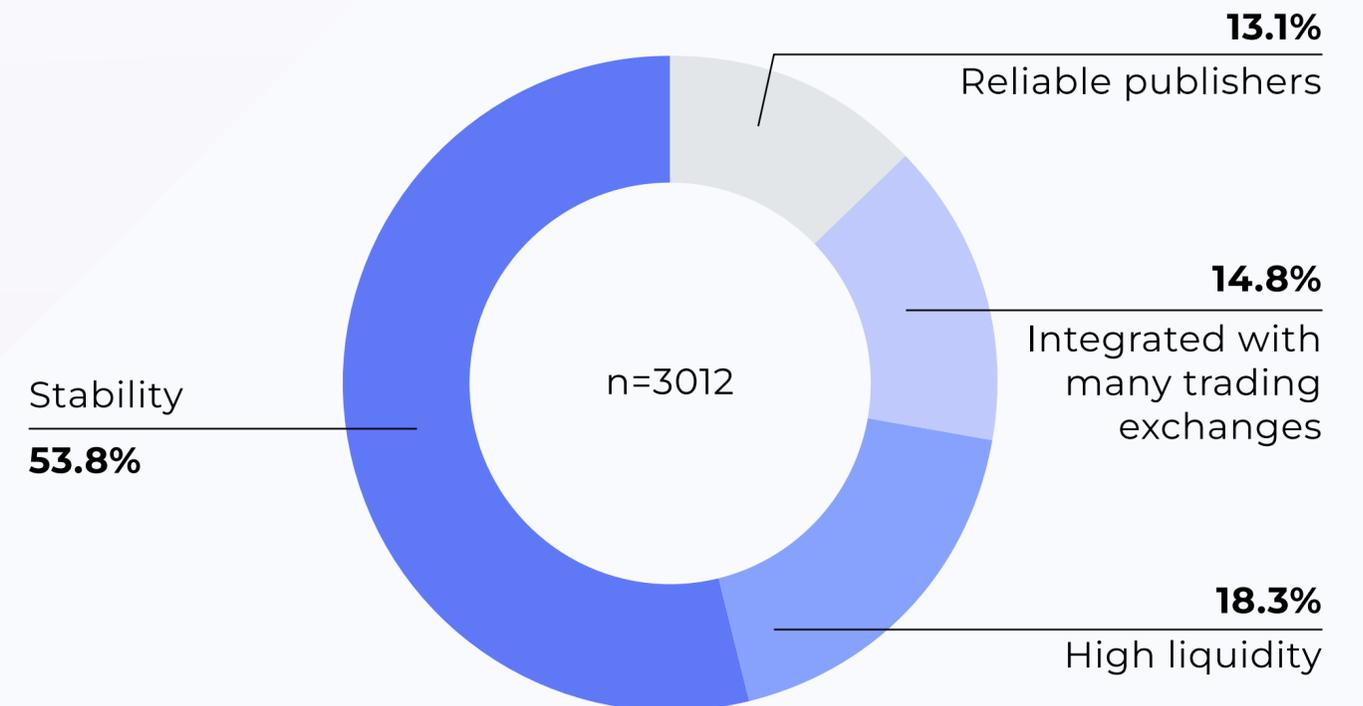
STABLECOIN

STABLECOIN STORAGE



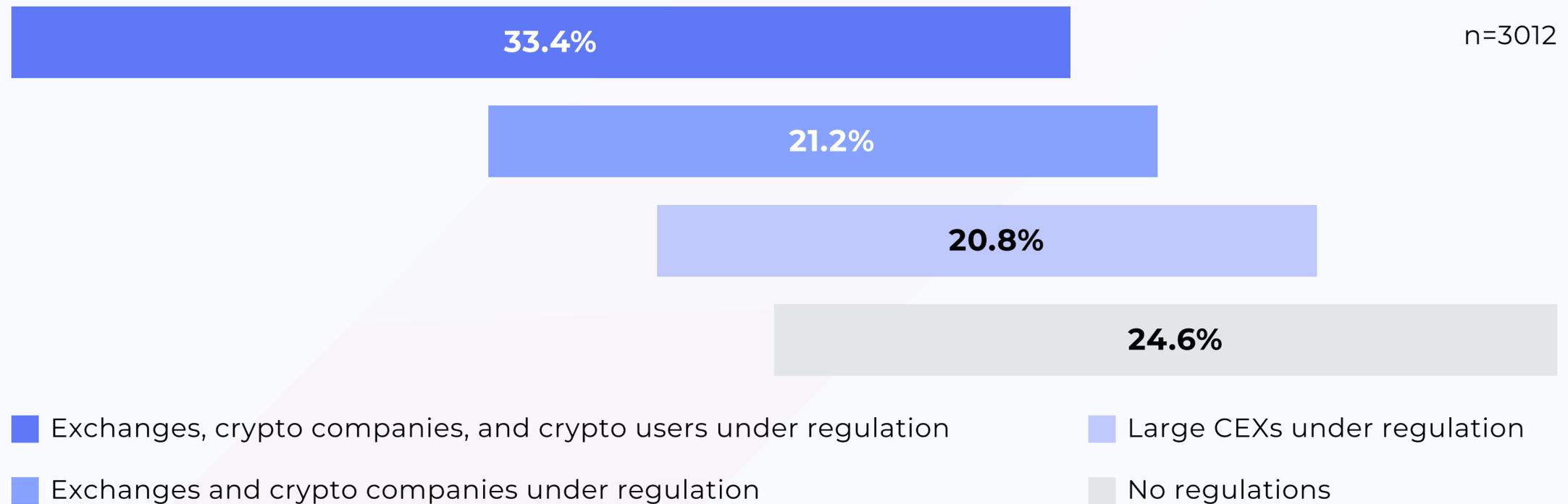
CEX is the choice that the majority of investors put their trust in when storing their stablecoins.

REASONS FOR CHOOSING STABLECOINS



- With references to reasons for **choosing** commonly preferred **stablecoins**, the majority of respondents told that they are constantly **stable**.
- The figures for the remaining reasons are nearly the same.

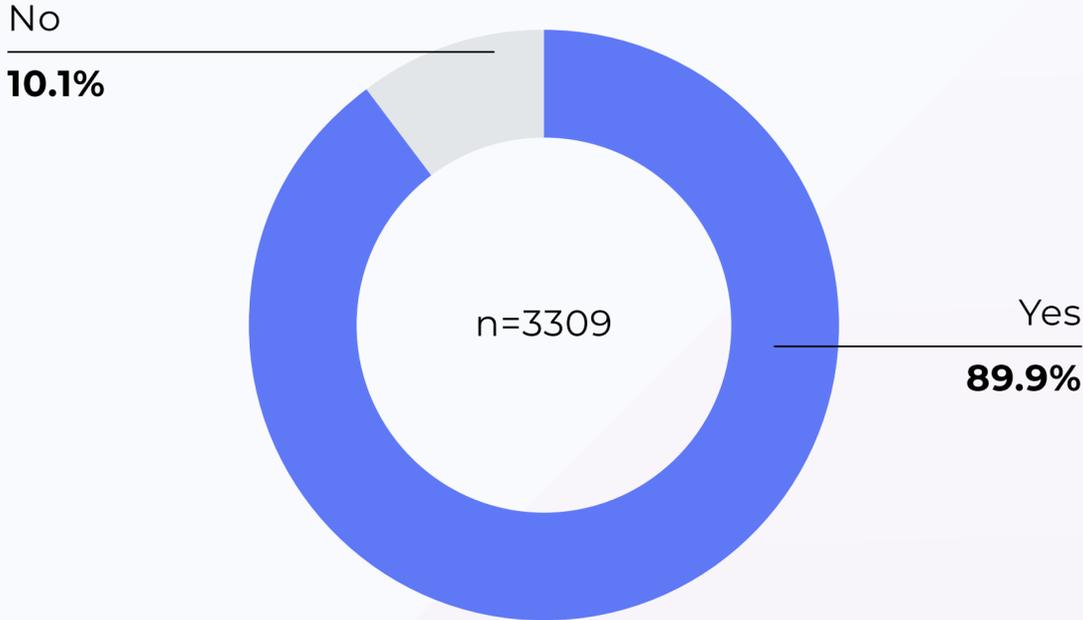
DESIRED LEVEL OF CRYPTOCURRENCY GOVERNANCE



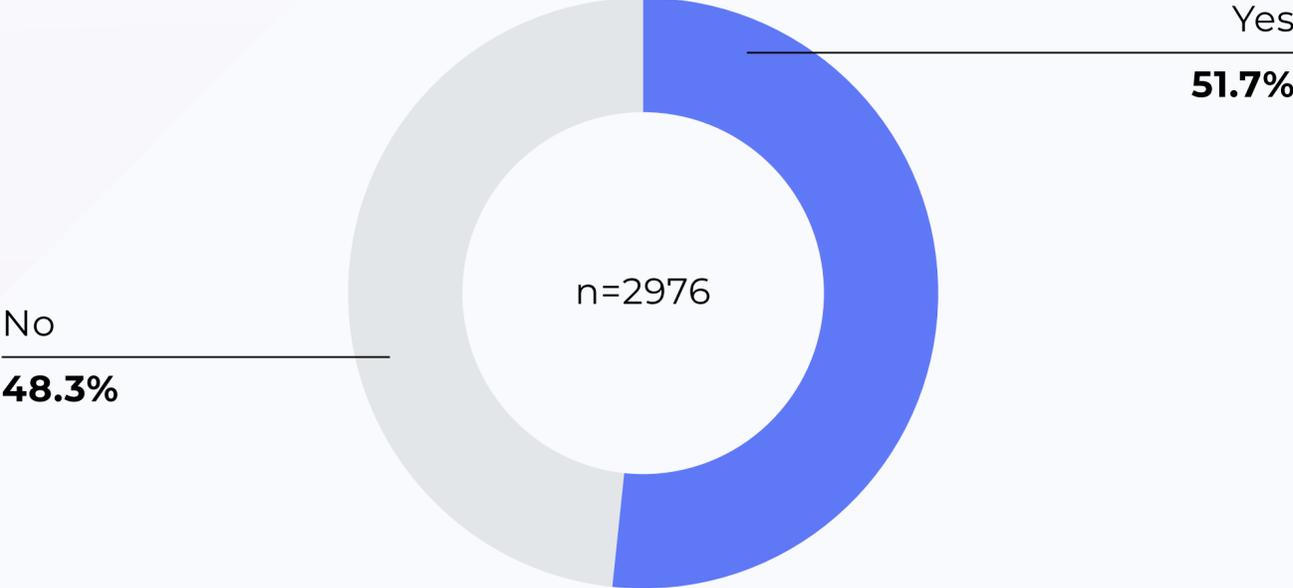
- **Over 70%** of survey respondents desire cryptocurrencies to be **controlled by regulation** to some extent.
- Particularly, **over a third of investors** hope that comprehensive regulation across trading exchanges, crypto enterprises, and individual investors would be improved.
- The proportion of participants expecting a fully decentralized crypto market indeed is relatively low, **accounting for only a quarter.**

DEX TRENDS

DEFI PARTICIPATION RATE



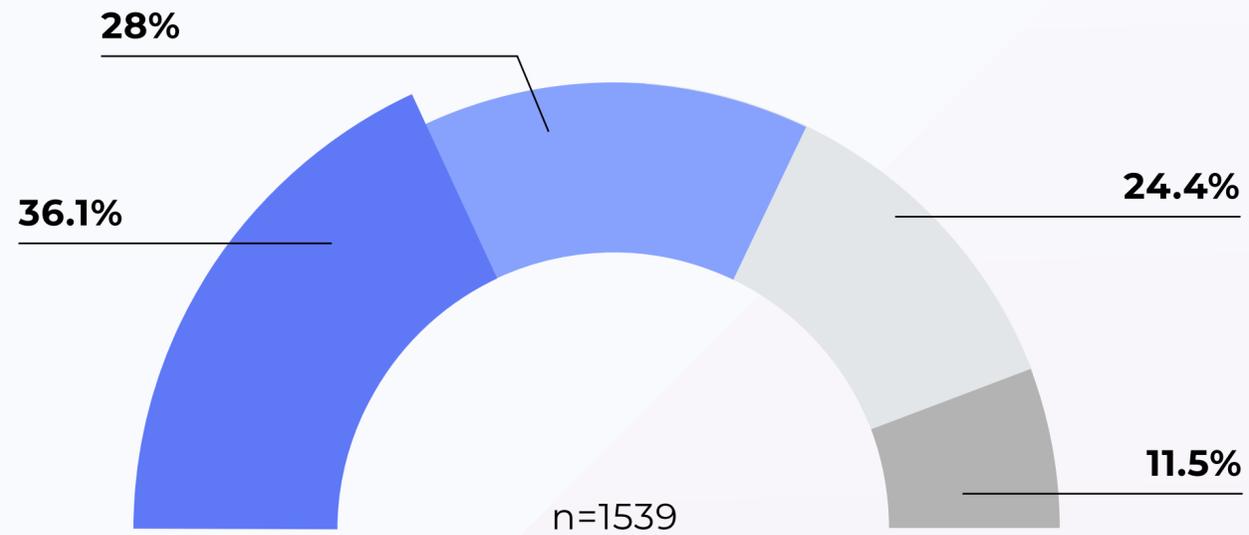
DEX USAGE > CEX USAGE?



- Recent FUDs surrounding CEX exchanges has led to the shift in user sentiment, prompting a **tendency to migrate towards DEX platforms.**
- This is also reflected in the global DEX to CEX ratio data, which has increased **from 10% to 22% in the first half** (Source: The Block).

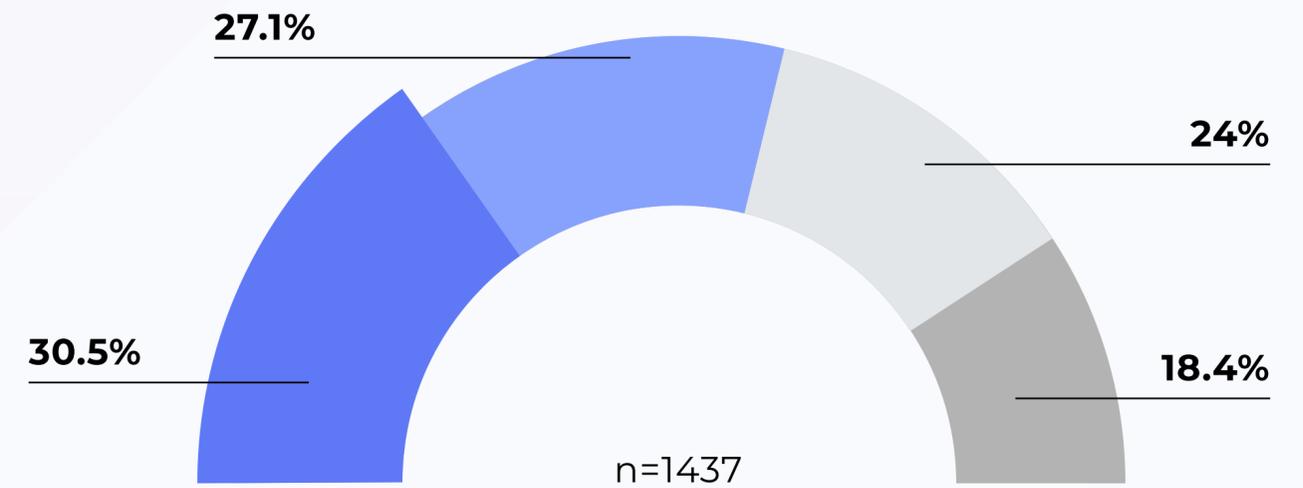
USAGE PURPOSES

DEX



- **DEX has no bankruptcy and enables users to self-manage their assets**
- Easy to get access to other DeFi products
- Easier to invest in stablecoins based on trends on DEX rather than CEX
- Following DEX in short-term, but get back to CEX soon

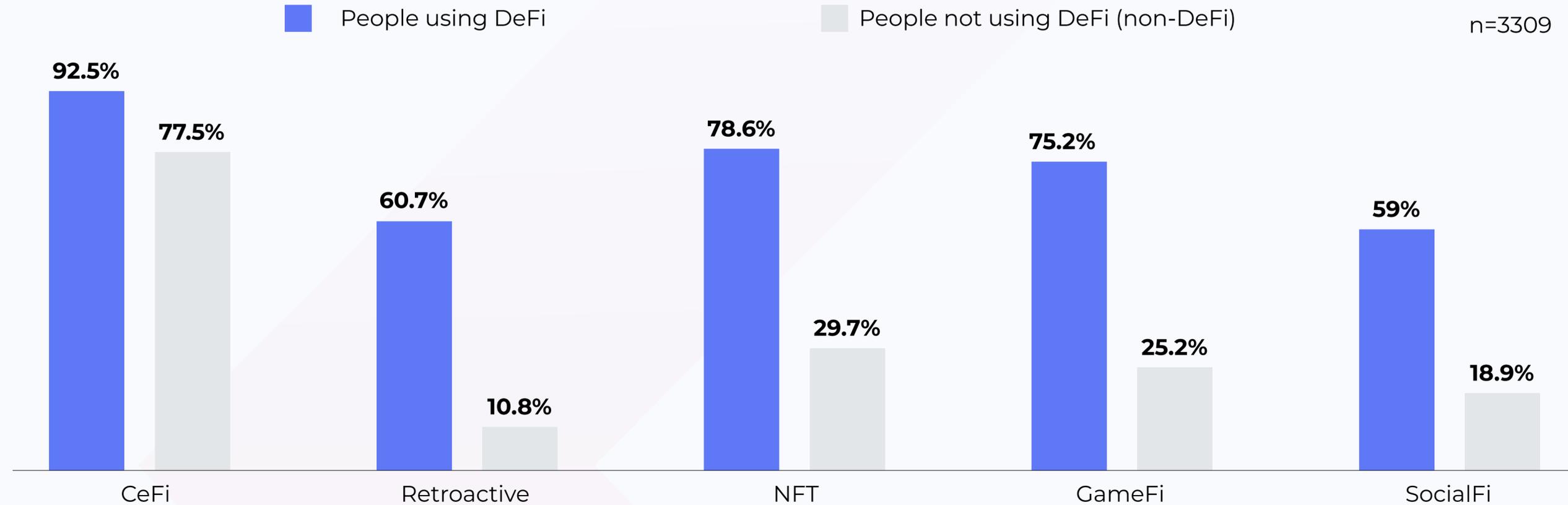
CEX



- **CEX liquidity is higher**
- CEX is convenient and customer service offerings
- CEX is easier to access rather than DEX
- CEX is more trustworthy because of the transparent organization profile behind

DEFI VS. NON-DEFI

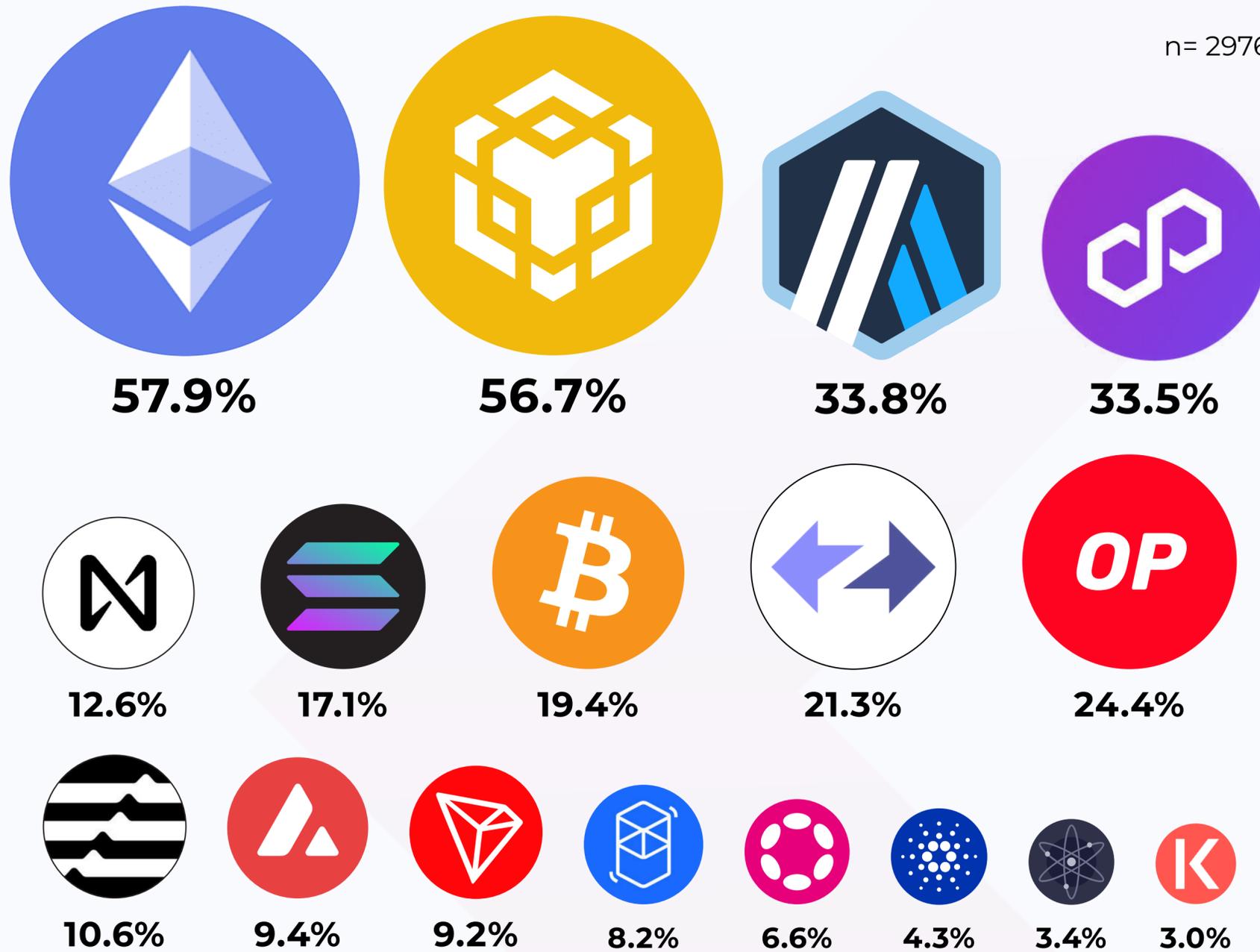
SEGMENT PERCENTAGE



- **DeFi investors are more open** to other sectors since the participation percentage is significantly higher compared to the Non-DeFi group.
- DeFi is a gateway that leads investors to different niches within the cryptocurrency market.

MOST FAVORABLE DEFI ECOSYSTEM

n= 2976



Noticable changes:

- In 2023, there has been a shift in the ranking within the top 3 platforms. To be concise, **Ethereum has surpassed BNB Chain.**
- Solana is no longer a prominent platform. Instead, new Layer 2s such as **Arbitrum, Optimism, and zkSync Era** are attractive to many users.

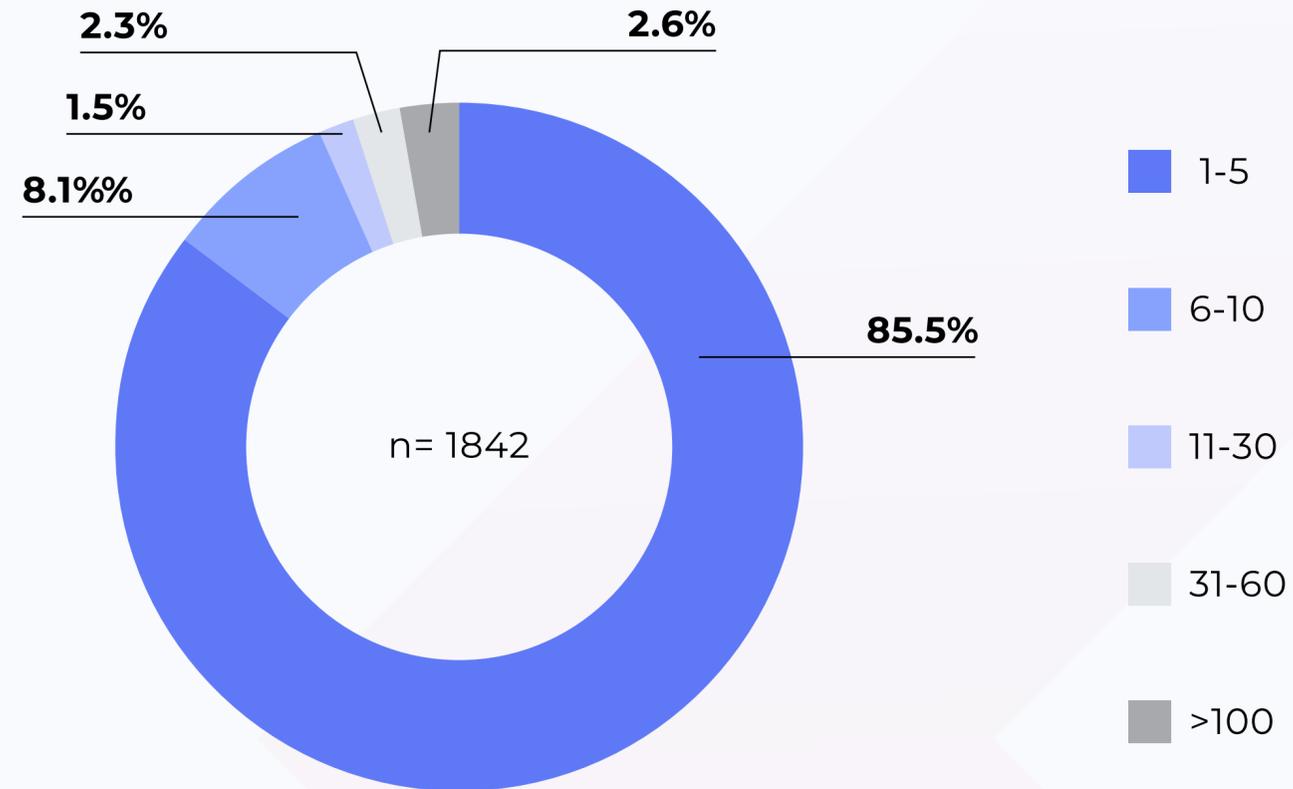


3.4

RETROACTIVE

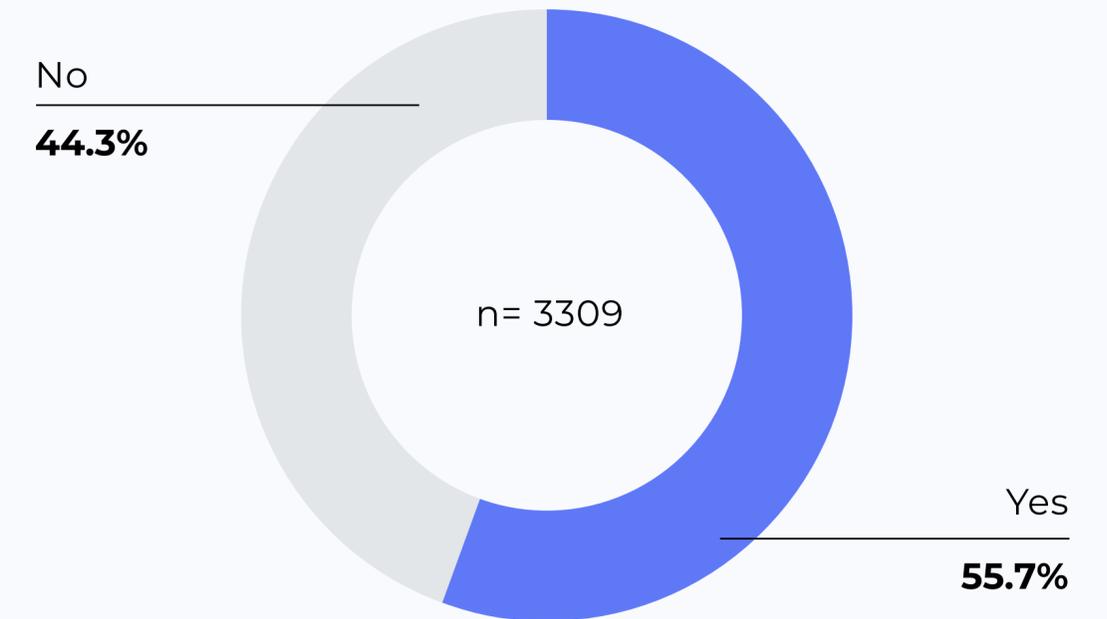
RETROACTIVE

NUMBER OF WALLETS



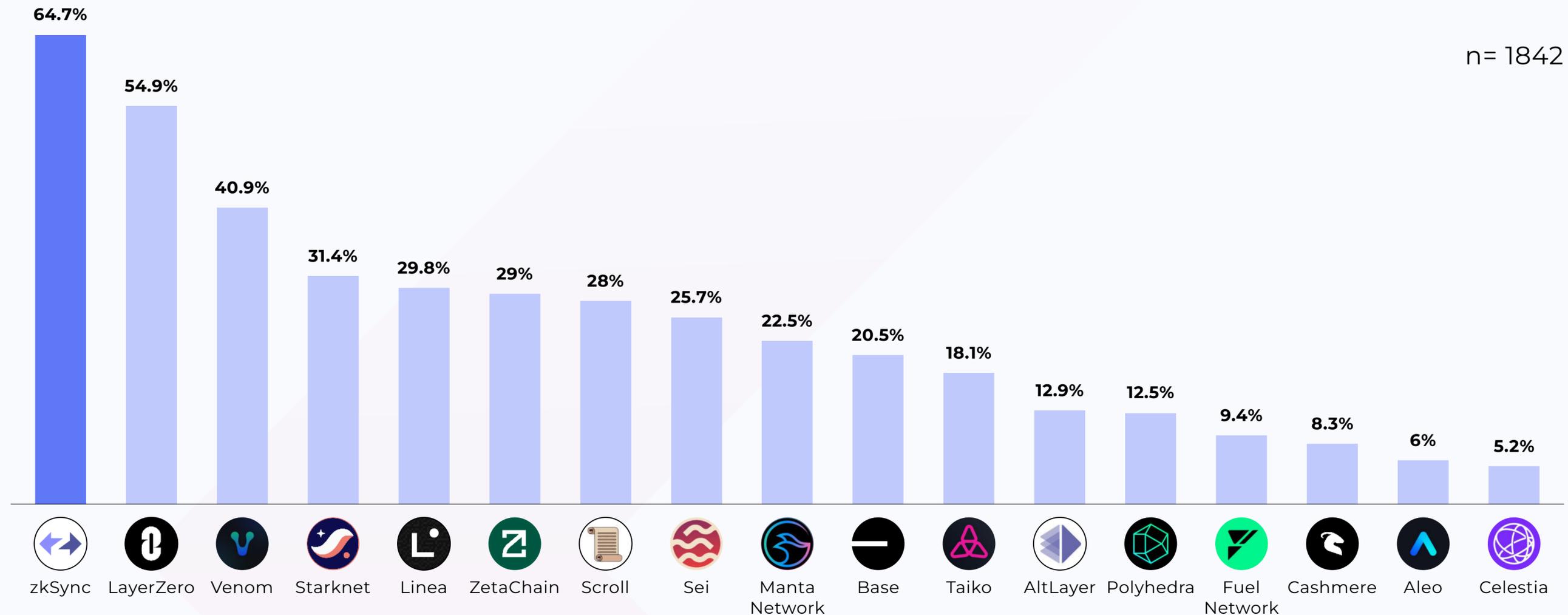
The majority of airdrop wallets falls within the range of 1-5, with the median number being 2. The minimum figure is 1 whilst the maximum one is 3000.

PARTICIPATION RATE



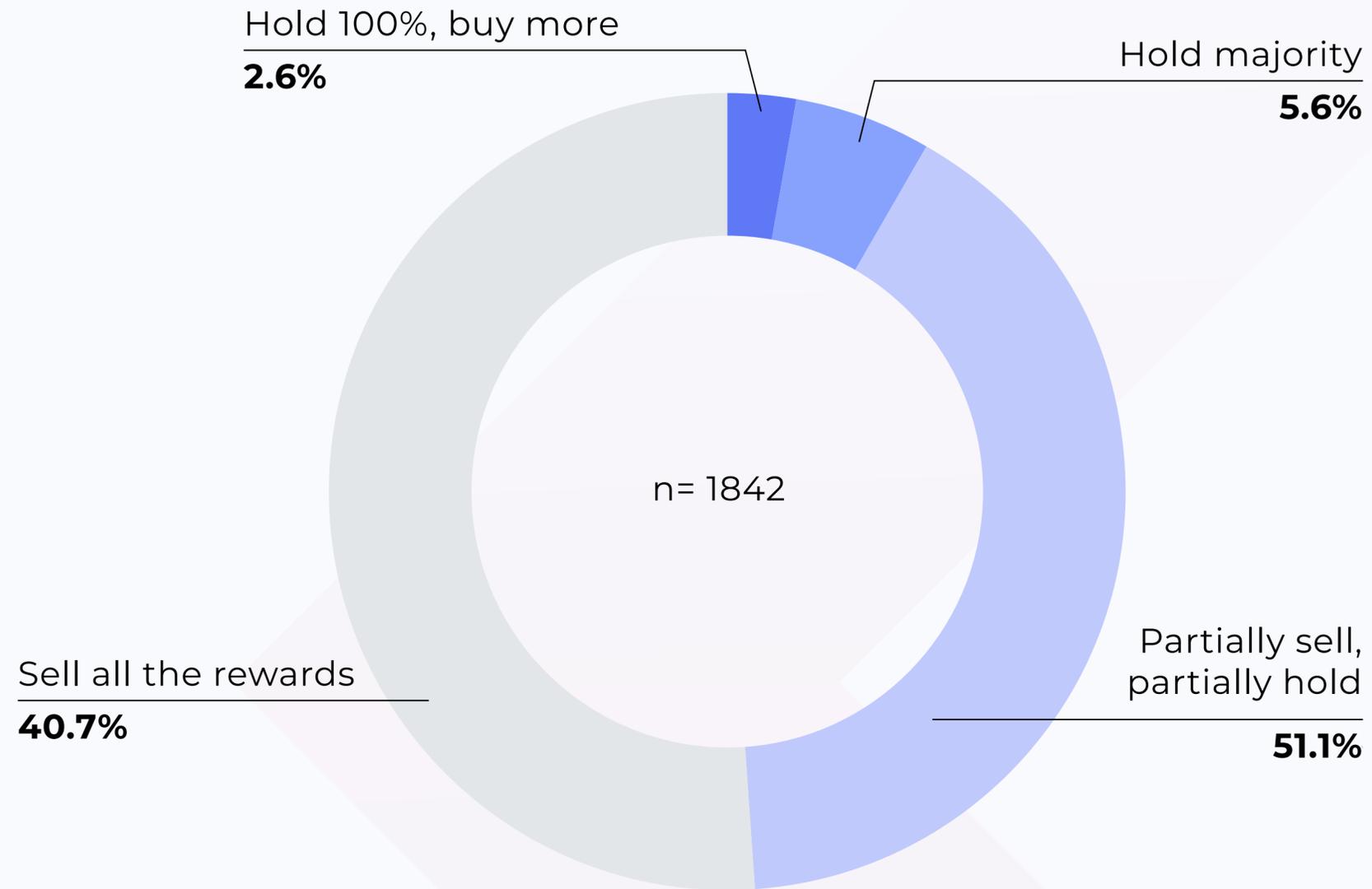
Retroactive was voted as the most favorite community activity in 2021. However, merely over half of the respondents indicated that they have engaged in Retroactive this year.

POPULAR RETROACTIVE ACTIVITIES



- **zkSync** and **LayerZero** are the top 2 projects currently drawing significant attention from Vietnamese users in airdrops during this period.
- Venom is attractive to the community, although it's only under Testnet phase.

BEHAVIORS AFTER RECEIVING AIRDROP REWARDS



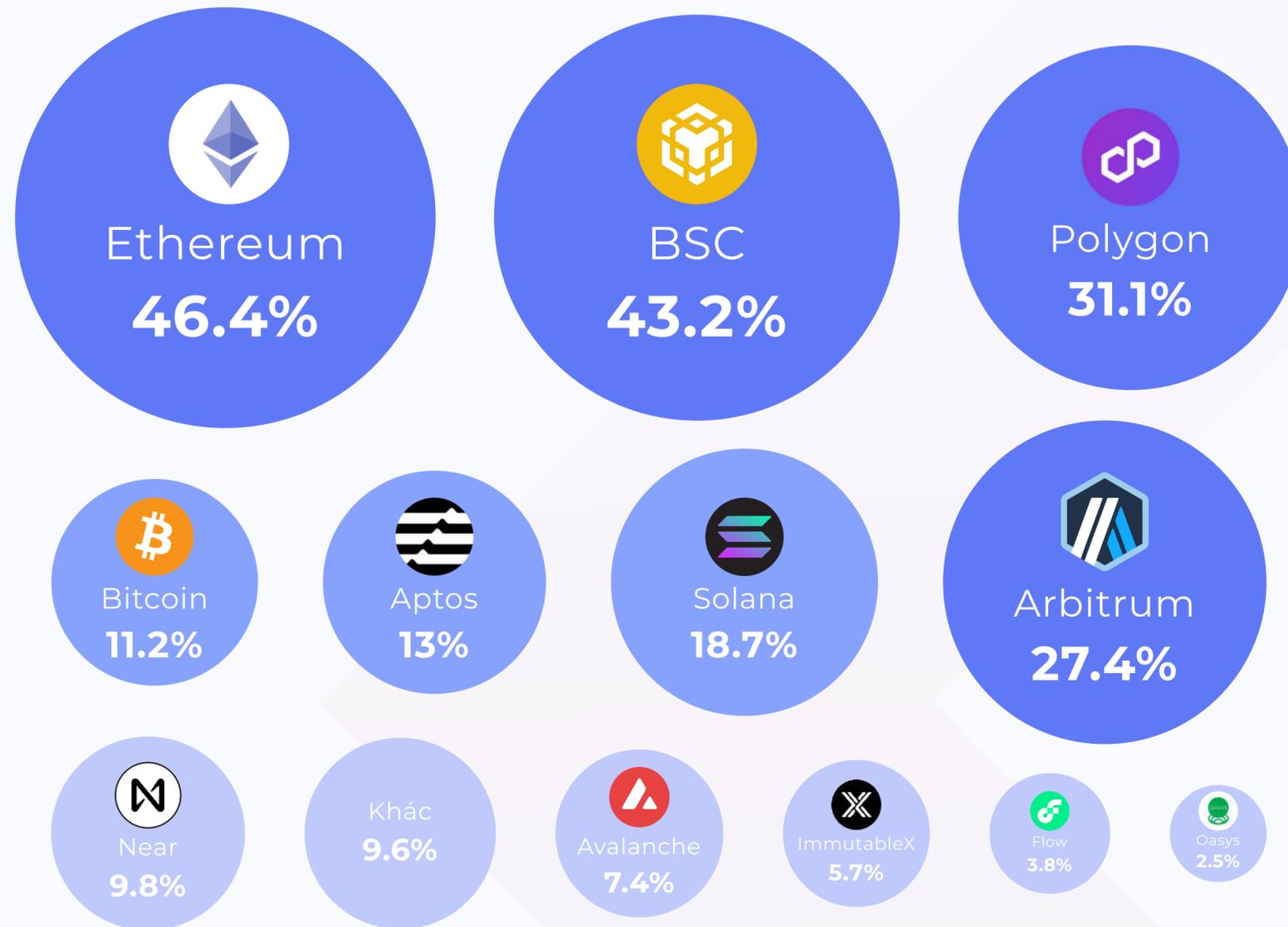
The common action among investors after receiving an airdrop is to sell them, **accounting for 91.8%**.

3.5

NFTS AND WEB3 SPACE

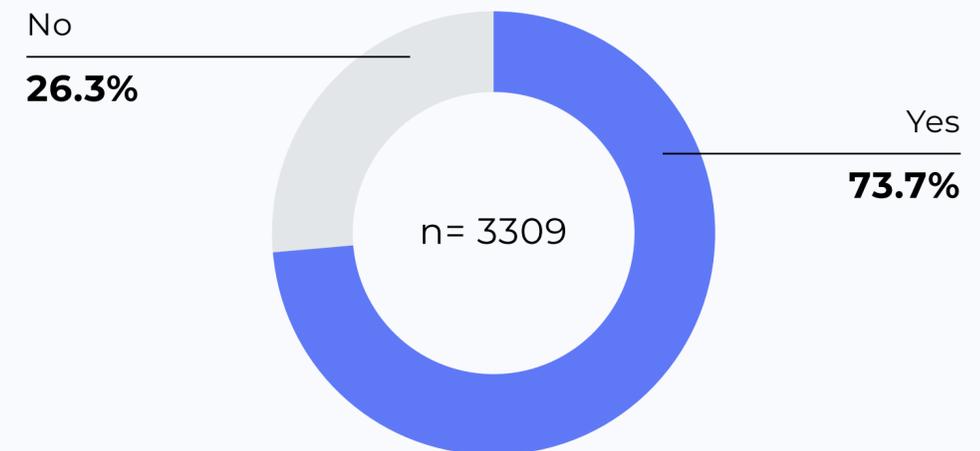
NFT ECOSYSTEM

n= 2439



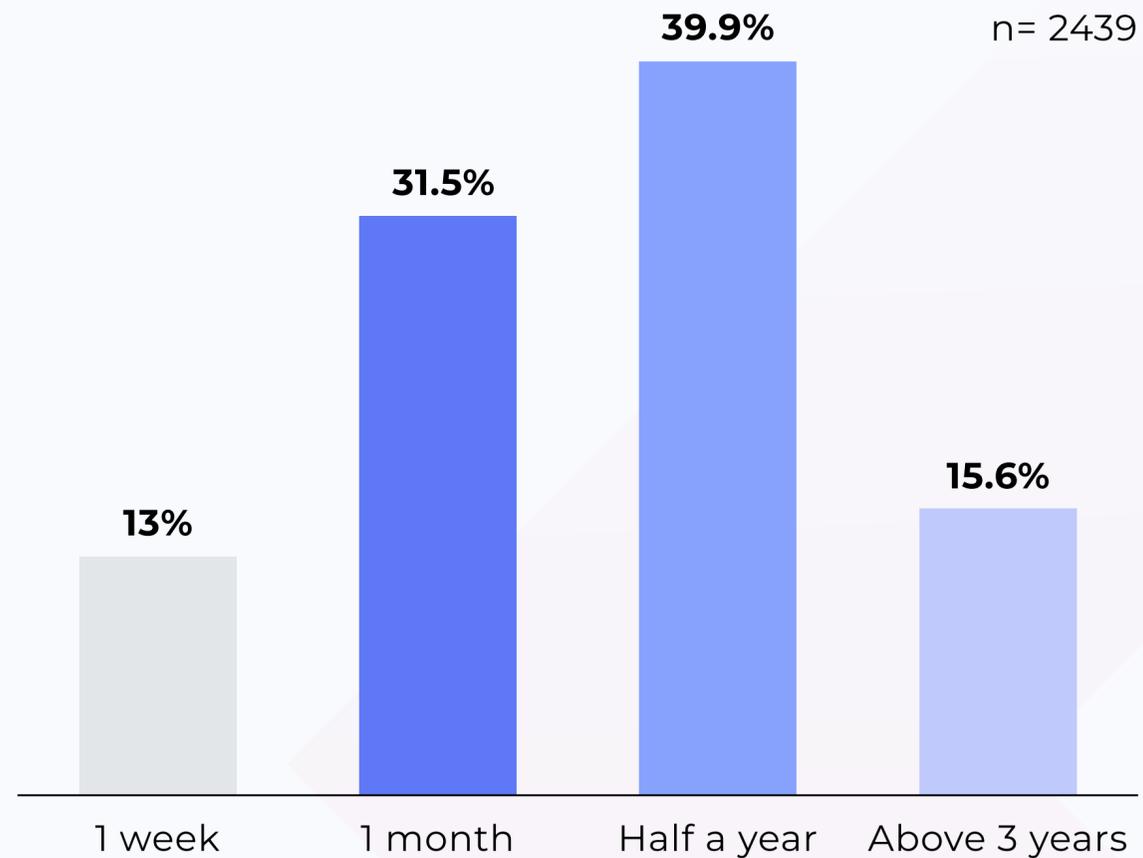
- While BNB Chain and Solana were the top two most anticipated NFT ecosystems in 2022, **Ethereum has been all the rage this year.**
- In 2023, there are emerging NFT ecosystems such as **Arbitrum, Aptos, and especially Bitcoin**, gaining Solana's market share.

NFT PARTICIPATION RATE



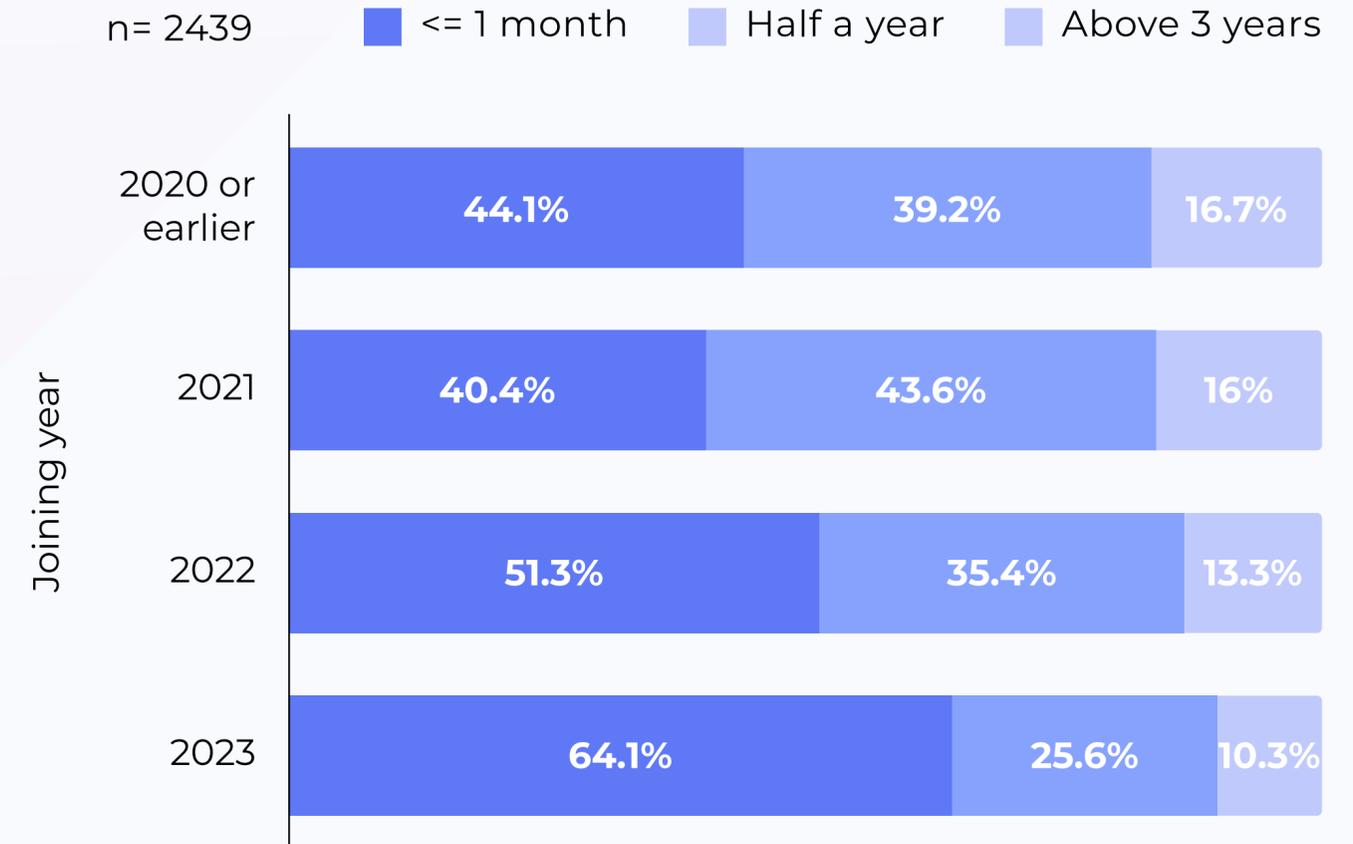
NFT HOLDERS

NFT HOLDING TIME



The **most common NFT holding period is from 1 to 6 months**, accounting for **over two-thirds** of the respondents.

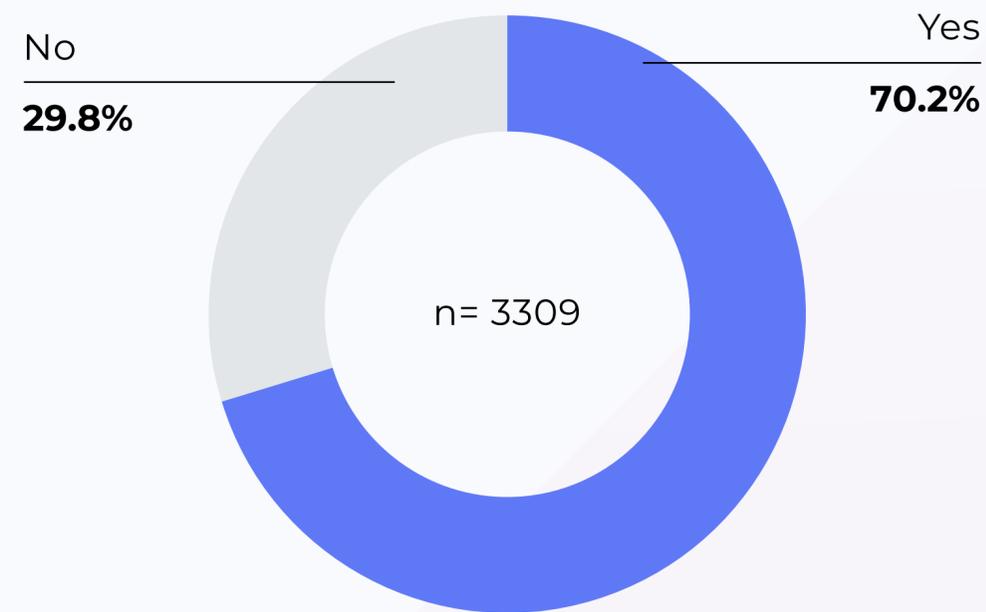
BY HOLDERS' EXPERIENCE



The **beginner** tend to **sell their assets earlier**, compared to the other groups.

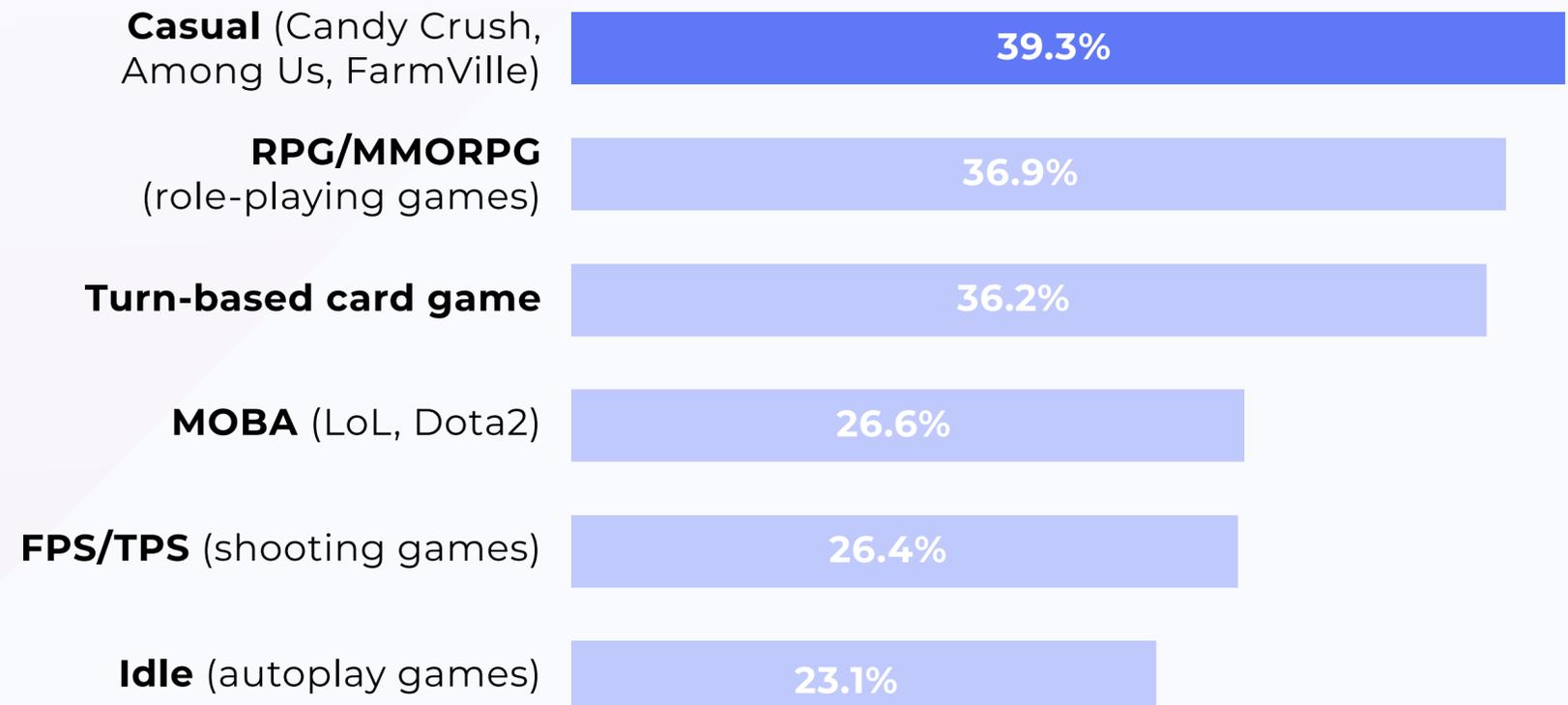
GAMEFI

PARTICIPATION RATE



MOST PREFERRED GAMEFI CATEGORIES

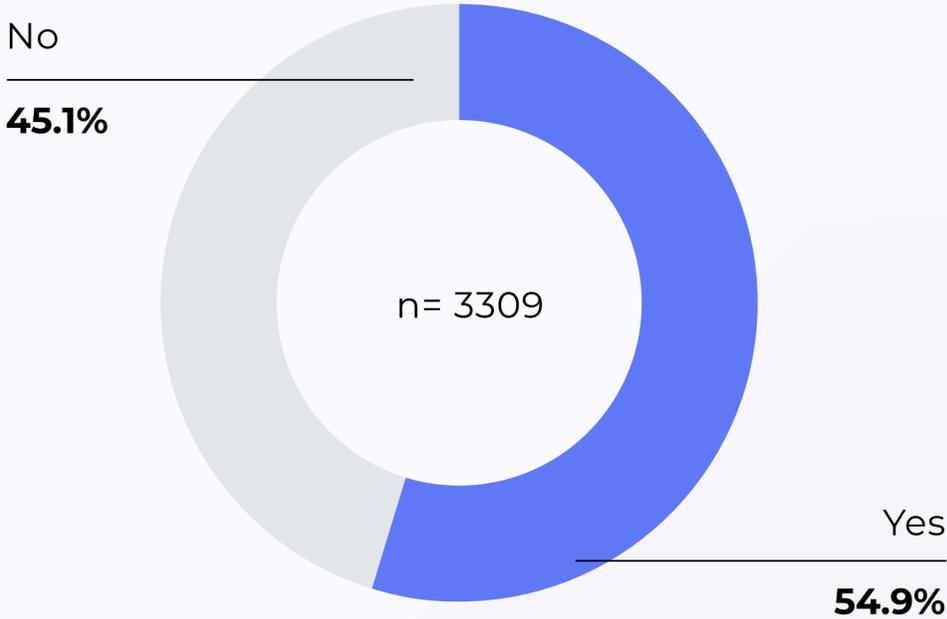
n= 2322



- In comparison with 2022, **GameFi players have changed their preferences** with **Casual game** replacing FPS/TPS's top 1 ranking.
- However, there is no significant differentiation between these segments.

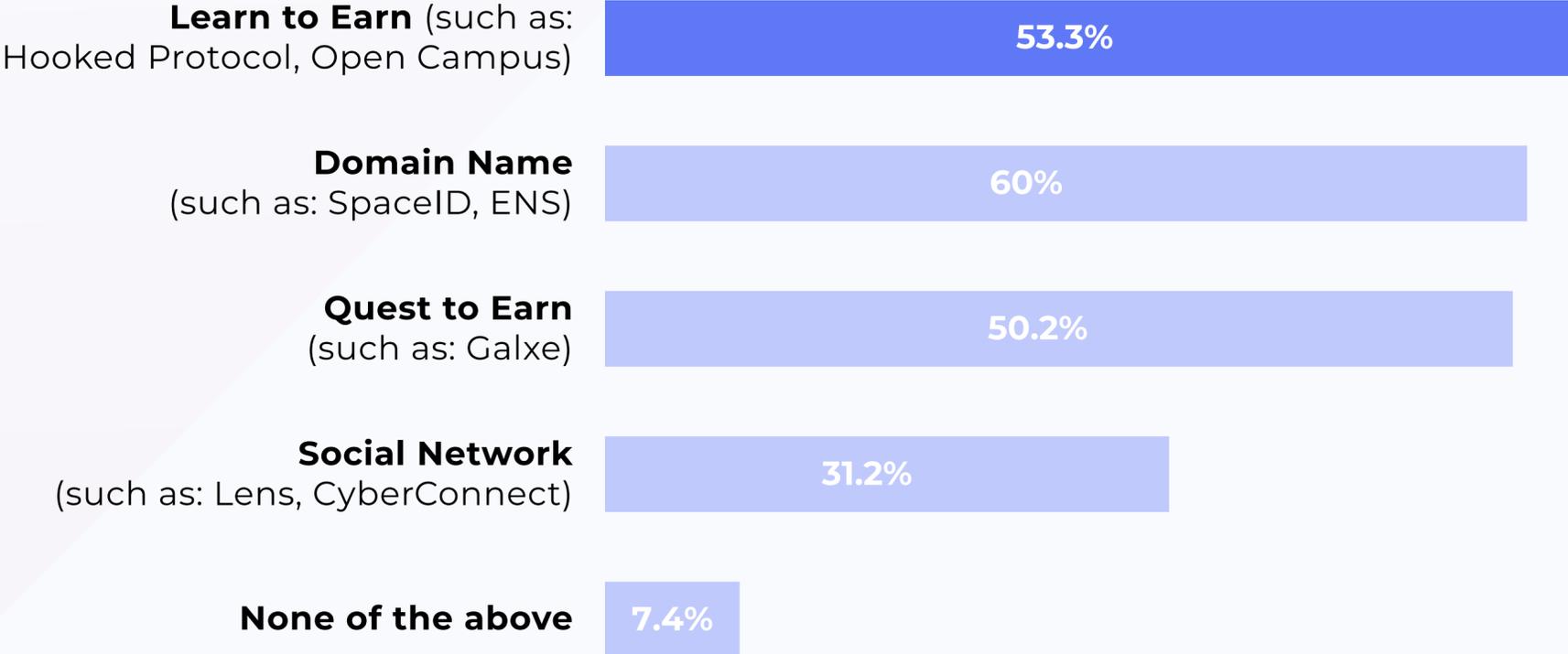
SOCIALFI

PARTICIPATION RATE



MOST POPULAR SOCIALFI PROJECTS

n= 2322



- Overall, SocialFi investors **mostly participate in multiple projects** across various areas, with **over 50%** engaging in two or more sectors.
- The participation percentages among different sectors are not considerably different.

CLOSING THOUGHTS

- Cryptocurrencies are gaining increasing attention in Vietnam, not limited to retailers. Numerous new projects are being developed with not only the previous application layer but a greater focus on **infrastructure platforms** and delving deeper into research development.
- Nevertheless, the local tech development and trends also change rapidly in line with the global climate. Indeed, you might recognize there were over a hundred GameFi projects in Vietnam before, and now it is time for the **"Web3 builder"** wave, especially since GM Vietnam 2023.
- **High cryptocurrency adoption** and **quality of skilled workforce in tech** are two of the primary reasons attracting incoming foreign projects to tap into new business potentials in Vietnam.
- Most current investors have remained since the 2021 bull run, resulting in a decrease in the proportion of new participants. Overall, investors hold a **positive expectation toward cryptocurrency's future**, hoping that the market will gradually be appropriately managed to some extent.

DISCLAIMER

This report is for informational purposes only and reflects the results of a market survey conducted in July 2023. All information and interpretations contained in this report are not investment advice. This report is entirely non-profit; Kyros Ventures, Coin68, and Animoca Brands did not receive any funding from any of the projects or communities featured in this report.

We hope that readers can comprehend and appreciate the truthfulness and integrity of the information. Let's keep supporting and spreading these values for future reports.

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Contributors



Cameron



Andy



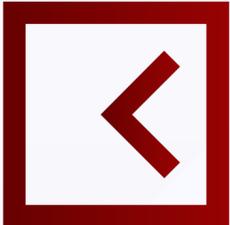
Alexie



Ian



Samuel



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THANK YOU
THANK YOU
THANK YOU

