

## Decentralized Crypto Trading Surges as Users Shift Away from Centralized Platforms

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Decentralised exchanges (DEXs) reached a new milestone in the second quarter of the year, taking their highest-ever share of the spot cryptocurrency trading market, according to a Q2 report by crypto data firm CoinGecko. The rise comes amid declining volumes on traditional centralised exchanges (CEXs), signalling a growing preference among investors for on-chain, peer-to-peer trading.

DEXs platforms that allow users to trade cryptocurrencies directly without the need for intermediaries saw spot trading volume climb to \$876.3 billion in Q2, a jump of over 25%

from the previous quarter. In contrast, CEXs experienced a notable contraction, with aggregate spot volume dropping 28% to \$3.9 trillion. The DEX-to-CEX trading volume ratio rose to 0.23, an all-time high, suggesting traders are increasingly favouring decentralised alternatives for their flexibility, transparency, and lower risk of custodial failure.

PancakeSwap led the decentralised trading surge, emerging as the highest-volume DEX with more than \$392 billion in trades, nearly half of all DEX activity for the quarter. Its explosive growth, more than a fivefold increase from the prior quarter, was largely driven by Binance's May launch of "Binance Alpha," a new trading tool that routes transactions through PancakeSwap. This development also propelled BNB Smart Chain ahead of Ethereum, Solana, and Base in usage, making it the most active blockchain for the period.

Among centralised platforms, Binance held onto the top spot in market share but saw its trading volume fall significantly from over \$2 trillion to \$1.47 trillion. Crypto.com fared worse, losing 61% of its volume, while Coinbase also recorded a decline. These drops appear to coincide with rising regulatory scrutiny and user scepticism over holding funds on centralised platforms.

In the realm of perpetual contracts, a type of derivative product that allows for leveraged bets on crypto prices, DEXs also made headway. Perpetual trading volume hit a record \$898 billion, with one platform, Hyperliquid (HYPE), dominating the space by capturing nearly 73% of that market segment. CoinGecko's report underscores a shift in user behaviour, with more crypto traders moving towards decentralised systems that give them greater control and privacy. While centralised exchanges still dominate in overall volume, the rapid rise of DEXs suggests a more competitive and diverse future for digital asset markets.