



# INTO THE CRYPTOVERSE

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DECODING THE WORLD OF  
CRYPTO CONSUMERS

**BRAZIL**

**2022**  
EDITION

# INTRODUCTION

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Brazil has been leading in cryptocurrency adoption in Latin America and is one of the top countries on the global cryptocurrency adoption index, according to previous surveys. Steady deflation of the Brazilian Real and inflation in prices of goods and services have been driving cryptocurrency adoption. Brazil's yearly inflation doubled in 2021, registering a 10% inflation rate to the highest level in six years. Last year, Brazilian Real depreciated 7% against the US Dollar, making it one of the worst-performing currencies in the world. Therefore, cryptocurrencies acted as strong alternatives to store the value of an asset as investor confidence in the Brazilian government plummeted.

The Covid-19 pandemic and the entry of Pix, the Central Bank of Brazil's instant payment method that allows immediate money transfers 24 hours a day and free of charge for payers, have accelerated digital financial services usage in Brazil, fostering financial inclusion in the country. However, according to a survey in early 2021, Brazil still has 34 million unbanked or underbanked adults, largely represented by young people and people living in rural areas or receiving low salaries, which is another factor driving adoption of cryptocurrency as a means of transfer and payment.



# METHODOLOGY

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As a key crypto exchange player in Brazil, KuCoin commissioned this survey of 1,521 Brazilian crypto investors and crypto-curious consumers to take a deeper look into the Brazilian crypto market.

This report is based on a total sample of 1,521 Brazilian adults aged 18 to 60. Survey respondents were polled in 4 waves in November 2021, January, February, and March 2022 and included 1,020 self-identifying cryptocurrency investors (who currently own cryptocurrency or have traded cryptocurrency in the past six months and will continue to trade in the coming six months) and 501 crypto-curious consumers (who were interested in investing in cryptocurrency in the coming six months).



# CONTENT

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## Cryptocurrency Adoption

34.5M Brazilians are crypto investors, of whom 64% plan to double down. Over half of Brazilian crypto investors first bought cryptocurrencies in the past year.

## Profile of Crypto Investors & Crypto-Curious

A step towards financial inclusion as 36% of crypto-curious are represented by lower-income.

## Motivations to Investing in Cryptocurrency

53% of crypto investors view cryptocurrency as a reliable storage of value. 40% of crypto investors use their profit from crypto to improve families' living conditions.

## Investment Portfolio

Brazilian crypto investors allocate, on average, 40% of investment to crypto.

## Cryptocurrency Trading Behaviors

75% of investors buy crypto every month, mostly via online transfer or wallet. Passive income is a major theme, with 39% investing in crypto savings on a monthly basis.

## Barriers to Investing in Cryptocurrency

27% of crypto-curious lack basic knowledge about crypto, indicating a demand for educational content

## Cryptocurrency Adoption

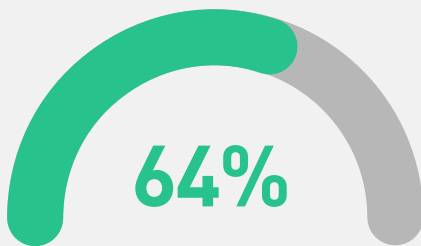
### 34.5M Brazilians are crypto investors, of whom 64% plan to double down

According to the survey, 34.5 million Brazilians, which accounts for 26% of the population aged 18 to 60, are crypto investors who currently own or have traded cryptocurrencies over the past six months. 64% of crypto investors are likely to increase their investment in cryptocurrencies in the next six months. Another 21% of the adult population is crypto-curious, who are interested in investing in cryptocurrencies in the next 6 months, bringing in momentum to continue growing the market.

**Crypto Investor** | **26%**

**Crypto Curious** | **21%**

Brazilian total population aged 18-60 years old  
≈ 132.6 million



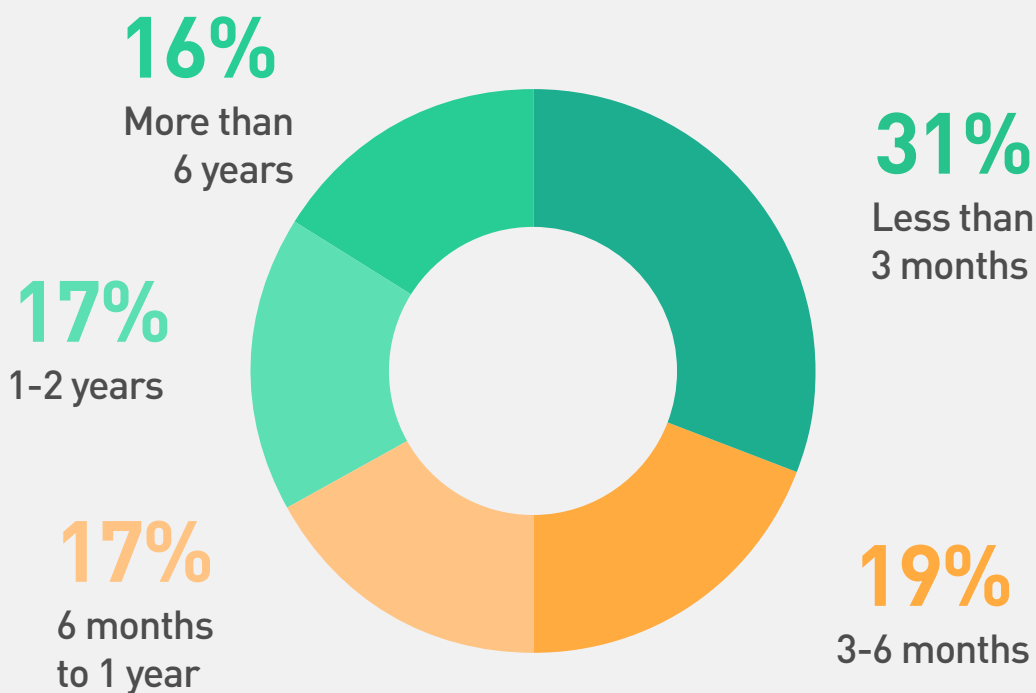
64% of Brazilian crypto investors intend to increase their cryptocurrency investment in the next 6 months

## Cryptocurrency Adoption

### Over half of Brazilian crypto investors first bought cryptocurrencies in the past year

Cryptocurrency has gone through phenomenal adoption growth in Brazil throughout 2021, coming into the eyes of the broader public with the launch of crypto ETFs and sports fan tokens, the explosive growth of NFTs featuring local creators, and the all-time-high of Bitcoin. Statistics from the KuCoin survey show that over half of Brazilian crypto investors first bought cryptocurrencies in the past year, suggesting that the number of crypto investors might have doubled through 2021.

#### How long have you been trading crypto?



## Profile of Crypto Investors

### A step towards financial inclusion as 36% of crypto-curious are represented by lower income

KuCoin spotted some interesting trends by looking at the crypto investors and crypto-curious profiles.

#### Crypto could make financial inclusion a reality.

Annual income per capita in Brazil was 7,850 in 2020, according to Statista. Our survey reveals that people earning above the average have been the main contributors to crypto investment. 52% of Brazilian crypto investors are earning above 10,000 USD per year. However, people earning below 5,000 USD per year are the main group interested in cryptocurrency investment, taking up 36% of the crypto-curious. With the increasing number of lower-income investors joining the market, crypto education and risk management are expected to become more important than ever.

#### The gender gap in crypto investment is closing.

While men still dominate crypto investors, women account for 56% of the crypto-curious, suggesting a growing interest from their female counterparts.

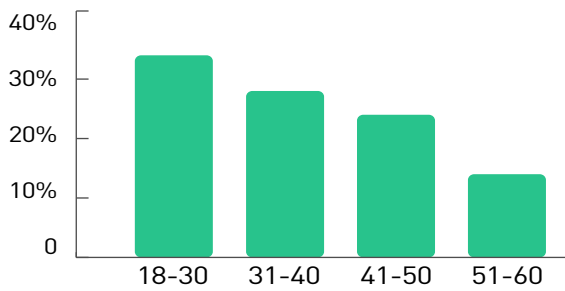
# Crypto Investors

63%

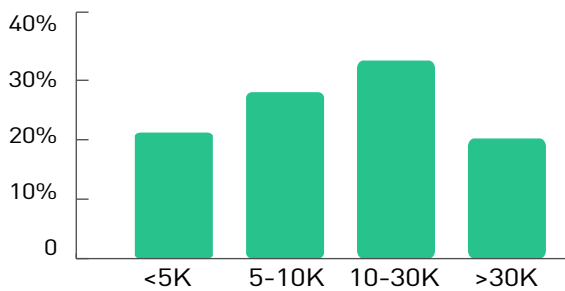
37%



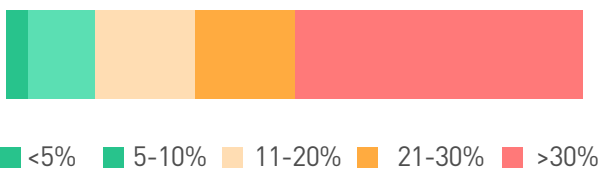
## AGE



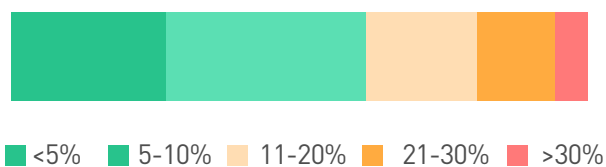
## ANNUAL INCOME



## EXPECTED ROI



## ACCEPTED LOSS



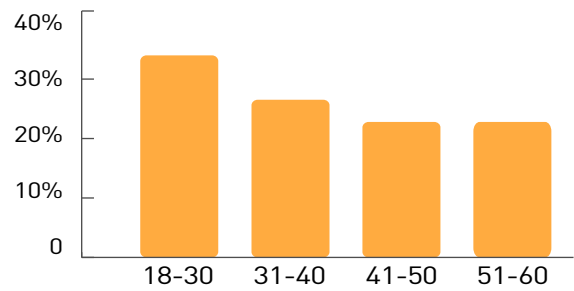
# Crypto Curious

44%

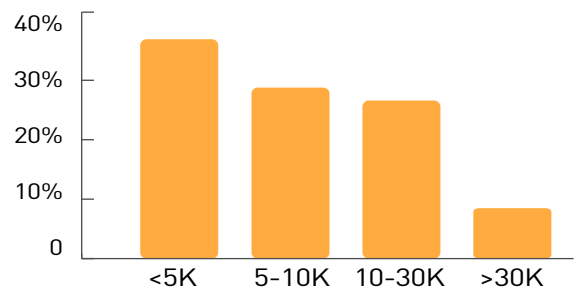
56%



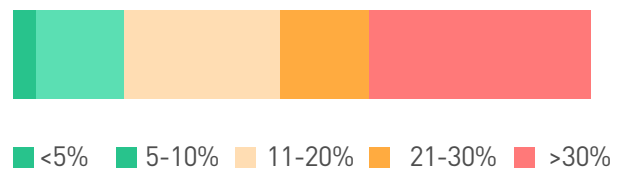
## AGE



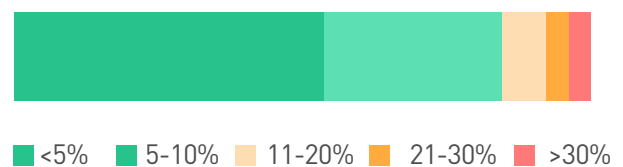
## ANNUAL INCOME



## EXPECTED ROI



## ACCEPTED LOSS





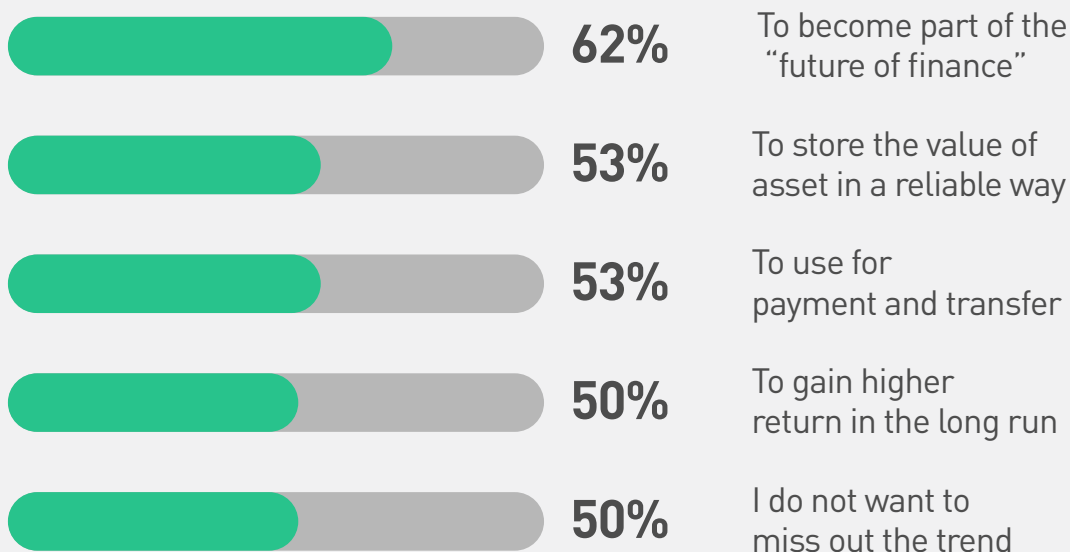
## Motivations to Investing in Cryptocurrency

### 53% of crypto investors view cryptocurrency as a reliable storage of value

“Inequality in Brazil fluctuates over time, but has been high since at least 1928, as a result of an impressive concentration of income among the rich”, according to UNESCO. The unemployment and inflation after the Covid-19 pandemic have even further increased economic inequality in the country. According to Americas Quarterly, the poorest Brazilians saw a 40% reduction in earnings while the wealthiest lost only 3% of their income in 2020.

Cryptocurrency has become a refuge during the time of inflation and has been gaining trust ever since. 62% of Brazilian crypto investors consider cryptocurrency to be the “future of finance” that they would like to be a part of. 53% of crypto investors view cryptocurrency as a reliable way to store the value of their assets and use it for transfer and payment to avoid the cost of using traditional financial services.

#### Why did you invest in cryptocurrencies?

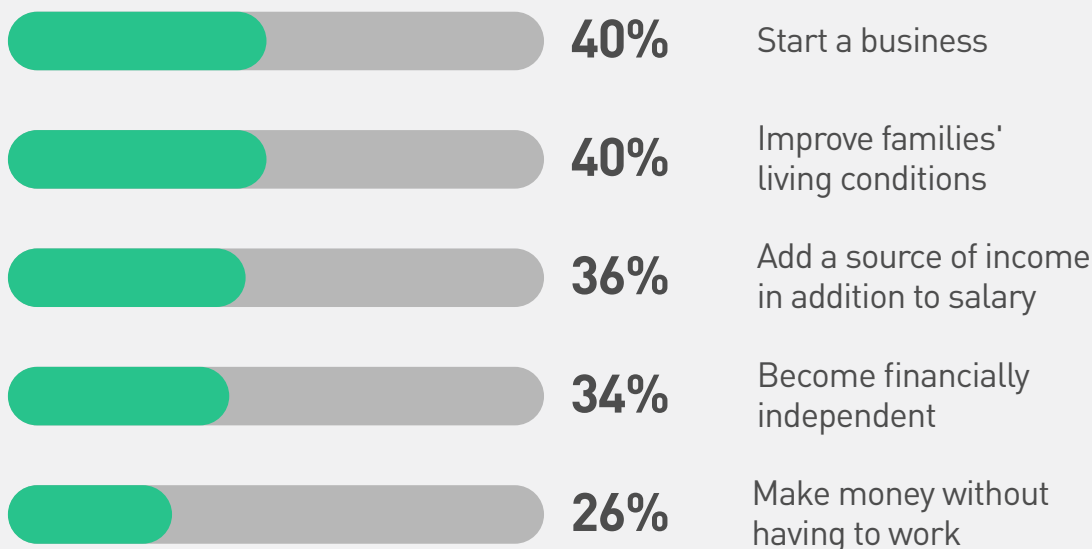


## Motivations to Investing in Cryptocurrency

### 40% of crypto investors use their profit from crypto to improve families' living conditions

Some Brazilians are betting on cryptocurrencies to work their way up the wealth pyramids. 50% of crypto investors expect a high return from cryptocurrency investment in the long term. 40% intend to use the profit to improve families' living conditions, and 36% rely on the profit as an income source in addition to salaries.

#### How will you use the profit from trading cryptocurrencies?



## Investment Portfolio

### Brazilian crypto investors allocate, on average, 40% of investment to crypto

According to the KuCoin survey, cryptocurrency plays a critical role in these crypto investors' portfolios. Brazilian crypto investors allocate an average of 40% investment to cryptocurrencies, followed by the holding of cash and bank deposit. Surprisingly, the survey also finds that 1 out of 6 Brazilian crypto investors allocates more than 90% of their investment portfolio to cryptocurrencies. These all-in crypto investors are relatively less experienced and engaged in financial investment and earn a lower average income (44% below 5,000 USD per year).

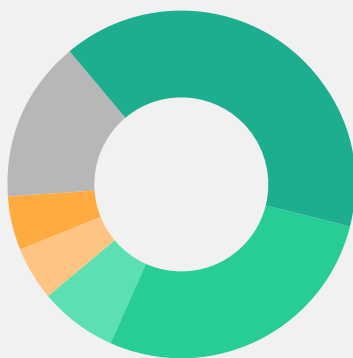
At the same time, Brazilian crypto investors seem to hold overly high expectations on the return against the loss they can take. As shown in a previous chart, most Brazilian crypto investors expect over 20% yield from cryptocurrency investment while only afford to take a loss below 10%. This indicates a space for more education on portfolio diversification and risk management in the market.

#### How do you allocate money to each investment product?

15%  
Others

5%  
Bonds

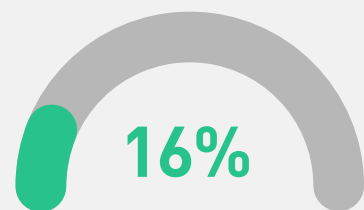
5%  
Domestic  
Stock



40%  
Crypto  
Currency

28%  
Cash/Deposit

7%  
Foreign  
Currency



**ALL-IN CRYPTO**

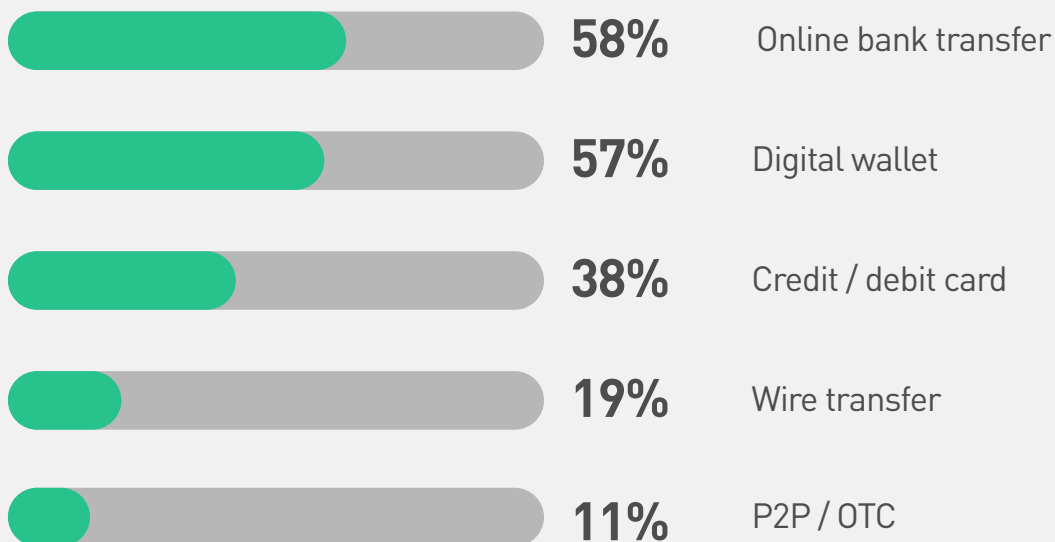
1 out of 6 Brazil crypto investors invests more than 90% of their money in cryptocurrencies

## Cryptocurrency Trading Behaviors

### 75% of investors buy crypto every month, mostly via online transfer or wallet

As cryptocurrency is a major component of crypto investors' portfolios, buying cryptocurrencies has become a monthly routine for many Brazilians. 75% of crypto investors exchange fiat currencies for cryptocurrencies at least once every month. Online bank transfers and digital wallets are the most common payment channels for buying cryptocurrencies. 58% of crypto investors use online bank transfer systems like Pix, and 57% use digital wallets like Apple Pay or PayPal to complete this process. And according to a KuCoin internal survey, 69% of Brazilian users prefer to buy crypto on KuCoin using online bank transfers like Pix for its speed, low cost, and convenience.

#### Payment Channels for Buying Crypto

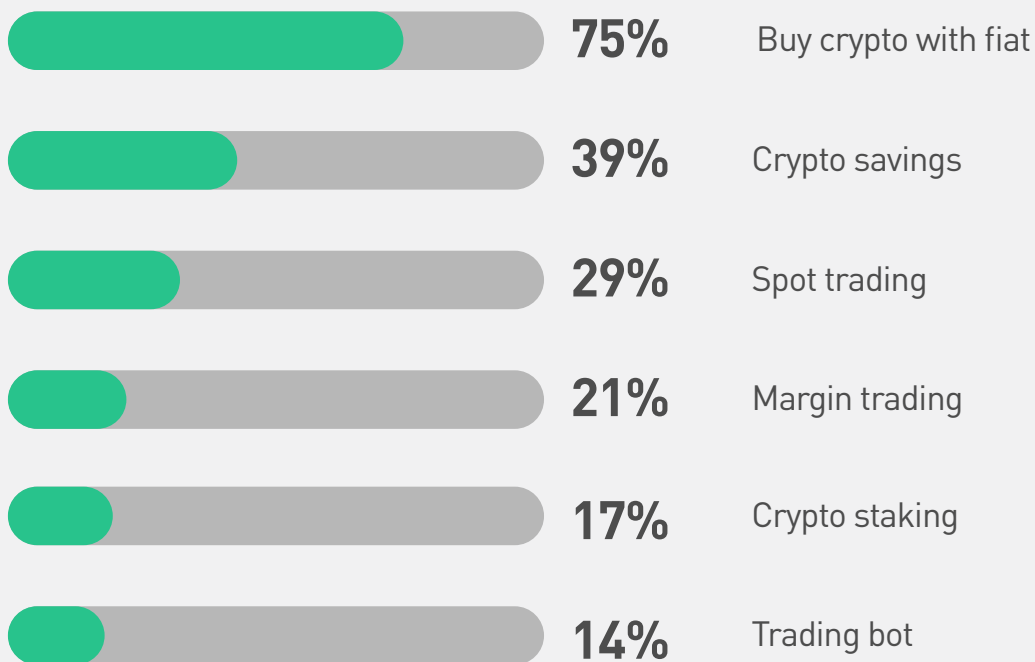


## Cryptocurrency Trading Behaviors

### Passive income is a major theme, with 39% investing in crypto savings on a monthly basis

Taking a more detailed look at the types of cryptocurrency trading made, we discover that although Brazilian investors expect high returns from cryptocurrencies, they seem to be prudent in their actual investment. Earning passive income is a major theme for Brazilian investors - 39% invest in crypto savings, and 17% invest in staking on a monthly basis. In fact, according to a KuCoin internal user survey, earning passive income with cryptocurrencies is one of the main reasons why Brazilian crypto investors sign up with KuCoin. 46% of Brazilian users say that the products offering passive income attract them to buy cryptocurrencies on KuCoin.

#### Monthly Incidence of Cryptocurrency



## Barriers to Investing in Cryptocurrency

### 27% of crypto-curious lack of basic knowledge about crypto, indicating a demand for educational content

When asked about what makes them hesitate to invest in cryptocurrencies, it is less about blind fear. Only 25% express worry about market volatility.

The Brazilian crypto-curious are generally eager for more specific information about how to succeed in cryptocurrency investment. In a sense, limited content and information (especially in Portuguese) might be the key barrier for many to step into the cryptocurrency market. 46% of crypto-curious are trying to figure out how to best manage their portfolio risks. 39% are still looking for the most suitable products. 33% are unsure which market signals to pay attention to before trading.

Also, 27% of crypto-curious say they do not understand how cryptocurrency works, which indicates that there is a demand for thorough and basic content to educate a group of curious people without much clue about cryptocurrency.

#### Why haven't you invested in cryptocurrency yet?



# ABOUT KUCOIN

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KuCoin is a global cryptocurrency exchange for numerous digital assets and cryptocurrencies. Launched in September 2017, KuCoin has grown into one of the most popular crypto exchanges and already has over **10 million registered users** across **207 countries and regions** around the world.

With a simple user interface, KuCoin is easy to use even for beginners. Known as the **"People's Exchange"** KuCoin provides users with 24/7 multi-language customer services. Meanwhile, KuCoin has established **22 local communities** in North America, Europe, Southeast Asia, and other regions, providing users with highly localized services.

KuCoin boasts one of the world's most sophisticated **security technology and maintenance team** and is constantly upgrading its security systems to ensure the safety of user assets and accounts.

As the home of crypto gems, KuCoin has supported over 600 + projects with 1,100+ trading pairs. A number of projects like **BLOK, CHMB, VR, KMA, and DAO** had their **primary listing** on KuCoin.

In November 2018, KuCoin announced **\$20 million (USD) round A funding from IDG Capital and Matrix Partners**. In 2021, Forbes Advisor named KuCoin as one of **the Best Crypto Exchanges**. In 2022, The Ascent, a Motley Fool service, awarded KuCoin as **the Best Crypto Exchanges and Apps**

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