THE STABLECOIN

Monthly Review

INFRASTRUCTURE. ADOPTION. THE NEXT CHAPTER.

Inside the capital flows, partnerships, and breakthroughs driving the stablecoin economy forward

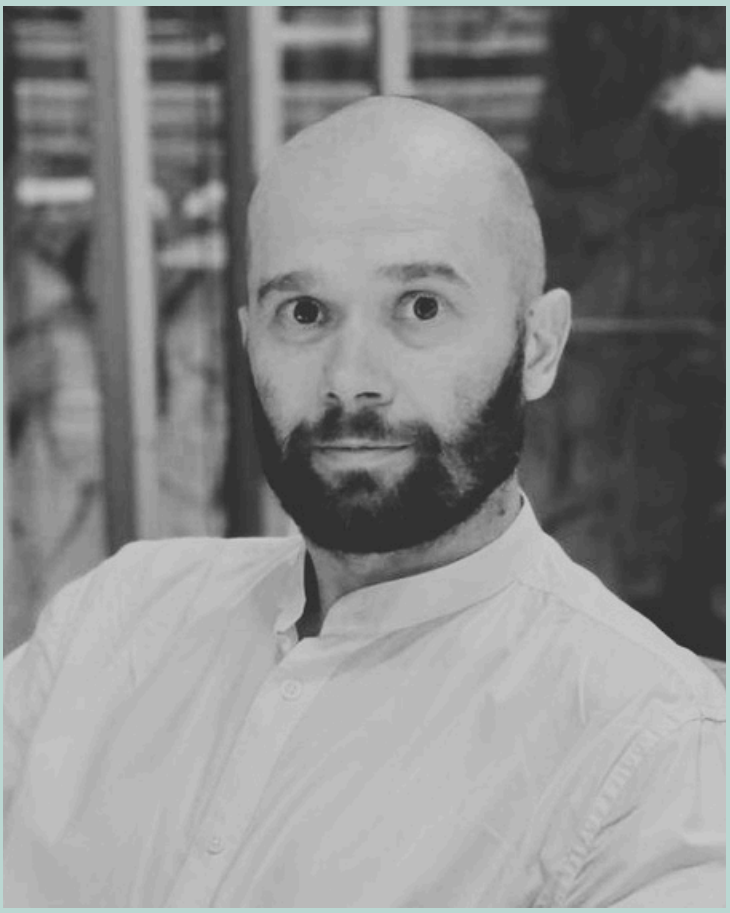


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JUNE 2026

ISSUE NUMBER 02

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FROM THE EDITOR

Stablecoins are no longer proving they work.
They're proving where they fit.

Over the past month, we watched banks launch stablecoins, payment networks expand blockchain settlement, regulators move from debate to implementation, and enterprises adopt stablecoin rails for real-world money movement.

What stood out wasn't any single announcement.

It was the pattern.

Across payments, banking, treasury, AI, and capital markets, stablecoins are quietly evolving from products into infrastructure.

This issue explores that shift.

Inside, you'll find the stories, research, and market signals shaping the next phase of digital finance - from national stablecoin ecosystems and bank adoption to enterprise payments, AI-driven commerce, and the growing battle for financial infrastructure.

The future of stablecoins is no longer about digital dollars.

It's about who controls the rails that move value through the global economy.



**THE STABLECOIN ERA IS NO LONGER ABOUT TOKENS.
IT'S ABOUT THE INFRASTRUCTURE BEING BUILT AROUND THEM.**



BUILDING THE RAILS OF DIGITAL MONEY

A MONTHLY BRIEFING ON STABLECOIN ADOPTION, INFRASTRUCTURE, REGULATION, BANKING, AND THE COMPANIES SHAPING THE FUTURE OF FINANCE.

The Stablecoin Infrastructure Moment

The stablecoin industry may have reached an important turning point.

For years, market discussions focused on issuance, adoption, trading activity, and regulatory uncertainty. Stablecoins were often viewed as crypto-native products serving exchanges, traders, and decentralized finance. The events of the past month suggest that this phase is ending.

Across banking, payments, regulation, enterprise finance, and technology, a different pattern is emerging. Stablecoins are increasingly becoming infrastructure.

Banks are launching stablecoin initiatives. Payment networks are integrating blockchain settlement. Governments are creating regulatory frameworks. Enterprises are adopting stablecoin rails for treasury and cross-border payments. Technology companies are building systems that allow AI agents to transact autonomously.

Individually, these developments may appear unrelated. Collectively, they point toward a larger transformation: stablecoins are evolving from digital assets into a foundational layer of global financial infrastructure.

Payments Become the First Major Use Case

Perhaps the clearest evidence of this transition can be seen in payments.

Over the past month, Visa expanded USDC settlement initiatives, Stripe continued integrating stablecoins into its global payments strategy following the acquisition of Bridge, and Mastercard strengthened its digital asset ambitions through new regulatory approvals. Cash App began rolling out USDC functionality to millions of users, while companies such as Nium, PPRO, Rain, Wirex, Lightspark, Yuno, Corpay, Caliza, Mesh, Tempo, and NETSTARS expanded stablecoin capabilities across payment networks.

What makes these developments significant is that stablecoins are increasingly disappearing into existing products rather than operating as standalone crypto services.

Users are not being asked to learn blockchain technology. They are simply receiving faster transfers, lower settlement costs, broader international reach, and more efficient payment experiences.

The blockchain layer is becoming invisible.

Historically, successful infrastructure tends to disappear behind the user experience. Consumers rarely think about card networks, correspondent banking systems, or payment processors when completing a transaction. Stablecoins appear to be moving in the same direction.

The industry's greatest success may ultimately be achieved when users no longer realize they are using stablecoins at all.

Banks Stop Treating Stablecoins as Competitors





The banking sector is undergoing a similar transformation.

Only a few years ago, stablecoins were frequently presented as a threat to traditional banking. Recent developments suggest a very different outcome.

Banks increasingly view stablecoins as useful infrastructure rather than competitive products.

Community banks in the United States are integrating stablecoin services through specialized digital asset platforms. South Korean financial institutions continue expanding stablecoin pilots and investing directly into blockchain infrastructure. European banks are supporting euro-denominated settlement networks and stablecoin initiatives designed for regulated financial markets.

Perhaps most notably, products such as SoFiUSD demonstrate how stablecoins are moving directly into mainstream banking applications.

At the same time, fintech firms including Fasset and KAST are creating stablecoin-native financial platforms that combine payments, savings, treasury management, cross-border transfers, and yield products within a single ecosystem.

The distinction between bank accounts and digital wallets is becoming less obvious.

Rather than replacing banks, stablecoins are increasingly becoming part of banking infrastructure itself.

A Multi-Currency Stablecoin World Emerges

Another important development is the gradual diversification of the stablecoin market beyond the U.S. dollar.

While dollar-backed stablecoins remain dominant, regional ecosystems are rapidly developing around local currencies.

South Korea continues expanding won-denominated stablecoin infrastructure through KRWQ, Kaia, Maroo, and multiple bank-led initiatives. Japan is creating frameworks for foreign stablecoins while advancing domestic yen-based projects. Europe is supporting euro-denominated initiatives such as Qivalis and other regulated stablecoin programs under MiCA. Sweden is moving forward with the SEKAU initiative. Canada has expanded institutional support for CADD, while Georgia launched GEL₮ in partnership with Tether.

Latin America is also becoming increasingly active. MXNB emerged as one of the first regulated regional fiat-backed stablecoins under El Salvador's framework, while discussions around peso-backed stablecoins continue to gain momentum.

Meanwhile, the UAE is building regulated AED–USD settlement infrastructure focused on treasury management and foreign exchange operations.

Taken together, these developments suggest that the future of digital money will not revolve around a single global stablecoin.

Instead, a dual structure is emerging.

Global dollar stablecoins continue serving as international liquidity rails, while regional stablecoins increasingly support domestic payments, compliance requirements, settlement systems, and monetary sovereignty objectives.

Enterprise Finance Moves On-Chain

While retail payments attract headlines, some of the most important activity is occurring within enterprise finance.

Companies such as VelaFi, Notabene, Aryze, Checker, Circle, and others are building the infrastructure that enables businesses to move money globally using stablecoins.

Cross-border settlement, treasury operations, liquidity management, payroll, merchant payments, foreign exchange, and corporate cash management are increasingly being rebuilt on blockchain rails.

This shift helps explain why recent acquisitions and strategic investments have focused less on trading and more on infrastructure.

Kraken's acquisition of Reap Technologies is a notable example. Reap specializes in stablecoin-powered cross-border business payments throughout Asia. The deal signals a broader trend: digital asset companies increasingly want to control payment flows, settlement networks, treasury systems, and liquidity infrastructure.

The growth opportunity is no longer limited to retail crypto activity.

It is increasingly centered on enterprise money movement.

The Race for Infrastructure Ownership

As the market matures, the competitive landscape is changing.

The early stablecoin era was largely defined by issuance. The new phase appears increasingly focused on infrastructure ownership.

Circle provides a strong example of this transition. Beyond USDC, the company is developing Arc, an institutional blockchain network backed by major financial institutions. This reflects a broader strategic shift across the industry.

Stablecoin issuers are no longer content with issuing tokens.

They increasingly seek to control settlement networks, liquidity infrastructure, compliance systems, treasury services, and financial distribution channels.

This changes the nature of competition.

The future winners may not be those that issue the largest stablecoins.



They may be those that control the infrastructure surrounding them.

AI Creates a New Demand for Money

One of the most significant developments this month has been the convergence of stablecoins and artificial intelligence.

Amazon Web Services introduced AgentCore Payments with support from Coinbase and Stripe, allowing AI agents to execute transactions using stablecoins. Circle launched Agent Stack, while new platforms such as Exodus XO Cash are developing payment infrastructure specifically designed for AI-driven commerce.

The significance of this trend extends far beyond automation.

AI systems require continuous operation, global accessibility, instant settlement, and programmable transactions. Traditional financial infrastructure was designed primarily for human users operating during business hours. Stablecoins are better suited to machine-native environments.

As a result, a new category of economic activity is beginning to emerge.

Payments increasingly occur between software systems rather than between individuals.

AI agents purchase services, allocate resources, manage budgets, and execute transactions autonomously.



Stablecoins may ultimately become the preferred financial layer of the AI economy.

Regulation Moves From Debate to Implementation

Regulation is also entering a new phase.

The conversation has shifted from whether stablecoins should exist to how they should operate at scale. In the United States, discussions around the GENIUS Act and OCC guidance increasingly focus on reserve quality, liquidity management, redemption standards, transparency, and systemic integration. In Europe, MiCA is creating a regulated framework for digital asset markets while encouraging institutional participation. Japan is developing pathways for regulated foreign stablecoins, while the United Kingdom is considering more flexible approaches to stablecoin oversight.

Meanwhile, organizations such as BlackRock, Euroclear, the ECB, and the Bank of England are becoming active participants in discussions surrounding the future structure of digital money.

Stablecoins are no longer treated primarily as crypto products.

They are increasingly treated as financial infrastructure.

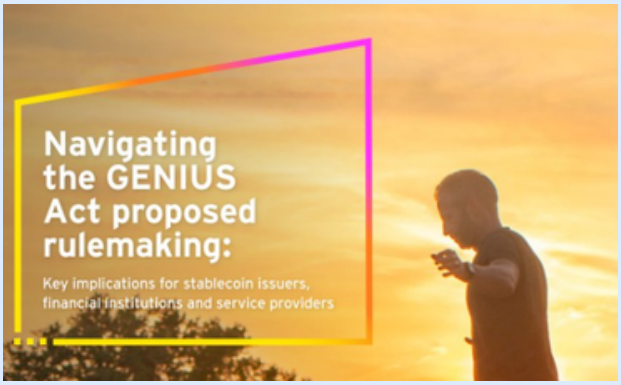
Conclusion

The developments of the past month reveal a consistent pattern across regions and industries.
Stablecoins are no longer defined by trading activity, market capitalization, or speculative demand. They are increasingly being integrated into banking systems, payment networks, enterprise finance, treasury operations, AI platforms, and national financial strategies.
The industry is moving beyond the era of digital dollars.
What is emerging instead is a new financial architecture built around programmable settlement, global liquidity, interoperability, and always-on digital money.
The next phase of competition will not be determined by who launches the most stablecoins.
It will be determined by who controls the infrastructure connecting payments, liquidity, compliance, settlement, and distribution.
Because stablecoins are no longer becoming part of the financial system.
They are increasingly becoming one of its foundational layers.

MAY REPORT COLLECTION



A CURATED COLLECTION OF THE MOST IMPORTANT STABLECOIN, PAYMENTS, TOKENIZATION, AND DIGITAL FINANCE REPORTS PUBLISHED THROUGHOUT MAY — DISTILLED INTO THE INSIGHTS THAT ACTUALLY MATTER



Navigating the GENIUS Act proposed rulemaking

This paper shows stablecoins are moving fully into the regulated financial system, where issuers will be expected to operate more like banks than tech companies. The real challenge is no longer adoption, but whether stablecoin infrastructure can meet systemic standards around liquidity, reserves, resilience, and compliance at scale.

Paper Link



Future European DLT-based Financial Market...

This paper shows Europe is no longer debating DLT adoption, it's designing a regulated, multi-chain financial architecture around it. The future won't be one global ledger, but interoperable systems where liquidity, compliance, and settlement work together across networks.

Paper Link



Digital Money - a perspective on stablecoins, ...

Deutsche Bank's paper shows digital money is evolving into a hybrid financial stack where stablecoins, tokenized deposits, and CBDCs coexist rather than compete. The real shift is no longer about whether digital money works, but how it integrates into payments, settlement, and capital markets at infrastructure scale.

Paper Link



Banks in the Age of Stablecoins

This Federal Reserve paper suggests stablecoins won't replace banks but become part of banking infrastructure itself. As banks adapt through tokenized deposits, custody, and reserve systems, the future looks less like competition and more like integration.

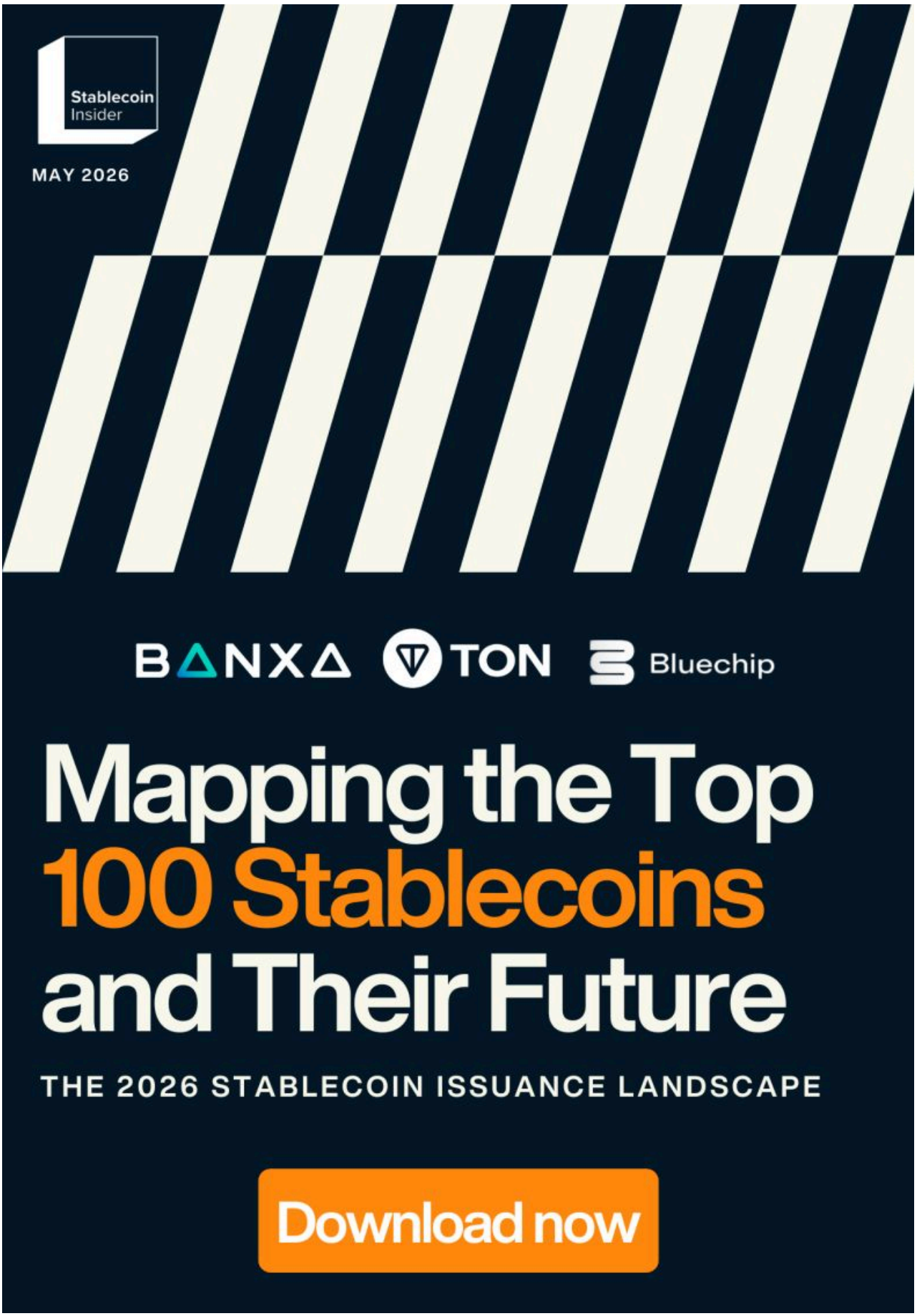
Paper Link



Stablecoin Based Cards

Stablecoin cards are evolving from "crypto spending tools" into a new settlement layer connecting exchanges, banks, and payment networks. As they move deeper into regulated infrastructure, the real advantage shifts from marketing to operational resilience, compliance, and scalability.

Paper Link



Original Report link here



ASIAN DIGITAL MONEY ...

This paper shows Asia is not building digital money around one model, but multiple parallel systems where CBDCs, deposit tokens, and stablecoins serve different strategic roles. The real competition is shifting from "CBDC vs stablecoin" to which digital money architecture becomes the dominant coordination layer across regions.

Paper Link



Stablecoins in Africa

This paper shows Africa is becoming a real-world testing ground for stablecoins, driven by remittances, FX access, and weak payment infrastructure. The challenge now is balancing innovation with local financial control and regulation.

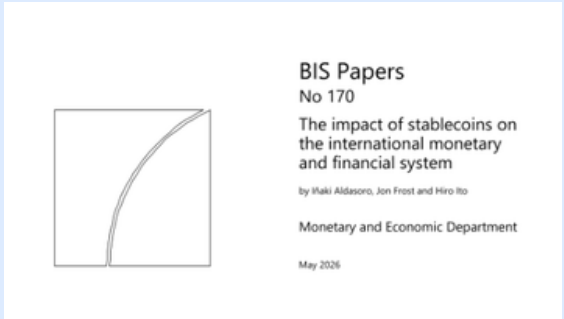
Paper Link



The State of RWAfi Q1 2026

The RWAfi Q1 2026 report shows tokenization is rapidly evolving into a parallel financial infrastructure layer, with the market growing from ~$4B to $25B in just a year. The real shift begins once assets move onchain and become programmable, turning into active financial primitives across lending, collateral, and settlement systems.

Paper Link



The impact of stablecoins on the ...

This BIS paper argues that stablecoins are evolving from crypto tools into geopolitical financial infrastructure, with USD-backed stablecoins reinforcing global dollar dominance. While they improve access and cross-border efficiency, they also increase dependence on the US dollar and challenge monetary sovereignty in emerging markets.

Paper Link



Stablecoins and the future of money

Christine Lagarde's speech makes clear that stablecoins are no longer viewed as a niche crypto issue but as part of a broader battle over monetary and settlement infrastructure. The real competition may not be stablecoins vs CBDCs, but private financial rails versus sovereign control over digital money systems.

Paper Link



10+ BRL stablecoins

This paper shows Brazil is rapidly evolving from crypto adoption into stablecoin infrastructure formation, with BRL stablecoins increasingly used for settlement, treasury, and tokenized markets. The country is becoming one of the key real-world laboratories for programmable financial infrastructure.

Paper Link



State of Stablecoin & Crypto Payments 2026

WalletConnect's 2026 report shows stablecoins are scaling into real payment infrastructure, but user experience remains the biggest bottleneck. The long-term winners will be the platforms that make wallets, chains, and gas fees invisible behind seamless global payments.

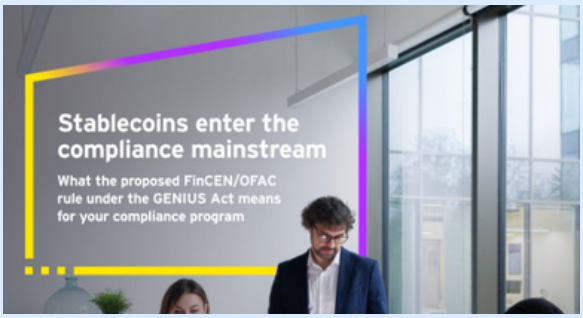
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THE STATE OF TOKENIZATION

Pantera's "State of Tokenization" report shows the market is scaling rapidly, but most tokenized assets still act as wrappers around traditional finance rather than fully native on-chain systems. The real shift will come when programmable, composable financial products are created directly on-chain, with stablecoins serving as the core liquidity layer.

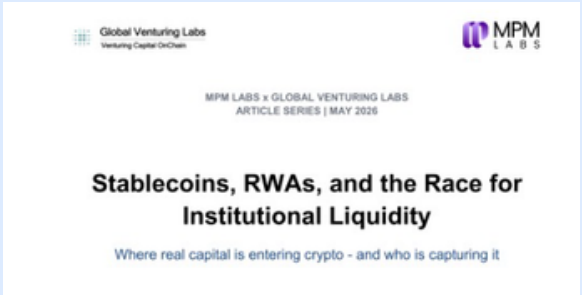
Paper Link



Stablecoins enter the compliance mainstream

EY's GENIUS Act analysis shows stablecoins are becoming regulated financial infrastructure, with compliance, sanctions, and transaction monitoring turning into core system requirements rather than optional features.

Paper Link



Stablecoins, RWAs, and the Race for ...

This paper shows stablecoins and RWAs are converging into a single institutional liquidity stack, where stablecoins act as programmable cash and tokenized assets provide yield and collateral. The real competition is shifting toward who controls liquidity movement, settlement, and institutional conversion infrastructure.

Paper Link



BlackRock's response to proposed stablecoin rules shows the industry focus is shifting from the tokens themselves to the reserve infrastructure behind them. Stablecoins are increasingly being treated as part of core financial market architecture, where liquidity management, collateral quality, and settlement efficiency matter more than crypto narratives.

Can read nice post here



Stablecoin strategy for Asia 2026

"Stablecoin Strategy for Asia 2026" shows Asia is becoming a key testing ground for stablecoin infrastructure, where the real challenge is not blockchain technology but fragmented regulations, liquidity, and cross-border settlement. The biggest opportunity may be programmable liquidity and capital efficiency at scale.

Paper Link



Response to Call for Evidence - Taxation of Stablecoins

CryptoUK's new paper argues that stablecoins should be taxed as payment infrastructure, not speculative crypto assets, warning that current CGT rules create major friction for everyday stablecoin use in the UK.

Paper Link



Flight to Safety Evaluating Stablecoin's Role as a Sa...

A new paper from the Federal Reserve Bank of Philadelphia suggests stablecoins are evolving into core liquidity infrastructure during market stress, with investor behavior increasingly treating them as safe-haven assets rather than simple crypto trading tools.

Paper Link



Local Currency Stablecoins

A new paper by Bhaskar Dasgupta argues that local-currency stablecoins will succeed not because of technology, but because of strong financial infrastructure, liquidity, regulation, and trust in the underlying currency.

Paper Link



The Future of Digital Assets

BCG's new report argues that digital assets are evolving from a niche crypto trend into core financial infrastructure, with the biggest long-term shift likely coming from tokenized real-world assets, programmable money, and new settlement systems rather than crypto trading itself.

Paper Link


Optimal Control of the Ethena Yield-Bearing Stablecoin

Matthew Lorig *

This version: May 13, 2026

Abstract

We formulate and solve stochastic control problems that model the core yield-generating strategy of the Ethena protocol, a decentralized finance (DeFi) stablecoin that earns yield by combining a long position in staked Ethereum (stETH) with an equal-sized short position in ETH perpetual futures. The combined position is delta-neutral with respect to the ETH spot price, yet earns carry from two sources: staking rewards on the stETH leg, and funding-rate payments received from long perpetual holders when the perpetual trades at a premium to spot. A key feature of our model is that the control — the rate of simultaneously buying stETH and shorting the perpetual — exerts two distinct types of price impact. *Permanent* impact shifts the mid-market prices of both legs, compressing the basis and permanently eroding future funding income; this is modeled with separate spot

Optimal Control of the Ethena Yield-Bearing Stablecoin

A new paper on Ethena argues that yield-bearing stablecoins are increasingly operating as active liquidity and risk management systems rather than simple digital cash, with scalability now heavily tied to funding markets, derivatives liquidity, and collateral efficiency.

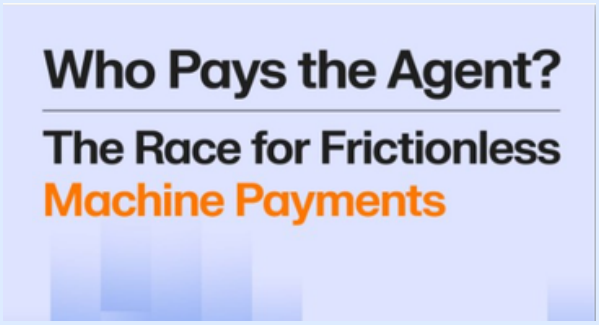
Paper Link



Whither Stablecoins? .....

Ignazio Angeloni argues that stablecoins are evolving beyond crypto assets into competing forms of digital liquidity infrastructure alongside deposits, CBDCs, and money market funds.

Paper Link



Who Pays the Agent? The Race for Frictionless Machine....

A new paper shows AI agents are already using stablecoins for autonomous microtransactions, where traditional card payment economics no longer work efficiently.

Paper Link



Digital Rails, Real Economics: Digital Assets & the Fu...

A new report from Morgan Stanley and Oliver Wyman argues that the biggest shift in digital assets is happening at the financial infrastructure layer, as banks increasingly compete to control tokenized settlement, liquidity, and programmable payment rails.

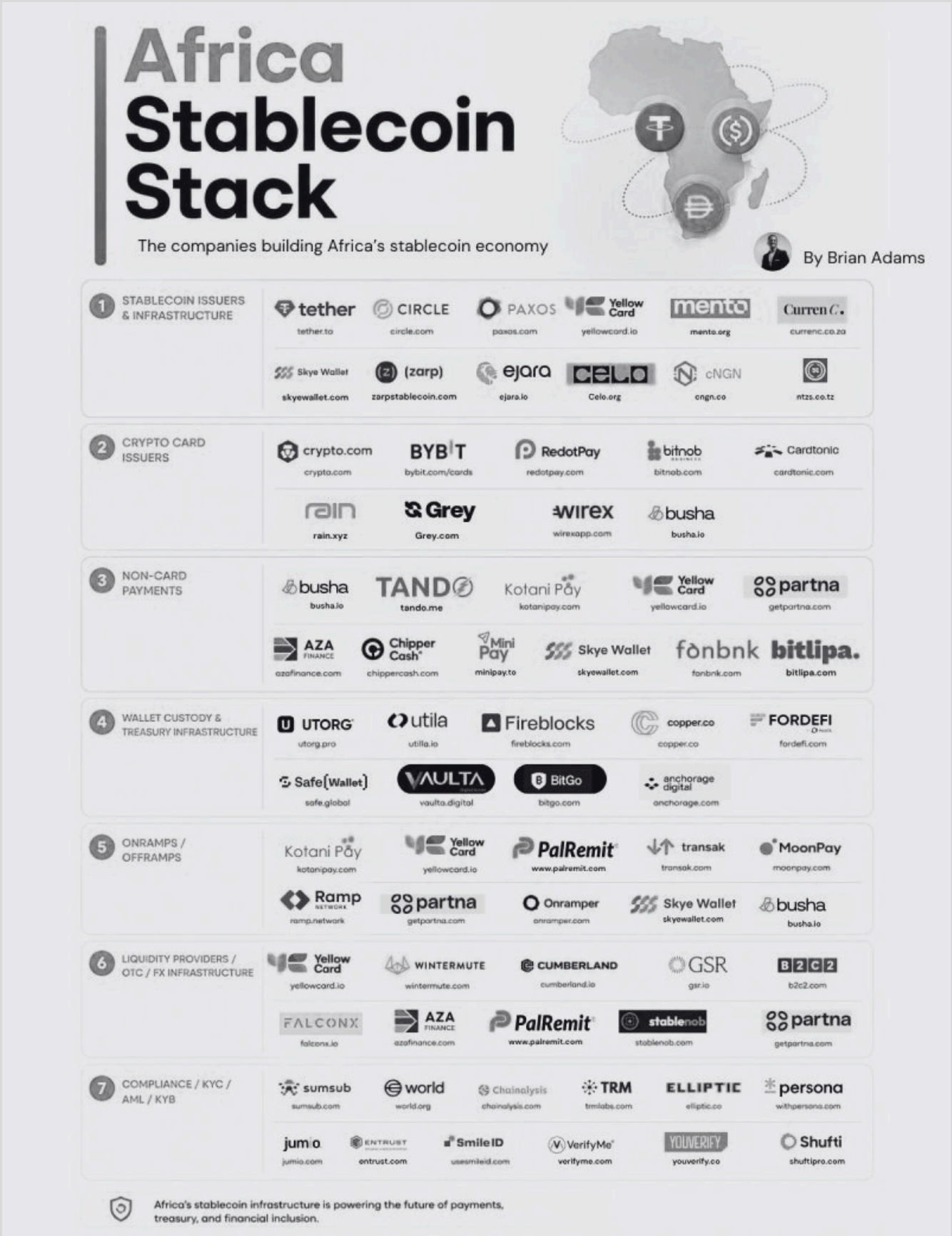
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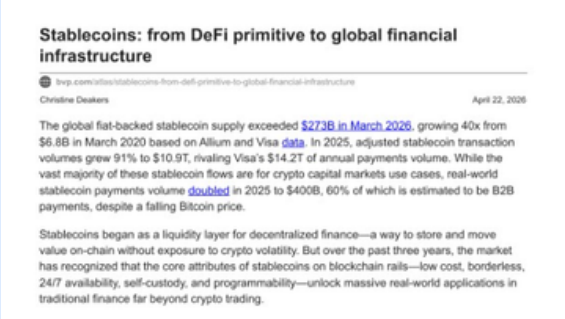
The Muslim-Friendly Stablecoin

"The Muslim-Friendly Stablecoin" argues that stablecoins are increasingly becoming instruments of monetary influence and geopolitical infrastructure, proposing a Shariah-governed alternative backed by Islamic financial assets to reduce dependency on dollar-based settlement systems.

Paper Link



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Stablecoins: from DeFi primitive to global financial infrastructure

bvp.com/atlas/stablecoins-from-defi-primitive-to-global-financial-infrastructure

Christine Deakers April 22, 2026

The global fiat-backed stablecoin supply exceeded $273B in March 2026, growing 40x from $6.8B in March 2020 based on Allium and Visa data. In 2025, adjusted stablecoin transaction volumes grew 91% to $10.9T, rivaling Visa's $14.2T of annual payments volume. While the vast majority of these stablecoin flows are for crypto capital markets use cases, real-world stablecoin payments volume doubled in 2025 to $400B, 60% of which is estimated to be B2B payments, despite a falling Bitcoin price.

Stablecoins began as a liquidity layer for decentralized finance—a way to store and move value on-chain without exposure to crypto volatility. But over the past three years, the market has recognized that the core attributes of stablecoins on blockchain rails—low cost, borderless, 24/7 availability, self-custody, and programmability—unlock massive real-world applications in traditional finance far beyond crypto trading.

Stablecoins from DeFi primitive to global financial

A new report from Bessemer Venture Partners argues that stablecoins are rapidly evolving from payment tools into a broader financial infrastructure layer, with the real competition shifting toward control of wallets, liquidity, compliance, settlement, and global money movement.

Paper Link



The State of Stables

"The State of Stables Q2 2026" from Artemis and Stablecon argues that stablecoins are rapidly evolving into core financial infrastructure, with the next major battle centered around AI payments, orchestration, compliance, wallets, and settlement rails rather than simple token issuance.

Paper Link


STABLECOINS: CONVERGENT RULES ON THE SURFACE, DIVERGENT REGIMES IN PRACTICE

Judith Arnal

ecri

May 2026 - 01

Stablecoins: Convergence Rules on the Surface ...

A new paper argues that stablecoin regulation is evolving into a geopolitical competition over settlement infrastructure, liquidity control, and digital monetary influence, with major jurisdictions building very different strategic models beneath similar regulatory frameworks.

Paper Link



Project Acacia – Exploring the role of digital money in..

Project Acacia from the Reserve Bank of Australia argues that the future financial system will likely be a hybrid infrastructure where stablecoins, tokenized deposits, wholesale CBDCs, and traditional settlement rails coexist and interoperate together.

Paper Link


Technical Due Diligence Report

Stablecoin Infrastructure for South Africa and Nigeria

Version: 1.6

Alessio Treglia

May 17th 2026

Stablecoin Infrastructure for South Africa and Nigeria

The report highlights that successful stablecoin adoption in Africa depends more on banking, liquidity, and payment infrastructure than on blockchain technology itself.

Paper Link



Next Generation Money

"Next Generation Money" from the Association of German Banks argues that the future financial system will likely consist of interoperable layers of tokenized money — including stablecoins, tokenized deposits, and CBDCs — each optimized for different financial and industrial use cases.

Paper Link



Beyond stablecoins ...

McKinsey & Company argues that the future of on-chain finance will likely be built on a layered monetary system where stablecoins, tokenized bank deposits, and CBDCs each play different roles across global payments, banking infrastructure, and institutional settlement.

Paper Link



Understanding Stablecoins and the Connection with AI

"Understanding Stablecoins and the Connection with Agentic AI" argues that stablecoins are emerging as core infrastructure for AI-driven commerce, where autonomous agents may soon hold wallets, make payments, and interact financially without direct human involvement.

Paper Link



Stablecoin Payroll Report

"The Stablecoin Payroll Report 2026" from Rise argues that stablecoin payroll is rapidly evolving from a crypto niche into operational infrastructure for global payouts, treasury management, and cross-border workforce payments.

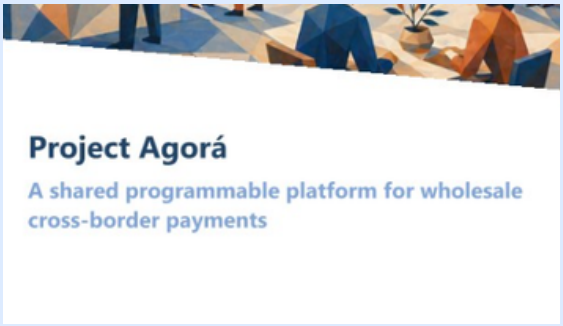
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The Financial Architecture of Stablecoins: A Primer...

The paper argues that stablecoins are evolving into a new form of private digital money, with implications for bank funding, government debt markets, and monetary policy. It also highlights the growing regulatory divergence between the U.S. and Europe.

Paper Link



Project Agorá A shared programmable platform for

BIS Project Agorá shows how tokenized deposits and central bank money could modernize cross-border payments through programmable, interoperable, and real-time settlement infrastructure.

Paper Link



Blockchain-Enabled & Stablecoin Banking

Hivemind Capital's report highlights a key shift: the future of digital finance will be defined less by stablecoins and more by the infrastructure behind them—payments, settlement, custody, liquidity, and treasury management.

Paper Link



The state of stablecoins and the players behind them

OwenPay's report shows that stablecoins are rapidly evolving from digital assets into financial infrastructure, with growth increasingly driven by settlement, custody, interoperability, and enterprise adoption rather than token issuance alone.

Paper Link



A new strategy to contain stablecoin risks in the Eur...

Bruegel argues that Europe risks falling behind if digital finance increasingly runs on dollar-based stablecoin infrastructure. The paper calls for stronger euro stablecoins to support Europe's financial sovereignty in the digital economy.

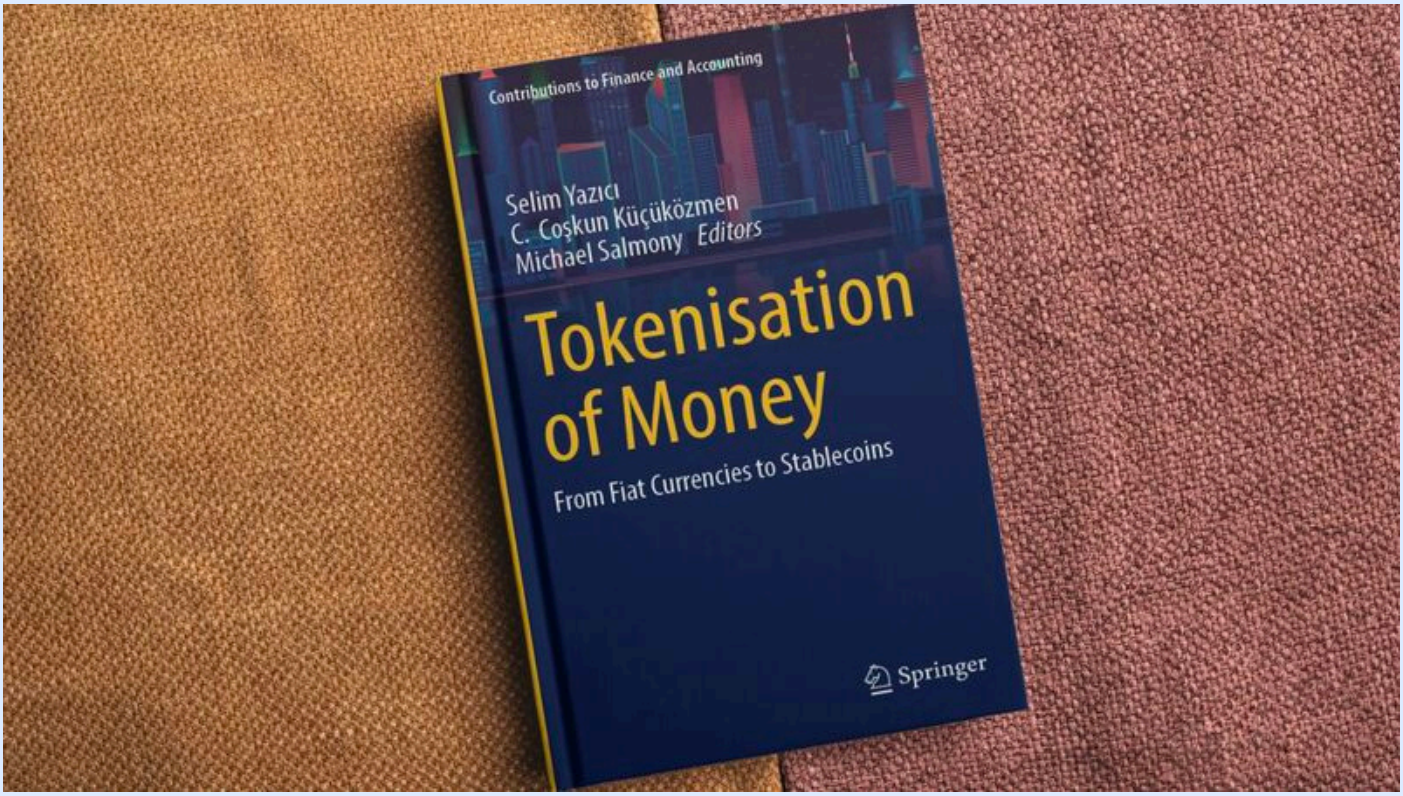
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Europe in the global stablecoin debate

The ESM paper highlights that stablecoins are becoming an important part of the future financial system, with growing roles in payments, treasury operations, and cross-border finance. Rather than replacing banks or CBDCs, stablecoins are likely to coexist with other forms of digital money in an increasingly tokenized economy.

Paper Link



The Tokenization of Money. From Fiat Currencies to Stablecoins

The transformation of money from physical and electronic forms into programmable digital assets is no longer a theoretical discussion. It is becoming one of the most important developments in modern finance.

This shift extends far beyond stablecoins alone. The broader digital money landscape now includes central bank digital currencies (CBDCs), tokenized deposits, digital payment infrastructure, new regulatory frameworks, and emerging models for financial settlement and liquidity management.

As governments, financial institutions, and technology providers continue exploring these innovations, a new monetary architecture is gradually taking shape—one that combines the stability of traditional finance with the programmability and efficiency of blockchain-based systems.

The transition remains complex and raises important questions around regulation, financial stability, interoperability, and monetary sovereignty. Yet it is increasingly clear that digital forms of money will play a growing role in the future financial system.

Understanding this evolution requires looking beyond individual technologies and considering the broader ecosystem being built around them. The future of money will likely be defined not by a single innovation, but by the interaction of multiple digital monetary models operating within an increasingly interconnected financial landscape.

More Information about the book - Link

hinkal | IN PARTNERSHIP

THE MISSING LAYER

WHY PRIVACY IS BECOMING
THE DEFINING INFRASTRUCTURE
FOR STABLECOIN ADOPTION
AT INSTITUTIONAL SCALE



For most of crypto's first decade, blockchain transparency was treated as a feature. Auditors could read the ledger. Researchers could trace flows. Speculators could watch whales. The same property that made the technology trustworthy in its early applications, that everyone sees everything, was rarely questioned. It is now being questioned, and the questioners are not who you might expect.

They are payment service providers settling merchants across borders. They are corporate treasury teams rebalancing operating cash. They are payroll platforms paying contractors in stablecoins. They are banks studying how to extend their own dollar liabilities onto public rails. None of them are crypto skeptics. They are the institutions whose volume is supposed to define the next decade of stablecoin growth. And they are arriving at the same observation, independently, that a public ledger which publishes every counterparty, every amount, and every recurring relationship to anyone with an explorer is not infrastructure traditional finance can operate on.

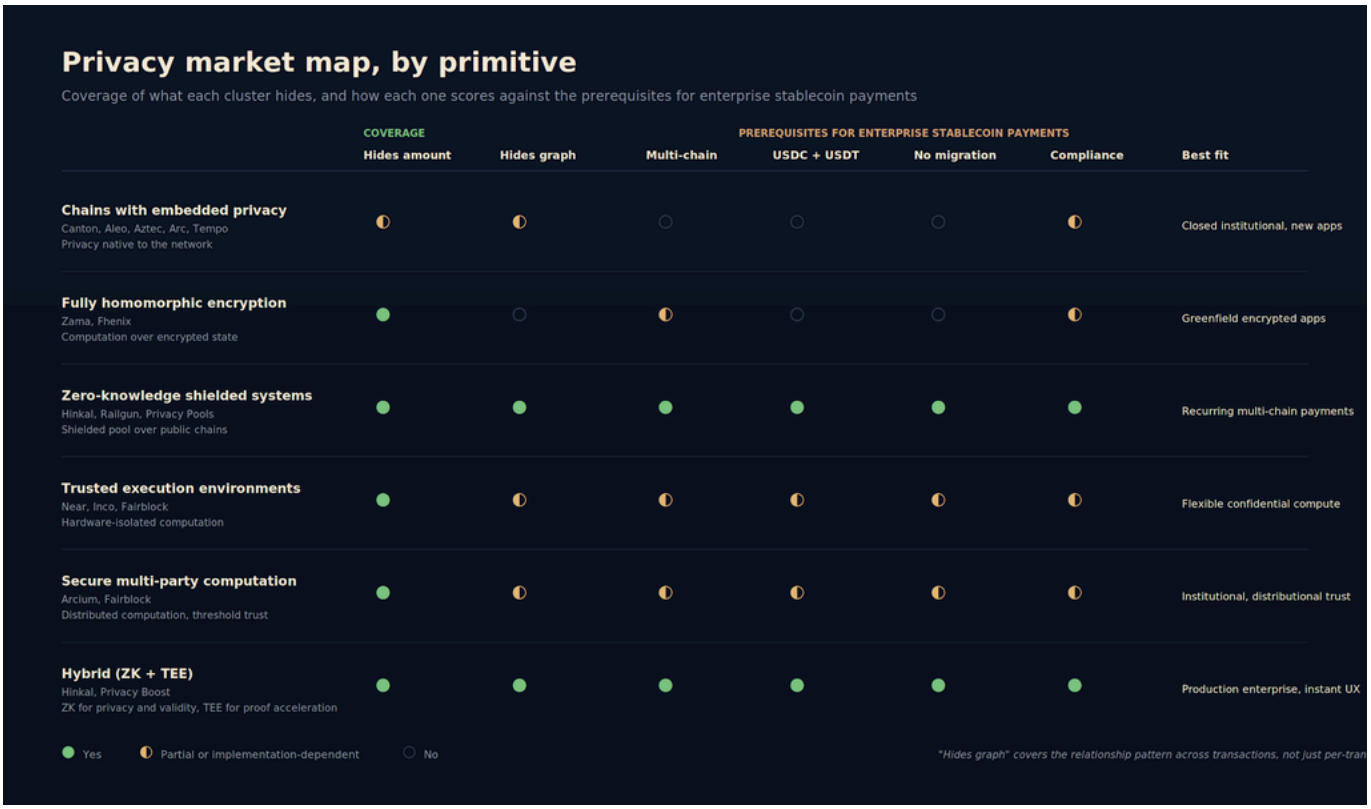
The scale of the problem is no longer marginal. Stablecoin payment volume reached $10.9 trillion in 2025. Real-world payment use, distinct from crypto trading, doubled to $400 billion last year, sixty percent of it B2B. Visa reported $4.6 billion in annualised stablecoin settlement on its own network in the first quarter of 2026. Bessemer's April roadmap of the stablecoin stack identifies five remaining opportunities in the stack that emerging companies can address. Privacy is one of them.

This is not a hypothesis the market is debating. It is a shift the largest names in the space have already begun executing. In late April 2026, Meta announced USDC creator payouts on Polygon. The same month, Modern Treasury, the treasury operations platform that sits behind a large share of the modern fintech back-office stack, integrated with Polygon to support stablecoin payments. On 4 May, Polygon went live with private stablecoin payments inside its own wallet for USDC and USDT, screened in real time for sanctions exposure and built on zero-knowledge proofs. Fireblocks, the custody infrastructure underneath most of the institutional stablecoin market, published a long essay in April arguing privacy is the next non-negotiable for institutional payments and that fully transparent rails will not carry the flow the market expects. Different vendors, different vantage points, the same direction of travel.

'Privacy is not a feature you add to a payment system. It is a property of any payment system that intends to operate at institutional scale.'

Georgi Koreli, CEO, Hinkal

Taken seriously, the observation changes the question in front of an institutional buyer. The question is no longer whether the flow needs confidentiality. It is which confidentiality solution fits the flow the institution actually runs. And this is where the conversation gets harder, because the privacy market is fragmented. Six architectural approaches are in production today. They are not interchangeable. Each one was designed for a different shape of problem, and each one carries a different set of tradeoffs into deployment.



The first approach is to build privacy into the network itself. Canton, Aleo, Aztec, Arc and Tempo sit in this lane, although their designs are meaningfully different. Canton is built around controlled visibility: permissioned participants see the data relevant to their role, not the full activity of the network. Aleo and Aztec are privacy-native environments where zero-knowledge design is part of the application model. Arc uses trusted execution environments at the chain level, hiding transaction amounts while sender and recipient visibility remains. Tempo is closer to a framework for custom settlement environments where both amount and counterparty confidentiality can be designed into the chain.

The appeal is obvious. If privacy is part of the network from the beginning, the system can be cleaner than a public chain with privacy added later. For closed institutional settlement, this can be the right answer. If a defined group of banks, asset managers, custodians or market participants agree to transact inside one environment, a privacy-native network gives them a controlled venue with clear rules.

The constraint is just as important. The privacy lives where the network lives. Stablecoin payments already happen across Tron, Solana, Base, Ethereum and other EVM chains. If the payment flow has to move into a dedicated privacy chain, the boundary becomes the weak point. The bridge in, the bridge out, the timing, the amounts and the counterparty migration all matter. A PSP paying hundreds of merchants cannot simply assume that every counterparty will move into a new

settlement environment. A corporate treasury team may not want to rebuild its operating flow around a new chain. And private assets are not automatically portable across privacy-native networks, because each one implements privacy differently. For closed settlement, this is manageable. For open multi-chain stablecoin flows, it is often the core limitation.

The second approach is fully homomorphic encryption. FHE allows a system to compute on encrypted data without decrypting it. In practical terms, a smart contract can work with encrypted balances or encrypted amounts while the values themselves remain unreadable. Zama and Fhenix are the visible names here, especially around confidential ERC-20 designs on EVM.

This is powerful technology, but it solves a specific shape of problem. FHE is strongest when the application needs encrypted state: confidential stablecoins, private DeFi, sealed-bid auctions, confidential lending or any workflow where the value must remain encrypted while logic is performed on it. In those cases, encrypted computation is not just a privacy feature. It is the product.

For payments, the fit is narrower. FHE can hide amounts, but it does not automatically hide relationships. A transaction amount may be encrypted, while the fact that one wallet interacted with another remains visible. For an enterprise, that relationship graph can be as sensitive as the amount itself. Vendor lists, payroll flows, merchant relationships, settlement frequency and treasury rhythm can all be exposed even if the values are hidden. Performance and cost are also still improving. FHE is becoming more practical, but high-volume, open-counterparty stablecoin settlement is not yet its cleanest use case. Where the main leak is the amount, and where the flow is concentrated on EVM, FHE can make sense. Where the business problem is the full relationship graph, it needs more around it.

The third approach is zero-knowledge shielding. ZK systems prove that a transaction is valid without revealing the underlying transaction data. The system can prove that the sender has funds, that the balances add up, and that no double-spend occurred, without making the full payment visible to the world. Railgun and Privacy Pools are the recognizable names in this part of the market.

The strength of ZK is that the privacy guarantee is mathematical. There is no chip manufacturer to trust and no operator who needs to see the data. In privacy-specific applications, ZK systems can hide both amounts and counterparties. That makes them highly relevant for public-chain payment privacy.

But ZK does not automatically solve the commercial problem either. The question is whether the system defeats correlation. If a company deposits 100,000 USDC into a shielded environment and, shortly after, 100,000 USDC exits to a predictable counterparty, the proof may be mathematically sound while the business activity remains easy to infer. Timing, repeated amounts, shallow liquidity, predictable withdrawal patterns and small anonymity sets can all weaken the result. For institutional buyers, this becomes the real question: not “does it use ZK?”, but “can someone still connect the dots?”

The fourth approach is trusted execution environments. TEEs are secure enclaves inside computer chips. Sensitive data is processed inside the enclave, while the surrounding system cannot read it. Near, Inco, Fairblock, and Arc all use TEEs in different ways.

The reason TEEs matter is practicality. They are faster and more flexible than many purely cryptographic approaches. They can support broader computation without forcing every action into a zero-knowledge circuit or an FHE design. Depending on implementation, a TEE-based system can hide amounts, relationships, or both.

The tradeoff is the trust model. With ZK, the guarantee is mathematical. With TEEs, the guarantee depends on hardware isolation and the integrity of the manufacturer's attestation chain. For many enterprise uses, that may be acceptable. Businesses already trust cloud providers, secure hardware, and infrastructure vendors every day. But for high-value financial workflows, the obvious diligence question is what happens if the hardware layer is compromised or a new vulnerability appears. That is why TEEs are often strongest when they are used for a specific role inside a broader system, rather than carrying the whole privacy promise alone.

The fifth approach is secure multi-party computation. MPC splits a confidential operation across several parties, so that no single participant sees the full underlying data. Arcium and Fairblock are among the projects building in this direction.

The appeal is distributed trust. Instead of relying on one hardware vendor or one operator, the system relies on a threshold of participants. For institutional settings, that can be attractive. A known group of credible operators can create a trust model that feels more durable than placing the full assumption in one place.

The cost is coordination. MPC requires participants to communicate and compute together, which adds latency and limits throughput. It also works best when the operator set is known. That makes MPC a strong option for institutional workflows, controlled environments and moderate-throughput confidential operations. It is less naturally suited to open, high-volume stablecoin payment flows where counterparties are numerous, chains are fragmented and user experience matters.

The sixth approach is the one most relevant for practical payment deployment: hybrid architecture. In production, privacy systems increasingly combine more than one primitive because the real problem is not just hiding data. It is hiding data while keeping the flow fast, usable, compliant and compatible with the wallets and chains people already use.

One important version is ZK plus TEE. ZK provides the core privacy and validity guarantee. The TEE helps make proof generation practical, especially on weaker devices or in user-facing flows where latency matters. Hinkal and Privacy Boost both use this pattern, but the fallback design is different. Hinkal supports client-side proving if the TEE is unavailable. Privacy Boost relies on the TEE more directly on the critical path. That distinction matters because both systems use cryptographic privacy, but their operational behavior under TEE failure or compromise is not the same.

Other combinations are emerging too. FHE plus ZK can bring verifiability to encrypted computation. MPC plus TEE can use secure hardware to protect validators or reduce collusion risk. These combinations are not just technical decoration. They are attempts to solve the practical weaknesses of each individual approach.

For stablecoin payments, the selection logic becomes straightforward. A closed settlement network may choose a privacy-native chain. An application that needs an encrypted internal state may choose FHE. A workflow that needs mathematical shielding on public chains may choose ZK. A use case that needs flexible confidential computation may accept a TEE model. A known institutional operator set may prefer MPC. But a recurring multi-chain payment flow, using native USDC or USDT, across existing wallets and counterparties that do not want to migrate, points toward a ZK-based hybrid model.

The compliance dimension is also not optional. Enterprise privacy does not mean hiding from oversight. It means preventing public leakage while preserving controlled disclosure. The more enterprise-ready privacy systems are converging around three ideas.

First, per-transaction selective disclosure, so that a regulator, auditor or counterparty can receive records for the specific transaction in scope without exposing the rest of the account. Second, compliance screening at the boundary, where deposits and withdrawals are checked against sanctions and risk-scoring systems before entering or leaving the confidential environment. Third, a provider role that looks more like infrastructure than financial intermediation, so that the enterprise keeps custody, AML responsibility and operational control.

This is the important distinction. Privacy and compliance are not opposites. Public transparency and compliance are not the same thing. Traditional finance has always protected sensitive commercial information while still maintaining auditability, reporting and law-enforcement access under defined conditions. Stablecoin infrastructure is now moving toward the same model.

That is why the privacy question has become more specific. Institutions are not choosing between “transparent” and “private.” They are deciding which exposed parts of their payment flow need confidentiality. Is the problem the amount, the sender, the recipient, the relationship graph, the timing, or the repeated pattern between the same parties? Does the flow need Tron, Solana and EVM support? Can recipients be asked to move to a new chain? Does compliance need selective disclosure? Does screening happen before funds enter the private environment? Can the provider see anything? What happens if the hardware layer, backend, operator set or bridge fails?

Stablecoin privacy is no longer one question. It is six architectural answers sitting in front of one set of structural constraints, and the work that matters now is matching them correctly. The era of asking whether privacy belongs on payment rails has ended faster than most observers expected. The era of choosing which architecture fits which flow has begun.

CAPITAL FLOWS — MAY DEALS



Where capital is actually going — and what it reveals about the next phase of onchain finance.

May became one of the strongest months for digital asset infrastructure investment in 2026, with more than $8.7 billion in disclosed deal value across venture capital rounds, strategic investments, acquisitions, and debt financing.

What stands out is not simply the amount of capital deployed, but where it is flowing. Investors are increasingly prioritizing infrastructure over speculation. Stablecoin settlement, institutional custody, compliance, payments, tokenization, AI-native finance, and enterprise blockchain services attracted the majority of capital throughout the month.

Several of the largest transactions were concentrated around payment infrastructure and financial market modernization. Bullish's acquisition of Equiniti for $4.2 billion highlighted growing interest in transfer-agent services and tokenized securities infrastructure, while Payward's acquisition of Reap and multiple MoonPay acquisitions demonstrated how aggressively major industry players are expanding beyond crypto trading into payments, treasury management, and financial services.

Stablecoin infrastructure remained one of the strongest investment themes. Fasset raised $51 million to expand stablecoin-powered banking services, Augustus secured $40 million to develop a stablecoin-native clearing bank, and OpenTrade attracted strategic capital to support yield-generating stablecoin infrastructure. Across the market, stablecoins increasingly appeared not as products, but as the foundational layer for new financial services.

Another major trend was the rise of AI-native financial infrastructure. Catena Labs, AEON, Elastics, Superior.Trade, and several other projects raised capital to build systems where AI agents can interact with financial networks directly. These investments suggest that programmable money and machine-driven commerce are rapidly becoming a serious investment category rather than an experimental niche.

Institutional infrastructure also continued attracting significant capital. Elliptic's $120 million Series D reinforced growing demand for compliance and blockchain intelligence platforms, while Ripple Prime secured a $200 million debt facility to expand institutional brokerage services. Custody, analytics, treasury management, and settlement infrastructure remain critical areas of institutional spending.

Geographically, South Korea emerged as one of the most active markets of the month. Multiple strategic stake acquisitions involving Dunamu, Coinone, and other major players exceeded $1 billion in combined value, reflecting growing competition around regulated digital asset distribution and exchange infrastructure.

Perhaps the clearest signal from May is that the industry's center of gravity continues shifting away from token issuance and toward financial infrastructure. Payments, settlement, custody, liquidity management, compliance, and enterprise services now represent some of the most heavily funded segments of the market.

The capital is increasingly following utility.

The takeaway is simple:
capital is no longer chasing narratives — it’s building infrastructure.



MAY 2026 — VENTURE CAPITAL DEALS

All disclosed Venture Capital transactions in May 2026

29 DEALS | **$1.71B+** RAISED | **MAY 2026** PERIOD | **INFRASTRUCTURE** FOCUS

COMPANY / PROJECT	AMOUNT	ROUND / TYPE	FOCUS / DESCRIPTION
Kalshi	$1B	Series F	Prediction Market Infrastructure
Kalshi	$200M	Series F Extension	Prediction Markets
Elliptic	$120M	Series D	Compliance & Analytics
Fasset	$51M	Series B	Stablecoin Banking
Variational	$50M	Series A	Derivatives Infrastructure
Augustus	$40M	Funding	Stablecoin Clearing Bank
SignalPlus	$40M	Series B+	Institutional Trading
Catena Labs	$30M	Series A	AI Banking Infrastructure
PopDEX	$30M	Financing	Perpetual Trading
Eisen	$18.5M	Series A	Compliance Operations
TownSquare	$16.25M	Pre-A	RWA & Yield Infrastructure
Osero	$13.5M	Raise	Yield & RWA
Onramp	$12.5M	Series A	Bitcoin Custody
AEON	$8M	Pre-Seed	AI Payments
Checker	$8M	Seed	Stablecoin APIs
Didit (YC W26)	$7.5M	Seed	Identity & AML
Cycles	$6.4M	Seed	Privacy Infrastructure
OnRe	$5M	Series A	Tokenized Reinsurance
Sorted Wallet	$4.4M	Seed	Stablecoin Wallet
IOTrader	$3.8M	Strategic Round	Trading Infrastructure
Antier Solutions	$3M	Funding	Enterprise Blockchain
Jia	$3M	Seed	SME Lending
Hypernova	$3M	Pre-Seed	Prop Trading
Saturn Credit	$2M	Seed	Bitcoin Credit
Ekiden	$2M	Seed	Trading Infrastructure
Elastics	$2M	Pre-Seed	AI Prediction Markets
Boundary	$2M	Pre-Seed	Institutional Stablecoins
Otomato.xyz	$2M	Funding	DeFi Automation
Superior.Trade	$1M	Strategic Investment	Agentic Trading

MAY 2026 – STRATEGIC INVESTMENTS & TOKEN FINANCING

13 TRANSACTIONS | $844.5M+ DISCLOSED VALUE | INFRASTRUCTURE FOCUS

COMPANY / PROJECT	AMOUNT	TYPE	SECTOR / FOCUS
Circle / Arc	$222M	Token Presale	Settlement Network
Dunamu / Samsung Affiliates	$408M	Stake Acquisition	Exchange Infrastructure
Gemini	$100M	Strategic	Exchange Infrastructure
Coincheck / KDDI	$65M	Strategic	Exchange Distribution
OpenTrade	$17M	Strategic	Stablecoin Yield
Turnkey	$12.5M	Strategic	Wallet Infrastructure
DACC	$10M	Strategic	Clearing & Settlement
LemFi	Undisclosed	Strategic	Remittances
Stableyard	Undisclosed	Strategic	Commerce Infrastructure
Centrifuge	Undisclosed	Strategic	RWA Infrastructure
GSR	Undisclosed	Strategic	Market Infrastructure
Temple Digital Group	Undisclosed	Strategic	Institutional Exchange
AWARP / LADS	Undisclosed	Strategic	RWA & Stablecoins

MAY 2026 – DEBT FINANCING

4 DEALS | $411.4M+ DISCLOSED VALUE | MAY 2026 PERIOD | INFRASTRUCTURE FOCUS

COMPANY / PROJECT	AMOUNT	TYPE	SECTOR
Ripple Prime	$200M	Debt Facility	Prime Brokerage
Fold	$150M	Credit Facility	Bitcoin Rewards
NALA	Up to $50M	Credit Facility	Stablecoin Payments
Solmate	$11.4M	Direct Offering	Solana Infrastructure

MAY 2026 – MERGERS & ACQUISITIONS

14 DEALS | **$5.71B+** DISCLOSED VALUE | **MAY 2026** PERIOD | **INFRASTRUCTURE** FOCUS

ACQUIRER	TARGET	AMOUNT	FOCUS
Bullish	Equiniti	$4.2B	Tokenized Securities
Hana Financial Investment	Dunamu	~$670M	Exchange Infrastructure
Payward	Reap	Up to $600M	Stablecoin Payments
Functional Brands	Alchemy	$142.9M	Gold-backed Settlement
MoonPay	DFLow	~$100M	Solana Trading
MoonPay	Dawn Labs	Undisclosed	AI Trading
MoonPay	Decent.xyz	Undisclosed	Cross-Chain Routing
Standard Chartered	Zodia Custody	Undisclosed	Custody
Movement	Canopy	Undisclosed	DeFi Vaults
Zama	TokenOps.xyz	Undisclosed	Token Infrastructure
Kaiko	Cometh	Undisclosed	Onchain Data
Deloitte	Blocknative Team	Undisclosed	Transaction Monitoring
Aztec	ZKPassport	Undisclosed	Identity Infrastructure
WeHub	FLYBIT	Undisclosed	Exchange Infrastructure

May 2026 confirmed a major shift across digital finance: capital is increasingly moving away from speculative applications and toward infrastructure.

From stablecoin banking and payment networks to compliance platforms, custody providers, exchange infrastructure, AI-powered finance, and settlement systems, investors focused on the foundational layers that enable value to move across the global economy.

The month's largest deals revealed growing institutional confidence in stablecoins, tokenization, and programmable financial networks. At the same time, acquisition activity showed that infrastructure consolidation is accelerating as companies compete to control distribution, liquidity, settlement, and user access.

The broader signal is clear. The next phase of industry growth will not be defined by new tokens, but by the infrastructure connecting payments, assets, compliance, and capital markets. May’s deal flow suggests that this transition is already well underway.

STABLECOIN DATA HUB



A MONTHLY ANALYSIS OF STABLECOIN GROWTH, TRANSACTION ACTIVITY, MARKET STRUCTURE, CAPITAL FLOWS, AND THE KEY INDICATORS DRIVING THE EVOLUTION OF DIGITAL MONEY.

STABLECOIN DATA HUB

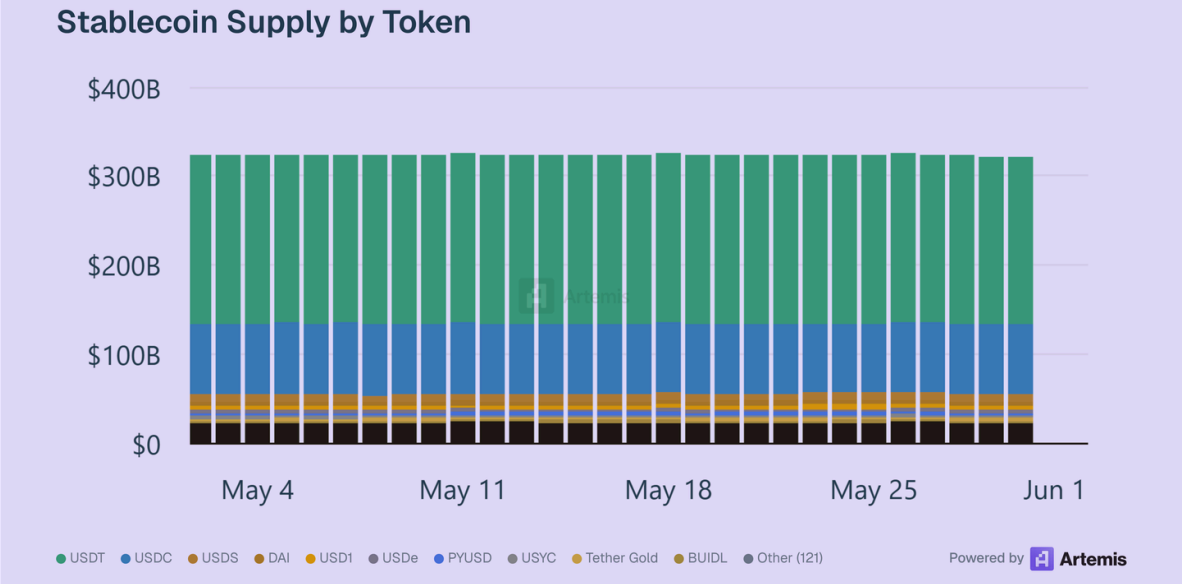
The stablecoin market entered June 2026 in a position few could have imagined just a few years ago. Total supply remains above $320 billion, while stablecoins continue processing trillions of dollars in annualized transaction volume across public blockchains.

More importantly, growth is no longer being driven by speculation alone. Stablecoins are increasingly functioning as payment rails, liquidity infrastructure, treasury tools, collateral layers, and settlement mechanisms across both traditional finance and digital asset markets. The data this month reveals a market that is simultaneously consolidating and expanding.

A Market Dominated by Two Giants



Despite hundreds of stablecoins existing across multiple ecosystems, the market remains highly concentrated. USDT continues to dominate global supply with nearly $188 billion in circulation, while USDC remains the second-largest player at approximately $78 billion. Together, these two assets account for the vast majority of stablecoin liquidity worldwide.

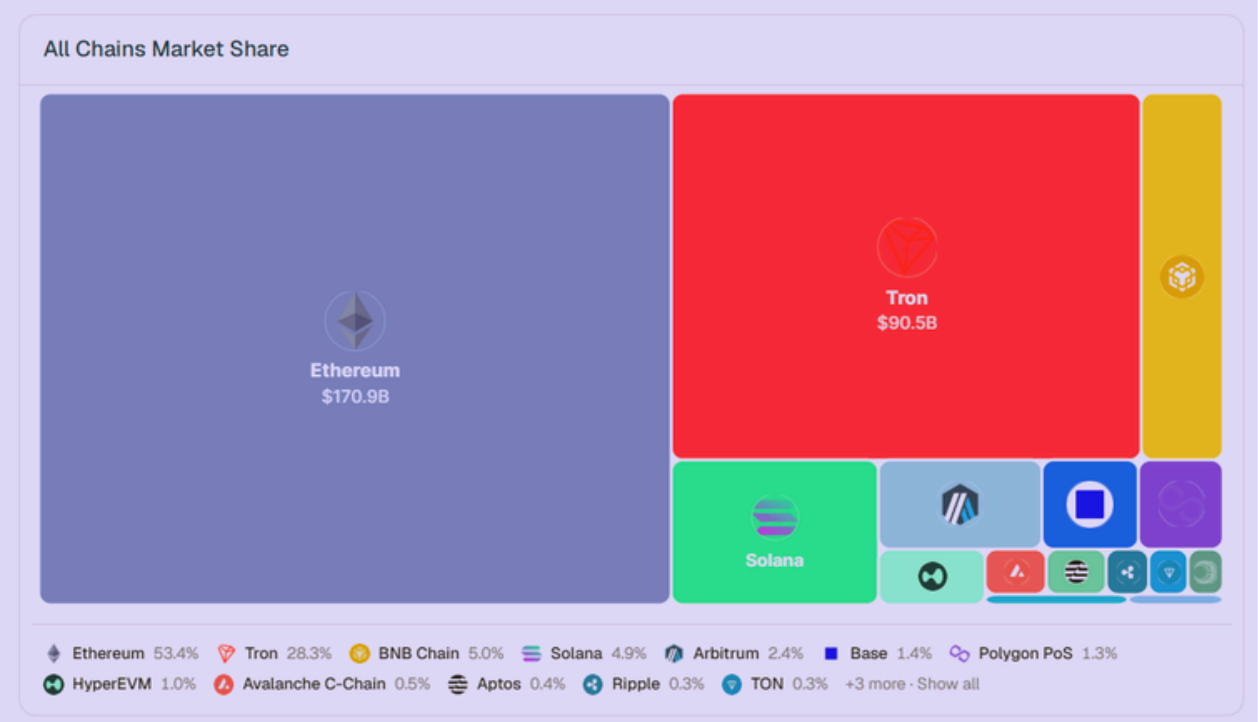


What is becoming increasingly interesting, however, is the emergence of specialized stablecoins. Products such as USDS, PYUSD, USDe, BUIDL, and tokenized treasury-backed instruments are beginning to capture niche segments of the market.

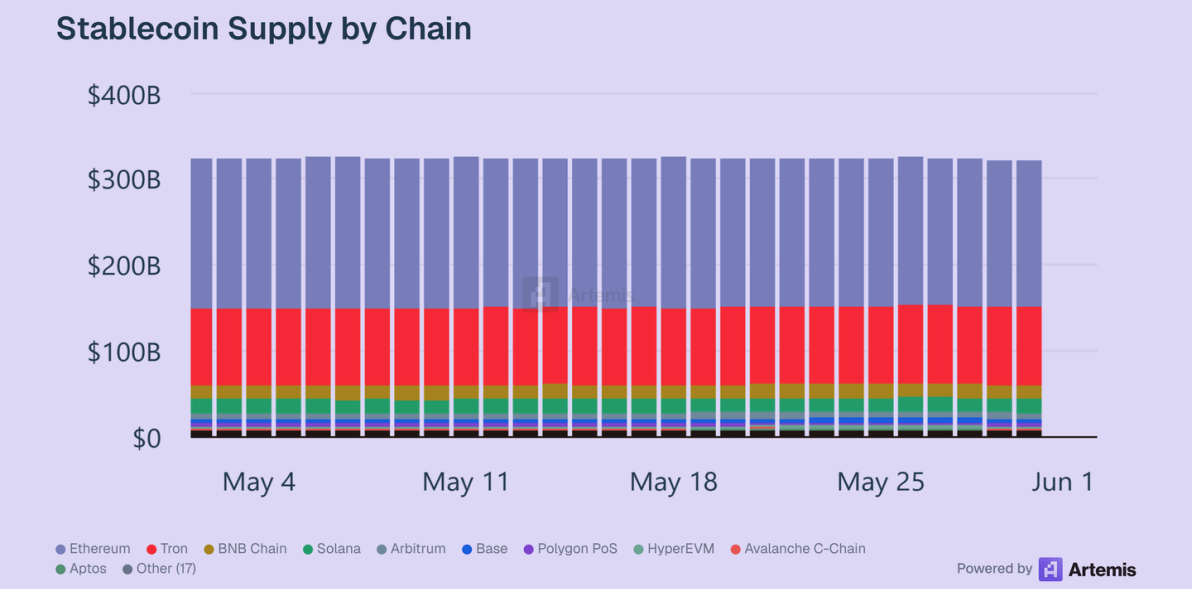
The industry is gradually evolving from a two-player market into a broader financial ecosystem where different stablecoins serve different functions, from payments and trading to yield generation and institutional treasury management.

Source Link

Blockchain Competition Looks Very Different From Token Competition



While stablecoin issuance remains concentrated among a small number of issuers, blockchain distribution tells a different story.
Ethereum continues to dominate stablecoin supply with more than half of total market share, followed by Tron, which remains one of the most important networks for payments and international transfers.
Together, Ethereum and Tron represent more than 80% of all stablecoin supply.

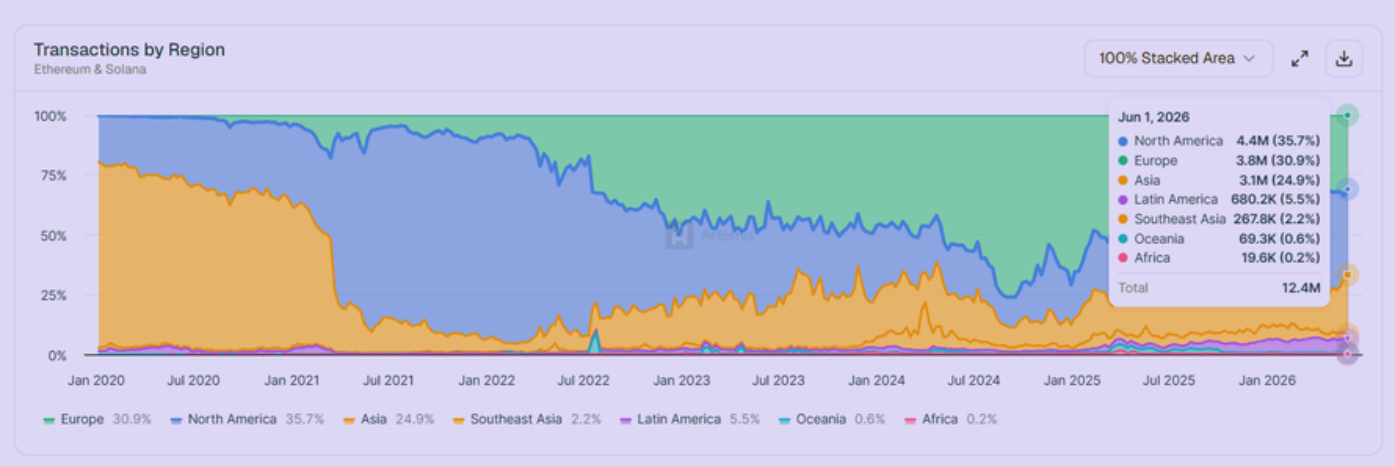


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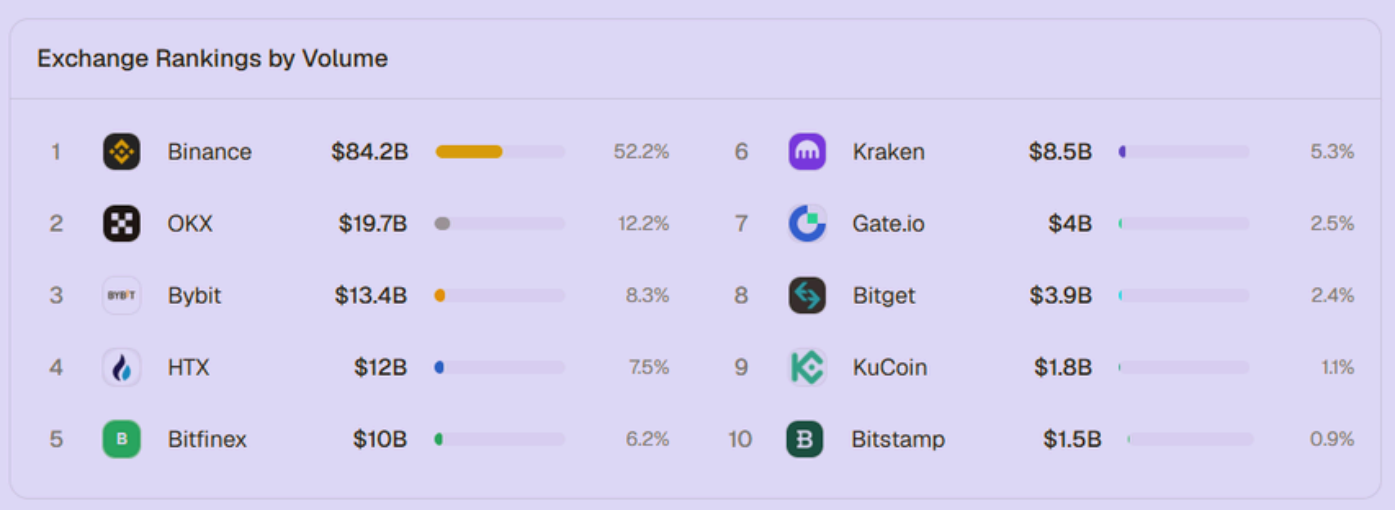
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Activity Is Shifting Beyond North America



One of the most interesting developments visible in the data is the changing geographic distribution of stablecoin activity.
North America remains the largest single region by transaction count, but Europe now represents nearly one-third of total activity, while Asia accounts for roughly one-quarter of all transactions.
Latin America continues to grow steadily, supported by remittances, inflation hedging, and demand for digital dollars.
This trend reinforces a broader market reality: stablecoins are becoming global financial infrastructure rather than region-specific crypto products.
Adoption is increasingly being driven by practical financial use cases rather than speculation alone.

Trading Infrastructure Remains Highly Concentrated



Exchange data reveals another important characteristic of today's market.
Liquidity remains heavily concentrated around a small number of platforms, with Binance alone accounting for more than half of observed stablecoin trading volume.

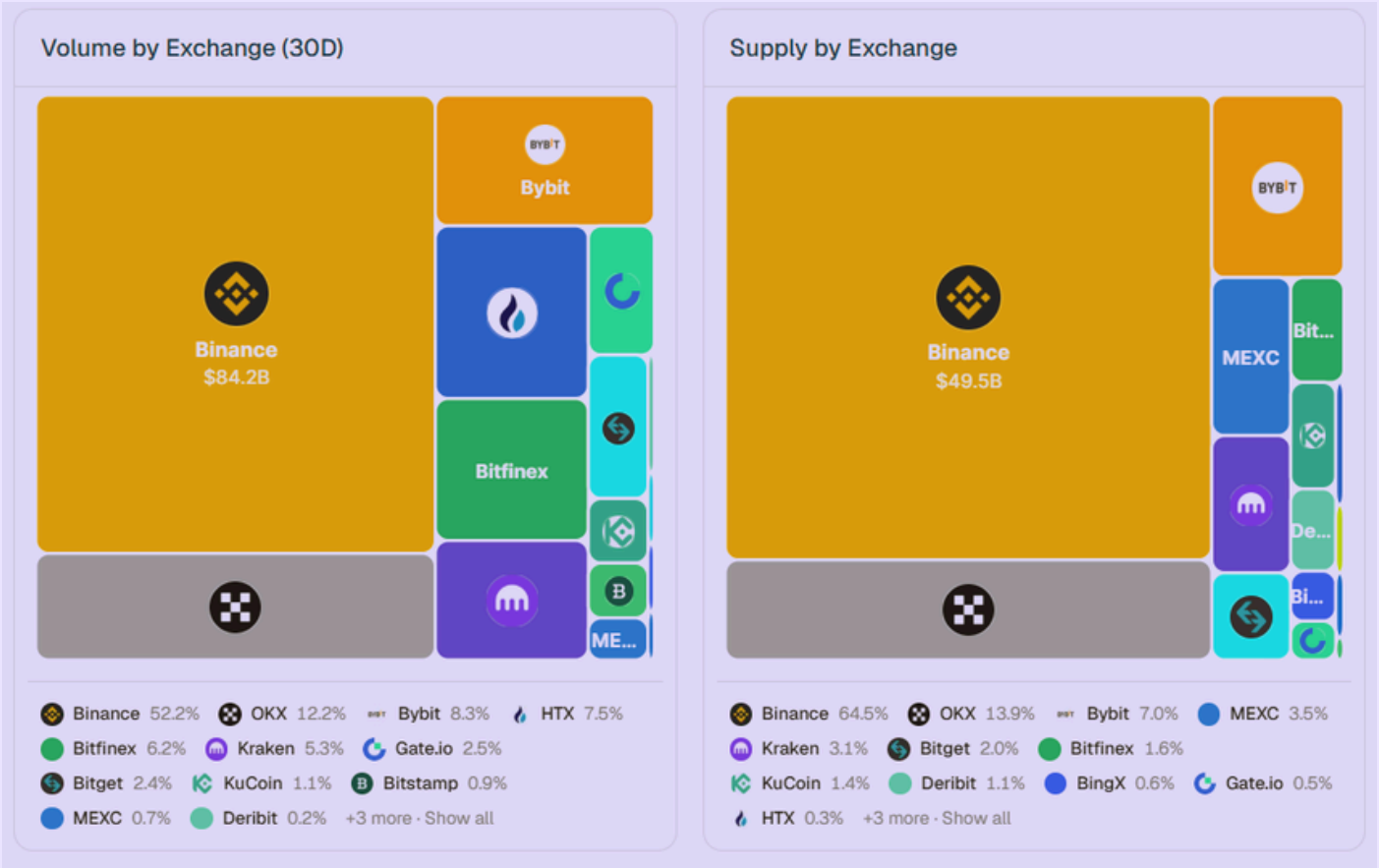
The concentration is even more visible when examining exchange-held stablecoin reserves.

This creates both efficiency and risk.

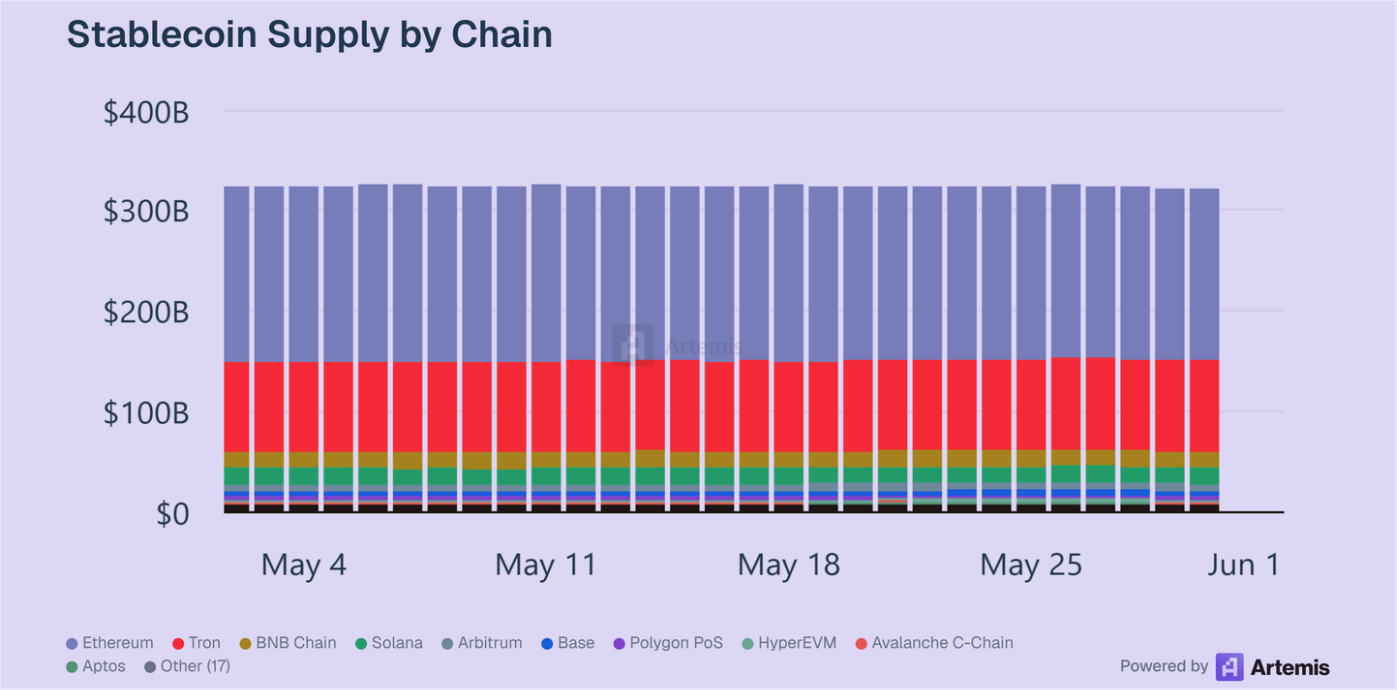
Large exchanges provide deep liquidity and efficient price discovery, but they also become critical infrastructure nodes whose operational stability increasingly matters to the broader market.

As stablecoins become integrated into payments and financial services, liquidity concentration may become one of the most important infrastructure questions facing the industry.

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Volume Growth Is Becoming More Diverse

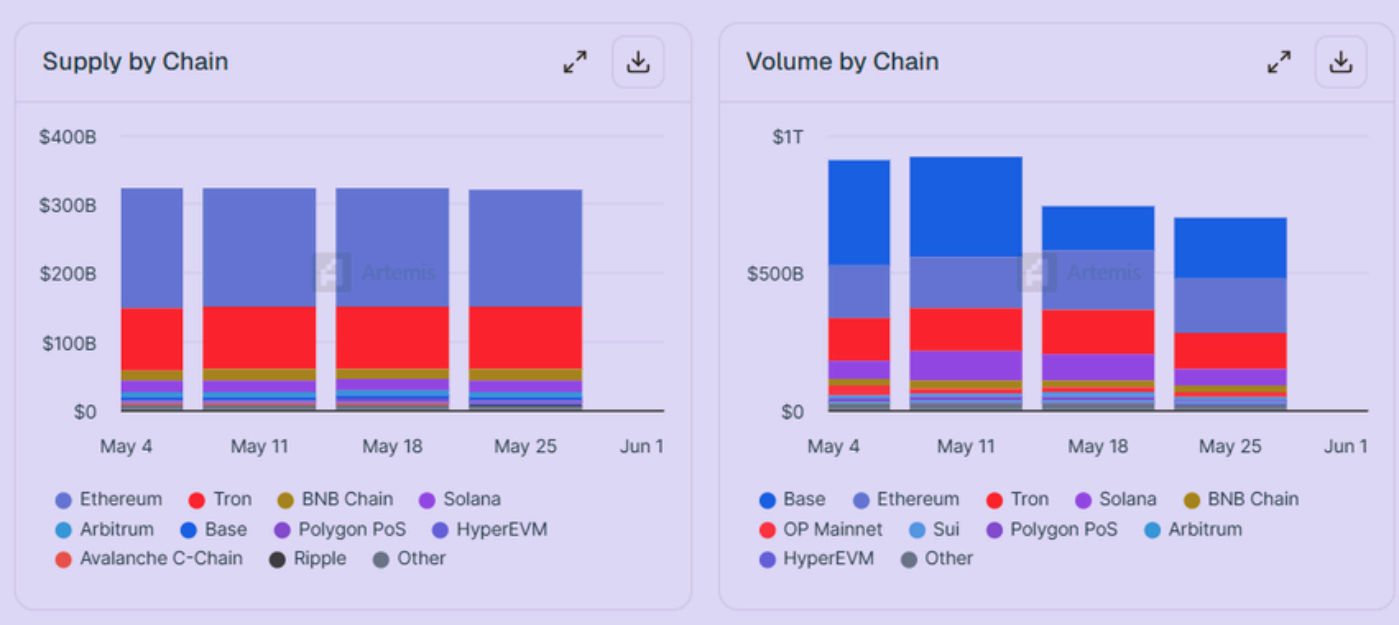


Stablecoin transaction activity is no longer concentrated exclusively on Ethereum.

While Ethereum remains a critical settlement network, ecosystems such as Base, Tron, Solana, and other emerging chains are capturing increasing shares of transaction volume.

This reflects a broader industry trend.

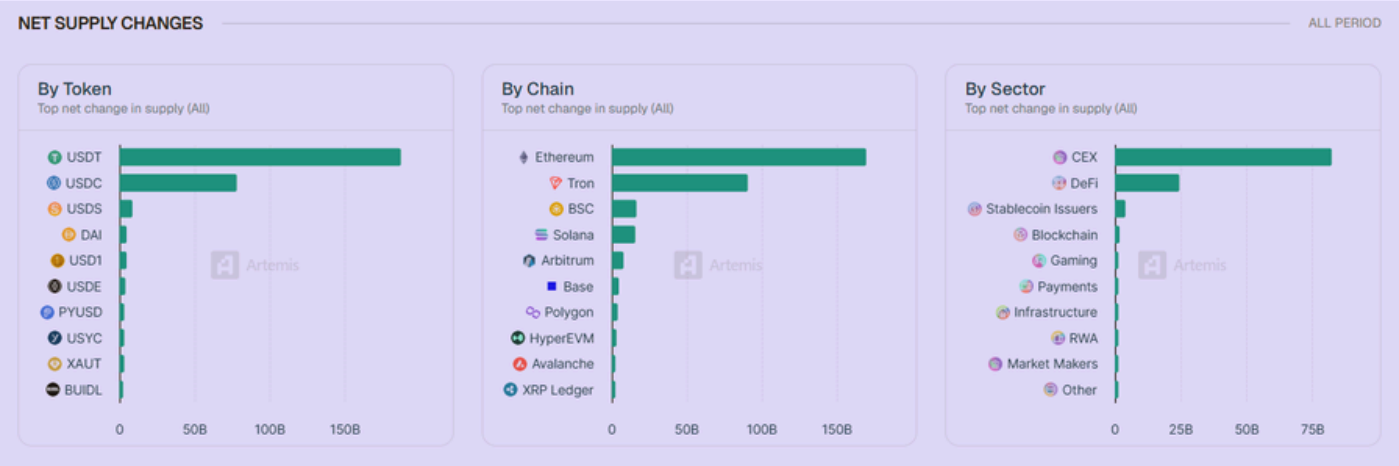
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Users increasingly select networks based on cost, settlement speed, application availability, and payment functionality rather than ideological preferences around specific blockchains.

In many ways, blockchains are beginning to compete more like payment networks than crypto ecosystems.

Where New Liquidity Is Flowing



The strongest supply growth continues to come from USDT and USDC.

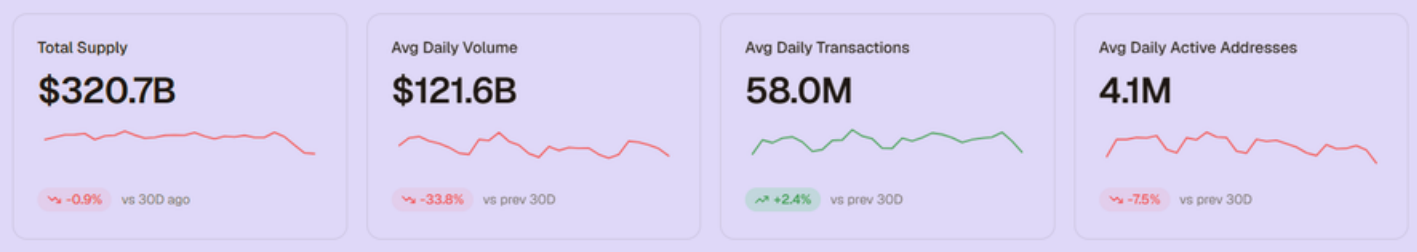
At the network level, Ethereum and Tron remain the primary destinations for newly issued stablecoin liquidity.

Sector-level data reveals another important trend: centralized exchanges continue attracting the largest share of incoming stablecoin capital, while DeFi remains the second-largest destination.

This suggests that while decentralized finance continues growing, centralized platforms remain the dominant liquidity hubs for the broader stablecoin economy.

Source Link

A Market Transitioning From Growth to Infrastructure



The headline numbers tell an interesting story.

Total supply remains near record highs at approximately $321 billion. Daily transaction volume exceeds $120 billion, while average daily transactions approach 58 million.

At the same time, transaction volume has cooled relative to the previous month, while active address growth has slowed.

This suggests the market may be entering a new phase.

The explosive expansion of stablecoin supply is gradually giving way to infrastructure development, enterprise adoption, regulatory integration, and institutional deployment.

In previous cycles, success was measured by issuance.

Today, success is increasingly measured by utility.

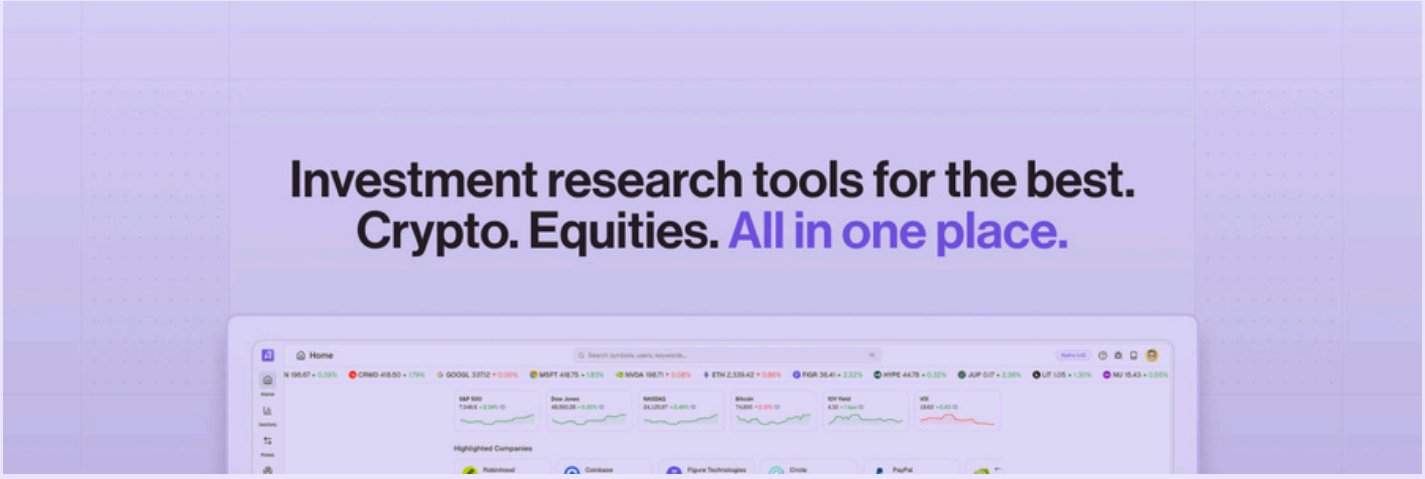
Conclusion

The stablecoin market of 2026 looks fundamentally different from the market that existed just a few years ago.

Supply continues to expand, but the more important story is where that supply is being used. Stablecoins are becoming embedded inside exchanges, payment networks, treasury systems, banking products, cross-border transfers, and tokenized asset markets.

The data increasingly points toward the same conclusion: stablecoins are no longer a niche crypto product.

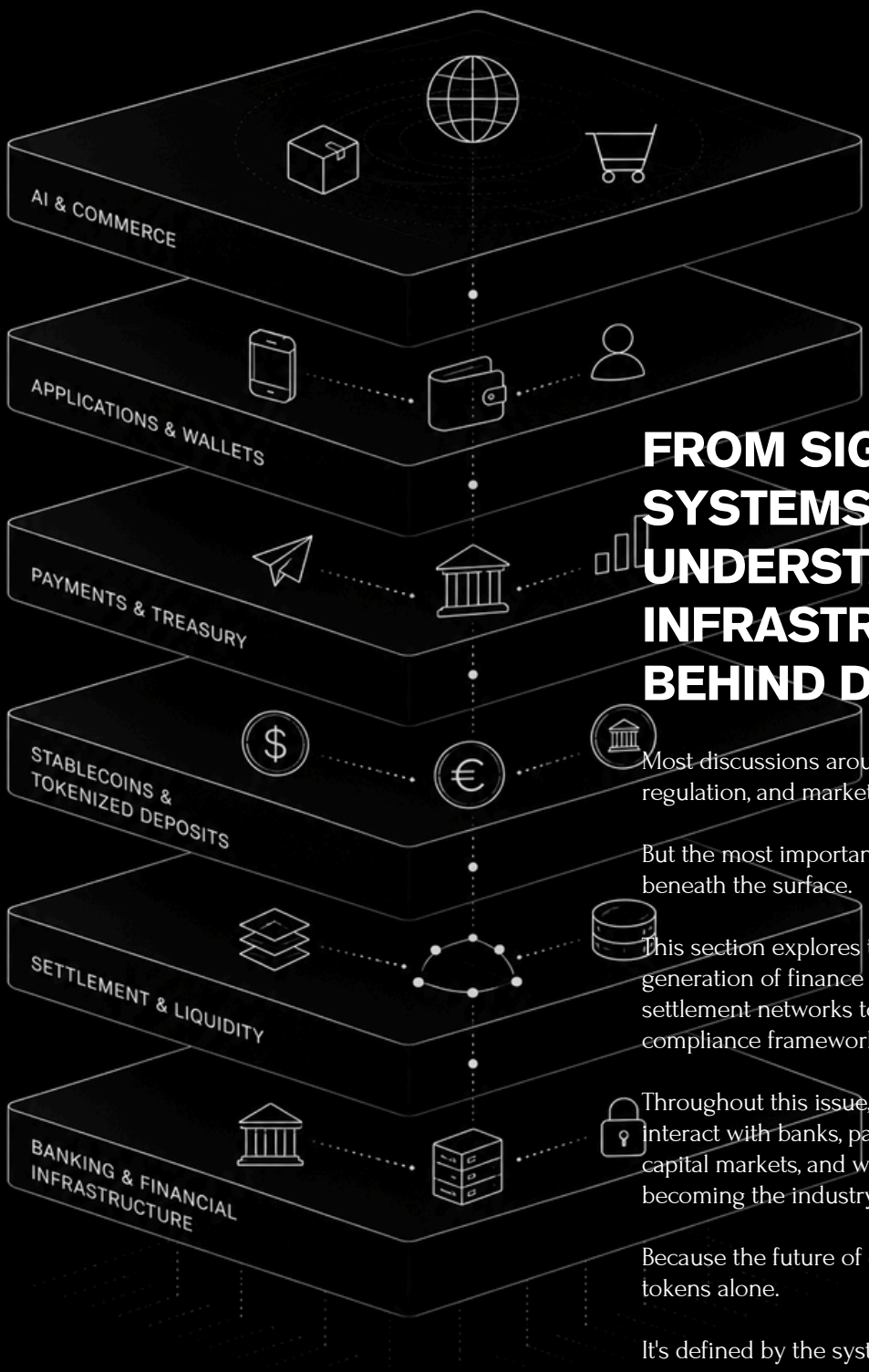
They are becoming one of the foundational infrastructure layers of the emerging digital financial system.



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THE STABLECOIN PLAYBOOK

STABLECOINS ARE NOT JUST ASSETS —
THEY ARE INFRASTRUCTURE IN MOTION.



FROM SIGNALS TO SYSTEMS UNDERSTANDING THE INFRASTRUCTURE BEHIND DIGITAL MONEY

Most discussions around stablecoins focus on adoption, regulation, and market growth.

But the most important developments are happening beneath the surface.

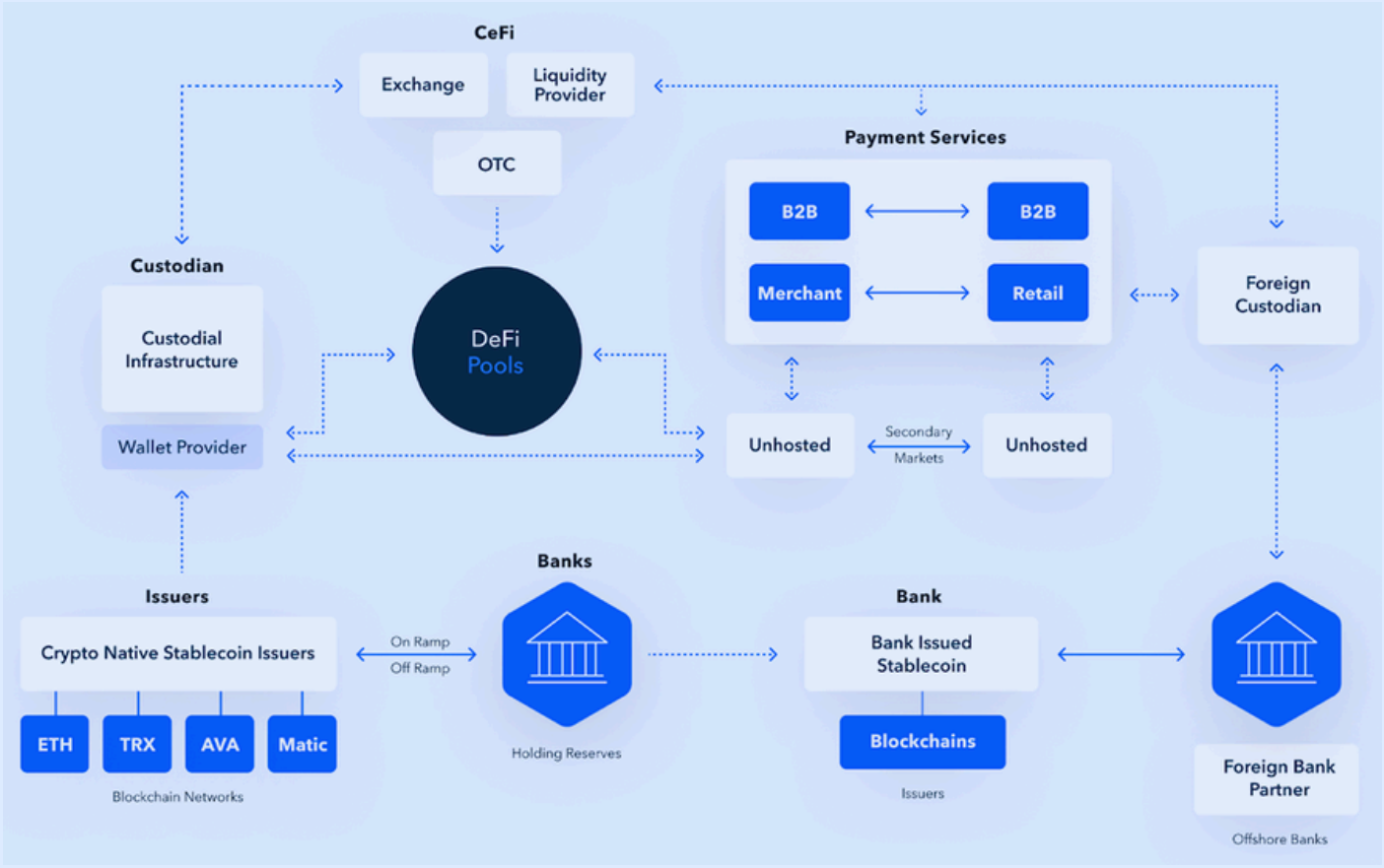
This section explores the infrastructure powering the next generation of finance — from payment rails and settlement networks to treasury systems, tokenized assets, compliance frameworks, and cross-border liquidity.

Throughout this issue, we examine how stablecoins interact with banks, payment providers, AI systems, and capital markets, and why infrastructure is increasingly becoming the industry's most important battleground.

Because the future of digital money is not defined by tokens alone.

It's defined by the systems built around them.

STABLECOIN ECOSYSTEM



Stablecoins are often described as digital dollars, but that definition misses the bigger picture. Behind every stablecoin sits a complex financial ecosystem connecting issuers, banks, exchanges, custodians, payment providers, liquidity pools, and settlement networks.

As the diagram illustrates, stablecoins operate across multiple infrastructure layers. Issuers create and manage digital currencies, banks provide reserve custody and fiat on/off-ramps, centralized exchanges and liquidity providers facilitate market access, while DeFi protocols supply lending, liquidity, and yield opportunities. Custodians, wallets, and payment processors complete the stack, enabling stablecoins to move across borders and into real-world commerce.

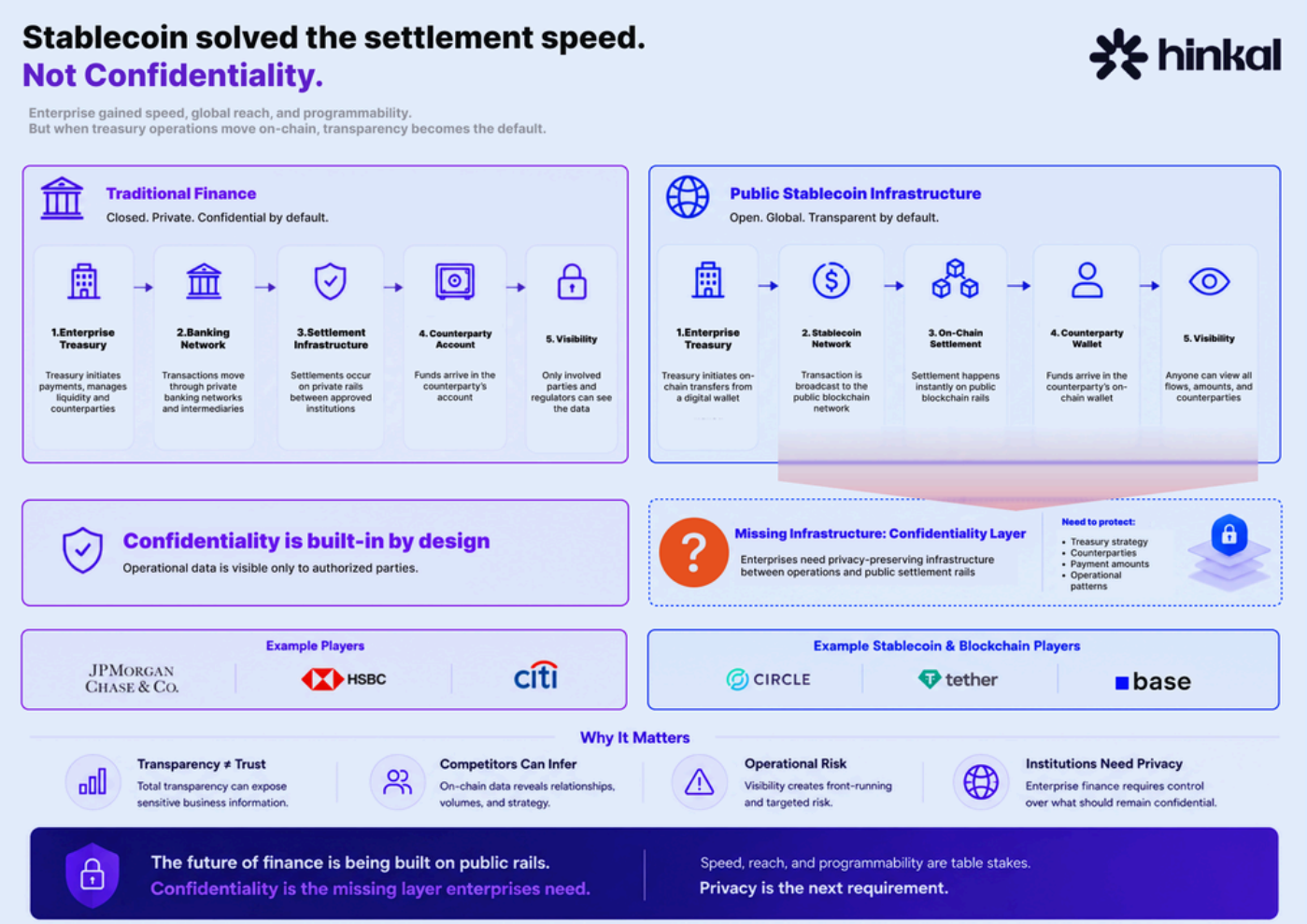
What emerges is not simply a new asset class, but a parallel financial infrastructure designed for programmable, real-time value transfer.

The next phase of development is likely to bring deeper integration between traditional finance and digital assets. Bank-issued stablecoins, institutional liquidity pools, embedded B2B settlement, real-time foreign exchange, and blockchain-based trade finance are already beginning to reshape how money moves globally.

The most important shift is that stablecoins are evolving from trading instruments into settlement infrastructure. As adoption expands across payments and treasury operations, the industry is moving away from fragmentation and toward orchestration, where multiple financial layers operate together as a single system.

Rather than replacing banks, stablecoins are increasingly redefining the mechanisms through which banks, businesses, and financial institutions transfer value.

Source Link



The first generation of stablecoin infrastructure focused on solving the limitations of traditional payments. Faster settlement, lower costs, global accessibility, and 24/7 operation transformed how value could move across borders.

As adoption expands, however, a new challenge is emerging: confidentiality.

Public blockchains provide transparency by default, but large enterprises, financial institutions, and treasury teams often require a degree of operational privacy. Transaction flows, balances, counterparties, and settlement activity can reveal commercially sensitive information that would typically remain private within traditional financial systems.

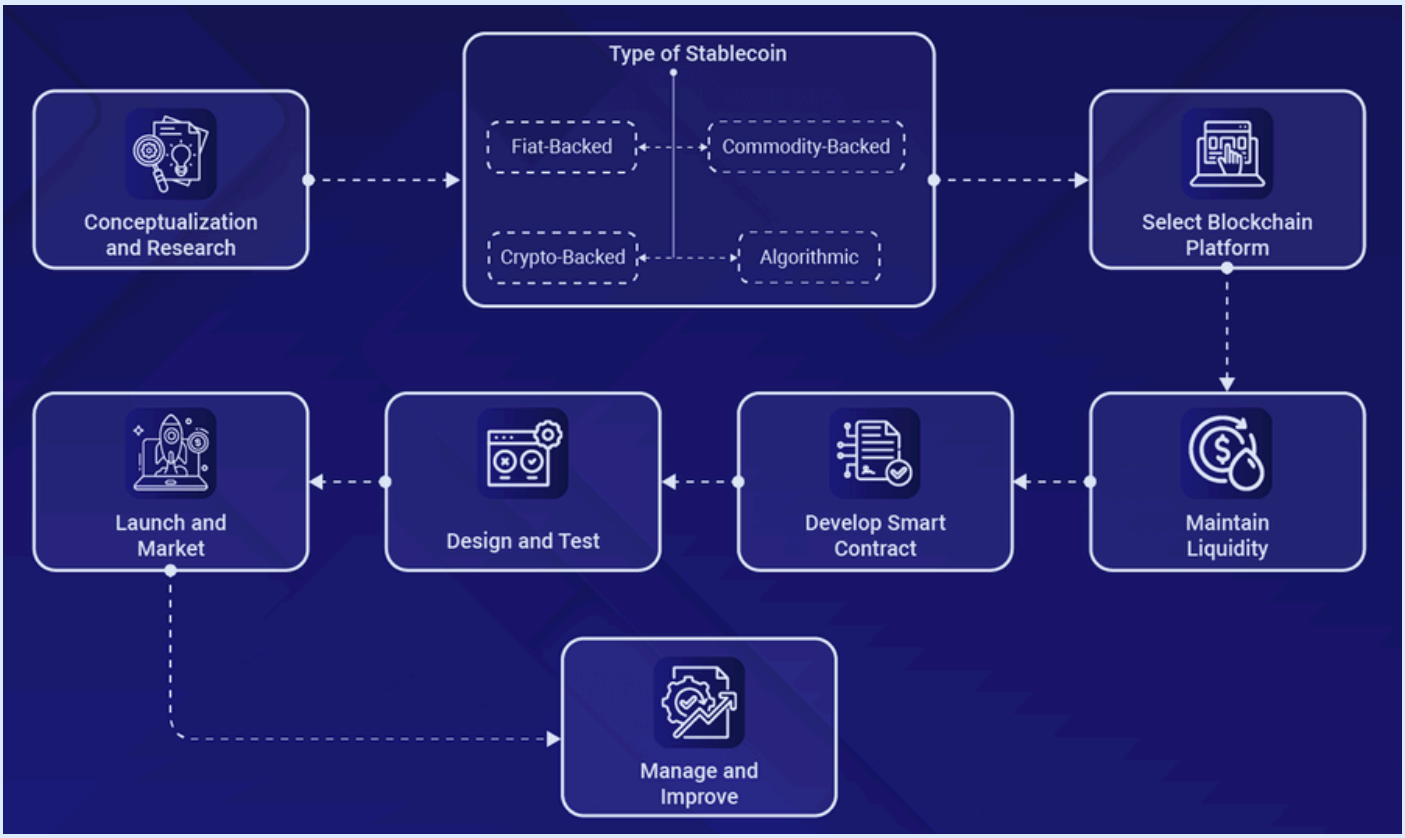
As a result, the industry is increasingly exploring infrastructure that combines the efficiency of public blockchain settlement with enterprise-grade confidentiality. Rather than replacing transparency entirely, these solutions aim to provide controlled privacy while maintaining compliance and auditability.

This shift reflects a broader evolution of the market. Stablecoins are no longer being evaluated solely on speed and efficiency. Institutional adoption increasingly depends on treasury management, compliance capabilities, operational controls, and confidential transaction infrastructure.

The next phase of stablecoin development may therefore be defined not only by how quickly value moves, but by how securely and privately financial activity can operate on global digital rails.

Source Link

STABLECOIN DEVELOPMENT ON SOLANA



Launching a stablecoin involves far more than creating a digital token. It requires designing an entire financial infrastructure stack that spans economics, compliance, liquidity, governance, and settlement.

The process begins with defining the use case and selecting the appropriate model, whether fiat-backed, commodity-backed, crypto-backed, or algorithmic. Each approach introduces different requirements around regulation, capital efficiency, risk management, and reserve design.

For projects built on Solana, the appeal lies in high throughput, low transaction costs, and fast settlement finality. These characteristics make the network particularly attractive for payments, treasury operations, and other transaction-intensive use cases. However, technology alone is not enough. Smart contract security, mint and redemption controls, compliance features, and operational resilience remain critical components of the architecture.

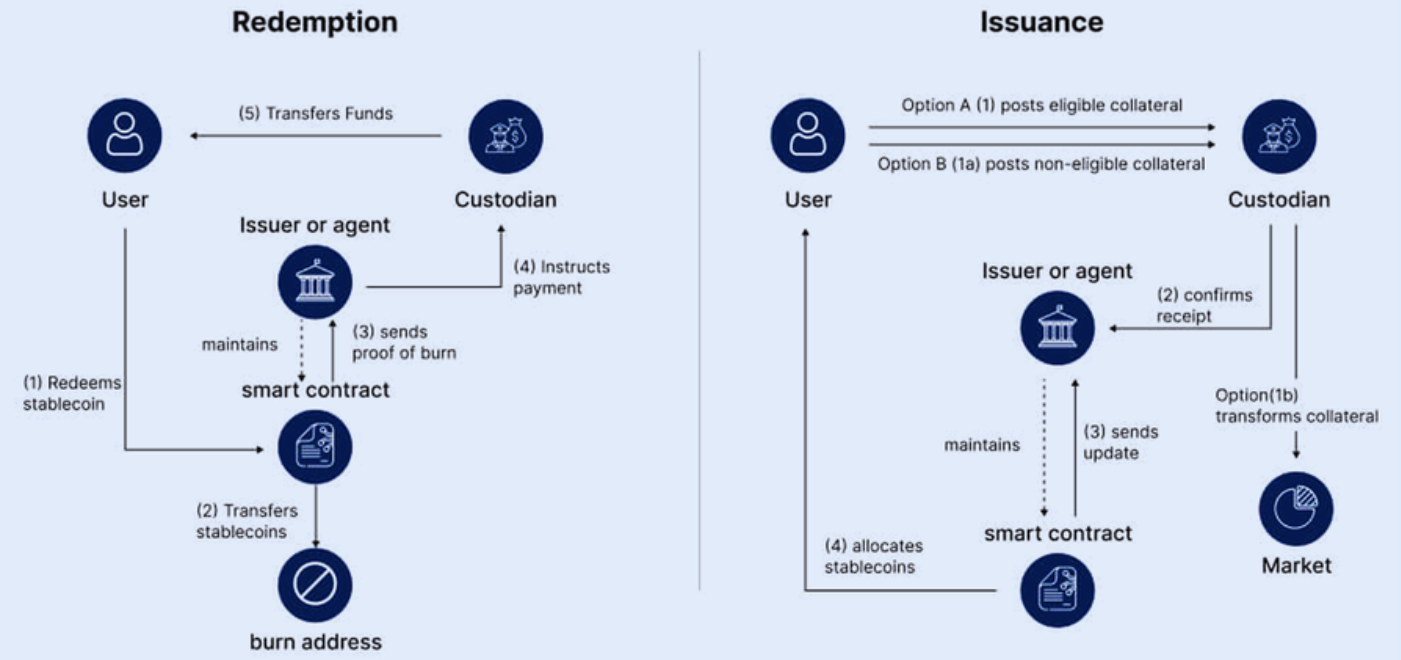
Perhaps the most underestimated challenge is liquidity. Successful stablecoins require market makers, exchange integrations, treasury management, and carefully designed incentive structures to maintain healthy circulation and stable redemption mechanisms.

As the industry matures, stablecoin development is becoming less about token issuance and more about infrastructure engineering. Future systems will increasingly connect banking networks, payment providers, enterprise treasury platforms, tokenized assets, and on-chain liquidity into a unified financial stack.

The projects most likely to succeed will not be those that launch the fastest, but those that combine sustainable liquidity, strong governance, regulatory alignment, and robust risk architecture from the outset.

Source Link

STABLECOIN LIFECYCLE: ISSUANCE AND REDEMPTION EXPLAINED



Stablecoins may appear simple on the surface, but their stability depends on a carefully designed issuance and redemption process operating behind the scenes.

Every stablecoin begins with collateral. During issuance, assets are deposited with a custodian, verified by the issuer, and used to mint new tokens that enter circulation. When users redeem stablecoins, the process works in reverse: tokens are removed from circulation and the underlying assets are returned.

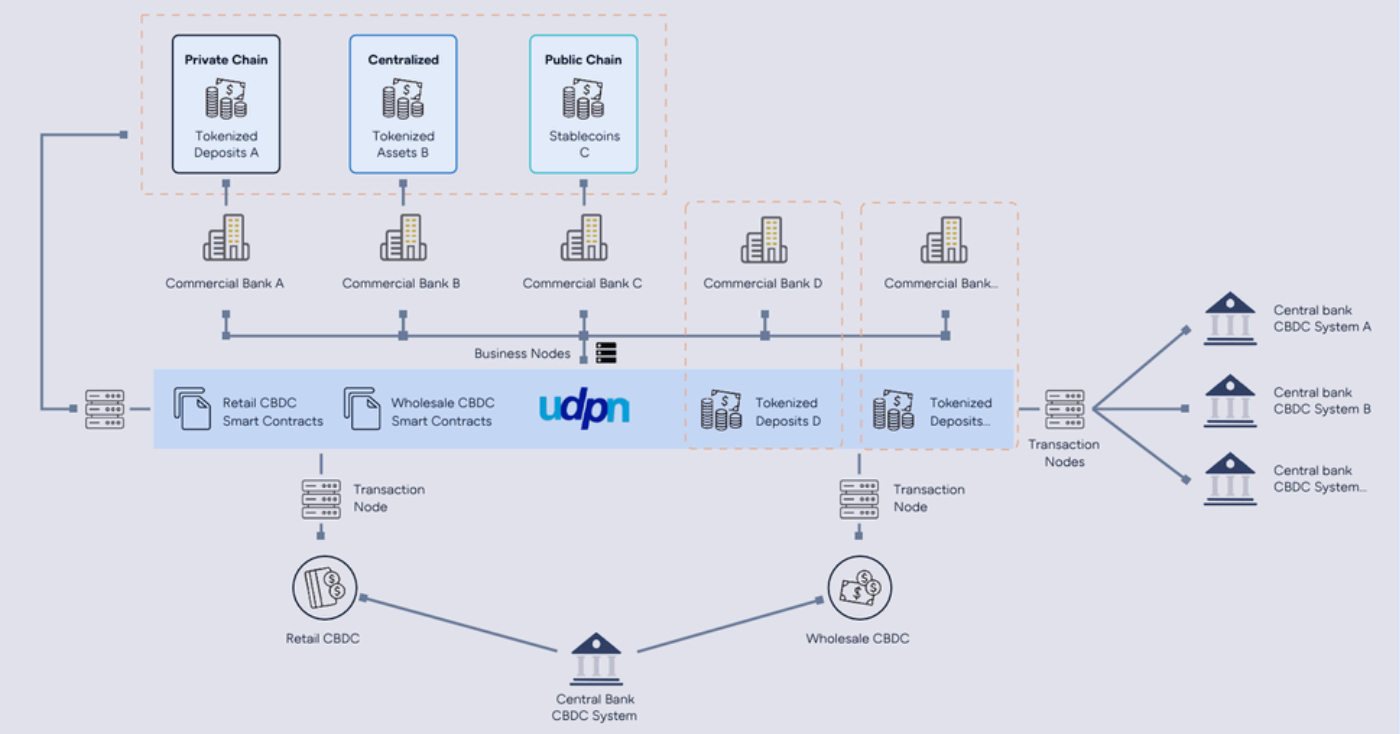
This mint-and-burn mechanism forms the foundation of stablecoin credibility by ensuring that circulating supply remains linked to underlying reserves.

As the market evolves, this model is becoming more sophisticated. Tokenized Treasury assets, real-time reserve verification, programmable redemption controls, and deeper integration with banking and payment infrastructure are gradually transforming how stablecoins operate.

What began as a simple digital representation of fiat currency is increasingly developing into a core layer of financial infrastructure. Understanding issuance and redemption is therefore more than a technical exercise—it is understanding the foundation upon which digital money is built.

Source Link

FUTURE DIGITAL CURRENCY ECOSYSTEMS



The future of digital money is unlikely to be built around a single technology, network, or issuer. Instead, a more complex ecosystem is emerging where stablecoins, tokenized deposits, tokenized assets, and central bank digital currencies operate alongside one another.

In this model, banks remain central participants. Rather than being replaced by digital currencies, they increasingly act as connectors between public blockchains, private financial networks, and central bank infrastructure. Stablecoins provide global reach and programmability, tokenized deposits bring banking integration, while CBDCs offer trusted settlement foundations.

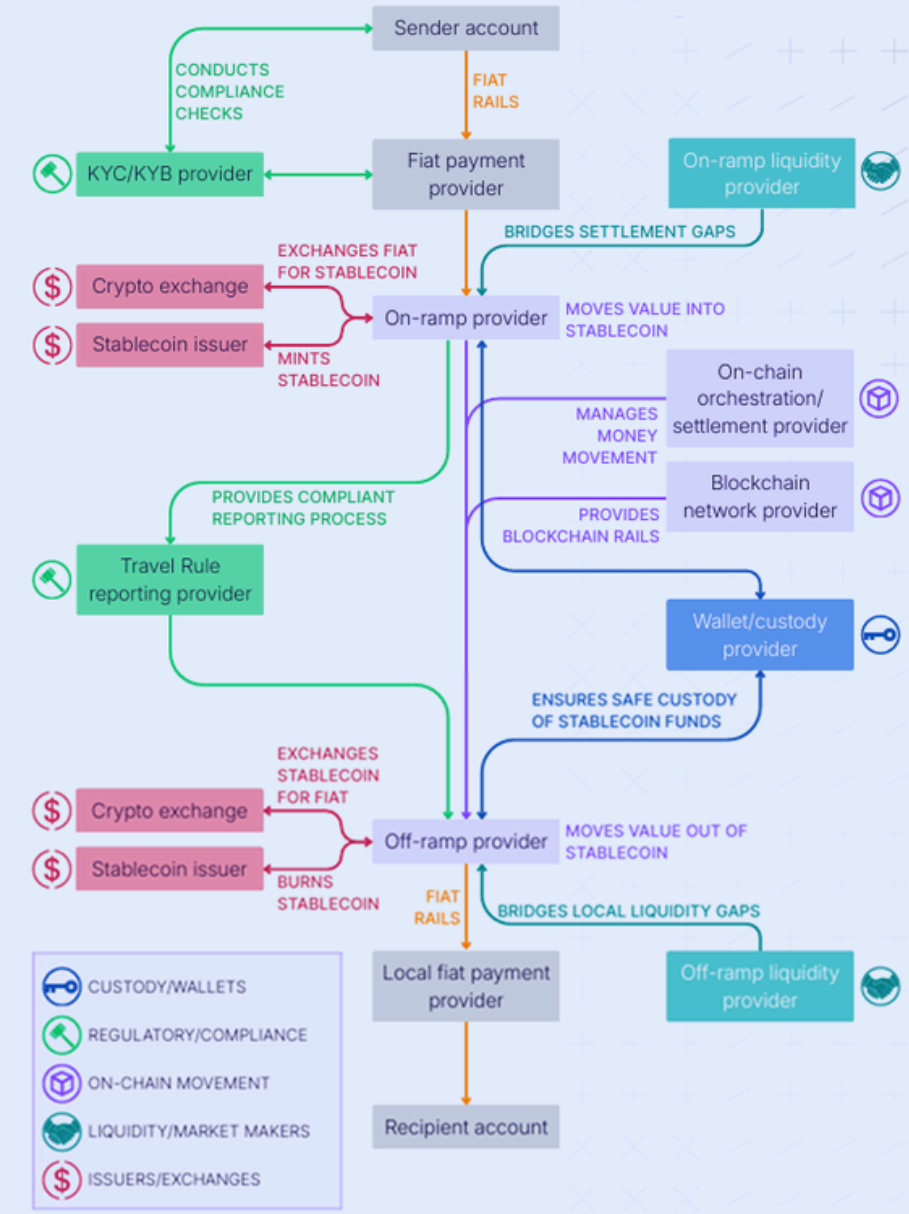
As these systems evolve, the most important layer may not be the currency itself but the infrastructure connecting them. Interoperability, settlement coordination, liquidity movement, and smart-contract automation are becoming critical components of the future financial architecture.

For end users, the underlying rail will matter less than the outcome. Speed, cost, availability, and trust will increasingly define the user experience, regardless of whether a transaction ultimately settles through a stablecoin, tokenized deposit, or CBDC.

The emerging financial system is therefore not a competition between banks and blockchain networks, but a convergence of both. Money is becoming more programmable, interconnected, and modular, creating a future where value can move seamlessly across multiple forms of digital infrastructure.

Source Link

STABLECOIN INFRASTRUCTURE FOR CROSS-BORDER PAYMENTS



Cross-border stablecoin payments are often described as simple wallet-to-wallet transfers, but the reality is far more sophisticated. Behind every transaction sits a network of financial institutions, liquidity providers, compliance systems, exchanges, custodians, and payment processors working together to move value between two fiat economies.

The process typically begins with a traditional payment flow. Funds enter through a local banking or payment provider, pass through compliance and identity checks, and are converted into stablecoins via an issuer or exchange. Once on-chain, blockchain networks provide fast and transparent settlement, while orchestration, custody, and liquidity layers ensure that transfers remain secure and efficient.

At the destination, the process operates in reverse. Stablecoins are redeemed, converted back into local currency, and delivered through domestic payment infrastructure to the final recipient.

This model can be viewed as a digital bridge connecting fiat systems through a stablecoin settlement layer. While the user experience may appear simple, a significant amount of infrastructure operates behind the scenes to make that simplicity possible.

As the industry matures, many of these layers will become increasingly invisible. Liquidity management, compliance controls, and payment orchestration are likely to become deeply embedded within the infrastructure itself, allowing stablecoin-powered transfers to function much like ordinary domestic payments. In this future, users may never realize that a blockchain facilitated the transaction, even though it provided the settlement layer that made it possible.

Source Link



WHERE STABLECOINS BECOME INFRASTRUCTURE

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