The Big Whale

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Market intelligence on digital assets

May 13, 2026

Briefing

Markets

Circle raises $222M and bets on blockchain infrastructure

The information. Circle raised $222M in a token presale for Arc, its institutional blockchain, on May 11, at a $3B fully diluted valuation. a16z crypto led with $75M, joined by BlackRock, Apollo, and Intercontinental Exchange. Separately, Q1 2026 revenue reached $694M (+20% YoY), USDC supply rose 28% to $77B, but net income fell 15% on higher post-IPO operating expenses.

Why it's important. The raise signals that top-tier TradFi and crypto investors are betting on Circle's infrastructure play beyond stablecoins. Arc's testnet, which processed 166M+ transactions at sub-second finality with participants including Goldman Sachs, Visa, and AWS, positions Circle as a serious contender in institutional blockchain rails, not just a stablecoin issuer.

The big picture. Circle is pivoting from pure stablecoin operator to full-stack institutional blockchain infrastructure provider. Circle's Chief Strategy Officer Dante Disparte told The Big Whale in the interview: "Arc is designed to address quantum readiness, privacy, and institutional adoption -- for many traditional institutions, current-generation public blockchains are a line too far. It is meant to be token-agnostic: USDC, EURC, USYC, and other Circle products may be initially available, but Arc is designed to support other forms of tokenized money and initiatives. We call it an economic operating system for the internet. Two things can be true at once: we are an omni-chain company, and we are building a chain for use cases beyond payments that we don't see being addressed in the market."

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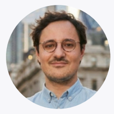

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Kraken applies for a federal banking license in the US

The information. Payward, Kraken's parent company, filed on May 8 for a national trust company charter with the U.S. Office of the Comptroller of the Currency. If approved, Payward National Trust Company (PNTC) would provide federally regulated fiduciary custody of digital assets, building on Kraken Financial's existing Wyoming SPDI charter and access to the Federal Reserve master account obtained on March 4.

Why it's important. The move places Kraken among a growing cohort of crypto firms, including Ripple, Coinbase, BitGo, Paxos, and Circle, seeking federal bank-level status. An OCC charter would give Kraken a uniform national framework, bypassing state-by-state licensing and elevating its credibility in institutional custody with a single federal regulator.

The big picture. Since late 2025, the OCC has advanced 11+ crypto-related trust charter applications, signaling a structural shift in U.S. regulatory posture. The race for federal banking status among crypto-native firms mirrors the way fintechs sought bank charters a decade ago and suggests that digital asset custody is being absorbed into the traditional banking perimeter.

Briefing

New Products

Morgan Stanley enters crypto trading and undercuts competitors

The information. Morgan Stanley is rolling out crypto trading on E*Trade, its proprietary platform, which it announced on May 6, with a 50-basis-point fee that undercuts Coinbase (60 bps), Schwab (75 bps), and Robinhood (95 bps). The pilot covers BTC, ETH, and SOL. The bank plans to extend access to all 8.6 million E*Trade customers later in 2026, adding to recent crypto ETF launches tied to Bitcoin, Ether, and Solana.

Why it's important. A top-five U.S. wealth manager entering crypto trading with aggressive pricing challenges the business model of crypto-native platforms. MS's Head of Wealth Management, Jed Finn, framed the move as "disintermediating the disintermediators," signaling that Wall Street sees an opening to reclaim retail crypto flows through its existing distribution advantage.

The big picture. Morgan Stanley's entry marks a new phase in TradFi's crypto push: not just offering exposure via ETFs or custody, but competing directly on trading execution and price. If other wirehouses follow suit, crypto-native exchanges could face sustained margin pressure in their highest-revenue retail segments amid already-collapsing volumes across crypto-native trading venues.

Euro stablecoins: Lagarde and the Bundesbank clash on strategy

The information. ECB President Christine Lagarde argued on May 8th that euro-denominated stablecoins pose risks to financial stability and the transmission of monetary policy, calling for a digital euro instead. Her stance diverges from Bundesbank President Joachim Nagel, who backed euro stablecoins in February as a tool to counter dollar-denominated token dominance and reduce cross-border payment costs.

Why it's important. The split within the ECB Governing Council exposes a fundamental tension: Germany favors regulated private euro stablecoins to counter USD hegemony, while Lagarde fears that deposit flight from banks into tokenized balances would weaken lending capacity and blunt the impact of rate policy. The debate comes as a European bank consortium (Qivalis) targets a launch of a MiCA-regulated euro stablecoin in H2 2026**.**

The big picture. With the global stablecoin market exceeding $300B and overwhelmingly dollar-denominated, Europe faces a strategic choice: either encourage private euro-denominated stablecoins to defend monetary sovereignty or rely on a central bank digital currency. Regarding Lagarde's comment, Jan-Oliver Sell, CEO of Qivalis, said to The Big Whale: "At Qivalis, we view a euro-denominated stablecoin as an essential component of a modern monetary stack, providing the native on-chain infrastructure required for 24/7 smart contracts and instant atomic settlement. Importantly, we believe regulated stablecoins are complementary to other digital payment solutions. They fill a critical gap by enabling businesses to operate efficiently within the blockchain ecosystem, while coexisting alongside public and private payment rails. Ultimately, we believe this infrastructure is necessary to prevent digital dollarization and ensure European enterprises have a robust, regulated alternative to USD-denominated assets."

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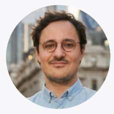

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Regulation

Taurus secures a MiFID II license and gains a head start in Europe

The information. Swiss fintech Taurus obtained a MiFID II investment firm license on May 6 from Cyprus's CySEC for its subsidiary Taurus (Europe) Ltd. Secured nearly two months before the MiCA transitional deadline (July 1), the license allows Taurus to provide regulated investment services for tokenized bonds, equities, fund shares, and structured products across all 27 EU member states.

Why it's important. Taurus is the first pure digital-asset infrastructure provider to clear MiFID this cycle, giving it a first-mover regulatory advantage. With 40+ bank clients, the license allows it to serve institutional tokenization strategies across the EU, just as the ECB prepares its tokenized settlement infrastructure for Q3 2026 and the MiCA transitional period nears its end.

The big picture. MiFID licensing marks a shift from crypto-specific regulation (MiCA) to embedding digital assets within existing capital markets frameworks. However, not everyone views the move favorably. Some infrastructure competitors, notably Dfns, argue that a provider selling core technology to banks while simultaneously acquiring licenses to offer competing financial services creates an inherent conflict of interest and may ultimately deter institutional clients wary of strategic exposure to their own vendor.

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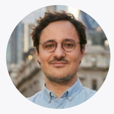

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The US Senate releases the full text of the Clarity Act

The information. The U.S. Senate Banking Committee released the full 309-page text on May 12 of the Digital Asset Market Clarity Act ahead of a markup hearing scheduled for May 14. A key provision bans rewards on idle stablecoin holdings (deemed too close to bank deposits) while permitting rewards for active use, such as payments, a compromise brokered by Senators Tillis and Alsobrooks.

Why it's important. The Clarity Act would establish the first comprehensive federal framework for the crypto market structure, defining which digital assets fall under the SEC's or the CFTC's jurisdiction. The stablecoin yield compromise is politically significant: it attempts to protect bank deposit franchises while allowing stablecoin innovation. Democrats are conditioning support on an ethics section.

The big picture. The White House has targeted July 4 for passage. Dante Disparte provided a perspective on this: "On timing, the Genius Act showed that crypto legislation can be bipartisan -- 108 Democrats voted for it. We hope similar country-first bipartisanship emerges around the Clarity Act, but right now it feels more tribal. The bank lobby is trying to rally opposition. White House adviser Patrick Witt has publicly said that banks were invited to attend White House sessions but didn't show up. Our hope is that Senator Tim Scott's committee delivers a product that shows more agreement than disagreement. We keep telling the world that the administration's policies may be America first, but they should not be America alone."

Briefing

Tech

Corpay integrates stablecoins into its payment platform for 800,000 businesses

The information. Corpay, an S&P 500 payments company processing $12B in monthly payments and $26B in FX volume, partnered with BVNK (acquired by Mastercard) on May 11 to integrate stablecoin wallets across its platform. The integration enables 800,000+ corporate clients to hold, convert, and transfer stablecoins alongside fiat, with 24/7 settlement beyond traditional banking hours.

Why it's important. Corpay's move signals that stablecoin rails are entering mainstream corporate treasury operations, not as crypto products but as settlement and liquidity tools. By embedding stablecoins into an existing payments platform at scale, Corpay reduces reliance on pre-funded accounts and correspondent banking, targeting faster cross-border settlement and lower working capital needs.

The big picture. When an S&P 500 company with $26B in monthly FX volume adopts stablecoin settlement, the signal is clear: stablecoins are graduating from crypto-native use cases to core corporate payments infrastructure. This follows a broader pattern: Visa, Mastercard, PayPal, where incumbent networks integrate stablecoin rails rather than build competing alternatives.

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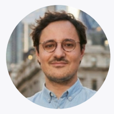

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AWS enables its AI agents to pay in USDC via Coinbase and Stripe

The information. AWS unveiled Amazon Bedrock AgentCore Payments on May 7th, enabling AI agents to execute micropayments using USDC via Coinbase and Stripe. Built on Coinbase's x402 protocol and Stripe's Privy wallet, the system settles on Base in ~200ms at near-zero cost. Developers can integrate payment capabilities into agents that autonomously purchase APIs, data, and services.

Why it's important. The partnership merges three converging trends: AI agents, stablecoins, and cloud infrastructure. By enabling autonomous AI agents to transact in real time using USDC, AWS is creating the payment layer for the "agentic economy," where software agents act as independent economic actors. Early adopters include Warner Bros. Discovery and Heurist AI.

The big picture. If AI agents become significant economic actors, they need programmable, instant, low-cost payment rails, exactly what stablecoins offer and traditional banking cannot. AWS embedding USDC payments into its core AI platform could drive stablecoin transaction volume at a scale that dwarfs current retail usage, establishing stablecoins as the default machine-to-machine payment standard.