

STABLECOINS

2035

BACK TO THE FUTURE

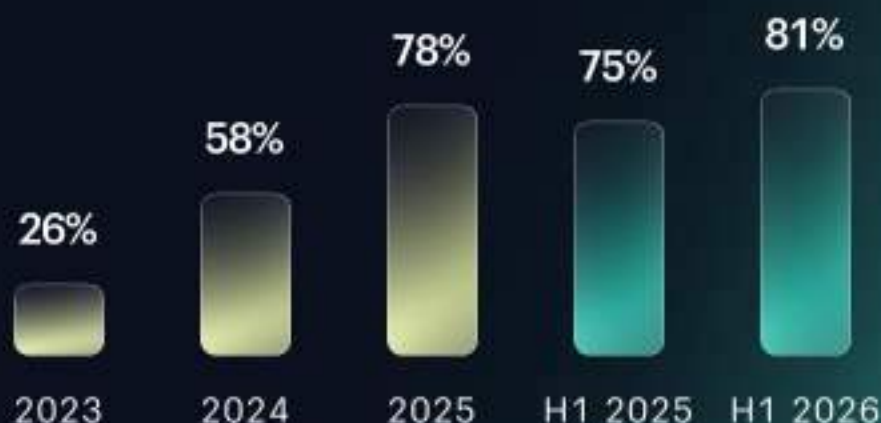


The institutional crypto OTC market now runs on stablecoins

H1 2026 RESULTS AND TRENDS

I. Stablecoins' share reached ATH (again)

AS A PERCENTAGE OF TOTAL OTC TRADES



H1 2026

81%

II. Stablecoin volumes nearly double

YOY GROWTH IN TOTAL OTC VOLUME

H1 2026

+ 94%

H1 2025

+121%

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III. EUR accelerates, yet poses no threat to USD dominance.

USD STABLECOINS' SHARE OF TOTAL OTC STABLECOIN VOLUMES

H1 2026

99.87%

H1 2025

99.99%

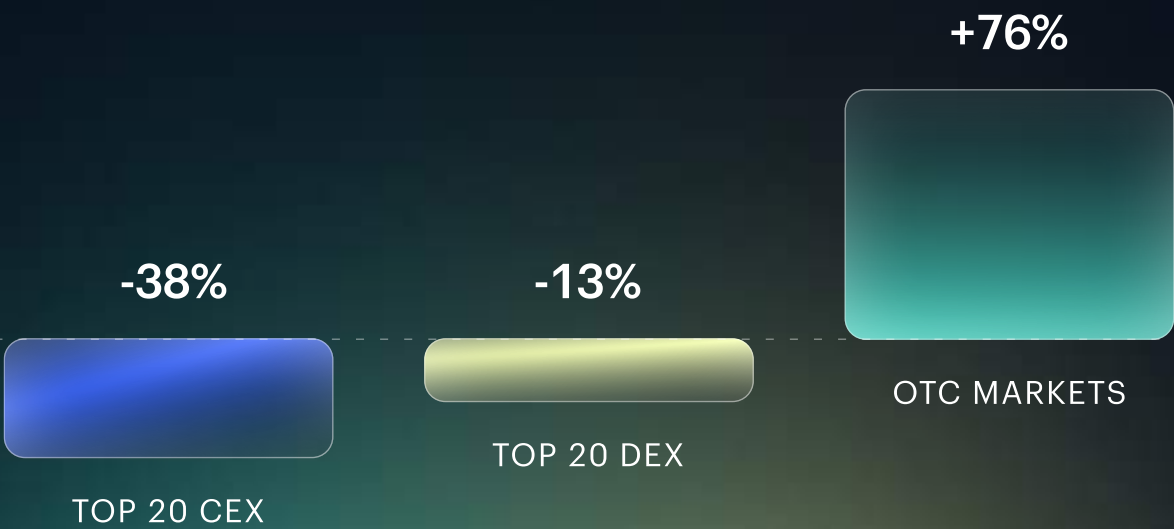
EUR STABLECOINS YOY GROWTH,
SPOT OTC TRADING

H1 2026

32x

IV. OTC absorbs institutional flows, remaining the only growing segment in H1 '26:

H1 '26 YOY TRADING VOLUMES (SOURCE: THE BLOCK, FINERY MARKETS, DUNE)



“SIX SEVEN” BIG IDEAS FROM 2026 MARKET

DECIPHERING THE COVER WITH DATA
AND A GRAIN OF IRONY



01. Stablecoins opened the floodgates for institutional OTC flow

In H1 '26, their share surged to 81% (up from 26% in 2023). As our contributors stated, enduring product-market fit is here and, likely, the whole financial world will run on stables. Any currency, any chain, continuous two-sided markets — welcome to 2035.

Another “picks & shovels” narrative to inflate expectations for lavish VC rounds? Definitely maybe. But back in 2015, were you mad enough to bet on a \$300B+ market for digital coins “pegged” to real money?



02. The death of fiat.

Yes, we instinctively flinched at this, as we had heard it too many times before. The death of books, the death of TV, the death of flesh-and-bones non-autonomous drivers, and all the other deaths that somehow failed to fully arrive in objective reality. Just ask yourself — as one of our contributors did — if stablecoins are actually money or simply a quicker way to transfer existing money.

Abandon all hope, ye who enter the stablecoin universe, and ask again. If it's still option 2, you can't escape the global politics — the scenarios where the stablecoin stack is used to exercise power, defend sovereignty, or fortify a niche for hubs at the crossroads of trade and global finance.



03. The last on-ramp.

No, it's not an extension of the previous one. Quite the opposite. It's about erasing the stablecoin vs fiat debates entirely. A world where the line between "crypto money" and "real money" stops making sense because all money is onchain. The complexity of wallets, chains, and asset flows sits behind standard fintech interfaces. And you don't need to say stablecoin to mean digital money. Just money.



04. End of globalism.

We say stablecoins – you say dollars. In 2026, the 99.87% supremacy of USD-pegged tokens is unquestionable. Will it hold up by 2035? Our contributors doubt it, and for good reason. First, setting EURC aside, about 80% of non-dollar activity is ordinary transfers, with volume that falls on weekends, the pattern of business rather than trading. Second, there's no need to fight USD dominance by replicating its success; the smarter path is to focus on becoming indispensable in specific use cases such as regulated settlement, tokenized securities, treasury workflows, etc.



05. Transacting machines.

Unfortunately, AI is inescapable in every talk about the future. You have an absolute right to yawn and skip this point, but play this one out first. AI supplies the judgment that currently rests with human advisors. Blockchains provide the underlying rails. Now shake, don't stir, and hopefully you'll taste something that has never existed at scale: private-banking-grade financial management available to anyone with a smartphone (assuming smartphones in 2035 won't be the fax machines of the 2020s).



06. Everywhere and nowhere.

Visa. Mastercard. Western Union. Sony. A consortium of major EU banks. OpenUSD's banner launch — BlackRock, American Express, Stripe, and other tier-1 peers. Even conservative currencies like SEK or CHF are about to get their digital representations. 30 stables in 2020. More than 200 in 2026. What if the truly savvy stablecoin strategy by 2035 is not launching one at all?



“67”. Stablecoin-ization of the \$7T FX market is lucrative.

But much less than the tokenization of the \$400T global asset market. The trading infrastructure, though, is somewhat similar. Also, the term stablecoin-ization is ugly.

At least, we have a couple of supporters among our report’s co-authors, betting that tokenized assets are a split second away from explosive expansion.

So the firms quoting prices around the clock, warehousing risk across venues, and connecting onchain markets with the traditional markets where the underlying assets trade will be as fundamental to the system as the blockchains themselves.

We’ve already decided to rebrand the 2027 edition of this report as RWAs in 2045.



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EURO VS DOLLAR STABLECOINS IS THE WRONG DEBATE

The lesson is simple: issuance is straightforward, but durable liquidity is not. And without the right system around it, even the most capable market makers cannot close that gap alone.

The stablecoin discussion is still framed as euro versus dollar, but from a market-structure perspective that is the wrong debate. Stablecoins are not winning because one currency is intrinsically better; they are winning because one ecosystem has become more liquid, more integrated, and easier to scale. As a result, the market has grown beyond \$300 billion, and it remains overwhelmingly US dollar denominated.

From the outside, it may seem obvious what Europe should do: build euro stablecoins and back them with liquidity. In practice, however, liquidity is not something a market maker can manufacture on demand. It emerges from a combination of two-way natural flow, efficient hedging, reliable redemption, and continuous activity across venues; when those conditions are present, markets deepen quickly, and when they are not, liquidity becomes expensive, balance-sheet intensive, and difficult to sustain.

At Flow Traders, we can tighten spreads, commit capital, and support new instruments across venues, but we cannot create structural liquidity where the underlying system does not yet support it. That is the core reality often missed in the European debate. USD stablecoins benefit from exactly those structural conditions: they sit on top of deep capital markets, strong reserve economics, and established institutional

workflows, allowing liquidity to compound through tighter spreads, broader venue coverage, and more efficient risk recycling.

Non-USD stablecoins, by contrast, operate in a different environment. Even when well regulated, they often lack the same depth, incentive structures, and network effects, which means the gap is not a failure of effort but a function of market structure. The path forward, therefore, is not to replicate USD dominance overnight, but to focus on becoming indispensable in specific use cases such as regulated settlement, tokenized securities, treasury workflows, and institutional collateral, where euro-denominated solutions solve real problems.

That is where adoption can start and, over time, where liquidity can build. Because the lesson is simple: issuance is straightforward, but durable liquidity is not. And without the right system around it, even the most capable market makers cannot close that gap alone.



THE LAST ON-RAMP

That's where we're headed by 2035. Not a world where stablecoins compete with traditional finance. A world where the line between "crypto money" and "real money" stops making sense because all money is onchain.

The on-ramp will not go out with a bang. No press release, no regulatory announcement, no industry conference declaring the end of an era. One day, someone will process the last ever fiat on-ramp and they won't even know it. The world will simply have moved on.

That's where we're headed by 2035. Not a world where stablecoins compete with traditional finance. A world where the line between "crypto money" and "real money" stops making sense because all money is onchain.

The friction in stablecoin payments today isn't the blockchain. It's the edges. The on-ramp where you convert dirhams or rupees into USDT. The off-ramp where your counterparty converts back. That friction exists for one reason: fiat still lives off-chain. The moment it doesn't, the edges don't get cheaper. They vanish.

Every major economy is already on this path. A digital euro. A digital dirham. A digital rupee. A digital real. Whether through CBDCs, regulated stablecoins, or bank-issued digital tokens operating under frameworks like MiCA or VARA by 2035, most significant currencies will have an onchain representation. That's not a prediction. It's a trajectory that's already visible.

When it arrives, the implications are profound. A worker in Manila receives her salary in digital pesos, directly into a self-custodied wallet. She swaps a portion to digital dollars onchain - instantly,

transparently, without a remittance company taking 6% off the top. Her family spends digital pesos. Her savings sit in digital dollars. The entire flow: earn, save, swap and spend, happens onchain. No bank account required at any step. No middleman who exists purely to bridge two systems that should never have been separate.

That's not a better payments product. That's a new global FX system.

The \$7 trillion daily FX market, the largest financial market on earth, runs on correspondent relationships and settlement windows that haven't fundamentally changed since the 1970s. By 2035, a significant share of that flow will move through onchain swaps between local-currency stablecoins, settled in seconds, visible to all parties, at a fraction of today's cost. The foreign exchange desk as we know it becomes a curiosity, like the telex machine or the physical trading floor.

The infrastructure being built right now: custody, compliance, liquidity rails, is the foundation of that world. We are building the last generation of on-ramps. The institutions that understand this won't just survive the transition. They'll define what comes after it.

The question worth asking today isn't how to add stablecoins to your existing stack. It's what your business looks like when fiat never needs to leave the chain in the first place.





STABLECOINS IN 2035: MIRRORING THE END OF GLOBALISM

A stablecoin is simply a quicker way to transfer existing money. It acts as a transport layer. Once you see this, the idea that stablecoins will replace banks doesn't hold up.

*By Saumitra Dubey,
Chief Product and Technology Officer
at Fiat Republic*

Are stablecoins actually money? No, they aren't. Money comes from banks and is approved by governments. A stablecoin is simply a quicker way to transfer existing money. It acts as a transport layer. Once you see this, the idea that stablecoins will replace banks doesn't hold up. Deposits may move faster, but the money still comes from and is supported by assets in the banking system. So, in the future, banks won't be replaced—they'll be plugged in.

Still, the way money moves is never neutral. The currency used in these transfers represents national power. Imagine paying for your morning coffee in USDC instead of GBP. In that very moment, the Bank of England loses a key lever of its economic sovereignty: domestic monetary control, inadvertently placing it in the hands of the US Federal Reserve. This is why USD stablecoins won't weaken the dollar; they'll make it even stronger. To see this, consider what happened to CBDCs. Or, think about which country's currency already makes up almost all of the \$300 billion stablecoin market and supports stablecoins.

In short, the future of stablecoins will be shaped by global politics. By 2035, countries will likely settle into one of five main approaches:

- **Export:** The US will strongly promote its tokens, since every dollar spent abroad gives it greater influence.

- **Defend:** Europe will protect the euro, as evidenced by the current MiCA limit on non-euro EMT activity. Brazil looks to be heading the same way.
- **Substitute:** China and India will reject private tokens and create their own CBDCs, citing the rise of dollar stablecoins as a reason.
- **Channel:** The UK, UAE, and Singapore will offer neutrality, serving as exchange hubs between regions.
- **Assimilate:** Countries like Australia won't create new systems. Instead, they'll include stablecoins in their current FX rules, treating USDC like regular USD.

There will be five groups, each with its own rules, and many will conflict. We're building products for this world: not for a single global standard, but for a lasting patchwork.

This is where a trust layer like Fiat Republic comes in. By 2035, tokens will be everywhere. The real challenge will be moving them legally across five different systems that don't agree. The real advantage isn't speed: it's having the right licenses, translating compliance, and offering a single interface so customers can move tokens no matter which group they're dealing with.



Keyrock

MORE VOLUME, LESS DOMINANCE

My vision for 2035 starts with something that sounds like a contradiction. Tether and Circle will be much larger in ten years and much less dominant.

My vision for 2035 starts with something that sounds like a contradiction. Tether and Circle, the two names that define stablecoins today, will be much larger in ten years and much less dominant.

Since the start of 2024, Tether has grown from roughly \$90 billion to \$190 billion and USDC from \$24 billion to \$76 billion, yet together they have slipped from nearly 89% of all stablecoins to about 83%. The market grew from \$130 billion to \$319 billion, and supply outside the two leaders more than tripled to \$54 billion. Both are bigger than ever while holding their smallest share in years.

Of every net new dollar minted since the start of 2024, the two of them have captured between 76 and 79%. That is commanding, but it sits below the 89% share they began with, and when your intake runs below your standing share, that share drifts toward the intake over time even as supply climbs. None of it requires either company to lose a single customer.

What wins the marginal dollar is what a dollar lets you do, and building on someone else's quietly caps all of it. A bare token that pays nothing was fine at zero rates and is a weak product now that short-term rates sit around four percent. Additionally, if you run your product on an off-the-shelf stablecoin and you cannot pass that yield through to your depositors, nor can you shape

what backs it to favor liquidity or return, and you can be charged to redeem your own money. Issuing your own dollar removes all three limits at once, which is why every exchange, wallet, and fintech with real balances is weighing it and will do it. This will eat into Circle and Tether's market share.

In my view, tokenized treasuries will also eat a major share of stablecoins. Tokenized treasuries do everything a stablecoin does, settling instantly and posting as collateral, while paying the Treasury yield the whole time it sits there. The difference is what stands behind it. A stablecoin asks you to trust an issuer and its reserves. A tokenized Treasury is little more than a claim on US government paper, about the least counterparty risk a dollar can carry. As they become as transferable as the stablecoins they imitate, I expect them to take a large share of the growth.

Here is the 2035 I would underwrite. Tether and Circle finish the decade larger than ever, clearing well over half a trillion dollars between them by being everywhere and easiest to move. They will be the two largest names in a field of dozens rather than the pair that once owned the category, bigger every year and less dominant every year.



ONCHAIN DOLLAR ACCESS AND THE REINVENTION OF EMERGING-MARKET FINANCE

By 2035, we think the remarkable thing about someone in Lagos or Buenos Aires holding a globally diversified, intelligently managed, deeply liquid portfolio will be that it is not remarkable at all.

U.S. dollar stablecoins are perhaps crypto's most striking growth story in recent years. Total supply now sits north of \$300 billion, and the sector's growth has increasingly decoupled from crypto markets' speculative boom and bust cycles.

Dollar stablecoins have found real, enduring product-market fit. Notably, a large portion of their adoption has been driven by emerging markets. By Goldman Sachs' estimate, roughly two-thirds of stablecoin supply is held in emerging markets.

For many in emerging markets, dollar stablecoins are a way to protect their savings from a local currency they can't rely on. A survey across five emerging economies conducted by Castle Island Ventures, Brevan Howard Digital, and Artemis found that 47% of users turn to stablecoins mainly to save in USD. In Argentina, for example, stablecoins accounted for 62% of all crypto activity in 2024 during a period of particularly acute inflation, per a research report from Chainalysis. The same report noted a suggestive correlation between rising crypto purchasing volume in Argentina and the devaluation of the Argentine peso around the time the country's inflation crossed 100% for the first time in three decades, amid an otherwise quiet period for crypto markets.

The usefulness of dollar stablecoins for providing stability in unstable

economies is clear. However, as we look ahead to 2035, this savings use case points to a deeper shift than just the dollarization of emerging-market economies that appears on the surface. When someone in Buenos Aires or Caracas moves savings into a dollar stablecoin, they are effectively buying properties their own financial system cannot provide: a stable store of value, money that is hard to inflate away or freeze, and a link to the global economy. The dollar is simply the most liquid instrument that bundles these properties, so it is where demand has flowed first. It is the first clear instance of a broader capability, and we think that capability is what will reshape emerging-market finance over the coming decade.

That broader capability is the ability to hold, move, hedge, borrow against, and earn on almost any asset from anywhere, at a cost that keeps falling. It's a capability that blockchains have unlocked by making the movement of value permissionless, global, and increasingly frictionless.

For example, thanks to blockchains, a saver outside the U.S. can hold tokenized U.S. Treasuries and other fixed-income instruments and collect a dollar-denominated yield that would be almost impossible to access via a local bank account. They can hold tokenized equities and funds to get exposure to global growth, which has historically been challenging in regions with limited brokerage and banking access. They can

use a wide range of assets as collateral to secure access to credit onchain, unlocking potential for formerly inaccessible capital efficiency.

And they can trade derivatives, enabling them to hedge risk, use leverage, and access structured payoffs in ways that were previously reserved for sophisticated investors. In sum, blockchains are unlocking the capabilities to build portfolios of customized exposures tailored to each individual or business's unique situation, substantially expanding their ability to grow their capital and reach their financial goals.

The final form of this capability is still far off, but we're starting to see its shape. Stablecoins led the way by providing a global avenue for dollar savings, with their supply growing into the hundreds of billions as a result.

Tokenized U.S. Treasuries are following suit as holders of onchain capital seek yield. Though still dwarfed by stablecoins, their supply eclipsed \$15 billion this year, growing roughly 150% in the span of twelve months.

Tokenized equities are further behind, but growing even faster. According to rwa.xyz, total tokenized stock supply now sits around \$1.5 billion, up around 400% from \$300 million around June of last year. This pattern extends to commodities, private credit, corporate credit, and beyond as more and more assets come onchain.

The onchain infrastructure to custody, trade, and manage assets has largely been built. The piece that's still missing is onboarding the supply of tokenized assets that users will want to hold and trade.

Allowing ourselves to speculate a bit, we think one of the most consequential developments of the coming decade will be the convergence of this onchain capability with artificial intelligence.

The infrastructure blockchains provide is powerful, but infrastructure alone is not enough. Building a portfolio of customized exposures, knowing when to rebalance, how to hedge a currency, which assets to pledge as collateral and on what terms, has historically required the intelligence and know-how of advisors and wealth managers, services that are effectively out of reach for most savers in emerging markets. Just as blockchains collapse the cost of moving and holding value, AI will collapse the cost of financial intelligence.

A saver in Lagos or Ankara will be able to describe their situation and goals in plain language and have an AI agent construct, monitor, and adjust a portfolio on their behalf, executing across tokenized treasuries, equities, credit, and derivatives onchain. The division of labor is a natural one, with AI supplying the judgment that currently rests with human advisors and blockchains providing the underlying rails.

Together they will offer something that has never existed at scale: private-banking-grade financial management available to anyone with a smartphone.

For this vision to work, however, one more piece of infrastructure is essential, and that is liquidity. A tokenized asset that cannot be traded at a fair price on demand is little more than an idle wrapper.

The portfolios we describe only function if users can rebalance positions as their circumstances change, liquidate holdings in moments of need, trade derivatives to hedge risk and access leverage, and borrow against collateral without fear that a liquidation will cascade through a thin order book.

That requires deep, continuous, two-sided markets, not just in stablecoins and major assets but across the growing long tail of tokenized treasuries, equities, funds, and whatever comes onchain next. However, liquidity of that breadth does not appear on its own. It is furnished by professional liquidity providers and market makers willing to quote prices around the clock, warehouse risk across venues, and connect onchain markets with the traditional markets where the underlying assets trade. As the supply of tokenized assets grows, the firms doing this work will be as fundamental to the system as the blockchains themselves, serving as a key part of the plumbing of frictionless finance in 2035.

Stepping back, the current story of stablecoins is best understood as the opening chapter of a much larger one. Savers in emerging markets adopted stablecoins because they were the first instruments to deliver properties their local financial systems could not. We expect that same demand to pull in each new asset class as it arrives onchain.

By 2035, we think the remarkable thing about someone in Lagos or Buenos Aires holding a globally diversified, intelligently managed, deeply liquid portfolio will be that it is not remarkable at all. Stablecoins showed that hundreds of millions of people will reach for better financial infrastructure the moment it is offered to them.

The industry's task over the next decade will be to finish building it, onboarding the assets, deepening the liquidity, and layering on the intelligence, so that the reinvention of emerging-market finance, already well underway, can run its course.



THE THREE MARKETS FOR STABLECOINS IN 2035

By 2035 most large economies will have a regulated coin used for ordinary payments, and the non-dollar share will be well above today's 2%.

The number of stablecoins keeps rising, from about 30 in 2020 to 215 in 2025. The concentration at the top has not moved: USDT and USDC still hold about 85% of total supply. More issuers have not meant more competition for the lead; what they compete on has moved from the asset to its distribution, which divides into three markets.

The first is real-world payments, split by geography. USDT and USDC compete for a share of the global dollar rails. Non-dollar stablecoins do the same job inside individual markets. They remain under 2% of total supply, but supply understates them: over the past year their holders grew 30x, active senders 22x, and transfer volume 16x, against 3x growth in supply. Société Générale's EURCV passed \$2B in monthly transfer volume in a year; JPYC went from \$2M to \$67M a month after relaunching under Japan's Payment Services Act; BRLA, on Brazil's PIX, grew 22x. Set EURC aside and about 80% of non-dollar activity is ordinary transfers, with volume that falls on weekends, the pattern of business rather than trading. Same market as the dollar coins, run corridor by corridor, not globally.

The second market is DeFi, where a stablecoin grows by becoming more composable rather than by signing deals with PSPs, card providers, and payment rails. What matters is how many places accept it: lending collateral on Aave or Morpho, yield trading on Pendle, settlement for prediction markets, margin for perpetuals. Ethena's USDe is the

clearest case, scaling to billions through Pendle and then lending markets. Where the supply sits confirms the split: over 80% of USDS and about 40% of USDe sit in yield and lending protocols, versus under 1% for USDT and USDC, which sit on exchanges and in wallets.

The third market is the long tail of closed systems and branded stables, and its logic is defensive. Banks, fintechs, and exchanges issue their own stablecoins less to win new customers and verticals than to keep their existing customers' payments inside their products. SoFi is the clearest example: a US fintech with a national bank charter, it put SoFiUSD in front of its 14.7M members in-app, the first stablecoin from a US national bank offered to retail, redeemable 1:1 at the bank. Adoption is still tiny, about \$100M across a handful of addresses, but the rollout barely begun. A chartered bank now issues a stablecoin for its own customers, and others will follow, each serving its own base rather than the open market.

By total supply the market looks settled, with two coins far ahead. By how the coins are actually used, three contests are under way, each won on a different measure, each with room for a different winner.

By 20235 each market scales in its own shape. The global dollar rails consolidate, with a few names settling most cross-border dollar flow. Local-currency

stablecoins multiply, one or more per payment geography and wired into instant-payment systems, similar to how BRLA sits on PIX; by then most large economies will have a regulated coin used for ordinary payments, and the non-dollar share will be well above today's 2%.

Branded coins proliferate fastest, as most banks, fintechs and enterprise issue one to keep their own customers, and the overall count keeps climbing while concentration at the open-market top holds. DeFi, by contrast, stops being a market of its own: composability turns into a default capability of any serious coin rather than a way to compete, and today's crypto-native group folds into the rest. The common thread is regulation: by 2035 regulated coins, dollar and local alike, hold the dominant share of supply and activity.



TREASURY IS WHERE STABLECOINS EARN THEIR PLACE IN THE INSTITUTION

I am convinced that treasury, rather than any headline trading use case, will pull stablecoins into the institutional mainstream by 2035. Treasurers are pragmatic.

Ask where stablecoins will first become ordinary inside a large company, and my answer is unequivocal. It is the treasury. Not trading, not speculation, and not a crypto side-project, but the daily work of moving, settling and reconciling corporate money. Treasury is the most powerful institutional use case for stablecoins because it is where their advantages map precisely onto what treasurers have always demanded: control, visibility, speed and cost.

For years that mapping stayed theoretical. The obstacle was never the technology. It was that stablecoins lived outside the systems treasury teams actually use, and outside the regulatory perimeter they are required to respect. A faster rail is of little use to a treasurer if it imposes a parallel process, a new counterparty risk and a compliance burden.

That obstacle is now falling away, and treasurers are starting to move. They are no longer asking whether stablecoins belong in the treasury function; they are beginning to route real payment flows across them. At Fipto we recently brought live stablecoin payment flows directly into the Kyriba Treasury Management System, and two global enterprises, Ledger and Mantu, are running them in production today. These are not pilots. Treasury teams initiate and monitor payments inside the system they already use, balances reconcile in real time, and the regulated execution, currency conversion, settlement

and compliance monitoring happens in the background. The experience is operationally indistinguishable from a traditional bank transfer.

The results are the argument. Cross-border transfers that previously settled in two to five business days now complete within minutes. On a corridor such as Europe to Colombia, Mantu has reduced all-in costs to roughly one per cent, against three to five per cent through correspondent banking. That is not a marginal optimisation. It is working capital released and operational friction removed, on flows that recur every single day.

Payments are the entry point, but they are not the whole story. The same properties that make stablecoins useful for moving money also make idle balances productive in a way the traditional system cannot match.

Treasurers are increasingly drawn to 24/7 yield solutions: cash that earns continuously, around the clock and across weekends and holidays, rather than sitting dormant whenever the banking calendar closes. When the operating balances a company already holds to fund its payment flows can also generate return without leaving the regulated, reconciled environment the treasury depends on, the calculus shifts. Yield turns a payments tool into a treasury-wide proposition, and it is precisely this combination — faster, cheaper movement plus continuous return

on the cash in transit — that I expect to accelerate institutional adoption.

This is why I am convinced that treasury, rather than any headline trading use case, will pull stablecoins into the institutional mainstream by 2035. Treasurers are pragmatic. They will adopt what is regulated, reconciled and invisible, and they will do so quietly, corridor by corridor, because the economics are simply better.

mercuryo

BY 2035, STABLECOINS WILL BE EVERYWHERE AND NOWHERE

By 2035, the word stablecoin will likely disappear from the mainstream enterprise lexicon because the infrastructure will have become embedded in mainstream financial applications.

The foundational debate surrounding stablecoins is officially over. We are no longer trying to prove their baseline utility, instead, the financial ecosystem has shifted entirely toward an era of intense operationalization and scaling. The next decade of financial infrastructure will be defined by architectural convergence: stablecoin rails powering faster settlement beneath the surface, with banks, fintechs and payment platforms delivering the trusted interfaces businesses already use.

From my vantage point of driving the commercial alliances that link traditional and digital finance at Mercuryo, the answer is definitively architectural convergence.

For decades, cross-border commerce has tolerated the archaic inefficiencies of traditional correspondent banking. A fragmented web characterized by multi-day settlement delays, weekend blackouts, and heavy transaction fee leakage. In an economy that demands continuous availability, this friction is no longer commercially viable. Legacy institutions are attempting to reroute liquidity by patching modern software onto antiquated core databases, but these are short-term fixes. You cannot easily patch a legacy banking core to natively support programmable, near-instant settlement at internet scale.

Conversely, a total replacement of traditional finance by decentralized protocols underestimates the value of institutional trust, regulatory compliance, and distribution network scale. True optimization happens when stablecoin rails quietly integrate beneath the hood of traditional financial frontends.

This is where embedded infrastructure becomes important. The bridge between fiat and crypto networks has to make stablecoin settlement usable within the systems enterprises already rely on. That means hiding the complexity of wallets, chains, and asset flows behind standard fintech interfaces, while preserving the speed and availability that blockchain rails can provide.

At Mercuryo, we see this shift already taking shape across our work with global payment partners. Integrations with networks such as Visa Direct, who have also undertaken a stablecoin pilot, represent touch points in the evolution of financial services. These partnerships should also be viewed in a wider context where stablecoin infrastructure is moving closer to the payment experience businesses already understand. Stablecoin rails are delivering faster off-ramping, stronger identity layers and less operational friction.

By 2035, the word stablecoin will likely disappear from the mainstream enterprise

lexicon because the infrastructure will have become embedded in mainstream financial applications. The ultimate victory for this sector will be when global money movement runs seamlessly on blockchain rails without the end-user ever needing to know it. The winners of this multi-trillion-dollar transition will be the infrastructure platforms focused on engineering the compliance-first, frictionless connective bridge.



MY AI AGENT WILL NEED TO PAY YOURS: THE INFRASTRUCTURE BEHIND AUTONOMOUS STABLECOIN COMMERCE

The future of commerce will not simply
be humans paying faster. It will be
machines transacting safely on our behalf.

By 2035, the defining measure of economic velocity may no longer be how quickly humans tap a card or scan a QR code. It may be how seamlessly autonomous AI agents transact with one another on our behalf.

As AI agents begin to manage more of our workflows, from booking travel to procurement, subscriptions, logistics, and treasury operations, commerce will increasingly shift from human-initiated clicks to agent-initiated transactions. The question is not whether AI agents will need to pay. The question is what infrastructure will allow them to pay safely, compliantly, and at scale.

The challenge is clear: how do we scale machine-to-machine payments without forcing millions of merchants to rebuild their systems?

The answer is to equip the agents, not force merchants to change how they operate. Merchant adoption of new payment infrastructure takes time, especially when it requires changes to checkout flows, back-office processes, or reconciliation systems. A more practical path is to equip AI agents with the payment capabilities to navigate the infrastructure merchants already accept, including cards, QR payments, bank rails, and regulated stablecoins.

This is where stablecoins become powerful. They can act as a programmable settlement layer behind familiar payment

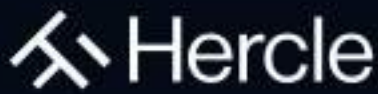
experiences. A user may initiate value in stablecoins, while the merchant receives local fiat or another preferred settlement currency without needing to manage blockchain complexity. In this model, stablecoins do not replace existing payment systems. They make them more interoperable, programmable, and always available.

But payments autonomy introduces a deeper challenge: trust.

For users and businesses to delegate financial authority to machines, agents cannot have unlimited access to bank accounts or wallets. They need controlled access to funds, with permissions defining where, when, how much, and for what purpose value can move.

Regulated stablecoins and Purpose Bound Money can become foundational to this model. Instead of giving an AI agent open-ended spending power, users could allocate funds into permissioned wallets with embedded rules. Routine low-value transactions could execute automatically, while higher-risk payments could trigger additional checks, human approval, or compliance review.

By 2035, the most important stablecoin infrastructure may be invisible, sitting behind AI agents, merchant systems, and payment interfaces. The future of commerce will not simply be humans paying faster. It will be machines transacting safely on our behalf.



INSTITUTIONAL STABLECOINS AT FX SCALE: WHAT INFRASTRUCTURE TO BUILD?

The real infrastructure will be the one offering the full suite of products: mastering payment rails in every currency while optimizing liquidity and real-time pricing across fragmented markets.

By 2035, financial services will run on stablecoin rails. The question that separates the winners is what you build around them.

The real infrastructure will be the one offering the full suite of products: mastering payment rails in every currency in the world while optimizing liquidity and real-time pricing across fragmented markets. It abstracts away the complexity of moving from fiat to stablecoin, stablecoin to stablecoin, and chain to chain, all while preserving institutional-grade reliability, compliance, and execution quality. A single flow can touch fiat on-ramps, several blockchains, and multiple stablecoins, each carrying its own friction. The platform that wins absorbs every layer of that and presents one clean surface.

This is harder than it sounds, because completeness is the product. A desk wants any currency, any chain, any counterparty, settled cleanly and priced fairly, every time. In this business, a client relationship is won or lost on your weakest corridor, not your strongest one; the one corridor you can't serve is the one that sends your client to a competitor. Whoever assembles that full stack and keeps it institutional-grade end to end will own the category.

The deepest edge shows up inside the FX book itself, where a stablecoin becomes a settlement coordination tool the desk runs on its own balance sheet.

Rebalancing liquidity in seconds instead of waiting on correspondent cut-off times frees the working capital trapped in pre-funded accounts and lets you quote tighter in the thin, exotic markets that have always been priced wide. Better internal plumbing becomes fairer external pricing.

A complex global business should be able to treat the cross-currency flow behind its operations as a non-issue, even in the most exotic corridors. That is what money movement infrastructure looks like in 2035: invisible, universal, and fair. The plumbing of the global economy, running quietly underneath everything else.

Finery  Markets

A BANKER'S LETTER TO HIMSELF FROM 2035

In general, people are terrible at second-guessing the future. If it were otherwise, the prediction markets business would fail. People often miss the big thing in plain sight. Even if they won the Nobel Prize.

Imagine reading this back in 2026:

"By 2005 or so, it will become clear that the Internet's impact on the economy has been no greater than the fax machine's."

In general, people are terrible at second-guessing the future. If it were otherwise, the prediction markets business would fail. People often miss the big thing in plain sight. Even if they won the Nobel Prize, like Paul Krugman, who mistook the Internet for a fax machine.

You've grinned, right? Probably, you're sitting in your office, likely reviewing a risk report on another stablecoin regulatory framework.

I am writing to you from 2035 to save your career: many of the private experiments with fiat-pegged currencies will fail, but the financial system will never be the same.

To answer why, just look at what we have lost by now. Our industry's architecture was designed long before the internet existed. Because of that, we have been subjected to a relentless salami-slicing of our business model.

We lost the trading and market-making businesses to nimble prop traders. Fintechs have already won the transactional business. Private credit firms are taking up lending.

And it's a rabbit hole we can't stop falling into. The lucrative cross-border payments flow is under siege. Stablecoins offer near-instantaneous settlement and bypass correspondent banking networks.

And it's not the end yet. Right now, while you're still sitting at your desk, the next and final battleground emerges. The deposit base.

The stablecoin's programmable service layer is the catalyst for this coming leak. The result for the traditional bank's infrastructure will be similar to the outcome of the Internet and the fax machines comparison.

It is only a matter of time before these centralized stablecoin issuers receive the green light to pay interest directly to token holders. Therefore, USD-pegged tokens will compete directly with traditional bank deposits.

As sight deposits migrate from bank accounts to stablecoin holdings, banks will face severe structural pressures. This shift will force them to rely on more expensive funding, which will heavily compress net interest margins. Once the deposit base bleeds out into the hands of the private issuers, the next question becomes obvious. When will private digital money firms begin lending directly to the economy?

However, that evolution is a trap and, as you know, history often repeats itself. The Bank of Amsterdam (1609-1820) started out as an early "stablecoin" by issuing deposits fully backed by silver and gold coins. For decades, it operated as a rigid, 100% backed system. But eventually, the temptation to lend became too great. In response to economic setbacks, the Bank began granting massive loans to the Dutch East India Company. It transitioned into an "elastic stablecoin," creating money without the underlying metal. Because it lacked the full fiscal backing of a sovereign state, the economic shocks of the 1780s—combined with its large-scale lending—led to its absolute failure.

The centralized private stablecoins of your era will suffer the exact same fate. Many will simply fail, but it's not the point. By that time, they will have irrevocably broken our monopoly on deposits and lending.

So, where to start in 2026?

Weaponize your last remaining moat: the client relationship and the trust of the retail and corporate customers. Find ways to provide access to centralized stablecoin solutions directly through your own interfaces. Be the trusted gateway.

Throw away your traditional banking diploma and accompanying beliefs. Explore how banks can issue their own

tokenized deposits. By bringing the programmability of the service layer inside the bank's regulated perimeter, you can offer the automation of stablecoins with the ultimate safety of sovereign backing.

Or just flip the career script and join the ones that build, rather than react.

Anyway, adapt now.

2035 is already here.

Report contributors

Flow Traders

Flow Traders is a leading trading firm providing liquidity in multiple asset classes, covering all major exchanges. Founded in 2004, Flow Traders is a leading global ETP market maker and has leveraged its expertise in trading European equity ETPs to expand into fixed income, commodities, digital assets and FX globally. Flow Traders' role in financial markets is to ensure the availability of liquidity and enabling investors to continue to buy or sell financial instruments under all market circumstances, thereby ensuring markets remain resilient and continue to function in an orderly manner. In addition to its trading activities, Flow Traders has established a strategic investment unit focused on fostering market innovation and aligned with our mission to bring greater transparency and efficiency to the financial ecosystem. With over two decades of experience, we have built a team of over 600 talented professionals, located globally, contributing to the firm's entrepreneurial culture and delivering the company's mission.

Chainberg

Chainberg is the institutional custody arm of Liminal, a global digital asset leader. The platform delivers institutional-grade custody, compliance-first onboarding, and governance and reporting frameworks aligned with regulatory standards, serving digital asset exchanges, hedge funds, asset managers, public institutions, VC and investment firms, corporate treasuries, and family offices across multiple regions.

Chainberg UAE, operating under First Answer Custody FZE, currently holds an In-Principle Approval (IPA) from the Dubai Virtual Assets Regulatory Authority (VARA) for providing custody services to Institutional clients and Corporate Qualified Investors, and it is progressing towards procuring a full VASP licence.

Fiat Republic

Fiat Republic is an EMI-regulated banking and payments platform aggregating local fiat rails for crypto platforms via a single API. It enables crypto platforms to easily embed fiat payments into their platforms to deliver frictionless pay-ins and pay-outs for their users. Fiat Republic has built a brand new category, Web2.5, the bridge between Web2 and Web3, which provides the connectivity between banks and crypto platforms needed to accelerate global crypto adoption. Learn more at <https://fiatrepublic.com>

Keyrock

Founded in Brussels in 2017, Keyrock is a neo investment group built for digital assets. The company is a leader in market making, asset management, research, and spot and options trading. Active across 85 centralized and decentralized venues worldwide, their 220-strong team operates across 37 countries, with entities in Belgium, the UK, Switzerland, France, and the U.S. Keyrock provides the widest range of services in the market, allowing the group to deliver fully tailored support. Structured for the long-term, Keyrock is constantly evolving to drive progress in digital assets.

GSR

GSR is crypto's capital markets partner, delivering market-making services, institutional-grade OTC trading, venture backing, and digital asset advisory to founders and institutions. With more than a decade of experience, our integrated platform helps clients navigate token design, go-to-market operations, treasury and risk management, and capital planning. These services are supported by GSR's real-time global market intelligence and access to deep liquidity. Users can visit www.gsr.io for more information, including the General Terms Business, relevant disclosures, and GSR's trading terms.

Dune

Dune is the independent source of record for onchain finance. Trusted by major protocols, financial institutions, and global research organizations, Dune provides transparent, verifiable data across 130+ blockchains — covering stablecoins, tokenized assets, DeFi markets, and payment flows. As finance moves onchain, Dune is where the data gets verified.

Mercuryo

Mercuryo is a leading payment infrastructure platform in the digital token space. Standing out in the decentralized ecosystem by enhancing payment use case growth and on-chain integration, Mercuryo's intuitive and robust solutions are powering the next generation of Web3 payment services. Mercuryo's innovative payment products such as Spend bridge the gap between TradFi, Web2 and Web3. Mercuryo is the proud partner of leading pillars in the digital token economy such as Trust Wallet, Ledger and MetaMask, along with Revolut, Mastercard and Visa. Driven by an evolving product suite, Mercuryo is expanding further and continuing to innovate with a diversified stack of payment services.

Fipto

Fipto is the modern infrastructure for B2B payments and treasury, powered by stablecoins. Fipto enables global companies to send, receive, and manage funds with near-instant settlement and 24/7 availability. By facilitating global money movement with regulated, programmable infrastructure, Fipto helps businesses optimise capital mobility and transparency. Fipto holds multiple licenses and regulatory approvals, including a Payment Institution license with the ACPR in France and a MiCA CASP license with the AMF in France. Fipto is available through API, web platform or Treasury Management Systems. Learn more about Fipto's payment solutions at www.fipto.com.

Hercle

Hercle is an institutional cross-border payments infrastructure provider, bridging fiat and regulated stablecoin rails to give banks, fintechs, PSPs and corporate treasuries a single stack for FX, settlement and liquidity across Europe, Africa, Latin America, and Asia. Hercle supports 30+ currencies across major and emerging markets corridors and has processed over \$20bn in volume to date for 200+ institutions. Hercle S.r.l. holds a CASP authorization under the Markets in Crypto-Assets Regulation (MiCAR) and an Electronic Money Institution license (IMEL).

StraitsX

StraitsX is the stablecoin-native settlement layer powering global finance and a Major Payment Institution licensed by the Monetary Authority of Singapore. As the issuer of XSGD and XUSD, StraitsX leverages blockchain technology to enable seamless payments interoperability and stablecoin-backed card issuance. Its infrastructure offers innovative tools for liquidity management and cross-border transactions, enabling businesses to integrate stablecoins into everyday payment flows. Through partnerships with leading financial institutions and payment technology partners, StraitsX delivers secure, regulated payment solutions that bridge traditional finance and the digital economy.

Finery Markets

Finery Markets is a leading infrastructure provider for institutional digital asset trading, offering a non-custodial crypto ECN and trading SaaS. The company's hybrid, crypto-native ECN technology enables trading via order book, RFQ, or quote streams. Launched in 2019, Finery Markets has surpassed \$60B in cumulative trading volume and serves 150 institutional clients across 41 countries, including payment providers, brokers, OTC desks, hedge funds, and custodians. In 2024, the company was recognized in the Deloitte Technology Fast 50 competition. In 2025, Finery Markets was named among the Top 300 Fintech Companies by CNBC and Statista. Learn more at finerymarkets.com