animoca BRANDS RESEARCH

Digital Assets Outlook 2026

Where we are as an industry & where we are heading

January 2026

Chairman's Word

The coming year marks a pivotal transition from early-stage experimentation toward a period of sustainable growth for the industry. On one hand, we are witnessing a historic shift as the United States moves to transition its financial system on-chain, a strategic development intended to strengthen the global dominance of the U.S. dollar. Simultaneously, the industry must pivot away from its historical reliance on "whales" and "degen" traders, moving instead toward a model that invites broader, more stable participation from the global public.

Predictions for 2026

- **GameFi as Gamified Finance:** Crypto is the "asset class of the youth" because it speaks the language of Gen Z through the lens of gaming culture. Rather than bringing finance to games exclusively, we should reconsider GameFi as the gamification of finance.
- **The Creator Economy and Financial Literacy:** Young people worldwide are facing dwindling traditional financial pathways, leading them to adopt crypto rails as a primary engine for wealth creation. Beyond speculative trading, the creator economy represents a significant opportunity, as new DeFi platforms have illustrated through their innovative bonding curve model. As economic models evolve to become more sustainable, creators also need to improve their financial literacy to effectively capture and retain the value they generate. The first internet wave made creators digitally literate and democratized creation at scale while disrupting entire industries. Tokenization will do the same for financial literacy—expanding and accelerating the next generation of creator economies into a multi-trillion-dollar market.
- **Global Retail Brands Leading Token Issuance**: Much like the early internet, mass adoption of Web3 and token will be driven by global retail brands. 2026 is poised to be the year that world-class enterprises integrate tokens into large-scale consumer engagement. Legislative progress, such as the Clarity Act, will provide the necessary regulatory certainty to trigger this enterprise movement. Just as BlackRock's iBit helped legitimize crypto for institutions, we may expect a similar shift on the consumer side post Clarity Act.
- **Exchange Listing Evolution:** We are entering a period of necessary reform in token launch mechanics. Current models have prioritized short-term hype over long-term ecosystem health. We expect a shift toward frameworks that prioritize incentive alignment between projects and crypto user communities with more clear emphasis on value and utility.

Be Prepared

If we were to summarize 2025 in a single word, it would be "Trump". While the administration has been a catalyst for regulatory clarity, the industry must avoid a "savior complex." Crypto is not the administration's top priority; it sits after critical issues like trade wars, domestic economy, or dollar hegemony. To navigate 2026 successfully, practitioners and participants alike must remain vigilant, even "paranoid.", so we will be better prepared in a highly uncertain world.

Yat Siu, Co-Founder and Executive Chairman, Animoca Brands

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About Animoca Research

Animoca Brands Research is a dedicated research division within Animoca Brands, comprised of passionate experts from diverse fields.

Our mission is to advance industry and community growth by sharing insightful, in-depth research findings.

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10 trends for 2026

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The O2O year	Massive off-chain assets are moving on-chain while on-chain services increasingly permeate off-chain applications. 2026 will be the year that on-chain & off-chain quickly converge, and the boundary between on-chain and off-chain will soon disappear.
Perpification of everything	Perpetual futures, or Perps, have emerged as the star of digital asset trading. Following a year of everything tokenized, Perps are now poised to scale across every major asset class.
Crypto exchange vs. traditional brokers	Crypto exchanges are moving on-shore to provide universal asset coverage, while traditional brokers are expanding their offerings to include crypto and tokenized Real-World Assets.
The silent DEX surge	Perp DEXs aim to become the new backend for on-chain finance. It will access millions of new users by quietly becoming the trading engine behind popular retail apps.
DAT consolidation	Digital asset treasury companies are entering a period of consolidation and will move beyond treasury only model.
Stablecoin rides the adoption curve	With maturing regulations and the arrival of institutional infrastructure, 2026 marks a major integration phase for stablecoins as they gradually move into more diverse and mainstream applications.
A year of on-chain vaults	On-chain vaults are going beyond lending protocols to become the go-to vehicle for on-chain asset management.
Global retail brands to lead consumer crypto issuance	Global retail brands are the definitive bridge for bringing tokens to the mainstream. The passage of the CLARITY Act will provide the regulatory certainty empowering these brands to transform the token into a universal standard for consumer loyalty and engagement.
“Bitcoin Pizza” moment for crypto agent pay	Crypto is the native language of AI commerce. As the components for 'Agentic Payments' coming together, we shall see direct agent transactions to businesses occur.
Race for on-chain privacy	Blockchain asset transfers are maturing, and with that growth comes an urgent need for privacy. We are entering a year of rapid adoption for privacy solutions, including zk-proof and digital identify.

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Tokenized Real-World Assets

Financial RWAs grew 3.4x to US$18.8B* on-chain in 2025

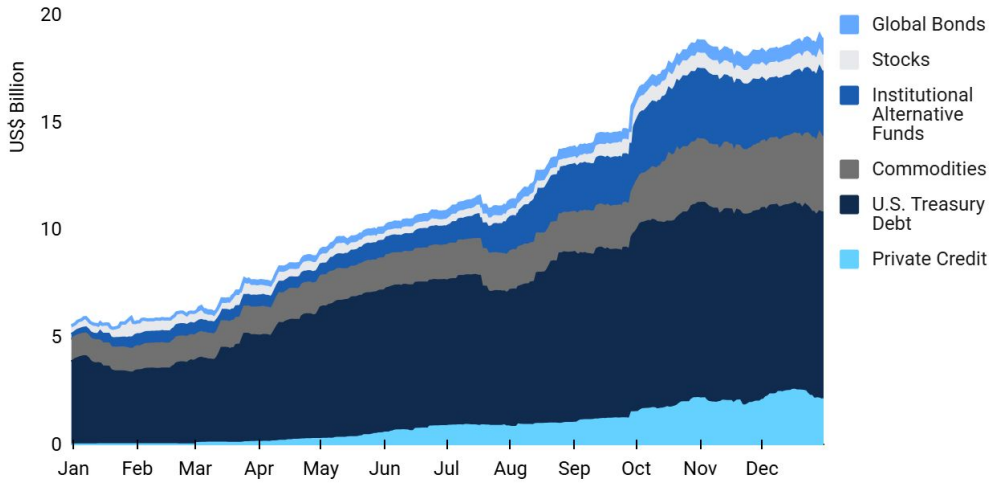
Private credit & institutional alternative funds showed the highest growth

U.S. Treasuries Have the Largest Market Share

Tokenized U.S. Treasuries (US$8.6B*) are providing the on-chain economy with a real-world institutional-grade, stable, yield-bearing collateral. Tokenized private credit is trying to solve the asset's traditional illiquidity and high entry barrier, while also offering DeFi a potentially uncorrelated asset that is also lower on the risk curve. Commodities is carving out market share mainly driven by tokenized gold products.

Institutional Alternative Funds is another category representing potential new market expansion and blockchain efficiency for fund issuers, and the "democratization" of access to traditionally exclusive investment vehicles like private equity, venture capital, and hedge funds.

Total On-Chain Financial RWA Market Value* (ex-Stablecoins) 2025



As of 31 Dec 2025 Sources: Rwa.xyz, Animoca Brands Research
**Note: Figures are distributed assets, defined by Rwa.xyz as those that can be moved to wallets outside the issuing platform & transferred between wallets, including eligibility controlled ones*

> The "Killer App" for asset managers: Tokenized money market funds. Institutions holding stablecoins for treasury purposes have historically faced a costly dilemma: accept zero yield on idle cash or endure the friction of off-ramping to fiat to access Treasuries. Tokenized money market funds, which function not just as investment vehicles but as composable cash equivalents, resolve this issue.
>
> **Amy Zhang, Head of APAC, Fireblocks**

A Multi-Chain Environment

RWA activity is fragmented across a multi-chain landscape. While Ethereum currently leads public blockchains with $12.5B* in tokenized RWAs, high-performance chains like Solana are carving out market share. This, combined with substantial activity on private institutional networks, points toward interoperability as a critical success factor.

In parallel to public blockchain development, many major financial institutions are building on private or permissioned blockchain networks. These systems are designed to offer greater control over privacy, compliance, and access, addressing concerns that could limit institutional activity on public chains. Although their transaction data is private by design and not publicly accessible or easily trackable, these platforms are important as they represent significant institutional adoption and are likely processing meaningful volumes of tokenized RWAs outside of public view.

We expect native issuance to gain further traction

Regulatory progress will be a key driver

While synthetic wrappers will play a vital role by offering permissionless DeFi exposure to off-chain asset price movements—we expect the native issuance model, assets where the ownership interest is digitally represented on-chain from inception, will also gain further traction in 2026.

Multiple Crypto-Native & TradFi Industry Leaders Active

Nasdaq submitted a filing to the U.S. Securities and Exchange Commission (SEC) in November 2025, to facilitate the trading of tokenized securities on its markets. Specifically, it proposed the ability for member firms and investors to tokenize the equity securities and ETPs that they trade on the Nasdaq Stock Market. Meanwhile, The Depository Trust & Clearing Corporation (DTCC) is building infrastructure to support clearing and settlement of tokenized securities. In December 2025, DTCC's subsidiary, The Depository Trust Company (DTC), received a No-Action Letter from the SEC to offer a new service to tokenize real-world, DTC-custodied assets in a controlled production environment. DTC anticipates beginning to roll out the service in the second half of 2026.

Superstate, utilizing its securities transfer agent license, is helping U.S.-listed companies like Galaxy and Sharplink to tokenize and natively issue shares on the blockchain, likely with more in the pipeline for 2026. Plume obtained a transfer agent license in October 2025, signaling future activity in native issuance.

WisdomTree has been steadily expanding its suite of natively-issued tokenized funds, spanning money market, equities, fixed income and asset allocation. Franklin Templeton and DBS launched Singapore's first-ever natively-issued blockchain U.S. dollar money market fund for retail investors in November 2025 (with retail access expected in Q1 2026).

> Tokenized funds are set to redefine investor access, bringing together yield, liquidity and true on-chain exposure. We're already seeing tokenized money market funds achieve product–market fit, and the path ahead points to exponential growth. Yet the opportunity comes with its own challenges in tokenized funds. Most current models simply replicate existing funds digitally, rather than reimagining them for a world of 24/7 trading and instant settlement. To unlock the market's full potential, we need to move from 'digital twins' to truly 'digital-native' fund structures.
>
> **Emma Pecenicic, Head of Digital Propositions and Partnerships**
> **Fidelity International**

Regulatory Clarity Benefits the Model

In our experience, there remains questions on how existing financial regulatory frameworks apply to the ownership rights and secondary trading environment of natively-issued tokenized securities. In our view, this is one of the most important issues to resolve for native-issuance to continue moving forward.

While we don't expect a complete resolution in the coming year, there could be incremental regulatory progress in 2026. For example, discussion drafts of the U.S. crypto market structure bill are now moving through the Senate. Although final passage is not guaranteed, some observers have opined a unified bill is likely to pass by mid-2026 and set clear rules for its implementation period.

We expect native issuance to gain further traction (cont.)

Synthetic wrappers have an important role

Native Issuance Conducive to Institutional Settlement

A primary advantage of native issuance is the elimination of "ledger lag." When an asset is born on-chain, the idea is that the blockchain becomes the definitive register, potentially allowing for atomic settlement. This bypasses the friction of reconciling with legacy databases, reducing settlement times.

> ...[RWA's] true power lies in institutional settlement. Institutions are utilizing tokenized assets and stablecoins to bypass legacy banking rails (like SWIFT), drastically reducing the friction and cost of settlements. In this context, RWA serves as a tool for liquidity management and inter-bank clearing, offering tangible ROI through cost savings...
>
> **Lily King, Chief Operating Officer, Cobo**

Synthetic-Wrappers Offer Unique Advantages

Given the strict regulatory guardrails and onboarding processes required for compliant native-issuance, synthetic wrappers will continue to be important, particularly for DeFi integration in the current environment. Synthetics offer the critical advantage of DeFi composability and enabling global access for retail audiences who seek economic exposure without requiring KYC allowlists.

> High-quality wrapped tokenization, by contrast, enables already-publicly-traded assets to be brought onchain using regulated custodians and established market infrastructure. It is significantly more practical and scalable in the near term, provided that the wrapper is designed with rigorous protections, and the tokenization engine can instantly tap into traditional market liquidity (like Ondo Global Markets does). Finally, by tokenizing assets in wrapper form, you can enable them to be quasi-permissionless in secondary markets, and be composable in DeFi. Native tokenization will struggle here.
>
> **Ian De Bode, President, Ondo Finance**

> However, the path to widespread native issuance is long and tricky. It requires regulatory clarity, upgraded market infrastructure, issuer readiness, and more mature standards for custody, compliance, and transfer mechanics. Until those pieces are in place, wrappers will continue to fill an important role.
>
> **Chris Yin, CEO & Co-Founder, Plume**

Industry Voice: Fosun Wealth / FinChain

Further deleverage and recover with new asset issuance mechanism

The cryptocurrency industry is currently at a critical juncture defined by excessive macro leverage and a need for systemic "purification." The transition into 2026 should be viewed not through the lens of traditional Bitcoin halving cycles, but as a cycle of asset creation followed by leverage expansion.

The Necessity of a De-leveraging

The current market environment mirrors the late 2019 period, where the industry sought secondary leverage through the emergence of perpetual contracts. Today, the "leverage-on-leverage" effect—driven by on-chain DEXs and DeFi protocols—has reached unsustainable levels.

For a healthy market to emerge in 2026, a significant de-leveraging event is required to clear out older capital and participants. A "Black Swan" style correction (similar to the March 2020 crash) is a necessary precursor to next wave of growth. Without such a thorough event to remove such market elements, the industry remains fragile and unhealthy.

Next Wave of Growth: The Dual Role of RWA and Oracle Integration

- **Real-World Assets (RWA):** Expected to be a dominant theme as the industry moves toward 2026. RWAs act as a trojan horse for traditional finance, bringing in vast pools of liquidity (M2 equivalent) rather than just cycling existing on-chain funds.
- **O2O Infrastructure:** The "On-chain to Off-chain" (O2O) movement will place oracles at the heart of the next cycle's infrastructure, enabling prediction markets, arbitration, and insurance to function across both domains.
- **Shifting Pricing Power:** The ultimate destination for inflows will no longer be a single CEX (like Binance) but will be priced jointly by CEXs, Nasdaq (ETFs/Traditional Finance), and on-chain DEXs.
- **DAT2.0:** For debt-backed tokenization (DAT/DeFi) to be viable, scale is key to competitive advantage, which will inevitably lead to consolidation through M&A (mergers and acquisitions). Acquiring projects by buying out the tokens of DATs with low mNAV will be more cost-effective than buying tokens on the open market.

The Path to a "New Summer"

If the market successfully sheds its current leverage by early 2026, then the year of 2026 will be great. History suggests that every major recovery is preceded by a new asset issuance mechanism (such as ICOs in 2017 or liquidity mining in 2020). The 2026 outlook envisions a wave of fresh capital attracted by new issuance models and improved institutional-grade capital preferences, leading to a more robust and sustainable growth phase.

Zhao Chen
Fosun Young Partner, Fosun Group
CEO, FinChain
Executive Director of Digital Assets, Fosun Wealth

Industry Voice: China Renaissance

Blockchain is increasingly evolving from crypto asset issuance toward real-world asset (RWA) applications

Four Key Development Predictions

1. **Bitcoin** will continue to see an expansion in institutional holdings as it solidifies its role as a global reserve asset.
2. **The Growing Importance of Tokenized RWA:** The focus is gradually shifting from purely crypto-native asset discovery toward using the blockchain as a conduit for real world asset. This is already established for stablecoins and money market funds.
    - The next wave of interest will likely be driven by private shares of "star" non-listed companies, such as SpaceX and Xiaohongshu.
    - On-chain liquidity build up will be gradual requires time and the active participation of market makers and arbitrageurs.
3. **Stablecoins and Payment Evolution:** On-chain infrastructure is reaching maturity, exemplified by Ethereum's Fusaka upgrade and the development of payment-specific chains optimized for small transactions.
    - **Applications:** Usage will expand into cross-border trade, digital content monetization, and large-value online payments.
    - **Market Pressure:** Intermediate products, such as "U-cards" (credit cards using virtual assets as collateral), will face increasing pressure.
4. **New Product Innovation:** Gold-backed stablecoins are an emerging area worth monitoring, particularly regarding whether asset-backed models can support broader application scenarios.

Supply Side Structural Changes for Exchanges

The exchange space is undergoing a supply-side transformation. Centralized exchanges are increasingly moving toward regulatory compliance, while new decentralized ones, led by platforms like Hyperliquid and Aster, are beginning to offer user experiences comparable to centralized systems.

- **Competition:** Onshore crypto exchanges may increasingly compete with online brokerages that also offer crypto trading, e.g. Robinhood
- **Geography:** Europe and the Middle East will see intense competition due to clearer regulatory frameworks. In the U.S., the massive market capacity will draw players like Kraken, Gemini, and a restructured Binance.US.

Banking Sentiment Toward Stablecoins

Traditional banks are at a crossroads regarding stablecoins. While they consider providing on/off-ramp services, they face significant difficulties implementing AML and "Travel Rule" protocols, alongside concerns regarding liquidity outflows.

China Renaissance Strategic Focus

China Renaissance continues to explore opportunities in digital assets, including research and advisory work related to ETFs, digital asset treasury structures, and private market products, subject to regulatory frameworks and market conditions.

The views expressed above are those of the interviewee and do not necessarily represent the official position of China Renaissance.

Patrick Pan
Senior Advisor to the Chairperson
China Renaissance

Industry Voice: GROW Digital Wealth

Next generation wealth management platform

Crypto enables true democratization of alternative investment assets with seamless price discovery secondary market for wealth management industry.

Reshaping Alternative Investments

Crypto is reshaping alternative investments not by indiscriminate retailization, but by redefining how access is structured and governed. Through tokenization and programmable ownership frameworks, selected alternative asset classes can be made investable at smaller economic units while preserving institutional-grade standards around eligibility, compliance, and governance. For wealth management platforms, this represents a shift from closed, relationship-driven access toward rules-based, scalable participation, particularly for professional and high-net-worth investors.

Enabling a Liquid and Continuous Secondary Market

Crypto technology provides the foundation for a more functional secondary market for alternative assets. On-chain settlement, atomic transfers, and smart contract-based clearing enable near real-time, 24/7 trading with seamless price discovery. Compared with traditional OTC-driven secondary markets, crypto-native markets offer continuous pricing signals, shorter settlement cycles, and reduced dependence on intermediaries—addressing a long-standing structural weakness in alternative investments.

Lowering Frictions Across the Investment Lifecycle

By integrating custody, clearing, reconciliation, and settlement into a unified technological stack, crypto materially reduces transaction and operational costs. These efficiencies are particularly meaningful for alternatives, where high costs and manual processes have historically constrained scalability and secondary liquidity. For wealth management platforms, lower friction translates directly into improved capital efficiency and a more scalable product architecture.

Pricing Liquidity Risk Through Transparent Discovery

Liquidity does not eliminate risk—it enables risk to be priced. In crypto-enabled markets, liquidity risk is explicitly reflected through the price discovery process in the form of a liquidity risk premium. As AI and advanced data infrastructure enhance transparency, information disclosure, and real-time analytics, key risk factors such as asset quality, leverage, and market depth can be more effectively incorporated into pricing. True liquidity ultimately depends on credible price discovery, which in turn requires sufficient and transparent information.

A Strategic Frontier for HNWI Portfolio Diversification

Beyond short-term volatility, crypto represents an important diversification frontier for high-net-worth investors. Its long-term relevance lies in differentiated return drivers, alternative liquidity mechanisms, and exposure to the digital transformation of financial infrastructure itself. For wealth management institutions, crypto is increasingly not a peripheral experiment, but a strategic component of portfolio construction and platform evolution.

William Ma, CFA, CAIA
Founding Partner, Global CIO
GROW Digital Wealth

Industry Voice: Hang Feng Technology

RWAs serve as DeFi's collateral backbone

Growth trend for RWAs

Institutional scale-up is driving the expansion of Real World Assets (RWA) programs, which are growing in size and sophistication with more tokenized treasuries, credit, and fund structures, alongside larger issuance sizes as pilots transition into full production. This maturation reflects a shift from experimental phases to robust, operational models that can handle significant volumes. Complementing this, regulatory clarity is enabling greater capital allocation, as frameworks like MiCA/MiCAR, the EU DLT Pilot Regime, MAS Project Guardian, and UK/APAC sandboxes provide formal pathways for banks and asset managers to onboard tokenized assets; TRM Labs notes that most major jurisdictions strengthened digital asset regulation in 2025, with stablecoins and tokenization as priority areas.

DeFi integration is transforming RWAs into "base yield" primitives, where treasuries, credit pools, and commodities integrate into lending markets and structured vaults to serve as standard collateral and yield sources, drawing in crypto-native capital while offering TradFi a distribution channel into Web3. This convergence bridges traditional finance with decentralized ecosystems, enhancing liquidity and utility. Meanwhile, yield demand and diversification are bolstered by higher global rates, making on-chain T-bill and credit yields of 3–7%+ attractive, with fractionalization lowering minimum ticket sizes to expand access from institutional desks to smaller allocators.

The expansion of tokenization infrastructure further accelerates this momentum, with over 100 platforms and 30+ networks tracked by RWA.xyz, indicating a rapidly maturing vendor ecosystem. As tooling standardizes—similar to cloud/SaaS models—the cost and friction of launching new RWA products decrease, driving higher issuance volumes and fostering innovation across the sector.

For more information, please reference the QA List

Challenges	2026 development	How it solves the issue	Expected impact
Liquidity fragment-ation	Unified liquidity layers; RWA collateralization	Concentrates liquidity & enables borrowing/ lending	Higher turnover, improved spreads, better pricing
Regulatory uncertainty	MiCA/MiCAR, DLT Pilot, Project Guardian	Provides legally recognized pathways	Larger institutional inflows; more fund/bond tokenization
Operational complexity	Standardized issuance frameworks	Reduces customization and operational risk	Faster issuance cycles; lower costs
Valuation & reporting gaps	Oracles, AI-driven valuation & monitoring	Provides continuous, auditable data	Better risk pricing; stronger investor trust
Access restrictions	Permissioned DeFi, standardized disclosures	Balances compliance and usability	Broader distribution, improved product adoption

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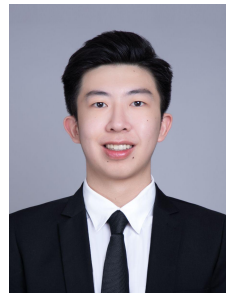

Industry Voice: Avenir Group

Bridging the gap between institutional efficiency and mass adoption through stablecoin utility, tokenized assets, and seamless user experience

From Enforcement to Convergence

The evolving regulatory landscape in 2026 reflects a pivot from an "Enforcement First" to a "Guidance First" regime in the United States, with continued emphasis on transparency and innovation-friendly policies. This environment is fostering greater institutional confidence and unlocking new product innovations (e.g., onshore perps and prediction markets). Convergence is accelerating in both ways between traditional finance ("TradFi") and crypto: TradFi assets are migrating on-chain to leverage blockchain's settlement efficiency (24/7 availability, global reach, and low costs), while crypto-native assets are integrating into TradFi structures (e.g., ETFs) to access deeper liquidity pools. The winning platforms of 2026 will be those that bridge this gap, offering infrastructure natively compatible with both traditional workflows and digital asset classes.

Stablecoins and Fintech Innovations to Reshape Global Capital Mobility

Stablecoins are evolving beyond their role as trading pairs to emerge as the primary product layer of 2026. In areas where legacy banking systems face challenges—particularly the "first and last mile"—fintech innovators are leveraging blockchain rails to modernize global payment infrastructure. For enterprises and B2B platforms, the value of stablecoins extends far beyond instant settlement: it enables improved cash efficiency and just-in-time liquidity. By utilizing compliant stablecoin rails, businesses can optimize working capital utilization and access broader liquidity pools. In 2026, stablecoins are poised to transition into essential commercial infrastructure, supporting SMEs and cross-border trade worldwide.

RWA 2.0: Beyond T-Bills to "Granular" Risk Curves

The narrative surrounding Real World Assets is advancing from basic treasury tokenization to greater asset granularity. Institutional demand is diverse, with allocators seeking products tailored to specific risk-reward profiles. Consequently, growth in 2026 is likely to derive from diversification beyond risk-free rates into areas such as private credit, commodities, invoice financing, and supply-chain assets. The market is progressing toward structured, granular, and auditable on-chain products that enable institutions to assume precise risk exposures, rather than holding undifferentiated tokenized instruments.

Jacob Zhong
Managing Partner
Avenir Group

For more information, please reference the QA List

Industry Voice: Ondo Finance

Expansion of available assets & more sophisticated market infrastructure

Key Trends

Over the past 18 months, the tokenized treasury category expanded from roughly 1.5 billion dollars to 10 billion dollars, and the broader RWA landscape shows a similar hockey-stick growth trajectory. We expect that acceleration to persist throughout 2026 as real-world assets increasingly migrate onto blockchain rails, where they can move 24/7, be distributed globally, and interact with smart contracts.

A central trend will be the significant expansion of available assets. Today, only a few hundred stocks and ETFs are represented onchain, whereas traditional markets consist of many thousands. Enabling this broader universe is a meaningful step toward unlocking more advanced investment strategies, automated portfolio management, and AI-driven allocation tools.

Another key development will be the emergence of more sophisticated onchain market infrastructure around tokenized assets, including perpetual futures. Integrating stocks and ETFs into perps platforms creates a more complete trading environment and brings onchain markets closer to the functionality of traditional venues. It is a natural extension of the shift toward 24/7 global access and will broaden the range of risk-management and directional tools available to investors.

We believe tokenized stocks will be the fastest growing RWA category in 2026, following a similar hockey-stick trajectory as tokenized treasuries. The pace of adoption across all tokenized asset classes is accelerating rapidly. The primary drivers are expanded access and enhanced functionality. A blockchain wallet now provides 24/7 global access to tokenized cash, treasuries, stocks, and ETFs, all of which can be held self-custodially. These assets move quasi-permissionlessly across borders and time zones, and they integrate into financial workflows that are simply not possible on traditional platforms. These structural advantages will continue driving adoption through 2026 and beyond.

Challenges

2026 will be the year where tokenization further matures and really starts to hit mainstream. We're past the proof-of-concept phase, and the question now is which implementations will actually scale and which will remain niche experiments. Investor protections are table stakes, and liquidity is the real test. Early models (and often investors) learned this the hard way with insufficient investor protections, limited market depth, wide bid-ask spreads, and persistent price dislocations relative to underlying assets.

The breakthrough comes from building systems that can seamlessly connect onchain and offchain environments. Put differently, real tokenization enables the liquidity that already exists in TradFi to come onchain. For example, Ondo Global Markets enables tokenized stocks that are minted and redeemed instantly by acquiring underlying assets directly on traditional exchanges. This approach allows arbitrageurs to maintain price alignment between onchain and traditional markets, eliminating the need to build duplicative liquidity pools while providing tokenholders with immediate access to the depth of established exchanges.

As the distinction between efficient and inefficient tokenization models becomes clearer, capital and users will migrate toward platforms that deliver deep liquidity and pricing efficiency alongside the structural advantages of blockchain rails.

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Contributed by: Ian De Bode, President, Ondo Finance

Industry Voice: Ondo Finance (cont.)

High-quality wrapped tokenization more practical & scalable in near-term

Tokenization Models

The right way to evaluate tokenization models is by their ability to deliver the core outcomes investors care about: broad asset access, strong protections, liquidity, return exposure and scalability. Native tokenization struggles on these dimensions today. It typically requires each underlying issuer to participate directly in the process, and the available liquidity on the asset is significantly lower than what exists for the non-tokenized versions. This creates regulatory and operational complexity and makes native models slow to scale.

High-quality wrapped tokenization, by contrast, enables already publicly traded assets to be brought onchain using regulated custodians and established market infrastructure. It is significantly more practical and scalable in the near term, provided that the wrapper is designed with rigorous protections, and the tokenization engine can instantly tap into traditional market liquidity (like Ondo Global Markets does). Finally, by tokenizing assets in wrapper form, you can enable them to be quasi-permissionless in secondary markets, and be composable in DeFi. Native tokenization will struggle here.

It is worth drawing a parallel to stablecoins here. Stablecoins took off largely because they were quasi-permissionless wrappers. They are the liquidity that makes the crypto ecosystem and DeFi operate. If cash had been tokenized in native form (perhaps in the form of a tokenized deposit, although this is technically not really tokenized "cash" per se), it is hard to imagine it would have reached the scale it has. We expect a similar trend to occur for tokenized equities, where wrapper models will be deemed superior, both for their scalability, available liquidity and composability with DeFi.

From Ondo's perspective, wrapper models, built with strong legal, custodial, and verification frameworks, are the most effective and scalable approach for bringing real-world assets onchain today.

Ian De Bode
President
Ondo Finance

Industry Voice: Plume

Total RWA value could grow by 3-5x by 2026

The RWA Market will Continue to Grow in 2026

We expect to see at least a three to five times increase in total RWA value by 2026. This will be driven by an expansion of assets in this market. At the moment the majority of RWA value is in the U.S. T-bills. But with the market maturing we'll see further pickup in private credit as well as other alternative assets such as mineral rights (oil), GPUs, energy, and more.

We're already seeing the pickup on the user side with the expectation being that we will close out 2025 with more than 10x growth in the number of RWA holders since the start of the year. Plume alone has driven over 50% of the market's net increase. Given this continued inflection, it's reasonable to anticipate another strong year ahead, with the potential for 25 times growth in user numbers.

Challenges

While RWAs have grown as institutional interest increased in 2025, there are still several challenges to overcome as the market matures. The biggest challenges are usability, demand, liquidity, composability, and compliance.

Usability remains the biggest day-to-day friction. Investor journeys still involve fragmented KYC, custody, and settlement steps, and most products today are designed for nobody – they neither appeal to crypto natives nor are they ready for institutional investors. So we will see a focus on both of these user types show up in different products – simple, permissionless, composable, and liquid products for crypto natives and also robust, compliant products for institutional investors.

The second dimension to usability is demand. While there is a lot of stated demand for RWAs, the market is still familiarizing itself with different real world assets. Everything from how they work, duration, risk, yield, compliance, composability, liquidity, etc. is still getting sorted through but users are still trying to better understand how to think about RWAs in their portfolio. At the same time projects are still searching for different assets that will have the same demand that stablecoins had and usher in a wave of RWA traction.

The first two points are ultimately factors and inputs into one of the biggest issues with RWAs today – liquidity. Low usability and low demand means that there is very little liquidity available for onchain RWAs which hampers further growth. We see a number of different solutions targeted at this right now from tapping into natively liquid public markets, market makers getting involved, general familiarity with the asset class, as well as different products/tools designed to address liquidity, but this will remain the biggest challenge and barrier for rapid RWA growth.

One specific component and factor of usability is composability. Composability today is touted as one of the primary features of bringing assets onchain. You can take them anywhere, you can use them wherever you want, and ultimately developers can build markets around these assets. But the unfortunate truth is that most RWAs are limited by legal and technical fragmentation. Because most RWAs carry off-chain legal rights and transfer restrictions, they're not safely interoperable with DeFi or even with other permissioned systems. Settlement is also inconsistent across chains and custodians.

Key developments in 2026, including tokenized settlement assets, clearer control frameworks from market infrastructures, and maturing standards for compliance metadata will enable "permissioned composability." This lets institutions use RWAs in collateral, lending, and atomic settlement flows without sacrificing legal certainty. Plume is already leading similar developments with our AML compliance built in at the blockchain, smart contract, and token levels.

Continued on next page

Contributed by: Chris Yin, Co-Founder & CEO, Plume

Industry Voice: Plume (cont.)

Regulation central to RWA development in 2026

Regulation

Regulation remains the gating factor for global scale. Jurisdictions differ in how they classify and supervise tokenized assets, increasing compliance costs and slowing cross-border adoption. In 2026, we expect more consistent guidance from securities regulators and clearer licensing pathways. In 2026, we'll also see the impact of industry sandboxes, standardized issuance flows, and more integrated "KYC → custody → trading" stacks from regulated providers. These will hide operational complexity and make onboarding and transacting in RWAs feel more like traditional fintech. Combined with regulator–infrastructure collaboration through ongoing pilots, like the work Plume has done in 2025 in the U.S. and Hong Kong, this reduces legal ambiguity and gives institutional actors confidence to scale production deployments.

Regulation will remain central to RWA development in 2026, continuing the momentum seen in 2025 with initiatives such as the GENIUS Act in the U.S. and clear pathways to bring RWAs onchain emerging in in other jurisdictions like Bermuda, Hong Kong, Japan, Singapore, South Korea, the UAE - to name a few. Much of this regulatory focus is concentrated on stablecoins, the original real-world asset, reflecting governments' growing interest in ensuring safe issuance, supervision, and integration with existing financial frameworks and is now moving to other RWAs. We also expect globally heightened AML/CFT standards for onchain finance, including, transaction monitoring, and traceability of on-chain activity. For cross-border RWA flows, this raises the importance of compliance-by-design token standards, a direction Plume has already prioritized. As regulatory expectations consolidate across major regions, RWAs will continue maturing into a recognized and institutionally acceptable asset class. Increased clarity and oversight will not only strengthen market integrity but also expand opportunities for both institutional and retail participants, supporting broader adoption in 2026. Frictionless finance enabled by clear rules for RWAs will be a major unlock for businesses and investors alike who will soon have access to capital formation and investment opportunities never seen before.

Synthetic Wrappers vs. Native Issuance is not a Zero-sum Game

The debate between synthetic wrappers and native issuance is not a zero sum game. Native issuance is ultimately the stronger and more scalable model for tokenized RWAs because it aligns the legal asset, the settlement process, and the on-chain representation from the start. It removes layers of operational and legal complexity and allows issuers and investors to fully benefit from programmability, composability, and transparent on-chain lifecycle management. However, the path to widespread native issuance is long and tricky. It requires regulatory clarity, upgraded market infrastructure, issuer readiness, and more mature standards for custody, compliance, and transfer mechanics. Until those pieces are in place, wrappers will continue to fill an important role. This is not unique to crypto. In traditional finance, wrappers are everywhere. SPVs, ADRs, feeder funds, and structured notes all serve to package underlying assets for different jurisdictions, investor types, or distribution channels. On-chain wrappers are no different. They allow access to assets that are not yet issued natively, provide global distribution where regulations permit, and serve as a bridge while deeper regulatory and operational barriers are being solved. The real question is which approach fits a specific use case. If full legal alignment and long term scalability are required, native issuance wins. If speed to market and global accessibility matter more, wrappers can be the better solution. Both models will coexist, serving different phases of the market's evolution.

Chris Yin
Co-Founder & CEO
Plume

Industry Voice: Chainlink

Unified orchestration is the key that unlocks the trillion-dollar migration of Real World Assets on-chain

From Pilot to Production

2026 marks the definitive shift for institutional blockchain adoption, moving from isolated Proofs of Concept (PoCs) to large-scale production deployments. The focus has transitioned to the high-volume settlement of tokenized funds, equities, and regulated stablecoins. Major financial institutions (e.g., UBS, ANZ, J.P. Morgan) are leveraging standardized infrastructure (like Chainlink's DTA and CCIP) to execute cross-jurisdictional value transfer. The infrastructure is no longer theoretical; the industry is now operationalizing workflows to move trillions in value across public and private chains.

The Era of "Cross-Chain Orchestration"

As liquidity fragments across diverse networks, the industry demand is shifting from simple connectivity to comprehensive orchestration. Institutions require a unified abstraction layer—such as the Chainlink Runtime Environment (CRE)—to manage complex multi-chain operations. This evolution allows legacy financial systems to orchestrate settlement, compliance checks, and data messaging within a single programmable framework, effectively shielding institutions from the underlying complexity of blockchain fragmentation while ensuring unified control.

Embedded as "Programmable Attributes"

In 2026, compliance and privacy have evolved from external middleware into intrinsic, programmable attributes of the assets themselves. "Compliance-in-Code" allows policies (such as KYC/AML limits) to be embedded directly into tokens, enabling automated, real-time enforcement across borders. Simultaneously, confidential compute has become a baseline requirement, allowing institutions to utilize public blockchain liquidity while strictly protecting sensitive proprietary data, such as trading strategies and counterparty identities.

Synergizing AI Extraction with Oracle Attestation

The convergence of AI and blockchain is finding its most practical application in data attestation. While AI is deployed to extract insights from unstructured real-world data (such as corporate actions or financial reports), Oracle networks serve as the critical truth layer, verifying and attesting to the accuracy of AI outputs before they trigger on-chain execution. This "AI-Extraction + Oracle-Verification" model creates trusted on-chain golden records, solving the data standardization challenge for complex Real-World Assets.

For more information, please reference the QA List

Fernando Vazquez
President of Capital Markets
Chainlink

Industry Voice: Fireblocks

2026 as the year of market maturity: Operational alpha & invisible infrastructure

The “Killer-App” for Asset Managers: Tokenized Money Market Funds

Traditional fund distribution remains operationally inefficient, plagued by settlement lags that create significant drag on capital velocity. Institutions holding stablecoins for treasury purposes have historically faced a costly dilemma: accept zero yield on idle cash or endure the friction of off-ramping to fiat to access Treasuries. Tokenized Money Market Funds, which function not just as investment vehicles but as composable cash equivalents, resolve this issue. We are witnessing a structural shift in how institutions manage liquidity - sweeping idle capital into yield-bearing, tokenized assets that remain on-chain, preserving 24/7 liquidity and eliminating the opportunity cost of holding stablecoins.

The Next Frontier in Digital Asset Management: Speed, Control, and Compliance

Digital asset custody, which focuses primarily on safeguarding "digital gold" is largely mature; the next competitive frontier is operational agility. Active traders and hedge funds are increasingly moving away from third-party custodians, which introduce execution latency, toward self-custody MPC technology (such as Fireblocks) that provides direct, real-time access to liquidity venues.

Simultaneously, the "Web 2.5" model is gaining traction as the bridge for regulated capital. By wrapping DeFi yields—such as lending on Morpho—into compliant legal structures, this hybrid approach allows institutions to capture decentralized returns through a familiar interface, effectively abstracting away smart contract risk while retaining the efficiency of the blockchain.

Retail Adoption: The Era of Invisible Infrastructure

The crypto consumer market is pivoting away from complex crypto-native interfaces toward "account abstraction," where gas fees and seed phrases are invisible to the end user.

This design philosophy is driving the resurgence of high-fidelity blockchain gaming, which has moved beyond less sustainable "play-to-earn" incentives to focus on internal economies where crypto enables ownership, interoperability, and asset velocity.

Furthermore, prediction markets like Polymarket have found genuine product-market fit by tapping into and monetizing users’ desire to speculate on real-world outcomes. These platforms turn collective betting into actionable insights, offering a timely and alternative perspective to traditional news outlets.

Amy Zhang,
Head of APAC
Fireblocks

Industry Voice: StableStock

New generation of crypto-friendly neo-brokers to emerge

Robust Broker Foundation Needed for Tokenized Stocks

From our perspective, the tokenized stock landscape can now be categorized into three core layers:

- **Traditional custody & broker layer**: Including banks, securities custodians, and crypto-friendly brokers.
- **Middleware issuance layer (TradFi x DeFi)**: Requiring a combination of TradFi and DeFi capabilities. On the one hand, it must strengthen broker-side functions like transfers of real shares, custody, clearing, and understanding traditional market mechanisms. On the other hand, it requires blockchain expertise to ensure tokens can reflect corporate actions via oracles updating on-chain prices.
- **Application layer**: CEX, DEX, wallets, lending, ETFs, structured products, social trading, and new primitives built around stock tokens.

We founded StableStock in May 2025 after recognizing the gap between crypto-native infrastructure and traditional broker rails. Transferring real stock for mint/redemption requires clearing-broker partnerships. Compliance, KYC/KYB, and operational rigor are non-negotiable. Nasdaq does not settle 24/7. Liquidity providers holding stock tokens off-hours cannot hedge, creating substantial counterparty risk—especially against insider-news traders. When and if stock tokens enter complex DeFi interactions like lending, vaults, or staking—real settlement, compliance, 1:1 backing, and corporate-action automation must be solved.

Without a robust broker foundation, tokenized stocks cannot scale. StableStock launched StableBroker in Q3 2025 and we expect between 2026 and 2027, the industry will see the emergence of a new generation of crypto-friendly brokers, accelerating tokenized stocks from proof-of-concept into mainstream global investment infrastructure.

Nasdaq Developments a Key Driver of Tokenized Stocks Growth

If Nasdaq successfully moves to a 24/5 trading model in 2026, it would be a major catalyst for tokenized stocks. With continuous trading hours, every on-chain order routed to a market-maker via RFQ could be hedged immediately in the TradFi market. This ensures that LPs remain delta-neutral during settlement, and significantly enhances the safety and depth of liquidity. However, if Nasdaq remains on its current non-24/5 schedule, it will continue to restrict the growth of on-chain trading volume.

Opportunity for Global Investors who Cannot Easily Access U.S. Stocks

Looking at the broader trajectory, the real expansion opportunity for tokenized stocks is Web2 users who cannot easily buy U.S. stocks in their home markets. Thanks to stablecoins, these users are able to purchase U.S. stocks through platforms like StableStock. This user segment grows as part of a broader bet: that stablecoins will continue expanding as global financial rails. StableStock is focused on penetrating emerging markets where stablecoins are becoming the dominant rails for saving and cross-border capital access.

Zhu Zixi
Founder
StableStock

Industry Voice: Man Kun Advisory

Navigating the legal and technical hurdles of RWAs

The Chokepoint of Global Crypto-Fiat Integration: Regulatory Fragmentation and Banking Access

Getting traditional currency onto a blockchain is facing hurdle. This process is currently choked by regulatory fragmentation and banking access. There is no global rulebook; a "maze" of conflicting national laws forces providers to get separate licenses in each jurisdiction, which for our clients is a costly and slow process. This is made worse by "de-risking," where many traditional banks refuse to service crypto companies due to perceived AML risks, making it hard to establish the bank accounts needed to accept customer funds. Inconsistent rules on what constitutes a security or a commodity add another layer of legal uncertainty for the assets being purchased. Once funds are on-chain, there are compliance and surveillance challenges. The core issue is applying traditional financial monitoring to decentralized networks. A major technical and operational headache is the "Travel Rule," which requires Virtual Asset Service Providers to share sender and receiver information for transactions, a rule difficult to enforce across borders and different blockchain protocols. Regulators also demand robust, real-time transaction monitoring to combat money laundering and sanctions evasion, pushing compliance teams to use advanced analytics but increasing operational costs. The lack of clear rules for decentralized finance protocols adds further uncertainty about what activities might later be deemed non-compliant.

Cashing out faces many of the same barriers as getting in, but with added scrutiny on fund origins. Off-ramp providers must perform even stricter checks to ensure the funds being converted to fiat are not illicit, requiring chain-of-ownership analysis that many traditional payment processors are not equipped to handle. The banking access problem is often more severe here, as banks are extremely cautious about processing large, crypto-originated withdrawals. Furthermore, tax reporting obligations kick in at this stage, creating a compliance burden for users and platforms alike, with rules varying wildly by country.

Scaling Tokenization: Legal, Technical, and Market Fundamentals

The tokenization of real-world assets has moved beyond the experimental stage, with institutional capital now driving significant market growth.

In terms of the most compelling use cases, these are all linked to traditional finance products, for example, tokenized treasuries and money market funds, tokenized private credit and bonds, tokenized equities and funds, and finally, tokenized commodities and carbon credits. When we look at the why, we can see that tokenization can offer several advantages. For example, in the case of tokenized money market funds, it offers near real-time settlement and 24/7 accessibility thereby improving capital efficiency. Likewise, in the case of tokenized private credit and bonds, it reduces issuance time and cost through automation, opens traditionally illiquid assets to a global investor base, and can enhance secondary market liquidity.

To allow for wide institutional adoption and market scalability, there are a few critical challenges that need to be addressed: legal, technological, and market-based.

Starting off with the legal challenges, everyone in the business wants to know “is this even legal?” Currently and unsurprisingly, the regulatory picture is a patchwork, with some jurisdictions like Hong Kong having taken the lead in rolling out structured rules, while others merely present a complex and confusing mix of guidance. For our clients who are embarking on tokenization projects, this means that picking the right jurisdiction is one of the most critical first decisions. Beyond location, there are also key legal questions about the nature of tokenized ownership, the enforceability of smart contracts, and cross-border recognition of digital assets which are still being resolved.

Continued on next page

Contributed by: Jen Bai, Director & Head, Man Kun Advisory

Industry Voice: Man Kun Advisory (cont.)

Navigating the legal and technical hurdles of RWAs

The next hurdle is infrastructure since companies need to have in place appropriate systems to manage their digital assets. A major technical hurdle is interoperability, that is, ensuring tokenized assets and data can flow seamlessly between different blockchains and, crucially, integrate with our traditional financial systems. The market also needs standardization around token protocols and APIs to reduce complexity and enable scalability.

Finally, for the market to scale meaningfully, projects must prove sustainable value and solve the liquidity challenge. Tokenization is a tool, not a guarantee of liquidity. While it can unlock traditionally illiquid markets like private equity by enabling fractional ownership, creating reliable secondary markets requires deliberate planning, including partnerships with market makers and the development of regulated trading venues. A critical driver for transactional liquidity is the integration of stablecoins or tokenized deposits, which act as the on-chain cash leg for instant, atomic settlement. The involvement of major asset managers like BlackRock and Apollo in launching tokenized funds is a powerful catalyst, as it signals market maturity and attracts further institutional capital.

Case Study

Man Kun provides comprehensive legal services for the digital asset lifecycle, ranging from non-litigation advisory to complex dispute resolution. We specialize in designing compliant on-chain mechanisms for RWA and NFT projects, providing legal opinions for Bitcoin Layer 2 infrastructure, and securing SFC Type 9 licenses and LPF structures in Hong Kong. Our litigation and criminal defense teams have achieved significant breakthroughs in high-stakes cases, including overturning a Provincial High Court ruling in a mining contract dispute and securing a substantially reduced sentence in a landmark mainland exchange case.

By combining technical depth with persistent advocacy, we ensure that both innovative Web3 enterprises and institutional investors navigate regulatory boundaries while successfully protecting their legitimate interests.

Jen Bai
Director & Head
Man Kun Advisory

Industry Voice: Unified Labs

The "Flywheel" of on-chain finance & the rise of curators

The Stablecoin-RWA-DeFi Flywheel

There is a clear progressive flywheel logic for 2026:

- **Step 1 (The Gateway):** Regulatory clarity for stablecoins (e.g., the US GENIUS Act) acts not just as compliance, but as a geopolitical tool for dollar hegemony, accelerating institutional onboarding.
- **Step 2 (The Asset):** Billions in on-chain stablecoins won't sit idle; they will seek yield, triggering an explosion in RWA (Treasuries, Private Credit) demand.
- **Step 3 (The Service):** The scaling of RWAs creates massive downstream demand for DeFi (Lending, Trading, Risk Mgmt) services. The market is shifting from isolated narratives to a systemic growth model where "Stablecoins are the entry, RWAs are the assets, and DeFi is the service layer."

Beyond Yield: What Defines a Sustainable Curator

The Stream Finance collapse exposed a critical gap: curators prioritizing yield over transparency. The industry needs a reset. Effective curation isn't about maximizing APY—it's about clearly communicating risk-reward trade-offs, maintaining verifiable on-chain collateral ratios, and avoiding recursive leverage structures that amplify systemic risk. The curators who survive the next cycle will be those who treat risk disclosure as a feature, not a liability.

For more information, please reference the QA List

Where TradFi Meets DeFi: The Rise of On-Chain Asset Management

Institutional capital is no longer asking whether to allocate on-chain—it's asking how. The catalyst is clear: tokenized RWAs have surpassed $15B, stablecoin market cap exceeds $160B, and DeFi lending protocols now offer yields that compete with—and often exceed—traditional fixed income. But institutions don't deploy capital into raw smart contracts. They need intermediaries who understand both worlds: the compliance requirements of traditional finance and the technical infrastructure of DeFi. This is the role risk curators are evolving to fill—not as passive parameter managers, but as active on-chain allocators who translate institutional mandates into vault strategies. The curators who master this translation layer will capture the next wave of AUM flowing from TradFi balance sheets onto DeFi rails.

Louis Wan
CEO & Co-Founder
Unified Labs

animoca BRANDS RESEARCH

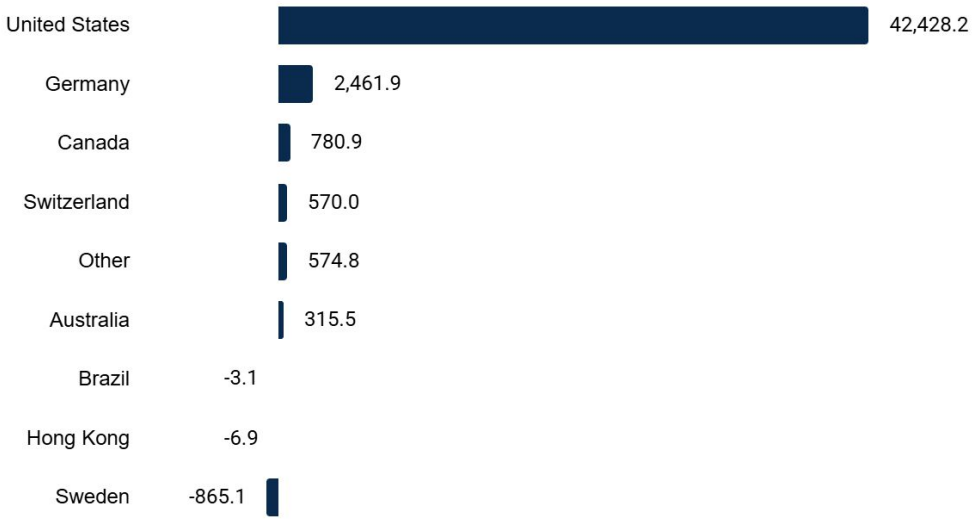
Digital Asset ETFs & Treasury Companies

Digital asset ETPs* saw US$46B net inflows in 2025

U.S. led with US$42B net inflows & dominates AUM with 69.3% share

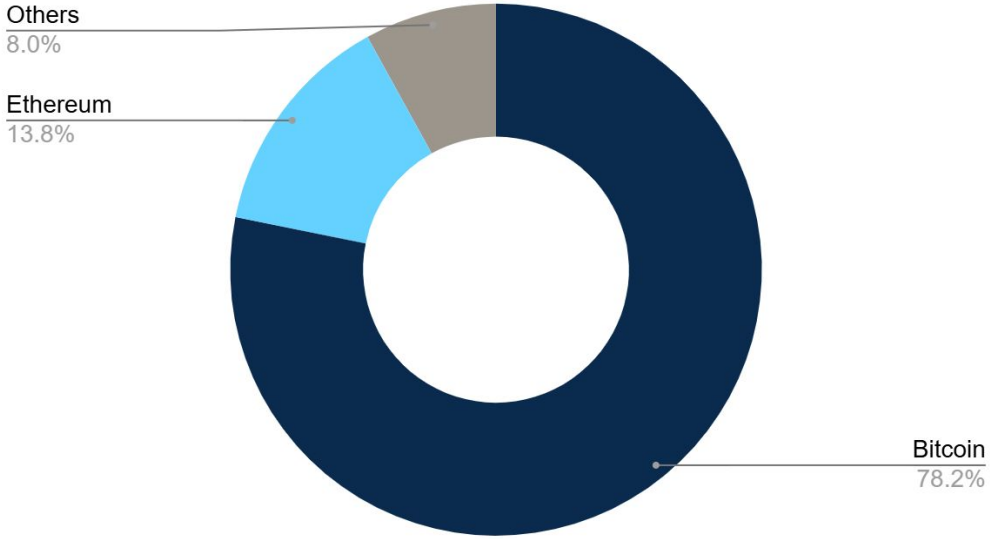
The majority of countries saw net inflows, apart from Brazil, Hong Kong, and Sweden, which had net outflows. The U.S. accounted for 91.7% of the total net inflow, amid generally positive performances of risk assets in 2025. However, Bitcoin was down -4.9% for the year, due mainly to the correction in the fourth quarter. The total global digital asset ETP AUM is US$174.2B, with the U.S. taking 69.3% share at US$120.9B.

Global Digital Asset ETP Flows in 2025 ($M)



As of 27 Dec 2025 *Source: CoinShares*

Global Digital Asset ETP AUM Share by Asset



As of 27 Dec 2025 *Source: CoinShares*

By underlying digital asset, Bitcoin accounts for 78.2% of the total AUM, and together with Ethereum takes 92.0%. Solana, multi-digital asset, and XRP are notable within the remaining share. In terms of product, BlackRock's iShares Bitcoin Trust ETF (ticker: IBIT) continues to be the largest by AUM at US$67.6B, followed by Fidelity Wise Origin Bitcoin Fund (FBTC) with US$17.7B. Others in the top 5 are Grayscale Bitcoin Trust ETF (GBTC; US$14.5B), iShares Ethereum Trust ETF (ETHA; US$10.2B), and Bitwise Bitcoin ETF Trust (BITB; US$3.3B).

** Note: For the purposes this report, the terms "ETP" and "ETF" are used interchangeably (with the exception of Industry Voice pages)*

Digital asset ETF pipeline surge: Growth catalyst

150+ applications & generic listing standards in the U.S. could spur investment

The digital asset ETF approval race is far from over. The latter half of 2025 saw new spot non-Ethereum altcoin ETF launches in the U.S., including Solana (with staking), XRP, Litecoin, and Hedera.

From Introduction to Expansion

If 2025 was the year altcoin ETFs introduced themselves to Wall Street, then 2026 could be the year the market graduates from a handful of initial approvals to market expansion, where issuers compete with innovative products (e.g., multi-asset, active-strategies), staking yields, and a wave of new assets.

The SEC's approval in September 2025 of generic listing standards for commodity-based trust shares—a category encompassing numerous spot digital asset ETFs dramatically streamlined the path for these products. This change allows major exchanges such as Nasdaq, NYSE Arca, and Cboe to list qualified crypto ETFs without undergoing the often protracted case-by-case 19b-4 rule filing review. Consequently, the approval timeline for qualifying products that meet specific criteria, like having an existing futures market on a regulated exchange for a minimum of six months, can be significantly compressed.

Multi-asset Baskets & Active-strategies

One of the first products to benefit from the new standards and launch was Grayscale's Digital Large Cap Crypto Fund. We expect 2026 to see a rise in actively managed digital asset ETFs, where fund managers use sophisticated strategies such as dynamic rebalancing, yield optimization, and tactical trading. This evolution mirrors the development trajectory of the traditional ETF space, which initially focused on passive index tracking before moving into more sophisticated active management strategies.

High-profile Institutional Investors Allocating

Texas announced a strategic allocation of US$10M to Bitcoin in November 2025, starting with US$5M deployed in BlacRock's spot Bitcoin ETF (IBIT). Harvard University's endowment recently disclosed a US$443M IBIT allocation, accounting for roughly 20% of its reported U.S. equity exposure. Vanguard decided in December 2025 that it will allow clients to trade crypto ETFs on its brokerage platform, reversing its historically anti-crypto stance. Bank of America will begin allowing its wealth advisors to recommend allocations to crypto in client portfolios from January 2026, and many clients prefer to hold crypto exposure via ETFs.

DAT Concerns Could Indirectly Benefit ETFs

There is generally dampened sentiment around digital asset treasury companies (DATs), which might persist in 2026, although MSCI's recent decision to keep including DATs in its indices potentially provides some respite. The largest DAT, Strategy, also indicated it may need to sell its Bitcoin if it encounters financing issues.

Investors harboring concerns that the stock of a DAT exposes investors to company-specific risks, such as management decisions, leverage, operational costs, and the risk of the stock trading at a severe discount to underlying digital asset holdings, could potentially find digital asset ETFs more palatable.

We expect over US$1 trillion crypto ETF AUM in next 5 years

This represents over 6x growth from current levels

We outline a framework for projecting the potential global crypto ETF AUM over the next five years. This projection is built upon a series of assumptions on key drivers:

- **Total Global AUM**: Projection for the total global AUM in five years, drawing upon PwC's forecast of US$181.4T to establish a foundational market size. This AUM is essentially the total value of assets managed by the asset and wealth management industry worldwide.
- **Adoption Rate**: We then estimate that 30% of the global AUM is willing to invest in crypto.
- **Crypto Allocation**: Subsequently, for that portion of global AUM willing to invest in crypto, we apply an allocation percentage of 3%, representing the assumed portfolio weighting dedicated to crypto.
- **Allocation via ETFs**: Finally, we assume a significant proportion (70%) of this crypto allocation will be channeled through ETF vehicles.

The resulting projection is US$1.14T in crypto ETF AUM, presented in the table on the right, along with variations under different scenarios. It is important to note that these projections are inherently subject to market dynamics, regulatory developments, shifts in investor sentiment, and our various assumptions, and thus should be viewed as a potential framework for consideration rather than a definitive forecast.

For comparison, the current total global AUM of gold ETFs is US$553.8B (as of 19 Dec 2025). Taking the launch of the first US spot Bitcoin ETFs in early 2024 as a starting point, the collective global crypto ETF AUM surpassed US$100B within 2 years. This contrasts with gold ETFs, which took about 8 years to reach the same US$100B milestone, and 23 years to exceed US$300B. This striking difference has frequently been highlighted in news headlines. This could suggest a significantly accelerated growth potential for crypto ETFs relative to gold ETFs, although we acknowledge that direct comparisons are imperfect due to various factors.

Global Crypto ETF AUM Projection (US$)						
Projected total global asset management AUM					$181.40T	
Portion of global asset management AUM willing to invest in crypto (assume 30%)					$54.42T	
Allocation to crypto (assume 3%)					$1.63T	
Allocation to crypto via ETFs (assume 70%)					$1.14T	
Scenarios						
Portion of global asset mgmt AUM willing	20%		30%		40%	
Allocation to crypto	3%	5%	3%	5%	3%	5%
Crypto ETF AUM	$762B	$1.27T	$1.14T	$1.90T	$1.52T	$2.54T

Sources: Animoca Brands Research analysis, PwC

Read our previous report on crypto ETFs for more details, *Crypto ETFs: Global Landscape, Market Dynamics, & Outlook*.

Industry Voice: WisdomTree

Europe to retain lead on both speed and scope

Key Trends

In 2026, the U.S. digital asset ETF market is expected to start closing the gap with Europe, although Europe will remain structurally ahead. European investors already benefit from a deep and sophisticated exchange-traded product (ETP) toolkit that spans bitcoin, a broad range of altcoins, and diversified crypto baskets. This is not theoretical access. It is live, investable, and institutional in quality.

The U.S., by contrast, is still in early-access mode. Product exposure remains heavily skewed toward spot bitcoin, Ether, Solana, and XRP. While I expect the U.S. product universe to broaden over the next year, regulatory caution will continue to slow progress. Europe will retain its lead on both speed and scope.

The real differentiator is staking. In Europe, staking, both native and via liquid staking tokens, is already embedded in many crypto ETPs. This fundamentally changes the investment proposition, turning digital assets from pure price beta into yield-generating portfolio building blocks. In the US, staking within ETPs remains constrained, and any progress in 2026 is likely to be incremental rather than game changing.

Challenges

The biggest challenge facing digital asset ETPs is not access. It is investor understanding. Most investors start with bitcoin ETPs, and for good reason: bitcoin has history, liquidity, and a clear store-of-value narrative. But that comfort zone also creates concentration risk and keeps portfolios anchored to a single asset.

The next phase of growth will not be driven by bitcoin alone. It will come from smart-contract platforms and crypto infrastructure assets that underpin the next generation of financial systems. Today, many investors lack the framework to evaluate these assets individually, which slows adoption beyond bitcoin.

That changes in 2026. The most important shift will be away from single-asset products and toward education-led, portfolio-oriented solutions. I expect greater adoption of diversified crypto baskets that allow investors to participate without needing to pick individual winners.

Regional Markets

Digital asset ETP markets are evolving at very different speeds. The US may dominate headlines, but its product range remains relatively narrow. Europe, by contrast, offers far broader exposure and remains the global leader in choice, structure, and innovation.

Looking ahead, crypto basket products are likely to gain traction globally, especially in the US. Investors already access equities and fixed income through diversified baskets because they prefer not to pick individual stocks or time the markets. Crypto should be no different. As the asset class matures, investors will increasingly favour diversified, rules-based exposures that simplify portfolio construction and reduce idiosyncratic risk.

Continued on next page

Contributed by: Dovile Silenskyte, Director, Digital Assets Research, WisdomTree

Industry Voice: WisdomTree (cont.)

Expansion of access to be a key regulatory theme in 2026

Regulations

The most significant regulatory theme for 2026 is the expansion of access, particularly in traditionally conservative markets such as the UK. The Financial Conduct Authority's (FCA's) 2025 decision to allow UK retail investors access to Bitcoin and Ethereum ETPs listed on the London Stock Exchange was a meaningful step forward.

Bitcoin and Ethereum provide exposure to digital scarcity and smart-contract infrastructure, but they do not capture the full growth opportunity of the digital asset ecosystem. The next regulatory evolution and step forward could be broader permissible exposure, especially to diversified crypto baskets.

Restricting certain retail investors to just two assets denies them access to diversified, rules-based products that reduce single-asset risk and remove the need to identify individual winners. Providing access to crypto basket ETPs would align digital assets with how investors already access equities and fixed income and, critically, could lead to better investor outcomes.

Dovile Silenskyte
Director, Digital Assets Research
WisdomTree

Over 200 Digital Asset Treasury Companies (DATs)

They hold a combined US$180 billion worth of tokens

Token	No. DATs	Value held	Largest DAT
Bitcoin	150	$155.3B	Strategy
Ethereum	26	$180.7B	Bitmine Immersion
Solana	18	$2.5B	Forward Industries
Sui	4	$181.1M	Sui Group Holdings
Bittensor	3	$35.7M	TAO Synergies
Binance Coin	2	$584.7M	CEA Industries
Dogecoin	2	$112.4M	CleanCore Solutions
Hyperliquid	2	$76.2M	Hyperliquid Strategies
Litecoin	2	$79.7M	Lite Strategy
Ripple	2	$998.6M	Evernorth Holdings
TON	2	$384.7M	TON Strategy
Avalanche	1	$190.9M	AVAX One
Chainlink	1	$8.0M	Caliber

Token	No. DATs	Value held	Largest DAT
Coredao	1	$903.3K	DeFi Technologies
Cronos	1	$79.7M	Bitmine Immersion
Injective	1	$3.9M	Forward Industries
Near	1	$19.9M	Sui Group Holdings
Pumpfun	1	$679.8K	Fitell Corporation
Tether Gold	1	$140.5M	Aurelion
Tron	1	$194.3M	Tron Incorporated
World Liberty	1	$1.1B	ALT5 Sigma
Zcash	1	$90.5M	Cypherpunk
Zero Gravity	1	$998.6M	ZeroStack
Total	**225**	**$180.3B**	

As of 8 Dec 2025
Note: Non-exhaustive list

Sources: Coingecko, Animoca Brands Research analysis

Evolution of DAT strategies

Beyond mNAVs & financial engineering

2026 could be a period of reckoning and evolution. Many purely speculative or fragile DATs may struggle or consolidate, while those that successfully pivot to generate revenues, diversify their holdings, and demonstrate sound financial fundamentals could have higher chances of survival.

Market Correction and Model Fragility

The primary challenge for DATs in 2026 will be navigating the aftermath of the 4Q 2025 market turbulence and the bursting of what some observers have called a "bubble." Others have questioned whether the DAT model is broken. Strategy, the largest DAT, has declined 65.4% (as of 6 Jan 2026) from peak, and faces possible selling of its Bitcoin holdings if its mNAV goes below 1x. In our view, the situation therefore presents a critical real-time test for DATs, and could reveal which companies possess the necessary maneuverability and investor communication skills.

Revenue Generation Could Become a Focal Point

In 2026, there will likely be a diminished tolerance for firms driven by marketing, hype, and easy capital. We expect DATs to focus more on sustainable revenue generation, whether in tokens or fiat currency (e.g., via actual operating businesses). Success will belong to the entities that effectively combine traditional finance know-how with understanding of crypto-native practices, enabling them to create compelling messages for investors to effect capital raises and deployment. DATs unable to do so could become targets for acquisition.

> For DATs to be viable, scale is key to competitive advantage, which will inevitably lead to consolidation through M&A. Acquiring projects by buying out the tokens of DATs with low market value will be more cost-effective than buying tokens on the open market. On-chain actions (like staking) introduce risk. Therefore, tokens that offer basic functionality are safer than complex ones; doing less is often better.
>
> **Zhao Chen**
> **Fosun Young Partner, Fosun Group**
> **CEO, FinChain**
> **Executive Director of Digital Assets, Fosun Wealth**

> In 2026, not all tokens will have a DAT. The market will enter a consolidation phase, with large DATs acquiring smaller ones. Also, investor profiles will become more varied; besides investors with crypto knowledge, buyers of DAT stocks may include volatility-trading hedge funds from traditional finance, and other institutional funds leveraging similar strategies.
>
> **Joey Luo, Investment Manager, Summer Capital**

Evolution of DAT strategies (cont.)

Beyond mNAVs & financial engineering

Diversification

Investors also may demand a less concentrated approach. We expect DATs could look to diversify their balance sheets, not just within the digital asset class, but also by mixing tokens with traditional assets like cash or U.S. T-bills. In a way, this moves away from aggressive token accumulation purely for the sake of increasing token-per-share metrics, back to the original concept of the digital asset treasury, which is potential diversification and purchasing-power preservation benefits in the face of fiat-currency debasement risk.

Synergies with Operating Business

We think focus could also shift to DATs that can demonstrate a clear synergy between their crypto holdings and their core operating businesses. An example of this is the partnership between public company ANPA and Animoca Brands' Open Campus. As a provider of ESG reporting and compliance services, ANPA intends to work with Open Campus to establish an ecosystem of sustainable financing in emerging markets, channeling capital toward education, inclusion, and impact-driven initiatives:

- **Bridging TradFi and Web3:** ANPA is deploying up to US$50 million into EDU tokens. This is not merely a balance sheet play; the tokens serve as the functional gas for EDU Chain, a blockchain where ANPA intends to collaborate with Open Campus and Animoca Brands to build tokenization infrastructure for education.
- **Leveraging Existing Networks:** ANPA intends on utilizing its established network of over 190 publicly listed companies to accelerate the institutional adoption of EduFi.
- **Operational Integration:** The EDU tokens in the treasury are earmarked for staking and governance, allowing ANPA to participate directly in the security and direction of the EDU Chain ecosystem.

More Variety of ETFs Poses Increased Competition to DATs

With more than 150 ETF applications in the U.S. SEC pipeline and recently approved generic exchange listing standards, we expect a proliferation of digital asset ETFs in 2026, which could represent a headwind to DATs, as these vehicles potentially attract investors that are concerned with the risks specific to DATs. However, DATs still provide a unique, actively managed, and capital-raising mechanism for digital asset exposure compared to passive ETFs.

Industry Voice: Summer Capital

Packaging crypto with DATs to bridge the gap to mainstream capital

DATs vs. ETFs: The Active Management Edge

While ETFs provide passive exposure, Digital Asset Treasury Companies (DATs) can be a tool for active capital. DATs can allow for:

- **Volatility Strategies**: Some investors prioritize derivatives and volatility over pure cash-flow analysis.
- **Risk-adjusted Returns**: By combining underlying assets with options (e.g., calls/puts), DATs can be used to engineer returns that are attractive to volatility-trading hedge funds.
- **Operational Flexibility**: Listed companies operating as DATs can bypass certain regulatory hurdles (faced by ETFs) by engaging in activities like running network nodes.

Solana's Narrative Shift: The Execution Layer

To unlock traditional finance (TradFi) liquidity, an asset must fit into a recognizable mental model. While Bitcoin is "Digital Gold" and Ethereum is the "World Computer," Solana has claimed its stake as the "Execution Layer." For institutions, the "know-how" is now settled; the focus has shifted from questioning fundamentals to analyzing capital entry mechanisms.

We anticipate that once external buying demand through ETFs or DATs reaches 3-5% of circulating supply, a significant price inflection point will occur. Much like Bitcoin's trajectory, this typically requires a six-month gestation period post-launch for buying demand to accumulate. Key buyers are Family Offices making large-scale purchases, which can drive prices up when sell-side liquidity is low.

Packaging for the Mainstream

A key hurdle for 2026 is branding. To dispel "Mutual Fund discrimination," crypto projects must package themselves as traditional operational firms.

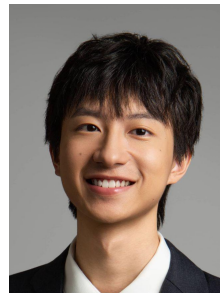
With macro and crypto-native liquidity improving, the DAT serves as a primary gateway for institutions that demand active management over passive tracking.

2026 Innovation: Beyond Speculation

The next phase of growth is defined by compliant revenue. TradFi is indifferent to specific use cases, provided that regulated, on-chain activities drive asset value. Key areas for 2026 include:

- **AI Agent Payments**: A massive gap left by Big Tech, where crypto provides the native rails for autonomous AI-to-AI transactions.
- **Tokenized RWAs**: Moving traditional stocks on-chain to enhance liquidity and transparency.
- **The Ethena Model**: Adopting architectures where assets remain off-chain while mapped counterparts operate on-chain, ensuring protocol resilience even during off-chain turbulence.
- **DeFi Lending**: The introduction of off-chain centralized institutions is inevitable (e.g., Morpho introducing Curators).
- **Transparency & Trust**: Need to establish real-time, transparent dashboards aggregating exchange, broker, and custodian balances.
- **Technical Implementation**: Using technologies like ZK-proofs to ensure real-time status and credibility of on-chain custody data while protecting privacy.

Joey Luo
Investment Manager
Summer Capital



animoca BRANDS RESEARCH

Stablecoins & Payment

Regulated stablecoins will become prevalent

	Jurisdictions	Act / Framework Name	Bill Passed in
Leading economies	USA	GENIUS Act	July 2025
	EU	MiCA	May 2023
	UK	Financial Services & Markets Act	2025
	Hong Kong, China	Stablecoin Ordinance	May 2025
	Japan	Payment Services Act	June 2022
Southeast Asia	Singapore	SCS Framework	Aug 2023
	Philippines	Updated VASP license	2025
	Indonesia	Regulation No. 49 of 2024	Jan 2025
	Thailand	Sandbox programs	2025
Middle East	UAE	PTSR	June 2024
	Bahrain	CAMS & SIO Module	July 2025
Central Asia	Kazakhstan	Law on Digital Assets	Feb 2023
	Kyrgyzstan	Law "On Virtual Assets"	Jan 2022
	Uzbekistan	NAPP Sandbox Decree	Nov 2025
Latam	Brazil	VASP framework	Nov 2025
	Argentina	VASP “comply-to-stay” rule	2025
	Mexico	Updated Fintech Law	2025
	El Salvador	Digital Assets Issuance Law	Jan 2023
Africa	Nigeria	Under VASP license	2025
	Kenya	VASP bill	Oct 2025
	Mauritius	VAITOS Act	2025
Offshore locations	Cayman Is.	VASP Act	May 2020
	Gibraltar	DLT Regulations	Jan 2018
	Seychelles	VASP Act	Aug 2024

- In 2025, most leading economies have already established or are in the process of passing stablecoin regulations.
- Developing economies maintain varying stances toward stablecoins, with several countries and jurisdictions leading the way in policy implementation.
- Offshore centers are entering the race, likely incentivized by the burgeoning opportunities in global trade and remittances.
- Overall, we expect a significant increase in the diversity of regulated stablecoins, both in terms of currency types and participating issuers.
- With formal regulatory status, stablecoins will gain broader acceptance within traditional payment systems and global financial institutions.
- We predict that the market share of non-USD stablecoins will grow from less than 1% to 5% by the end of 2025.

Source: Animoca Brands Research analysis

Stablecoin infrastructure is getting ready for payment service with some lag in on/off ramp

	Existing solution	New Developments
Issuance	• Original issuers: Circle, Tether	• Stablecoin as a service providers: Anchorage Digital, Ethena, Paxos, Anchorpoint, etc.
Trx & settlement	• General purpose chains: Ethereum, Solana, Conflux	• Stablecoin specific chains: Tempo, Arc, Plasma etc.
Orchestration & liquidity	• Exchanges	• Orchestrators: Bridge, PayPal etc.
Wallet & Custodian	• Self-custody wallet	• Embedded wallet: Privy, Cobo, Abstract etc. • Neobanks
Integration to point of purchase	• UCard	• Payment network: Visa / Master • Direct at POS: Stripe etc. • Direct through internet: x402
On/off ramp	• Crypto native on/off ramp services, P2P	• Regulated exchanges • Select banks

- **Mainstream Integration**: Services across the payment value chain are maturing rapidly, evolving stablecoin transactions from a DeFi-centric activity into a seamless consumer service that requires no underlying blockchain knowledge.
- **Payment Network Adoption**: The most immediate path to mass adoption lies with major payment networks (e.g., Visa and Mastercard), as they integrate stablecoins for both consumer payments and backend treasury settlement.
- **Infrastructure Bottlenecks**: While on- and off-ramps are expanding, they remain a primary friction point. Major banks remain in an observational phase, and the costs associated with current ramp solutions often offset the efficiency gains of using stablecoin rails for money transfers.

Source: Animoca Brands Research analysis

Cross border payment as the most obvious use case will be approached by both card network and remittance services

Card Networks
(Annual volume: US$1 trillion)

Visa: Institutionalizing On-Chain Settlement

- U.S. Banking Integration: Launched a major expansion enabling U.S. financial institutions (including Cross River and Lead Bank) to settle obligations using Circle's USDC on Solana, providing 24/7 liquidity without changing the consumer card experience.
- Circle Arc Design Partner: Serving as a lead design partner for Circle's purpose-built Layer 1 "stablechain," where Visa will operate a validator node to support sub-second finality and enterprise-grade privacy features.
- Infrastructure Pioneer: piloting cross border settlement since 2021.

Mastercard: Global Interoperability & B2B Rails

- EEMEA Expansion: Enabled direct USDC and EURC settlement for merchants and acquirers across Eastern Europe, the Middle East, and Africa through strategic partnerships with Circle and regional leaders like NEO PAY.
- Interbank Digital Assets: Integrated its Multi-Token Network (MTN) with J.P. Morgan's Kinexys (formerly JPM Coin), creating a unified API for seamless interbank movement of tokenized commercial bank money.

Remittance Services
(Annual volume: US$900 billion, reaching 200M people)

Money Transfer Operators (MTOs): Modernizing Remittance Rails

- Western Union: Launching its proprietary USDPT on Solana in early 2026.
- Yellow Card: Expanding its pan-African reach as a licensed "on/off-ramp" pioneer, enabling direct USD stable movement across 20+ African countries, with local currency support

Crypto Exchanges: Capturing Local Market Share

- Bitso (LatAm): cementing its position as Latam's primary bridge between stablecoins and local currencies
- Coins.ph (Philippines): launched PHPC, the first Philippine Peso-pegged stablecoin to go nationwide rollout in 2026

Regulated Status: Solving the "Last Mile" Problem

- Regulatory Clarity: Major jurisdictions have established formal frameworks which are already in force or will be further developed in 2026. These rules provide the legal certainty needed for banks & institutes to process stablecoin on/off ramp

> Regulated stablecoins will play the role of addressing the last-mile problem for cross-border transfers.
>
> **Zhang Yuanying, Co-Founder & COO, Conflux Chain**

Source: Animoca Brands Research analysis

The rise of stablecoin as a service model lead to a boom of private domain stablecoins

Select stablecoins issued by project or companies

Name of Stablecoin	Company or Protocol	Issuer of the Stablecoin	Launch Date
USDH	Hyperliquid	Native Markets - Bridge	Sept 2025
mUSD	MetaMask	Bridge	Sept 2025
Klarna USD	Klarna Bank AB	Bridge	Nov 2025
JupUSD	Jupiter (Solana)	Ethena Labs	Dec 2025
USDGO	OSL	Anchorage Digital	Upcoming Q1 2026
USDPT	Western Union	Anchorage Digital	Upcoming H1 2026

- **The Rise of "Stablecoin-as-a-Service":** Leading tokenization platforms, custodians, and orchestration providers are modularizing the issuance process. By offering "white-label" stablecoin solutions, they enable any company or protocol to launch a fully compliant digital asset without building the underlying infrastructure from scratch.
- **Monetizing the "Float":** Platforms with high-volume on-chain traffic, primarily exchanges and non-custodial wallets, are increasingly launching proprietary stablecoins. This strategy allows them to capture the "time value of money" by earning yield on the assets held in reserve while users transact within their ecosystems.
- **Expansion into Private-Domain Issuance:** Retail giants and major e-commerce players are actively exploring "private-domain" stablecoins as loyalty and payment tools. If early pilots succeed, these corporate-issued assets could become the primary driver of new stablecoin volume by late 2026.

Source: Animoca Brands Research analysis

The increasing adoption of stablecoin will drive the growth of crypto enabled bank or bank-like on-chain service

		Crypto Native Service	NeoBank
Example brands		• MetaMask • Coinbase / The Base App • EtherFi	• Revolut • Nubank
Payment	• On-chain payment • Off-chain payment	• Stablecoin transfer • Crypto backed card	• Stablecoin transfer • Credit card w/ stablecoin
Saving	• Deposits • Managed fund • On-chain yield	• Tokenized MMF • Tokenized RWA • Link to DeFi earn / staking	• Saving account • Fund distribution • n/a
Borrow	• Credit lending • Collateral lending	• On-chain lending w/ off-chain enforcement • DeFi lending	• Direct issue credit line • DIrect issue credit line
Trade	• Traditional asset • Crypto native asset • Foreign exchange	• Decentral exchange (RWA) • Decentral exchange • Stablecoin swap	• API to regular brokers • API to crypto brokers • Fiat swap

As stablecoins reach a broader customer base, the demand for on-chain banking services is set to rise. Depending on the regulatory environment, this demand will likely be met either by crypto-native DeFi protocols or by digital banks that are rapidly integrating crypto into their payment and wealth management suites.

Source: Animoca Brands Research analysis

Industry Voice: Ethena Labs

The Shift to Productive Stablecoin Ecosystems

The Shift Toward Productive Collateral and Trading Efficiency

The Shift Toward Productive Collateral and Trading Efficiency The stablecoin landscape in 2026 will be defined by a transition from static assets to "rewarding" collateral. As demonstrated by the growth of Ethena, users are increasingly rejecting the high opportunity cost of holding idle assets on exchanges like Binance and Bybit. In an environment where funding rates and trading fees eat into margins, productive collateral serves as a critical offset, fundamentally improving trading economics for the average user. This shift isn't just a luxury; it is becoming a standard requirement for traders looking to optimize capital efficiency and maintain a competitive edge in the digital asset markets.

Neobanking as the Catalyst for Mainstream Stablecoin Adoption

While exchanges drive institutional and professional volume, the neobanking sector is poised to be the primary engine for mass retail adoption in 2026. The strategic integration of stablecoins into these apps offers the most direct path to reaching millions of global users by simplifying the core financial functions of sending, spending, and saving. The competitive advantage here lies in the stark disparity between traditional banking yields and the rates offered by stablecoin issuers. With most neobanking apps currently providing savings yields that lag significantly behind Treasury Bills, there is a massive window for stablecoin-native products to capture market share. By embedding attractive, high-yield stablecoin products directly into user-friendly banking interfaces, issuers can move beyond the crypto-native bubble and offer a tangible value proposition to the general public. This allows users to enjoy the efficiency of blockchain-based settlement without needing to navigate the complexities of decentralized finance, effectively positioning stablecoins as a superior alternative to traditional fiat savings accounts.

Solving Capital Inefficiency to Challenge Market Dominance

The most significant hurdle currently facing the sector is the staggering amount of capital inefficiency—specifically the billions of dollars in stablecoin collateral that sit idle on platforms earning zero returns. In 2026, the industry's focus will move toward "rewarding margin" as a solution to this problem. We are already seeing successful proofs of concept, such as the rise of USDe on Bybit and the strategic launch of HyENA on Hyperliquid. These developments target the massive pools of unproductive USDC and USDT currently serving as margin, offering a way to redefine capital efficiency on-chain.

As users increasingly migrate toward platforms that allow them to earn while they trade, the long-standing dominance of USDT as the primary trading pair will face its first legitimate challenge. Differentiation through yield and rewards will allow emerging players to flip established balances, as evidenced by the recent shift in USDC and USDe holdings on major platforms. By transforming "dead" collateral into active, rewarding assets, the industry will finally address its inefficiency problem and establish a more competitive, yield-driven market structure.

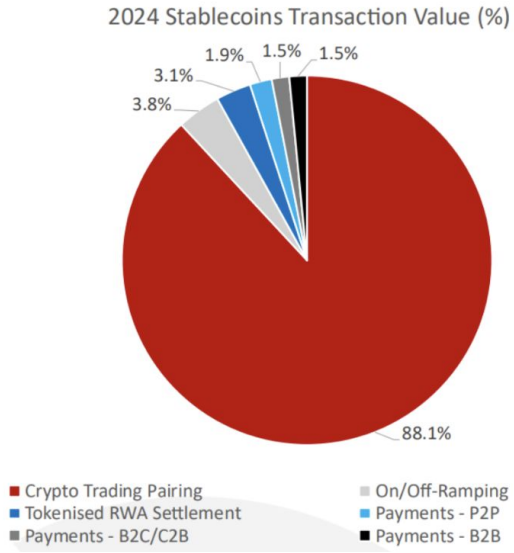
Conor Ryder
Head of Research
Ethena Labs

Industry Voice: Falcon Finance

Distribution over issuance

Data shows that stablecoin adoption is rapidly growing among enterprises and financial institutions, with many planning to integrate stablecoins into payments and treasury functions — potentially driving 5-10% of cross-border payments by 2030. Broader regional data also indicates adoption is particularly strong in Latin America and Sub-Saharan Africa, aligning with the thesis that stablecoins address real economic needs in markets with inflation and limited traditional banking access.

Within crypto markets, stablecoins dominate trading pairs across CEXs and DEXs, confirming their position as the base settlement and collateral layer even during periods of muted market sentiment. Finally, the growth of yield-bearing and RWA-backed stablecoins, alongside enterprise surveys highlighting payments and treasury as top use cases, supports the view that the next adoption wave will be institutional, utility-driven, and payments-led rather than speculative.



Source: unpacking the future of digital currency

"Stablecoins are moving into a new phase. What started as a trading and settlement tool inside crypto markets is becoming part of global financial infrastructure. The data already shows this shift — stablecoins now move value at a scale comparable to traditional payment networks, and adoption continues even when market sentiment cools. That tells you this is no longer speculative demand. It's functional demand. As regulation becomes clearer and institutions get more comfortable, stablecoins will increasingly be used for payments, treasury management, and cross-border settlement. In many ways, they're becoming the connective tissue between crypto markets and traditional finance."

– Andrei Grachev, Managing Partner, DWF Labs

"The next stage of stablecoin growth will be driven by real assets and real balance sheets. As more assets move onchain — from Treasuries and sovereign bills to commodities and structured products — stablecoins become the natural settlement and collateral layer that ties everything together. We're already seeing demand shift toward stablecoins backed by diversified, transparent collateral, and toward models that generate sustainable yield rather than relying on incentives. This isn't about financial engineering for its own sake. It's about building systems that institutions can use confidently, where assets retain their exposure while becoming productive within an onchain framework."

– Artem Tolkachev, Chief RWA Officer, Falcon Finance

Continued on next page

Contributed by: Andrei Grachev, Managing Partner, DWF Labs, & Founding Partner, Falcon Finance

Industry Voice: Falcon Finance (cont.)

Distribution over issuance

The Path to Scale: Solving for Trust, Stability, and User Experience

The biggest challenge in stablecoin sector is trust. Users want to know reserves are real, liquid, and redeemable. The second is fragmentation across regulation, liquidity, and infrastructure. The third is financial-stability risk at scale. A large depeg can cascade across exchanges and DeFi. As the term "stablecoin" now spans very different product designs, risk is increasingly specific to each structure rather than shared across the category. The fourth is compliance and illicit finance. Regulators will keep pressure on AML, sanctions, and controls. The fifth is interop and UX. Bridging risk and confusing flows slow retail adoption.

2026 helps on multiple fronts. We'll see stronger reserve disclosure standards. More frequent attestations. Clearer redemption rules. We'll also see clearer issuer licensing in major markets. That reduces uncertainty for institutions. On the tech side, cheaper L2 execution and better cross-chain messaging should reduce fees and improve usability. Expect more "regulated distribution + composable DeFi" hybrid models.

The winners in 2026 won't be defined by issuance alone, but by how effectively a stablecoin functions as liquidity. We could see the winners emerging across four distinct categories.

- Regulated payment stablecoins. They win in payments, merchant acceptance, and institutional settlement. Their edge is compliance, banking rails, and trust.
- Liquidity kings. The biggest trading-pair stablecoins win because liquidity is a network effect. Exchanges, OTC, and market makers default to what is deepest. Depth matters, but utility matters more - liquidity that can't be reused as collateral eventually stalls.
- Yield-bearing and RWA-integrated stablecoins. They win with treasuries, funds, and sophisticated users who want stable exposure plus cash flow. Their edge is turning stablecoins into productive collateral through transparent, regulated yield sources.
- Infrastructure and distribution. Wallets, payment processors, and L2 ecosystems win because they control user access and UX. Their edge is distribution and integration, not issuance.

The key competitive advantages in 2026 will be: trusted reserves, clean compliance posture, deep liquidity, strong integrations, and clear positioning. In practice, the strongest advantage will be distribution into real liquidity and financing flows, not the token itself.

Andrei Grachev
Managing Partner, DWF Labs
Founding Partner, Falcon Finance

Industry Voice: Tempo

The "Year 0" of stablecoin infrastructure

The "Year 0" of Stablecoin Infrastructure

The current moment as "Year 0" for stablecoins, marking a pivotal transition from speculative trading to genuine utility. The primary driver of this shift is not consumer-facing "pay with crypto" apps—which have largely struggled to gain traction—but rather the integration of stablecoins into backend financial infrastructure. We are moving toward a world where stablecoins function as the invisible rails for settlement, particularly for card networks. Visa's recent move to allow seven-day settlement via stablecoins is a game-changer; it transforms stablecoin-linked cards from niche products into superior banking tools that offer better unit economics and liquidity management than traditional fiat cards, which are constrained by banking holidays and slow settlement windows.

There is a major structural opportunity exists as the "gap" between global banking giants (G-SIBs) and modern crypto infrastructure. While major banks like JPMorgan or Citi treat foreign exchange as a low-margin, high-volume utility, they are hesitant to directly touch stablecoin rails due to compliance risks. This has opened the door for mid-sized banks and fintechs to build a parallel correspondent banking network. These challengers are using stablecoins to move value faster and cheaper than SWIFT. Over the next 2–3 years, this gap will likely force a convergence: either the incumbents will acquire these agile capabilities, or the new entrants will build a network large enough to challenge the traditional banking hierarchy.

Privacy and Interoperability are Current Blockers

For institutional adoption to reach its full potential, the industry must solve two remaining technical hurdles: privacy and interoperability. In the high-value world of trade finance (B2B), privacy is non-negotiable; merchants will not use public ledgers if it means exposing their supply chain data to competitors. While solutions like Zero-Knowledge Proofs exist, the industry has yet to coalesce around a standard implementation. Furthermore, the fragmentation of liquidity across different chains remains a friction point. The "winner" of the next cycle will likely be the infrastructure that successfully abstracts these complexities, allowing different banking ledgers and blockchains to interoperate seamlessly without the end-user ever knowing they are using crypto rails.

Regional Dynamics

The global regulatory landscape is fragmenting, creating distinct winners and losers. The United States remains the default standard; the dominance of the dollar makes it the "solved" market for stablecoins. In contrast, Europe faces structural headwinds. The Euro lacks a unified "safe asset" equivalent to US Treasuries for backing stablecoins, and MiCA regulations requiring heavy bank deposit backing reduce potential yields, making Euro stablecoins less attractive. Meanwhile, the UAE is rapidly positioning itself as a neutral trade hub—the "Singapore of the Middle East." By aggressively pursuing tokenized trade finance and addressing data sovereignty, the UAE is attracting talent and capital that might otherwise have gone to slower-moving jurisdictions like Hong Kong, which is perceived as lagging in regulatory clarity relative to the speed of innovation.

Simon Taylor
Head of Market Development
Tempo

Industry Voice: Conflux

From global Layer 1 to regional compliant bridge

The Unassailable Moat of USDT & The Regional Breakout

The current stablecoin landscape is defined by a brutal truth: Liquidity is the only moat. USDT's 99% market dominance is not built on superior technology or compliance, but on its entrenched status as the universal unit of account and settlement across CEXs and OTC networks. New stablecoins (even compliant ones like USDC) face a cold start problem that cannot be solved without massive subsidies. Therefore, the only viable path for challengers is not to compete head-on for crypto-native speculation, but to serve geopolitical and trade needs. The opportunity for non-USD stablecoins (CNH/HKD) lies in cross-border trade settlement for regions seeking de-dollarization (e.g., South America, Middle East), rather than trying to displace USDT in DeFi.

RWA Pragmatism: Liquidity Precedes Novelty

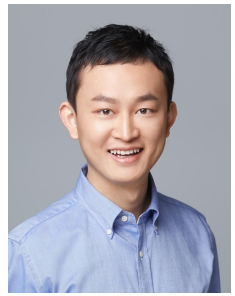
For RWAs to scale in 2026, the industry must pivot from novelty to liquidity. Attempting to tokenize non-standard, illiquid assets (like Green Energy projects or Real Estate) is currently an unscalable trial due to the lack of secondary market depth. The successful adoption path for RWAs must begin with high-liquidity, standardized assets (e.g., U.S. Treasuries, tokenized stocks). Only after on-chain capital pools mature can the market sustain the long duration and low liquidity of non-standard assets.

Strategic Pivot: The "China-Hong Kong Bridge"

Conflux has explicitly pivoted from competing as a generic global Layer 1 blockchain to embracing a specialized role as the "compliant infrastructure for Greater China and the Global South." Instead of competing with Ethereum for existing crypto-native users, Conflux focuses on attracting net-new capital from the traditional financial world via Hong Kong to regions along the Belt and Road.

By serving as the settlement layer for CNH (Offshore Yuan) and HKD stablecoins, Conflux aims to capture the "last mile" of fiat-to-crypto bridging, positioning itself not as a casino for speculation, but as the essential rail for regional TradFi migration.

Zhang Yuanjie
Co-Founder & COO
Conflux



Industry Voice: Citi Research

On-chain finance from policy to production

2026 as the "Production Year"

Much like AI in 2023, blockchain has moved from technology divisions to executive committees. While 2025 was defined by policy discussions (especially in the US), 2026 will be characterized by commercial launches, joint ventures, and on-chain banking rails going live. Institutional interest is now decoupled from token prices. Even if markets are bearish, the infrastructure build-out (payments, settlement) continues.

In 2026, the competitive landscape is shifting toward a middle-ground player that occupies the space between legacy global banks and purely crypto-native exchanges. This agile licensee model, championed by digital-first banks like Revolut, WIO, and NuBank, leverages the trust of a formal banking license and superior UI/UX while white-labeling crypto infrastructure from specialized providers like Fuze or Aquanow. By offering a regulated, "one-tap" experience, these neobanks possess a significant distribution advantage, successfully onboarding diverse demographics, including older, non-crypto-native users, into the digital asset ecosystem.

Stablecoins: The Leading Edge

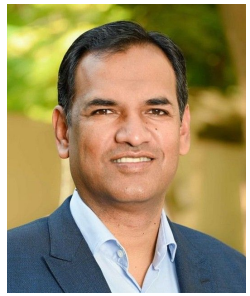
In 2026, stablecoins have emerged as the primary driver of institutional blockchain adoption, surpassing Real-World Asset (RWA) tokenization in immediate significance. This growth is fueled by three core pillars: the persistent high-volume requirements of the crypto-native ecosystem, the increasing digital dollarization in volatile economies like Turkey and Nigeria where physical USD is scarce, and the rise of 24/7 commerce in sectors like gaming and e-commerce. While traditional banking rails at institutions like Citi continue to handle the bulk of global high-value transfers with high efficiency, stablecoins are increasingly augmenting these existing systems by solving for long-tail inefficiencies, particularly in cross-border remittances and instant settlement for emerging markets.

Regional Hubs & US Policy

In 2026, a geographic divergence in institutional adoption has emerged. For example, the UAE as a production-first hub and the United States serving as a policy-first market. In the UAE, Abu Dhabi and Dubai have successfully transitioned from sandbox environments to full commercial scale, highlighted by the Q4 2025 launch of the Zand AED (the nation's first regulated dirham-backed stablecoin) and the Central Bank's retail Digital Dirham CBDC. This proactive regulatory infrastructure contrasts with the U.S. landscape, where the landmark GENIUS Act, signed into law in July 2025, has become the primary catalyst for 2026.

While the Act formally legitimizes USD stablecoins by exempting them from securities laws, the current year is defined by policy dates—such as early 2026 SEC guidance and FDIC prudential standards—which act as the necessary green lights for major American financial institutions to finally move their digital asset initiatives into live production.

Ronit Ghose
Head, Future of Finance
Citi Research



Industry Voice: SNZ Holding

The “Switch” thesis: Institutions don’t onboard users — they monetize them

Institutional Adoption: The "Switch" Thesis

The path to mass adoption lies not in building new Web3 apps, but in activating existing distribution channels. Fintechs and Neobanks already command millions of users. Institutions don't need to acquire users from scratch; they simply need to flip a "Switch" within their existing apps once regulatory clarity arrives. This shift is driven by a pure profit motive—capturing spreads and fees via RWA and tokenization. In 2026, adoption will be defined by this low-friction, profit-driven integration into Web2 use cases.

Stablecoin Endgame: Local Rails as "Firewalls," USD as the Reservoir

Despite the proliferation of local compliant stablecoins (e.g., HKD/EUR stablecoins), there is the "Firewall Theory": Local stablecoins function primarily as regulatory isolation layers or on/off-ramps. In emerging markets, the core user demand is an inflation hedge. Capital may enter via local stablecoins but will inevitably convert to and settle in USD stablecoins. The 2026 payment landscape will be dominated by "Web2 Super Apps + USD Stablecoins," rather than a fragmented ecosystem of local fiat tokens.

Layer 1 Bifurcation

The Layer 1 landscape is undergoing a functional bifurcation: Solana is cementing its dominance in Payments and Retail (high frequency/low cost), while Ethereum remains the undisputed choice for institutional asset allocation due to security guarantees.

The Precondition for Institutional DeFi: Compliant Privacy Pools

Beyond regulation, the lack of institutional DeFi adoption stems from hyper-transparency and compliance risk. Institutions cannot expose trading strategies on transparent ledgers (front-running risk) nor interact with tainted capital (AML risk). The catalyst for 2026 is permissioned DeFi and compliant privacy pools (echoing Vitalik Buterin’s concepts). Institutions will selectively adopt DeFi only where privacy, compliance, and reporting are natively enforced.

The Void in On-Chain Asset Management Tooling

Current infrastructure is over-indexed on trading, but severely lacks professional portfolio management tooling. The market needs institutional-grade on-chain systems for risk control, position management, and performance attribution—tools standard in TradFi but absent in DeFi. This infrastructure is essential for on-chain asset management to graduate from hobbyist experiments to professional operations.

Larry Ma
CSO
SNZ Holding

Industry Voice: Cobo

Utility over speculation – The rise of "Back-End" crypto

The B2B Pivot

The primary driver of market expansion has fundamentally shifted from retail speculation to B2B utility. Growth is no longer being fueled by native crypto projects trying to acquire individual users, but by traditional financial institutions and payment providers integrating blockchain infrastructure to optimize their own operations. Consequently, the most robust growth sectors are payments and tokenization, where the technology acts as an invisible efficiency layer rather than a consumer-facing product.

"Defensive Adoption" in Emerging Markets

Adoption among payment companies, particularly in Latin America and Africa, is driven by survival rather than innovation theater. Fintechs are compelled to integrate stablecoin rails simply because their competitors have already done so. The cost advantage of blockchain settlement is so significant that failing to adopt it results in being priced out of the market. Thus, usage is growing not because companies want to be "Web3," but because they need to remain solvent and competitive.

Settlement as the "Killer App" for RWA

The core value proposition of real world assets (RWA) is often misunderstood as a retail investment product; in reality, its true power lies in institutional settlement. Institutions are utilizing tokenized assets and stablecoins to bypass legacy banking rails (like SWIFT), drastically reducing the friction and cost of cross-border settlements. In this context, RWA serves as a tool for liquidity management and inter-bank clearing, offering immediate tangible ROI through cost savings rather than speculative yield.

Future Frontier: Agentic Wallets & Machine Economies

The next major leap in infrastructure lies at the intersection of AI and crypto, particularly in agentic wallets. The industry is moving toward an agentic transaction network, where the dominant interaction model shifts from human-to-human to agent-to-agent. In this model, AI agents hold their own wallets and execute autonomous micropayments and asset management under human-level oversight. This emerging “machine economy” represents a blue-ocean opportunity for infrastructure providers capable of securing non-human financial autonomy.

Lily King
Chief Operating Officer
Cobo

animoca BRANDS RESEARCH

Centralized Exchanges

The shift toward regulatory clarity is prompting centralized exchanges to localize their presence

Exchange	EU	US (MSB, MTL, BitLicense)	Middle East (UAE / GCC)	Asia	Offshore centers
OKX	MiCA CASP	FinCEN MSB + multiple state MTLs, but no BitLicense	VASP (VARA)	Partial Asia licensing initiatives(e.g., Singapore)	Seychelles
Binance	Select EU local VASP registrations	Select state licenses, but no BitLicense (Binance.US only)	ADGM(FSRA), VARA, CBB	Partial Asia licensing initiatives (e.g., Japan, Thailand)	/
Bitget	Select EU local VASP registrations	/	/	/	Seychelles
Gate	MiCA CASP	FinCEN MSB + multiple state MTLs, but no BitLicense	VASP (VARA)	Partial Asia licensing initiatives (e.g., Japan)	/
Bybit	MiCA CASP	/	VAPO(SCA)	/	Seychelles
HashKey	/	/	VASP (VARA)	Partial Asia licensing initiatives (HK, Singapore, Japan)	Bermuda
OSL	/	/	/	Partial Asia licensing initiatives (e.g., HK, Japan, Indonesia)	Bermuda

Regulations are getting clear, particularly in EU and Middle East

- European Union: MiCA provides a harmonized license with passporting, allowing exchanges licensed in one member state to operate across the entire EU.
- Middle East: ADGM offers an internationally recognized regulatory authorization, serving as a strong onshore regulatory foundation for global operations.
- Asia: Many jurisdictions remain cautious. Singapore and Hong Kong both have licensing regimes, but with relatively strict and conservative requirements.
- US: Regulation is fragmented. Exchanges must register federally as a FinCEN MSB, obtain state-by-state MTLs, and face ongoing uncertainty around SEC oversight of listed tokens.

Cross-Border Regulatory Coordination is on the Rise

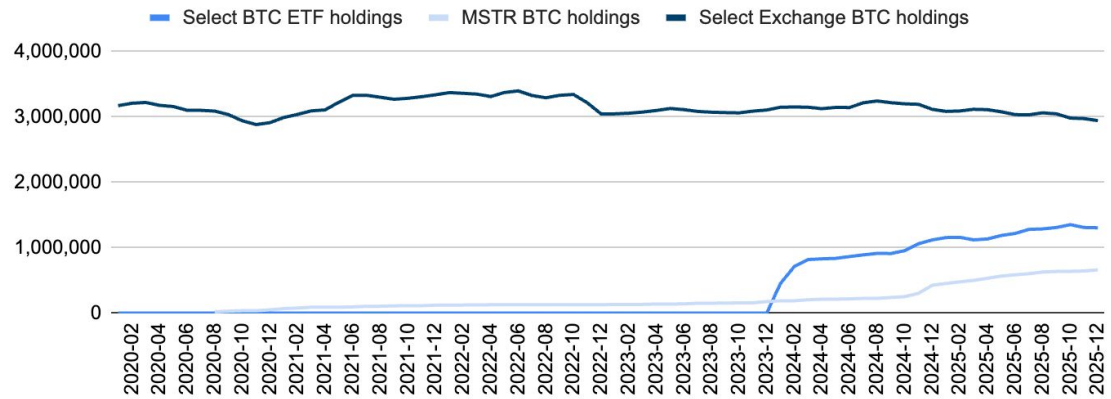
- 2026 Regulatory Outlook: Expect increased cross-border coordination anchored in the OECD's Crypto-Asset Reporting Framework (CARF).
- EU Implementation: The DAC8 directive takes effect on Jan 1, 2026, requiring crypto-asset service providers to begin mandatory data collection.
- Global Momentum: Dozens of jurisdictions have committed to CARF, with full cross-border data exchanges targeted for 2027.
- Growth Drivers: Industry demand for predictable compliance and rising capital flows are accelerating the push for global regulatory interoperability.

Sources: Company interviews, Animoca Brands Research analysis

Exchanges are facing competition from traditional institutions and online brokers

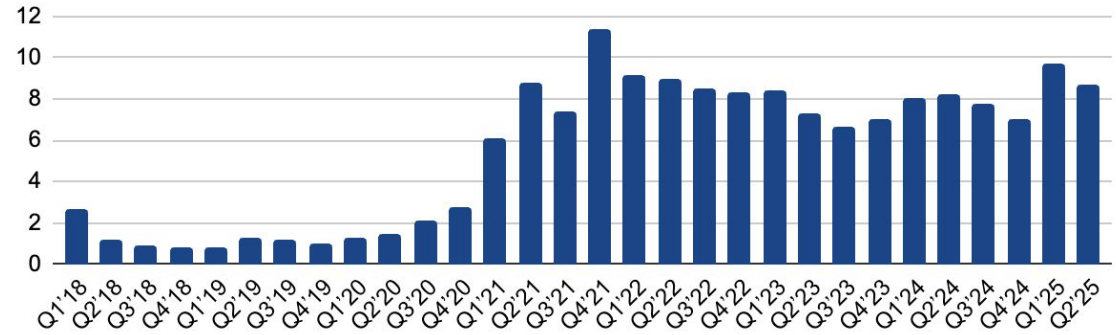
Avg. BTC holdings at select Exchanges, ETFs and MSTR by month[1]

Unit: # of token



Coinbase monthly transacting Users[2]

Unit: # of users (in Million)



ETF, DAT, and Traditional Online Brokers Competition are Creating Urgency for Exchanges to Go Onshore

- **ETFs and DATs** provide compliant access to crypto-native assets and are compatible with institutions' existing operational infrastructure. They simplify custody, reporting, and risk management, allowing for seamless integration into traditional portfolios. As a result, these products have been attracting significant institutional liquidity.

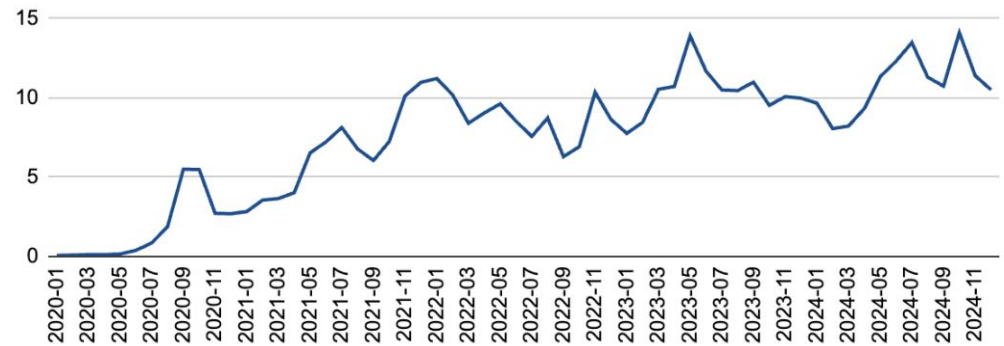
- **TradiFi online brokers** have also started to offer products on crypto rails, with platforms like Robinhood launching dedicated crypto sections and tokenized stocks/ETFs. Having started in the EU, Robinhood is now applying for a license in Dubai's DIFC/DFSA to expand into the UAE and MENA region. While brokers benefit from regulatory compliance and brand trust, crypto exchanges compete on asset variety and liquidity—a dynamic reflecting the convergence of traditional and crypto-native platforms.

Sources: 1 Sosovalue, Glassnode (as of 22 Dec., 2025); 2 The Block

In addition to going on-shore, exchanges are also expanding on-chain and adding tokenized real world assets

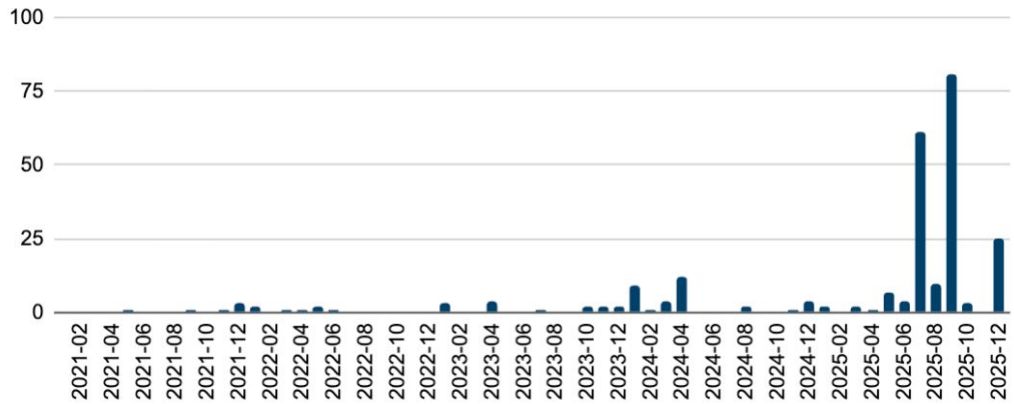
DEX volume as % of CEX volume (Spot)[1]

Unit: %



Newly listed non-crypto native asset at select CEX[2]

Unit: # of of non-crypto native asset (i.e., tokenized assets)



Retaining Offshore Users with Integration to DEX

Crypto-native users, the group that exchanges have relied on over the years, may not be willing to follow the regulatory requirements that come with exchanges' on-shore moves. To prevent losing these users, centralized exchanges are adding more on-chain trading features, such as boosting DEX trading within exchanges' self-custody wallets and incubating their own or closely affiliated perpetual DEXs to rival new on-chain competitors such as Hyperliquid.

Attracting TradiFi Users with RWAs

Tokenized RWAs allow exchanges to rapidly expand their offerings from crypto-native assets to a wide range of asset classes familiar to TradFi users. As traditional investors and institutions seek deeper liquidity and round-the-clock market access, CEXs have a strong incentive to continuously onboard RWA assets to drive new user adoption.

> As DEXes continue to improve in user experience and expand their services, we can expect more users to adopt permissionless and self-custodial trading.
>
> **Richard Teng, Co-CEO, Binance**

Sources: 1 The Block (as of 4 Dec., 2025); 2 Animoca Brands Research analysis, Coingecko (as of 27 Dec., 2025);

Crypto native token listing model will take another iteration

ICO 2.0

ICO and Launchpad models allow users to subscribe at a fixed valuation, with oversubscription amounts refunded. This enables teams to sell tokens directly to retail investors before listing.

Due to regulatory risks around securities and investment products, most exchanges have been avoiding Launchpads and ICOs for years. Instead, they shifted to a Launchpool model, where tokens are distributed as promotional rewards instead of fundraising.

Recently, compliance-oriented platforms like Buidlpad have led a resurgence in the ICO model, where consistent oversubscription signals robust user interest. A key milestone was Coinbase's recent hosting of the Monad token sale, which concluded smoothly and without regulatory friction. This serves as a strong positive signal for the ICO model, suggesting that exchanges may soon revisit compliant token sales and refine their Launchpad models to align with current regulations.

Select Platforms	Recent Projects	Subscription
Coinbase	Monad	144% (269 million raised)
Buidlpad	Momentum	1805% (81 million raised)
Buidlpad	Falcon	2820% (112 million raised)
Buidlpad	Sahara AI	876% (74 million raised)

IPO-Like Distribution Models

Exchanges frequently use promotional tokens at listing to provide retail users with immediate access. While this strategy boosts early engagement, it often fuels significant selling pressure for new tokens. For example, Binance Alpha listings have relied on future airdrops as teasers to incentivize participation in new token trades.

A new iteration of exchange listings may introduce lock-ups, phased allocations, or slower listing schedules, moving toward an IPO-style model that balances initial demand with long-term market stability.

> The Alpha listing model drives early engagement, but I expect projects will benefit from a version that better balances short-term hype with long-term value.
>
> **Yat Siu, Co-Founder & Executive Chairman, Animoca Brands**

Sources: Buidlpad and Coinbase announcements, Animoca Brands Research analysis

Industry Voice: Binance

Exchanges will evolve into hybrid super-hubs bridging CeFi and DeFi to drive real-world utility

The Future of Exchanges: Bridging CeFi, DeFi, and Tokenized Assets

We see other CEXs expanding their product range, while new entrants from traditional finance like BlackRock, Fidelity, and Morgan Stanley are increasing their crypto offerings. These firms are responding to growing client demand and the increasing role of crypto in portfolio diversification and innovation.

At the same time, DEXs are also making a resurgence, with spot ratios doubling and futures volumes quadrupling, led by perpetual platforms. In October alone, perpetual DEX trading volume reached US$1.3 trillion, driven by intense competition among platforms and heightened market volatility. As DEXs continue to improve in user experience and expand their services, we can expect more users to adopt permissionless and self-custodial trading.

The future of exchanges is likely to be more integrated, seamless, and user-centric. It will combine the best of both centralized and decentralized models. Not all financial products will move fully on-chain, as some will continue to operate within traditional systems due to regulatory, operational, or liquidity considerations. Over time, however, we can expect even more assets to be tokenized.

Exchanges will serve as the central hubs where these innovations come together. These platforms will play a crucial role as bridges between CeFi and DeFi, fiat and crypto, Web2 and Web3 — and that's exactly what Binance sets out to do.

For more information, please reference the QA List

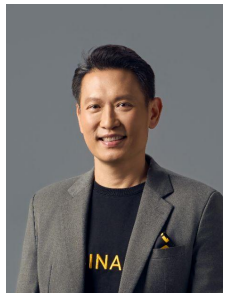
The Evolution of the Retail User

Many newcomers are not traders but seek real-world use cases. Platforms that deliver everyday value with smooth, reliable, and intuitive experiences will succeed.

The Wave of M&A is Happening

Crypto M&A value jumped from US$1.3 billion in 2024 to US$17.7 billion in 2025, with deals doubling in the first three quarters.Binance continues to explore strategic opportunities that strengthen the ecosystem and bring additional value to our users. The goal is to provide secure, compliant infrastructure for retail and institutional users as Web2 and Web3 converge.

Richard Teng
Co-CEO
Binance



Industry Voice: Bybit

The "Super-App" Convergence & the CEX as a Gateway

The "Super-App" Convergence

The market is witnessing a decisive convergence of exchanges, fintechs, and brokers. The 2026 user has "no patience for 10 apps." Successful platforms must evolve from simple trading venues into full-spectrum financial ecosystems that merge trading, investing, and payments under one roof. The goal is not just user acquisition but creating a daily financial experience where a user can trade assets, earn yields, and buy coffee within a single, frictionless interface. This "Super-App" model is the bare minimum for serious players to retain mass-market users (e.g., Bybit's 80M user base).

The "Regulated Front Door" to DeFi

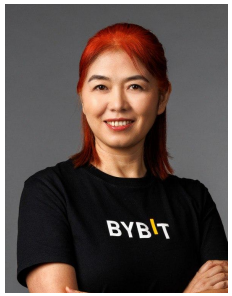
For institutions, the walls between CEX and On-Chain DeFi are crumbling. The winning strategy for 2026 is using the CEX as a "Regulated Front Door" that routes institutional capital into audited on-chain strategies and RWA products. By partnering with Layer 2s (like Mantle) and integrating on-chain vaults directly into the exchange interface, platforms can offer institutions the best of both worlds: the risk management of a regulated custodian and the yield opportunities of the decentralized web.

For more information, please reference the QA List

Quantum Resilience & ICO 2.0

- **Quantum Resilience:** Beyond AI and RWA, security will re-emerge as a dominant narrative. The rise of quantum computing poses existential questions for encryption, turning quantum resilience into a critical call to action and a new investment frontier for the industry.
- **ICO 2.0:** Coinbase's initiative signals a revolution, not a comeback. The new era of capital formation (ICO 2.0) will be structured, compliant, and efficient, serving as a legitimate institutional launchpad rather than a chaotic retail experiment.

Helen Liu
Co-CEO
Bybit



Industry Voice: Gate

All-in-one CEXs will shape crypto adoption, powered by Intelligent Web3

CEXs Become the All-in-One Gateway Portal to Crypto Mass Adoption

Centralized exchanges are evolving beyond trading venues into true all-in-one crypto portals for the mass market. Core functions such as self-custodial and hosted wallets, credit cards, fiat on- and off-ramps, TradFi products, and native Web3 on-chain access are increasingly unified under a single, trusted interface. By abstracting away technical complexity, CEXs make it easier for users to move between payments, investing, and on-chain applications seamlessly. The key challenge is maintaining user trust and transparency while balancing convenience with decentralization, as CEXs become the primary gateway into the broader crypto economy.

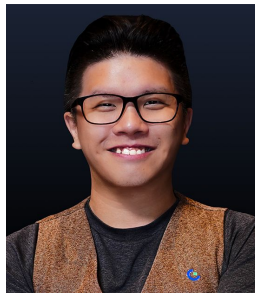
Intelligent Web3: Where AI Powers the Next Web3 Growth Cycle

The next major wave of Web3 growth will be driven by AI-native architectures. Intelligent Web3 will shift the interaction model from manual transactions to intent-based systems, where AI agents can reason, decide, and interact with smart contracts on behalf of users. This unlocks new application categories across trading, payments, gaming, and governance, but also introduces challenges around trust, verifiability, and alignment. Designing agentic systems that are transparent, auditable, and economically aligned will be critical for sustainable adoption.

From Constraint to Catalyst: Regulation as the Foundation for Crypto's Next Phase

By 2026, regulation is no longer a trade-off against innovation - it is a prerequisite for scale. Clear regulatory frameworks enable institutional participation, consumer trust, and long-term capital formation. The challenge lies in navigating fragmented global standards while preserving the open, programmable nature of crypto. Projects and platforms that proactively design with compliance, transparency, and user protection in mind will be best positioned to lead the industry's next phase of growth.

Kevin Lee
CBO
Gate



Industry Voice: Bitget

Europe offers more scalable growth potential for CEXs in the short term due to regulatory clarity, while US market remains costly and highly competitive

Strategic Compliance: Europe (MiCA) as a Clear Framework for Sustainable Growth

Compliance is a core responsibility of any mature financial services business and a foundation for building long-term trust with users, partners, and regulators. As global regulatory frameworks evolve, the overall direction is consistent: higher standards, stronger consumer protections, and clearer expectations for market participants.

We're entering a new era where major markets are putting in place defined on-shore frameworks that allow exchanges to operate with greater regulatory certainty. At the same time, regulatory models differ meaningfully by jurisdiction-some markets have more complex licensing structures (including multiple layers of oversight), while others are earlier in implementation or have more limited pathways for certain business models. We respect these differences and see them as part of the natural evolution of a fast-maturing industry.

In this context, Europe stands out as a key strategic focus. The MiCA framework provides a more harmonized rulebook across the region, which supports scalable growth while reinforcing user protections, governance standards, and operational resilience.

Ultimately, our priority is to build a sustainable marketplace that serves existing users just as well as it supports the next wave of new users, by working transparently with regulators, investing in robust compliance foundations, and aligning our operations with applicable local requirements in the markets where we seek to offer our services.

The End of "Altcoin Season" & The Rise of the Universal Exchange (UEX)

The cyclical "Altcoin Season" narrative faces a fundamental challenge. With the approval of BTC and ETH ETFs, institutional liquidity now flows directly into major assets, bypassing the traditional altcoin market. Exchanges relying solely on crypto-native speculation are entering a zero-sum game. The industry's growth engine is shifting toward the Universal Exchange (UEX) model—facilitating the on-chain migration of quality global assets. Whether it is US Stocks (which show rapid on-chain volume growth), commodities like Gold and Silver, or RWAs, the future belongs to platforms that function as "Super Terminals" for both Web2 and Web3 liquidity, rather than just crypto casinos.

Stablecoins: Beyond Trading Pairs to B2B Infrastructure

The next massive catalyst for stablecoins is not retail speculation, but pragmatic commercial utility. With cross-border payment friction costs hovering around 6% (IMF data), crypto rails offer a tangible efficiency upgrade. The narrative is shifting from retail trading pairs to B2B integration—specifically partnering with Neo-Banks to optimize AML processes and providing liquidity for Supply Chain Finance. While regional policies (like HK's) develop, US regulation remains the core "trigger." Once activated, stablecoins will graduate from a niche crypto asset to mainstream commercial infrastructure.

Gracy Chen
CEO
Bitget

Industry Voice: KuCoin

Exchanges will evolve into hybrid infrastructures merging on-chain transparency with centralized efficiency

Regulatory Harmonization & Controlled Deployment

By 2026, the primary driver of the crypto industry will shift from speculative momentum to regulatory harmonization. As major jurisdictions—particularly Europe (MiCA), Australia, and Hong Kong—align their digital asset frameworks, the industry is moving toward a standardized global operating model.

Consequently, institutional adoption will not manifest as a sudden replacement of traditional systems but rather as a controlled deployment. The focus is on integrating on-chain infrastructure (custody, settlement, and RWA tokenization) into traditional finance to enhance efficiency and auditability, rather than seeking to replace fiat currency entirely.

The New Competitive Moats: Trust, Compliance, and AI

The era of exchanges competing solely on listing speed or marketing volume has ended. The new competitive moats are defined by security capabilities, liquidity quality, and regulatory transparency. Growth strategies are now strictly tethered to regulated markets, with Europe and Australia identified as core growth engines due to their clear licensing paths.

On the product front, AI is becoming the critical bridge for mass adoption. Through intelligent interfaces (like investment assistants), exchanges are prioritizing a "Simple yet Professional" experience. This approach uses AI to handle risk monitoring and market insights, lowering the technical barrier for the next generation of mobile-first users.

For more information, please reference the QA List

The Endgame: A Hybrid Model of CEX and On-Chain Transparency

The future of exchanges is not a binary choice between CEX and DEX, but a hybrid model. The endgame is regulated digital asset infrastructure where specific components—such as settlement transparency and Proof-of-Reserves—move on-chain to ensure trust, while the core user experience and execution remain centralized to guarantee speed and compliance.

This structural shift will drive industry consolidation. Future M&A activity will likely concentrate on RegTech and risk management infrastructure rather than simple user acquisition. Similarly, early-stage token issuance (ICOs) will not return to the "wild west" era but will evolve into highly structured, compliant offering mechanisms.

BC Wong
CEO
KuCoin

Industry Voice: Futu Group

Exchanges will evolve into hybrid infrastructures merging on-chain transparency with centralized efficiency

The Foundation of Capital Inflows

The primary macro drivers for the crypto industry are currently rooted in regulatory clarity and institutional access, underpinned by stronger compliance frameworks. This momentum is firmly anchored by Bitcoin's strengthening narrative as "digital gold" and its emerging role as a sovereign-grade reserve asset. On the retail side, adoption is being propelled by the formal recognition of digital assets as legitimate financial instruments, supported by the proliferation of stablecoins, enhanced trading applications, and improved public understanding of market tokenomics.

The 2026 Evolution: From Pilots to Mainstream Utility

Looking toward 2026, the market is expected to evolve from initial regulatory clarity to "regulatory normalization." Sustained capital inflows will likely be driven by compliant cross-border payment rails and a favorable liquidity environment, potentially lengthening the current market cycle. Crucially, the combination of legislative progress, licensed stablecoins, and high-performance networks is expected to gradually push enterprise use cases from "pilot phases" into full "production," while finally enabling digital assets to gain genuine traction in mainstream payments.

For more information, please reference the QA List

Walton Chan
Director of Crypto Business
Futu Group

Industry Voice: Futu Group (cont.)

2026 marks the shift to 'Regulatory Normalization'—anchoring sovereign capital and pushing enterprise pilots into mass production

Institutional & Retail Pathways via Regulated Rails

Institutional adoption is accelerating primarily through regulated vehicles such as ETFs and Digital Asset Treasury companies. These structures allow major entities, including US pension funds, to gain exposure without managing custody complexity. On the retail side, growth is driven by compliant super apps that provide seamless fiat on and off ramps. By removing technical barriers and adhering closely to regulatory standards, these platforms build on the market confidence established by institutional participation and make crypto accessible to traditional investors who are uncomfortable with self custody.

Strategic Focus: The "One-Stop" Ecosystem

The Hong Kong market strategic priority for 2026 centers on leveraging a "One-Stop" platform advantage to convert massive existing user bases from traditional finance into the digital asset space. Unlike pure-play crypto exchanges, the value proposition lies in offering integrated access to both securities and digital assets, allowing investors to agilely allocate capital between equities and crypto within a single ecosystem. Future product roadmaps focus on launching proprietary licensed exchanges (VATP), integrating regulated stablecoins, and facilitating secondary trading for Real-World Assets (RWAs).

Globally, we will continue expanding crypto capabilities by pursuing additional licenses and developing products under fully regulated, licensed frameworks.

The Endgame: Convergence and the Dual-Track Model

The long-term vision for the industry is not a fully on-chain world, but a synergistic coexistence of Web2 and Web3. The "endgame" involves a "Dual-Track Model" that acts as a strategic bridge: offering off-chain, fully regulated solutions for traditional users who prioritize familiarity and safety, while simultaneously providing on-chain functionalities for crypto-native users seeking assets under a regulated framework.

For more information, please reference the QA List

Sherry Zhu
Global Head of Digital Assets
Futu Group

Industry Voice: Hashkey Group

"The endgame is convergence: Regulated 'Super-Apps' will bridge Web2 and Web3 via a seamless, dual-track ecosystem"

The "Volatility Dividend"

Contrary to the desire for stability, the bullish case for 2026 relies on policy friction. Political tension between the Trump administration and the Federal Reserve is expected to generate significant market volatility.

For the crypto trading sector, volatility is yield. This friction, combined with a cooling US labor market forcing liquidity injections, creates a prime environment for speculative capital to return. The market should expect a "trading-heavy" environment in H1 2026 driven by these macro divergences.

Passive Allocation & the "Barbell" Endgame

The narrative of institutions seeking "100x Alpha" is outdated. The new institutional paradigm is passive allocation"—holding crypto as a fixed percentage (e.g., 5%) of a portfolio for diversification. Consequently, the approval of complex instruments like ETF Options is far more significant for inflow than simple spot access.

Sector Reality Check:

- **PayFi:** Bullish on B2B, where stablecoins solve real cross-border friction (replacing SWIFT).
- **Exchange Endgame:** The market will bifurcate into a barbell structure. Capital will consolidate solely in hyper-compliant venues (like HashKey/ETFs) or hyper-liquid offshore giants (like Binance). Mid-tier exchanges lacking either extreme will face an existential crisis.

Asia's Compliance-Liquidity Mismatch

A critical disparity exists between Western and Asian market infrastructures. In the US, institutions enjoy a closed compliance loop via Coinbase (Spot) + CME (Futures) + ETFs, enabling high-frequency execution. In contrast, Asia faces a liquidity-compliance mismatch.

Massive Asian quantitative funds (managing $150M–$1.5B USD) are eager to execute neutral arbitrage strategies but are effectively stranded. They cannot use offshore giants due to internal risk controls and find current onshore regulated exchanges lacking sufficient liquidity for institutional-scale trades. The defining challenge for 2026 in Asia is bridging this gap—building compliant platforms with enough depth to accommodate these 'homeless' billions.

Tim Sun
Senior Researcher
Hashkey Group

Industry Voice: OSL Group

Privatized QE, Digital Dollarization, and the "Solvency Oracle"

"Privatized Quantitative Easing" & Sovereign Debt

The market is driven by a cycle of synchronized global debasement necessitated by sovereign debt refinancing, rather than isolated central bank policies. A critical 2026 narrative is the emergence of privatized quantitative easing. Through legislative and structural design, compliant USD stablecoins are being transformed into a mechanism for mandated US sovereign debt purchasing. This aligns stablecoin expansion with national interests, making the growth of stablecoins (projected to reach trillions in market cap) the single largest incremental driver for the industry. This is no longer just technology; it is a structural reform of the monetary system.

Exchange Endgame: The "Great Tri-furcation" & Solvency Oracles

The exchange landscape is undergoing a permanent "Great Tri-furcation" into three distinct lanes: Offshore Casinos (facing "Comply or Die"), Parallel DEXs, and Compliant Hubs. For compliant hubs, the endgame is to evolve into "Solvency Oracles" and "Trusted Gateways" that connect physical GDP with digital tokens. The competitive moat shifts from asset listing counts to the "Ecosystem Flywheel"—integrating trading, earning (yield), and payments into a single bank-grade experience (e.g., paying for daily coffee with yields from on-chain Treasuries).

For more information, please reference the QA List

Adoption Dynamics: Digital Dollarization & "Invisible Utility"

In emerging markets, adoption is driven by digital dollarization—where stablecoins are survival tools against local currency volatility, not speculative assets. For the broader retail market, 2026 will see a bifurcation:

- **Speculative Flow**: Migrates to permissionless DEXs for lottery-like returns.
- **Mass Market**: Captured via embedded finance in Web2 platforms (e.g., streaming apps integrating stablecoin payments). This creates invisible utility, onboarding users passively without them realizing they are interacting with blockchain. Additionally, AI Agents are identified as a critical shadow increment—a non-human user base requiring crypto wallets for autonomous machine-to-machine payments.

Eddie Xin
Head
OSL Research

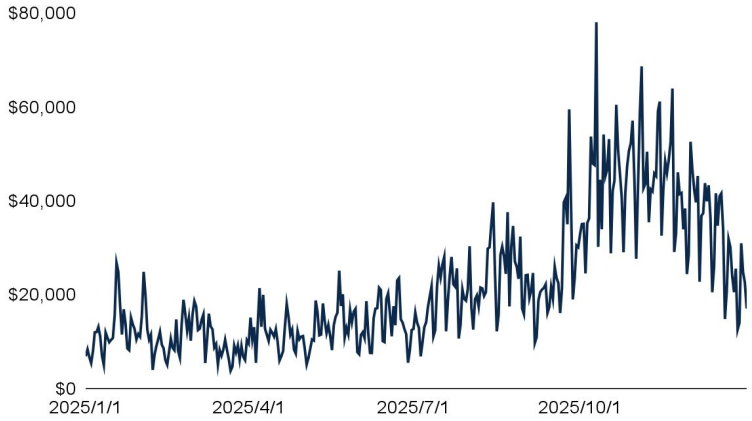
Scarlett Zhang
Senior Analyst
OSL Research

animoca BRANDS RESEARCH

Decentralized Exchange

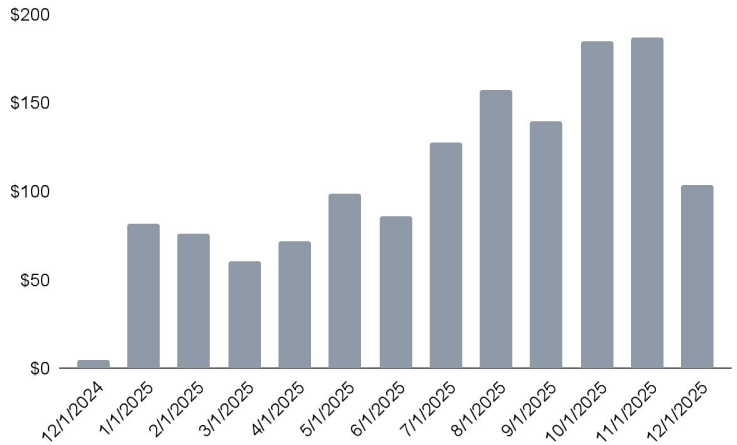
2025 witnesses the rise of Perp DEX and significant growth of on-chain trading

Perp DEX volume
(in million USD)

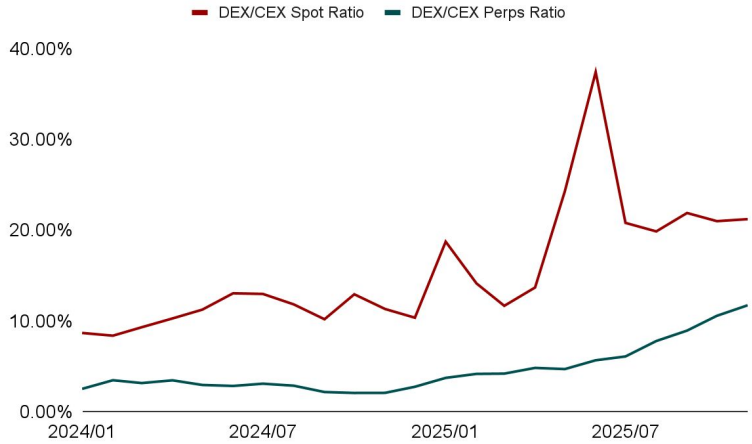


Perp DEX Open Interest
(in million USD)

Perp DEX Revenue
(in million USD)



DEX volume as % of CEX



Significant growth in DEX

The DEX growth in 2025 were led by two major forces:

- Led by **Hyperliquid**, the Perp DEX sector established itself as the dominant growth vertical in DeFi throughout 2025.
- The "**Alpha**" listing model, a mechanism that bridged deep CEX liquidity to on-chain assets.

We project this momentum to accelerate in 2026, driven by two structural shifts:

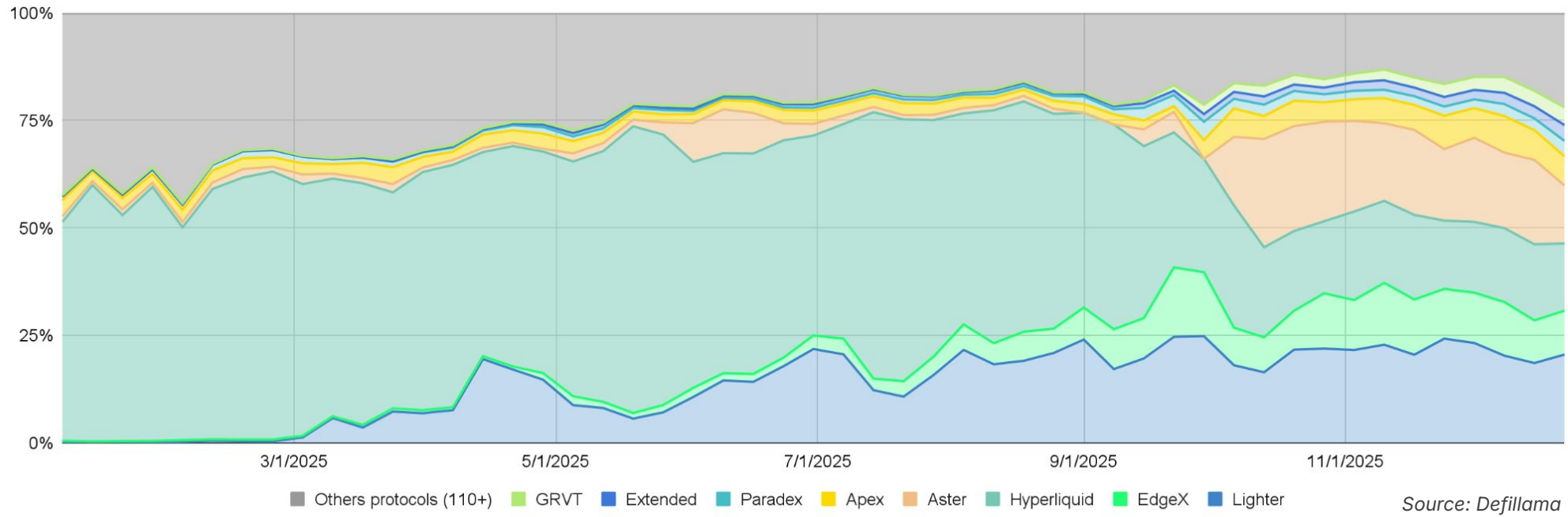
- **Asset Expansion:** Perp DEX platforms will aggressively widen listing scopes to rival centralized counterparts.
- **Retail Abstraction:** Derivatives infrastructure will move "under the hood," integrating directly into consumer-facing applications to capture mass retail flow.

Note: Top 80 trading vol Perp dex were included in volume and OI calculation; Top 10 CEX and top 10 DEX were included in calculating volume share

Source: Coingecko, Defillama

Perp DEX space is highly dynamic as newcomers are finding ways to win shares

Perp DEX trading volume market share



Source: Defillama

Perp DEX Market Evolution

The year began with Hyperliquid as the dominant platform, capturing over 50% of the market share. Its "CEX-like" performance and low latency set a new industry standard for on-chain trading.

By mid-year, the market transitioned into a period of intense competition. Emerging protocols leveraged differentiated features, such as enhanced privacy, retail incentive programs, and diversified asset listings, to successfully carve out market share. This shift led the Perp DEX sector into a stage of fierce rivalry among several key players:

- **Lighter**: An a16z-backed protocol featuring zk-privacy and zero-fee trading. It achieved significant volume growth driven by "points farming" and sustained airdrop anticipation.
- **Aster**: Known for offering high leverage and aggressive incentives. It briefly gained share in Q2 and became a leading player post protocol token launch in September.
- **EdgeX**: Incubated by Amber Group, this platform focuses specifically on institutional users and professional-grade liquidity.

New Perp DEXs are moving beyond vertical integration era and adopting hybrid model

	Modular Money Lego	Vertical Integration	Hybrid Model
Description	Protocols functions as “headless” liquidity or settlement layer, outsource frontends and price aggregation to other platforms or structured products.	Protocols control entire tech stack, building everything from settlement app chain to matching engine to the user interface	Protocols act as a wholesale infrastructure layer, enabling third-party 'brokers' to build front ends to access trading engine and liquidity
Examples	Synthetix - Kwenta Orderly Network - WOOFi Pro	dYdX V3 Hyperliquid	Hyperliquid - Builder Codes dYdX V4 - Open Source Frontend
Access	Access point to DEX hosted by third parties (e.g., Kwenta) or users connect via integrated Web3 wallets.	Proprietary/Closed interface. Hosted exclusively by the protocol	Broker/Client Layer. Any external app (Wallet/Bot/Aggregator) via open API/SDKs and open-source code
Execution	Off-chain sequencers handle sub-second matching and price discovery	Custom Matching Engine. Orders are matched off-chain or in on-chain modules	Routing from client layer to DEX native matching engine
Settlement	On-chain logic update on public chains	On-chain logic update on native purpose built chain	On-chain logic update on the native purpose built chain with automated fee-sharing

Hybrid composability model will drive user acquisition through retail Super Apps

New generation of DEX provides high compatibility to existing retail apps (Hyperliquid example)

Rank	Builder	Type	Revenue	Total Volume	Unique Users	Avg Rev / User	Fee %
1	Phantom	Mobile Wallet	$12.72M	$25.44B	84.7K	$150.15	0.05%
2	BasedApp	Trading Super-App	$12.42M	$37.36B	35.5K	$349.43	0.03%
3	pvp.trade	Telegram Bot (Social)	$7.69M	$16.04B	28.1K	$273.70	0.05%
4	Insilico	Trading Terminal	$2.62M	$26.55B	2.1K	$1.2K	0.01%
5	Metamask	Browser/Mobile Wallet	$2.12M	$2.94B	20.8K	$101.89	-

Date as of Dec 2025.

The hybrid model create seamless experience for users (Phantom integrates Hyperliquid example)

From: Multi-step, multi-app experience

1. Open Phantom.
2. Navigate to a browser.
3. Go to dYdX or GMX.
4. Connect Wallet.
5. Sign a transaction to bridge funds.
6. Trade.

To: Direct trading in phantom, without feeling another DEX

1. Opens Phantom.
2. Clicks "Trade."
3. Executes a Perp trade immediately.

The new model will mostly likely dominate the DEX trading in the near future and will become even more powerful as regulated platforms and apps start integrating decentralized platform as the trading back-end.

Industry Voice: Gate Perp DEX

Why 2026 is the Year of Hybrid Perp DEX

The Institutional Migration to Hybrid DEXs

The evolution of Perpetual DEX architecture represents a strategic pivot toward "performance-driven decentralization," where the trade-offs of legacy models are resolved through sophisticated hybrid systems. At the core of this shift is the realization that while fully on-chain models offer maximum censorship resistance, they often succumb to high gas costs and latency bottlenecks that alienate professional traders. Conversely, traditional non-custodial CEXs, while fast, frequently lack the transparent verification layers required for institutional trust. Gate Perp DEX navigates this middle ground by deploying a hybrid architecture on Gate Layer L2, decoupling execution from settlement. By utilizing off-chain matching to achieve sub-second latency (10–50 ms) while anchoring clearing and asset updates to security-audited smart contracts, the platform delivers a CEX-grade experience without compromising on-chain self-custody. This "truth layer" allows for real-time verification via blockchain explorers, effectively eliminating the manipulation risks and opaque matching logic inherent in centralized environments.

The efficiency is further bolstered by a multidimensional approach to liquidity and ecosystem integration. Recognizing that consistent depth is the lifeblood of any derivatives platform, Gate Perp DEX moves beyond simple yield farming to a sophisticated incentive structure that aligns professional market makers with retail liquidity providers through dynamic fee models and fee-sharing. This creates a sustainable environment where capital efficiency is optimized rather than subsidized. By integrating these technical and economic innovations within the broader Gate ecosystem, the platform bridges the gap between the permissionless flexibility of DeFi and the institutional-grade risk controls of TradFi. The result is a highly scalable, "operationally indispensable" infrastructure capable of supporting the high-frequency demands of AI-driven intent execution and the rigorous transparency requirements of modern global money rails.

Redefining the CEX-DEX Paradigm

Perpetual DEXs launched by centralized exchanges like Gate Perp DEX occupy a complementary rather than purely competitive position relative to traditional CEX perpetual markets. While CEXs offer superior execution speed and easy fiat onboarding, Perp DEXs deliver transparency, self-custody, and permissionless global access. By leveraging the broader Gate ecosystem, Gate Perp DEX combines high-performance trading with the security and decentralization benefits of self-custody, diversifying custodial and operational risk, appealing to both regulated/traditional and crypto-native users, and aligning with ongoing Web3 trends.

The Institutional Bridge and the Retail Gateway

Traditional finance institutions are rapidly entering on-chain markets, with Gate Perp DEX serving as one of the most mature, institution-ready access points. Built on Gate Layer L2, it delivers fully on-chain verifiable settlement, a true non-custodial hybrid model, institutional-grade APIs, and comprehensive reporting—providing the transparency and control demanded by TradFi risk and compliance teams while retaining CEX-level execution speed and user experience. As an independently operated perpetuals platform with professional market makers ensuring deep liquidity, Gate Perp DEX enables seamless on-chain capital hedging tailored to institutional requirements, significantly boosting capital efficiency, execution quality, and operational smoothness, all while keeping user assets fully under self-custody.

Kyle Chiu
CMO
Gate

Industry Voice: Aster

Privacy, Capital Efficiency, and the CEX-to-DEX Migration

The Perp DEX Oligopoly & Beyond Homogenization

The Perp DEX market is currently evolving into an oligopoly, as we predict that the space will ultimately be dominated by a few major players. Current leaders have successfully expanded the total addressable market by driving massive volume growth, but the long-term winners in 2026 will be those who differentiate through value-adding features.

While the core trading experience is becoming increasingly homogenized, we believe the platforms that capture the majority of the market will be those that offer superior capital efficiency, privacy options, unique trading pairs and yield-generating products. Aster is positioned as a rising star by successfully bridging the gap for traders migrating from centralized exchanges (CEXs), offering a familiar user experience paired with the security of self-custody assets.

- **Capital efficiency**: multichain, multi asset as collateral pair with low fees and extra discounts for Aster holders make trading on Aster extremely capital efficient.
- **Aster chain will be deployed in 2026**, allowing trades to be verified on chain, while keeping trading information private. Giving users the option to broadcast their trades or to stay hidden, depending on their trading strategy.
- Aster not only offers trading of major crypto pairs. Rocket Launches facilitate discovery of early stage, high potential projects, while also "perpetualizing" other innovative assets like RWAs, including but not limited to stocks and commodities.
- **USDF** allows users to trade and earn at the same time, providing users with yield on idle cash.

Architectural Trade-offs: Performance vs. Decentralization

In the current market, the best projects maintain a strategic balance between immediate decentralization and the requirements for high-performance execution and user privacy. Aster advocates for a gradual decentralization approach, utilizing a hybrid model that leverages centralized elements in its infancy to ensure stability and a smooth user experience. This allows a platform to achieve product-market fit before transitioning toward a more decentralized architecture. A core component of this architecture is the private order matching engine, which addresses a critical flaw in fully transparent on-chain models. By keeping order matching off-chain or private, we prevent market signaling—ensuring that large moves aren't broadcast to the public before execution, thus protecting traders from predatory behavior.

Liquidity Strategies: The Symbiosis of Vaults and Takers

Liquidity provision has shifted toward Protocol Vaults, an innovative model where users provide capital in exchange for a share of protocol fees. While this introduces certain risks to the liquidity provider, the success of this feature in this cycle proves that users find the trade-off acceptable for the yield generated.

On the other hand, attracting professional market makers requires more than just raw incentives. Liquidity ultimately depends on demand, and market makers are drawn to venues where taker activity is consistent. Therefore, the most effective way to incentivize liquidity is to build a superior product and user experience that attracts and retains active traders, ensuring that the liquidity provided is consistently utilized and profitable.

Continued on next page

Contributed by: Leonard, CEO, Aster

Industry Voice: Aster (cont.)

Privacy, Capital Efficiency, and the CEX-to-DEX Migration

Strategic Differentiation: Privacy-First Execution and Asset Utility

Competitive differentiation in the current landscape is increasingly defined by execution privacy and capital efficiency. For Aster, the implementation of an encrypted mempool serves as a vital safeguard against MEV (Maximal Extractable Value), protecting traders from front-running and sandwich attacks. This optional privacy also allows participants to manage their visibility, proving solvency when necessary while concealing specific positions to ensure fair market execution.

Furthermore, capital efficiency when trading on Aster is enhanced through multi-collateral support, enabling the use of native assets and yield-bearing instruments as margin assets. Aster provides the infrastructure where users can earn yield on idle capital while maintaining exposure to diverse market sectors.

Perp DEX relationship with CEX

Right now, Perp DEX and CEX users do not overlap as much as people expected, but as Perp DEX offers better experiences that are on par with CEX, the competition will intensify.

In the long run, we think CEX will integrate more Perp DEX liquidity infrastructure, offering CeDeFi services, (Binance Alpha, for example), as DEX UX and liquidity catch up. The permissionless and composability nature of DEX makes it a natural choice for CEX to integrate into, as CEX becomes increasingly restrictive.

Pathways to Institutional and Retail Adoption

For TradFi and institutional adoption, we recognize that privacy is one of the primary hurdles. Professional traders require the ability to execute large strategies without alerting the entire market, a feature currently missing from most transparent DEXs. By building our private Layer 1 infrastructure, we can offer institutions private execution with the added guarantee of self-custody.

On the retail side, we believe adoption will be driven by aggressive asset listing and safety. Retail traders are attracted to innovative products—such as RWAs or new tokens—that we list faster than regulated CEXs. Ultimately, we see self-custody as the "killer app," providing a risk management guarantee that centralized authorities simply cannot match.

Leonard
CEO
Aster

Industry Voice: Lighter

The future of verifiable finance

The Convergence of TradFi and DeFi Rails

Perpetual futures are a more efficient evolution of traditional futures, made possible by on-chain infrastructure. They simplify market structure, improve capital efficiency, and introduce a level of transparency that legacy futures markets struggle to offer.

Originally a crypto-native innovation, perpetual contracts are now expanding well beyond crypto. The tradable universe is starting to include tokenized real-world assets, FX, equities, and indices. At the same time, there is increasing demand for universal cross-margin, allowing participants to use spot ERC-20 assets - and eventually tokenized assets - to unlock over $70B of dormant capital sitting in DeFi lending markets. This shift is also driven by traditional institutions coming on-chain. Hedge funds, family offices, and proprietary trading firms view perps as a familiar primitive now enhanced with on-chain settlement.

The rapid institutionalization of perpetual futures marks a structural shift: perp DEXs are no longer competing only with other crypto venues, but increasingly with traditional brokerages themselves.

On-Chain Liquidity Infrastructure

The industry is transitioning towards a model where execution, matching, and settlement increasingly occur on-chain, while consumer-facing products (wallets, apps, and front ends) remain lightweight interfaces. In this setup, the core competitive advantage shifts from front-end UX to the quality, performance, and trust guarantees of the underlying infrastructure.

Lighter is built on a zk-rollup, using cryptographic proofs to ensure all trades and liquidations are verifiable on Ethereum while remaining highly scalable and cost-efficient. As a result, other venues can seamlessly plug into Lighter's liquidity. Rather than competing for users one interface at a time, Lighter positions itself as shared infrastructure powering an entire ecosystem.

Owning the backbone of on-chain liquidity represents a much larger opportunity than operating as a standalone destination DEX.

US Domicile as the Strategy

The prevailing mindset among leading derivatives platforms is shifting. Rather than treating the United States as a regulatory obstacle, actors increasingly view US domicile as a long-term competitive advantage. The offshore model - built on regulatory gray zones and aggressive geo-blocking - can generate short-term volume, but at the cost of durability and institutional credibility.

By structuring as a US corporation, Lighter accepts near-term constraints in exchange for a stronger future position: becoming one of the first on-chain derivatives venues that institutional capital can legally access at scale.

This thesis is underpinned by growing regulatory clarity. The GENIUS Act, combined with a more openly pro-crypto US administration, signals a shift from hostility to accommodation.

When regulatory doors open, compliant onshore incumbents will hold an advantage that offshore competitors will struggle to match.

The next phase of the perp DEX war will be fought not only on code and liquidity, but on the ability to unlock institutional adoption at scale.

Constantin Dubus
Chief of Staff GTM
Lighter

Industry Voice: Grvt

The Institutionalization of Retail: From Perp DEXs to Everyone's Wealth Builder

The Asset Expansion: Perps as Universal Financial Infrastructure

The traditional wall between "Crypto" and "Finance" is collapsing. Perp DEXs are no longer just venues for longing BTC; they are becoming permissionless gateways to diversified global markets.

- **Capital Efficiency Comes First:** Leading platforms now treat idle margin as productive capital. Grvt, for example, enables deposits to earn yield regardless of trading activity. A trader's margin capital is now unified and yield-bearing at all times, eliminating the opportunity cost of idle capital.
- **Beyond Crypto:** Once capital is unified, expansion follows. By integrating FX, Commodities, and Equities, platforms like Grvt will compete directly with Interactive Brokers and Robinhood, but with 24/7 settlement and global access.
- **UX Becomes the Moat:** The "moat" isn't just a lower fee; it is a single-interface experience. Managing a gold position, a tech stock perp, and a crypto portfolio under one privacy-preserving roof removes the "fragmentation tax" users currently pay in time and complexity.

The Tech Bifurcation: The "Pragmatic" Winner

The industry has realized that Purist DeFi (fully on-chain matching) often sacrifices too much performance for the retail user.

The Hybrid Advantage are: 1). By using an off-chain order book with on-chain settlement, platforms achieve the "Holy Grail": the speed of a Centralized Exchange (CEX) with the trustless custody of a Decentralized Exchange (DEX). 2).Solving Fragmentation: ZKSync's Atlas technology is the connective tissue. It allows a user to pull liquidity from L1 or other L2s instantly. In 2026, the "bridge" is becoming invisible—users don't care what chain their money is on; they only care that it's available for margin.

Grvt is positioning as a wealth management platform for retail users

Grvt is redefining Perp DEX from a tool for leveraged trading into a capital-efficient investment platform where retail users can trade, earn, and compound in one place. By leveraging ZKSync and Atlas the platform solves the liquidity fragmentation problem, allowing users to move assets instantly across chains and use them as margin or collateral without the usual friction. This hybrid model provides the speed and high throughput of a centralized exchange while keeping the settlement on-chain, ensuring users maintain full custody and privacy. It isn't just about making trades anymore; it's about creating a unified interface where fragmented assets are consolidated into a high-velocity capital pool.

The core objective is to bring institutional-grade capital efficiency to the average user—a luxury previously reserved for institutions and high-net-worth individuals. Instead of leaving margin to sit idle, Grvt enables "fluid capital" by offering up to 10% interest on margin deposits and launching tokenized strategies that earn yield while backing active trades. This model effectively transforms a trading account into a yield-integrated trading experience, forcing other DEXs to either integrate yield-bearing collateral or lose out to a more sophisticated, efficiency-minded retail class. By treating user deposits as productive assets rather than just locked security, Grvt is setting a new standard for how value is managed on-chain.

Hong Gyu Yea
CEO & Co-Founder
Grvt

animoca BRANDS RESEARCH

DeFi & CeDeFi

Vault marketplace to lead in on-chain yield

Vault as the Distribution Layer for Tokenized RWA

Tokenized RWA, while profile real world yield, still require KYC to own transfer, thus limited in its on-chain circulation. On-chain vaults solved the circulation problem by segregating asset ownership and the access to yield: tokenized RWAs are owned by the vault while users depositing into the vault receive receipt token that represent the right to the yield generated by the vault.

Pioneered by Plume Nest in 1H 2025, this model has since become a preferred approach in distributing tokenized RWA on-chain. End of 2025 has been a busy period for various protocols to getting ready for a busy 2026:

- **Relaunch of Plume Nest (Nov 2025)**: introduced nest point program as a incentive user to deposit into vaults with underlying assets from well known institutions
- **Centrifuge Whitelabel (Nov 2025)**: Platform users can directly build vaults with components for tokenization, investor management, and cross-chain distribution
- **Mantle Vaults (Dec 2025)**: partnered with Bybit and CIAN, Mantle vaults provide on-chain yield aggregation for its depositors
- **NUVA (Q1 2026)**: as a partnership between Animoca Brands and Provenance Blockchain Labs, NUVA aims to be the marketplace to bring a diverse range of quality yield products on-chain and distribute across ecosystems.

As the interest on RWA and stablecoin continues to accumulate, and the readiness of the vault infrastructure improves, we shall see a boom of vaults for RWA.

With Assist From DeFi Lending Protocols

DeFi lending protocols are turning modular.

Morpho's fast growth

- Morpho's two layer structure (deposit vaults vs. lending markets) and permissionless entry + curator model have successfully grow the protocol to #2 lending protocol.
- The permissionless nature draw institutional interest, with SG-FORGE moving part of Société Générale's loan book on-chain.

Aave V4 transition

- The latest iteration of largest lending protocol Aave is expected to launch in early 2026.
- V4 adopted a hub-spork model to allow creation of lending pools that accepts different collaterals.

Link DeFi lending and RWA

- DeFi lending protocols are adopting RWA vault receipt tokens as collateral, as partnership between Plume Next, Centrifuge, and Aave or Morpho.
- The acceptance of receipt tokens are essential for the growth of Vaults.

Oracles are becoming the focal point for interlinking on-chain and off-chain data

Where on-chain protocols utilize Oracle-provided data (indicated by 'y' for services requiring an Oracle)

Domain	Data type	DeFi lending	Crypto native stablecoins	Perp DEX	RWA vaults	RWA secondary market	Prediction market
On-chain asset	Token spot price	y	y	y			y
In-exchange	Proof of asset	y	y		y		y
RWA	Market price	y	y	y	y	y	y
	Private deal transactions			y	y		y
	Coupon terms and events				y	y	

Oracle services are set for a year of rapid expansion as on-chain services increasingly require real-world data and reference points to operate DeFi and other on-chain markets. This growth is fueled by three key drivers:

- **The Rise of Perp DEXs:** All perpetual markets require spot prices to anchor settlement cycles. While centralized exchanges can use their own internal market data, Perp DEXs rely on third-party spot prices, delivered via Oracles.
- **Real-World Asset (RWA) Trading:** Beyond basic price feeds, tokenizing real-world assets requires external data points and events to accurately price these assets in on-chain markets. This is true for both public and private assets
- **Proof of Reserve (PoR):** Following the market volatility of late 2025, transparency has become vital to DeFi health. Tracking assets, even those held in centralized exchanges, is now a necessity to prevent depegging and ensure solvency.

Source: Animoca Brands Research analysis

DeFi adoption at traditional institutions will mostly remain at pilot stage while “Perp” as a crypto creation will thrive at TradFi

Select DeFi products and services adopted by crypto native and traditional institutions

Category	Product/ service	Adoption by crypto and traditional applications	
		Crypto native (i.e. On-chain services & crypto exchanges)	Traditional institutions (i.e. licensed banks, brokers, asset manager etc.)
Crypto products	Perpetual futures	Crypto focused trading shop	n/a
	Perpetual futures (centrally offered)	Crypto focused trading shop Synthetic stablecoin	AX exchange (CFTC licensed, provide tradiFI asset Perps)
	Fix-variable yield separation	Exchanges and wallets	n/a
Yield	Lending	Exchanges and wallets	Aave Arc & Horizon (for KYC and RWA as collateral)
	Earning	Exchanges and wallets Yield aggregation vaults	SG-FORCE (digital asset team of Société Générale) create loan on Morpho
Trading	Spot DEX trade	Exchange "Alpha" programs	n/a
	Perp DEX trade	Wallets	n/a

Source: Animoca Brands Research analysis

Institution adaptation opportunities

Perpetual Futures (Perps)

As a core crypto-native innovation, Perps have become the most dominant trading instrument in the space. They are now influencing traditional finance as a novel tool for leveraged trading and hedging. Adoption is expected to surge as regulated exchanges begin offering Perps for traditional assets, supported by 24/7 spot price references enabled by tokenized Real-World Assets (RWAs).

DeFi as Service Infrastructure

Direct interaction with DeFi protocols currently demands self-custody, requiring institutions to establish a direct on-chain presence—a process that has largely remained in the pilot phase. For institutional adoption to scale globally, DeFi protocols must be integrated directly into regulated custodial frameworks.

Industry Voice: Morpho

2026 is the "Year of the Vault"

As we look toward 2026, Morpho is evolving from a DeFi-native protocol into a universal lending backend for the global financial system. Currently operating on all major EVM chains, with 10B+ in total deposits. Our largest instances are on Base and Ethereum mainnet.

Isolated Risk and Permissionless Markets

The core of Morpho's design is its permissionless nature, allowing anyone to deploy a lending market for specific asset pairs. Unlike monolithic protocols that rely on governance DAOs to manage risk in large, shared pools, Morpho isolates risk. If a specific market faces volatility, the impact is contained to that asset pair, providing the granular risk control necessary for enterprise adoption.

2026 is the "Year of the Vault"

While 2025 marked the start of the Vault era, 2026 will be the year liquidity truly scales through these structures. Morpho Vaults allow curators to allocate liquidity across various markets, optimizing yield and risk management. This curation industry has grown rapidly, now supporting over 30 curators generating approximately $13 million in annual recurring revenue.

Institutional Adoption and "DeFi Mullets"

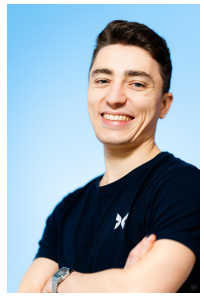
We are seeing a significant shift where 90% to 95% of our effort is now focused on enterprise and institutional integrations. We categorize many of these as "DeFi Mullets", products with a CeFi front end and a DeFi back end.

- **Coinbase**: Uses Morpho to power its lending and borrowing suite. Crypto-backed loans reached $2 billion in collaterals, and $1B in active loans within less than one year; USDC Earn has now put nearly $500M to work.
- **Société Générale**: The first regulated bank to use a DeFi protocol to expand its loan book, deploying EUR-linked stablecoins and utilizing onchain assets like tokenized T-bills as collateral.

Future Outlook: Morpho V2

The next revolution is moving beyond tokenizing offchain assets to running entire loan books natively onchain. Morpho V2 will introduce fixed-rate and fixed-term markets, effectively creating "Internet bonds". These structures mirror traditional finance tranches, making them highly attractive to the world's largest asset managers. If the stablecoin market reaches $2 trillion by 2028, we anticipate an onchain lending opportunity similar in TAM.

Merlin Egalite
Cofounder & Head of Integration
Morpho



Industry Voice: Pendle

Positioning as the fundamental 'Yield Infrastructure Layer' to power the massive migration of off-chain securities onto the blockchain

Macro Liquidity: Blockchain as the Securities Settlement Layer

The primary liquidity driver for 2026 will undergo a qualitative shift: moving from crypto-native asset rotation to the mass migration of off-chain securities on-chain.

Blockchain is evolving from a speculative venue into a highly efficient "Infrastructure/Settlement Layer." The true catalyst for this migration is "Yield Arbitrage"—due to the removal of intermediary friction, the net yield of assets on-chain will naturally outperform their off-chain counterparts. Future DeFi protocols will become asset-agnostic infrastructure, facilitating yield trading for traditional securities like treasuries and equities alongside crypto assets.

The Institutional Bottleneck: Custodian Inertia & The Identity Layer

While institutional capital dominates current DeFi TVL, it is primarily "crypto-native." The blockade preventing non-crypto TradFi funds from entering is the functional limitation of custodians.

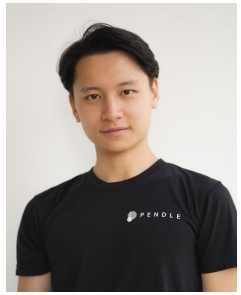
Current custodians act effectively as "Cold Storage" (holding naked assets) but actively avoid DeFi interaction due to risk. Furthermore, TradFi requires identified counterparties. The breakout solution for 2026 lies in "Permissioned DeFi Environments" and Legal Wrappers that package DeFi yields into traditional formats. This infrastructure will allow distinct segregation of execution and custody, enabling traditional funds to access on-chain yields without direct smart contract management.

The Next Phase of RWAs: From Tokenization to Yield Trading

The narrative for Real-World Assets (RWAs) is advancing from first-order "Tokenization" to second-order "Financialization of Yield."

Simply bringing a stock or REIT on-chain offers limited utility. The exponential opportunity lies in stripping and trading the yield component (e.g., via PT/YT structures). We anticipate the emergence of derivative markets specifically for speculating on the dividends of on-chain S&P 500 ETFs or the rental yields of tokenized real estate. This "Tradability of RWA Yields" creates granular hedging and speculative instruments that are structurally difficult to execute in traditional markets, serving as a magnet for sophisticated external capital.

Dan Wong
Growth Lead
Pendle



Industry Voice: Huma Finance

PayFi's Future: TradFi Wraps DeFi for Institutional Adoption

Key Drivers of Crypto Payment Adoption Growth

Crypto payment adoption, led by stablecoins, is set to accelerate due to legalized issuance, 24/7 availability, faster speeds, and global reach. Major use cases include cross-border payments—from merchant acceptance (e.g., Amazon merchants in Asia get paid the same day) and remittances (tackling the $4T pre-funding problem) to large B2B trade finance flows. Stablecoins are also powering digital asset settlements through RWA tokenization and on-chain issuance (e.g., DTCC initiatives), creating 24/7 markets. In trade finance, they are increasingly used amid evolving global commerce routes, especially in commodity trade (~25% of global GDP).

Huma Finance in PayFi: Balancing Instant 24/7 Liquidity Demands with Rigorous Credit Risk Controls

Huma Finance proves that instant liquidity and strict risk management can coexist, having processed more than $9B in transactions with zero credit defaults. The key lies in selection bias and sequencing: borrowing is limited to licensed financial institutions only, one of the categories with the lowest default rate. An independent team conducts thorough underwriting. Approved counterparties start with conservative limits, receiving 24/7 instant liquidity against payments that have been initiated. Limits scale only after proven operational competence, with continuous validation ensuring eligible backing assets remain in place. The entire borrow and repayment cycle for each transaction typically lasts 2–6 days, creating greater capital efficiency while keeping risk exposure very short.

Huma is also embedding its PayFi liquidity products directly into existing payment networks, such as the Circle Payment Network. This integration streamlines settlement flows, reduces operational touchpoints, boosts automation, minimizes adverse selection, and delivers faster, more reliable liquidity—all while preserving robust risk controls.

Enhancing Credit Assessment Automation at Huma

At Huma, full automation of credit assessment in B2B borrowing—especially in payments—risks compromising underwriting quality due to complex credit nuances in payments, making human expertise irreplaceable. AI and automation instead supports professional teams' rigorous processes to uphold high standards. Thorough, expert-led underwriting prevents risky shortcuts, sustaining industry growth—"slow is fast" in credit. By connecting institutional borrowers to 24/7 stablecoin liquidity, Huma enables them to operate with much higher capital efficiency and grow faster.

Future Outlook for Regulatory Progress in PayFi and DeFi

Looking ahead to 2026 and beyond, the GENIUS Act—enacted in July 2025—will take effect by early 2027, establishing a robust federal framework for payment stablecoins with mandated reserves, audits, and oversight, paving the way for deeper PayFi integration into traditional payments. Global regulatory alignment, led by the CLARITY Act, is establishing a new financial infrastructure expected to deliver full market certainty by mid-2026. By distinguishing digital asset classes and exempting decentralized protocols, these reforms enable TradFi to securely distribute DeFi products, offer fintechs on-chain yields, and accelerate PayFi adoption. This shift fosters digitally native money market funds from leaders like BlackRock and J.P. Morgan, replacing legacy systems with 24/7 instant settlement and driving the transition to mainstream internet capital markets.ital markets.

Richard Liu
Founder
Huma Finance

Industry Voice: Etherfi

The Rise of the "DeFi Super App"

The Evolution Toward a Non-Custodial "DeFi Super App"

The primary strategic shift for 2026 is the vertical integration of fragmented DeFi services into a singular, consumer-facing "Super App." Similar to the trajectory of Web2 fintech giants like Revolut, Ether.fi aims to capture the entire financial lifecycle—spending, borrowing, and saving—within a non-custodial framework. By maintaining a non-custodial architecture, the protocol distinguishes itself from traditional "Neo Banks," leveraging physical decentralization (with over 50% of staff in the Cayman Islands) to bypass the heavy regulatory liabilities associated with asset custody. This positioning allows for faster innovation and global deployment, effectively creating a "DeFi Bank" where users retain full sovereignty over their assets while accessing the utility of a top-tier retail financial institution.

Institutional Liquidity and the Credit Off-Ramp

While retail adoption is the visible front, the protocol's foundation is built on the "Staking Unlock," where regulatory clarity has finally allowed institutional capital to enter the staking and restaking ecosystem. This massive influx of institutional liquidity provides the depth necessary to power Ether.fi's credit infrastructure. By utilizing a BIN sponsor (Rain), the protocol bridges on-chain collateral with traditional payment networks through an over-collateralized credit card model. Users can leverage their ETH and BTC (typically at 50–55% LTV) to spend at any credit-accepting merchant globally. This creates a seamless, high-utility off-ramp that transforms crypto from a speculative holding into a functional currency, all while being settled daily in stablecoins to mitigate volatility.

Scaling via Risk Management and UX Refinement

As the industry moves toward 2026, the competitive moat is shifting from backend infrastructure to the "trust business" and user experience. Ether.fi manages risk through a sophisticated three-party management system involving Veda and Nonce Capital, bolstered by third-party audits from Certora and real-time simulations by Chaos Labs. Despite the efficiency of tokenizing assets like real estate or private credit—a $200 trillion market opportunity—the primary barriers remain the "political" resistance of displaced middlemen and the lack of on-chain credit rating systems. Consequently, the focus for the coming year is "The Year of the Consumer App," prioritizing the removal of "brutal" DeFi UX hurdles to achieve mass-market distribution and long-term user "stickiness" through superior rewards and intuitive interfaces.

Rok Kopp
Co-Founder & Head of Growth
Etherfi

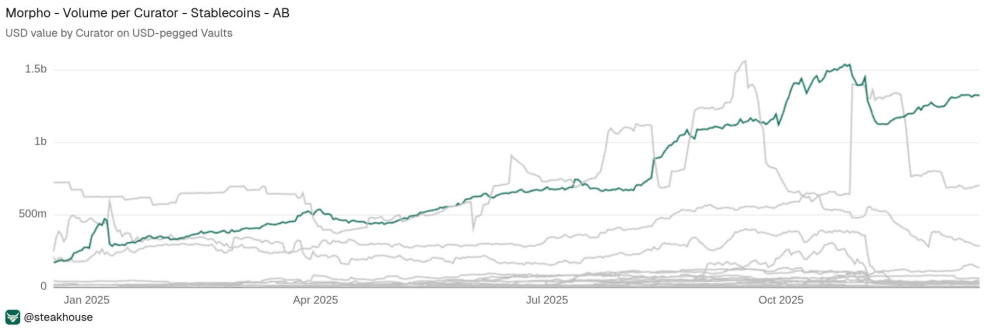
Industry Voice: Steakhouse Financial

2026 is the year of the stablecoin and certainly the year of DeFi

Key Trends

Despite many setbacks over the past few years, DeFi has gone from strength to strength. One of the biggest structural changes in the market is the shift to modular architecture as a pillar or key primitive in the space to allow more complex products downstream. Morpho and Kamino are good examples. We view these technologies as one of the main value propositions of DeFi, only really possible in crypto.

From our point of view, looking back on 2025, the biggest change has been transitioning Steakhouse fully to an asset-based business and the leader in the space. We started the year with about $200m in deposits on Morpho vaults and are on track to close the year with almost $1.6bn across Ethereum, Solana, Base and other venues. A lot of our focus is on integrating these products in channels like Coinbase, where we are the exclusive provider, or SAFE, crypto.com, Ledger, etc.



We expect this activity to accelerate in 2026 as other fintech players seek to replicate the Coinbase playbook that has successfully built a portfolio of products on top of DeFi including DEX integrations on Base and Solana, borrow origination on Base and of course the Lending integration with us. Coinbase, as a crypto native company, fully understands the value proposition of low-footprint scalable products that offer better counterparty and transparency guarantees relative to traditional alternatives.

In 2026 we expect more of everything and faster. The economy will stablecoinize faster than ever, fintechs and financial platforms will integrate crypto as a backend and traditional players will face increasing pressure to adapt or die. We have a very large pipeline of live projects with established players with respect to integrating or building these products and expect this to continue throughout the year.

The other development we are excited to see is a broader DeFi ecosystem on many blockchains all interoperating or interacting with each other more efficiently. Each infrastructure backing these blockchains has different features which offer different benefits to settlement - security for Ethereum, speed for Solana, and so forth. We are excited to see other venues grow in complexity and sophistication and create a more vibrant multi-venue DeFi economy.

Continued on next page

Contributed by: Adrian Cachinero Vasiljevic, Partner, Steakhouse Financial

Industry Voice: Steakhouse Financial (cont.)

2026 is the year of the stablecoin and certainly the year of DeFi

Challenges

Just a few months ago we saw the collapse of Stream Finance and its contagion spread throughout DeFi despite the presence of risk managers underwriting or supervising these venues. Compound, isolated vaults from other curators on Morpho, etc all faced some contagion exposure. This was a moment that highlighted the importance of our rigorous risk management processes as we avoided exposure to these two assets. We were also able to shield our users from the contagion thanks to Morpho's isolated design.

A key challenge is getting to a point of self-regulation that delivers broader, more meaningful, user benefits in enforceable ways. Enforceability is the main benefit of settling on public blockchains - setting the rules and later enforcing them can be combined in the same smart contract. This means that liquidations can take place in seconds instead of years but also unfortunately means that contagion can spread faster when it exists without sufficient mitigants like risk isolation or substantive underwriting capabilities.

We expect, and are actively exploring, DeFi-native primitives for things such as risk tranching to deliver these effective mechanisms in a crypto-native, i.e. enforceable, way, to showcase the best of what the technology can offer from a risk management perspective.

Regulation

We see two main barriers to broader adoption of DeFi backends, unrelated to the inherent risk premium of interacting with smart contracts or DeFi. These barriers have rather been regulatory - either an environment broadly not supportive of innovation or prudential regulation erring too far on the side of conservatism for capital requirements.

At least the former has relaxed significantly with a much more open securities regulator in the US allowing players to experiment in the space more meaningfully. The next leg will be more thoughtful prudential regulation in the banking sector to allow innovative players to interact with the technology too.

If you look at it holistically, the benefit of a DeFi borrow/lend facility, for example, is that it doesn't have to pose balance sheet risk to a bank or asset manager as it can exist in a self-custodial or regulated custodial environment segregated from other deposits. Not to mention these positions tend to be overcollateralized and can therefore be created with structural credit enhancements out of the box.

Some regulators will warm to these prudential benefits and dramatically expand the opportunity set for capital onchain, which will hopefully meaningfully reduce the cost of capital for operating on public blockchains.

Adrian Cachinero Vasiljevic
Partner
Steakhouse Financial

Industry Voice: Gauntlet

The era of curated yield and RWA composability

The Evolution of Stablecoins: From Payments to Yield-Bearing Assets

Stablecoins have moved front and center in the institutional focus, particularly following the passage of the Genius Act, but their value proposition is rapidly shifting beyond simple transaction settlement. While fiat-backed stablecoins still dominate 80-90% of the market—driven by strong on-chain borrow demand and their utility as settlement assets on perpetual futures exchanges—the narrative is pivoting toward yield as a critical driver of growth. The interview highlights that capping the stablecoin value proposition at payments is insufficient; currently, the majority of USDC sits idle, with only roughly 20% actively utilized in DeFi.

To capture institutional capital, the market is expanding into yield-bearing stablecoins, including tokenized trading strategies and synthetic dollars. However, this evolution toward yield comes with a heightened necessity for rigorous risk management. The recent market downturn served as a stress test for this new segment, with Stream and Elixir cited as cautionary examples of the risks involved in more exotic structures. For institutions, the priority remains balancing this new search for yield with the preservation of capital, requiring doxxed teams, domiciled entities, and proven security infrastructure.

RWA Maturity: Moving from "Tokenization" to "Composability"

The RWA sector is currently in a "slow and steady" accumulation phase, stabilizing at approximately $20 billion after peaking at $30 billion over the summer. While the sector is still early-stage, the path forward is being paved by "Permissioned DeFi"—a hybrid model where assets are KYC'd for compliance but remain composable within DeFi protocols. A prime example of this maturity is the Securitize/Apollo private credit fund (ACRED), which created the first levered RWA strategy by requiring initial KYC for token access while allowing the asset to be utilized in on-chain financial strategies.

Growth in this vertical is currently constrained by the need for regulatory clarity and deeper institutional understanding, particularly regarding how tokenized assets like money markets or potentially tokenized stocks can interact with DeFi composability. However, the infrastructure is being laid for broader adoption; recent allocations, such as the Camino vault to Prime (powering HELOC-based RWAs), demonstrate the demand for diverse collateral types. As long-tail assets transition into blue chips through proven longevity and critical TVL, RWAs are positioned to become a major supply-side force, bridging traditional finance efficiency with 24/7 on-chain liquidity.

Continued on next page

Contributed by: Dara Khan, Head of Marketing, Gauntlet

Industry Voice: Gauntlet (cont.)

The era of curated yield and RWA composability

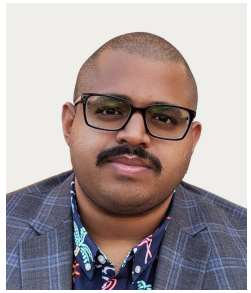
The New Institutional Bridge: The "Risk Curator" Model

As the DeFi ecosystem matures, "Risk Curators" and the vault model are emerging as the essential bridge for institutional capital, parallel to BlackRock's evolution in the 1990s from risk manager to structured product builder. With 2026 projected to be a breakthrough year for on-chain vaults, these structures act as a curation layer that streamlines protocol liquidity across lending, perpetual futures, restaking, and synthetic stablecoins. This model allows capital allocators to manage significant TVL (currently $10-12 billion) by focusing on rigorous risk management capabilities—such as exiting dangerous positions before market moves—rather than just technical implementation

This curation layer is vital for institutions that prioritize capital preservation as highly as generating alpha. We are seeing this trend materialize through strategic partnerships where custodians and platforms leverage external risk managers to offer curated yields directly to customers—seen in collaborations like Squads with Gauntlet, and streamlined yield offerings from Gemini and Wirex. Furthermore, with the expected passage of the Clarity Act, qualified custodians are increasingly able to offer DeFi access through MPC wallets, relying on these risk curators to navigate smart contract risks and auto-deleveraging mechanics on behalf of their clients.

Gauntlet Disclaimer

Dara Khan
Head of Marketing
Gauntlet



Industry Voice: RedStone

The market is moving from "Yield at any cost" to "Risk-Aware DeFi"

The Conflict: "Fast" Markets vs. "Slow" Assets

The "Duration Problem" (or Maturity Mismatch) is one of the biggest hurdles preventing RWAs from reaching the same velocity as crypto-native assets. In crypto, users expect 24/7/365 instant liquidity. In contrast, RWAs are governed by legal, operational, and physical constraints:

- Off-chain: A private credit fund may only allow redemptions quarterly.
- On-chain: A user wants to sell their "tokenized private credit" to get instant liquidity, as they would get when selling BTC.

Credora: The "Risk-Aware DeFi" Layer

RedStone has completed the acquisition of Credora to develop the risk assessment business. Credora introduces a universal language for risk, moving away from vague "audit scores" to a rigorous, TradFi-style credit risk rating framework. The system calculates a "**Probability of Significant Loss**" (PSL) over a 1-year horizon, assessing economic and counterparty risk.

For example, the "Red Flags" detected for ***Stream Finance*** case:

- Operational Opacity: The fund was controlled by a single Externally Owned Account (EOA), not a multi-sig or DAO governance.
- Aggressive Rehypothecation: The assets were effectively being lent out multiple times (leverage on leverage), creating a "house of cards" structure invisible to the average user.
- Lack of Proof of Reserves: Unlike top-tier protocols, there was no on-chain verification of where the funds actually sat.

The Oracle as the "Settlement Price" Layer

The integration of RedStone's high-fidelity data feeds with Credora's credit intelligence transforms the oracle into a critical Settlement Price & Data Layer, bridging the gap between the immediate liquidity demands of on-chain investors and the inherent "slowness" of Real-World Assets.

By providing a real-time synthesis of the Accurate NAV, the Time Discount required to compensate for duration risk, and the live Credit Risk profile of the borrower, RedStone enables the creation of a standardized secondary market. Intermediaries can instantly purchase "slow" tokens at a mathematically fair discount, effectively turning long-dated private credit or insurance assets into liquid, tradable instruments that can be settled atomically on-chain.

Marcin Kaźmierczak
Co-Founder, COO
RedStone & Credora

animoca BRANDS RESEARCH

Consumer, Gaming & Collectibles

GameFi as “gamified finance” will be a strong force to drive multiple generations on-chain

dApps utilize gamification to acquire and retain users

Acquisition	Onboarding and referrals, token rewards
Engagement	New Engagement Methods: Flipping cards, Airdrops etc.
Retention	Levels ups, Badges (NFTs), Daily tasks & challenges

Gamification: The Motivation Layer Driving Crypto Onboarding

Gaming is the language that Millennials, Gen Z, and Gen X have all grown up with. Elements used to keep gamers engaged, such as randomized rewards, leaderboards, and strategic card mechanics, are becoming increasingly prevalent across consumer domains.

The meta-game—the gamified layer surrounding an application—is best enabled by on-chain tokens. It is seeing rapid innovation, originating in games but increasingly applied to all consumer-facing applications, whether crypto-native or not.

Prediction markets and Pokémon card marketplaces in 2025 illustrate gamification in action. Prediction markets allow users to bet on events such as prices or elections, while Pokémon marketplaces turn collecting and trading into a game through rewards and competition.

Age of hyper-financialization

In the age of hyper-financialization, finance has become the “game engine” of the creator economy. Platforms increasingly use crypto as an embedded money layer to create closed-loop ecosystems where spending feels like gameplay. For Gen Z, apps are native financial environments; they don’t “make payments,” they trigger interactions.

Data confirms this shift: in 2025, 73% of mobile wallet users engage in constant in-app transactions driven by gaming logic. This behavioral "tutorial" makes crypto adoption seamless. With 36 % of Gen Z already using digital assets for daily life, crypto has evolved from a speculative bet into the functional currency of a gamified world.

Token enabled gamification to unlock its full potential in consumer engagement

Case study 1: Euphoria Finance

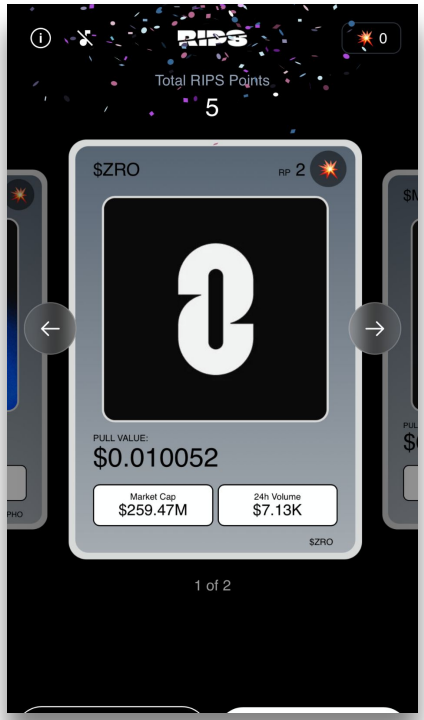
Euphoria Finance gamifies trading by abstracting complex derivatives into a one-tap, mobile-native interaction, making speculation feel closer to a game than a financial operation. By removing order-book complexity and minimizing decision friction, the platform lowers the entry barrier and encourages first-time users to experiment with real trades immediately.

To drive retention, Euphoria layers points, streaks, and leaderboards on top of trading activity, turning participation into measurable progress and competition. Social trading features reinforce this loop by making performance visible and comparable, motivating users to return, maintain streaks, and improve rankings.

Case study 2: Rips on Farcaster

Rips uses gamification to make token discovery engaging. Users open digital “packs” containing real ERC-20 tokens, creating excitement akin to trading cards. Daily free packs simplify onboarding, while rewards auto-deposit into wallets, giving immediate value. Social features let users share pulls, turning discovery into a community event.

For retention, Rips layers progression and competition with profiles, streaks, leaderboards, and points linked to future $RIPS token allocations. Gamified elements like rarity, collection progress, and social sharing transform initial interactions into repeated, habit-forming engagement.



Source: Euphoria Finance and Rips App

With the passage of the Clarity Act, global retail brands are set to scale tokens as a platform for consumer engagement

Brand	NFT Function / Use Case
Nike	Digital sneakers & collectibles (CryptoKicks, RTFKT) tied to culture & brand engagement.
Adidas	"Into the Metaverse" NFTs granting access to exclusive products & virtual/physical perks.
Coca-Cola	Branded NFT "loot box" collectibles tied to friendship themes and real-world experiences.
Taco Bell	NFT GIF collectibles
Gucci	Digital fashion and branded NFTs, also auctioned for charity.
Ferrari	Digital-only hypercar NFT as a collectible concept piece for elite members.
Starbucks	NFT loyalty & access program (Odyssey) tying digital collectibles to rewards.
Pepsi	Themed NFT collection celebrating brand history.

Global Brands are the Force behind New Web Adoption

Global retail brands provide the capital and trust necessary to fully penetrate mainstream audiences. Social media was perceived as a playground for teenagers until major brands like Starbucks and Nike began using it as a primary campaign platform.

Similarly, brands are now exploring tokenization, beginning with digital collectibles (NFTs). These early experiments helped companies understand digital engagement and consumer behavior, but they have not yet tapped into loyalty or customer incentives at scale.

The Clarity Act, likely to become law in early 2026, provides clear regulatory guidance for fungible tokens. This could be the catalyst that finally unlocks global brands' confidence in utilizing tokens as a mass customer engagement vehicle. Tokens provide a programmable infrastructure that is natively integrated with the internet, greatly expanding the possibilities for user acquisition and retention.

Source: Animoca Brands Research analysis

Web3 game and NFTs will find its fundamentals

Web3 Games Will Focus on Core User Base and Revenue

By 2026, Web3 gaming is entering a pragmatic phase where sustainability and genuine revenue matter more than speculative token drops. In 2025, 97% of gaming token launches failed to retain value, and projects relying solely on speculative incentives saw declining activity or shutdowns.

Developers are now prioritizing profitable game mechanics, skill-based rewards, and ongoing player value. Tokens are becoming a supporting economic layer rather than the primary growth driver.

This shift mirrors traditional gaming: studios focus on retention, evergreen revenue, and cost efficiency. Rising development costs and tighter funding make token models alone insufficient. In-game economies must first prove real income through gameplay, premium content, or services before layering tokenomics on top.

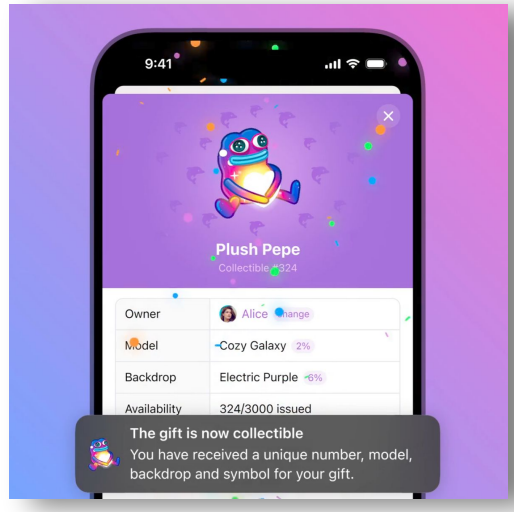
NFTs Mostly Become Digital Collectibles

By 2026, NFTs are shifting from speculative assets to digital collectibles and cultural items, driven by three main catalysts:

1. The broader NFT market has cooled, with users focusing more on identity, community, and engagement rather than quick profit.
2. Platforms like Telegram natives integrate NFTs as digital collectables, allowing users to mint, trade, and gift limited-edition digital items within the app, generating millions in weekly trading volume without external wallets or complex tools.
3. Improved UX and accessibility remove barriers for mainstream users, enabling broader adoption.

Case Study - Telegram

Telegram's NFT collectibles integrate seamlessly into messaging, enabling users to mint and trade digital gifts in chats and via an in-app marketplace without leaving the Telegram experience.



Source: "The Otherside" game official announcement; Telegram official account post

Industry Voice: Abstract

Consumer Crypto to grow from native to global brands and capital markets

Three Trenches of Consumer Crypto Adoption

Consumer crypto is very broad category, like the evolution of consumer internet. We can view the gradual growth of consumer crypto in 3 trenches

1. The Crypto-Native Core: This is the current foundation, centered on gaming, the creator economy, and digital collectibles. Lee views this as the starting point where crypto-native startups innovate on business models—such as moving from "pay-to-play" to "free-to-play" on-chain—to capture a multi-billion dollar market .
2. Global Brand Expansion: The next phase involves global brands (e.g., F1, Disney, Red Bull, K-pop) using blockchain to enhance their existing businesses. Lee advocates for "white-labeling" technology, placing wallets behind the scenes to drive engagement through on-chain reputation systems like XP and badges without disrupting the user experience.
3. Internet Capital Markets: The final stage is where financial assets live natively on-chain and move at the speed of culture. This includes the rise of privacy-preserving sovereign stablecoins for massive commodity trades and the tokenization of blue-chip RWAs, like AI data centers or oil fields, granting retail investors access to institutional-grade assets

Along the way, we will see lots of booms and busts, but zoom out, the overall trend will be up to the right.

Privacy: The Missing Piece for Global Adoption

A critical driver for this shift is the emergence of Privacy-Preserving Stablecoins powered by Zero-Knowledge technology. While early stablecoins were transparent and retail-focused, the next generation is being built for sovereign nations and multinational corporations. These entities require a "hybrid" approach: the security of settling on Ethereum without the vulnerability of a public ledger. ZK-proofs allow for user privacy (hiding balances and transaction history) and data encryption, while still maintaining the rails necessary for KYC and AML compliance. This allows for multi-billion dollar trades in commodities like nickel or palm oil to move securely across borders without counterparty risk.

Three Pillars of Abstract's Ecosystem

First, Abstract empowers crypto-native startups to acquire users instantly through the Abstract App Store, providing the initial friction-less entry point while leaving user retention and expansion to the ingenuity of the developers. Second, for global brands, Abstract offers white-labeled on-chain wallets and infrastructure that integrate seamlessly into existing applications, bringing millions of fans on-chain without them ever realizing they are interacting with a blockchain. Finally, for institutions and sovereign entities, Abstract provides highly customized solutions leveraging the ZK stack. This allows nations and major organizations to manage multi-billion dollar trades and premium assets with total data sovereignty and privacy. Together, these pillars transform Abstract into a comprehensive infrastructure that meets every user, from gamers to governments, exactly where they are.

Michael Lee
Co-Inventor & CEO
Abstract

Industry Voice: ApeCoin

Web3 gaming must adopt a 'Trojan Horse' strategy, using invisible tech and creator tools to prioritize fun over finance

Cost, Complexity, and the "Fun" Deficit

A critical bottleneck preventing mass adoption is the disconnect between the industry's ambitions and the current state of technology. The current generation of Web3 games often fails the primary test of being "fun," largely because integrating blockchain mechanics into immersive world-building remains prohibitively expensive and technically complex. The capital required to produce AAA-quality titles has stifled innovation. However, the outlook is shifting: as dedicated platforms like *Otherside* mature and release robust development tools, the technology is expected to finally catch up to creative ambitions. This evolution will lower the barrier to entry, allowing developers to focus on gameplay quality rather than technical constraints.

The "Trojan Horse" Adoption Strategy

The consensus is that Web3 gaming will only achieve mass adoption through a "Trojan Horse" strategy: onboarding users into high-quality experiences without them realizing the underlying crypto rails. There is a recognized cultural clash where traditional gamers aggressively reject financialization, viewing NFTs as scams or detrimental to game integrity. Therefore, the next generation of games must prioritize fun over finance, using blockchain only in the background for asset liquidity and ownership.

For Yuga's *Otherside*, the strategy has shifted away from expensive, inefficient user acquisition campaigns (airdrops/token incentives). Instead, the focus is on creator-led growth via the Otherside Development Kit (ODK). The logic is that providing powerful world-building tools to an already fervent community will generate better content than centralized development alone. By empowering users to build their own experiences, the platform aims to solve the cold start problem through organic community engagement rather than paid marketing.

Nick Sowsun
Chief Strategy Officer
ApeCoin

Industry Voice: Opinion

The era of "Information Finance" & "Structural Uncertainty"

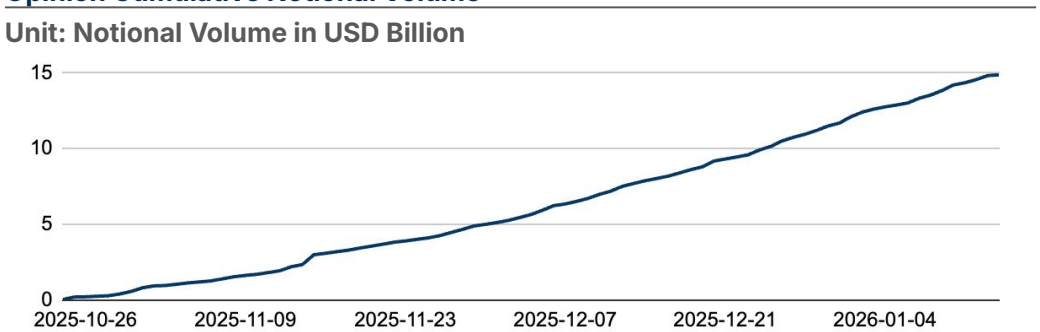
From Speculation to Structural Hedging

The drivers of crypto are shifting from purely speculative liquidity cycles to structural demand for managing uncertainty. Investors are increasingly using crypto as the primary venue to express precise views on macro events—interest rates, elections, and geopolitics. By 2026, this demand will not fluctuate solely with liquidity; instead, it will absorb constant flows from users seeking to hedge risk in a complex world. The market is evolving from a niche product for new narratives into a utility layer for probabilistic thinking, where users trade to understand outcomes, not just for upside.

Prediction Markets: The "Truth Machine" for Institutions

Institutional adoption in 2026 will prioritize precision over broad beta. Institutions are seeking tools to manage specific event risks (e.g., policy changes, election outcomes) rather than just holding generic crypto assets. Prediction markets fit this need naturally by providing on-chain probability curves—transparent, tradable signals that integrate into professional portfolio construction. For retail, the gateway isn't technical trading interfaces, but conversational products within Super-Apps. Adoption happens when "making a prediction" feels like a social action rather than a financial transaction.

Opinion Cumulative Notional Volume



Source: Dune

Prediction Markets as Core Information Infrastructure

The long-term vision is the convergence of News, Data, and Markets into a continuous feedback loop. In this endgame, prediction markets evolve from niche products into core information infrastructure. They actively shape narratives by converting dispersed, subjective human judgments (beliefs, emotions, research) into objective, verifiable, and tradable economic intelligence. Prediction markets will sit alongside—and potentially ahead of—traditional news media as the primary source of truth for the world.

For more information, please reference the QA List

Nicki Lee
Research
Opinion

animoca BRANDS RESEARCH

New Narratives - Crypto for Agent Pay

AI remains in a high-growth installation phase, with global innovation hubs demonstrating interest in both AI and crypto

AI Industry is Currently in the Installation Phase

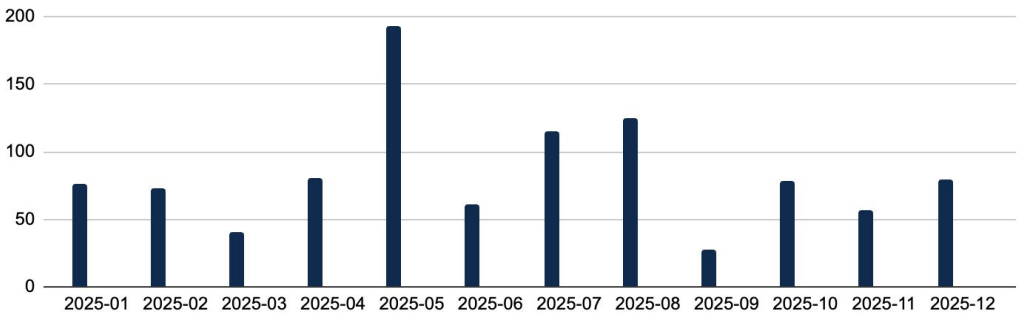
Referencing from Carlota Perez's framework, major technological revolutions usually unfold in recurring ~50-year cycles, shifting the techno-economic paradigm through two phases: the Installation Phase marked by intense innovation, massive infrastructure investment, financial speculation, and often a bubble/crash; followed by the Deployment Phase of maturation, broad adoption, and a productivity-driven golden age.

AI is currently in the Installation Phase, evidenced by hyperscalers' explosive CapEx around $440 billion in 2025 rising toward $600 billion in 2026 with roughly 75% tied to AI infrastructure, speculative valuations detached from current revenues, and institutional lag as regulations and infrastructure struggle to keep pace with rapid advances.

Crypto x AI is small relative to hyperscalers' investments, but still resilient and driving innovations at the intersection of crypto and AI, including verifiable computing, autonomous agents transacting on blockchains, and tokenized data markets for secure training. We anticipate AI investment will continue to benefit the Crypto x AI sector in 2026.

AI & Crypto Sector publicly disclosed fundraising amount

In USD Million

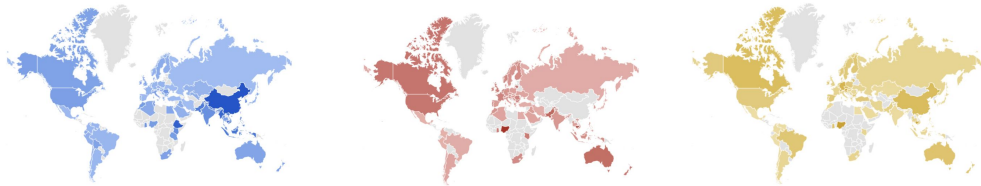


High Interest on Crypto and AI at Innovation Hubs

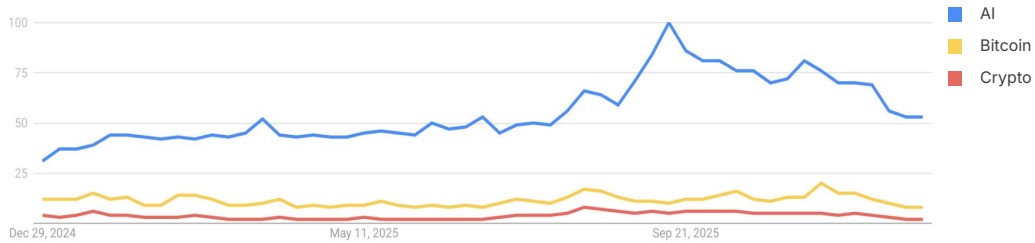
In 2025, AI remains the world's hottest and most discussed topic, having roughly 10x more global attention than crypto, which continues to occupy a relatively niche sector.

Geographically, interest in AI and Bitcoin is strong in both North America and China, the two innovation centers for new technologies, indicating that continued progression is yet to come.

Interest By Region



Interest in 2025



Sources: RootData; Google Trends; Animoca Brands Research analysis

Crypto rails open novel payment structures in the agentic commerce era

Agent is opening a new paradigm of online business

Agentic commerce signals a fundamental shift of commercial ecosystems。By leveraging reasoning capabilities, agents proactively detect user requirements, systematically evaluate alternatives, engage in dynamic price negotiations, and finalize transactions, all while executing multi-stage workflows that reflect human preferences with minimal direct oversight. By 2030, agent-driven transactions could generate up to US$1 trillion in US B2C retail revenue alone, with global estimates ranging from US$3 trillion to US$5 trillion, per McKinsey analysis.

E-Commerce are open to agent integration

As the infrastructure matured, major traditional players are moving beyond "experimental" phases. Leading e-commerce companies are already creating agent service for consumer access.

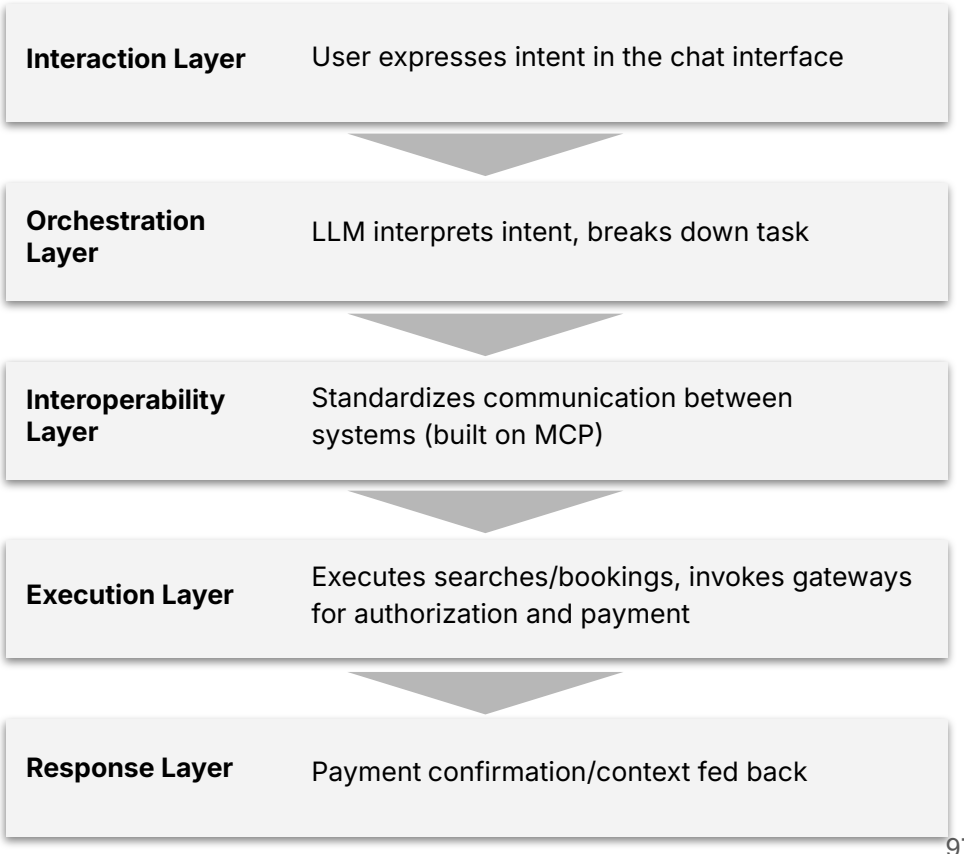
Company	Crypto Integration	AI Agent Integration	Agent Capability
Amazon	Bitrefill, BitPay	Rufus	Q&A, recommendations, price tracking, auto-buy/add-to-cart
Alibaba	None direct	Accio Agent	Sourcing, ideation, prototyping, supplier vetting
Walmart	OnePay Cash	Sparky	Review synthesis, recommendations, service booking
eBay	None direct	AI Shopping Agent	Personalized picks, guidance, suggestions
Shopify	USDC on Base; Coinbase, BitPay	Agentic Storefronts	Enhanced search/UX, recommendations, checkout
Shopee	None direct	AI Operator	Recommendations, queries, chat responses
Mercado Libre	MercadoPago (Meli Dolar)	Verdi	UX/search, integrations, recommendations

Source: Animoca Brands Research analysis

The core layers defining agentic commerce: payment as the last mile

In the end-to-end agentic commerce flow, payment is the critical step that makes commerce a reality. Traditional rails, such as credit cards and bank transfers, are built for human users and lack programmability. In contrast, stablecoins on a blockchain overcome this last-mile bottleneck.

AI agents payment stack

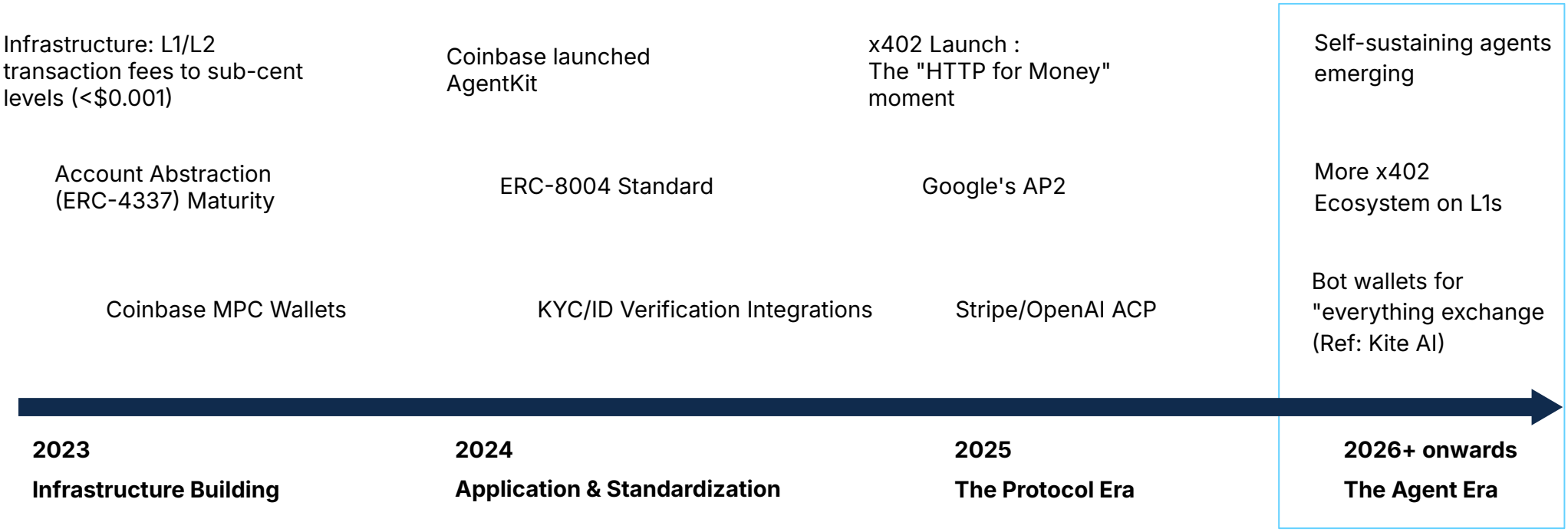


Stablecoin for agentic commerce is expecting “Bitcoin Pizza Moment”

Key developments on crypto for agentic payments

Outlook

Over the past three years, infrastructure and emerging standards have made notable progress and are reaching a tipping point; the first real agentic commerce payment via crypto rails is imminent



Industry Voice: 0G

The era of verifiable intelligence

Infrastructure, Autonomy, and the Rise of Verifiable AI

AI infrastructure in crypto will scale as AI shifts from experimental to operationally indispensable. Growth is driven by the need for verifiable, low-cost inference and data availability to support autonomous operations like intent execution and fraud detection. Decentralized compute and storage are becoming the preferred choice—not for their novelty, but because they provide a "truth layer" and programmable market that avoids the capacity constraints, opaque pricing, and jurisdictional risks of centralized providers. On the application side, adoption is fueled by high-utility use cases: agent-driven DeFi, scam prevention, automated settlement, and AI-managed on-chain economies. In high-stakes sectors like healthcare and robotics, growth is further driven by the critical need for auditable AI outputs and tamper-resistant data provenance to ensure security and compliance.

Why a Truth Layer for AI Matters: Overcoming Friction, Fraud, Confusion, and the Verification Gap

The central challenges in AI × Crypto stem from the fact that autonomous systems scale faster than human oversight. Agentic tooling dramatically lowers the cost of fraud, misinformation (e.g., who made a change: a human being or an AI agent), exploits, and social engineering, making trust and safety a first-order constraint as AI begins to control capital and trigger on-chain actions. At the same time, verification remains too expensive, slow, and fragmented for production use (esp when used in AI training contexts), while decentralized compute must still prove enterprise-grade reliability, predictable quality of service, and transparent metering to support real workloads. These technical frictions are compounded by a high integration tax: probabilistic AI systems do not map cleanly onto deterministic smart contracts, and poor developer experience further slows adoption.

The 2026 Stack

(1) Agents (demand) → (2) Compute/Storage (supply) → (3) Proof/Attestation (trust) → (4) Tokens (incentives + ownership). That stack enables business models that feel native to crypto:

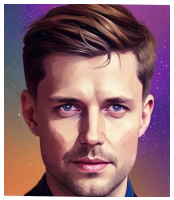
- **Autonomous Service Providers (ASPs)**: Agent-run “companies” that pay for compute, generate verifiable outputs, and get paid on-chain for outcomes (not time).
- **Outcome-based markets**: Pay only when an inference/fine-tune job meets measurable criteria (accuracy threshold, latency, policy constraints).
- **Composable agent supply chains**: One agent sources data, another runs inference, another executes trades—each step produces a receipt and gets paid programmatically.
- **Enterprise-grade privacy flows:** Prove that a model ran under constraints without revealing inputs (this is where TEE/ZKZK/attestations go from hype to necessity).
- **Niche applications** for hyper targeted use cases utilizing vibe coding and specialized agents and skills

Sub-sectors with the Most Innovation

1). Vibe coding; 2). DeFAI / intent execution + risk automation; 3). Verification middleware for AI (provenance, policy proofs); 4). Decentralized inference + fine-tuning marketplaces; 5). Agent data pipelines (memory + audit trails + DA guarantees).

For more information, please reference the QA List

Michael Heinrich
CEO
0G Labs



Industry Voice: Kite AI

AI x Payment: The largest contribution blockchain brings to AI

Blockchain as an Autonomous Payment Infrastructure

Scalability in AI-agent ecosystems depends on a strategic decoupling of data-intensive tasks from the blockchain. Under an off-chain by default architecture, the system moves high-volume artifacts—such as raw model logs, complex evaluation workflows, and granular feedback—into high-performance environments. The shift mirrors the evolution of operational efficiency at companies like Uber, where automated models replaced resource-heavy manual processes like support ticket classification. In that context, the transition from human-led manual labor to automated inference significantly reduced unit costs and deployment timelines. Similarly, the Kite ecosystem ensures that heavy computations occur off-chain to avoid the prohibitive gas fees and latency associated with direct ledger interactions, which maintains economic viability as agent activity scales toward millions of daily tasks.

Strategic Anchoring: On-Chain Identity and Intent

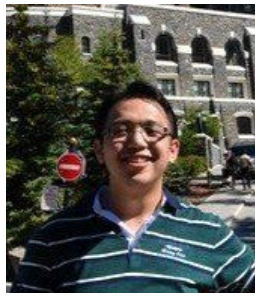
The blockchain functions as a specialized layer for identity management and authorization rather than a primary database for every agent action. Key attributes, such as the "Agent Passport," policy constraints, and intent commitments, remain anchored on-chain to provide a verifiable source of truth. Such framework utilizes cryptographic signatures to verify authorization without the operational burden of constant ledger updates. This structure ensures that agents operate within predefined security protocols and execution parameters while it maintains an auditable trail for settlement and dispute resolution. By recording only essential escrow conditions and proof hashes, the system achieves a balance between high-speed autonomous performance and decentralized accountability.

Strategic B2B2C Infrastructure for Autonomous Agentic Services

Kite operates as a B2B2C platform, providing developers with the infrastructure to deliver high-value agentic services to the end consumer. This model relies on native payment infrastructure that facilitates autonomous economic activity through high-frequency, low-value transactions. Through the use of payment channels and streaming protocols, Kite enables near-instant value transfer and bypasses the friction of traditional banking hurdles. These streams operate off-chain for speed but settle on-chain periodically to ensure financial finality.

The hybrid financial stack supports outcome-based monetization—where payments trigger upon the completion of specific tasks—allowing agents to function as active economic participants in the 2026 digital economy.

Scott Shi
Co-Founder & CTO
Kite AI



Industry Voice: Sahara AI

Payments is where crypto & AI will converge

Macro Narrative: Micro-payments as the Lifeblood of the Agentic Economy

In 2026, AI will remain one of the fastest-growing verticals in crypto and the industry will move beyond hype toward real economic activity powered by autonomous agents. But an autonomous, agent-driven economy cannot function without frictionless, programmable value transfer. As more AI agents book travel, execute trades, and coordinate services on behalf of users, traditional Web2 payment rails (credit cards, bank transfers) are too high-friction to support the high-frequency, low-value transactions (e.g. $0.001 per API call) required by agent-to-agent interaction. Crypto-native micro-payment networks will become the indispensable "vascular system" of this economy, enabling friction-free value exchange. 2026 will mark the moment agents begin autonomously utilizing crypto rails to close real commercial loops.

The New Interface: Rise of the Crypto AI Copilot

For most people, crypto investing is still way too complex, creating a major barrier to participation. Between fragmented markets, scattered information, and the need to navigate different chains, wallets, and assets, even basic portfolio decisions feel overwhelming. That's why the killer application of 2026 will be the "Crypto AI Copilot"—an all-encompassing personal investment assistant for navigating multiple assets and on-chain markets through a single, intuitive interface. Unlike complex terminals built for pros, the copilot targets the amateur user. It translates natural language intents ("Optimize my ETH holdings for yield") into on-chain execution, leveraging AI to analyze data, gauge social sentiment, and autonomously rebalance portfolios. AI will fundamentally reconstruct the interaction layer of crypto, moving users away from direct protocol interaction to an intent-centric model managed by AI agents.

The Endgame: When Agents Become the Market Gateway

As agentic systems mature, the primary user entry point to crypto will shift from traditional CEX and DEX front ends to AI interfaces. Users won't choose where liquidity lives; their AI will route execution based on price, speed, and reliability. Users will trade through conversation, making underlying liquidity venues—whether Binance or Uniswap—effectively invisible. For exchanges, this creates a new competitive reality. Exchanges face a bifurcation: build their own leading AI copilots or risk being reduced to liquidity backends for third-party agents. The future battleground will not be defined by liquidity alone, but by who controls the AI interface.

How Sahara AI is Building the Foundation for the Agent Economy

Sahara AI is the agentic AI company, dedicated to making AI more accessible and equitable. We enable anyone to create, contribute to and monetize AI.

Our full-stack AI platform consists of Data Services Platform for data labeling and collection, AI Developer Platform and Marketplace for agent creation and monetization, and agentic protocols for fair value attribution. Our solutions already power AI agents and high-quality data for consumers, Fortune 500 enterprises, and leading research labs, such as Microsoft, Amazon, MIT, Motherson, and Snap.

For more information, visit SaharaAI.com

Sean Ren
Co-Founder & CEO
Sahara

Industry Voice: Sentient

AGI is a a network of diverse intelligences working in concert

The future of Artificial General Intelligence (AGI) lies not in a single, monolithic "god model," but in the orchestrated collaboration of specialized intelligences. Rather than competing to build the largest closed-source model, the strategic focus should shift toward creating a connective grid that links diverse agents, data providers, and models into a unified network. This approach posits that superior intelligence emerges from a collective ecosystem where queries are dynamically routed to the most efficient tool for the task, leveraging the entire open-source landscape instead of reinventing it within a walled garden.

True human-level intelligence requires more than the pattern matching and memorization typical of current Large Language Models (LLMs); it demands robust reasoning. Development is now pivoting toward "Reasoning AI"—an intermediate cognitive layer that acts as a decentralized project manager. By prioritizing frameworks capable of breaking down ambiguous goals into actionable, atomic steps, builders are establishing a defensible technological moat. This planning layer remains critical and valuable regardless of which underlying foundation model currently holds the state-of-the-art title.

The team uses blockchain strictly as a utility tool for payments, ownership, and governance. The "Contribution-Attribution Protocol" is designed to address coordination challenges in open-source development. By tokenizing ownership of open-source repositories, contributors can earn governance rights and attribution recognition based on their approved code or data contributions. This creates a self-governing ecosystem that encourages developers to build on open standards rather than within walled gardens.

Mass adoption demands a hybrid infrastructure that balances decentralized innovation with enterprise-grade reliability.

For sentient, the strategy involves deploying dedicated Layer 2 blockchains capable of handling the high-frequency micro-transactions required for autonomous agent commerce, ensuring the scalability needed for institutional partners like banks and telecom firms.

Simultaneously, providing sovereign, unaligned open-source models offers a necessary alternative for regulated industries that require full control over their AI's data lineage and ethical alignment, bridging the gap between Web2 compliance and Web3 innovation.

Abhishek Saxena
Head of Growth & Strategy
Sentient

Industry Voice: Questflow

“Agent + Skill + Execution Environment” becomes the new primitive

From Generalist Agents to Skill-Centric Orchestration

The "Agentic Economy" of 2026 will be defined by a fundamental transition away from monolithic, general-purpose AI agents toward specialized, "skill-centric" systems. While early iterations relied heavily on raw LLM reasoning, the next phase of growth recognizes that high-stakes domains—such as financial analysis and large-scale research—require more than just model capability; they demand explicit structure, programmable constraints, and repeatability. In this evolving landscape, the dominant narrative shifts toward agents acting as sophisticated coordinators of iterative skills rather than universal problem-solvers. This "structure-first" approach ensures that agentic outputs are deterministic and auditable, moving the industry away from experimental demos and toward production-grade systems that deliver measurable economic ROI. By focusing on specialized skills that can be upgraded and reused, the Agentic Economy matures into a reliable framework where depth and technical correctness take precedence over broad but shallow autonomy.

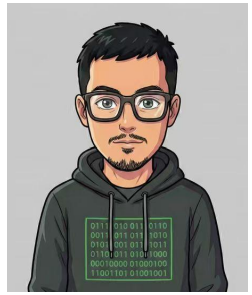
Programmable PayFi: Crypto as the Native Settlement Layer for M2M

As agents become more specialized, the adoption of Machine-to-Machine (M2M) payments will accelerate, positioning crypto rails as the primary settlement layer for the autonomous economy. In 2026, the growth of PayFi (Payment Finance) will be driven by the need for low-value, high-frequency transactions that occur beyond human intervention. Stablecoins will emerge as the neutral, programmable asset of choice for settling compute costs, API usage, and complex B2B workflows. However, the true catalyst for adoption lies in addressing the orchestration challenges of safety and compliance. Key developments, such as the x402 internet-native payment standard, will allow agents to integrate financial execution directly into their logic flows. By embedding policy-by-design and intent resolution into the protocol layer, the industry will bridge the gap between autonomous reasoning and secure financial execution, enabling agents to handle high-stakes treasury operations, refunds, and reconciliation with enterprise-level accountability.

The Future of Orchestration: Policy-Aware Execution Substrates

As multi-agent systems move into high-stakes domains like research and finance, the role of orchestration protocols is evolving from simple task routers into Policy-Aware Execution Substrates. In this advanced model, the protocol layer—pioneered by frameworks like Questflow—serves as a digital constitution that enforces safety, governance, and compliance in real-time. By providing agents with "Computer Use" capabilities within sandboxed environments, these substrates allow agents to write and execute their own code-based tools while the protocol monitors for policy violations. This "Compliance-by-Design" approach addresses the critical challenge of accountability: if a multi-agent swarm executes an autonomous treasury rebalance, the protocol generates a complete Execution Trace that logs every intent, skill call, and payment. This shift ensures that as AI agents gain more autonomy, they remain bound by the rules of their human creators, creating a secure bridge between the unconstrained potential of agentic swarms and the rigorous requirements of global enterprise and regulatory frameworks.

Tim Liu
Product Manager
Questflow



Industry Voice: FLock.io

The Shift Toward Token-Driven AI Models

The Rise of Community-Driven Model Economies

In 2026, AI is shifting from closed, centralized development to a community-driven token economy. Following FLock.io's completion in 2025 as the world's first full-cycle DeAI platform, this year marks a critical onboarding phase where individuals launch model tokens and companies leverage decentralized ecosystems for cost-efficient inference. This approach enables highly specialized, industry-specific models to be trained and validated by their own users. By democratizing training, DeAI delivers models that are more ethical, less biased, and ultimately more powerful—driven by diverse, real-world data rather than centralized silos.

Privacy-Preserving AI in an Era of Sophisticated Threats

As cyber threats grow more advanced and large-scale data breaches become increasingly common, the need for privacy-preserving AI has become unavoidable. Centralized AI systems—defined by black-box decision-making and limited data sovereignty—have introduced systemic risks for modern enterprises. FLock.io directly addresses these vulnerabilities through a decentralized, privacy-first architecture. By ensuring that sensitive data never leaves its original source and using federated learning with secure verification, FLock enables AI training and deployment without compromising privacy. In an environment defined by sophisticated threats, DeAI offers a transparent and verifiable alternative that prioritizes user security over the interests of a single central provider.

The Significance of Token Economy for AI Inference Services

Beyond security, real-world deployments show that DeAI is inherently more scalable than centralized AI. Traditional inference pricing is constrained by high infrastructure and data center costs, creating rigid and expensive pricing floors. FLock.io breaks this ceiling through FOMO—a distributor-centric inference gateway powered by a tokenized economy.

FOMO incentivizes early stakeholders to subsidize inference costs, enabling prices far below industry standards while maintaining long-term value alignment. This reduces reliance on massive data centers, lowers environmental impact, and delivers a globally scalable inference infrastructure at a fraction of traditional costs.

Through real model asset issuance, FOMO reshapes incentives at the protocol level. Early participants, having already captured upside through asset appreciation, are motivated to subsidize inference, potentially even below raw hosting costs to accelerate adoption. Increased usage then drives token burn, creating a deflationary feedback loop that reinforces value accrual. This franchise-style model is only possible within a tokenized economy.

By establishing ultra-low inference as a new baseline, FOMO also challenges the incremental release strategies of major AI labs. Unless new models deliver efficiency gains that meaningfully exceed this benchmark, enterprises have little incentive to switch. In doing so, FOMO forces genuine innovation and helps deflate the broader AI valuation bubble.

Jiahao Sun
Founder & CEO
FLock.io

Industry Voice: Donut

The rise of the sovereign agent economy and the "FSD" era

The Agentic Endgame: Sovereign Economic Actors

It is envisioned a disruptive endgame: the Autonomous Machine Economy. In this future, AI agents are no longer mere tools but sovereign economic participants with their own on-chain identities and wallets. Billions of agents will become the dominant market actors, negotiating, trading, and innovating 24/7 without human oversight. Blockchain (specifically ZK Proofs and immutable ledgers) serves as the verifiable backbone, solving the AI black box trust issue and converting abstract intelligence into auditable productivity.

Product Paradigm Shift: From Co-Pilot to Full Self-Driving (FSD)

The 2026 product focus shifts from AI-assisted research to capital automation. The industry aims to solve the human bottleneck—the reality that while money is programmable, traders remain manual. The evolution path is clear: transitioning from the current "Co-Pilot Era" (Human-in-the-Loop) to the "FSD Era" (Full Self-Driving). Future terminals will not be browsers but industrial-grade execution systems, enabling users to codify logic into autonomous strategy “fleets”, escaping the "Time-for-Money Trap."

For more information, please reference the QA List

User Acquisition: The Prompt-to-Action Loop

Growth strategy pivots from airdrop mercenaries to product-led growth. The core lever is the moment of intent. By capturing user intent during the research phase, platforms can enable zero-friction execution via agents. This prompt-to-action loop becomes the primary organic growth engine, replacing inefficient incentives. The business model evolves alongside it: moving from thin trading fees to monetizing certainty & compute (selling the "Professional Hand" that manages capital while users sleep).

Darcy Du
Donut
COO

Industry Voice: OpenMind

The "At-Scale" machine economy and social models

From "Pilots" to "At-Scale Machine Economies"

The core theme for 2026 is the transition from isolated deployment pilots to fully operational at-scale machine economies. The industry is moving beyond testing individual robots to orchestrating complex, multi-agent networks. This requires a shift in infrastructure: from simple control planes to on-chain settlement layers (like FABRIC) that offer automated task verification, SLAs, and cross-network payments. The goal is to enable a marketplace where task boards and insurance are handled autonomously by the network, creating a true economy rather than just a fleet management system.

The Endgame: "Social Models" as the Default Brain

The endgame for the Robotics x Crypto sector is the development of social models—foundation models specifically tuned for human-facing robots (in homes, classrooms, and hospitals). Unlike pure industrial automation, these models prioritize privacy (on-device filtering) and safety (hazard avoidance) as core stack components. Blockchain's role here is critical: it provides the trust layer for privacy-preserving perception, ensuring that while robots interact socially with humans, the sensitive data they process remains secure and user-sovereign—something Web2 cloud robotics struggles to guarantee.

The "Brain" (US) vs. The "Body" (Asia)

The go-to-market strategy for 2026 reflects a distinct geographic bifurcation:

- **US (Software/AI):** The hub for cloud robotics APIs and scalable AI infrastructure, targeting developers and enterprises.
- **East Asia (Hardware/Deployment):** The hub for physical manufacturing, supply chains, and dense factory environments. Success in 2026 will depend on bridging these two worlds—installing US-developed "AI Brains" (like OM1/BrainPacks) into East Asian "Hardware Bodies" via strong OEM partnerships.

Jan Liphardt
CEO & Founder
OpenMind

Industry Voice: APRO

From standard price feeds to non-standard AI logic

The "Quicksilver Effect" of Institutional Capital

The market is transitioning from a tech dream phase driven by retail speculation to a real application phase dominated by compliance. The entry of institutional capital in 2026 will not be a sudden storm, but rather a quicksilver effect—capital will flow like liquid mercury, inevitably finding and permeating every path of least resistance (compliant infrastructure, stablecoins, RWAs). Institutions are no longer looking for a casino; they are seeking efficient settlement layers. The narrative shifts from crypto native isolation to a deep convergence where blockchain serves as the backend for global macro-economics.

The New Oracle Frontier: AI + Non-Standard Data

The battle for standard financial data (e.g., BTC/ETH price feeds) is largely settled. The blue ocean for 2026 lies in non-standard data—high-frequency, complex data streams from sports, esports, and prediction markets. Current prediction markets suffer from low engagement due to static binary outcomes. The next generation of data infrastructure will utilize AI to process real-time, millisecond-level data (e.g., "Who scores the next point?"), transforming passive betting into high-frequency live engagement. This shift is critical for increasing user retention in GameFi and SocialFi sectors.

Oracle Development: From "Fetching" to "Reasoning"

The role of the oracle is evolving from a passive data courier to an active AI processor. Simply fetching data from APIs is insufficient for the AI agent economy. Future oracles must utilize Large Language Models (LLMs) to clean, cross-verify, and *reason* over data before it reaches the chain. This AI-verified data" is essential for AI agents to execute autonomous on-chain decisions reliably. Furthermore, oracle-as-a-service will emerge as a key business model, allowing institutions to spin up private, customized data pipelines without building infrastructure from scratch.

Sawyer Sun
Chief Operating Officer
APRO

animoca BRANDS RESEARCH

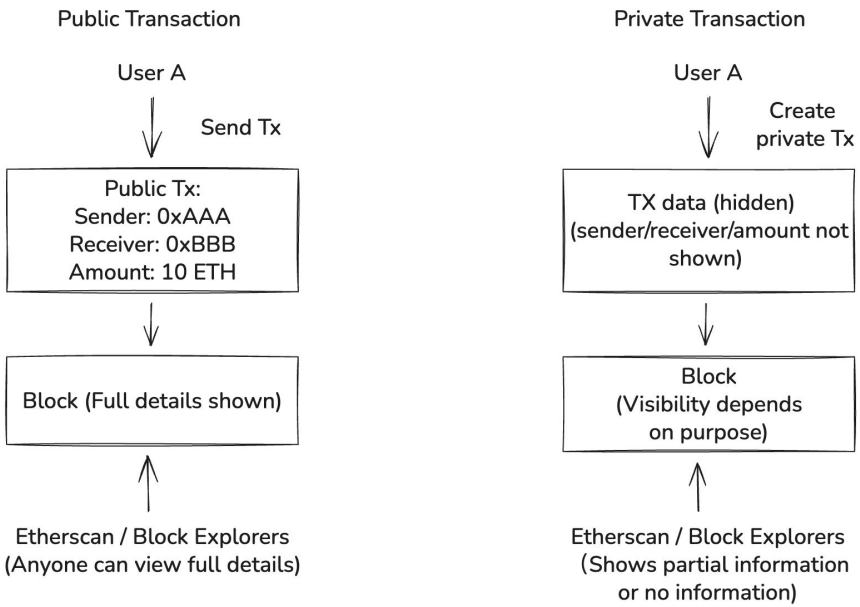
New Narratives - Privacy

On-chain privacy is becoming a focused area for real-world applications at scale

Privacy Becomes a Real-World Requirement

Public blockchains currently operate as a "Transparent Dark Forest" where every transaction remains permanently visible to all. For institutions, this exposure means "trading naked" against predatory MEV bots, while for retail users it results in, for example, where a simple coffee purchase reveals their entire net worth.

2026 marks the turning point because of improved regulatory clarity. This shift transforms privacy from a compliance risk into a commercial necessity. It serves as the necessary enabling factor for institutions to bring RWAs on chain without strategy leakage, and acts as the social "shield" allowing crypto to evolve from a speculative asset into real wealth.



Dimension	Institutions (Banks, Funds, Enterprises)	Retail Users (Consumers, Gig Workers)
Core Pursuit	**Commercial Confidentiality & Profit Protection** *(Trade Secrets)*	**Personal Safety & Social Boundaries** *(Anti-Doxing)*
Primary Fear	**Front-Running & Loss of Pricing Power** Competitors monitoring inventory to erode profits via MEV/Sandwich attacks; reverse-engineering proprietary strategies.	**Doxing & Targeted Attacks** Linking real-world identity to on-chain wealth, leading to kidnapping, blackmail, or targeted social engineering scams.
Specific Pain Points	**Supply Chain Exposure:** Suppliers seeing wallet depth allows them to inflate prices. **Strategy Leakage:** Building a position is detected, causing market prices to move against them.	**Social Friction:** Buying coffee reveals your total net worth to the cashier. **Payroll Transparency:** On-chain wages allow colleagues to audit each other's salaries.
Legal/Compliance Pressure	**Fiduciary Duty:** Obligation to protect client data (e.g., GDPR, Bank Secrecy). Public transparency creates liability.	**Right to be Forgotten:** The desire to prevent past consumption history (e.g., medical bills, private purchases) from being permanently auditable.

Privacy systems are increasingly emphasizing verifiable compliance over full anonymity

Regulatory Regime: End of "Anonymity" & Rise of "Verifiable Privacy"

The regulatory landscape in 2026 (EU's MiCA & US GENIUS/CLARITY Acts) draws a hard line: "Privacy is allowed, Anonymity is banned."

- **EU (**AMLR**):** The EU's AMLR effectively prohibits regulated providers (exchanges, custodians, etc.) from offering anonymous accounts or handling privacy coins in a way that obscures transaction history. This makes privacy coins like Monero and Zcash difficult to support in compliant markets, though individuals using self-custody may still hold them outside regulated services.
- **US (GENIUS/CLARITY)**: While GENIUS/CLARITY Acts does not explicitly endorse privacy technologies such as zero-knowledge proofs, its strict AML and sanctions requirements combined with the absence of prescribed technical implementations implicitly increase demand for Compliance-in-Code.

Tech Evolution: From "Mixing" to "Proof of Innocence"

Regulation has fundamentally altered the technological trajectory of the privacy sector. The goal has shifted from "How to hide everything" to "How to prove legality without revealing details." This catalyzes the adoption of "Privacy Pools" and "Proof of Innocence" (championed by Vitalik Buterin). Instead of severing the transaction link (like mixers), these protocols allow users to generate ZK-proofs demonstrating their funds do not originate from blacklisted sources (e.g., hackers), satisfying the regulatory requirement of "proving you are not a criminal" without revealing "who you are."

Philosophy	Potential Tech Response	Core Mechanism
Conditional Traceability *("Show me the history")*	**View Keys**	**Retroactive Audit:** Lifts the ban by granting regulators authorized access to decrypt transaction history.
Pre-emptive Interdiction *("Stop the bad guys")*	**Programmable Privacy**	**Active Blocking:** Smart contracts embed logic to automatically filter and reject illicit funds *before* execution.
Binary Segregation *("Clean vs. Dirty")*	**Privacy Pools**	**Liquidity Firewall:** Uses ZK-proofs to verify funds belong to a "clean set," strictly isolating them from blacklisted assets.

> For the next generation of chains, privacy and compliance are no longer add-ons but are integrated into the core architecture from Day One.
>
> **Eva Zhang, CEO, Blockscout**

Programs are exploring different privacy solutions, which will lead to fast roll-out but also interoperability challenges

Category	Main Approach	Interoperability Constraints
ZK L1s *(Aleo)*	**Local Execution** Computation happens off-chain on user devices.	**Siloed Ecosystem** Encrypted global state with limited open interoperability
On-Chain FHE *(Zama)*	**Encrypted Global State** Calculates data while it remains encrypted.	**Environment Locked** Only works on FHE-enabled chains. Standard EVM chains cannot process this encrypted data.
Hybrid L2s *(Aztec)*	**Dual State Trees** Hybrid public/private state with separate authenticated data trees.	**L1 ↔ L2 Friction** Cross-chain interaction is slow (asynchronous). Hard to compose with L1 DeFi atomically.
App Privacy *(Railgun)*	**Walled Gardens** Smart contract pools on Ethereum.	**Shielded Access** On-chain privacy interactions remain observable and protocol implementations are tied to specific ecosystems, limiting seamless multi-chain or cross-protocol composability.
Identity / DID *(Moca Network)*	**User-Carried State** User moves credentials across chains.	**Schema Fragmentation** High portability, but data formats vary. App A might not recognize App B's credential standard.

Ecosystem Leaders Elevate Privacy to Core Strategy

Major ecosystems are reorganizing around privacy as core infrastructure. The Ethereum Foundation has moved privacy from research to execution by establishing a dedicated Privacy Cluster focused on private reads, private writes, and efficient proofs as roadmap primitives. An accompanying Institutional Privacy Task Force aligns these efforts with regulatory and operational realities, marking a shift from experimental privacy to deployable, enterprise-grade systems.

What We Might See in 2026:

1. **Privacy as Infrastructure**: Privacy is moving beyond isolated protocols into protocol-level stacks, wallet integrations, and developer toolchains, particularly in Ethereum and ZK ecosystems
2. **Enterprise & Compliance Focus**: Initiatives like Aztec's zkPassport and the Ethereum Foundation Institutional Privacy Task Force show a shift toward selective disclosure and compliance-aware privacy, meeting real-world institutional requirements
3. **Zero-Knowledge Everywhere**: ZK proofs are becoming the foundation of most privacy advancements, powering private L2s, identity solutions, and zkTLS, making provable privacy both practical and scalable
4. **Ecosystem-Wide Innovation**: Modular ZK rollups, privacy bridges, and identity-focused tools point to a diversified and interconnected privacy landscape, extending beyond any single protocol or chain

Source: Animoca Brands Research analysis

Industry Voice: Ethereum Foundation

The "Verifiable Confidentiality" thesis

Institutional Bottleneck: From Regulatory Uncertainty to Lack of Privacy

While regulation is often cited as the primary barrier for institutional entry, the narrative has shifted: Privacy is now the #1 bottleneck.

Web2 business operations are private by default, whereas Web3's default transparency is fundamentally incompatible with institutional needs. Institutions cannot afford to expose trading strategies, positions, partnerships, or payroll data on-chain. Until effective on-chain privacy exists, institutional capital cannot migrate at scale. Thus, privacy is no longer only a Cypherpunk ideal but a prerequisite for mass adoption.

Adoption Path: L2 & Wallets Short-Term, Protocol Native Long-Term

The roadmap for privacy is multilevel. While native privacy at the Layer 1 core protocol level remains a contentious and slow-moving long-term goal, privacy at the Layer 2 and Application layers is set to explode by 2026.

The underlying technology (ZK, FHE, MPC) is maturing; the key catalyst for 2026 is native wallet integration. Adoption will only reach an inflection point when private transfers are seamlessly integrated into mainstream wallets, allowing users to protect metadata and transaction content without complex friction.

The New Compliance Paradigm: Selective Disclosure & Identity

Privacy is not about hiding illicit activity, but about selective disclosure. With zero knowledge and related technologies, users and institutions can prove compliance such as identity, jurisdiction, or eligibility without exposing raw data. This verifiable yet confidential model reconciles institutional privacy needs with regulatory requirements. Early pilots of privacy preserving digital identity at the nation state level further lower adoption barriers.

The Private DeFi Challenge: From Silos to Interoperability

Unlike private transfers, private DeFi suffers from liquidity fragmentation, as most solutions operate in isolated privacy silos or rely on public DeFi rails. The key challenge for 2026 is enabling interoperability between encrypted pools without sacrificing privacy. The race to support cross-protocol composability without decryption will define the next phase of private DeFi innovation.

Andy Guzman
PSE Lead
Ethereum Foundation

Industry Voice: Zama

Confidential applications on any blockchain

Privacy is (Finally) Having its Moment

Virtually every sector of DeFi benefits from privacy:

- Confidential distribution and vesting for VCs
- Confidential stablecoins for payments and banking
- Confidential vaults for yield generation and asset management with confidential tokens
- Confidential wrapping: wrap any existing ERC20 into a confidential state (ERC 7984)
- Confidential token support from wallets, qualified custodians, exchanges and bridges
- Confidential RFQ/OTC Desk
- Confidential AMMs

Fully Homomorphic Encryption (FHE) is the privacy primitive achieving the trifecta of composability, public verifiability, and quantum-level security. This architecture allows for generalized computation on encrypted data without ever revealing the underlying information. Zama is embedding the breakthrough technology we spent years developing into the first FHE protocol that enables confidentiality on top of existing public blockchains.

At Zama, we expect early adoption in payments, asset management and banking. To support a new ecosystem of confidential tokens, you need products and services for every touchpoint in the token lifecycle: token issuance, distribution, vesting, trading, yield-generation, on-off ramps. To start, Zama is laser focused on building TVL (or what we call TVS = total value shielded) so that developers can start building financial services to target this growing pool of confidential tokens.

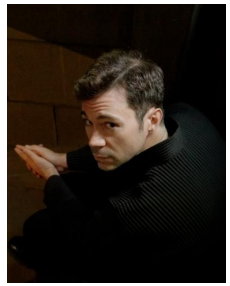
Key Scaling Challenges for 2026: TPS and Latency

For years, the primary bottleneck for FHE was its massive computational complexity which can be 1,000x slower than plaintext computation. However, FHE is no longer a research problem. Algorithmic advances, usable open source libraries and special hardware position FHE to scale – no new fundamental mathematics required: more compute = better performance.

While the Zama protocol currently processes approximately 20 transactions per second (tps)—faster than Ethereum mainnet— ecosystems like Solana or upcoming Ethereum L2 unifications demand throughput exceeding 1,000 to 100,000 tps. Today, you can scale horizontally to achieve better performance on non-sequential transactions. To accommodate all of global payments, it will require a transition from CPU to more specialized computing.

In 2026, Zama is shifting toward GPU-based deployment to leverage massive parallel task performance for cryptographic operations. Simultaneously, Field Programmable Gate Arrays (FPGAs) provide a bridge to specialized hardware; they offer the flexibility to iterate on evolving FHE standards while delivering superior latency and power efficiency compared to general-purpose GPUs.

Kyle O'Brien
VP of Corporate Development
Zama



animoca BRANDS RESEARCH

Ventures & Infrastructure

Industry Voice: OKX Ventures

The 2026 Stack: Base Money, Risk, and Credit

We'd frame crypto's 2026 growth around a single stack: regulated dollars as base money; derivatives and event markets that price a wide range of risks; credit-native DeFi as the balance-sheet layer for real-world cash flows; and, on top, an increasingly machine-native set of participants.

Regulated Dollars as Primary Settlement and Funding Rail

Dollar stablecoins already operate at system scale. Across public chains they processed roughly USD 25 - 30 trillion of transfer volume in 2024, and about US$ 46 trillion over the most recent twelve months - broadly comparable to, and on some measures above, the combined annual purchase volume of major card networks such as Visa and Mastercard. Behind that sits a stock of stablecoins in the hundreds of billions of dollars, held by tens of millions of addresses, with a rising share of reserves in short-duration Treasuries and cash equivalents.

The real effort in 2026 is less about issuing more stablecoins but more about distributing and integrating them: embedding compliant stablecoins into payroll, B2B settlement, e-commerce checkouts, game and in-app economies, and cross-border treasury operations, and then routing that demand back into on-chain liquidity, credit and hedging markets.

Crypto as Universal Derivatives & Event-risk Layer, with Credit Stack

Being attached to a large global trading and Web3 platform gives us a vantage point that's hard to replicate: we see order flow, balance sheets, and infrastructure bottlenecks across both centralized and on-chain venues. That perspective has naturally pushed our thesis into three areas we think genuinely upgrade market structure: market plumbing, programmable balance sheets, and machine-native applications. Across all three, our goal is to back teams that improve the system structurally - cheaper and safer liquidity, better risk management, and more durable capital bases - rather than short-lived narrative trades.

Machine-Native Participation and Agentic Finance

The next wave of adoption shifts focus from "onboarding humans" to "onboarding agents," as software becomes the primary user of crypto rails. With the rise of agentic-finance stacks and new standards for machine identity and payments (e.g., x402, ERC-8004), autonomous systems are now managing hundreds of millions in AUM across lending, trading, and prediction markets. Crypto provides the only environment where agents can independently own assets, sign contracts, and settle transactions end-to-end. Consequently, the most successful protocols in 2026 will be those designed specifically for machine-generated flow, providing the infrastructure for millions of agents to route liquidity and risk across the global stack.

Upgrading Market Structure Through a Balance-Sheet Lens

OKX Ventures' investment thesis focuses on structural system upgrades over short-lived narrative trades, prioritizing "market plumbing" that makes liquidity safer, cheaper, and more durable. Moving from an infrastructure-first approach (L1/L2s, modular stacks, and robust DEXs), the firm's future outlook is "balance-sheet centric," targeting protocols that transform crypto into a programmable funding and risk-transfer layer for real-world assets. This involves backing tokenized credit, risk-tranching tools, and agentic infrastructure that allows machine-native participants to autonomously manage liquidity and settle risk. By filtering for projects that improve market structure and integrate with regulated rails, OKX Ventures aims to evolve DeFi from a speculative leverage machine into a sophisticated wholesale financial utility, avoiding models built on unsustainable incentives or opaque leverage.

Continued on next page

Contributed by: OKX Ventures

Industry Voice: OKX Ventures (cont.)

The 2026 Stack: Base Money, Risk, and Credit

Event & Prediction Markets: From Toy to Tool

Two sectors with the cleanest adoption vectors are event/prediction markets and agentic finance built on privacy-preserving execution. Event markets have evolved from a niche curiosity into a legitimate asset class. Driven by the U.S. election cycle, platforms like Kalshi and Polymarket saw monthly volumes reach billions, with Kalshi's annualized volume surging from under US$1 billion in 2024 to approximately US$50 billion in 2025. Political and macro contracts are now among the most liquid instruments in the space. The growth is driven not only by speculation, but by three very concrete use cases:

- **Hedging specific real-world risks**: Corporates, funds and DAOs can now hedge discrete policy or macro events: rate-path surprises, regulatory decisions, geopolitical shocks, instead of expressing those views indirectly via broad equity or FX indices.
- **Information aggregation**: In domains where surveys are biased or slow, market-implied probabilities are increasingly used by media, analysts and even corporate planning teams as a cleaner signal.
- **Composability**: DeFi protocols and AI agents can treat event markets as oracles with prices and settlement built in. For example, an on-chain treasury policy or an agent can automatically adjust duration when the implied probability of a rate hike crosses a threshold, without relying on centralized data feeds.

As APIs mature and broker/fintech integrations roll out, we expect event contracts to sit alongside options and ETFs in user interfaces, rather than being buried deep in DeFi dashboards. That UX shift is what turns them from a speculative side bet into standard risk-management tooling.

Agentic Finance + Privacy-preserving Execution

Agentic finance products - agents that trade, rebalance, lend, provide liquidity or analyze markets on a user's behalf - are moving from proof-of-concept to production. Recent landscape maps show dozens of live AgentFi systems with aggregate AUM in the hundreds of millions of dollars, spanning trading agents, LP optimizers, lending/yield agents and prediction-market agents.

Trading bots already execute a large fraction of DEX swaps on high-throughput networks, and x402-style payment flows have ramped from a few thousand transactions per week to hundreds of thousands as early integrations launched.

We expect 2026 to be the year encrypted mempools, private RFQs, batch auctions and selective-disclosure identity move from prototype to production. That lets agents prove solvency, limits and eligibility without exposing their full position set, and gives institutions a way to route size on-chain without bleeding edge to MEV searchers and competing desks.

In that sense, agentic finance is one of the first sectors where AI, stablecoins and DeFi form a durable intersection: agents using regulated dollars to move risk around programmable, increasingly private markets.

For more information, please reference the QA List

OKX Ventures Team

Industry Voice: KuCoin Ventures

Crypto's integration into "Big Finance + Big Tech"

Major Efforts & Narratives Driving Crypto Growth in 2026

2026 is a year that holds both significant uncertainty and traceable opportunities. We believe it will mark a structural shift in the asset pricing logic of crypto. The influence of the traditional "four-year bull/bear cycle driven by Bitcoin halving" will significantly diminish. Market pricing power will no longer be dominated by the supply side (miners) but will instead be collectively driven by global macro liquidity (monetary policies of the Fed/BOJ), technological narratives (AI computing demand), and geopolitics (monetary sovereignty and capital controls). Crypto is no longer an isolated island on the edge of the internet; it has officially become a crucial subset of the global "Big Finance + Big Tech" sector.

Against this backdrop, the forces driving the bull market and industry growth will undergo a qualitative change. Mere TVL stacking or user subsidies can no longer propel the main narrative. The return to intrinsic value will become the main theme:

- **Real Revenue is King:** TVL growth driven solely by subsidies and inflation is unsustainable. Whether it is a DeFi protocol or a public chain, it must prove its ability to generate external cash flow. As observed in our previous *On-Chain Trading Shakeout* report (Link), protocols capable of capturing real transaction fees will command a premium.
- **Implementation of AI x Crypto:** A series of past projects seem to have proven that pure Web3 solutions do not possess an advantage in the competition of Large Language Models (LLMs). However, with the rise of the AI agent economy, crypto will become indispensable infrastructure for various AI applications. It provides AI agents with a borderless, permissionless, highly efficient, and extremely low-cost machine-to-machine payment network and property rights confirmation—capabilities that the traditional identity-dependent SWIFT system cannot match.
- **Playground for Innovative Developers:** Web3 remains the best testing ground for entrepreneurs' "crazy ideas." Unlike the traditional internet, which has become a labor-intensive industry (e.g., tech giants with tens of thousands of employees), the origins of Uniswap, Curve, Polymarket, and PumpFun were all small, agile teams or individuals. We believe "Super Individual" developers will use unique perspectives to validate business models on-chain quickly and at low cost. Great revolutions are often born in Web3 applications that initially appear rough around the edges.

From Halving Cycles to Macro Integration

KuCoin Ventures anticipates a structural shift in crypto from endogenous halving cycles to an exogenous macro-driven era, focusing investment on three foundational layers: a monetary layer prioritizing stablecoins 2.0, RWAs, and PayFi to modernize global value settlement; a trading layer leveraging on-chain perpetuals and prediction markets to offer institutional-grade access to global asset liquidity; and an intelligence layer providing the payment and identity infrastructure for the emerging AI agent economy. This strategy rigorously targets compliant projects with verifiable real yields and clear 12-24 month revenue horizons, rejecting fleeting speculation in favor of sustainable integration with Big Finance and Big Tech.

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Contributed by: KuCoin Ventures

Industry Voice: KuCoin Ventures (cont.)

Bridging global liquidity through non-standard assets

We believe adoption growth in 2026 will no longer be driven by purely symbolic governance tokens but will concentrate on two areas capable of generating external cash flow or solving actual pain points: Institutional-grade high-yield non-standard assets and consumer-grade payment finance & physical assets.

Institutional Scenario: Revitalizing Specific Non-Standard Assets

Our focus is on revitalizing high-quality, non-standard assets—those with strong regional performance but fragmented global liquidity. Rather than creating artificial demand, blockchain's core value lies in eliminating infrastructure friction and lowering barriers to entry, enabling seamless cross-border investment in previously inaccessible markets.

Major Use Cases: Institutional Scenario

Institutional Yield & Capital Efficiency: Optimizing idle capital through yield-bearing stablecoins, RWA-backed products, and delta-neutral strategies to move beyond basic treasury yields.

Infrastructure & Revenue-Linked Tokens: Financing "heavy" assets (AI data centers, EV networks, solar) via on-chain tokens that represent direct claims on real-world cash flows like rent or compute fees.

Private Equity Liquidity: Fractionalizing traditionally locked 7–10 year PE shares to create secondary markets, transforming stagnant holdings into tradable, collateralizable "active money."

Consumer Scenario: PayFi & "Tradable Everything"

The consumer side will bifurcate. Financial applications will pursue extreme capital efficiency, while non-financial applications will pursue the minimization of transaction friction in the physical world.

Major Use Cases: Consumer Scenario

The Rise of PayFi: Transforms payments from simple consumption into a capital-efficient tool. Funds stay invested in on-chain DeFi yields until the exact moment of purchase, where smart contracts execute instant flash-swaps or collateralized loans. This enables real-time settlement for users, IoT networks, and AI agents without sacrificing interest.

Physical Assets On-Chain: Expands RWA beyond real estate to high-velocity alternative assets (e.g., trading cards, luxury watches, and collectibles). Blockchain provides definitive proof of ownership and traceability, unlocking global liquidity for niche, regional markets and turning physical goods into tradable financial assets.

For more information, please reference the QA List

KuCoin Ventures Team

Industry Voice: Gate Ventures

The "NeoBank" logic and transparent trading

Stablecoins: The "NeoBank" of the South

The most certain growth sector is cross-border payments driven by stablecoins. This is not just about technology, but survival: demand is fueled by users in non-G7 nations needing to hedge against local currency inflation. This model represents the evolution of neo-banking—offering 24/7 efficiency and lower barriers to entry than traditional fintech, powered entirely by on-chain settlement.

The Custody Endgame: From Intermediaries to Self-Sovereignty

While the current influx of institutional capital relies on third-party custodians (like Coinbase Prime) to meet compliance standards, this is viewed as a transitional phase. The ultimate trajectory for the industry remains self-custody (decentralized custody). The endgame is not replicating traditional banking databases on-chain, but empowering users—and eventually large institutions—to possess true asset ownership. Future product morphology will resemble a "Mobile Bank" experience where the user, not an intermediary, holds the keys.

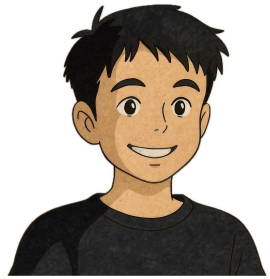
The Rise of "DEX 4.0"

Post-FTX, the market has structurally shifted toward transparency. The emergence of the "Fourth Generation DEX" is expected: platforms that offer the seamless user experience (UX) of a top-tier CEX (like Binance) but with funds settling visibly on-chain. This resolves the black box trust issue of centralized venues. The ultimate goal is to shift asset custody from third-party databases to decentralized self-custody, where users retain true ownership rights—similar to a mobile banking interface, but without the intermediary risk.

Crypto for AI & Robotics

A massive breakout opportunity lies in the machine-to-machine economy. Physical robots and AI agents need to transact, but they cannot open bank accounts at traditional institutions (e.g., Wells Fargo). Crypto is the only native currency for AI. 2026 could mark the "Year One" explosion for entity-agnostic financial infrastructure designed for robots.

Kevin Yang
Managing Partner & Investment Director
Gate Ventures



Industry Voice: LayerZero

Bridging the gap between institutional efficiency and mass adoption through stablecoin utility, tokenized assets, and seamless user experience

Tokenization Maturity: From "Stablecoins" to "Everything"

We are moving beyond the simple "tokenized dollar" model. The market is evolving toward asset-agnostic payments, where any liquid asset (e.g., tokenized stocks, debt, or commodities) can be used to transact as seamlessly as cash.

This is powered by LayerZero's OFT (Omnichain Fungible Token) Standard, which allows assets to be issued natively across multiple chains without wrapping.

Real-World Proof: PayPal USD (PYUSD) uses LayerZero to issue natively on Ethereum and Solana, allowing users to move funds between chains without centralized intermediaries or liquidity fragmentation. Ondo uses LayerZero to connect 100+ stocks across chains.
The end state could be a post-chain world where users have access to every type of value (e.g., "Pay with Apple Stock") while the underlying ledger and chain complexity are completely abstracted away.

The "Flippening" of Development

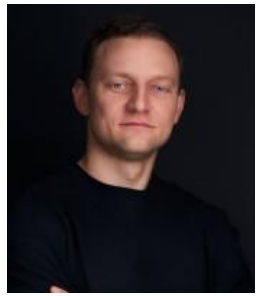
A structural inversion in developer behavior is underway. For the first time, interoperability -native applications (OApps)—apps built to function across all chains simultaneously—could overtake single-chain applications (e.g., apps built solely for Polygon or Ethereum) in total count.

Developers no longer want to bet on a single winning chain. Instead, they are building on LayerZero to access users and liquidity everywhere. This insulates them from chain wars and allows them to aggregate users from every ecosystem.

Traditional "lock and mint" bridges carry systemic risk (if the bridge is hacked, the asset is worthless). Institutions cannot accept this risk.

LayerZero V2's embedded compliance via decentralized verifier networks could enable an issuer like Paxos or a bank to force every transaction to be verified by a specific set of validators. Today, over $60B in assets use LayerZero for interoperability, along with 700+ unique companies and projects.

Simon Baksys
VP of Business Development
LayerZero



Industry Voice: BNB Chain

Rise of KYM and the Layer 1 settlement oligopoly

The AI Narrative Evolution: From Payments to "KYM" (Know Your Machine)

The intersection of AI and crypto is evolving beyond simple agent payments into a full-blown autonomous machine economy. However, this shift presents an infrastructure challenge rather than just a throughput issue. For 2026, the critical differentiator for blockchains will be their readiness to support machine users. Beyond high TPS and low cost, the market demands new primitives: KYM data systems, decentralized identity, and machine-native wallets. KYM is projected to become a compliance primitive as essential as KYC, serving as the foundational layer for mass-scale machine-to-machine interaction.

The Layer 1 Endgame: A Settlement Oligopoly

The endgame for Layer 1 blockchains is not a winner-takes-all scenario, but rather a consolidation into an oligopoly of global settlement layers. A small number of dominant public Layer 1s with massive user bases and distribution channels will serve as the universal global settlement and application layer. Alongside these giants, specialized or permissioned corporate chains will operate in vertical niches. The primary moat for these dominant Layer 1s will be open infrastructure plus strong distribution, a combination that closed corporate ecosystems struggle to replicate.

Institutional Adoption: The Era of Regulated Settlement

Institutional capital flows are transitioning from experimental bets to long-term strategic allocation. Adoption is expected to concentrate heavily on three pillars: regulated on-chain assets, stablecoin settlement, and tokenized RWAs. The demand from major asset managers (e.g., Franklin Templeton, BlackRock) indicates a preference not for wild experimentation, but for migrating traditional assets onto compliant blockchain rails. In this context, stablecoins are viewed not just as a retail gateway, but as the core settlement engine for institutions.

Sarah Song
Head of Business Development
BNB Chain

Industry Voice: Aptos

Engineering a High-Volume, Low-Margin Nation-State Economy

Privacy and Security Innovations in Aptos

Aptos continues to lead in blockchain privacy with protocol-level features focused on practical, institutional-grade confidentiality rather than full anonymity.

Encrypted Mempool: Combating MEV and Front-Running.Introduced in October 2025, the Encrypted Mempool hides transaction details until execution, eliminating front-running, sandwich attacks, and order flow leakage. This native feature maintains Aptos' high performance—sub-second finality and low latency—while providing one-click encrypted submissions.

Confidential Transactions and Assets: Aptos Confidential Transactions (ACTs) and Confidential Assets enable hidden balances and transfer amounts using zero-knowledge proofs and homomorphic encryption. These support selective disclosure for compliance (e.g., auditor access) and are optimized for low costs. Deployed progressively in 2025, they facilitate regulated applications like private payments and enterprise transfers.

Practical, Institution-Grade Privacy in Production: Aptos' approach to confidentiality prioritizes operational privacy over blanket anonymity. Balances and transfer amounts are encrypted while sender and recipient identities remain visible, enabling real-world institutional workflows that are difficult to support on chain today. These include payroll execution without revealing compensation, institutional trading without broadcasting position sizes, and treasury operations that avoid signaling strategy to the market. Selective disclosure through designated auditor keys ensures confidentiality remains compatible with regulatory and compliance requirements.

Economic Model: The "Coca-Cola" Thesis

Aptos is effectively discarding the established Layer 1 revenue model—where network congestion drives high fees—in favor of a high-volume, low-margin utility play that prioritizes scale over immediate monetization.

This strategic pivot rests on a "Coca-Cola thesis": the conviction that global enterprises will inherently reject blockchain rails if transaction costs erode the value of the assets being transferred, such as loyalty points. By artificially depressing unit economics to "thousandths of a cent," the network is betting that long-term value capture will not stem from rent-seeking on gas, but rather from fostering a "nation-state" economy where the chain accumulates value through the aggregate GDP of massive, revenue-generating applications hosted on its infrastructure.

Market Trajectory and Outlook

Aptos anticipates ecosystem maturation around utility-driven chains. 1) DEX Sector Expansion: Global accessibility and low fees propelled DEX volumes to $9B+ quarterly in 2025, led by protocols like Hyperion and ThalaSwap. Framework-level CLOBs (planned Q1 2026) will enable fair, on-chain matching for spot and perps. 2) Real-World Assets (RWA) Leadership: Aptos ranks top in RWAs, with $1.2B+ tokenized value by late 2025 (e.g., BlackRock's BUIDL at $544M+). Private credit and treasuries dominate, supported by compliance tools and partnerships. 3) Consolidation Around Utility: Long-term, Aptos predicts dominance by high-performance chains hosting revenue-generating apps. 2026 roadmap, quantum resistance, cross-chain accounts, AI-driven contracts, positions it for institutional DeFi and RWAs.

Avery Ching
CEO & Co-Founder
Aptos Labs

Industry Voice: Blockscout

Infrastructure is pivoting to "Institution-Backed Chains" with embedded, opt-in privacy

The Migration to "Institution-Backed Chains"

A distinct shift in the infrastructure landscape is underway: the client base is migrating from pure Web3-native chains toward institution-backed chains driven by major corporations (e.g., Circle's Arc, Stripe's Tempo, Sony's Soneium). The rapid adoption of these networks during testnet phases signals a fundamental change in market demand. Builders and enterprises are no longer prioritizing just throughput or low fees; they are flocking to ecosystems backed by trusted institutional giants that offer stability and native integration with the traditional financial world.

Privacy as a "Core Design Prerequisite"

For the next generation of chains, privacy and compliance are no longer add-ons but are integrated into the core architecture from day one. Using Circle's Arc as a prime example, the new standard is opt-in privacy with selective transparency. This architecture allows sensitive financial workflows to remain private while simultaneously satisfying regulatory reporting requirements. This privacy by design approach is now a non-negotiable prerequisite for institutions to move their internal operations on-chain.

Infrastructure Evolution: Beyond Explorers to Compliance Platforms

As the underlying chains evolve, the supporting infrastructure (like block explorers and wallets) must also transform. Mere data display is insufficient for 2026. Infrastructure providers are pivoting to support compliance-ready features, including built-in Travel Rule solutions and wallets designed for regulated environments. The success of new ecosystems will depend heavily on whether their tooling can natively handle the complex regulatory requirements of payment-focused networks and stablecoins.

Eva Zhang
CEO
Blockscout

Industry Voice: Monad Foundation

From 'High-Frequency Finance' to invisible payments, 2026 is the year blockchain infrastructure finally operates at the speed of global capital

The Rise of "High-Frequency Finance"

2026 marks the transition from traditional DeFi to the era of "High-Frequency Finance." With high-performance blockchains finally resolving the latency and throughput bottlenecks that previously stifled on-chain applications, Wall Street-level trading scale becomes viable on decentralized networks. We anticipate the scalable deployment of fully on-chain derivatives, real-time auctions, and dynamic AMMs. This is more than a technical upgrade; it is a shift in utility, granting blockchain infrastructure the capacity to migrate the speed and scale of traditional financial markets entirely on-chain.

The Shift to "Invisible Infrastructure"

Future mass adoption will be defined by "invisibility." Blockchain technology is moving from a front-facing speculative tool to a silent backend infrastructure. Stablecoins will transcend their role as mere trading pairs to become core rails for everyday global payments, cross-border remittances, and B2B settlement. For the end-user, complex crypto components will be completely abstracted; in the next generation of consumer apps, users will benefit from instant settlement and low fees without ever realizing they are interacting with a blockchain.

Decentralization as the Safety Moat

For institutional investors, high throughput alone is insufficient; decentralization remains the critical metric for risk management. Financial institutions representing millions of clients cannot accept the counterparty risk of a singular centralized sequencer. Monad's strategic focus lies in delivering globally distributed, sustained load capacity, proving that high performance does not require sacrificing decentralized ethos. In 2026, infrastructure that combines execution speed with trustless security will be the primary choice for institutional capital.

The L1 Endgame: From Explosion to Consolidation

The Layer 1 landscape sits at a historical juncture similar to the search engine market of the 1990s, facing an inevitable wave of consolidation. As technology advances, "speed" and "performance" will shift from competitive advantages to expected commodities. The winners will not simply be the fastest chains, but those that build deep utility and sticky network effects on top of that performance. As history suggests, only ecosystems that provide meaningfully differentiated value for developers and users will survive the coming consolidation phase.

For more information, please reference the QA List

Eunice Giarta
Co-Founder & GM
Monad Foundation

Industry Voice: Polkadot

Bridging the trust gap: Hyperbridge and the next generation of secure interoperability

From Parachain Leases to Agile Coretime

Polkadot is undergoing a fundamental shift in how it distributes its primary resource: block space. Historically, the network operated on a rigid lease model that required projects to secure two-year slots, creating significant barriers to entry for smaller developers. However, the 2025 introduction of Agile Coretime has transitioned the ecosystem into a modular marketplace. This allows developers to purchase "coretime"—the capacity to execute code—for durations as short as a single block or as long as a year. This shift mirrors the transition from traditional server hosting to the flexibility of cloud computing, making the network far more accessible for rapid deployment and experimentation.

Architectural Superiority and the JAM Vision

Technically, Polkadot distinguishes itself through horizontal scaling, which allows it to maintain a "coherent state" across its ecosystem. While vertical scaling systems like Solana are often praised for speed, Polkadot's architecture has achieved a throughput of 140,000 TPS in simulated environments, surpassing the current capabilities of its competitors. Looking toward 2026, the ambitious JAM (Join-Accumulate Machine) upgrade aims to evolve Polkadot from a mere chain of chains into a decentralized supercomputer. By utilizing the Polkadot Virtual Machine (PVM), the network will be able to run almost any machine-readable code, potentially even hosting other virtual machines like the SVM more efficiently than their native environments.

Strategic Interoperability and Real-World Utility

A core pillar of Polkadot's strategy is secure interoperability, exemplified by the development of Hyperbridge. Unlike traditional bridges that rely on vulnerable multisig setups, Hyperbridge is secured by Polkadot's entire crypto-economic base, offering a "co-processing architecture" that is resilient against common bridge hacks. Beyond finance, the ecosystem is moving toward tangible utility through DePIN (decentralized infrastructure), Government-to-Citizen (G2C) services like Indonesia's Mandala Chain, and Proof of Personhood (POP). These initiatives seek to solve real-world problems—such as Sybil-resistant identity without invasive KYC—positioning Polkadot as a foundational "Layer 0" for a trustless global infrastructure.

Max Rebol
Director of PolkaPort East
Polkadot

Industry Voice Index

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