

Stablecoins: From a Crypto Liquidity Tool to Global “Digital Dollar” Infrastructure



USD-Pegged Stablecoins Are Scaling Transaction Volumes and Market Capitalization

Stablecoin market capitalization has crossed ~\$280 Bn in 2025 and is expected to reach ~\$2.0 Tn by 2030E. It has been driven by accelerating on-chain payments, institutional adoption, and regulatory clarity, cementing stablecoins as core global digital monetary infrastructure.

~\$4-5 Tn

Average Monthly Transaction Volumes (2025)

~65% CAGR

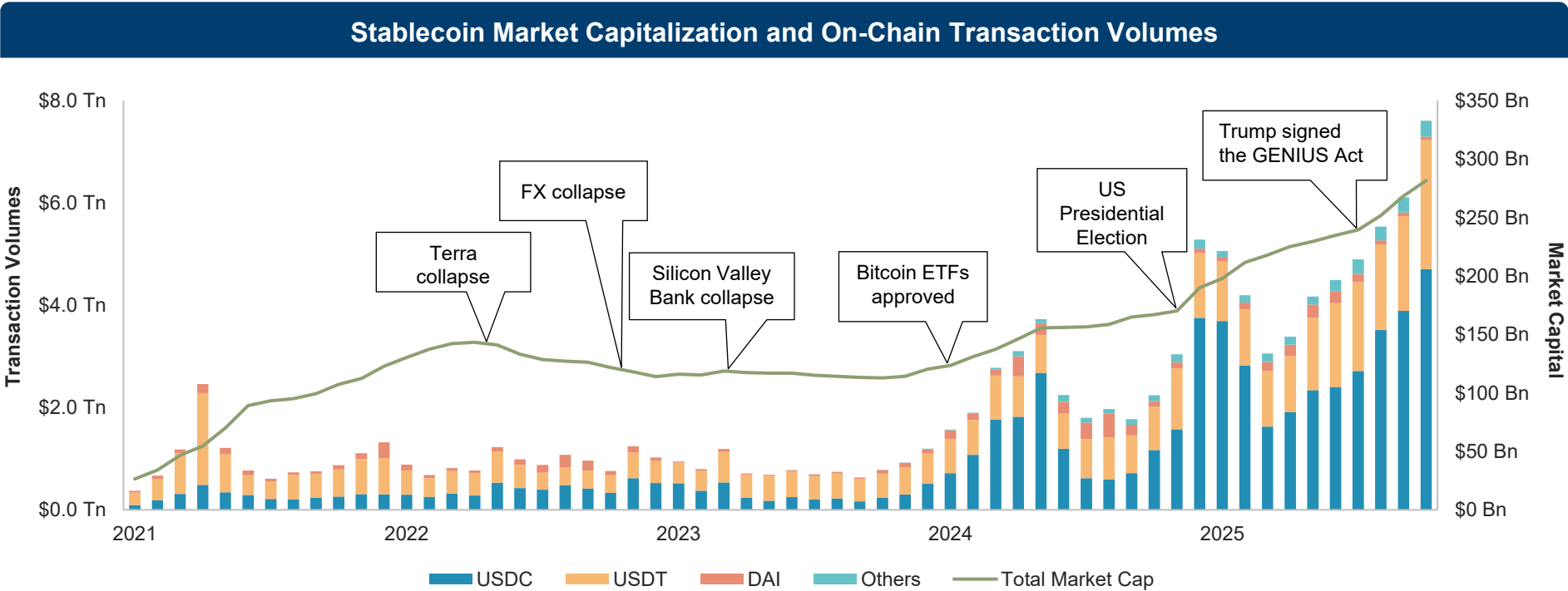
Stablecoin Supply (2021–2025)

>90% USD Peg

US dominates stablecoins with USD Tether and USD Coin

~4.8% Annual Percentage Yield

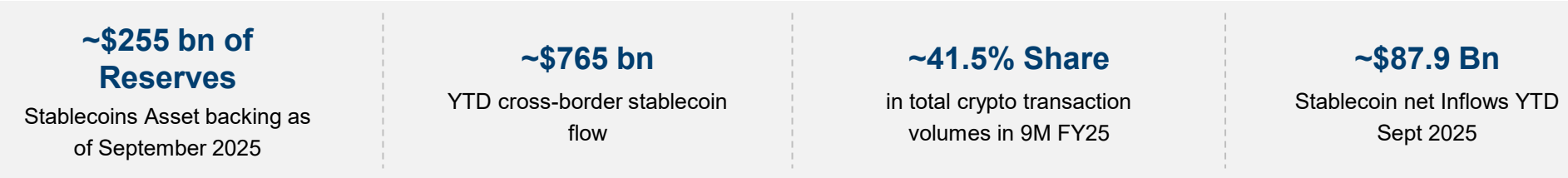
Historical Average Lending Yield



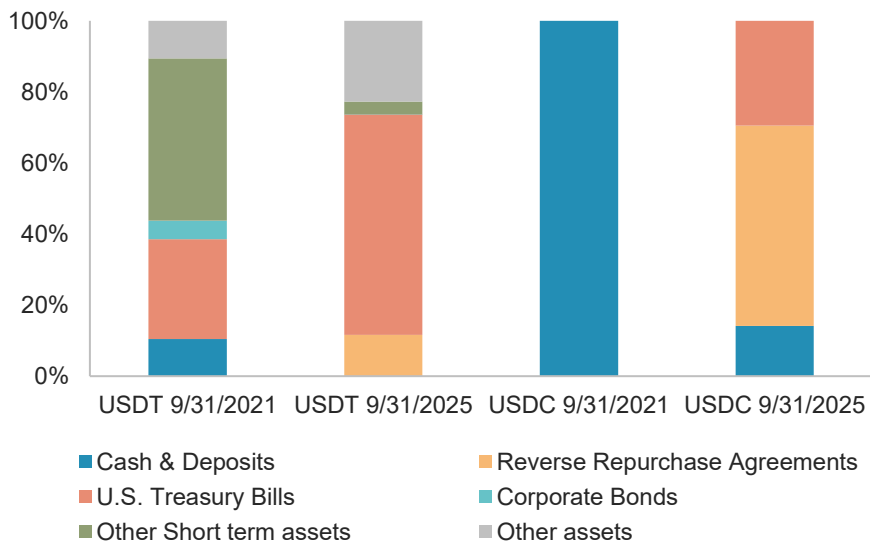
Source: Artemis Analytics.

Stablecoins: Treasury-Backed Digital Dollars Driving Yield and Global Flows

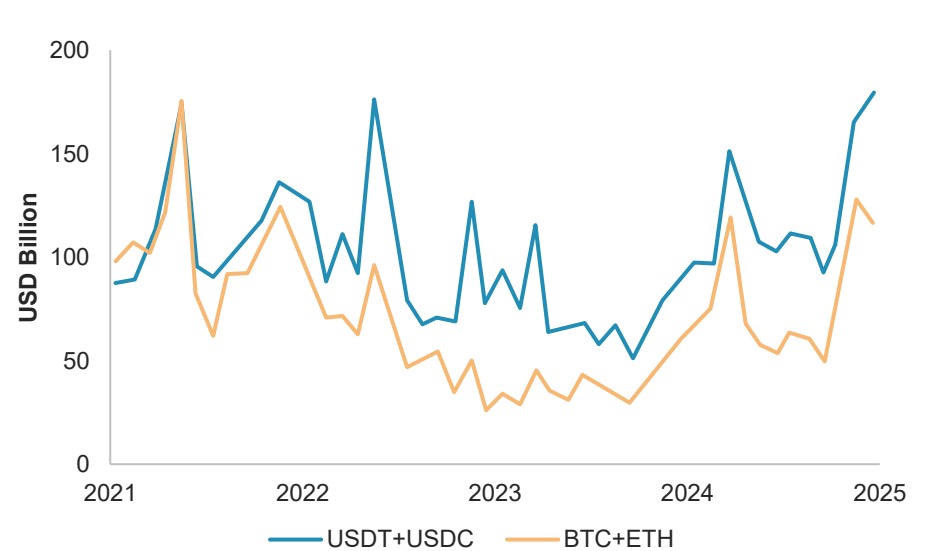
Stablecoins are predominantly backed by short-duration U.S. Treasuries, which supports yield generation while maintaining price stability thus enabling their growing use in cross-border payments. As these flows expand faster than native crypto assets, stablecoins are increasingly being used in real-economy transactions beyond trading activity, positioning them as scalable, yield-bearing digital dollar infrastructure.



U.S. Treasuries Form the Core of Stablecoin Reserve Portfolios



Stablecoins Are Outpacing Native Crypto Assets in Cross-Border Payments



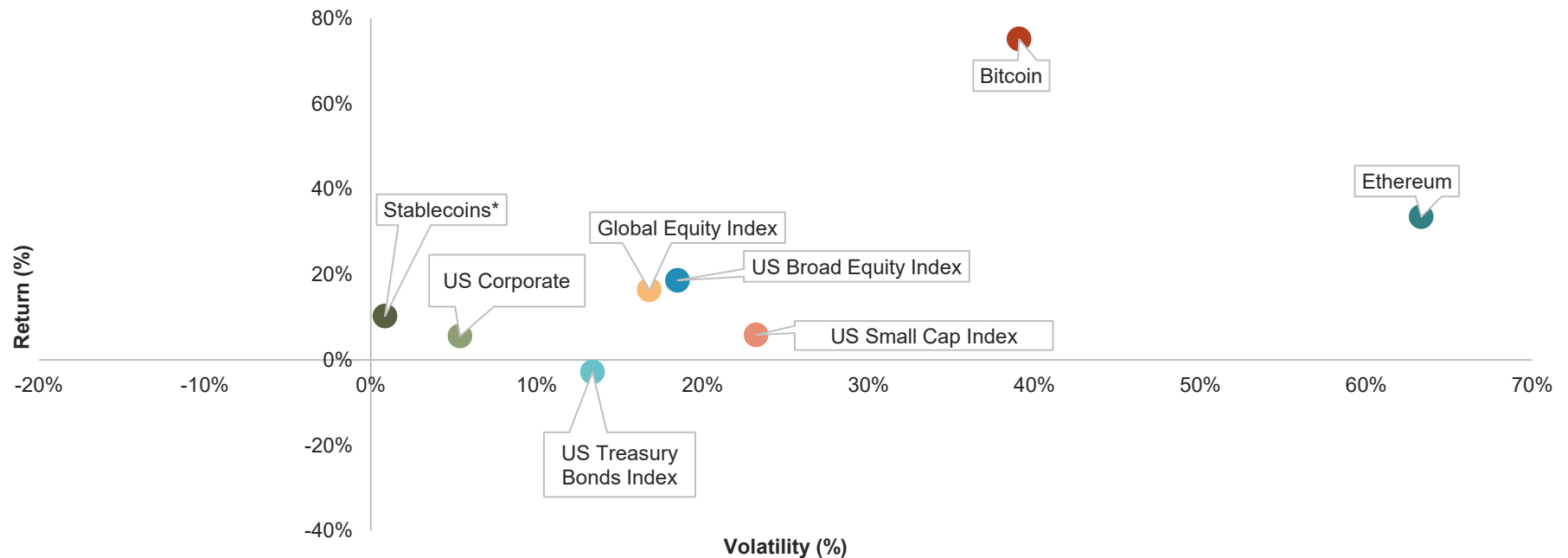
Source: BDO's Independent Auditors' Report and Reserves Report (Tether), Transparency Report (Circle) and adaption from IMF report "How Stablecoins Can Improve Payments and Global Finance, 2025"

Investment Spectrum: Stablecoin vs Major Asset Classes

Stablecoins have delivered positive, steady returns with near-zero volatility, outperforming traditional “defensive” assets' three-year annualized risk adjusted returns while avoiding the extreme volatility embedded in equities and cryptocurrencies.










As a result, they represent an efficient capital-preservation and liquidity sleeve rather than a directional risk asset.

3 Year CAGR vs Volatility of Stablecoins compared to Major Asset Classes



Source: Bloomberg. * USDT and USDC are used to represent stablecoins. Returns calculated are average APY across major platforms like CoinDepo, Nexo, Ledn, Binance and Aave.

Aranca Takeaway

Key Drivers		Major Risks
 Yield-Bearing Mechanisms	 The "Base Layer" for DeFi	 Peg Stability & Redemption Risk
Modern stablecoins offer native returns, with a historical average of ~4-5% Annual Percentage Yield generated from lending.	Over 70% of on-chain settlements and 90% of order book trades rely on stablecoins for liquidity.	Stablecoins rely on reserve quality and liquidity; mismanagement or opaque reserves could pressure redemption during stress events.
 Regulatory Clarity	 Cross-Border Payments	 Regulatory Fragmentation Risk
Market capital surged over 65% CAGR (2021-2025), crossing ~\$280 Bn, showing regulatory confidence and growth.	9M FY25 volumes of USD Tether & USD Coin totaled \$44.9 Tn, exceeding the processing volumes of Visa.	Global regulatory approaches remain uneven, which could slow adoption or restrict certain use cases in specific jurisdictions.
 Hedge Against Volatility & Inflation	 Settlement for Tokenized RWAs	 Disintermediation of Banks
Protects wealth from market swings and devaluing local currencies.	Facilitates real-time settlement for tokenized equities, bonds, and funds, reducing counterparty risk and settlement cycles.	Shifting deposits to stablecoins reduces commercial bank lending capacity, potentially slowing overall economic credit growth.

Aranca Takeaway

Macro Impact

▲ Increased Financial Resilience

Regulatory clarity pushes stablecoin issuers to hold only high-quality, liquid assets in their reserves, increasing overall systemic quality.

▲ Global Financial Ecosystem

Stablecoins enhance global liquidity, streamline payments, and support efficient cross-border capital flows, strengthening monetary transmission and connectivity.

▼ Monetary Policy Leakage

Widespread stablecoin adoption reduces central bank control over domestic interest rates and money supply.

Industry Impact

▲ Retail & Consumer Commerce

Corporates can issue or adopt stablecoins to create closed-loop payments and deliver personalized, token-based loyalty rewards.

▲ Treasury and Asset Management

Stablecoin reserve backing significantly impacts the demand for short-term, liquid US Treasury securities.

▲ Banking and Financial Services

Challenges bank deposit models; speeds up global asset settlement and interbank payments.

▼ Supply Chain and Logistics

Multi-chain stablecoin payments increase reconciliation complexity across suppliers, raising operational overhead and dispute resolution challenges.

▼ Payment Networks & Rails

Stablecoins intensified competition in cross-border payments, reducing transaction volumes and compressing high-margin foreign exchange revenues.

▼ Technology and Custody Services

Wallets, custodians, and platforms face cyber and key-management risks, where breaches cause irreversible losses and reputational damage.



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