

The State of Stablecoins: Adoption, Regulation, and Opportunities

How Stablecoins Are Contributing to the Mainstream
Adoption of Digital Assets



Authors & Acknowledgements

Author:

Leonardo Larieira, Market Analyst

Co-Authors:

Jannick Bröring, Chief Asset Management Officer

Aleksander Biesaga, Portfolio Manager & Research Strategist

This report is a product of Teroxx Research, a research team within Teroxx, the leading provider of financial services in the digital assets, cryptocurrency, and blockchain technology sector. Teroxx Research provides top-tier market commentary, thematic views, tactical insights, and deep protocol research.

This report was written in October 2025.

 teroxx.com

	Executive Summary	4
1	Introduction to Stablecoins	5
2	Regulatory Landscape and Implications	8
3	Global Impact of Stablecoins	10
4	Ecosystem and Market Dynamics	14
5	The Future of Stablecoins	21
6	Risks & Challenges	25
7	Conclusion	28

Executive Summary

Stablecoins—digital assets pegged to reserve currencies like the U.S. Dollar, first created in 2014—have matured from a niche trading utility into a foundational pillar of the digital economy, acting as a critical bridge between traditional finance and the on-chain world. Their rapid ascent is driven by a confluence of accelerating institutional adoption and persistent macroeconomic shifts that have highlighted the need for more efficient and global payment rails. With a market capitalization now exceeding \$300 billion and settling trillions of dollars in annual on-chain volume—a figure that rivals established global payment networks—their economic significance is undeniable. The proven "blueprint" for U.S. Dollar-pegged tokens has created a robust foundation, and the stage is now set for a global expansion into other major currencies, presenting profound implications for every participant in the financial spectrum.

The impact of this transformation is multifaceted and growing. For institutional investors, stablecoins serve as critical market infrastructure, providing the stable bedrock for sophisticated trading strategies and acting as a core yield-generating instrument in decentralized finance (DeFi) protocols. Crucially, they function as a low-volatility gateway, allowing previously cautious institutional capital to enter the digital asset ecosystem with greater confidence. This same efficiency is being leveraged by corporations, who are adopting stablecoins to revolutionize corporate treasury and international B2B payments. The ability to achieve near-instant, 24/7 settlement dramatically reduces transaction costs and counterparty risk, unlocking new efficiencies in capital management and supply chain finance. Ultimately, this evolution extends to individuals, empowering them by providing direct access to a more equitable and global financial system. This is manifested in practical use cases, such as receiving salaries in a stable currency to hedge against local inflation, accessing high-yield savings protocols unavailable through traditional banking, and frictionlessly investing in a diverse array of tokenized on-chain assets, thereby democratizing access to wealth creation.

This is not merely a technological shift; it represents a fundamental evolution in the architecture of money and value transfer. Understanding this transformation is a strategic imperative that involves assessing new business models, managing novel risks, and positioning their organizations to thrive in an increasingly on-chain world. This report provides an essential, in-depth guide to navigating this new financial layer and capitalizing on the immense opportunities it creates for the decade ahead.

Introduction to Stablecoins

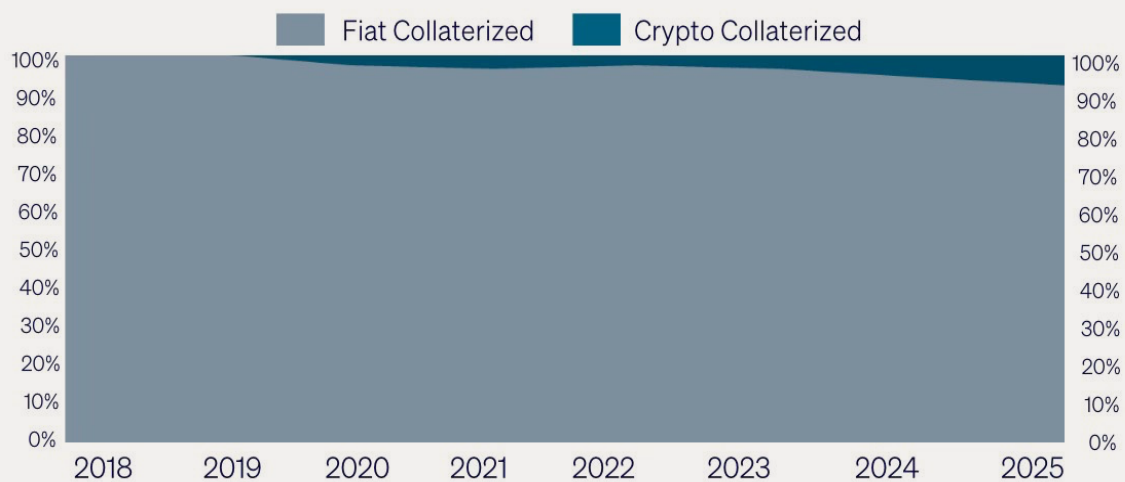
Introduction to Stablecoins

Stablecoins enable transacting dollars, euros and any other currency (or asset) on blockchains. Their core function is to maintain a stable value, typically pegged 1:1 to a major fiat currency such as the U.S. Dollar. This stability is achieved by holding fully collateralized reserves of equivalent assets, like cash and government securities. In essence, they combine the transactional efficiency, global reach, and programmability of blockchain technology with the trusted stability of traditional currencies, creating a reliable and powerful medium of exchange for the digital age.

The evolution began with the introduction of Tether (USDT) in 2014, the first widely adopted stablecoin backed by U.S. dollar reserves. Since then, the market has expanded to include a diverse range of these assets with different underlying mechanisms, each aiming to provide a reliable and efficient digital currency.



Fiat-Backed X Crypto-Backed Stablecoins Dominance (2018-2025)

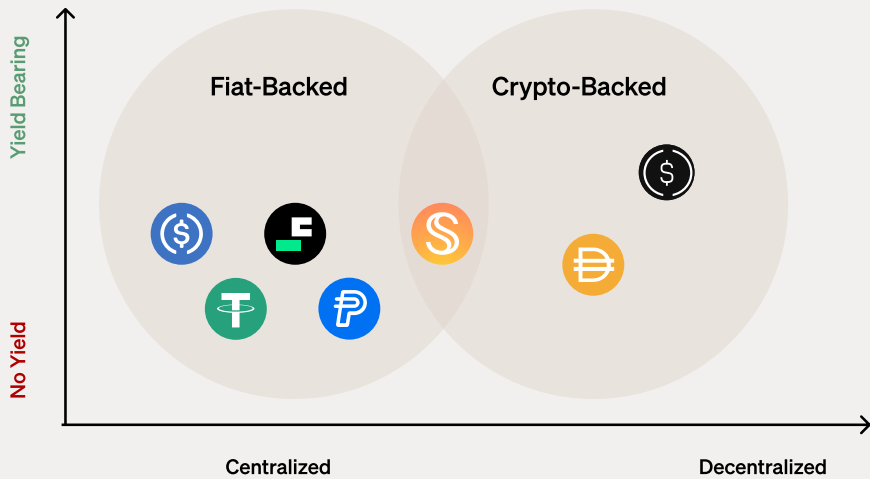


Source: CoinMetrics. Teroxx as of October 13th 2025

Stablecoins are primarily categorized by their collateral, mainly as fiat-backed or crypto-backed. Fiat-backed are centralized and pegged 1:1 to a fiat currency, like the U.S. dollar or other currencies, by holding equivalent reserves. In contrast, crypto-backed are decentralized and use an excess of other crypto assets as collateral to absorb price volatility. As the provided chart clearly shows, the market has a strong preference for the fiat-backed model, which has consistently accounted for over 90% of the total market share since 2018. This dominance indicates that users currently prioritize the perceived safety and simplicity of centralized, fiat-backed reserves over the more complex, decentralized alternatives.



A Framework for Stablecoin Analysis

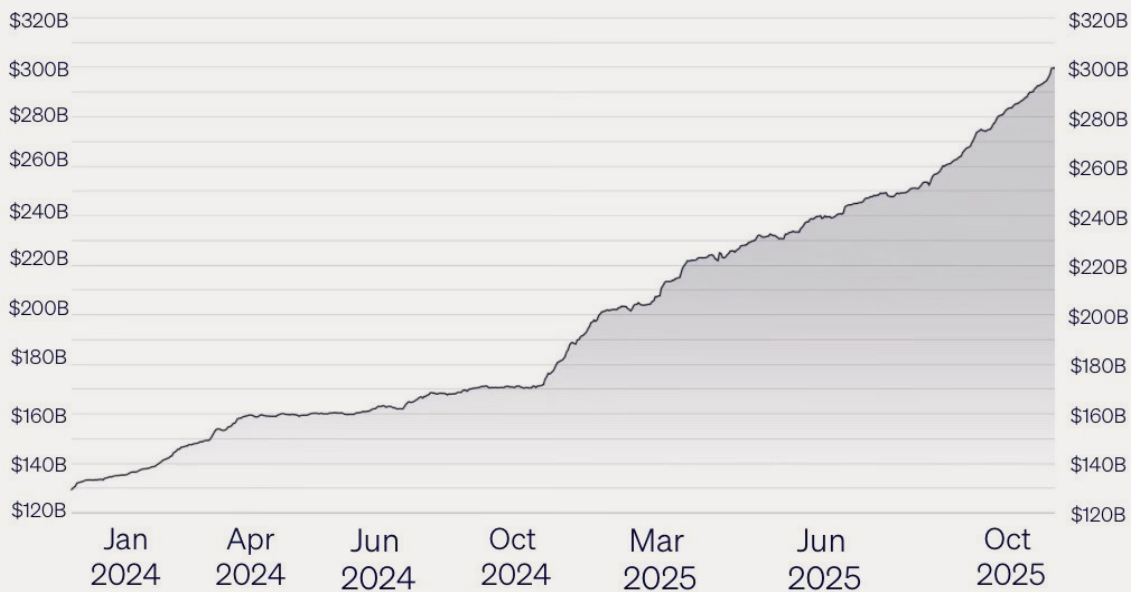


Source: CoinMetrics, Teroxx as of October 13th 2025

In the last years, the stablecoin market capitalization experienced an explosive surge, followed by a phase of consolidation that demonstrated significant resilience above the \$100 billion mark. A renewed and steep upward trend, particularly through 2024 and 2025, has propelled the market to its current all-time high. This trajectory highlights a remarkable market solidity, with the total capitalization now reaching roughly over \$300 billion.



Stablecoin Market Capitalization (Jan 2024 - Present)



Source: Artemis Terminal, Teroxx as of October 13th 2025

Regulatory Landscape and Implications

Regulatory Landscape and Implications

Around the world, a wave of regulatory clarity is providing a more stable and predictable environment for stablecoins. The most significant development in this area is the GENIUS Act (Guiding and Establishing National Innovation for U.S. Stablecoins Act) which President Donald Trump signed into law on July 2025 in the United States. This landmark legislation was designed to create a comprehensive federal framework for issuers. Its primary goal is to ensure consumer protection and financial stability by clearly defining which institutions—such as federally insured banks and state-licensed money transmitters—are permitted to issue payment. The act mandates that all reserves be held 1-to-1 in high-quality liquid assets, specifically cash and short-term U.S. government securities. It also introduces strict requirements for public disclosures, monthly reserve attestations, and orderly redemption processes, aiming to prevent the kind of bank-run risks seen in past depegging events.

This push for clear rules is not isolated to the U.S. and reflects a broader global trend. The United Kingdom, through its Financial Services and Markets Act (FSMA 2023), has officially brought "payment stablecoins" under the regulatory perimeter of the Financial Conduct Authority (FCA) and the Bank of England, establishing clear rules for their issuance, custody, and use in payment systems. Similarly, Japan has taken a decisive step with its Revised Payment Services Act, which now mandates that only licensed banks, trust companies, or fund transfer firms can issue yen-pegged tokens. This ensures all such assets are fully backed and their issuers are properly supervised. Together, these legislative efforts signal a global consensus on integrating stablecoins into the regulated financial system, fostering innovation while establishing critical guardrails.

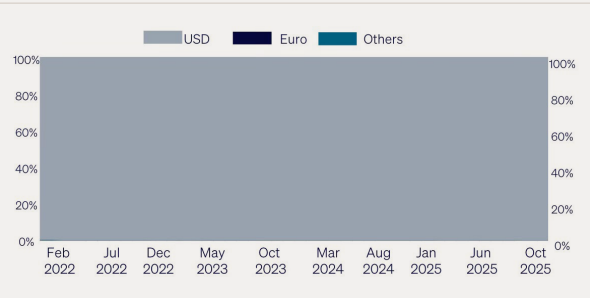
Global Impact of Stablecoins

Global Impact of Stablecoins

The overwhelming dominance of the U.S. dollar in the stablecoin market, consistently representing over 99.5% of the total global supply (compared to just 0.3% for the Euro and 0.2% for other currencies), highlights why the United States is at the forefront of regulation. Since the ecosystem is effectively a digital dollar market—one that the U.S. Treasury Secretary projects could reasonably reach \$2 trillion in value in the coming years—the stability of the entire sector is intrinsically linked to the U.S. economy and its regulatory environment. This reality has created an urgent need for clear legislation, positioning American lawmakers to be more advanced in developing comprehensive frameworks.



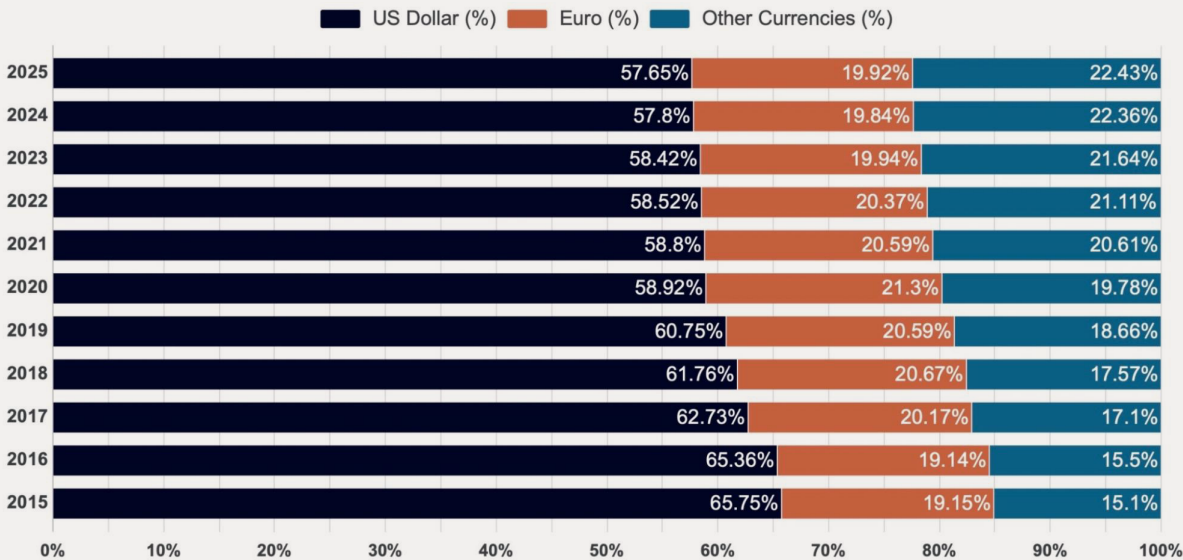
Stablecoin Supply by Currency
(Feb 2022-Oct 2025)



Source: Artemis Terminal, Teroxx as of October 13th 2025



Currencies held by the world's central banks (2015-2025)

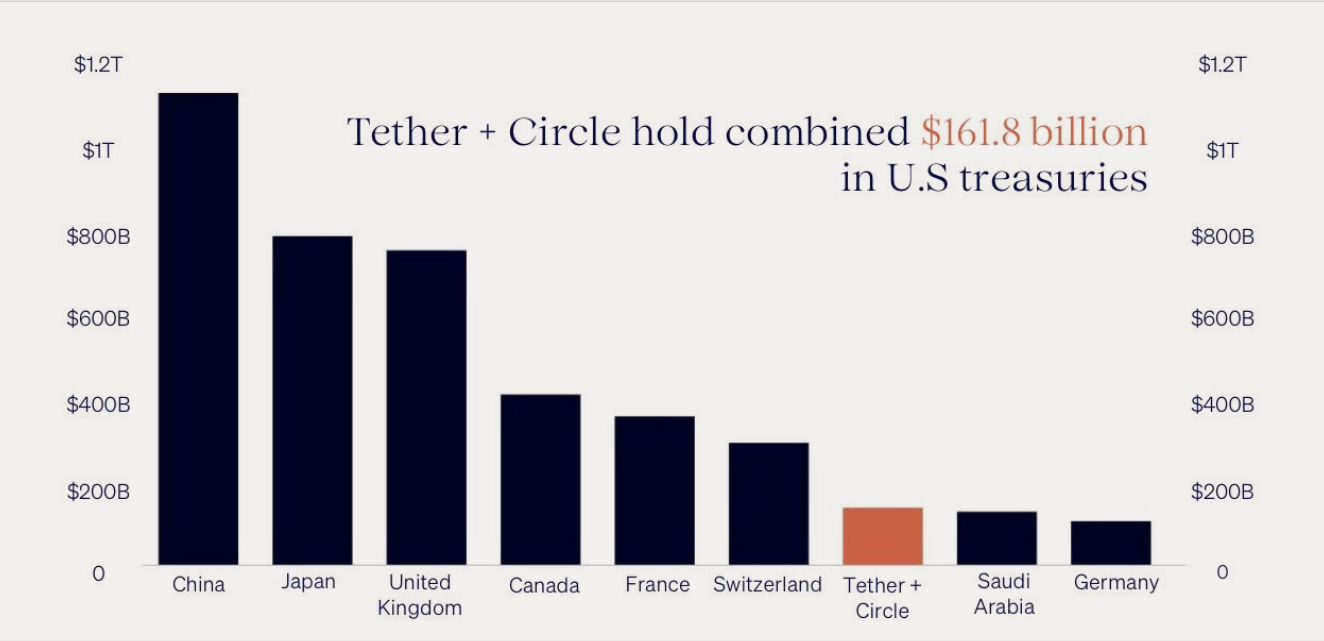


Source: Reuters, Teroxx as of October 13th 2025

However, the current scenario of absolute U.S. dollar dominance in this market may not be permanent, as it contrasts with a gradual but persistent shift in the broader global economy. For years, the world's central banks have been slowly reducing their reliance on the U.S. dollar as the primary reserve currency. This strategic diversification is a response to a multipolar world and a desire to mitigate risks associated with dependency on a single currency.

Data on global currency reserves reflects this clear de-dollarization trend, showing the U.S. dollar's share of holdings falling from nearly 66% in 2015 to under 58% today. This capital is steadily flowing into a wider basket of other currencies, signaling a long-term structural change in international finance. Over time, this macroeconomic shift could naturally translate into the digital asset space, fostering a greater demand for a more diverse ecosystem of stablecoins pegged to other major world currencies like the Euro, Yen, or Pound, better reflecting the evolving global distribution of economic power.

 U.S Treasury Holdings by Tether + Circle (current)



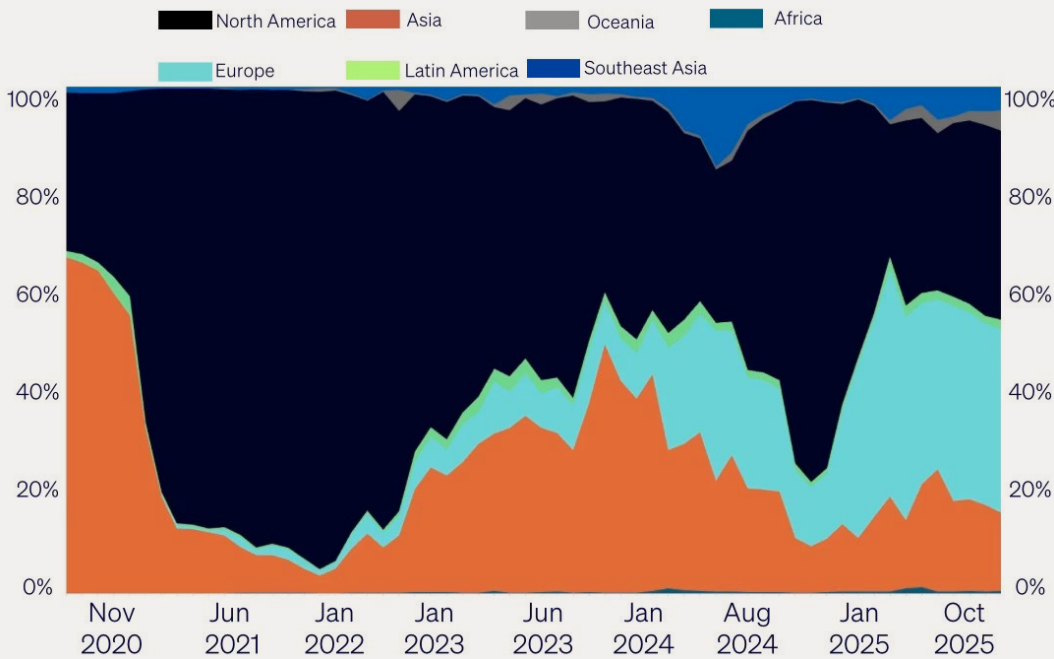
Source: CoinMetrics, Teroxx as of October 13th 2025

The combined U.S. Treasury holdings of stablecoin issuers, Tether and Circle, have reached a remarkable scale, positioning them as major players in the U.S. debt market. With a portfolio of \$161.8 billion, their holdings now exceed those of many sovereign nations, including major economies like Saudi Arabia (\$126.4 billion) and Germany (\$103.8 billion).

These holdings are fundamentally important as they serve as the primary reserves backing their stablecoins, ensuring each token is collateralized by safe, liquid assets to maintain its peg to the U.S. dollar. This substantial investment highlights the growing integration of the digital asset industry into traditional finance and establishes it as a significant source of demand for U.S. government debt.

The high costs of traditional cross-border remittances, especially in regions like Sub-Saharan Africa and Latin America, present a significant challenge for global payments. This graph suggests that users are turning to digital assets as a practical and more efficient alternative to bypass the expensive legacy financial infrastructure.

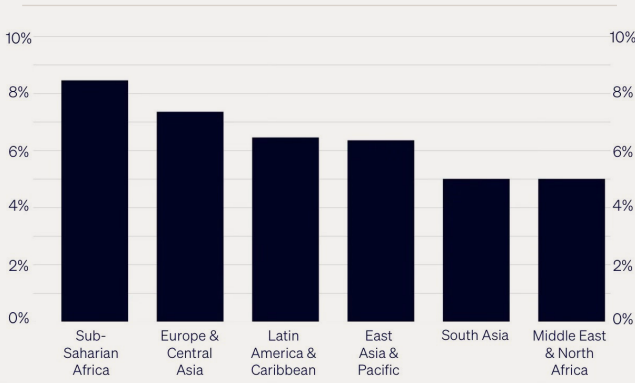
 **Adjusted Stablecoin Transactions by Region (Ethereum and Solana) (Nov 2020-Oct 2025)**



Source: Artemis Terminal, Teroxx as of October 13th 2025

This growing adoption highlights the potential of stablecoins to reshape global finance. By offering faster and cheaper transactions, they serve as a powerful tool for financial inclusion in emerging markets while also driving innovation in established economies. As this trend continues, stablecoins are positioned to create a more accessible and cost-effective ecosystem for international payments.

 **Average % cost of remittance in each region (current)**



Source: World Bank, Teroxx as of October 13th 2025

Ecosystem and Market Dynamics

Ecosystem and Market Dynamics

Primary use cases

Stablecoins are rapidly evolving beyond their initial role as a bridge asset for traders, maturing into the foundational infrastructure for a new generation of global financial applications. By combining the stability of fiat currencies with the efficiency of blockchain technology, they provide a powerful and versatile medium of exchange that addresses longstanding challenges in both traditional and digital commerce.

This is most evident in their power to revolutionize large-scale value transfer. For corporations, stablecoins enable high-volume, low-cost global payments and cross-border payroll, settling in minutes rather than days and bypassing costly intermediary banks. This same efficiency drastically improves remittances for individuals and streamlines a wide array of B2B transactions, from real-time supplier payments to internal treasury settlements, unlocking capital that was previously tied up in transit.

Beyond optimizing existing processes, stablecoins are unlocking entirely new economic frontiers. They make microtransactions economically viable for the first time, opening up new revenue models for content creators and digital services. Furthermore, their programmable nature provides built-in support for automated, AI-driven transactions, paving the way for a true machine-to-machine economy where smart devices and autonomous agents can transact directly with one another.

Underpinning all of these capabilities is a high-performance architecture built for high-throughput financial applications. With the ability to process over 100,000 transactions per second, this infrastructure provides the speed, scale, and reliability required to support a truly global, 24/7, and programmable financial system for the digital age.

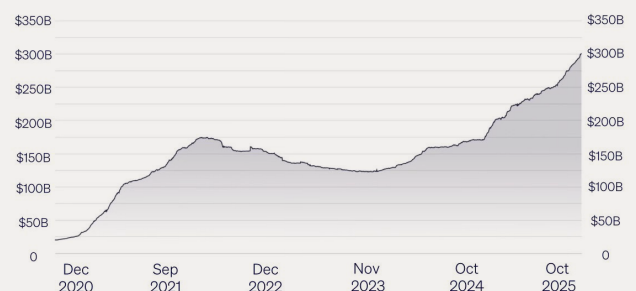
The Stablecoin Market: Size, Growth, and Key Players

The total supply of stablecoins has reached a new milestone, now standing at over \$300 billion. This figure represents the total value of fiat-collateralized digital assets in circulation and highlights their critical role as a foundational layer for the digital economy, providing liquidity and a stable medium of exchange.

This new peak follows a period of strong expansion. This year alone, the market has shown remarkable momentum, with the total stablecoin supply growing by over 44%, jumping from \$205 billion at the start of 2025 to its current level.



Total Stablecoins Supply (Dec 2020-Oct 2025)



Source: Artemis Terminal, Teroxx as of October 13th 2025

This rapid increase highlights renewed demand and confidence in stablecoins for facilitating transactions, trading, and serving as a reliable store of value within the crypto ecosystem. This growth has also been significantly impacted by the regulatory push in the United States, as the passage of the GENIUS Act has provided a clearer framework and boosted confidence in the sector.

To further understand the market landscape, we will now examine the principal stablecoins, analyzing their respective market capitalizations, issuing entities, and the blockchain networks upon which they operate:



The Competitive Landscape of Stablecoins (current)

Market Capitalization (in billion USD)	Fiat Currency	Description	Blockchain Platform	Issuer
USDT 	Pegged to US Dollar	Diversified reserves consisting of US government bonds, money market funds, collateralized loans, and other cryptocurrencies (e.g., BTC).	Ethereum, Tron, Solana, Binance, Tether	Tether
USDC 		- High level of transparency in reserve management structure - Regular checks (audits) - Focus exclusively on cash and short-term US government bonds	Ethereum, Solana, Base, Binance, Aptos	Circle
USDe 		- Combination of decentralized reserves and market-based hedging strategy - Use of ETH-based derivatives and futures	Ethereum, Solana, Aptos	Ethena
DAI 		- Overcollateralized (each DAI secured by collateral and one US dollar) - Collateralization with other cryptocurrencies, stablecoins, and real assets	Ethereum, Polygon, Base	Maker
PYUSD 		Fully covered by deposits in US dollars, short-term US government bonds, and cash-like assets	Ethereum, Solana	Paxos
FDUSD 		- Covered by assets with a corresponding market value - Reserves held in completely separate, insolvency-proof holding structures	Ethereum, Solana	First Digital
RLUSD 		Fully covered by US dollar deposits, short-term US government bonds, and equivalent liquid assets	Ethereum, XRP, Ledger	Ripple
FRAX 		- Coupling based on a partial reserve system - Partially covered by collateral such as USDC and other stablecoins - Stabilization with algorithmic adjustments	Ethereum, Avalanche, Polygon, Solana	Frax Finance

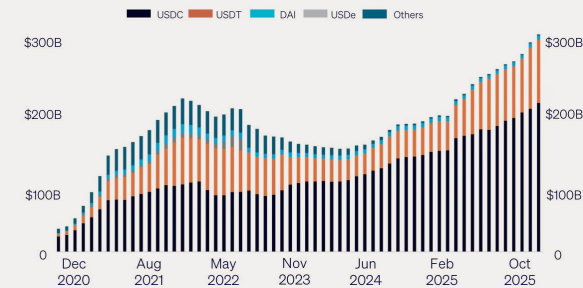
Source: BCG Analysis, CoinMarketCap, Teroxx as of October 13th 2025

Tokens

The Major Tokens

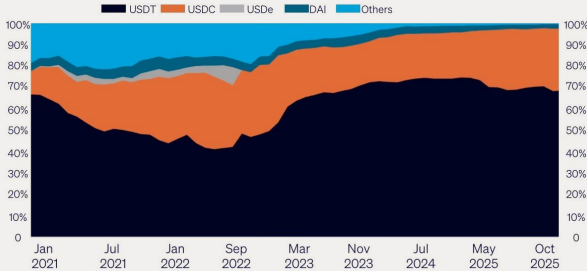
Within this stablecoin ecosystem, Tether's USDT stands out as the absolute leader, with its supply making up around \$179 billion. Circle's USDC holds the second position with a significantly smaller supply of around \$75 billion. Other players like USDe have also gained relevance, contributing about \$12 billion to the total supply.

Stablecoin Supply by Token
(Dec 2020 - Oct 2025)



Source: Artemis Terminal, Teroxx as of October 13th 2025

Stablecoin Market Share (%) by Token
(Jan 2021 - Oct 2025)

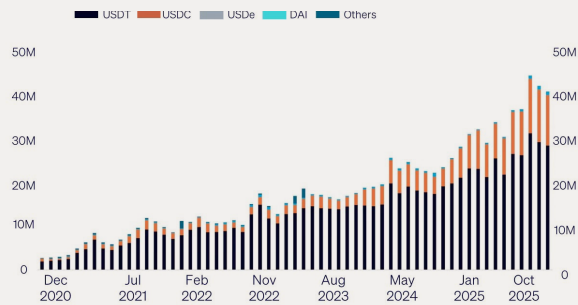


Source: Artemis Terminal, Teroxx as of October 13th 2025

In terms of market share, USDT's dominance is evident, controlling roughly 62.8% of the sector. USDC follows with approximately 26.6% of the market share. This configuration represents a notable shift since mid-2022, when USDC's market share peaked at nearly 40%, posing direct competition for the top spot. Since then, USDT has not only recovered but has significantly extended its lead.

The analysis becomes even clearer when observing active addresses, which indicate actual token usage. The total number of unique wallets interacting with stablecoins recently peaked at around 45 million. USDT's leadership here is overwhelming, accounting for an estimated 27 million, or over 60%, of all active addresses. In contrast, USDC has a much smaller user base of around 10 million active addresses, reinforcing the thesis that while it is an important reserve asset, its use in high-frequency, daily transactions is far less widespread than USDT's.

Stablecoin Active Addresses byToken
(Dec 2020 - Oct 2025)



Source: Artemis Terminal, Teroxx as of October 13th 2025

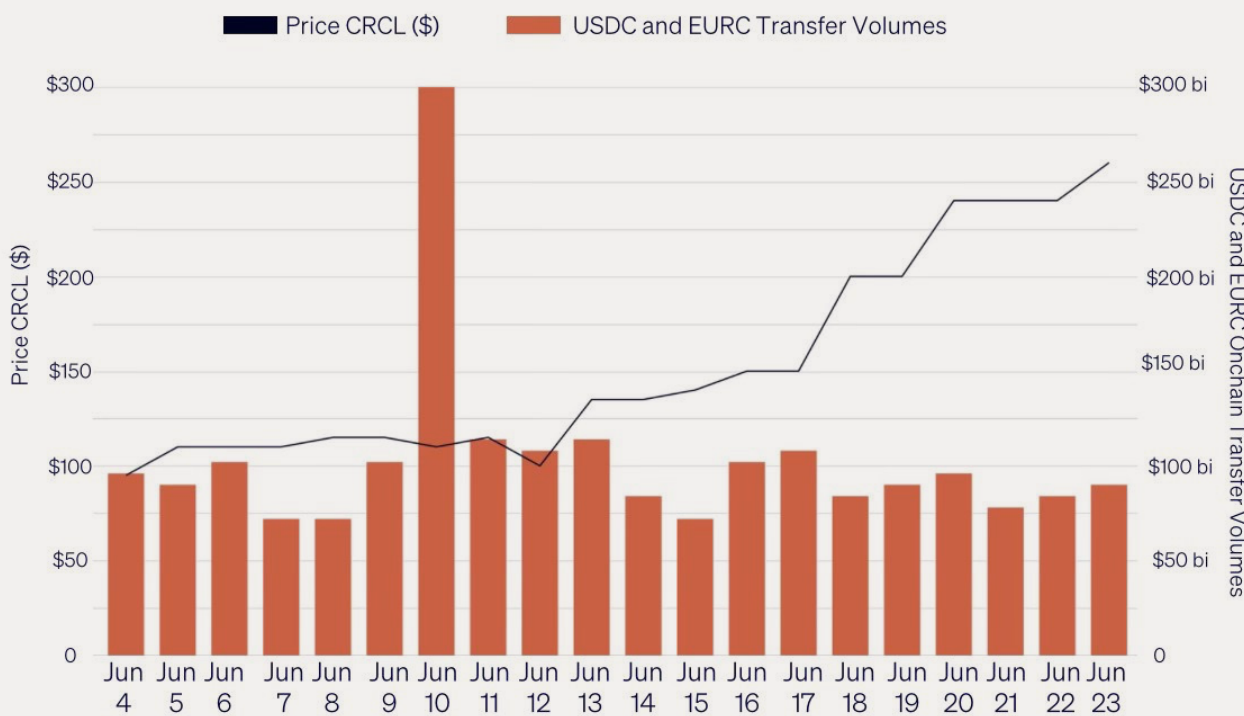
Stablecoins effects on the Stock Market

Following its Initial Public Offering (IPO) in June 2025, Circle, the issuer of the USDC and EUROC stablecoins, saw remarkable market performance. The company's stock price (CRCL) experienced a significant rally, climbing from approximately \$100 to over \$250 within the month—a greater than 150% increase.

This impressive stock growth was underpinned by robust and consistent on-chain activity for its stablecoins. Daily transfer volumes for USDC and EUROC regularly ranged between \$50 billion and \$100 billion, with a massive spike to nearly \$250 billion around June 10th. This performance illustrates strong investor confidence in Circle's public debut, validated by the immense and sustained transactional use of its core products.



Circle IPO: Price Action and Transfer Volume



Source: CoinDesk Data, Artemis Terminal, Teroxx as of October 13th 2025

In addition, significant new market trend is emerging as major stablecoin issuers move toward vertical integration by developing proprietary Layer-1 blockchains, exemplified by Circle's "Arc" initiative. This strategic shift is driven by the desire to gain full control over the user experience, eliminating reliance on third-party networks and their associated risks like network congestion and volatile, non-dollar gas fees. By owning the entire stack, a purpose-built chain like Arc can offer features tailored for enterprise adoption, such as predictable, dollar-denominated transaction fees using USDC and embedded institutional-grade services. This trend points to a future where the largest stablecoin ecosystems operate their own self-contained, high-performance financial networks, creating a trusted environment for the tokenization of real-world assets and the next wave of global business on-chain.

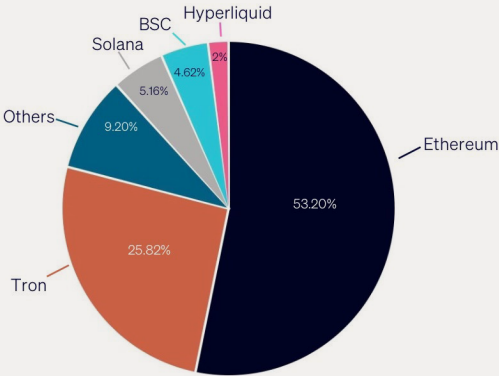
Chains

Stablecoin Distribution Across Blockchains

From a blockchain perspective, Ethereum establishes itself as the foundational layer for the stablecoin ecosystem, concentrating the vast majority of its capital. As indicated by the supply and market share charts, Ethereum holds approximately 53.2% of the nearly \$300 billion in total stablecoin value. Its robustness, security, and mature DeFi ecosystem make it the preferred network for large-scale transactions, institutional reserves, and collateral in major financial protocols, effectively serving as the market's primary treasury and settlement layer.



Split of All Market Capitalization by Chain (current)

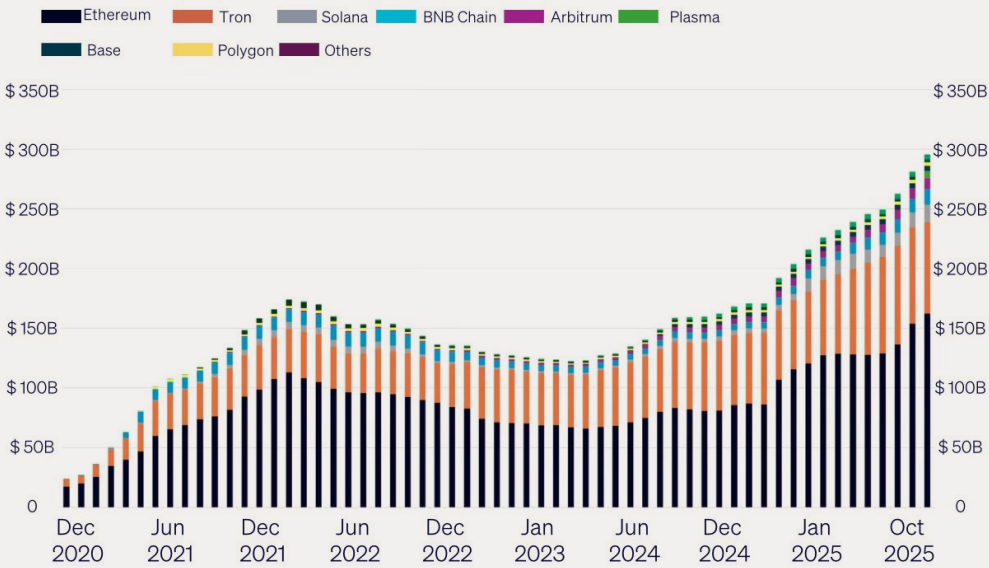


Source: defillama, Teroxx as of October 13th 2025

The Rise of L2s and a Multi-Chain Future The stablecoin ecosystem is increasingly becoming multi-chain. Blockchains like Solana and BNB Chain, along with Ethereum's Layer-2 solutions such as Arbitrum, Polygon, and Base, are gaining significant traction. They are capturing a growing slice of both the total supply and, more importantly, the number of active addresses. These networks offer a compelling combination of low fees and burgeoning ecosystems, attracting users who seek efficiency while maintaining connectivity to Ethereum's deep liquidity, signaling a new phase of expansion and competition in the sector.



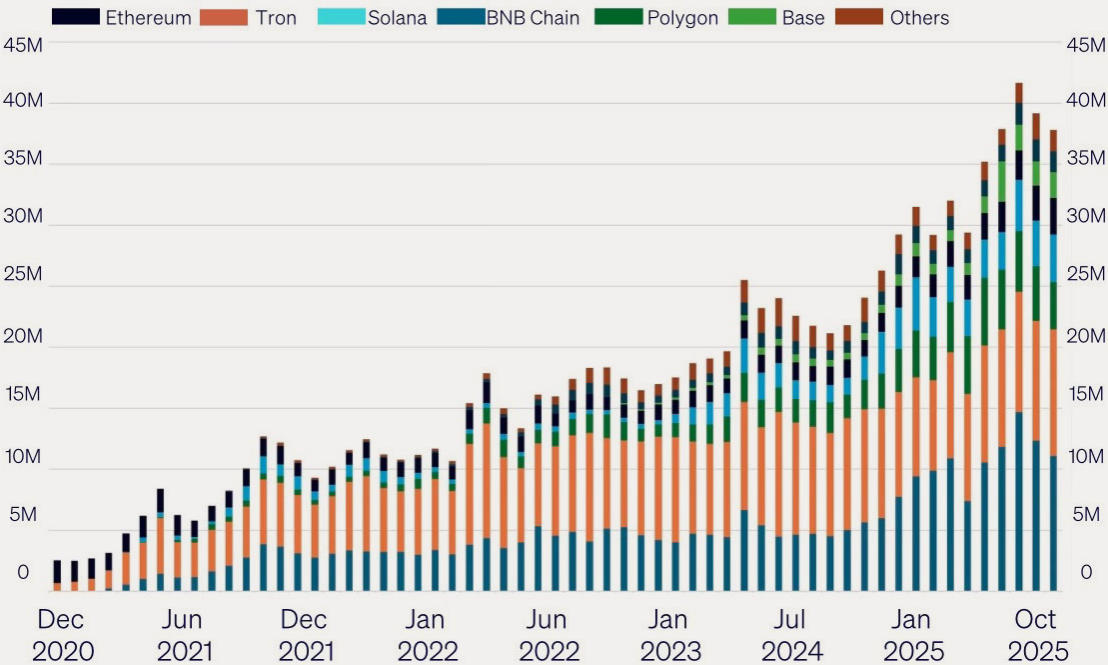
Stablecoin Supply by Chain (2020 - 2025)



Source: Artemis Terminal, Teroxx as of October 13th 2025



Stablecoin Active Addresses by Chain (Dec 2020 - Oct 2025)



Source: Artemis Terminal, Teroxx as of October 13th 2025

Since 2020, the number of active stablecoin addresses has exploded to over 40 million, signaling massive global adoption. This expansion has been marked by a leadership shift, with the Tron network becoming the dominant platform due to its low transaction fees, while a diverse ecosystem has flourished with Solana's explosive growth and the rapid rise of new solutions like Base. In this landscape, Ethereum, though a pioneer, has seen its relative dominance decrease as users have shifted to prioritize cheaper and more efficient networks for daily transactions.



Teroxx Educational Corner

"Stablecoin Active Addresses" refers to the number of unique blockchain addresses (or wallets) that have sent or received a stablecoin within a specific period (e.g., daily or weekly).

Breaking this metric down "by chain" shows which blockchain networks—such as Ethereum, TRON, or Solana—are seeing the most user activity. It serves as a key indicator of a network's adoption and usage for payments, trading, and DeFi applications.

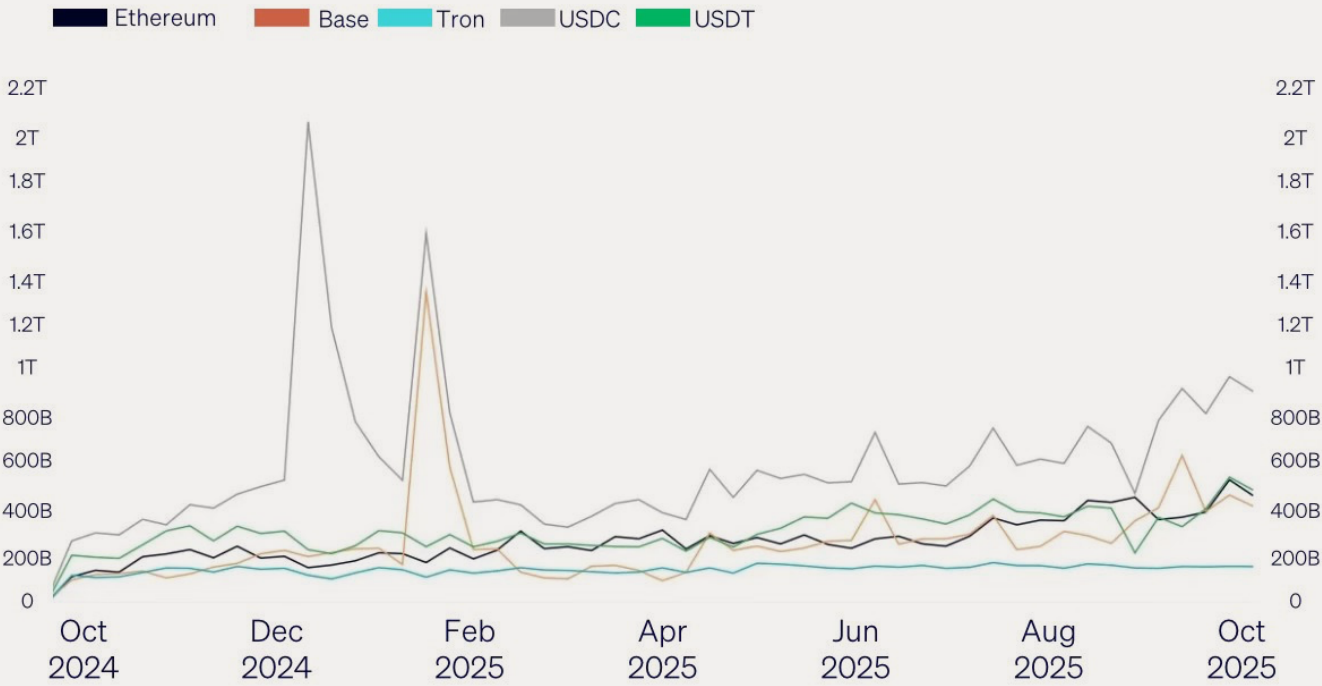
The Future of Stablecoins

The Future of Stablecoins

An analysis of the past year shows the stablecoin market is maturing, with different assets specializing in distinct roles. This is best illustrated by the diverging functions of USDC and USDT. During major market events, such as the spike in December 2024, USDC's weekly transfer volume surged to an immense \$2 trillion, briefly accounting for 85-90% of the total volume across top assets. This cements its status as the foundation for institutional finance and large-scale DeFi, a stark contrast to the peer-to-peer landscape, where different assets and networks lead.

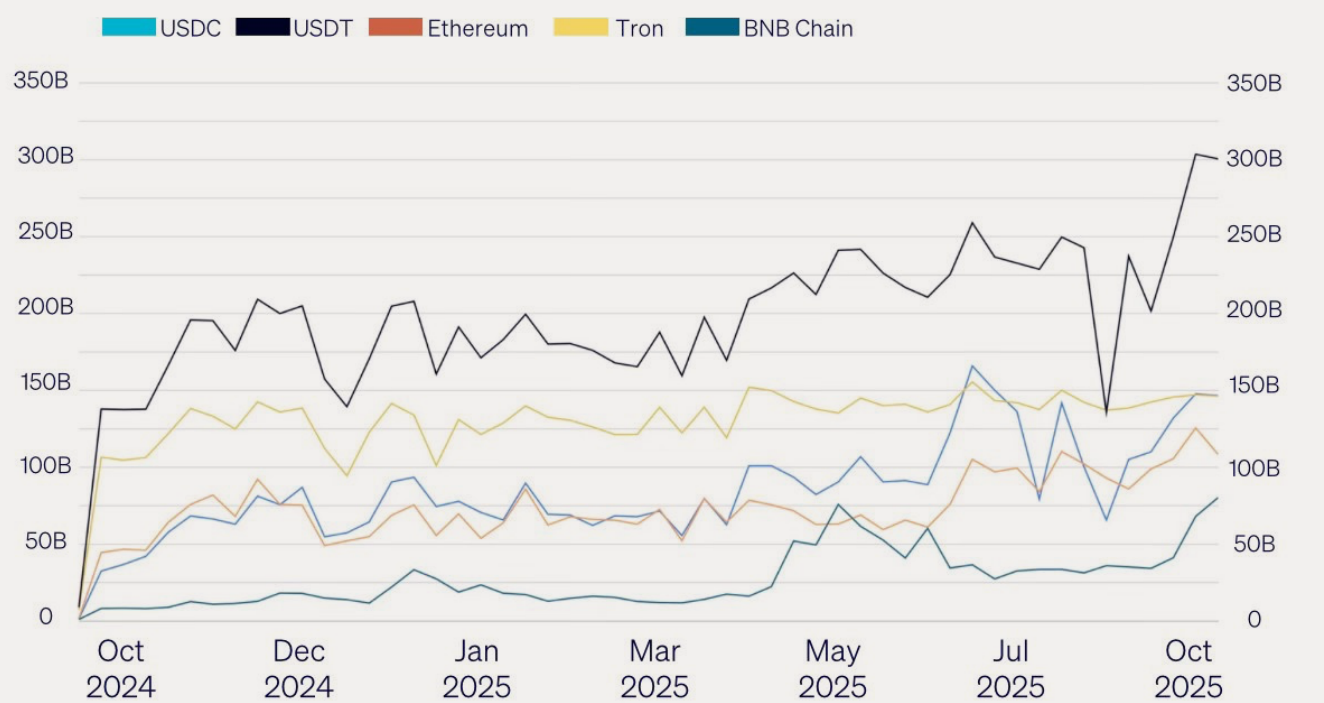


Top Assets by Latest Stablecoin Transfer Volume (Past 12 Months)



Source: Artemis Terminal, Teroxx as of October 13th 2025

 Top Assets by Latest P2P Stablecoin Transfer Volume (Past 12 Months)



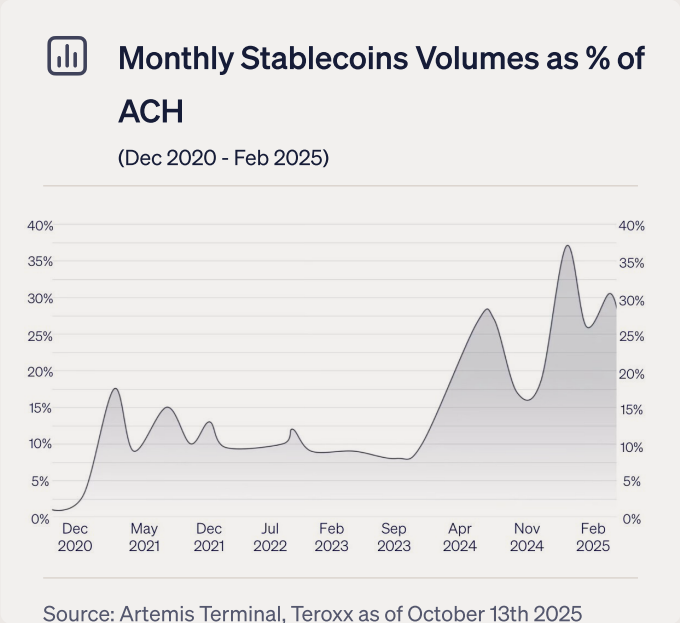
Source: Artemis Terminal, Teroxx as of October 13th 2025

In the realm of daily user activity and P2P payments, USDT is the undisputed leader. Over the course of the year, its weekly P2P volume grew to exceed \$250 billion, consistently commanding an approximate 50% market share of the activity shown. When combined with the Tron network, which serves as its primary transport layer, this ecosystem facilitates over 75% of all P2P value transferred, solidifying its role as the de facto digital dollar for a global user base. This clear split—USDC for institutional weight and USDT for retail velocity—demonstrates a market that has evolved to serve distinct, specialized functions rather than competing for a single use case.

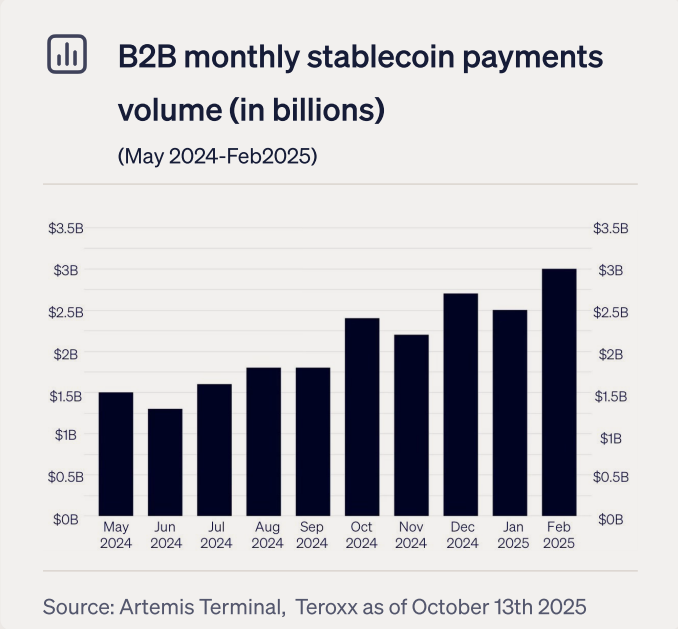
 Teroxx Educational Corner

P2P (Peer-to-Peer) Stablecoin Transfer Volume is a metric that measures the total value of stablecoins sent directly between individual user wallets, excluding transactions with centralized exchanges or DeFi protocols.

Stablecoins are clearly transitioning from a niche crypto-asset into a major competitor in global payments. One of the most telling indicators is the growth of its volume relative to the Automated Clearing House (ACH) network, a traditional U.S. system for bank-to-bank payments, which shows a direct challenge to traditional financial infrastructure. The second chart, detailing B2B payment volumes, provides clear evidence of growing commercial adoption for real-world business operations. Together, they paint a picture of an asset class rapidly gaining legitimacy and utility outside of speculative trading.



The macro-level impact is powerfully displayed in the comparison to the ACH network, a cornerstone of traditional banking. The data shows that monthly stablecoin volume has surged from a negligible fraction to consistently representing over 25% of ACH volume, even peaking at over 35% in early 2025. This is a remarkable milestone, indicating that blockchain rails are now processing a value comparable to one of the most critical payment systems in the legacy financial world. This trend suggests a significant migration of value transfer is underway, as users and institutions increasingly opt for the efficiency and 24/7 availability of stablecoins over traditional settlement networks.



This macro trend is underpinned by tangible, real-world adoption, as seen in the exponential growth of B2B payment volumes. Starting from just a few hundred million dollars per month in early 2024, monthly B2B stablecoin payments have skyrocketed to nearly \$3 billion by February 2025. This strong, consistent growth signals that businesses are actively integrating stablecoins into their core financial operations to settle invoices, manage supply chains, and conduct cross-border trade. The clear benefits of near-instant settlement and lower fees are driving this adoption, positioning stablecoins as not just a financial instrument, but as a superior technology for global commerce.

Risks & Challenges

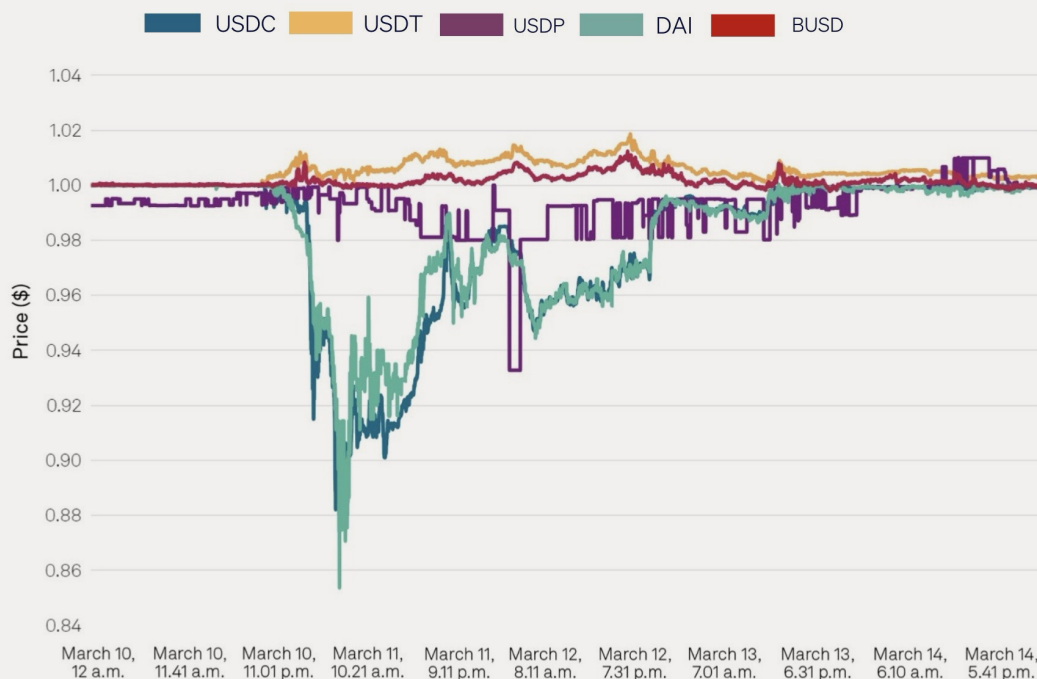
Risks & Challenges

While designed for stability, stablecoins possess inherent risks. These include operational issues like hacks or mismanagement, reserve risks tied to the quality and accessibility of their backing assets, and transparency risks from a lack of clear proof of reserves. The dangers of these interconnected risks were put on full display in March 2023, following the collapse of Silicon Valley Bank (SVB).

The crisis was triggered when Circle, the issuer of USDC, revealed it held \$3.3 billion of its cash reserves in the failed bank—a clear example of reserve risk, as a portion of its backing assets became inaccessible. This news generated widespread panic, and the provided chart captures the immediate result: the price of USDC is shown breaking its \$1.00 peg and plummeting by almost 13%. However, stability was quickly restored after U.S. authorities guaranteed that all SVB deposits would be honored, which secured Circle's reserves. This action allowed USDC to rapidly recover its \$1.00 peg, but the event served as a powerful reminder of how these underlying risks can impact the entire ecosystem.



USDC Depegging Event in March 2023

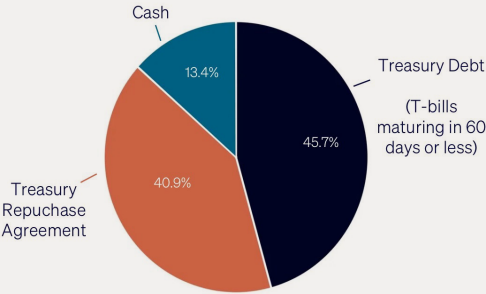


Source: S&P Global, Teroxx as of October 13th 2025

The security and stability of leading stablecoins, primarily Circle's USDC and Tether's USDT, are fundamentally anchored in the composition and quality of their underlying reserves. The transparency and perceived safety of these assets are paramount for maintaining user confidence and ensuring that redemptions can always be honored at the 1:1 peg. Both issuers rely heavily on U.S. Treasury bills—assets considered globally as risk-free—to form the bedrock of their backing.

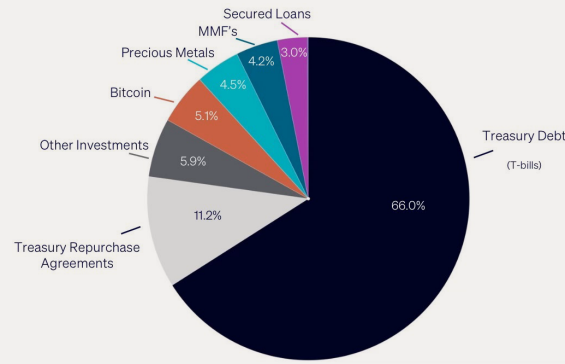
Circle (USDC) employs what can be described as a highly conservative and liquid reserve strategy. As the chart shows, the vast majority of its portfolio is concentrated in the safest assets available. U.S. Treasury Debt, specifically short-term T-bills maturing in 60 days or less, makes up a substantial 45.7% of its holdings. This is complemented by 40.9% in Treasury Repurchase Agreements, which are essentially overnight loans collateralized by treasuries, offering exceptional liquidity. With the remaining 13.4% held in cash, Circle's model is almost entirely focused on immediate liquidity and capital preservation, minimizing exposure to market volatility.

 **Circle Reserves (current)**



Source: Messari, Teroxx as of October 13th 2025

 **Tether Reserves (current)**



Source: Messari, Teroxx as of October 13th 2025

Tether (USDT) also builds its reserves on a strong foundation of U.S. government debt, with T-bills constituting the largest single portion of its portfolio at 66.0%. When combined with its 11.2% allocation to Treasury Repurchase Agreements, over three-quarters of its reserves are in these secure assets. However, Tether differentiates itself by adopting a more diversified investment strategy for the remainder of its portfolio. This includes allocations to assets with varying risk profiles, such as 5.1% in Bitcoin, 4.5% in Money Market Funds (MMFs), 4.2% in precious metals, and 3.0% in secured loans. While this approach may allow Tether to generate a higher yield on its reserves, it also introduces a degree of market risk not present in Circle's more conservative model.

The future of stablecoins is intrinsically linked to the constantly evolving political and regulatory landscape, creating an environment of uncertainty. While political changes and divergent global views can complicate the establishment of cohesive frameworks, the overall trajectory points toward a positive outcome. Significant advances, such as the proposed GENIUS Act in the U.S. and the implementation of MiCA in Europe, signal a growing global recognition of their importance. This trend suggests the dialogue between innovators and regulators will continue to mature, paving the way for a safer, well-defined environment where stablecoins can reach their full potential.

Conclusion

Conclusion

In essence, the stablecoin market has decisively transitioned from a nascent crypto-asset class into a mature financial sector, with a total capitalization now over \$300 billion. This maturation is not merely a function of market speculation but is firmly anchored in two interconnected developments: significant global regulatory advancements and a consequent surge in institutional adoption. These pillars are working in tandem to build a foundation of trust and utility, positioning stablecoins as a permanent fixture in the financial landscape.

Around the world, regulatory progress has been a pivotal force in legitimizing the asset class. Landmark legislative efforts, such as the proposed "Clarity for Payment Stablecoins Act" in the United States and the Markets in Crypto-Assets (MiCA) framework in Europe, are establishing clear rules for issuers. By creating defined standards for reserves, transparency, and operations, these regulations provide essential guardrails for consumer protection and financial stability. This move toward a predictable legal environment is the single most important factor in de-risking the sector for larger, more conservative market participants.

This growing regulatory clarity is the primary catalyst unlocking institutional adoption, which is fundamental to transitioning stablecoins into mainstream use. Clear evidence of this shift is seen in the specialized role of assets like USDC as the backbone for institutional-scale finance. Furthermore, the exponential growth of B2B payment volumes to nearly \$3 billion monthly and the fact that total stablecoins transaction volume now represents a significant fraction of traditional systems like the ACH network underscore this trend. Businesses are actively integrating stablecoins into their core operations to solve real-world challenges in global commerce.

Ultimately, the synergy between a clear legal framework and deep-seated institutional integration is propelling the future of stablecoins. This powerful combination is successfully transforming them from a niche instrument within the digital asset ecosystem into a foundational pillar of the global digital economy. As this trend continues, these assets are poised to become an indispensable technology for modern finance, offering a more efficient, accessible, and transparent infrastructure for payments and value transfer worldwide.

Legal Disclosure for Teroxx Worldwide UAB

For Informational Purposes Only: This document is provided solely for informational purposes. It may not be reproduced or redistributed, in whole or in part, without the express written consent of Teroxx.

Not an Offer, Solicitation, or Financial Promotion: Neither the information nor any opinion contained in this document constitutes a public offer, a solicitation of an offer to buy or sell, or a financial promotion for any crypto-assets, securities, financial instruments, or related services. Nothing herein should be construed as an invitation to engage in any investment activity.

Past performance: The information presented in this document reflects the performance of the referenced asset and market during a past period. Past performance does not guarantee future outcomes and or growth of the market.

No Advice Provided: This document does not constitute investment, legal, tax, or other professional advice. The information is not tailored to the specific investment objectives, financial situation, or needs of any recipient. You should conduct your own independent investigations, evaluations, and consult with your professional advisors to assess the suitability of any crypto-asset or strategy. Any decisions based on the information contained in this document are the sole responsibility of the reader.

Risk Warning: Investing in crypto-assets is highly speculative and involves a significant degree of risk, including the risk of losing your entire invested capital. The value of crypto-assets is highly volatile. Past performance is not indicative of future results. Crypto-assets are not covered by the Investor Compensation Fund (ICF) or any other investor protection schemes in the European Union.

Opinions and future predictions: This document does not contain, and should not be seen as containing any predictions, forecasts, or projections from the Teroxx regarding the market or future market developments. All information provided herein is of a factual and/or historical nature and is presented for informational purposes only. Any references to potential future scenarios are purely illustrative, and should not be relied upon as indicative of actual future outcomes.

No Warranty and Limitation of Liability: None of Teroxx nor any of its affiliates, directors, officers, employees, or representatives makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein. Each of the aforementioned parties expressly disclaims any and all liability relating to or resulting from the use of this document or its contents.

Third-Party Information and Links: Certain information contained herein may be obtained from published and non-published third-party sources. While believed to be reliable, such information has not been independently verified by Teroxx, and Teroxx does not assume responsibility for its accuracy or completeness. This document may provide links to third-party websites. These sites are not controlled by Teroxx, and we are not responsible for their content or operation. The inclusion of any link does not imply endorsement by Teroxx.

Potential Conflicts of Interest: Teroxx and its affiliates may hold, manage, or trade in the crypto-assets or protocols discussed in this document for their own accounts or for the accounts of their clients.

Timeliness of Information: Unless otherwise indicated, the information in this document is current as of the date of its preparation and will not be updated to reflect subsequent information, events, or changes in circumstances.

Foreign currency fluctuations: The results presented are expressed in United States dollars (USD). Investment returns may increase or decrease due to currency exchange rate fluctuations, and the final return, when converted into your local currency (EUR), may differ from the figures shown here.

Regulatory Notice: This document is considered a marketing communication under the MiCA Regulation. It has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not a crypto-asset white paper as defined under MiCA.