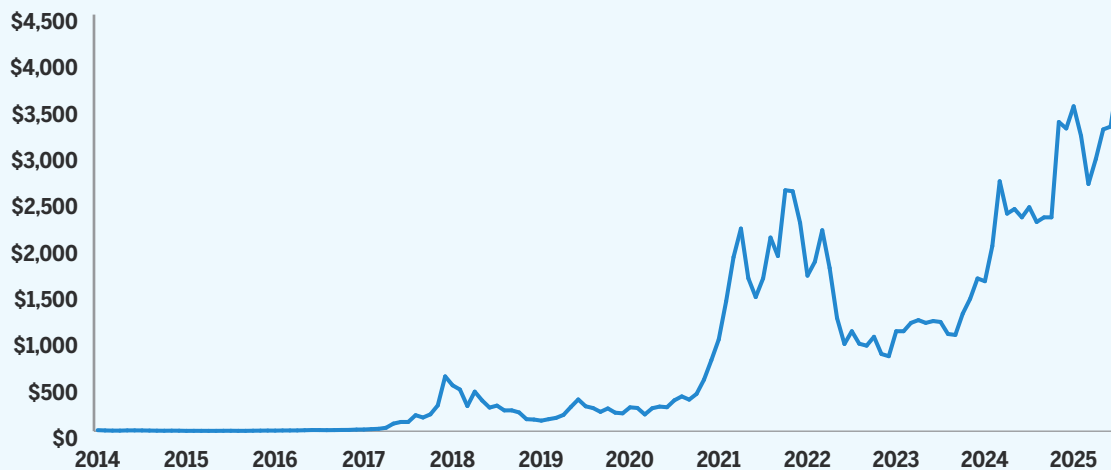


Is Crypto Finally Growing Up?

After years of growing pains, the crypto industry may finally be turning a corner. While headlines once focused on extreme volatility and illicit activity, a clearer regulatory framework is now emerging. Could regulation finally be catching up to innovation, paving the way for broader adoption?

Cryptocurrency Total Market Capitalization
\$ Billions



Source: CoinMarketCap as of July 15, 2025.

- As shown in the chart above, cryptocurrency's total market capitalization has soared to approximately \$3.8 trillion, reflecting broader adoption over the past decade. Yet, despite its meteoric rise in value, widespread crypto adoption continues to face regulatory uncertainty: Are digital assets securities? What agency oversees them? How can they fit into traditional finance?
- These questions are likely to be answered through legislation. For example, the Digital Asset Market Structure Bill, making its way through Congress, seeks to clarify how digital assets are distinguished from securities and would grant the Commodities Futures Trading Commission authority over digital assets. In a recent speech, SEC Chairman Paul Atkins discussed the potential for traditional securities to move from centralized databases to distributed blockchain databases, comparing the forthcoming shift to when “digital audio revolutionized the music industry” and saying on-chain securities (e.g., trading a stock on a public blockchain ledger) could be more transparent and enhance liquidity.¹ Additionally, the U.S. is also set to enact legislation through the GENIUS Act on stablecoins—digital tokens tied to assets like the U.S. Dollar. With annual transaction volumes already reaching \$7.3 trillion as of June 30, 2025, stablecoins could potentially broaden out crypto's appeal by providing a steady store of value or a reliable medium of exchange.²
- In our view, transparent crypto regulation could create attractive opportunities for long-term equity investors. Companies positioned to potentially benefit from a clearer, more supportive regulatory backdrop include those involved in the issuing, trading or custody of digital assets, as well as firms leveraging blockchain technology to facilitate similar activities for traditional securities on-chain.

¹ Paul S. Atkins, "Keynote Address at the Crypto Task Force Roundtable on Tokenization," speech, U.S. Securities and Exchange Commission, Washington, DC, May 12, 2025.

² Visa Onchain Analytics, "Adjusted Transaction Methodology," as of 6/30/25. The \$7.3 trillion annual adjusted transaction volume represents the total value of genuine economic transactions settled using stablecoins over the past year, excluding internal transfers, repeated wallet movements, and automated trading activities.

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Coinmarketcap is a website that provides information and data such as prices, trade volumes, market capitalization on cryptocurrencies.

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