

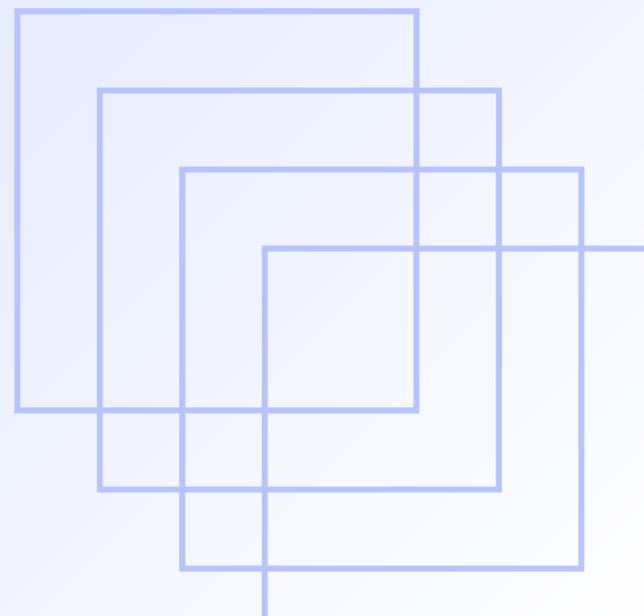
2025



The Future of Stablecoins

Usage, Revenue, and the Shift
from Issuers to Distribution

PART 1



Executive Summary



It's no longer a question of if stablecoins will reshape global finance—but how.

In the early days, stablecoin growth was measured by aggregate supply. The key challenge was trust: which issuers were credible, compliant, and capable of scaling? That question has been answered. Today's leading issuers have demonstrated operational resilience, and new entrants are arriving with institutional backing and regulatory readiness.

As issuance becomes commoditized, power is shifting from minting to distribution.

The days of jaw-dropping profits at the issuer level are numbered—distributors are beginning to realize their leverage and capture their fair share of value.

Given this shift, **it's increasingly important to understand which applications, protocols, and platforms are seeing real growth.** Are stablecoins powering real payments? Cross-border flows? Institutional finance?

In the highly competitive stablecoin space, distributors need to capture the value they create in order to survive. Every neobank, wallet, or fintech moving stablecoins is generating yield—the only question is who's keeping it.

Builders who recognize this are shifting away from default choices and **towards options that afford them programmability, embedded finance rails, and modular infrastructure.**

Just as early innovation was defined by reserve quality and protocol security, the next era will be defined by product design and distribution strategy.

Those who get it right will define the future of finance.

About This Report



This report aims to reframe how we understand growth in stablecoins: from issuance to implementation.

It is the first in a series examining the evolving landscape of stablecoin use cases, mapping distribution across key applications and estimating the reserve-based revenue associated with major categories.

By analyzing usage patterns over time, we uncover how use cases are evolving—and where value is truly being created. While the data in this report highlights many of the largest players, not all entities are captured due to attribution limitations.

Our goal is to support more informed conversation, development, and investment across both emerging and established use cases.

Industry Insights



We are in the midst of a tectonic shift—a shift in perspective, where stablecoins are no longer considered 'crypto' but 'global infrastructure,' and a shift in utility, where financial builders are actively reshaping their products to leverage these new rails. The playing field is changing; brace yourself.

Ran Goldi, Fireblocks SVP Payments & Network

Stablecoin growth has reached escape velocity, and regulatory clarity is opening the gates for institutions. The next frontier isn't just about who has scale today—it's also about the business model of all the players in the stablecoin supply chain, from issuers, distributors and holders. During the next 12–24 months we are sure to see changes and challengers in the value chain and value accrual.

Martin Carrica, Anchorage Digital VP of Stablecoins

Stablecoins are the first primitive of a new financial stack. Everything we know in finance is rebuilt on stablecoins. And the winners? They will control distribution.

Simon Taylor, Sardine Head of Strategy & Content

Stablecoins have gone from experimental to essential in just a few years and the product market fit is undeniable. But we have now entered a new period in which issuance and liquidity alone are insufficient to bring about continued growth. The next stage of stablecoin adoption is going to involve new factors, including the sharing of economics with partners, the ease of integration both on and offchain, and the degree to which features of programmability can be leveraged.

Jelena Djuric, Noble Co-Founder and CEO

Stablecoins have proven wildly profitable whether through Tether's outsized earnings, Stripe's Bridge acquisition or \$10 trillion in annual settlement volumes and are now cementing themselves as foundational global financial infrastructure.

Stefan Cohen, Bain Capital Crypto Partner

Table of Contents



The Stablecoin Landscape	6
From Mint to Market	7
Use Case Analysis	10
→ Total market	11
→ CEXs	14
→ DeFi	16
→ MEV	21
→ Unattributed Wallets	22
Conclusion	25

The Stablecoin Landscape



Beyond Market Capitalization

Stablecoins have become one of crypto's most widely used products. With over \$240 billion in supply and over \$7 trillion in annual onchain volume, they rival traditional payment networks in scale. But these figures tell an incomplete story.

Supply shows how much exists—not how much is used, where it flows, or what it enables. Volume, meanwhile, reflects a mix of human onchain activity and bots while failing to capture offchain data.

Usage Is The New Signal

Not all stablecoins are equal in motion. Some sit dormant. Others are key drivers of real economic activity across platforms, users, and regions.

We see clear divergence across ecosystems, as outlined in [The State of Stablecoins 2025](#). Stablecoins on Ethereum tend to serve as DeFi collateral and trading liquidity, whereas those on Tron are more commonly used for remittances and payments in emerging markets. USDC has a higher presence with institutional flows, while USDT thrives on reach and accessibility.

These usage patterns don't just reflect where value flows; **they spotlight opportunities for builders to target underserved or high-growth niches.**

Understanding where stablecoins are implemented and what they enable is now the clearest signal of where adoption is real, and where the next wave of innovation will emerge.

From Mint to Market



The Historical Value of Issuance

In the early stablecoin era, value capture was concentrated with issuers. Maintaining a 1:1 peg at scale was a hard problem, and few solved it well. Tether and Circle rose to dominance not only because they were early movers, but because **they were among the few issuers able to consistently manage the complex task of issuing and redeeming at scale**, managing reserves, integrating with banking partners, and surviving market stress.

By monetizing via yield on reserves, mostly short-term U.S. Treasuries and cash equivalents, even modest rates translated into massive revenue. Early success compounded: exchanges, wallets, and DeFi protocols built around USDT and USDC, hardening network effects of distribution and liquidity.

Distribution as the Value Layer

Trusted custody, liquidity, and redemption are no longer differentiators—they're expectations. As more issuers enter the market with similar capabilities, the issuer itself matters less. **What matters is what users can do with the stablecoin.**

As a result, power is shifting from issuers to distributors. Wallets, exchanges, and apps that integrate stablecoins into real-world use cases now command both influence and leverage. They own the user relationship, shape the experience, and increasingly decide which stablecoins gain traction.

And they're monetizing that position. Circle's recent IPO filing revealed it paid nearly \$900 million—over half its gross revenue in 2023—to partners like Coinbase for integrating and promoting USDC.

The issuer is now paying the distributor, not the other way around.

Many distributors are moving further up the stack. PayPal launched PYUSD. Telegram partnered with Ethena. Meta is exploring stablecoin rails again. Fintech platforms like Stripe, Robinhood, and Revolut are embedding stablecoins directly into payments, savings, and trading features.

Issuers aren't standing still. Tether is building wallets and payment rails. Circle is going full-stack with payments APIs, developer tools, and infrastructure acquisitions. But the dynamic is clear: **distribution is now the strategic high ground.**

Building for Programmability and Precision

As stablecoin adoption scales, new infrastructure is emerging—built for programmability, compliance, and value sharing. Issuance alone no longer cuts it. To stay competitive, stablecoins must be adaptable to the needs of the platforms that drive usage.

The next generation of stablecoins includes programmable features like hooks, compliance rules, and conditional transfers. These allow stablecoins to act as application-aware assets that automatically route value to merchants, developers, LPs, or affiliates without offchain agreements.

Each use case has unique context. **Remittances prioritize speed and conversion, DeFi demands composability and collateral flexibility, and fintech integrations require compliance and auditability.** The emerging infrastructure stack is being built to serve these diverse requirements, enabling the stablecoin layer to adapt dynamically to its context, rather than offering a one-size-fits-all solution.

Crucially, this infrastructure shift enables more precise value capture. Programmable flows mean value can be shared across the stack—not just hoarded by issuers. Stablecoins are becoming dynamic financial primitives, shaped by the incentives and architecture of the ecosystems they move through.

Focusing on Use Cases

As stablecoin value capture shifts downstream, it's the distributors who define real-world usage. Wallets, exchanges, fintech apps, payment platforms, and DeFi protocols decide which stablecoins users see, how they interact with them, and where they create utility. These platforms shape the user experience and control the demand side of the stablecoin economy.

Analyzing how stablecoins are actually used—across payments, savings, trading, DeFi, and remittances—**reveals who's creating value, where friction exists, and which distribution rails are working.** By following stablecoin flows across wallets and platforms, we gain visibility into the infrastructure and incentives shaping adoption.

Use Case Analysis



This report focuses on stablecoin use cases tied to onchain activity from attributed wallets —addresses that have been identified as belonging to specific entities like centralized exchanges, DeFi protocols, or institutional players.

Among these known (also known as ‘tagged’ or ‘labeled’) actors, stablecoin usage today is concentrated across three dominant environments:

1. **Centralized exchanges**
2. **DeFi protocols**
3. **MEV infrastructure**

The below table shows the supply and volume share of each for April, 2025:

	CEX	DeFi	MEV
Supply	\$65B (27%)	\$26B (11%)	Low (<1%)
Volume	\$350B (11%)	\$650B (21%)	\$950B (31%)

Together, the three categories make up **38% of total stablecoin supply and 63% of total stablecoin volume**.

Untagged addresses make up much of the remaining supply and volume. These are wallets which aren’t directly linked to known institutions, exchanges, or smart contracts. We will explore trends in untagged addresses later in this report.

For estimating revenues on supply, we take the current float and apply a 4.33% annual yield based on the current US Effective Federal Funds Rate. In reality, many issuers earn a higher yield, but this is a simple base for how much one can expect.

Total Market Overview

Total Stablecoin Supply

\$240B

Total Stablecoin Volume

\$3.1T

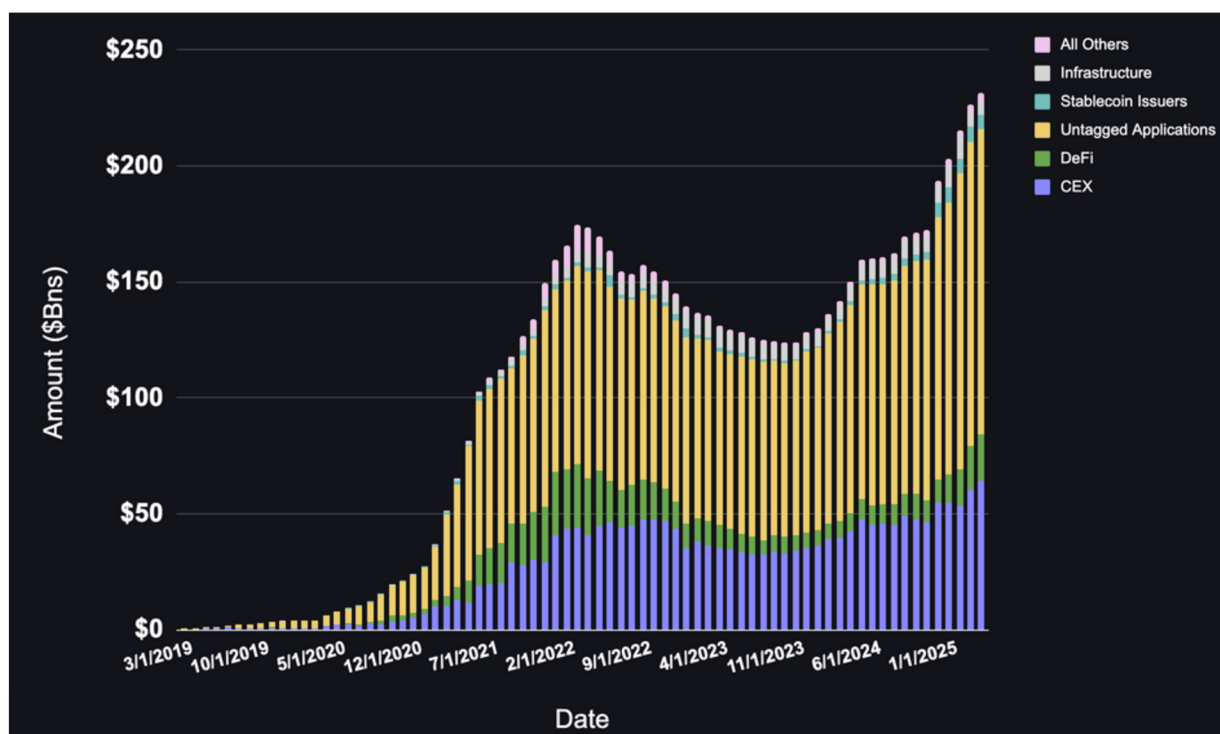
Last 30 days

Reserve Revenue

\$10B

Annual yield assuming constant float

Total Stablecoin Supply by Use Case



The distribution of stablecoin supply reveals which platforms and use cases are compelling enough to attract and retain float.

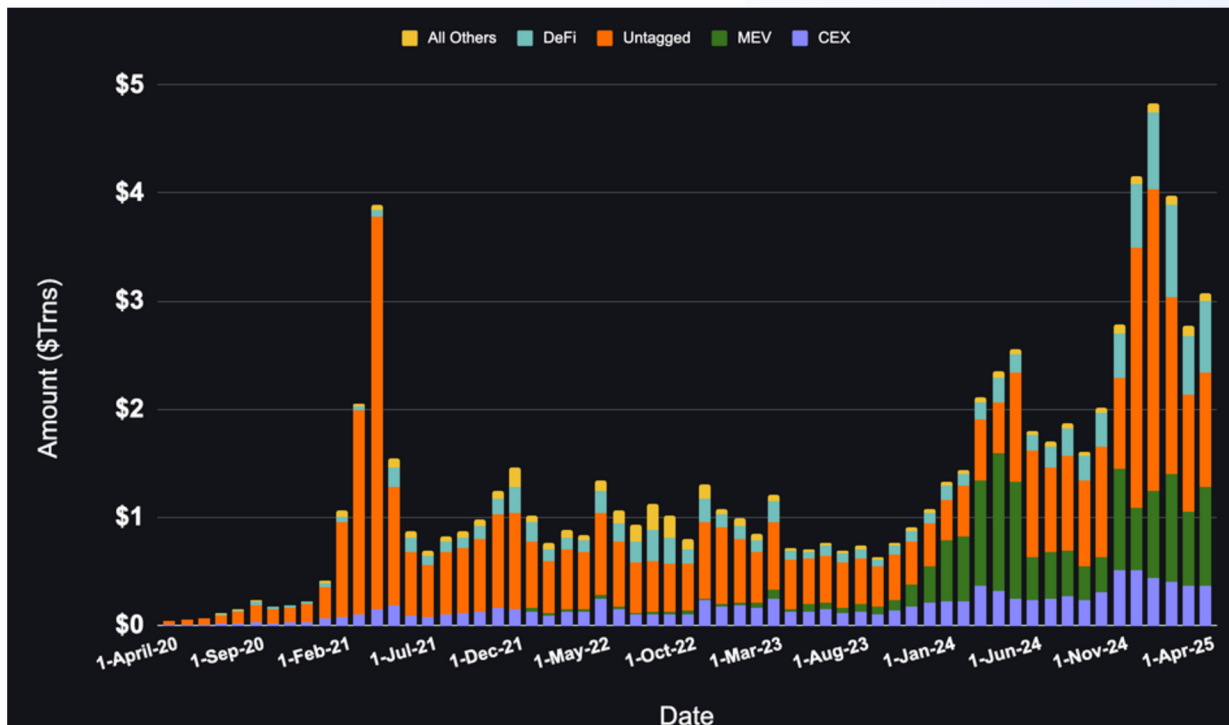
Total supply has steadily climbed since summer 2023, reaching all-time highs this year with **high growth across CEXs, DeFi, and untagged wallets**.

Top 10 Entities of Stablecoin Supply



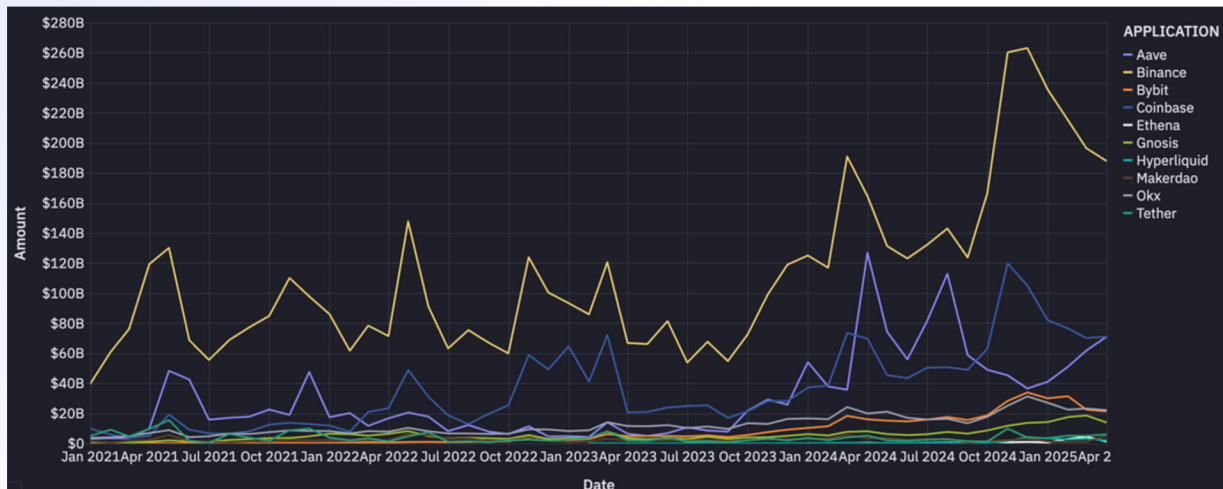
Most attributed stablecoin supply lives in centralized exchanges, where Binance commands a sizable lead. DeFi protocols and issuers also hold a significant portion.

Total Stablecoin Volume by Use Case



Total stablecoin volume has steadily climbed since summer 2023, with exceptional surges during periods of high market activity. Growth in volume is highest in DeFi, while MEV and untagged wallets see high but volatile volume.

Top 10 Entities of Stablecoin Volume



Entities with the highest **attributed stablecoin volume** tend to be centralized exchanges, followed by DeFi and issuers.

CEX volume **does not reflect trading on CEX platforms, as most of this happens offchain**. Instead, it reflects user deposits and withdrawals, inter-exchange transfers, and internal operations movements.

Deep Dives by Use Case

Centralized exchanges continue to anchor stablecoin supply, holding a large share of circulating float across ecosystems.

When it comes to volume, DeFi protocols and MEV-driven actors are now the most active, highlighting the growing role of onchain usage and composable infrastructure. This section zooms into each of these categories to unpack key players, emerging trends, and revenue opportunities.

Centralized Exchanges

Stablecoin
Supply Share

27%

Stablecoin Volume
Share

11%

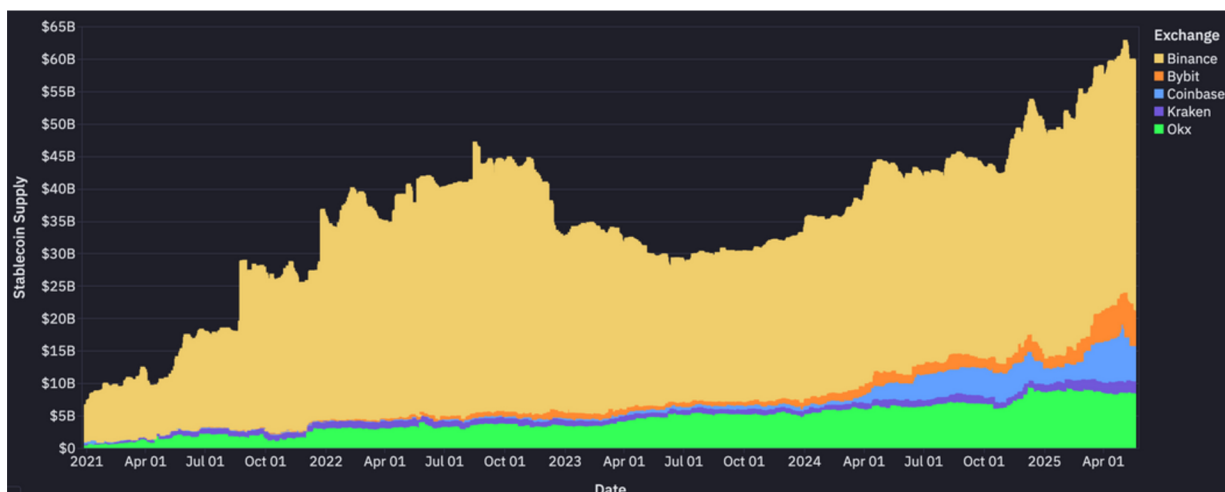
Last 30 days

Reserve Revenue

\$3B

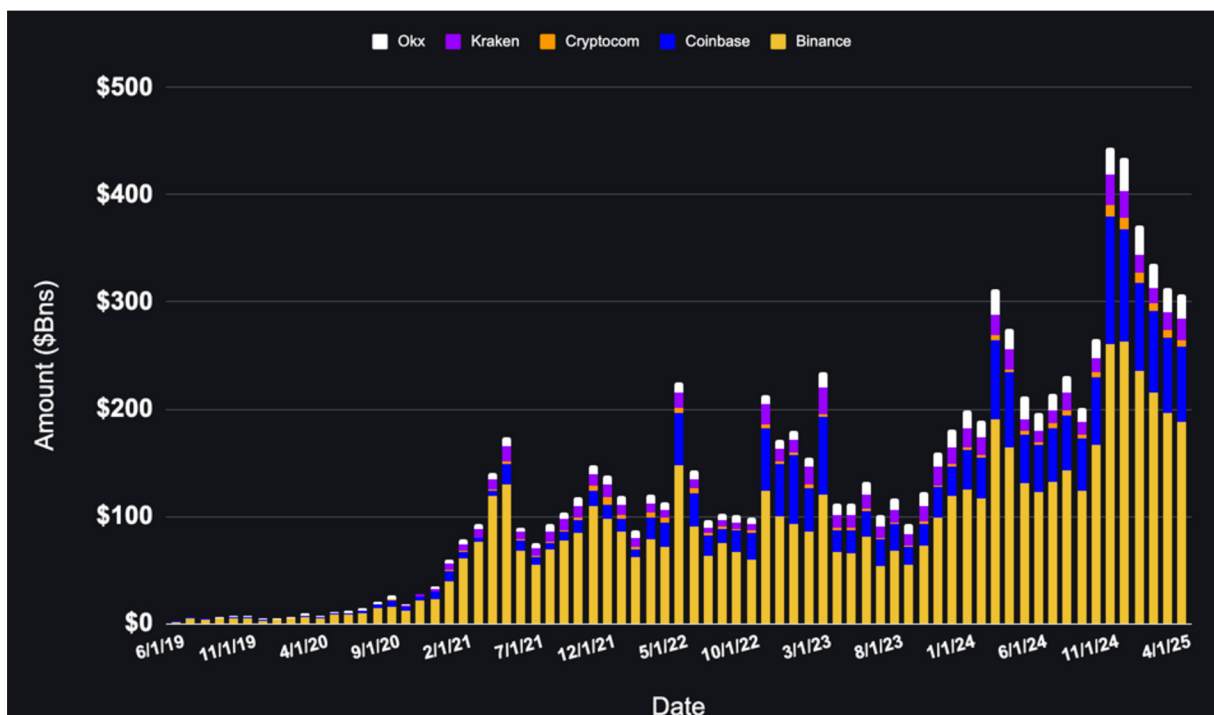
Annual yield assuming constant float

Top 5 CEX Stablecoin Holdings



Supply on top CEXs has nearly doubled since 2023 local lows. Coinbase, Binance, and Bybit tend to fluctuate with the market while supply held on Kraken and OKX has grown more steadily.

Top 5 CEXs by Stablecoin Transfer Volume



Specific data on how CEXs use stablecoins is hard to obtain because much of this activity occurs offchain. Funds are often pooled, and the specific use is rarely disclosed. This opacity makes it challenging to assess the full scope of stablecoin usage within CEXs.

Stablecoin volume attributed to CEXs reflects **onchain activity related to deposits, withdrawals, inter-exchange transfers, and liquidity operations**—not internal trading, margin collateralization, or fee settlement. As such, it's best viewed as a proxy for user engagement with exchanges, not a measure of total trading activity.

DeFi

Stablecoin
Supply Share

11%

Stablecoin
Volume Share

21%

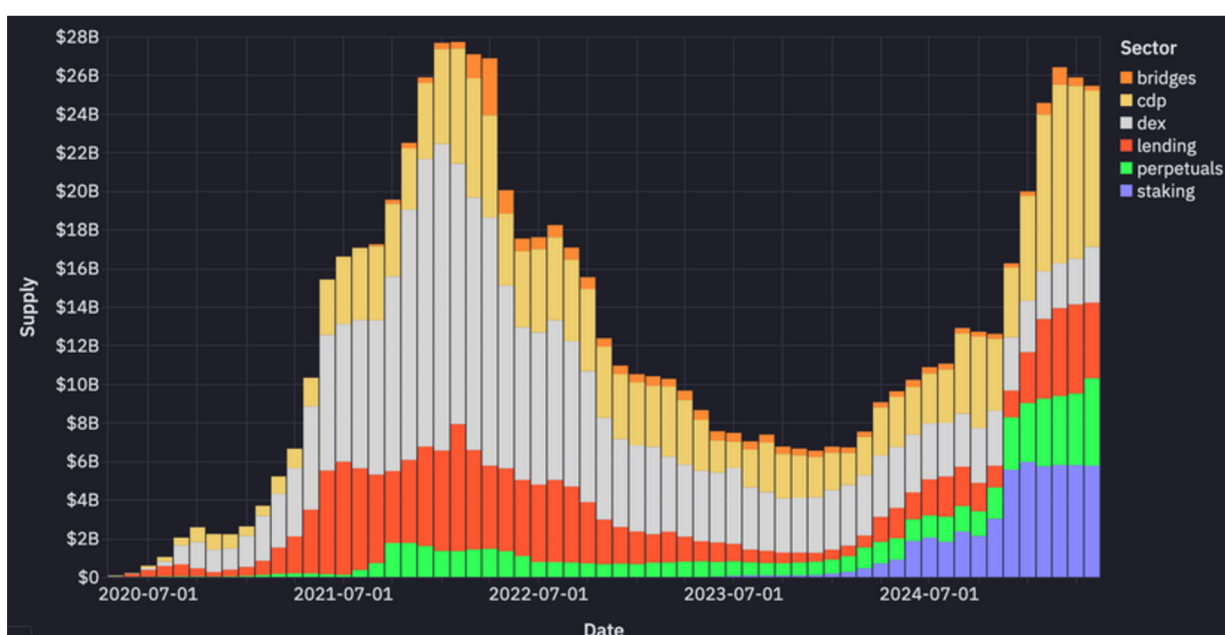
Last 30 days

Reserve
Revenue

\$1.1B

Annual yield assuming
constant float

Top Categories of DeFi Stablecoin Holdings

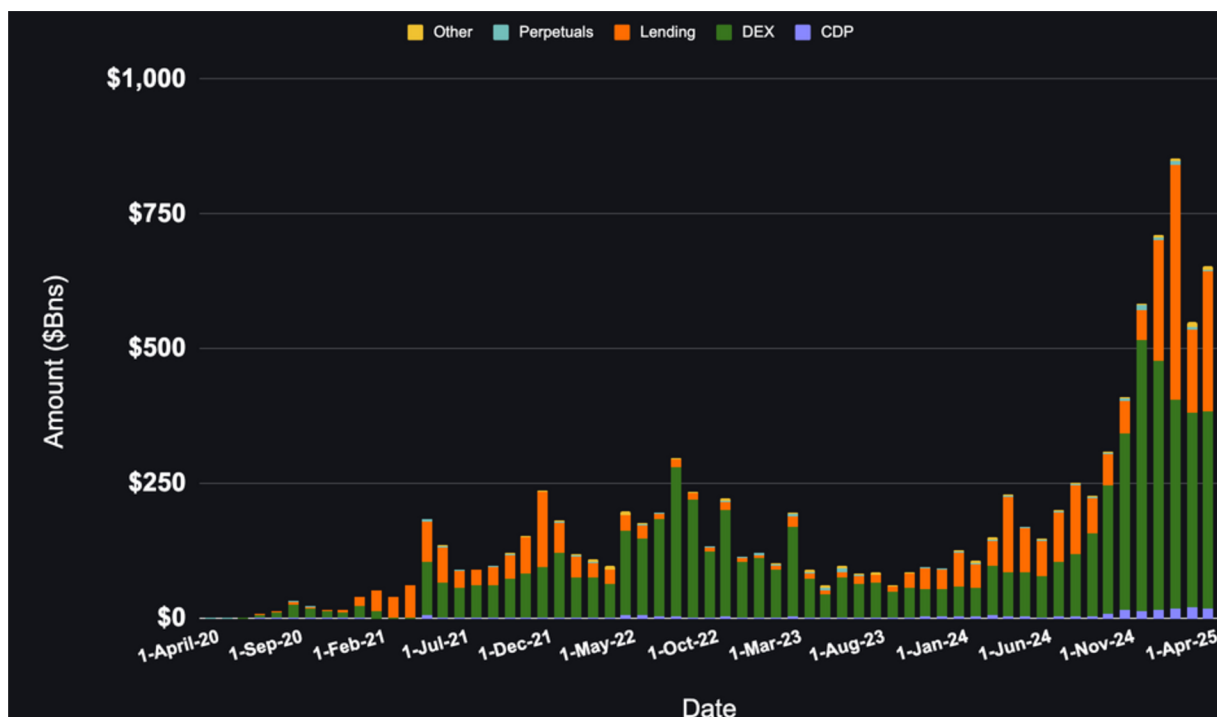


DeFi stablecoin supply comes from collateral, LP assets, and settlement layers across lending markets, DEXs, and derivatives protocols. **Supply across CDPs, lending, perpetuals, and staking have nearly doubled over the past 6 months.**

DEX share of supply has dropped significantly, not because DEX usage has dropped but **because DEXs have evolved to be more capital efficient.**

Supply locked in perpetuals has significantly increased recently as Hyperliquid has exploded in popularity.

Top Categories of DeFi Stablecoin Volume



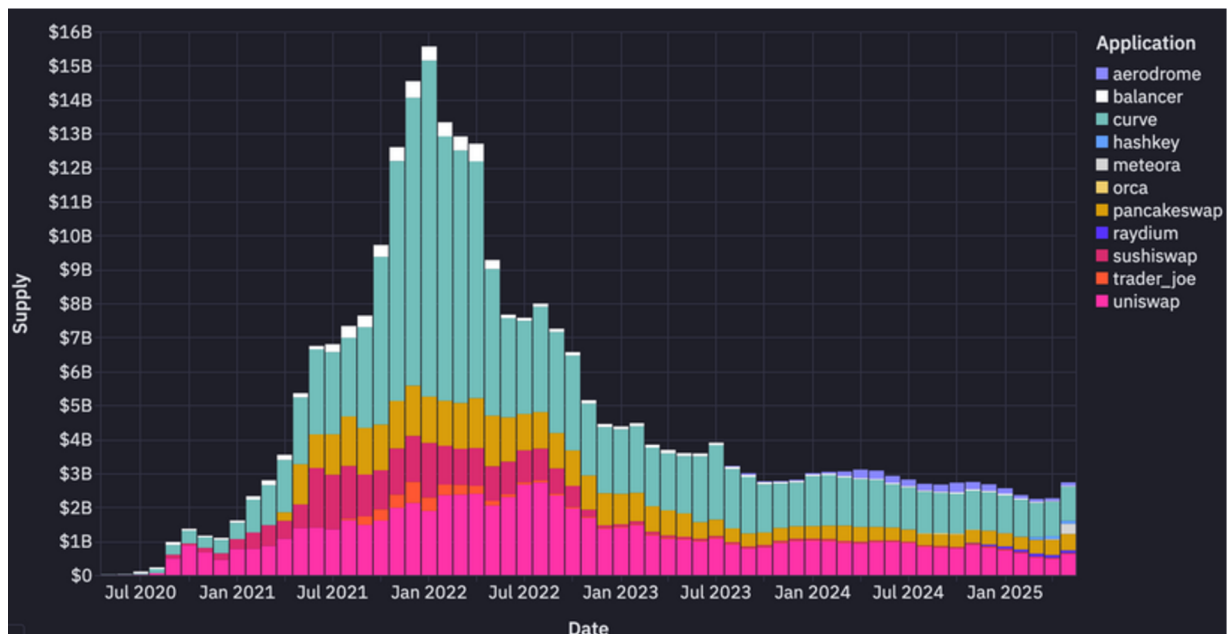
Monthly DeFi stablecoin volumes have **grown from ~\$100B to \$600B+ over the past 6 months**, led by massive growth across DEXs, lending, and CDPs.

Within DeFi, stablecoins are deployed across a few key segments:

- DEX pools
- Lending markets
- Collateralized Debt Positions
- Others (Including perpetuals, bridges, and staking)

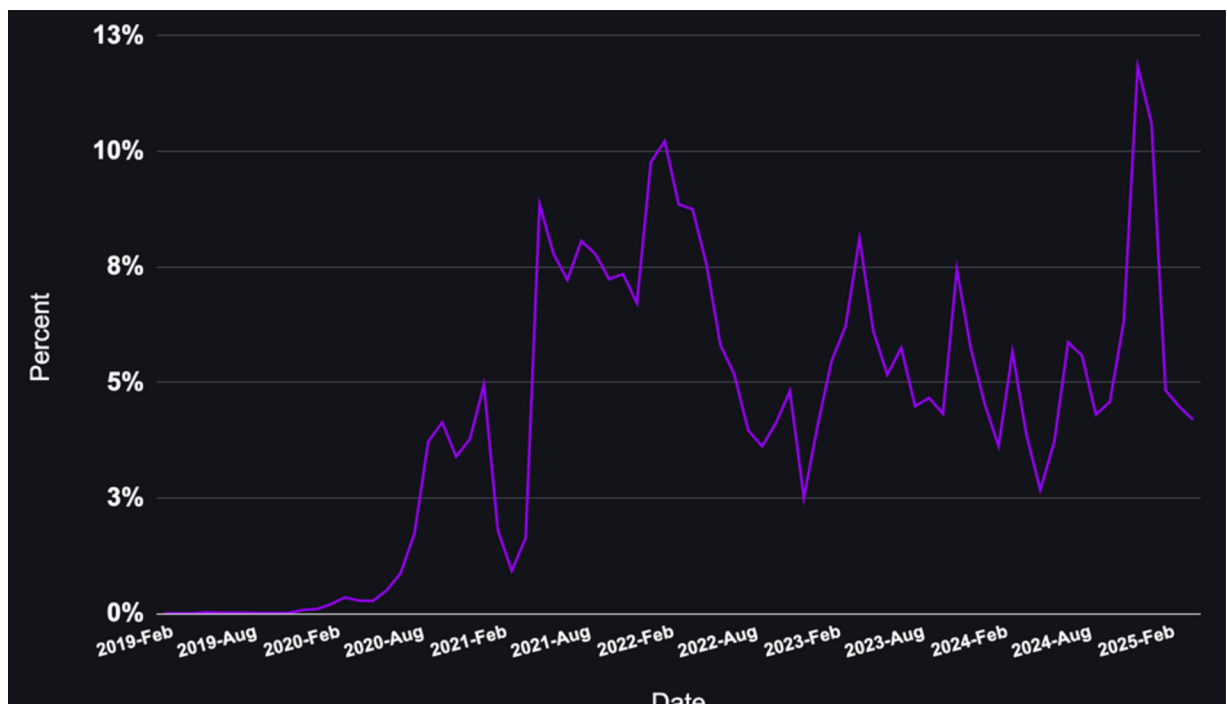
Each of these segments **uses stablecoins differently**—whether as liquidity, collateral, or payout—shaping both user behavior and **protocol-level economics**.

Top DEXs by Stablecoin TVL



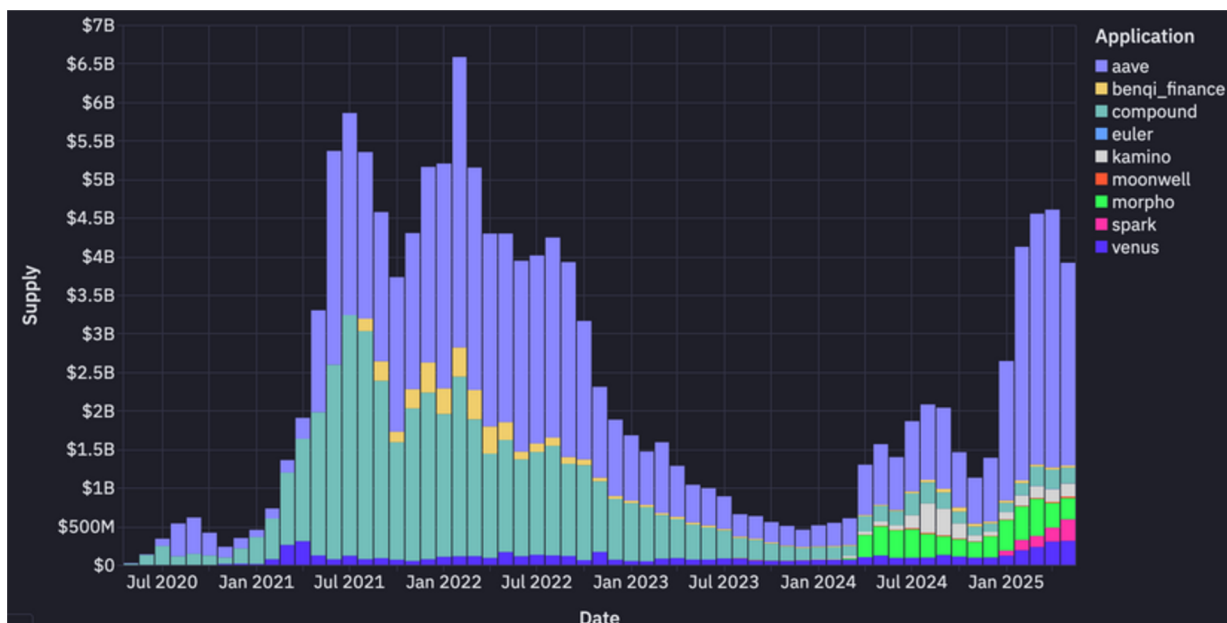
Concentrated liquidity, stablecoin-focused DEXs, and cross-protocol composability have **reduced the need for DEXs to maintain high stablecoin float.**

DEX Share of Total Stablecoin Volume



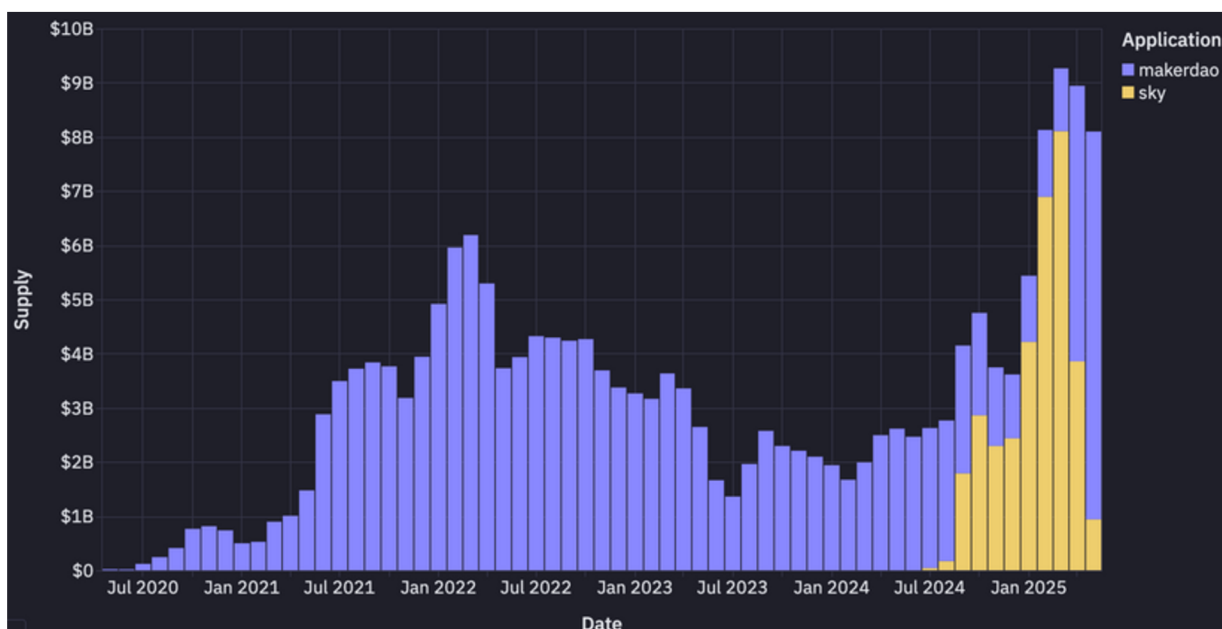
The **majority of stablecoin volume in DeFi comes from DEXs.** The DEX share of total volumes fluctuates alongside market sentiment and trading trends, with the recent memecoin spike surpassing \$500B in volume—12% of total volume.

Top Lending Markets by Stablecoin TVL



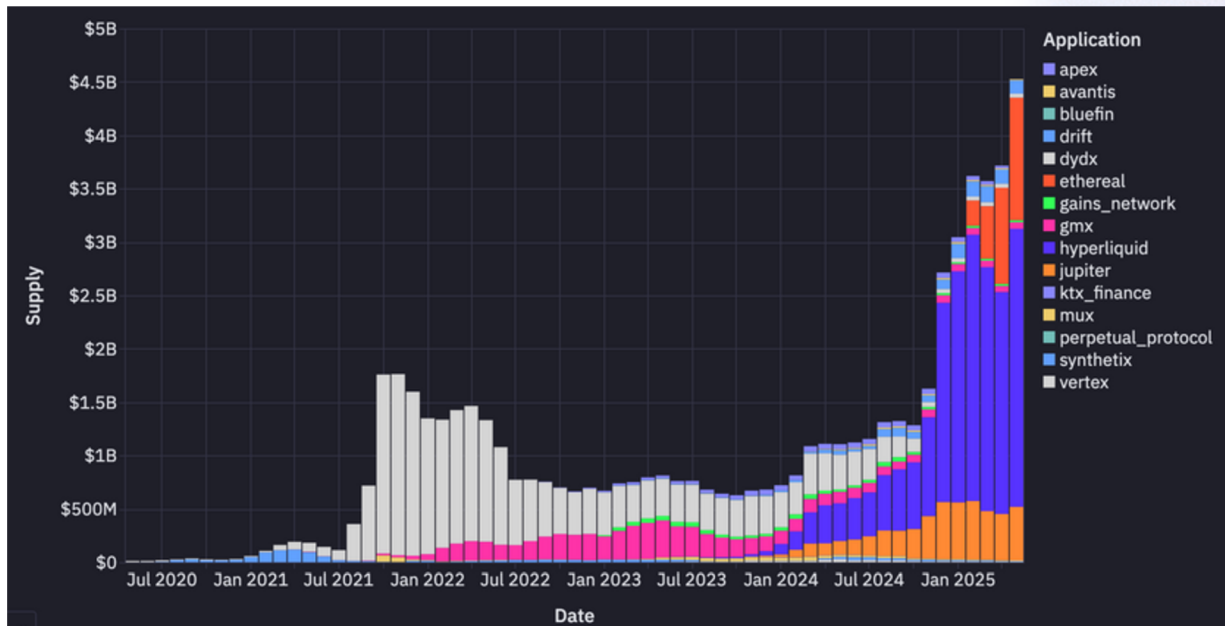
Although lending is down from its peak, Aave has shown a **strong resurgence** and newer protocols like Morpho, Spark, and Euler have gained traction.

Top Collateralized Debt Positions (CDPs) by Stablecoin TVL



MakerDAO continues to manage one of the **largest stablecoin treasuries in DeFi**, with increasing adoption of DAI driven by high savings rates. They hold billions in stablecoins which play a key role in maintaining DAI's peg to USD.

Top Other DeFi Protocols by Stablecoin TVL



Stablecoins also play a key role in supporting derivatives, synthetic assets, perpetuals, and trading protocols across DeFi.

Supply has rotated between various perpetuals protocols over time, **concentrating most highly today in Hyperliquid, Jupiter, and Ethereum.**

MEV

Stablecoin
Supply Share

<1%

Stablecoin
Volume Share

31%

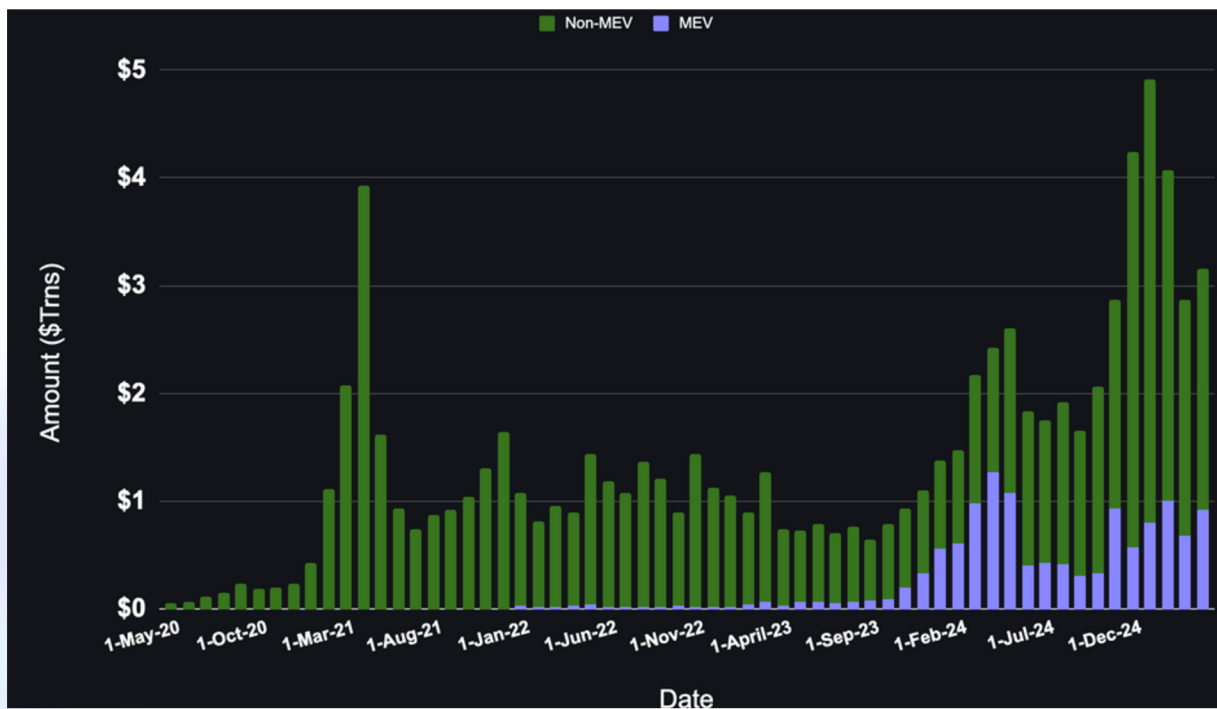
Last 30 days

Reserve
Revenue

N/A

Annual yield assuming
constant float

MEV vs Non-MEV Volume



MEV bots extract value by reordering transactions. Their high-frequency behavior drives a **disproportionate share of onchain volume**, often with the same capital being reused.

The chart above isolates MEV-driven activity to clarify bot volume from human volume. MEV volumes surge alongside periods of high trading volumes and fluctuate as chains and apps attempt to combat MEV strategies.

Projecting revenue for high-volume, low-float use cases like MEV is less straightforward than high-float use cases. Projecting yield on reserves is less applicable here, but these use cases open themselves up to monetization strategies such as **transaction fees, spread capture, embedded financial services, and app-specific monetization**.

Unattributed Wallets

Stablecoin
Supply Share

54%

Stablecoin
Volume Share

35%

Last 30 days

Reserve
Revenue

\$5.6B

Annual yield assuming
constant float

Stablecoin activity in unlabeled wallets is significantly more difficult to explain, as the intent behind transactions must be inferred or corroborated with private data. That said, these wallets **account for the majority of stablecoin supply and often the plurality of volume.**

Unattributed wallets include a mix of:

- Retail users
- Unidentified institutions
- Startups and SMEs
- Dormant or passive holders
- Smart contracts not yet categorized

While attribution models are imperfect, **wallets in this "gray space" category account for a growing share of real-world payments, savings, and operational flows**, many of which don't map cleanly onto traditional DeFi or trading frameworks.

Some of the **most promising use cases are emerging here**, including:

- P2P remittances
- Startup treasuries
- Dollar savings by individuals in inflationary economies
- Cross-border B2B payments
- E-commerce and merchant settlement
- In-game economies

As regulatory clarity improves and payment-focused infrastructure continues to attract capital, these emerging use cases are expected to scale rapidly—**particularly in regions underserved by traditional banking.**

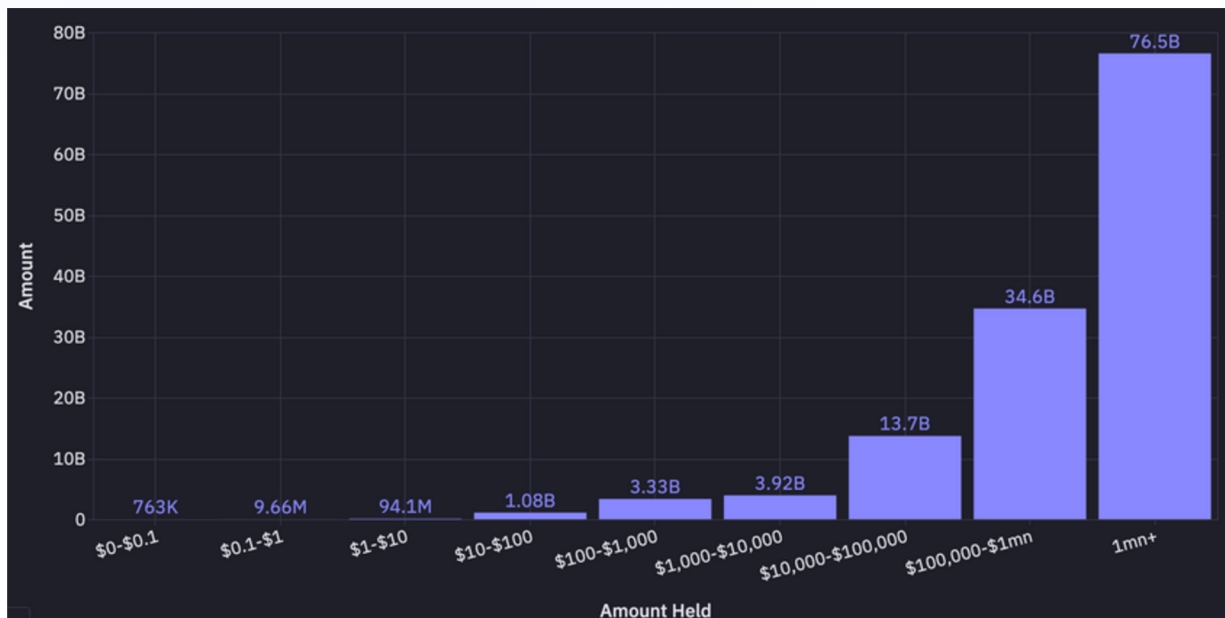
We will explore this segment in detail in Part 2 of this series. For now, we will look at high level trends:

Holder Count by Amount Held



Despite the sheer number of unattributed wallets—over 150 million—the vast majority have negligible balances. **More than 60% of unattributed wallets hold less than \$1**, and **fewer than 20,000 wallets hold a stablecoin balance of over \$1 million.**

Total Stablecoin Amount Held by Wallet Size



When we shift focus to wallet size per balance bucket, the picture flips entirely.

The **<20k unattributed wallets with a balance of over \$1 million collectively hold over \$76 billion, or 32% of total stablecoin supply.**

Meanwhile, **wallets with a balance under \$10,000—over 99% of unlabeled wallets—hold a collective \$9B, less than 4% of total stablecoin supply.**

Most wallets are tiny, but **the majority of unattributed stablecoin supply resides with a very small, high-value cohort.** This distribution speaks to the dual nature of stablecoin usage: **broad grassroots access on one end, and significant institutional or whale concentration on the other.**

Conclusion



The stablecoin ecosystem has entered a new phase where value will increasingly accrue to those who build applications and infrastructure.

This marks a critical maturation of the market; a shift **from focusing on the money itself to the programmable systems that make that money useful.**

As regulatory frameworks solidify and user-friendly applications proliferate, stablecoins are poised for **exponential growth**. Their ability to combine the stability of fiat with the programmability of blockchain positions them as a **fundamental building block for the future of global finance.**

The future of stablecoins belongs to builders who create the applications, infrastructure, and experiences that unlock their full potential. As this shift accelerates, we can expect even more innovation in how value is created, distributed, and captured throughout the ecosystem.

What comes next won't be defined by stablecoins alone, but by the ecosystems that form around them ■

The Future of Stablecoins



Want to learn more about building on M0?
Reach out to our team:

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