

The real stablecoin play is in the plumbing

June 8, 2026

LONDON, June 8 (Reuters) — Stablecoins grab the headlines, but the bigger prize for private equity investors may lie in the digital “plumbing” that makes them work.

We are rapidly moving into the age of AI, yet moving money still relies on architecture built for an analogue era: slow, expensive and complex. Stablecoins could change that.

This type of digital currency is pegged to a reserve asset like the U.S. dollar. Because of this structure, they are gaining traction in cross-border payments, treasury operations, crypto settlement and as a store of value in volatile economies.

Importantly, they are also offering something the traditional financial rails often cannot: near-instant settlement, round-the-clock operability, modest friction costs and a viable alternative where banking infrastructure is thin or trust is weak.

This tokenized form of cash is therefore more than an incremental upgrade. If properly structured and rigorously regulated, stablecoins could do to money what email did to snail mail: make the old system increasingly obsolete.

Stablecoins currently in circulation are expected to surge as much as 15-fold by 2030, according to Citi and Brookfield research. The debate is no longer whether they will scale, but how quickly — and who will profit when they do.

History suggests the biggest gains in a technological boom are rarely made by investing in the invention itself. They are captured in the infrastructure that enables rapid adoption.

For example, in the 19th century, railroads on their own did not drive industrialization and the massive wealth creation that came with it. The gains came from the web of steel, coal, logistics and distribution networks that followed. Electrification was not about the light bulb, but the grid.

Stablecoins are no different. They are the spark for transforming money movement, not the engine driving conversion.

TOKEN EXPLOSION

Wall Street is rapidly moving deeper into digital assets. This is feeding the broader trend of tokenization, the process of turning traditional assets into digital tokens.

The New York Stock Exchange, part of Intercontinental Exchange (ICE.N), opens new tab, is partnering with Securitize — a major player in tokenization — on a platform for digital coins linked to stocks and ETFs.

Meanwhile, Nasdaq (NDAQ.O), opens new tab is teaming up with Kraken — a cryptocurrency exchange — to let investors trade tokenized versions of listed stocks and ETFs.

More broadly, in a recent Broadridge survey of 950 financial services firms, 54% said their firm is investing in tokenization, while 53% believe blockchain will dramatically reshape settlement.

For established financial institutions, the choice is stark: integrate and evolve this new technology or cede ground as activity shifts to faster, cheaper, more transparent rails.

In short, this appears to be a structural shift, not a cyclical one.

NECESSARY INFRASTRUCTURE

The technology needed for this instantaneous, trackable movement of money already exists. What remains underbuilt is the plumbing that will enable stablecoins to connect seamlessly with the existing financial system.

The opportunity lies not in stablecoins themselves, but in owning the toll roads they travel on.

This infrastructure includes issuance platforms, payment processors, digital wallets, custody systems, and the other on- and off-ramps that convert traditional currency into digital and back. It also includes compliance tools such as “know your customer” (KYC), anti-money laundering (AML) and transaction monitoring services.

This is where private equity can come in.

Capital can help financial institutions modernize legacy systems, carve out digital asset units from larger groups, or support governments building national digital-currency platforms.

None of this is risk-free. Stablecoins are not insured like bank deposits, and their stability depends on the quality and liquidity of the issuer’s reserves. Compared with banks, the firms that manage stablecoins have fewer resources to address fraud and cybersecurity risks.

Moreover, regulatory clarity is needed. Markets do not scale when faced with ambiguity. Investors and institutions will require clear rules on reserves, redemptions, supervision and consumer protection.

But progress has been made on that front. In the U.S., the GENIUS Act — a law passed in 2025 to establish a regulatory framework for stablecoins — should create clearer state and federal pathways for issuing stablecoins and establish strict reserve requirements.

RISK OR OPPORTUNITY?

Ultimately, many of stablecoins’ current vulnerabilities simply point to what needs to be built.

First, institutional-grade infrastructure. Robust custody, resilient cybersecurity, deep liquidity and seamless integration with existing payment systems are prerequisites. Without them, adoption stalls. With them, it can accelerate.

Next, network integration and usability. For stablecoins to truly scale, they must be embedded into regular financial activity. End-users — whether corporates managing liquidity or consumers making payments — should not need to think about blockchain any more than they think about code when sending an email.

The bottleneck in payments today is not technology. It is the institutional-grade plumbing that must be modernized, expanded and globally connected. Solving that is the work of the next decade.

Enduring advantage will sit with those who control the infrastructure layer—the connective tissue of digital finance. The market will reward not the loudest innovation, but the deepest integration. Not the headline, but the foundation.

Infrastructure will define the returns.