

Coffee with the Corner Office

FIRST PRINCIPLES · INSTITUTIONAL DIGITAL ASSETS

Nº 1

A read, not an interview.

— TOKENIZED MARKETS

The State Street *Play*

*How a custody giant is positioning for tokenized finance
— what's smart, and the questions I'd bring to coffee.*

POURED BY

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MY READ IN ONE LINE

They're not fighting tokenization. They're redefining the game so the messier it gets, the more you need them.

Most people saw "big custody bank likes blockchain." I saw the most quietly confident piece of positioning I've read from an incumbent in a while.

THE PLAY

Own the rails, not the *rocket*.

- 01 **Concede the story.** "Yes, tokenization is real" — the narrative is cheap to give away.
- 02 **Hold the plumbing.** Custody, servicing, settlement — the ground that actually pays.
- 03 **Enable, don't push.** Reads as modesty. It's the most defensible square on the board.

Incumbents win by being boring and indispensable — not by being first.

THE WEDGE

Why tokenized money-market funds?

The institutional pull isn't retail distribution — it's **collateral**. Pledge fund units under stress instead of dumping them to cash. The **2022 UK LDI crisis** is the lesson: forced MMF selling is what broke.

It's a market-infrastructure play — shaped exactly like the plumbing a custodian already owns.

Source • State Street, Digital Digest — July 2026 ("Building trust: tokenized MMFs").

THE MOAT — AND ITS HOLE

Four regulators. One missing *region*.

UK

FURTHEST ALONG

LUX

MOST MATURE

IRE

SYSTEM LENS

US

ACCOUNTABILITY

ASIA

NOT ON THE MAP

Their edge is a jurisdiction-portable model — yet Singapore, Hong Kong and Tokyo, where the tokenized-collateral and stablecoin flows are actually concentrating, aren't in the frame.

Source • State Street, Digital Digest — July 2026 ("Evolving regulation of tokenized MMFs").

— IF I GOT THAT COFFEE · QUESTION 1

Why isn't Asia in the picture?

MY BEST GUESS — TELL ME WHERE I'M WRONG

Don't build Asia from scratch. Make a tokenized MMF the **default collateral** inside a Hong Kong or Singapore sandbox — let the region's repo, FX and stablecoin desks stress-test it at speed, then port the proven model out. The fastest place to prove it, not the last. *(This one's close to home — I'd genuinely love to help.)*

— IF I GOT THAT COFFEE · QUESTION 2

Doesn't the convergence cut both ways?

MY BEST GUESS — TELL ME WHERE I'M WRONG

MMFs and stablecoins converging is also how the rails learn to route **around** a custodian — an issuer plus a DeFi money market already does much of it without one. So don't fight for the commoditized layer — own **the part institutions can't live without**: the enforceable legal wrapper, the break-glass controls, the promise redemption holds when everything's on fire. Be the trust layer, not the cheapest pipe.

— IF I GOT THAT COFFEE · QUESTION 3

Will they disrupt their own P&L?

MY BEST GUESS — TELL ME WHERE I'M WRONG

Incumbents are famously bad at cannibalising themselves. So reframe it: stop defending the **old fee**, start capturing a **new one** — collateral mobility, settlement-as-a-service. **Price the network, not the ledger.** Make it a migration story, not a loss.

I could be completely wrong — I'm reading from the outside, with incomplete information. That's kind of the point.

I'd rather ask a good question
than pretend I have the
answers.

What would you ask them?

Read from the source · State Street, "Digital Digest, July 2026 — Smart money and the rise of the tokenized MMFs." Link in the comments.