THE INSTITUTIONAL MAP · STABLECOINS

The Trillion-Dollar *Assumption*

The most important number in stablecoins right now isn't the market cap. **It's a definition.**

THE CONSENSUS

Wall Street priced the gold rush.

Standard Chartered: stablecoin supply **~$2 trillion by 2028**, feeding **~$1 trillion of new Treasury-bill demand**. Stablecoins as the new marginal buyer of the front end. A clean story.

THE TENSION NO ONE NAMES

The law that legalized it caps the prize.

GENIUS's ban on issuers paying you yield is the very thing that **thins the float** the whole $1-trillion thesis rests on. You can't fully have both.

FOLLOW THE INCENTIVE

The coin becomes a wire, not an account.

A stablecoin that can't pay you is a worse place to park than a tokenized money-market fund that can. So: hold the fund, flash into the coin only to settle, exit. **Dwell-time collapses toward zero.**

SO THE METRIC BREAKS

Supply stops measuring adoption.

JPMorgan's own data: **~88% of stablecoin use today is non-payment** — parking. Strip the yield out of parking and that's the balance that thins. More dollars move; fewer sit. **The T-bill bid is paid by the ones that sit.**

THE GOVERNMENT'S TELL

The "protect banks" reason is a rounding error.

The White House's own economists modelled the yield ban: **~$2 billion added to bank lending**. Their word for the design: "narrow banking" — Simons, Fisher, the 1930s Chicago Plan. The yield didn't vanish. **It was moved, by law, to a separate layer.**

THE SWING VARIABLE

It all turns on one undefined word.

"Holder." The rule bans issuers paying holders — but never defines the term, and it's being written this quarter. Whether the exchange-pays-"rewards" workaround survives decides whether float compounds at all. Every trillion-dollar model silently assumes it lands issuer-friendly.

THE OPERATOR'S READ

The most important number is a definition.

Supply is a mismeasured adoption gauge for the institutional lane. The real variable is **where the yield is allowed to live** — a word in a comment file, not a market outcome. **The rails, not the token.**

THE QUESTION

Are you underwriting the reserve bid — *or the rulemaking?*

(The macro story survives in retail and emerging-market dollar demand, which is yield-insensitive and huge. The tension is specifically **the institutional lane***.)*

— **Scottie K. Siu** OPM LABS