crypto.com

Tokenisation of RWAs & Yield-Bearing Stablecoins

May 2024

Research and Insights

Crypto.com Research & Insights Team

Published on 3 May 2024

RESEARCH DISCLAIMER

The information in this report is provided as general commentary by Crypto.com and its affiliates, and does not constitute any financial, investment, legal, tax, or any other advice. This report is not intended to offer or recommend any access to products and/or services. The views expressed herein are based solely on information available publicly, internal data, or information from other reliable sources believed to be true.

While we endeavour to publish and maintain accurate information, we do not guarantee the accuracy, completeness, or usefulness of any information in this report nor do we adopt nor endorse, nor are we responsible for, the accuracy or reliability of any information submitted by other parties. This report includes projections, forecasts, and other predictive statements that represent Crypto.com's assumptions and expectations in light of currently available information. Such projections and forecasts are made based on industry trends, circumstances, and factors involving risks, variables, and uncertainties. Opinions expressed herein are our current opinions as of the date appearing in this report only.

No representations or warranties have been made to the recipients as to the accuracy or completeness of the information, statements, opinions, or matters (express or implied) arising out of, contained in, or derived from this report or any omission from this document. All liability for any loss or damage of whatsoever kind (whether foreseeable or not) that may arise from any person acting on any information and opinions contained in this report or any information made available in connection with any further enquiries, notwithstanding any negligence, default, or lack of care, is disclaimed.

This report is not meant for public distribution. Reproduction or dissemination, directly or indirectly, of research data and reports of Crypto.com in any form is prohibited except with the written permission of Crypto.com. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of, or located in a jurisdiction, where such distribution or use would be contrary to applicable law or that would subject Crypto.com and/or its affiliates to any registration or licensing requirement.

The brands and the logos appearing in this report are registered trademarks of their respective owners.

Contents

Executive Summary

- Tokenisation of real-world assets (RWAs) is the process of converting RWAs into digital tokens by leveraging blockchain technology. Within this, **tokenisation of securities** and its application in **yield-bearing stablecoins** have gained much attention recently.
- **Tokenised treasuries** are the most popular form of tokenised securities, currently a US$1.2 billion market, which has increased ~2.7 times (~2.7x) in the past year. Players are broadly divided into **Actively Managed Products** (with portfolio manager) and **Passively Managed Products** which track an underlying instrument (e.g. ETF).
    - **BUIDL,** the first tokenisation product provided by BlackRock, has garnered a $385 million market cap since its launch in March 2024. With USDC offering instant redemptions, it establishes an instant bridge between US treasuries and stablecoins.
- As the market develops more clarity in regulations, and as investors become more adept to the RWA concept, it is expected that tokenised securities will gradually expand to include **equities and new forms of credit products.**
- **Yield-bearing stablecoins** satisfy yield-hunting crypto investors and open the gateway for traditional financial (TradFi) institutions to participate. They can be classified based on the yield-distribution mechanism: rebasing and non-rebasing.
- Yield-bearing stablecoins have also received criticisms since they add complexities to stablecoins by introducing different mechanisms of yield generation, and yields may not be sustainable. Players need to create competitive advantages, especially if interest rates fall in the latter part of 2024.
- RWA tokenisation signifies a **bridge between TradFi and the digital asset space** and is forecasted to be a $16 trillion market by 2030, according to a Boston Consulting Group study. While there are still limitations in the use cases and utilities of these tokens, the target is clear — **to bring in more assets, users, and efficiency.** It is clearly a current trend with the potential for mass adoption.

1. Introduction

Traditional finance (TradFi) and cryptocurrency markets have historically been seen as two distinct sectors. However, in the past few years, there has been growing interest and developments spanning across the two sectors — real-world assets (RWAs) is one of them.

RWAs are assets — physical or digital — that derive value from sources outside the blockchain. **Tokenisation of RWAs** is the process of converting these assets into digital tokens by leveraging blockchain technology. For example, issuers can tokenise a bond by using tokens on a blockchain to represent ownership rights of the bond, thereby adding functions (for example, tradeability or transferability).

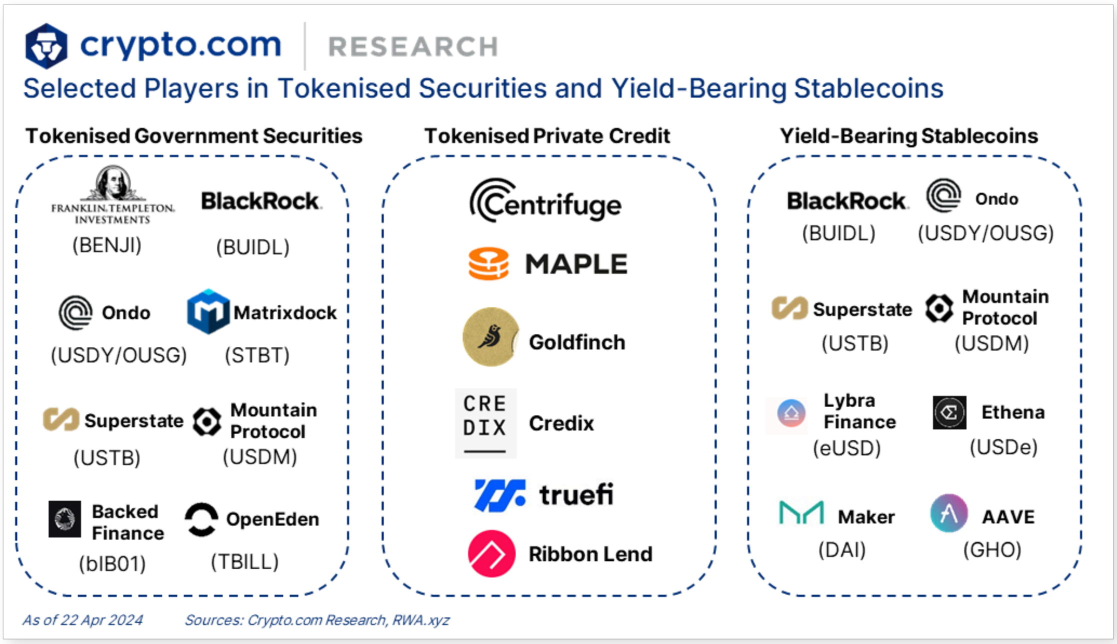
One of the earliest representations of RWAs is **fiat-backed stablecoins.** For example, USDT and USDC have been very successful in becoming the default denominations of most on-chain trading pairs. Crypto entered a bear market in 2022 and on-chain yields dropped. At the same time, US interest rates increased from 0.25% (in early 2022) to the current 5.25%-5.50%. Given the two largest stablecoins by market cap — USDT and USDC — do not provide native yields, investors' attention shifted to **sustainable on-chain yield generation.**

Tokenisation of securities — for example, treasuries and bonds — have gained traction, as financial institutions (e.g., Franklin Templeton, BlackRock) entered the sector. Within this, tokenisation of treasuries is the most adopted form to date. At the same time, **yield-bearing stablecoins** are attractive to investors, as those tokens can mitigate the volatility of native cryptocurrencies and receive relatively high interest similar to saving in the bank (in the current macro environment).

RWA tokenisation is significant in a few ways:

- **Transparency:** Transactions and asset values are recorded on-chain.
- **Efficiency:** Reduces the need for intermediaries and manual paperwork, as distribution and transfers are completed on-chain.
- **Liquidity:** Previously illiquid assets (e.g., real estate) are tradeable on-chain.
- **Self-custody:** Individuals retain control over their assets.
- **Expansion in user base and product types:** Enables TradFi investors to participate in on-chain activities in new product formats (e.g. tokenised securities).

While RWAs include diverse subcategories (securities, real estate, carbon market, etc.), this report focuses on discussing tokenised securities and their typical application — yield-bearing stablecoins. Also check our previous report about RWAs bringing real-world value to decentralised finance (DeFi).



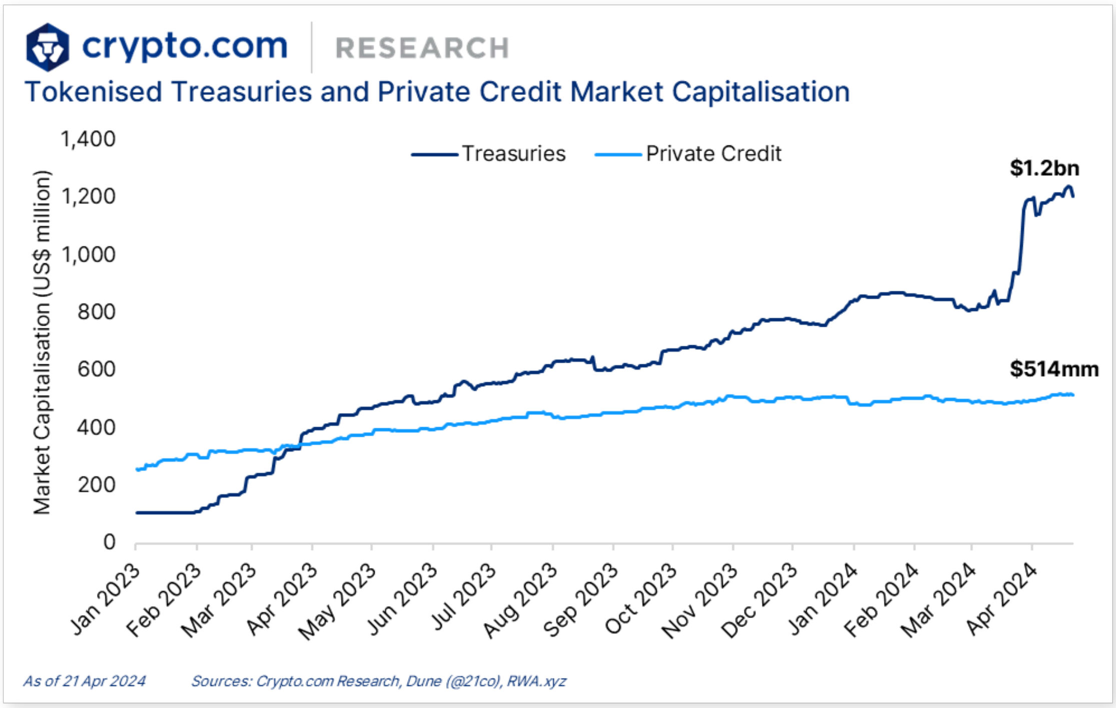
2. Tokenised Securities

2.1 Overview

Tokenised securities can broadly include treasuries, money market funds, credit products, and equities (both private and public). Tokenised treasuries and money market funds are the main drivers of tokenised securities, as they are usually used to back stablecoins (like USDT and USDC) given their characteristics of having low risk and high liquidity.

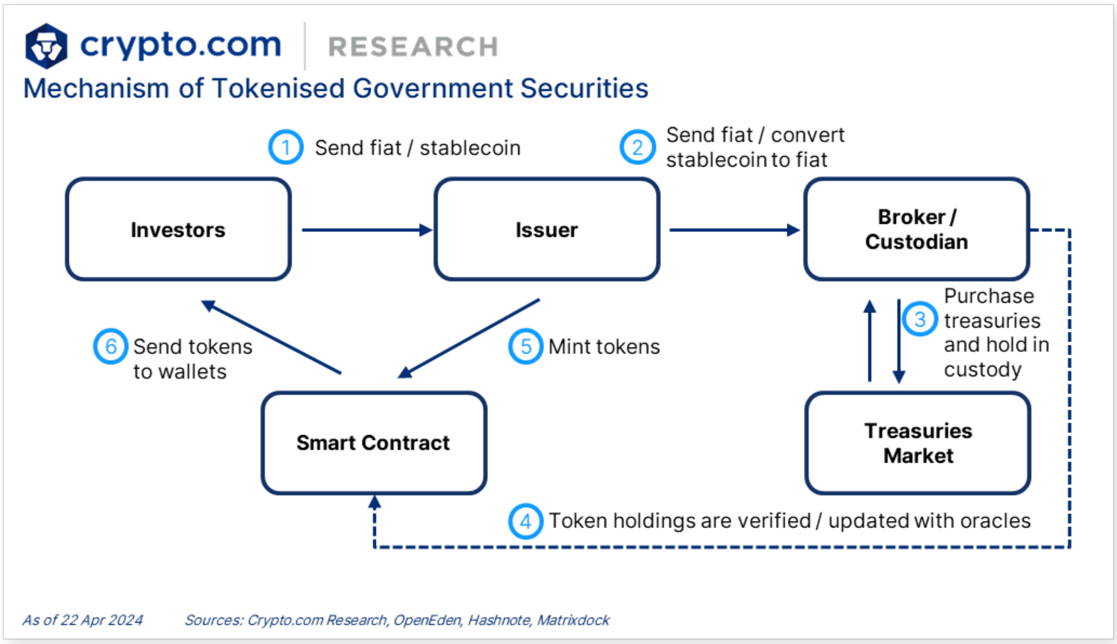
According to Dune Analytics, the **tokenised treasuries** category is a $1.2 billion market (at the time of writing), and has increased ~2.7x in the past year. It also recently rose sharply with ~50% growth from March to April 2024, primarily due to the launch of BUIDL, the first tokenisation product provided by BlackRock.

On the other hand, according to RWA.xyz, tokenised private credit has a total of $4.4 billion cumulative total loan value. Active loan value at the time of writing is at $514 million, which has dropped from the peak of near $1.5 billion in 2022.



The typical tokenisation **mechanism** of tokenised treasuries is as follows:

- Investors send fiat or stablecoins to the issuer. In the case of stablecoins, the issuer converts them to fiat using a fiat off-ramp provider.
- Issuer sends the fiat to the broker-dealer, who trades the fiat for treasuries (like T-bills). The treasuries subsequently are held custody by the custodians.
- After token holdings are verified, tokens representing ownership are minted on-chain and sent to the respective investors' wallets.
- Accrued dividends (based on yields generated from the underlying asset) are periodically sent to investors' wallets as tokens.



For crypto natives, tokenised securities provide yield-generating opportunities and on-chain composability to new products originally only available off-chain. For TradFi issuers, tokenisation enables them to launch new products for their existing clients, allowing them to tap into the on-chain benefits like 24/7 trading, instant settlement, and lower operational costs. It also helps extend the market by allowing more clients to access the on-chain products.

2.2 Major Players

Tokenised credit enables investors to earn yield by lending while allowing originators to obtain debt via their RWA-backed collateral. Protocols like **Centrifuge, Maple, and Goldfinch** are major players, facilitating loan origination, calculating loan terms, and loan repayment. Centrifuge, the top player in terms of active loan value, is an on-chain ecosystem for structured credit. The concept of structured credit involves pooling similar debt obligations, tokenising and securitising them, and selling the resulting cash flows. Centrifuge uses the resulting securities as collateral, allowing borrowers to obtain crypto-denominated debt and investors to earn yield.

On the other hand, **tokenised treasuries** can be broadly divided into two different types:

- **Actively Managed Products:** The securities have a portfolio manager that actively manages and adjusts the underlying portfolio. Examples include Franklin Templeton's BENJI, BlackRock's BUIDL, and Superstate's USTB.

- **Passively Managed Products/Tracker:** The fund tracks an underlying financial instrument (e.g., another ETF). Examples include Ondo Finance's OUSG and Backed Finance's bIB01.

Apart from the broad categorisation based on management style, tokenised treasuries also differ in their target markets (retail vs institutional, US vs non-US-based investors). In addition, utility also differs in the tokens.

Ondo Finance and Backed Finance's tokenised treasuries are examples with DeFi applications. BlackRock's BUIDL tokens, for example, are redeemable for USDC stablecoins, which can then be held on-chain for other activities.

Type		Company	Ticker	Asset Allocation	TVL	Chain	APY	Min. Investment	Utility
Actively Managed Products	BlackRock	BlackRock USD Institutional Digital Liquidity Fund (BlackRock)	BUIDL	US Treasury, repurchase agreements, cash	$385M	Ethereum	N/A	$5,000,000	• Token transfers 24/7 to pre-approved investors • Transferable to Circle for USDC
	Franklin Templeton Investments	Franklin OnChain US Government Money Fund (Franklin Templeton)	FOBXX	US Treasury/government agency debt, cash	$368M	Polygon, Stellar	5.16%	$20	• Peer-to-peer share transfers
		Ondo US Dollar Yield (Ondo Finance)	USDY	Bank deposits, short-term US Treasuries	$122M	Ethereum, Mantle, Solana, Sui	5.20%	$500	• Transferable on-chain after 40 days with anyone within eligible geographies • Integrations on Sui/Aptos
		Superstate Short Duration US Government Securities Fund (Superstate)	USTB	Short-term US Treasury bills and agency securities	$95M	Ethereum	5.36%[1]	$100,000	• Token transfers to pre-approved investors • Purchase and redemptions through USD/USDC
		Short-term Treasury Bill Token (Matrixdock)	STBT	Short-term US Treasuries and cash	$45M	Ethereum	5.10%	N/A	• STBT/3CRV pool on Curve Finance
Passively Managed Products /Tracker		Backed IB01 $ Treasury Bond 0-1 Year (Backed Finance)	bIB01	Tracks iShares $ Treasury Bond 0-1yr UCITS ETF by BlackRock	$16M	Ethereum	5.04%	5,000 CHF (~$5,500)	• Token transfers across wallets • Underlying collateral for Angle Protocol and Ribbon Finance
		Ondo Short-Term US Government Treasuries (Ondo Finance)	OUSG	Majority in BUIDL, remainder in BlackRock's Fed Fund, bank deposits, and USDC	$137M	Ethereum, Solana, Polygon	4.96%	$100,000	• Deposit tokens on decentralised protocol — Flux — to borrow stablecoins

As of 1 May 2024 Sources: Crypto.com Research, RWA.xyz, Individual Fund Websites

[1] 7-day yield

2.3 BUIDL

BlackRock USD Institutional Digital Liquidity Fund, BUIDL, was officially unveiled on 20 March 2024. BUIDL seeks to offer a stable value of $1 per token and pays accrued dividends directly to investors' wallets as new tokens each month. The Fund invests 100% of its total assets in cash, US Treasury bills, and repurchase agreements, allowing investors to earn yield while holding the token on the blockchain.

It is a **significant milestone,** as it represents one of the world's biggest asset manager's step into on-chain assets. It is an acknowledgement of blockchain as the infrastructure for capital markets and provides a major test case for institutional investors to participate in on-chain activities.

A major highlight is **USDC offering 24/7 instant redemptions for BUIDL shares**, which effectively means there's an **instant bridge between TradFi funds and stablecoins.** For example, in the case when investors want to swap out of their BUIDL subscription, they now have the option to keep their assets on-chain in USDC (instead of converting it back to fiat). They can then use it to enjoy the realm of services in the crypto ecosystem, like in DeFi, for example. This encourages on-chain interoperability between asset classes.

In another sense, right now asset managers are building their forms of **'digital banks' on Ethereum**, and more investors may be encouraged to enjoy the services of this 'on-chain bank', accredited by a reputable asset manager — BlackRock. These tokenised products with high-quality underlying and liquidity gained traction in the crypto space.

We have also seen other tokenised treasuries building their reserves on BUIDL (e.g., Ondo Finance's OUSG and Mountain Protocol's USDM). We can expect that BUIDL will have more utilities when the regulatory environment and market landscape becomes more mature, such as the potential to be used as collateral for borrowing and trading on DeFi.

2.4 Outlook

Q: What are some existing hurdles?

As it is still the early stages in securities tokenisation, pioneers generally face **regulatory hurdles** given the governing laws are still new. In addition, legal frameworks across various jurisdictions differ, making it difficult to have one product for global investors. We observe the trends of product listings in non-US jurisdictions (e.g., OpenEden in BVI, Backed Finance in Switzerland) and some targeting non-US investors (e.g., Ondo's USDY).

These legal restrictions **limit the investor base** of the tokenised products. For example, some of the tokens listed are not transferable, while others, although transferable, are only to a pre-approved set of investors. This, in turn, limits liquidity and potential applications of the tokens.

Q: What are the utilities of the tokens?

- **Relatively stable token with interest:** From a portfolio standpoint, tokenised treasuries can hedge the risk of holding other, more 'unstable' tokens while allowing holders to earn 'safer' yields.

- **Potentially higher liquidity:** Tokenised treasuries on-chain can potentially enjoy the benefits of transferability 24/7/365, and in some cases, be redeemed to stablecoins (e.g., USDC) on-demand, enhancing liquidity.

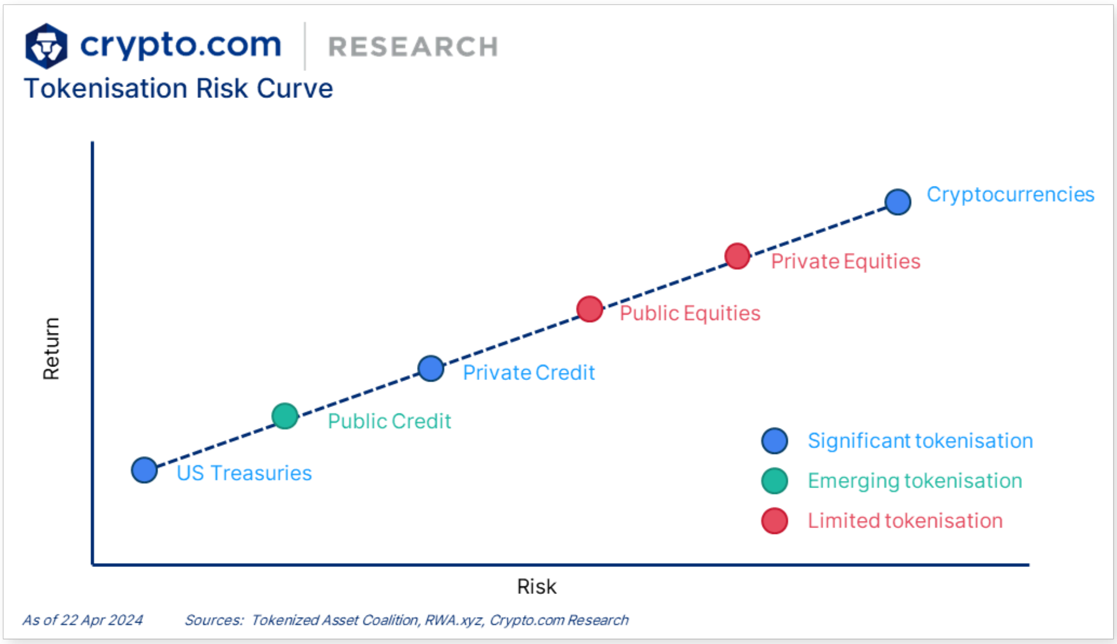
- **DeFi use cases:** Some tokens can be used for staking or as collateral for lending in DeFi. For example, Ondo Finance has developed Flux — a decentralised protocol where investors can deposit OUSG tokens to borrow stablecoins (e.g., USDT, USDC), which can in turn be used to purchase more OUSG for additional yields. OUSG TVL on Flux is $12 million (at the time of writing). Similarly, Backed Finance's bIB01 token can also be used as collateral to borrow EURA, a Euro stablecoin with TVL of €18 million, on Angle Protocol.

In the ideal world, these tokens would be similar to familiar stablecoins in the market (e.g., USDT or USDC) — able to be used for various on-chain activities and transferable on-chain without requiring permission.

Q: What else can be launched on-chain?

Tokenised treasuries and private credits are currently the primary forms of RWAs. The tokenisation of other assets like real estate, commodities, and the carbon market has also emerged. As there is more clarity in regulations, and as investors become more adept to the RWA concept, the RWA space should expect more promising developments.

Imagine tokens that represent a share of a public company or percentage stake in a private start-up. As we see integrations between USDC and BUIDL, we can imagine a future of 'hybrid-finance', where investors can swap between RWAs (for example, from tokenised treasuries to **tokenised equities) — all completed on-chain without going through intermediaries.**

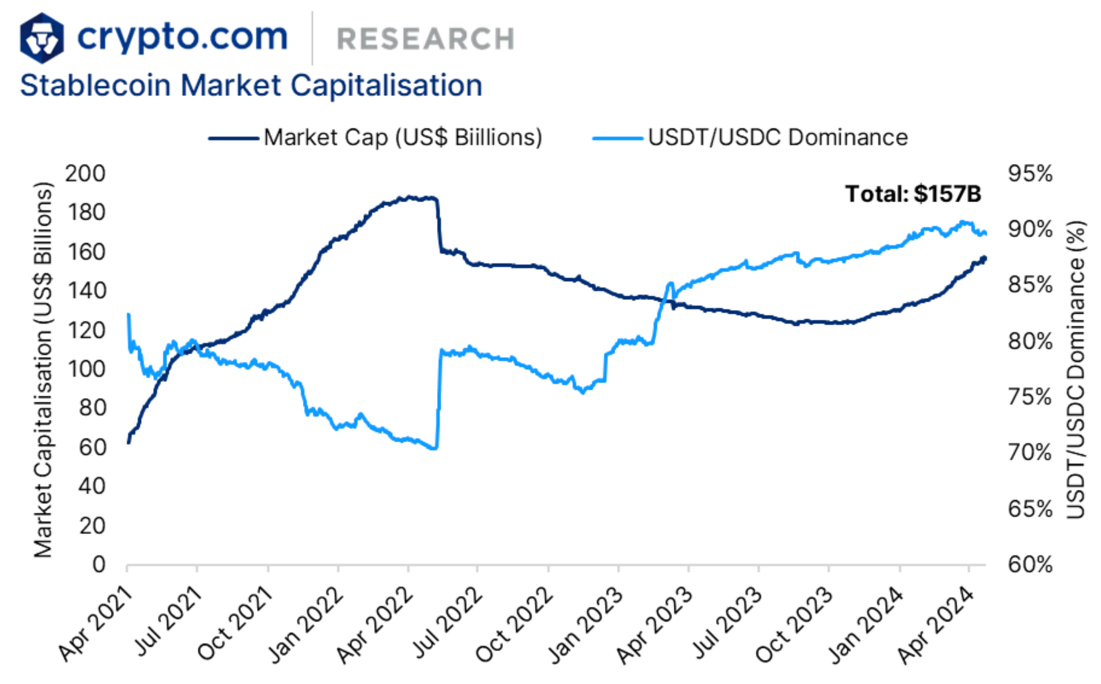

crypto.com | RESEARCH
Tokenisation Risk Curve
Return
Risk
Cryptocurrencies
Private Equities
Public Equities
Private Credit
Public Credit
US Treasuries
Significant tokenisation
Emerging tokenisation
Limited tokenisation
As of 22 Apr 2024
Sources: Tokenized Asset Coalition, RWA.xyz, Crypto.com Research

3. Yield-Bearing Stablecoins

3.1 Overview

Stablecoins are defined as cryptocurrencies whose value is tied to an asset class (e.g., fiat currencies, RWAs, other crypto assets). Issuers normally keep a reserve to store the assets backing the stablecoin to maintain the stability of the peg. In other words, the reserve is a collateral, and whenever stablecoins are created or redeemed, assets in the reserve are theoretically added or taken out accordingly.

The stablecoin market sits at $157 billion (at the time of writing). **Fiat-backed stablecoins** are the most common type of stablecoins, with USDT and USDC alone dominating with a ~90% market share. Fiat-backed stablecoins have RWAs (cash and cash equivalents like treasuries) as reserves and are usually backed at a 1:1 ratio. Other decentralised stablecoins like DAI are also increasingly focused on RWAs. At the time of writing, around 31% of DAI was backed by RWAs (like US treasuries). Although adding RWAs may help maintain the stability of stablecoins, users who hold the stablecoins can't receive the corresponding yields generated via investing in RWAs directly.



As of 22 Apr 2024 *Sources: Crypto.com Research, DefiLlama*

Below, we look at one of the applications of tokenised RWAs — **yield-bearing stablecoins,** which can be broadly classified based on their yield distribution mechanism:

- **Rebase:** Rebase tokens are those with balances that adjust automatically. In this case, rebasing distributes token rewards (accrued interest) in the form of additional tokens. At the same time, price stability (the 1:1 peg to USD or another asset) is maintained.
  - **RWA-backed:** USDY, USTB, BUIDL, USDM
  - **Staked collateral-backed:** eUSD
- **Non-Rebase**
  - **Staking/Derivatives:** Yield is generated from staking user-deposited collateral (e.g., ETH) or engaging in derivative hedging (e.g., futures). For example, users stake USDe to get a staked token (sUSDe), and the accrued rewards are reflected through an increase in value of sUSDe. Users receive the yields when they unstake their USDe.
  - **DeFi Lending:** Users put down collateral on the platform and borrow against it. Yield comes from underlying collateral and interest rates from lending. Examples include: DAI, GHO, crvUSD

3.2 Major Players

The major players in the yield-bearing stablecoin space are listed in the table below. Here, we highlight some of the mechanisms in which yield is accrued for the selected stablecoin players.

- **BUIDL/USDY(mUSD)/USTB/USDM:** For these RWA-backed players, interest is generated through the underlying collateral (e.g., US Treasury bills). Investors obtain **accrued interest through additional tokens directly 'airdropped' into their wallets.** Distribution periods can vary depending on the stablecoin issuer (daily [USDY and USDM] or monthly [BUIDL]). For example, a user holds 100 USDM and Mountain Protocol is paying an APY of 5%. New USDM tokens are automatically distributed to the user wallet everyday, equating to a total of 105 USDM after a year.
- **eUSD:** Investors deposit ETH or another accepted liquid-staking token (LST) — for example, stETH or rETH — onto Lybra as collateral. The **LSTs accrue *rebase yields* overtime,** which are converted to eUSD. Investors are distributed a portion of the total eUSD proceeds as interest daily,

determined by the LST APRs, eUSD supply and collateral ratio, etc. At the same time, investors can borrow eUSD against the collateral at zero interest and either hold on to it, use it to purchase ETH, or use it in other DeFi activities to earn additional yield. **Interest is accrued automatically** as long as investors hold eUSD.

- **DAI:** DAI is over-collateralised by holdings from MakerDAO, which include ETH, USDC, and RWAs like US Treasuries. MakerDAO generates stability fees from its holdings, as well as interest rates from crypto-backed lending. DAI holders **do not automatically earn the Dai Savings Rate** (DSR), but would have to deposit DAI into the Maker Protocol system to get sDAI, in which sDAI's value increases to reflect the yield accumulation. This is different from rebasing tokens, where interest is automatically accrued in investors' wallets without further action, and the coin value remains stable.
- **USDe:** Ethena is one of the newest players in the yield-bearing stablecoin sector, having introduced a new way of generating yields through a combination of **LSTs and delta-hedging.** Investors deposit ETH, LSTs, or USDT as collateral to obtain USDe, after which similar to DAI/sDAI, **USDe holders need to stake USDe to obtain sUSDe to receive yield.** The yield is not paid directly, but instead accumulates within the staking contract and reflected in an increase in value of sUSDe. Investors are only able to unlock the accrued yields when they unstake their USDe.

Type		Company	Ticker	Source of Yield	Minting	TVL	Chain	APY	Utility
Rebase - RWA backed		BlackRock USD Institutional Digital Liquidity Fund (BlackRock)	BUIDL	US Treasury, repurchase agreements, cash	USD	$385M	Ethereum	N/A	• Token transfers 24/7 to pre-approved investors • Transferable to Circle for USDC
		Ondo US Dollar Yield (Ondo Finance)	USDY (mUSD[1])	Bank deposits, short-term US Treasuries	USDT, USDC, USD	$122M	Ethereum, Mantle, Solana, Sui	5.20%	• Transferable on-chain after 40 days with anyone within eligible geographies • Integrations on Sui/Aptos
		Superstate Short Duration US Government Securities (Superstate)	USTB	Short-term US Treasury bills and agency securities	USD, USDC	$95M	Ethereum	5.36%[2]	• Token transfers to pre-approved investors • Purchase and redemptions through USD/USDC
		Mountain Protocol	USDM	Short-term T-bills, money market funds, repos	Purchase with USDC	$52M	Ethereum, Polygon, Arbitrum, Optimism, Base	5.00%	• Permissionless, transferable • Exchangeable for USDC • wUSDM compatible with DeFi protocols
Rebase - PoS Staking		Lybra Finance	eUSD	Liquid staking (e.g., stETH)	Deposit ETH/LST to borrow eUSD	$24M	LayerZero, Arbitrum	4.66%	• Zero loan interest (can be used to buy more ETH) • DeFi with peUSD
Non-Rebase - Staking/ Derivs.		Ethena	USDe	Delta-hedging ETH and BTC collateral, staked ETH; need to stake USDe for sUSDe	Deposit ETH, ETH LSTs, or USDT	$2.3B	Ethereum	10.80%	• Permissionless purchasing and selling • DeFi (e.g., Frax, Curve)
Non-Rebase - DeFi Lending		MakerDAO	DAI	Interest from DAI borrowers, Maker's revenue from collatera including RWAs; need to stake DAI for sDAI	Lock up collatera to borrow DAI	$5.5B	Ethereum	10.00%	• Decentralised stablecoin • Deep DeFi liquidity with DAI's large market cap

As of 1 May 2024 Sources: Crypto.com Research, RWA.xyz, DefiLlama, Individual Fund Websites [1] Rebased version [2] 7-day yield

3.3 Significance and Criticisms

Yield-bearing stablecoins represent an important application of RWAs, bridging the TradFi and crypto worlds. On one hand, they **satisfy the yield-hunting crypto investors** by providing an option to earn yields on 'safe-haven assets', similar to the case in traditional finance. On the other hand, they also **open the gateway for TradFi institutions to participate in crypto adoption,** starting with crypto's least volatile asset — stablecoins.

However, yield-bearing stablecoins have also received certain criticisms:

- **Is it still a stablecoin?** One of the core purposes of stablecoins is to be a capital-efficient medium of exchange. By allowing stablecoins to be staked, and locked up for yields, introduces additional complexities to its purpose.
- **Sustainability of yields:** Yields fluctuate — those based on RWAs would likely come down in line with interest rates (expected to see adjustments during the latter part of 2024). DAI's savings rate has historically fluctuated, from 8% to 5% and most recently hiked up to 15%. Ethena's yields will also fluctuate based on funding rates. In fact, in the event of negative funding rates (normally associated with bearish market sentiment), Ethena's yields are expected to decline.
- **Limited liquidity and use cases:** There has been an increasing number of players coming into the stablecoin market, yet the competitive advantages of the players remain limited (only a small differentiation in collateral backing, yield offerings). These new players are often small, each with limited liquidity and use cases for their stablecoins, which potentially reduces market attractiveness.
- **Centralisation:** Using treasury bills or securities as collateral can be seen as a form of centralisation; to the point, stablecoin giants USDT and USDC have received similar criticisms. Even for stablecoins that claim to be decentralised, Ethena, as an example, also leverages centralised exchanges to hedge its staked ETH exposure.

3.4 Outlook

In a way, **yield-bearing stablecoins set a new standard** for the sector — that stablecoins are not just a medium of exchange, but a token with additional utility. Some even argue that yield-bearing stablecoins may cause the incumbent stablecoin issuers that do not offer native yields (e.g., USDT and USDC) to lose market share in the face of competition.

We have observed a flock of new players offering innovative mechanisms to provide yields coming into the market. However, as of now, the use cases of these tokens remain limited beyond generating yields. For example, we see limited TVL and limited trading pairs denominated in these new stablecoins. Players would need to consider ways to create competitive advantages and ensure sustainability, especially when interest rates fall in the future.

4. Conclusion

We have undoubtedly seen the rise of RWA tokenisation in 2024. Not only does it signify a bridge between TradFi and the digital asset space for crypto natives, it also opens up the crypto world to many new users and products.

Various institutions have taken their first steps to jump on the bandwagon of tokenisation to find new opportunities for yield. For example, BlackRock's recent BUIDL. While there are still limitations in the investor base, scope, and transferability in these tokens, we believe the target is clear — **to bring in more assets, users, and efficiency.** We expect to see continued growth and new products to satisfy users' different demands — higher-yielding credit products or equities, for example.

Additionally, we will also see the increasing integration of RWAs into stablecoins, where more physical assets can be actively sought after collateral — giving rise to yield-bearing stablecoins, which can act as both safe-haven on-chain assets and provide real yield. Meanwhile, RWA assets could be boosted in the multi-chain world with the maturity of cross-chain communication.

RWAs are clearly a trend right now with the potential for mass adoption. The sector is forecasted to be a $16 trillion market by 2030, according to a Boston Consulting Group study. Meanwhile, Citi has also forecast that, by 2030, there will be $4-5 trillion of tokenised securities. This represents an immense growth opportunity from where we are now.

References

Caesar. “Solving the Stablecoin Question: Stablecoin Functionality.” *Mirror.xyz*, 30 August 2023, https://mirror.xyz/0xa1eB063E50bd82f3b511BaC3084AbD67Cf79AfD4/Qnn8leCARa21TPASZPxpt0SU_o1Y7qxebStS34Lw6r0. Accessed 21 April 2024.

Caesar. “Yield-Bearing Stablecoins: Are they really PMF?” *Mirror.xyz*, 20 September 2023, https://mirror.xyz/0xa1eB063E50bd82f3b511BaC3084AbD67Cf79AfD4/FWi9zn3NrRaqAusUDFCQYhs-UTenrqb99TlyyaQwu4M. Accessed 21 April 2024.

Chong, Jack. “RWA.xyz Blog — An Allocator's Guide to Tokenized Treasuries.” *RWA.xyz*, 1 November 2023, https://www.rwa.xyz/blog/tokenized-treasuries-report. Accessed 22 April 2024.

CoinDCX. “Top Real World Assets Tokens [2024]: BlackRock's $10 Trillion RWA Vision.” *CoinDCX*, 8 April 2024, https://coindcx.com/blog/cryptocurrency/top-real-world-assets-tokens/. Accessed 20 April 2024.

CoinGecko. “RWA Report 2024: Rise of Real-World Assets in Crypto.” *CoinGecko*, April 2024, https://assets.coingecko.com/reports/Research/RWA-Report-2024-Rise-of-Real-World-Assets-in-Crypto.pdf?utm_source=crypto.news. Accessed 20 April 2024.

Finneseth, Jordan. “BlackRock's BUIDL: a game-changer for blockchain and crypto adoption.” *KITCO*, 1 April 2024, https://kitco.com/news/article/2024-04-01/blackrocks-buidl-game-changer-blockchain-and-crypto-adoption. Accessed 21 April 2024.

Gaffney, Peter, et al. “The Tokenization of Assets Is Underway.” *CoinDesk*, 14 September 2023, https://www.coindesk.com/business/2023/09/14/the-tokenization-of-assets-is-underway/. Accessed 20 April 2024.

Galea, Jonathan, and Tom Berkman. “Interest Bearing Stablecoins: Technical Designs and Legal Implications under MiCA.” *BCAS*, 13 March 2024, https://blog.bcas.io/interest-bearing-stablecoins-technical-designs-and-legal-implications-under-mica. Accessed 19 April 2024.

Hu, Kenneth. “The Cryptofinancial World of 2024: From BUIDL Fund to the Rise of RWA Tokenization”, *LinkedIn,* 15 April 2024, https://www.linkedin.com/pulse/cryptofinancial-world-2024-from-buidl-fund-rise-rwa-hu-kenneth-xgldc?trk=article-ssr-frontend-pulse_more-articles_related-content-card. Accessed 20 April 2024.

Hunt, James. “BlackRock's tokenized fund 'brings legitimacy' to public blockchains: Bernstein.” *The Block*, 26 March 2024, https://www.theblock.co/post/284735/blackrock-tokenized-fund-legitimacy. Accessed 21 April 2024.

Mahajan, Kshitij. “The Future of Funds: Analyzing Franklin Templeton's Tokenized Ventures on Polygon.” *Bitquery*, 9 April 2024, https://bitquery.io/blog/decoding-franklin-templeton-tokenized-funds. Accessed 21 April 2024.

Ratkovich, Jack. “RWA & Tokenized Credit Pt 1: Market Opportunities for On-Chain Private Credit & Trade Finance.” *Medium*, 22 February 2024, https://medium.com/hashkey-capital-insights/rwa-tokenized-credit-pt-1-market-opportunities-for-on-chain-private-credit-trade-finance-381076772e6d. Accessed 19 April 2024.

Reflexivity Research. “Overview of @OndoFinance : Future of RWAs?” *Reflexivity Research*, 7 February 2024, https://twitter.com/reflexivityres/status/1754909824712597526. Accessed 23 April 2024.

RWA.xyz. “Treasuries.” *RWA.xyz*, https://app.rwa.xyz/treasuries. Accessed 18 April 2024.

Rynes, Zach. “Tokenization of Real-World Assets (RWAs).” *Chainlink Blog*, 18 February 2023, https://blog.chain.link/tokenized-real-world-assets/. Accessed 18 April 2024.

Steakhouse Financial. “Steakhouse Tokenized T-Bills Review 2023.” *Steakhouse Financial*, 12 July 2023, https://www.steakhouse.financial/projects/tokenized-tbills-2023. Accessed 23 April 2024.

Strack, Ben. “A stablecoin with yield? Tokenized fund perhaps just the start for fund giant.” *Blockworks*, 15 June 2023, https://blockworks.co/news/stablecoin-with-yield-franklin-templeton. Accessed 23 April 2024.

Tokenised Asset Coalition. “State of Tokenisation — 2024 Outlook.” *Tokenized Asset Coalition*, January 2024, https://22049776.fs1.hubspotusercontent-na1.net/hubfs/22049776/Tokenized%20Asset%20Coalition%20-%20State%20of%20Tokenization%20-%202024%20Outlook.pdf. Accessed 18 April 2024.

crypto.com

e. contact@crypto.com

Published on 3 May 2024