THE NEXT GENERATION FINTECH FINANCING MODEL(S)

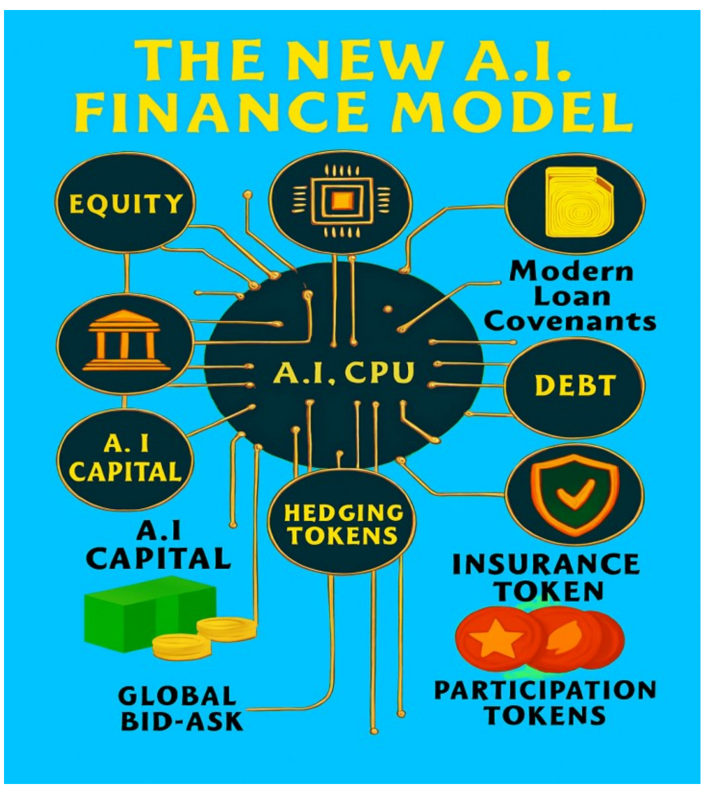
THE CURRENT FINTECH VALUATION CONCERN

HOW IS THE CRYPTO MARKET EVOLVING WORLDWIDE?

WHY A NEW GLOBAL PARTICIPATION MODEL, TOKENIZATION OF THE A.I. FINANCE COMPLEX, A NEW A.I. INSURANCE MARKETPLACE AND A NEW ARTIFICIAL INTELLIGENCE MONITORING SYSTEM WILL ALL BE NEEDED TO USHER IN A NEW ERA IN HOW A.I. PLATFORMS ARE FINANCED OVER THE NEXT DECADE

THE BOTDORF RESEARCH INSTITUTE

FALL, 2025



ARE THE FINTECH'S OVERVALUED? WILL IT IMPACT FUTURE A.I. FINANCING MODELS?

WHAT IS THE CONDITION OF THE CURRENT U.S. ECONOMY?

In recent years we have seen market Price Earnings multiples and in particular A.I. related PE multiples continue to rise, even in a higher interest rate environment that tends to curb earnings growth and reduce PE ratio's. Higher prices also generally lead to reduced consumer purchases. We discussed in our 2025 US Economic Report how TUMI expenses property taxes, utility, home maintenance and property insurance rates have exploded well past the rate of inflation and why this will impact consumers for years.

We also discussed how the government calculates the real CPI rate and why in high inflation years it could be off by as much as 100% or more. Now, with the fuss over tariffs slowing some earnings projections and the recent new job reports being severely overstated, overall market multiples are left hanging in the balance, with a record number of shorts and market pundits, all calling for the inevitable market correction. Even broken clocks are right twice a day.

This past July 31st, 2025 as the second quarter earnings releases were drawing to a close for the big tech caps, a noteworthy day in the stock market again signaled the "irrational exuberance" with today's current demand for IPO and fintech offerings to the public. In addition, Meta and Microsoft blew up the numbers with Microsoft reporting record Azure Cloud growth at 39% YoY and Meta reporting a whopping $18.74 Billion in earnings for Q2, up 36% YoY. ***Even more impressive to the market***, ***Microsoft raised their A.I. Cap Ex Bar*** by guiding to a record projected 2025-2026 ***$30B a quarter*** **in** ***new A.I. Cap Ex spending over the next year***. Meta also raised its AI and infrastructure forecast to ***$114–$118 billion for the next four quarters***, over 20% higher than last year. Both stocks saw strong follow through demand for their respective stocks rising significantly as the third quarter opened on August 1st.

Ironically, when this news broke, the broader markets—including the S&P—sold off. Despite these impressive figures as of mid-2025, our research suggests A.I. Cap Ex investments will drive Cap Ex budgets much higher in the coming years. This opens up the purpose of this whitepaper. As A.I. budgets and new initiatives get funded, how are future A.I. and related projects going to get financed ***as single financing rounds of $100B to $500B*** are looking more likely over the next decade?

Where is the money going to come from as $100B plus in annual Cap Ex is becoming the new ***not so normal*** to most companies but is becoming mainstream for the Mag Seven. Estimates to occupy and mine the moon as an example range from a few trillion to yes, hundreds of trillions. We discussed this last year in our white paper, "Critical Space Race Theory" (www.botdorfresearch.com) and why space mining is now a national security issue due to many depleting raw materials, some with less than 75 years to go before extinction. The need for capital to harvest massive capital demand into the trillions is now upon us.

Under this upward demand spiral for new capital, how will this change the tried and true Wall Street model with a fairly common warrant formula as the standard go to solution. The market currently offers tiered debt and equity tranching, but whether this approach will fully address future global capital requirements is not yet clear. Our downstream models suggest a significantly more complex financing model will be needed to manage multiple layers of risk/reward profiles spread across a much broader range of newer technologies. We take a look at how this model will evolve over the next decade and what components and new financial tools will be needed.

First, we will set the table on how high recent PE models have risen and why the current market froth compared to market history is not sustainable. We will then explore why the A.I. financial complex will forever change from here, and how these changes will ultimately spread across the vast array of sister industries that will use A.I. to forever change how goods and services will be delivered over the next century. This analysis will also examine the recent earnings of the top ten AI stocks and assess how they are currently financing capital expenditure budgets exceeding $100 billion. We are currently in development on how this next generation model will work and while we cannot release the actual financial model, we can discuss why investment banks will need to adapt to new thinking on how these mega deals will be structured, particularly as financing rounds scale well beyond $100B. Our research indicates that within the next decade, we may see the first $1 trillion dollar IPO in raised capital, with private Series A and B rounds driving upward from $100 billion to $500 billion to fund next-generation technologies.

We recently saw A.I. exuberance in play when the Dow closed out Q2 of 2025 with three straight losing days only to witness FIGMA, the daily soup de jour A.I. wonder, priced at $33 a share, soar to $119 dollars share on its opening day of trading. This A.I. related new issue soared significantly above its initial offering price, driving analyst out of the woodwork to espouse that a new day had arrived and that the tech deprived IPO market, long in the doldrums since 2021, has once again opened for business. Several guest on CNBC that day suggested this was just a sign of the new issue markets waking up, with September and October of 2025, promising a solid pipeline of new A.I. laced issues. Indeed, estimates were that the FIGMO deal had been oversubscribed by 40 times the available shares. We note heading into Sept, the FIGMA wonder had returned to a more acceptable but still hovers above $70 a share, still well over double the IPO price of $33.00. These results are only driving investor demand for more A.I. issues at higher and higher prices. We note why as of mid to late Q3, 2025 the FIGMA IPO has raised so much excitement from Wall Street.

The **tech IPO market has been weak** since the end of 2021. This period has seen a significant decline in the number of IPOs, with only 71 companies going public in 2022, raising a mere $7.7 billion, compared to 397 deals in 2021 that raised $142.4 billion. The decline is attributed to factors such as rising inflation, higher interest rates, and a shift in investor preferences towards safer sectors. (www.forbes.com. Forbes business counsel, bing.com. July, 2025).

As Friday, August 1st, drew to a close, I imagined myself at a Wall Street Bar that afternoon. What was the mood? Is the A.I. nirvana back despite mixed currents weighting on the market? Now along with the Nvidia hit parade of endless beats and wins, was the new A.I. monetization model just awakened?. Does this IPO the set up for a long bull run in all things A.I.? Images of fancy cars and rare cigars danced in my head.

While I gave credit to this continued A.I. milestone, something else was also dancing in my head. What were we missing? What is wrong with this picture? For starters, the DOW Industrials had ended the week of August 1st with four straight declines. Why the celebration? Moreover, what does this weakening market mean for the future of A.I.?

Consider the backdrop. As the market closed on Friday August 1st, the total market cap losses for the entire stock market have now given up over $11T in market cap declines since New Years day. (www.bing.com as of 8-1-25). Does this sound like an IPO market getting ready to explode? Yet, as the FIGMA IPO proved we just witnessed one of the hottest tech IPO's in over a decade while markets across the board are confirming that the recent highs in the markets "are significantly overvalued". Let's check in with the Oracle of Omaha.

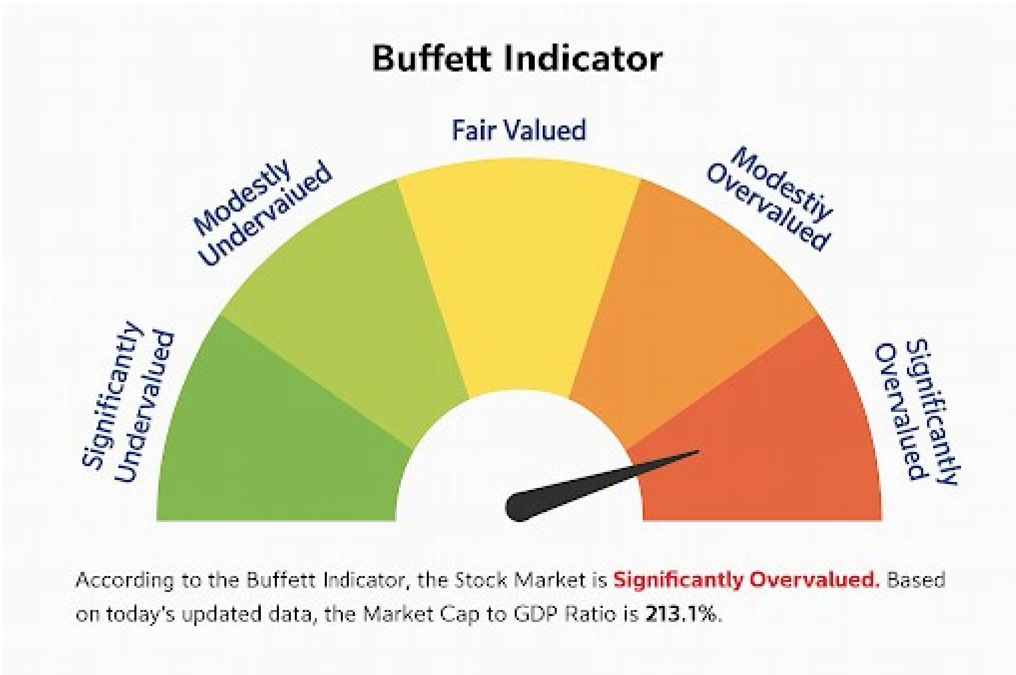
According to Buffet's seven decades of market discipline and observation, when market bubbles appear including his favorite indicator, Total Market Cap/Total GDP, this is a sign to pear down, perhaps significantly, stay with high yielding dividend stocks, and stay away from frothy growth stories, like the recent FIGMA IPO which closed at $126.00 a share the day after its IPO, up over $6.00 after soaring over $118 on its IPO debut.

The question here facing our challenge is what will happen to downstream A.I. finance models given the current and likely future A.I. market froth? Is the Figma IPO a call sign for the new "not normal" or are investors chasing fool's gold? Moreover, the recent Open A.I. financings, and Xai are based on steep valuation uplifts in between financings rounds. Unlike the Mag Seven counterparts, these landmark A.I. deals have yet to really monetize like their Mag Seven Counterparts whose A.I. hosting models are moving the needles on record advertising and cloud growth. Adding to the multi billion dollar capital spends from the top A.I. platforms, intellectual capital is now running into the millions. Open A.I. just announced six and seven figure bonuses for over 1,000 employees to stop the brain drain exodus to Meta. The top talent in A.I. is now heading toward first round draft pick pricing with the very top talent trading like NFL Heisman winners.

This boils down to whether future A.I. based cloud models dependent on third party backbones really compete in the new A.I. world order? After all, their value props sit on top of their hosting, General A.I. and A.I. Language models.

Even worse these smaller A.I. pioneers are even more dependent on them to scale. What is needed to raise capital for a great new A.I. model that is not supported by the MAG Seven or large Hyper Scalers? As we address this question, let's look at the state of state for the current U.S. Stock Market.

HAS A.I OVERVALUED THE BROADER MARKET OR HAS THE BROADER MARKET OVERVALUED A.I.?



We note the math from Siblisresearch.com recording total market cap from all public companies was $62.82 Trillion as the end of the Q2, 2025 quarter. We also note from the St. Louis Fed that Q2 GDP was up 3% to an annualized rate of $30.33 Trillion ending Q2, for a Total Market Cap/GDP ratio of 207%. Clearly these numbers will change daily as the markets and GDP tariffs and production models change. Under any trading day in the past and current quarter, (Q2-25) however, the markets under the Buffet's "go to" Valuation Doctrine are Significantly Overvalued, now well past 2 to 1 on the ratio.

Recently, PE ratios have reached 22 to 23 times earnings, compared to historical averages of 16 to 18 times earnings. Notwithstanding, demand for A.I. issues is in huge demand, albeit now trading at a lofty 71 times earnings based on fully diluted share counts. We note we compiled a Top Ten list which includes the Mag Seven and three other suitors we feel will play larger roles in the A.I. headlines over the next decade. This includes IBM, Tesla (sometimes replaced by Netflix on select Mag Seven lists), and Palantir, the newest A.I. favorite experiencing rapid growth on Wall Street.

In addition to market multiples being historically high and while many believe the economy is on sold footing, we note a record high in student loan defaults exceeding 25% as of August 2025, nearly one third of renters now behind in rental payments, and a record $1.2 Trillion in credit card debt. Mortgage and auto loans defaults rates are also rising putting the economy on thin ice for a breakdown.

While it is possible the Trump tax cuts, accelerated depreciated for new Cap Ex spending, and huge incentives for onshoring will bring many new jobs and increases in real wages, the challenge is will all of the economic stimulus arrive in time, or will the US economy need to get worse before it gets better? This timetable is not expected to affect downstream Fintech financing models in the longer term. However, scaling high initial capital requirements now depends more on the Mag Seven functioning as either a mid-stage exit option or through a tiered equity model that relies significantly on higher valuations. Can this model hold up or will a new model emerge?

We believe it will be a combination of the two over time. We note the nature of the top ten fintech's who are well positioned to ride out all things A.I., but will it come at the short term expense of layoffs (now well underway) and likely steep down rounds as the current A.I. bubble enters a reset phase. Down drafts may be rapid, as program trading now relies on trillions in fintech models within a shrinking field, with the Mag Seven able to self-finance through their cash flows. Look for valuations to fall significantly when the market starts to adjust. Organizations with greater financial resources may widen equity gaps as they progress in next-generation AI development.

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HAS THE U.S. STOCK MARKET BIFURCATED INTO TWO SEPARATE MARKETS?, I.E. ARTIFICIAL INTELLIGENCE VALUATIONS VERSUS THE REST OF THE MARKET?

Botdorf Research Institute — 2025-26-Top A.I. Stocks and Percent of Total Market Cap. — August-2025

	Ticker	8/1/2025 Price	Market Cap-8-1-25	Q2-Rev YR-2025	Q2-2025 P/E Multi	Q2-2025 EPS	2026 Cap-EX 6/30/2026	2026-EST 6/30/2026	EST-MID 2026 Price	EST-Mid 2026 Gain/L	EST-Earnings thru 6/30/26	**2025-26 NOTES**
1	GOOGL	$189.95	$2.29T	$96.47B	20.45	$2.31	$95B	10%	$209.00	$19.05	$125B	Facing Sept Anti-Trust
2	AMZN	$214.75	$2.29T	$167B	31.99	$1.68	$108B	12%	$239.68	$24.93	$87B	Q2 Revenue up 13%.
3	AAPL	$202.38	$3.01T	$95.2B	30.61	$1.65	$120B	23%	$248.46	$46.08	$92B	2026 Revenue grow-up 3.8%
4	META	$750.01	$1.88T	$47.52B	26.26	$7.14	$81B	18%	$885.00	$134.99	$79B	3.6 Billion Users
5	MSFT	$524.12	$3.9T	$76.44B	35.69	$3.67	$125B	15%	$602.60	$78.48	$137B	Q2-25 Cloud up 37%
6	NVDA	$173.83	$4.33T	$44.1B	49.01	$0.87	$3.5B	21%	$210.54	$163.54	$88B	Earnings up 854%, Yr. Ago
7	NFLX	$1,158.65	$494B	$11.08B	40.38	$7.19	$501M	1%	$1,169.58	$10.93	$12B	Streaming 190 Countries
8	TSLA	$302.74	$965B	$22.49B	198.68	$0.38	$11.0B	15%	$348.45	$46.00	$655M	Owns nine companies
9	IBM	$250.06	$233B	$17B	37.88	$1.65	$30B	1%	$252.50	$2.44	$11.5B	Revenue up 5% Qtr o Qtr
10	PLTR	$154.27	$364B	$1B	240.63	0.16	$13M	28%	$197.12	$9.25	$770M	Strong A.I. Analysis-Big 25-2026 wins
	Total Market Cap		**$19.75T**	**AVG-P/E**	**71.16**	**Total Cap Ex**	**$574.01B**	**Top Ten Earnings thru 06/30/2026-**			**633B**	

Total Market Cap of all US Public Companies as of Aug 1st, 2025. (www.siblisresearch.com) **$62.82T**

Total Market Cap of Top Ten Most Promising A.I. Stocks-Aug 1st, 2025 was $19.75 Trillion

Percentage of Top Ten A.I. Stocks to the Market Cap of all Public Companies: **31.44%**

1 Lowest Multiple of Mag Seven and Top Ten. Google could face bigger headwinds based on Justice Department Ruling in Sept-could reduce forecast.
2 Now has over 1M robots in active service. Positioning for increased margins across the operating platform as effciencies continue to hit the P&L.
3 Aoole just up their projected Cap Ex spend to $600B in the U.S. over the next five years. They have lagged in A.I./Cap Ex and looks to level up in the Mag 7.
4 Meta has the cash flow from FB, Instatgram, What's App to agressively fund more A.I. Cap Ex. Recent Q2 blow out quarter gives their stock momentum.
5 MS yielding ROI from previous multi year cloud spend. Open A.I. will add shareholder value to software side as IPO expected within 24 months.
6 Nvidia sits in the pilot seat with A.I. industry now at 92% of advanced chips, up from 88%. Also relative low Cap Ex spend so leader in net Cap Ex cash flow.
7 Netflix could see headwins on a slowing US Economy, however with 302 M Subscribers and typically ahead of the tech stream curve, A.I. could open doors.
8 We have always called Tesla an A.I. Company. it’s A.I. product roadmap through 2030 will provide a bumpy road much higher than today's consensus.
9 IBM's legacy and global customer footprint sets them up to lead in the convergance of A.I. with Quantum given IBM
10 Plantir must continue to land large government contracts and expand non government wins to earn into the 240 PE Multiple from here. Strong A.I. Map.
NOTE: We use fully diluted share price in our calculations as we feel it better represents all companies under a level playing field methodology.

www.botdorfresearch.com Percentage Market Cap Analysis-2025-2026. August, 2025

The Evolution of A.I. Valuation Metrics

The Table is set for much bigger financing rounds in the years ahead

Do Higher PE Multiples Drive Higher Financing Valuations?

“The appetite for all things artificial intelligence has OpenAI considering a secondary stock sale that could value the company at $500 billion, Bloomberg reports, citing anonymous sources. The sale, open to current and former employees, would make OpenAI — which just released two new models on Tuesday — one of the most valuable privately held companies in the world. It would also significantly increase a $300 billion valuation set during a March fundraising round, while compensating employees at a time of fierce competition for AI coding talent.” (Tomase, John. August 6th, 2025. “Open A.I. targets $500B Valuation”. Linked-In News. LinkedIn News. www.linkedin.com).

Open A.I. has now posted losses for ten years and profitability although stated as a corporate priority does not seem likely this year with open questions for 2026. We note the figures below.

But OpenAI hasn’t turned a profit. The company projected $5 billion in losses on $3.7 billion in revenue for 2024. It announced at the end of the year it would change its corporate structure, essentially going from a nonprofit to a company with investors and the potential for stock shares. "We once again need to raise more capital than we’d imagined," OpenAI’s board wrote in a statement. (Smith, Cara. Senior Writer. Jan 18th, 2025. “Open A.I. valued at $157 Billion is not Profitable”. www.salon.com.

Meanwhile, Anthropic is in talks to raise between $3 billion and $5 billion in a funding round led by Iconiq Capital that would value the artificial intelligence startup at $170 billion, CNBC has confirmed. (Sigalos, Mackenzie. July 29th, CNBC News. CNBC Disruptor 50. “Anthropic in talks to raise fresh capital at $150B Valuation. CNBC.com).

Anthropic is a privately owned company founded by **Dario and Daniela Amodei**, former members of OpenAI. The ownership is distributed among its founders, employees, and investors, with significant stakes held by **Amazon** and **Google**, which has invested over $300 million. In September 2023, Amazon announced an investment of up to **$4 billion**, followed by a **$2 billion** commitment from Google. (Microsoft, August, 2025-Co-Pilot).

Government and Private Enterprise will continue to ramp up Partnership Business models

Sean Duffy, the Current Secretary of Transportation Chief, and acting Secretary of NASA, has confirmed the United States has moved up the target date to install and power up a Small Modular Reactor (SMR) on the moon by Q1, 2030, now looking to open ahead of India, and the Russian/Chinese joint venture plan to mine the Moon and construct SMR’s on the surface by the early 2030’s. NASA now has over a dozen contracts with many more pending to start projects on the moon in the next three years. See our web site for more details. We note the emerging U.S deal with Intel and the government as the Trump Administration see’s value in replacing free money or grant money with venture capital financing at lower costs. The Intel deal will not be the first deal the Trump Administration executes. The recent discussion to take Fannie Mae and Freddie Mac public at a $30B plus valuation will be another huge benchmark in the “Make America

Rich" campaign. In the end, if Trump closes the deficit, it will lead to lower U.S. interest rates, benefitting all Americans.

Tim Cook's $150B Dollar August 6th Meeting with Trump.-Apple has agreed to invest an additional $100B on top of the previously announced $500B. Just this announcement drove Apple's market cap up $150B on August 6th, 2025. While time will be the ultimate guide the announcement was worthy disclosing that the I-Phone Glass will be made with Corning in Kentucky, ($2.5B) and with some cellular components and assembly in the Midwest along with A.I. servers assembled in Texas, Utah, New York. The new model for large scale assemblies and Apple server farms can now get granted permission to construct their own electrical plants, as was granted to Apple in this negotiation. In addition, Apple secured valuable tariff exemptions which could prove to be an uncanny but clever move by Apple CEO, Tim Cook. Apple stock has risen from $202 a share on the date he met with President Trump to hold above $230 a share since these commitments were announced as of August 18th. In essence the stock has rallied slightly more than $600B since announcing the same amount in future Cap Ex spending. We also note the significant Cap Ex commitments by other large A.I. companies already announced in the United States.

Nvidia $500B-Chip Production

IBM $200B-Quantum Solutions

TSMC $200B-Chip Production

The difference from regular startups or middle market companies is that the largest Cap Ex Budgets for new or existing fintech technologies are currently being funded to a large extent out of existing cash flows from the Magnificent Seven and therefore these massive cap ex commitments are not eroding their respective balance sheets relative to their Cap Ex Spending. How can non-Mag Seven companies compete with Profit and Loss statements when most would have to take on record debt or raise substantial equity just to keep up? We have seen this model unfold for a precious few A.I. Companies like Open A.I. but their growth path to sky high valuations was itself financed by Microsoft and Elon Musk from seed through follow on rounds which were just derivatives of the Magnificent Seven or in the case of Musk, by Musk himself.

These galactic sized investments will help spur the pace of innovation driving generation changing improvements in space exploration, nuclear medicines, DNA sequencing, robotics and space mining with commercial applications in place over the ten years. These new processes will cut decades off of typical development cycles using Artificicial Intelligence to advance and optimize new products and cures. In another candid look at how Artificial Intelligence has enhanced the bottom line for companies looking to improve profits and drive revenue we note something we have pointed out in the past.

Is it not rational to assume as the A.I. curve flattens out, wouldn't A.I implementations just become a zero sum game if every corporation were following the A.I. promise land?

After all, the number of customers is still limited to a percentage of the current population. Mathematically speaking every company only has a finite number of people who can realistically order their desired or needed goods and services. It seems in the real world this may be starting to play out. We note a great piece by John Tomase, on how early A.I. investments seem to be fairing in a study by McKinsey.

CORPORATE AI IS NOT DELIVERING YET

"Early investments in disruptive technologies follow a cycle: hype, wild spending, buyer's remorse. We may be reaching the remorseful phase of the artificial intelligence boom, The New York Times reports. A recent McKinsey study found that nearly 80% of companies using AI "report no significant bottom-line impact." Spending is nonetheless expected to approach $62 billion this year, even as 42% of corporations abandoned AI pilot projects in 2024. As with PCs and the internet, however, AI should eventually emerge from this "trough of disillusionment" and reward investors". (Tomase, John. Aug, 2025. Editor at LinkedIn News)

As we have discussed in prior work, if all things A.I. truly becomes more affordable to the masses and transfers through the Enterprise model complex, does A.I. not just become a zero sum game? If everyone puts a sign in their yard to sell their home, and every home is for sale, does any one sign mean anything? We are entering an age where CEO's cannot just use the words "A.I." in their pitch presentations and get total buy-in from their increasingly capital conscious boards. ROI is becoming more relevant and as hyper scale and trillion dollar A.I. hosting platforms developed over the past ten years begin to deliver more powerful enterprise solutions at lower price points, what is the point of going rogue to build and finance an internal A.I. model? It is the same reason many Fortune 1000 companies do not own their own real estate. They can achieve higher shareholder wealth metrics by using the capital more wisely. Our research suggest many mid-sized companies going forward from here will start to reduce large A.I. capital outlays, choosing instead to leverage AI investments via the Mag Seven and the endless stream of related acquisition targets.

THE EVOLUTION OF THE DOWNSTREAM FINTECH FINANCING MODEL

Our future fintech models will need regulatory updates and increasing Wall Street innovation such as crypto, new forms of hybrid debt, equity designed to tier into multi risk reward profiles, meme to be sold on milestone achievements or other events, and even the art markets merging into broader financing frameworks. Given the regulatory hurdles our vision for larger cap raises using a trilogy of new equity solutions, debt and crypto, is likely five to ten years away but the current trendline and a pro crypto administration have set the stage for new fintech financing models to emerge. Moreover, worldwide Crypto markets continue to expand to meet global demand for all things crypto related.

We saw the first major trendline toward expanding the Bitcoin and crypto markets established on January 24th, 2025 when the U.S. Securities and Exchange Department approved the first eleven Exchange Traded Funds for trading Bitcoin on the major exchanges. This support led to banks and investors globally institutionalizing trading and even enabled Bitcoin's approval as a retirement asset. This normalization of Bitcoin has forever changed cryptocurrencies as a financial tool, opening the door for the industry to mature from here.

Next we saw BULL in April of 2025 rise to $60.00 a share in its April debut, only to settle into the $15.00 range by September. Nonetheless, it has joined the ranks of Coinbase and Robinhood as a premier trading and clearing platform built for retail investors in the U.S. to buy and sell securities and crypto currencies around the globe. That said, we took a look at the largest Crypto trading platforms in the world which helped shed some light on where the big transaction volumes are occurring among the over 110 trading platforms that currently exist.

WHICH CRYPTO PLATFORMS ARE DRIVING GLOBAL TRADING

BOTDORF RESEARCH INSTITUTE-FALL OF 2025

Estimated Top Ten Crypto Exchanges in the World by Volume
Spring of 2025

Rank	Crypto Platform	Country City	24 Hour Vol Billions	Markets Covered	Est Number of Coins	Public Private	Founder	NOTE FILE
1	Binance	Malta	$25.20	1,490	421	Private	Changpeng Zhao	Increasing reg compliance after record U.S. money launder fine of $4.3B. Focusing of Regulatory issues.
2	Bybit	Dubai	$5.10	1,245	724	Private	Ben Zhou	April, 2025 N. Korean Hack stole $1.4B in Ethereum Theft was coverd by Gal Digital, FalconX, Wintermule.
3	Coinbase	San Francisco	$1.40	589	247	Public	Brian Armstrong	Revenue on track to exceed $9B in 2026.
4	Upbit	South Korea	$3.55	551	258	Public	Song Chihyung	Facing Reg issues w compliance/ Top S Korean Exchnge
5	OKX	San Jose, USA	$4.80	1,023	344	Private	Star Xu	Recent PP Upgrade on X layer via Polygon
6	Bitget	Seychelles	$5.30	783	655	Private	Seed Group	Pursuing $85K claim on theft from Polygon Blockchain.
7	Mexc	Seychelles	$5.00	2,052	1,782	Private	John Chen	170 Countries but blocked in U.S. and U.K.
8	Gate	Cayman Island:	$6.30	3,756	2,036	Private	Dr. Lin Han	Reports over 30M users. 170 countries.
9	KuCoin	Seychelles	$2.60	1,634	1,127	Private	Chun Gan	Originally in Hong Kong but left for more relaxed regs.
10	HTX	Seychelles	$1.20	932	749	Private	Leon Li	Controlled by billionair Justin Sun, trades on HK exch.
			$60.45	Volume is based on trading on August 28th, 2025. Major flexiations can occur day to day.				

www.botdorfresearch.com. September 1st, 2025

HOW BIG IS THE WORLDWIDE TRADING VOLUME OF CRYPTO?

A quick glance into the global crypto markets reveal several interesting points about how the industry is evolving

Estimated worldwide daily volume of crypto trading

"The estimated worldwide daily volume of crypto trading is between $100 to 300 billion, with the total reaching as high as $484.16 Billion. This volume reflects both retail and institutional participation across spot and derivatives markets worldwide. Bitcoin remains the dominant cryptocurrency with approximately $25 to 40 billion in daily USD trading volume, while Ethereum follows with $15 to 25 billion. Together, these two cryptocurrencies represent nearly 70% of all crypto trading activity. Stable coins, particularly Tether (USDT) facilitate approximately 80% of USD denominated crypto transactions. Asian markets contribute approximately 40% of daily crypto trading volume, followed by North American (30%) and Europe (20%)". (Source: Coin Codex, Aug 2025 www.coincodex.com).

We note the estimates of $16 Trillion by 2030 for tokenized assets which is already being explored by Wall Street and the major banks. This collaboration is why we feel that asset financings will soon be using tokenization is regular financings over the next ten years.

"The market for tokenized real-world assets (RWA) could expand to $16 trillion by 2030, according to the 2025 Skynet RWA Security Report. Skynet said major banks and asset managers are exploring tokenization as a way to digitize assets ranging from debt instruments to commodities. The report pointed to growing use cases in private credit, trade finance, and money market funds." (tZero Group Inc, August 2025, www.tzero.com).

Stablecoins are likely to see increased adoption and volume because, as assets pegged to real-world values, they help reduce the risk of accepting payment. They will increasingly allow investors to use them to close real estate deals, used at auctions, and used for country to country settlements while saving on transaction fees, something the large banks see coming.

What Are Stablecoins?

"Stablecoins, which can be found through top crypto exchanges, are designed to bridge the gap between the unpredictability of popular cryptocurrencies like Bitcoin (BTC) and the stability required for everyday financial transactions. By pegging their value to fiat currencies, commodities, or other financial instruments, stablecoins offer a crypto alternative with reduced volatility. As a result, they provide a more consistent medium of exchange capable of fulfilling daily transactional needs, unlike their more volatile cryptocurrency counterparts." (investopia.com. Aug, 2025)

MARKET CONCLUSIONS AND EMERGENCE OF FINTECH FINANCE

We are already seeing the triangulation of capital markets starting to cross over into the finance realm where hybrid products like crypto currencies are emerging as real finance vehicles. Cities are increasingly looking to issue cyper coins to manage air space and redevelopment rights. A future space launch may use crypto to tie mining minerals on the moon or on an asteroid to a percentage of the value extracted over X amount of missions. A new fusion technology might use tokens to offset launch or mission risk. The variations are endless and crypto is poised to play a major role because they offer a way to manage very specific risks profiles and may allow investors to use them to create liquidity in an otherwise more restricted market pegged to the stock itself.

As to the overall market heading into September, the economy is tied to the trump policies which are very dependent on tariff outcomes. The recent lower court decision that tariff's are illegal makes no sense because we have had tariffs since 1789. Countries have very disparate economic output and tariffs allow every country to level the playing field to make trading a better world for each country. Once more, the Trump Administration claims that over $10 trillion is in play from commitments around the world to on shore into the United States has real merit even if only half of the commitments come to fruition. Forcing roadblocks to delay this only hurts Americans whose jobs and businesses stand to gain a lot by increasing demand for U.S. goods. Currently, the political climate is highly volatile, leading to frequent escalation of major issues to the courts for resolution.

The Supreme Court will likely reinstate tariffs, and the country will face its next challenge. Currently, market conditions may require adjustment due to rising layoffs in the fintech sector, ongoing political challenges, and a widening housing affordability gap. The difference between those able to purchase a median-priced home and those unable to do so has reached historically high levels. In addition, record student loan defaults, escalating mortgage and auto defaults, and record consumer debt are all heading toward a slowing economy. The next big miss from an A.I. major will send the markets tumbling and the great market reset will be underway. As we have pointed out, as soon as A.I. becomes a zero sum game available across the Enterprise, what technology is going to fill the Cap Ex void as boards begin to shift priorities.

Longer term and past the tariff outcomes, the U.S. is setting up for perhaps the best economic growth in decades. Unfortunately, every major upturn will be challenged because we have lost any vision for working together across both aisles as a country. We may be the greatest country ever created, but we are also one of the most divided.