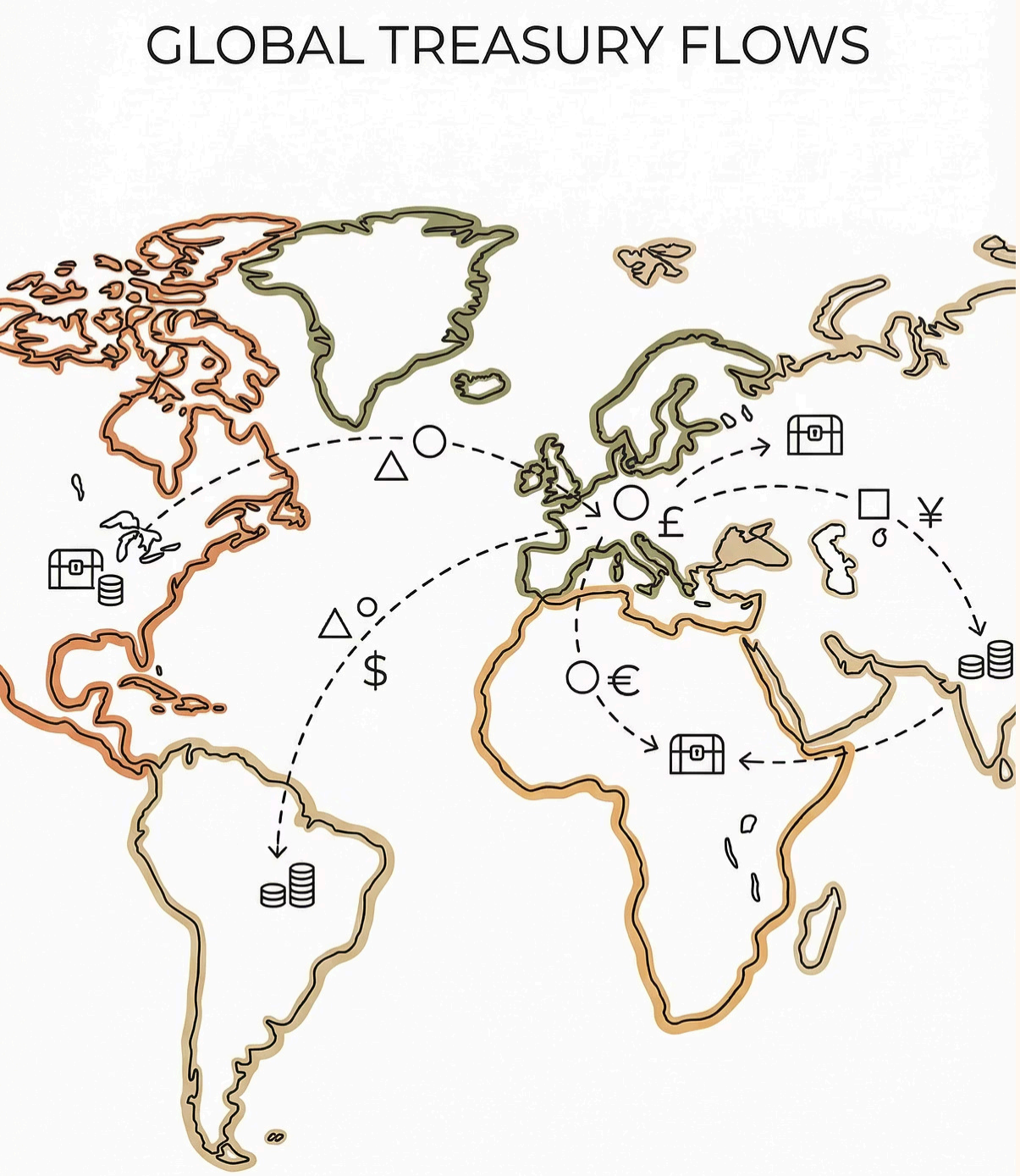


The End of Treasury Forecasting

How tokenised money eliminates $1.5trillion in trapped capital and what it means for your business.

An Enterprise Onchain Executive Briefing Based on Cambridge University's Centre for Alternative Finance Research

Author: James Smith

What If Treasury Forecasting Is a Symptom, Not a Function?

Forecasting exists because moving money is slow. Make money instant and programmable, and you don't eliminate the treasury function. You eliminate the reason it exists in its current form.

Cambridge University's Centre for Alternative Finance just published a 90+ page study interviewing 21 banks, infrastructure providers, fintechs, central banks, and regulators. One finding stood out above all others:

> "If you have real-time availability to funds anywhere in the world, you don't need forecasting anymore." *Bank executive interviewed by CCAF*

This is not a technology story. It's an org chart story. And the numbers behind it are enormous.

The Problem Nobody Talks About

Every dollar sitting in a nostro buffer, every hour spent on cash forecasting, every FX hedge placed "just in case" exists for one reason: money moves too slowly.

Banking System

- $400B–$1T+ trapped in nostro/vostro accounts globally
- 35% of cross-border payment costs tied to reconciliation and trapped liquidity (Swift)
- A single major bank: $15–25B tied up in nostro accounts

Corporate Side

- $1.5T in working capital inefficiency across ~14,700 public companies
- $5.8T in US corporate cash holdings, up from $1.6T at the turn of the century
- Over $100M per company in trapped working capital (PwC)

The Human Cost

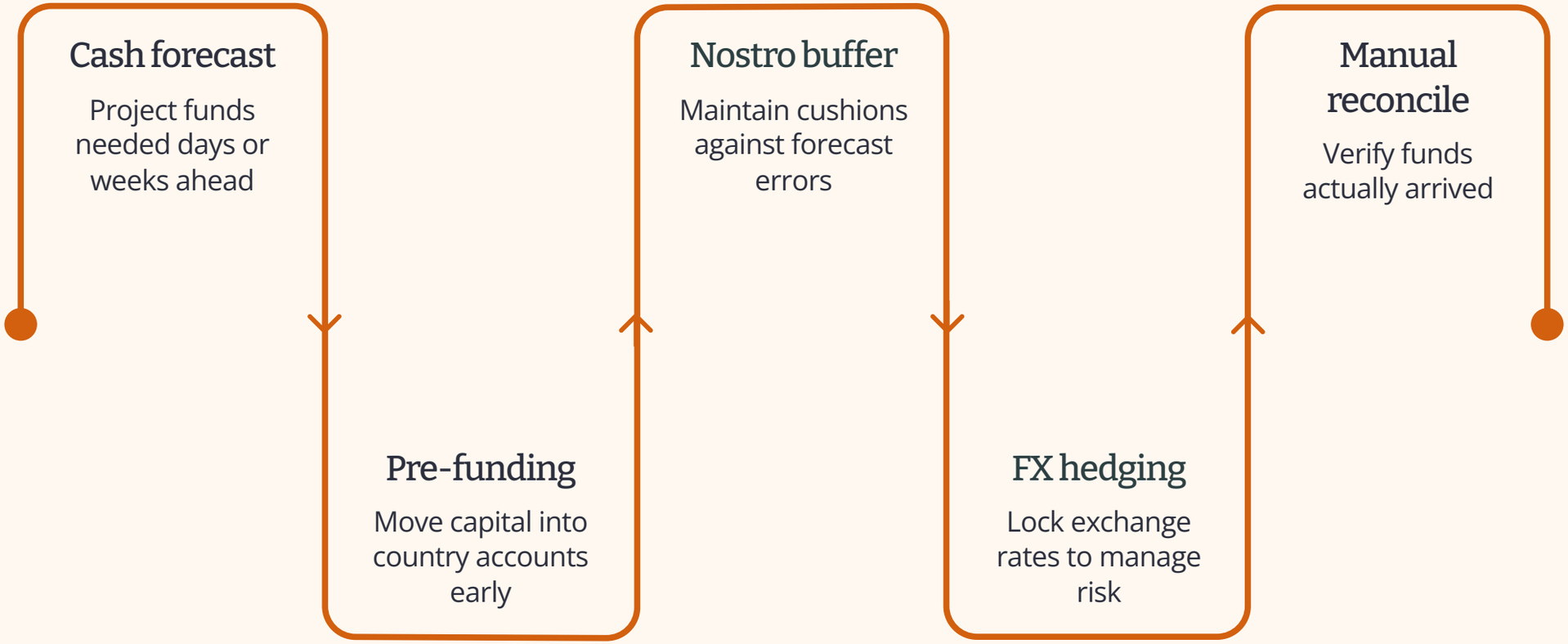
- 58% of treasurers say cash visibility is their #1 challenge
- 83% cite unreliable FX forecasts as a top concern
- 62% say improving liquidity management is their top priority

Sources: Swift, PricewaterhouseCoopers, Northwestern Kellogg, Deloitte 2024 Global Corporate Treasury Survey

The Latency Tax

A Fortune 500 company operating in 30+ countries maintains bank accounts across dozens of jurisdictions and currencies. The treasury team's core job is answering one deceptively simple question: "Where is our money, and where will we need it?"

That question drives an enormous amount of operational activity, all of which exists because of latency.



Every step = cost, delay, and risk. All caused by one thing: slow money.

From "Just in Case" to "Just in Time"

Before Toyota revolutionised manufacturing in the 1970s and 80s, every factory ran on "just in case" inventory. Warehouses full of parts, because supply chains were too slow and unreliable. Entire departments existed to forecast demand, manage buffers, and reconcile what you had against what you thought you had.

Toyota's insight: inventory management wasn't the problem. It was a symptom of slow, unreliable supply chains. Fix the supply chain, deliver just in time, and you eliminate the warehouses, the forecasting, the buffer stock.

Manufacturing (Pre-Toyota)

- Warehouses of parts
- Demand forecasting teams
- Buffer stock
- Manual inventory reconciliation

Solution: Just-in-time supply chains

Corporate Treasury (Today)

- Nostro/vostro accounts
- Cash flow forecasting models
- Pre-funded positions & FX hedges
- Manual payment reconciliation

Solution: 24/7 programmable money

Bottom line: Companies that adopted JIT saw inventory costs drop 20–50%. But the bigger impact was second-order: freed-up capital, simplified operations, faster response to market changes. The same transformation is coming to treasury.

The Market Is Bigger Than You Think

The total tokenised money market hit at least $300 billion in 2025. Stablecoin transaction volumes reached $30 trillion in 2024, surpassing Visa and Mastercard combined.

But 80–85% of that volume is still trading and DeFi activity. The remaining 15–20% is where the enterprise story is unfolding.

$300B+

Tokenised money market

2025

$30T

Stablecoin transaction volume

2024

3%

Of global cross-border payments

Now use stablecoins

54%

Of non-users planning adoption

In 6–12 months

Growth Projections

Source	Projection	Timeline
Coinbase	$1.2 trillion (stablecoins + collateral tokens)	2028
McKinsey	$2 trillion (broader tokenised market)	2030
BCG / Ripple	$18.9 trillion (all tokenised assets)	2033

It's Not Just Stablecoins Anymore

Cambridge identifies four distinct categories, each at a different maturity stage. The boundaries between them are blurring. That's both the opportunity and the regulatory headache.

Stablecoins

$250B+

Prepaid fiat representations. 200M active wallet addresses. USDT and USDC dominate, but Asia, Europe, and North America each account for 20–30% of volume.

Tokenised Deposits

$1.5T+ cumulative

Bank-issued digital money. J.P. Morgan: $1.5T cumulative, $2B daily. DBS Token Services: commercially live. Citi, Standard Chartered, UOB: active initiatives.

Tokenised Money Market Funds

~$9B

Fastest-growing segment. BlackRock's BUIDL, Franklin Templeton's FOBXX, Ondo Finance. Competing for institutional treasury use cases where yield matters.

Crypto-Collateralised

~$10B

DAI/USDS. Mature but niche. Relevant for DeFi-native operations, less immediately applicable to enterprise.

Why Yield Changes Everything

> Clients aren't "going to be very happy holding stocks of stablecoins" when they could be earning yield. *Bank executive interviewed by CCAF*

Institutional clients won't accept non-yielding tokenised money for treasury purposes. In most jurisdictions, yield-bearing stablecoins are prohibited by regulation. This creates demand for a new treasury workflow.

Key insight: The winning treasury solutions will seamlessly integrate both. Money moves instantly when needed, earns yield when at rest. The gap between "money at rest" and "money working" collapses toward zero.

Cross-Border Payments: The Universal Business Case

Unanimously cited as the number one use case across every single interview: banks, fintechs, infrastructure providers, and regulators alike.

> "We had a saying when we started our business 13 years ago... to move cross-border payments from 5 days and $50 to 5 minutes and $5, and with tokenised money, we think we can get it down to 5 seconds and 5 cents." *Fintech executive interviewed by CCAF*

Traditional

5 days

$50

per transfer

Current

5 minutes

$5

per transfer

Tokenised Future

5 seconds

$0.05

per transfer

Adoption potential varies by corridor type. Emerging-to-emerging markets have the highest potential (weakest existing infrastructure). Advanced-to-advanced corridors show the lowest, existing rails already work reasonably well.

Treasury, Trade Finance, and Capital Markets

Treasury & Liquidity Management

Second most cited use case. If you have real-time access to funds globally, 24/7, you may not need treasury forecasting at all. This isn't hyperbole. It's a logical consequence of eliminating latency.

Trade Finance Digitisation

Long-game use case, enormous potential. Previous digitisation attempts failed due to fragmented platforms. Tokenised money provides payment rails on the same infrastructure as digitised trade documents, enabling atomic delivery-versus-payment.

Capital Markets Infrastructure

Long-term transformational play. Atomic settlement eliminates counterparty risk. BlackRock's BUIDL is in production. NASDAQ is engaging with the SEC on blockchain-based listing. Hong Kong has issued tokenised green bonds.

Where the Real Value Sits

Faster payments and lower costs are the first-order effects and the least interesting part. The structural changes that follow are where the real value lives.

01

Working Capital Release

No more pre-funding across 30 jurisdictions. For a large multinational: hundreds of millions, potentially billions, freed up. Not a treasury efficiency gain. A material balance sheet event.

02

The Yield Gap Closes

Every dollar is either in motion or earning yield. Dynamic swapping between stablecoins and tokenised MMFs. The gap between "money at rest" and "money working" approaches zero.

03

FX Hedging Simplifies

Atomic conversion at moment of payment means hedging against actual exposures, not forecasted ones. Hedging book shrinks. Complexity drops. Cost falls.

04

Reconciliation Becomes Automatic

Tokenised deposits enable straight-through processing. The ledger is the record. No separate step checking that money arrived and matches the invoice.

05

The Treasury Function Transforms

Teams don't disappear. They redeploy from operational firefighting (80% forecasting/reconciliation) to strategic capital allocation (80% investment strategy/risk management/business enablement).

Interoperability: The Make-or-Break Challenge

Rated **8.9 out of 10** in importance across all interviews. Fintechs rated it a perfect 10.

> "If all you end up doing is building 100 new walled gardens, then you have the same kind of fragmentation." *Infrastructure executive interviewed by CCAF*

Five challenges that must be solved simultaneously:

- Cross-border efficiency
- Cross-platform connectivity
- Cross-asset integration
- Regulatory harmonisation
- Governance coordination

Major Initiatives

Initiative	Approach	Philosophy
Partior	Multi-bank settlement consortium	Consortium-controlled
Project Guardian	MAS-led public blockchain exploration	Public chain with institutional rails
RSN	Regulated settlement network	Regulatory-first
Project Agorá	Multi-central-bank collaboration	Central bank-led

The Regulatory Landscape: Fragmented, Accelerating, Geopolitically Charged

The 2025 GENIUS Act was a pivotal moment, regulating payment stablecoins with a stated objective of promoting the international use of the US dollar. This triggered global reactions. USD-denominated stablecoins account for 99% of stablecoins in circulation. This isn't just a market dynamic. It's a monetary sovereignty issue.

Jurisdiction	Framework	Priority
EU	MiCA	Protecting monetary sovereignty. Volume caps on euro e-money tokens.
United States	GENIUS Act	Advancing dollar's international role. Federal framework, state supervision.
Singapore	MAS framework	Competing for hub status. Pragmatic, industry-friendly.
Hong Kong	HKMA framework	Competing for hub status. Tokenised green bond already issued.
Japan	Adapted PSA	Stablecoins as "electronic payment instruments" under existing law.

Recent accelerating developments:

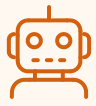
- Swift announced blockchain-based ledger integration into core infrastructure
- Circle exploring reversible transactions; MoU with Deutsche Börse for USDC/EURC integration
- Nine European banks announced joint euro-denominated stablecoin initiative
- ECB stated digital euro could launch by 2029

The AI Integration Gap: Wide Open Whitespace

> "I like programmability a lot. I do notice that there's very limited conversations on linking AI to programmable money... Nobody's talking about AI or bots or agents or anything else. So I'm not quite sure why that is." *Infrastructure executive interviewed by CCAF*

Despite growing interest in AI-driven finance, there is remarkably little development at the intersection of AI and programmable money. Google's Agent-to-Payment (A2P) supporting stablecoins for autonomous agent transactions is one of the few concrete examples.

Cambridge frames programmability as "the API of money", standardised, secure interfaces enabling controlled third-party integration. This architecture is precisely what AI agents need to interact with financial systems programmatically.



Autonomous Agent Commerce

AI agents executing transactions independently

AI-Driven Treasury Optimisation

Real-time capital allocation decisions

Automated Compliance Monitoring

Continuous regulatory checks across jurisdictions

Dynamic Risk Management

Automated exposure management

The programmability infrastructure is being built. The AI capabilities exist. The development at their intersection has barely begun. First movers will define the next generation of financial infrastructure.

But the risks are real:

> "Nobody actually turns out to be happy with the 'code is law' approach to the world. People want the right to appeal. They want to be able to talk to a human." *Infrastructure executive interviewed by CCAF*

The Timeline

Now → 2026–2027

Cross-border payments already happening. J.P. Morgan Kinexys: $1.5T cumulative. DBS Token Services: commercially live. Stablecoins settling trades and remittances globally.

1

2

2027–2030

Treasury management next wave. Banks rate readiness 3–10 out of 10. Variance will close as regulatory frameworks solidify and interoperability matures.

3

2030–2035

Full transformation. Programmable money eliminates treasury forecasting as core function. 5–7 year horizon for early adopters, decade for broad adoption.

That sounds slow until you remember Toyota's production system took 20 years to reshape global manufacturing. The difference: money moves faster than car parts. And the incentive, hundreds of billions in trapped capital, is impossible to ignore.

Five Strategic Priorities

What enterprise leaders should do now:

1 Start with cross-border payments

If your business moves money internationally, tokenised money is no longer experimental. It's becoming operationally necessary. Start here.

2 Plan for treasury transformation but demand yield

Non-yielding stablecoins won't cut it for institutional cash management. The winners will integrate stablecoins, tokenised deposits, and tokenised MMFs into unified treasury workflows.

3 Bet on interoperability over walled gardens

Choose platforms and standards that prioritise cross-system connectivity. Fragmentation is the single biggest risk to the promise of tokenised money.

4 Build for compliance, not around it

Regulatory arbitrage is a temporary strategy. Frameworks are converging on core principles. Build for the end state.

5 Watch the AI-money intersection

The first movers who connect programmable money to autonomous AI systems will define the next generation of financial infrastructure. This whitespace won't stay empty for long.

The Fundamental Question

> Toyota didn't just build better cars. It built a fundamentally different kind of company.
>
> The same opportunity exists here, for organisations willing to rethink what treasury should be when money finally moves at the speed of information.

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Sources

"Tokenised Money: Use Cases, Interoperability and Regulation" (February 2026), Cambridge Centre for Alternative Finance (CCAF), Cambridge Judge Business School, University of Cambridge, in collaboration with Financial Innovation for Impact (Fii).

Additional data from Deloitte's 2024 Global Corporate Treasury Survey, PricewaterhouseCoopers working capital research, Swift global payments innovation initiative, EY-Parthenon enterprise survey, Northwestern Kellogg School of Management.
