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Network Before Net Worth

Data Insights on Canton



RESEARCHED BY:



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Executive Summary

Canton targets a defined institutional use case: coordinating multi-party workflows without broad data exposure. The architecture relies on permissioned synchronizers, selective disclosure, and Daml contracts to prioritize privacy, deterministic settlement, and auditability. The intent is to support issuance, financing, and collateral movements rather than general purpose DeFi activity.

Adoption has progressed from pilots to recurring programs. Since 2022, venues and issuers in Europe, Hong Kong, and the Middle East have completed multiple digital bond transactions that pair conventional legal documentation with contract-driven lifecycle processing. The operational focus is straightforward: fewer reconciliations, faster settlement, and lower fail rates.

Canton Coin now trades on several venues, which provides observable secondary pricing. A published CC-USD benchmark constructed from executed trades offers a basis for comparison with the Amulet price used in Burn-Mint Equilibrium. Recent governance updates require Super Validators to incorporate market data or adopt an external benchmark with the objective of narrowing gaps between primary and secondary prices. The effectiveness of this approach will depend on venue coverage, data quality, and responsiveness during stress.

Incentives are oriented toward activity at the application and user layers. Approximately two thirds of rewards are slated for those groups, conditional on measured utility such as executed settlements, coupon or redemption events, and collateral moves. Assessment should center on three items: throughput in a small set of standardized workflows, time to finality and fail rates relative to existing rails, and the behavior of the Amulet–benchmark basis as market depth increases.

This report was written by Adam Morgan McCarthy, Senior Research Analyst at Kaiko.

ABOUT  **Kaiko** Research

As an independent and trusted voice in the cryptocurrency market, Kaiko Research offers critical insight into the world of digital assets. Powered by proprietary industry-leading Kaiko data, our analysts offer unique, deep, and considered responses to market trends and events. By interrogating accurate, real-time data and contextualising market developments as they happen, we decode the complexities of the industry, offering nuanced, data-led analysis that goes beyond simple news reporting, and helps you stay one step ahead.

Introduction

Over the past decade, blockchain technology has gradually entered the mainstream. Until now, however, activity has been driven predominantly by the trading of network tokens rather than by the use of the systems themselves. That is starting to change, as new solutions emerge to address the hesitations that have kept institutional firms from unlocking the value of blockchain technology.

One such solution is the Canton Network, a privacy-enabled, interoperable blockchain network designed for institutions. It connects multiple independent applications—known as subnets—built primarily with Digital Asset’s Daml smart contract language. This architecture enables Canton to interoperate while preserving data privacy, regulatory controls, and performance.

Daml is a functional language designed to securely automate multi-party financial workflows. It structures contracts around rights and obligations, mirroring how financial transactions work: each deal reduces to a transfer of rights paired with a set of obligations.

Together, Daml and Canton link disparate systems into a single automated workflow through smart contract-level atomic composability. All interdependent steps succeed or fail as one—no partial executions, no broken states—delivering transactional integrity.

In this report, we outline the size of the Canton Network, the primary drivers of its growth, and the importance of its underlying token to network operations.

Sizing the Canton Network

As of November 2025, there were over 200 different firms actively engaged in the Canton ecosystem. These include asset managers like 21Shares and Fidelity, bulge bracket banks like Citi and even magic circle law firm Clifford Chance.

The Canton Network has been likened to a “network of networks” for the largest financial firms in the world. So far these institutions are showing up for pragmatic reasons. Namely the large near-term opportunity in tokenizing alternatives, and a path to deployment that respects confidentiality and controls. Canton’s selective disclosure confines state visibility to entitled parties, aligning with trading-intent and client-data obligations.

At the same time, s can interoperate for settlement—repo against tokenized treasuries, collateral substitutions, securities lending—without broadcasting positions to the broader network. Daml’s rights-and-obligations model provides deterministic execution and auditability that map to existing documentation and internal-audit requirements, while native permissioning brings KYC/AML and data-retention policies to the edge rather than bolting them on.

The Upshot

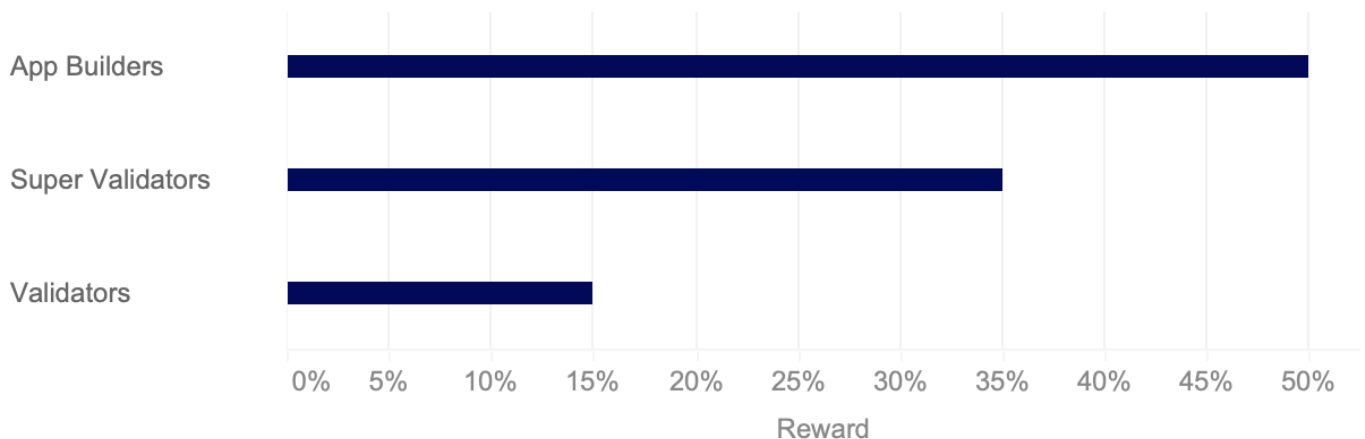
Firms are not chasing crypto exposure for its own sake. They are buying operational predictability with privacy and measurable improvements in settlement and funding. Canton’s design makes those trade-offs explicit: composability where it pays and confidentiality where it is required. The next proof point is volume through repeatable workflows. The DTCC blockchain-based U.S. Treasury repo pilot on Canton, involving Bank of America, Citadel, and Tradeweb, is a representative case, targeting intraday repo with coordinated trade capture, collateral mobility, and faster net settlement under selective disclosure.

Canton Coin Reward Split	Validator Reward	App Reward	Super Validator Reward
	1.2 Billion	4 Billion	4.8 Billion
Key Metrics	Total CC in Circulation	Kaiko CC-USD RFR	Market Cap
	34.96bn	\$0.12	\$5.2bn
Canton Coin Reward Split	Validator Reward	App Reward	Super Validator Reward
	1.2 Billion	4 Billion	4.8 Billion

Network before Net Worth

Canton Coin is presented as an incentive mechanism for network activity rather than a capital raising instrument. Under the current design, roughly two thirds of rewards are allocated to application builders and end users (validators). The stated rationale is to compensate the parts of the stack that originate contracts, drive transactions, and complete settlement workflows instead of concentrating issuance at the infrastructure layer

Canton Coin Reward Split



Whether this achieves the intended outcome depends on how utility is measured. If utility is scored on verifiable usage such as executed settlements, coupon or redemption events, and confirmed collateral movements, rewards should tilt toward production workflows and away from synthetic volume. Permissioning and selective disclosure reduce opportunities for wash behavior but do not remove them. Transparent scoring criteria and periodic audits will be needed to align payouts with genuine counterparty risk transfer.

The allocation has governance implications. A larger share to applications and users can reduce pressure on base layer policy such as validator rewards and upgrade cadence and may limit rent seeking at the protocol level. The trade-off is operational. Application teams will need to evidence impact, and smaller participants may face higher costs to qualify if scoring favors large or established flows.

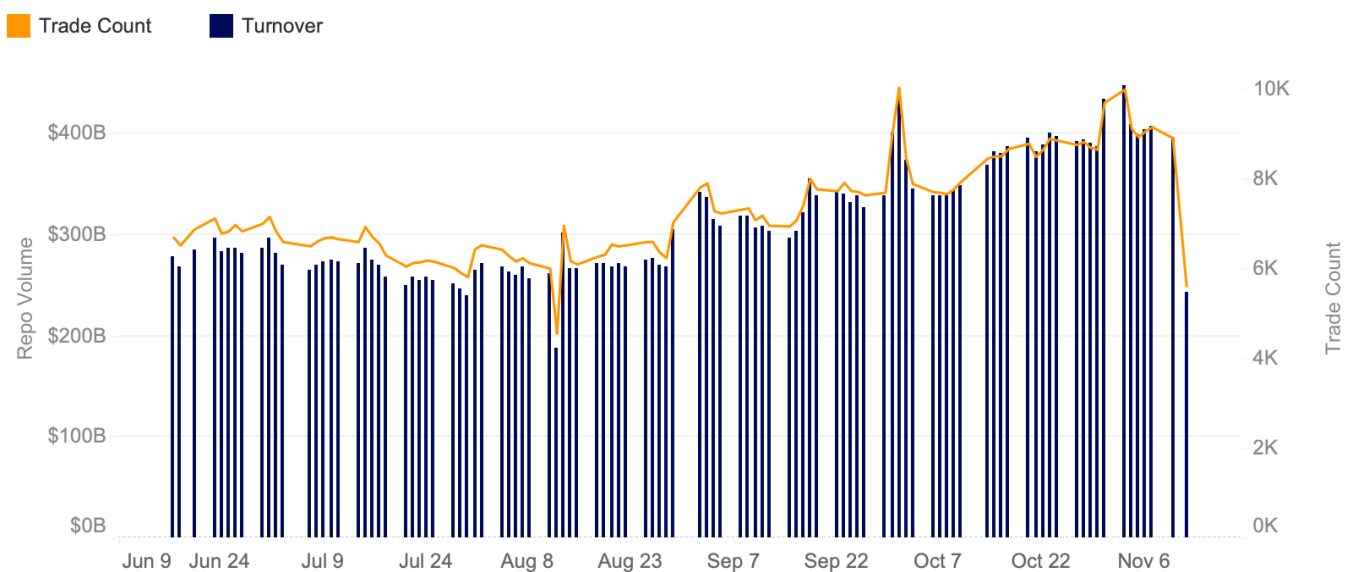
Assessment should focus on a small set of metrics: the proportion of rewards linked to standardized, repeatable workflows such as repo, securities lending, and intraday liquidity; the persistence of those flows; and any gap between on-chain settlement records and reported activity. If these indicators converge and remain stable, the network, before net worth framing, will look like a working capital allocation policy. If they do not, the reward scheme will likely require recalibration to avoid paying for activity that does not improve liquidity or reduce operational risk.

Tokenized Repo in Production

Broadridge’s Distributed Ledger (DLR) Repo is one of the few production systems in repo that has moved beyond pilot scale. The platform tokenizes collateral and uses contract-based workflows to automate allocations, substitutions, and lifecycle events. The operational objective is straightforward: raise collateral velocity, tighten intraday liquidity management, and cut reconciliation and fail risk without forcing dealers and custodians to abandon existing rails.

DLR sits on Canton technology, which allows firms to coordinate across permissioned synchronizers with selective disclosure. In practice, that means order and allocation details are visible only to entitled parties, while settlement can synchronize with traditional custodians and triparty agents. The value proposition is less a new market venue and more a way to route existing repo activity through deterministic, auditable processes that interact with legacy systems. It currently does around \$300bn a day in volume.

Broadridge DLR



Source: Kaiko

What to watch from here is throughput and breadth. Key questions include the share of dealer flow processed end to end on DLR, the impact on time to finality and fail rates during busy funding windows, and how easily firms can perform substitutions and collateral moves across custodians without bespoke integrations. If those metrics improve and hold, DLR will look less like an experiment in tokenization and more like core repo plumbing.

Digital Bond Tokenization

The issuance track on Canton-connected infrastructure has shifted from pilots to repeatable transactions across currencies and jurisdictions. In 2022, Deutsche Börse's DBAG program issued several digital bonds, including a €20 million KfW tranche, followed by a €3 billion DBAG deal using the D7 post-trade stack for lifecycle processing. Documentation indicates conventional securities law structures with machine-readable lifecycle controls to reduce reconciliation.

Global Expansion of Digital Bonds

By 2023, activity broadened. Hong Kong used HSBC's Orion for a HK\$800 million tokenized green bond and ran an interoperability test across DLTs, custodians, and settlement rails to cover issuance, book-building, and coupon or redemption under selective disclosure. Europe advanced in parallel: Slovenia's digital bond, hosted by BNP Paribas and settled in wholesale CBDC, and Luxembourg's digital Treasury certificates showed sovereign issuance and settlement on DLT within existing regulatory channels.

HSBC and IDB Drive Multi-Currency Digital Bond Growth

In 2024–2025, repeat deals became the signal. HSBC extended multi-currency issuance with the HKMA and supported the \$190 million Zhuhai Huafa bond. The Inter-American Development Bank issued a sterling digital bond with distribution mechanics aimed at better secondary transparency. The Middle East recorded a first digitally native notes issuance, indicating DLT-first documentation is now permitted in some jurisdictions.

Canton's Architecture Shapes Issuance Design

Operational links to Canton's design are clear: selective disclosure for order management without market-wide data leakage, permissioned identities aligned with compliance, deterministic contract-based lifecycle processing to cut post-trade breaks, and coordinated settlement across private synchronizers for collateral mobility. The next test is scale through standardized workflows such as green bonds with embedded attestations, intraday liquidity and repo against tokenized treasuries with measurable netting benefits, and settlement in CBDC or commercial bank money with minimal batch risk.

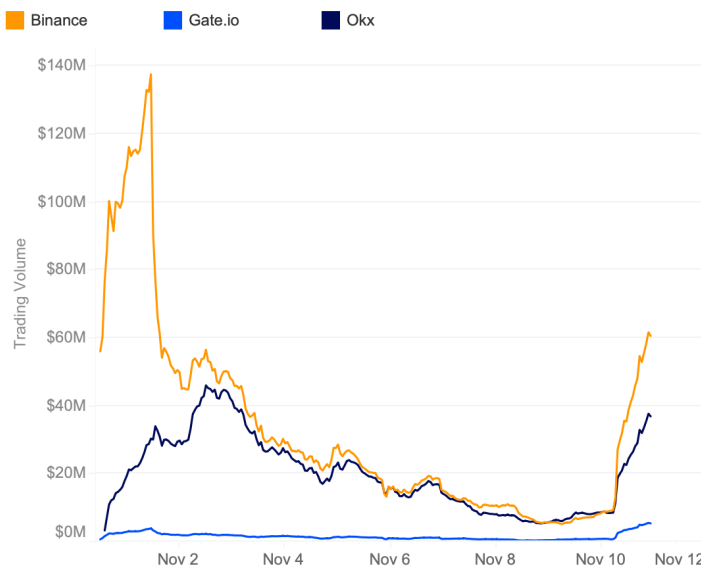
Digital Bond Issuance on Canton



Privacy First Draws Public Demand

While the Canton Network has been gaining increasing traction since its launch in 2023, its largely been a closed book. It's difficult to interact with the network without becoming a validator. That all changed when CC listed on centralized and decentralized venues as a pre-market perpetual futures. On November 10 it was listed as a spot product on major centralized venues and these pre-market perps converted to real perps shortly after.

Canton Perps Volume

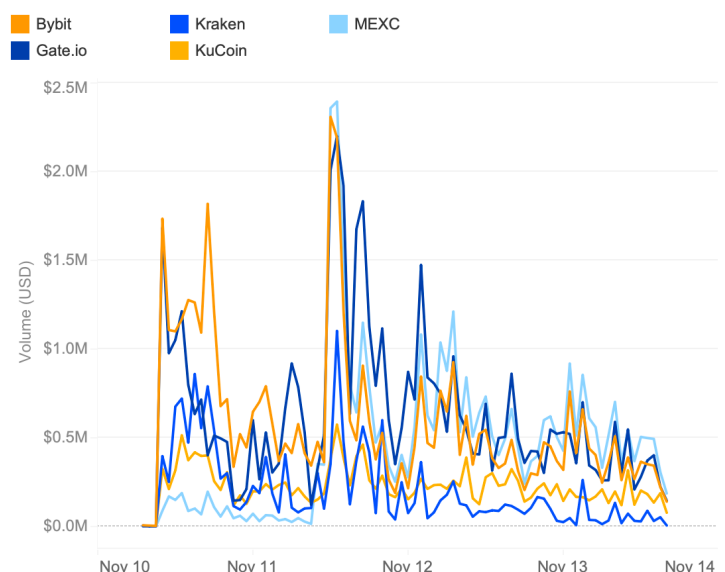


Since late October, CC has drawn speculative flow. Binance listed the first pre-market perpetual, followed by OKX, Gate.io, and smaller venues. These listings created continuous pricing and funding rates ahead of broad spot coverage and set up a basis between synthetic and spot markets that will show how liquidity migrates as exchange coverage expands.

Source: Derivatives Risk Metrics

Spot trading accelerated after the November 10 launch. Gate dominated early flow and set the reference, with Bybit spot and CoinEx adding secondary liquidity. Kraken, KuCoin, and MEXC printed smaller, sporadic volumes. Expect spreads and depth to converge as liquidity consolidates across venues.

Canton Spot Volume



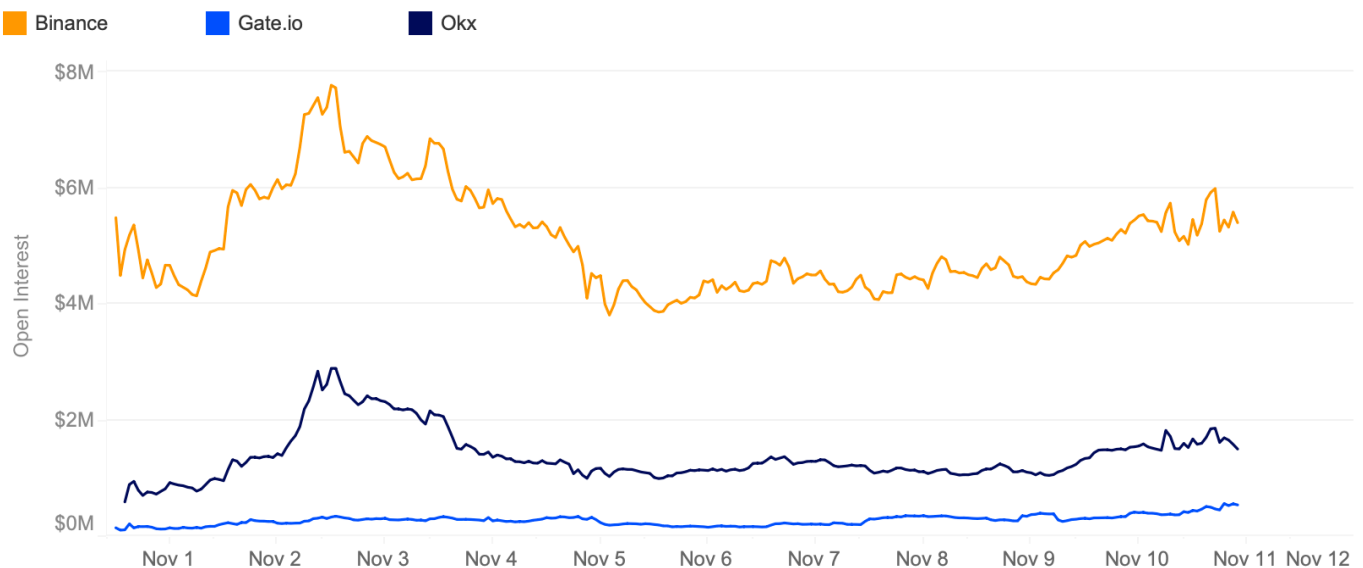
Source: Kaiko Market Explorer

Volumes were high for such a market. Volume on Binance's CC-USDT perp rose to over \$100mn in just a few hours after launch. This marked one of the most successful pre-market perps launches since Binance expanded these in 2024.

OKX and [Gate.io](#) both launched their own pre-markets, with the former seeing modest volumes in the first 24 hours, eventually increasing to match Binance over the weekend.

Volumes tapered off after initial launch hype, but activity has picked up again since spot markets launched. Open interest has remained steady suggesting significant liquidity exists for CC perps. This shows that beyond the initial hype and frenzied trading there is an underlying demand to maintain positions on CC.

Canton Perps Open Interest



Source: Derivatives Risk Indicators

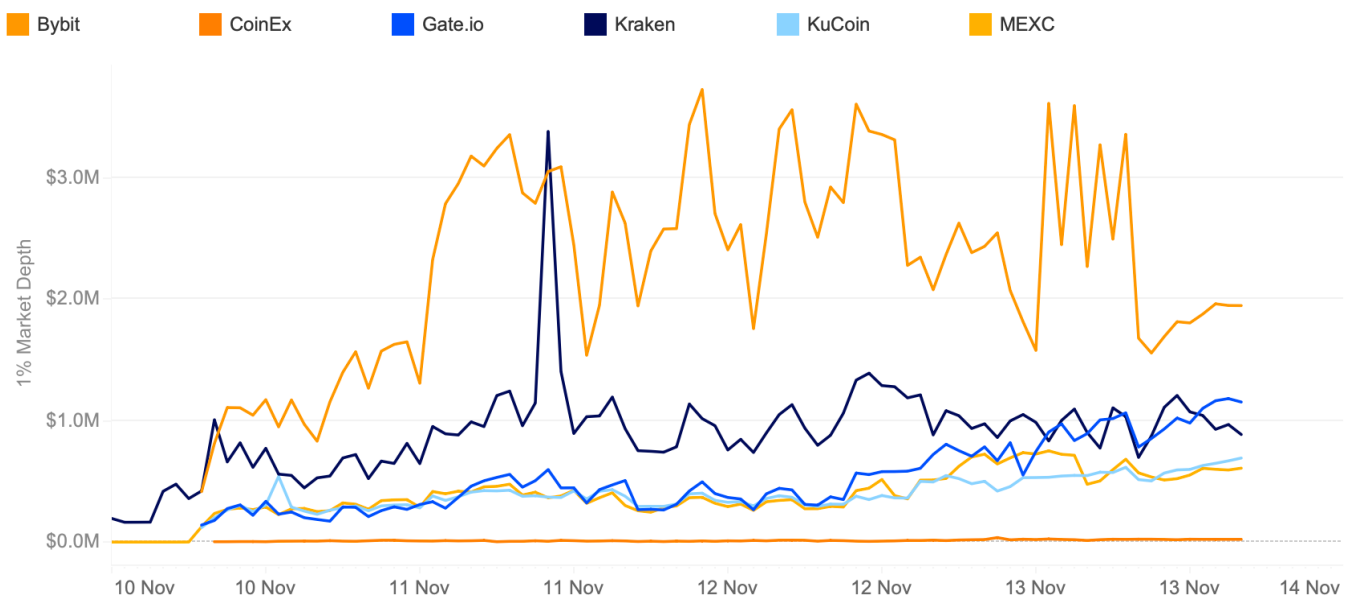
Pricing the Canton Coin

Now that CC has an observable secondary market price following exchange spot and perps listings, a fair market price can be determined. Until now super validators determined price by consensus, now the market freely trades CC and drives price discovery.

CIP-0092 requires Super Validators to incorporate market data into pricing decisions or to adopt an external benchmark. The objective is to reduce dislocations between primary and secondary prices.

Greater responsiveness is likely, but results will depend on venue coverage, data quality controls, and the speed of governance adjustments during stress. Depth of order books and overall market liquidity will be key determinants of how efficiently CC is priced. Currently depth is low and inconsistent.

Canton Spot 1% Market Depth



Source: Kaiko Market Explorer

Outlook

Working questions from here: how the prices will handle thin markets? Macro shocks have persisted this year, primarily driven by the U.S. administration's approach to tariffs and trade talks. This rhetoric is likely to persist as trade negotiations can take years to finalize, meanwhile, inflation is lingering and could hamper prices, especially as liquidity is only building.

Conclusion

Canton is not trying to recreate public crypto markets. It is targeting a narrower set of problems where privacy, determinism, and auditability are binding constraints. The architecture fits that brief, and the issuance record across Europe, Hong Kong, and the Middle East shows legal and operational feasibility beyond pilots. The next test is scale: repeatable workflows with measurable improvements in settlement times, fail rates, and balance sheet efficiency.

Canton Coin sits inside that operating model. With exchange listings and a published benchmark, pricing can be observed and compared to the network's primary inputs. Governance changes aim to keep those measures aligned, which is necessary for risk managed products and credible incentives. The incentive split, weighted to builders and users, will turn on measurement quality and audit discipline rather than design intent.

From here, focus on evidence. Track volumes and performance in repo, securities lending, and tokenized bond lifecycles. Monitor the Amulet to Reference Rate basis during both calm and stress. Watch how quickly governance responds when conditions shift. If these indicators tighten and remain stable, Canton will look less like a thesis about institutional blockchain and more like infrastructure that reduces operational risk and funding friction at scale.

Appendix

- <https://www.whitecase.com/news/press-release/white-case-advises-bank-syndicate-deutsche-borses-eu3-billion-bond-issuance> Various issuances with D7, including 20m EUR by KfW
- <https://www.ledgerinsights.com/hong-kong-tokenized-green-bond-interoperability/>
- <https://www.ledgerinsights.com/bnp-paribas-hosts-issuance-of-slovenias-digital-bond-settled-in-cbdc/>
- <https://www.iadb.org/en/news/idb-issues-its-first-blockchain-based-digital-bond-pound-sterling>
- <https://www.linklaters.com/en/about-us/news-and-deals/deals/2025/july/linklaters-advises-on-the-first-digitally-native-notes-issuance-in-the-middle-east>
- <https://www.ledgerinsights.com/hsbc-issues-hk1-billion-digital-bond-using-orion-dlt/>
- <https://www.aoshearman.com/en/news/luxembourg-issues-governments-first-digital-treasury-certificates-issuance-using-dlt>
- <https://www.ledgerinsights.com/state-owned-zhuhai-huafa-issues-190m-digital-bond-using-hsbc-orion/>

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