



# ZERION PAR-001

## Circle Internet Group, Inc. (CRCL)

### *Paradigm Alignment Report*

Regulated Stablecoin Infrastructure and Internet-Native Financial Settlement

Initial Draft | July 2026 | Based on Zerion Paradigm Alignment Manual v1.7

Field	Assessment
Company	Circle Internet Group, Inc.
Ticker	CRCL
Primary Asset / Network	USDC, EURC, Circle Payments Network, Arc-related product vision
Zerion Classification	Paradigm Enabler / Paradigm Orchestrator
Paradigm	Regulated stablecoin infrastructure and programmable dollar settlement
Report Status	Initial PAR draft; not investment advice

**Investment Objective Lens:** Zerion analysis seeks credible exponential opportunities. The aim is to identify 10x candidates, while treating a credible 5x path as the minimum initial threshold for deeper work when uncertainty and optionality justify it.

# 1. Executive Summary

Circle is one of the clearest public-market vehicles for the regulated stablecoin and internet-native financial settlement paradigm. The company issues USDC and EURC and is building adjacent payment, developer, and network infrastructure around digital-dollar settlement. Circle reported Q1 2026 USDC in circulation of \$77.0 billion, Q1 on-chain transaction volume of \$21.5 trillion, total revenue and reserve income of \$694 million, and adjusted EBITDA of \$151 million. [S1]

Under the Zerion framework, Circle scores well on Paradigm Strength, Friction Reduction, Commercial Readiness, and Total Paradigm Opportunity. The core debate is not whether stablecoins matter. The harder question is whether Circle can capture enough of the economics if stablecoins become mainstream financial infrastructure.

The initial conclusion is that Circle is structurally aligned with a major paradigm, but its 10x case requires evolution beyond reserve-income stablecoin issuance into a broader regulated financial operating layer. Circle is therefore a credible 5x candidate under a successful stablecoin adoption cycle, while the 10x case remains conditional on value capture, fee-based network revenue, and sustained competitive positioning.

Sources: [S1], [S2], [S3]

# 2. Current Market Snapshot

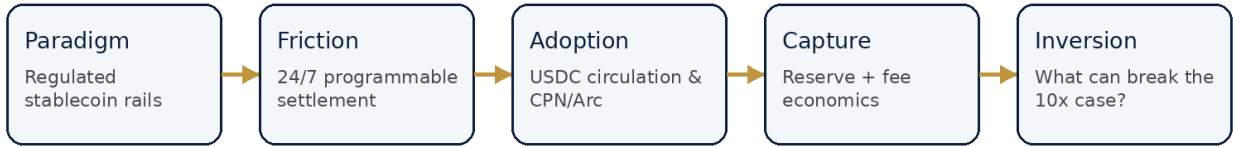
Metric	Snapshot
Latest price snapshot	US\$64.62
Market capitalization	Approximately US\$17.23 billion
Intraday high / low	US\$69.20 / US\$62.34
Latest trade time	July 2, 2026, 23:55:58 UTC
Note	Market data is point-in-time and should be refreshed before investment use.

Sources: [S8]

# 3. Zerion Score Summary

Framework	Score	Interpretation
PAR	7.9 / 10	Strong structural alignment with regulated stablecoin infrastructure
PAM	7.6 / 10	Strong adoption and institutional validation, but still maturing beyond crypto-native use
CFF	72 / 100	Moderate survivability; meaningful economic and competitive risks remain
Confidence	Medium-High	Public disclosures help, but business model is still young and interest-rate-sensitive

## Circle PAR Logic: Stablecoin Infrastructure to Value Capture



### 4. Paradigm Overview

The paradigm being evaluated is the emergence of regulated stablecoin infrastructure as a core layer of internet-native financial settlement. Stablecoins can reduce settlement friction by allowing value to move digitally, globally, and continuously across programmable networks. This matters because traditional payment systems are often constrained by bank hours, correspondent banking, settlement delays, geographic fragmentation, and high coordination costs.

Circle’s role is not merely issuing a token. It is attempting to provide the regulated infrastructure, liquidity interface, developer tools, payments network, and institutional trust layer around USDC and related products. Circle’s public website describes its platform as providing tools for AI-powered applications and financial primitives for agents to hold value, discover services, and transact programmatically. [S3]

The stablecoin paradigm is supported by regulatory progress. The GENIUS Act was signed into law in July 2025 and established a U.S. federal framework for payment stablecoins. For compliant issuers, regulation can become an adoption accelerator; for weaker issuers, it can become a barrier. [S4]

Sources: [S3], [S4]

### 5. PAR Assessment

PAR measures structural alignment with a meaningful paradigm shift. Circle’s initial PAR score is 7.9 / 10. The strongest categories are Paradigm Strength and Total Paradigm Opportunity. The main limiting factor is Economic Participation Capacity, because the value created by stablecoin adoption may be shared with exchanges, distribution partners, custodians, payment networks, banks, and competing issuers.

PAR Component	Weight	Score	Weighted Contribution	Rationale
Paradigm Strength	15%	8.5	1.28	Stablecoins directly address settlement, dollar access, and programmable money

				infrastructure.
Friction Reduction	15%	8.0	1.20	USDC enables 24/7 digital settlement and programmable transfer workflows.
Commercial Readiness	20%	8.0	1.60	USDC is already at large scale; CPN/Arc/product extensions remain earlier.
Ecosystem Potential	15%	7.5	1.13	Payments, DeFi, tokenization, agentic payments, and cross-border corridors can build around stablecoins.
TPO	15%	8.5	1.28	Opportunity extends beyond crypto trading into payments, treasury, tokenized finance, and automated commerce.
EPC	20%	7.0	1.40	Circle has brand and regulatory position, but economics can leak to partners and competitors.
Total	100%		7.9 / 10	Strong structural alignment.

## 6. PAM Assessment

PAM evaluates whether adoption, ecosystem expansion, institutional validation, and capital momentum are confirming the thesis. Circle’s PAM score is 7.6 / 10. Circle has strong adoption evidence in USDC circulation and on-chain transaction volume. The principal open question is whether adoption can move from crypto-native settlement into mainstream payments, treasury, tokenization, and machine-to-machine or agentic commerce.

PAM Component	Weight	Score	Rationale
Commercial Adoption	25%	8.0	Q1 2026 USDC circulation and on-chain transaction volume show meaningful scale. [S1]
Ecosystem Expansion	25%	7.5	Circle is expanding with CPN, Arc-related initiatives, developer products, and agentic payments. [S1][S3]
Institutional Validation	25%	8.0	Public listing, regulatory clarity, and institutional stablecoin adoption trends support validation. [S4][S7]
Capital Momentum	25%	7.0	Public equity access is positive, but valuation and market sentiment remain

			volatile. [S8]
Total	100%	7.6	Strong but still maturing beyond crypto-native adoption.

## 7. CFF Assessment

CFF evaluates what could prevent the opportunity from realizing its potential. Circle's CFF score is 72 / 100. Higher is better. Circle benefits from scale, transparency, regulatory progress, and public-market access, but faces material risks in economic capture, rate sensitivity, partner dependence, and competition.

CFF Component	Weight	Score	Comment
Technology Validation	20%	80	USDC is established; newer product layers remain less proven.
Commercial Viability	15%	65	Reserve income is meaningful but sensitive to rates and distribution costs.
Funding & Liquidity	15%	80	Public-market access and cash generation improve resilience.
Regulatory & Political Risk	10%	75	Regulation can help compliant issuers but may also constrain products and economics.
Governance & Management	10%	70	Public-company disclosure helps; partner dynamics remain important.
Trust & Credibility	10%	80	Transparency and assurance processes support credibility. [S2]
Ecosystem Dependence	10%	60	Coinbase and other distribution partners are material to economics. [S5]
Competitive Threat	10%	55	Banks, payment networks, Tether, Coinbase-linked products, and new issuers are meaningful threats.
Total	100%	72	Moderate survivability with important risk factors.

Sources: [S2], [S5], [S9]

## 8. PLS: Paradigm Lifecycle Stage

Layer	Stage	Interpretation
Stablecoins in crypto settlement	Expansion	Large and already central to crypto trading and settlement flows.
Stablecoins in cross-border payments	Validation to Expansion	Use cases are emerging but not yet universal in mainstream payments.
Tokenized finance / RWA settlement	Validation	Institutional experimentation

		continues; mainstream scale still developing.
Circle Payments Network	Early Validation	Requires corridor density, partner scale, and repeatable volume.
Arc / agentic payments	Emergence to Validation	Potentially powerful, but needs developer and institutional adoption.

## 9. SAM: Stakeholder Alignment Matrix

Stablecoin adoption depends on the alignment of users, developers, financial institutions, exchanges, regulators, merchants, payment processors, and capital markets. Circle's alignment is strongest with users seeking fast digital-dollar settlement, developers building programmable payments, and institutions seeking regulated infrastructure. Resistance may come from banks, payment networks, non-U.S. regulators, and competitors seeking to commoditize issuance.

Stakeholder	Alignment	Reason
Crypto exchanges / traders	High	USDC supports settlement, liquidity, and treasury movement.
Developers / fintechs	High	Programmable settlement and APIs can reduce build complexity.
Financial institutions	Medium-High	Regulated stablecoins are increasingly credible, but custody/compliance workflows matter.
Banks	Mixed	Banks may adopt stablecoins or compete against non-bank issuers.
Regulators	Medium	Frameworks improve clarity but create obligations and constraints.
Merchants / payment firms	Medium-High	Value depends on cost, integration, chargeback, compliance, and user experience.

## 10. TPO and EPC

TPO evaluates the total economic field affected by the paradigm. Circle's TPO is large because stablecoins may touch cross-border payments, crypto settlement, treasury management, tokenized assets, DeFi, merchant settlement, and AI-agent commerce. The risk is that TPO can be large while Circle's own retained economics are more limited.

EPC evaluates Circle's ability to capture value from the paradigm. Circle's EPC is credible because USDC has brand, scale, transparency, regulatory positioning, and public-company visibility. However, partner economics are a major constraint. Coinbase's 2025 Form 10-K describes a revenue-sharing arrangement under which Coinbase receives a portion of the payment base, including 50% of the remaining payment base after specific deductions. [S5]

Sources: [S5]

## 11. Inversion Analysis: What Can Go Wrong?

Zerion v1.7 treats inversion as a formal discipline: instead of only asking how Circle becomes a 10x outcome, we ask how the thesis fails, then attempt to eliminate or monitor those failure modes. The Circle thesis weakens materially if any of the following occur:

- Stablecoins remain primarily crypto-trading infrastructure rather than becoming mainstream payment and settlement rails.
- Interest rates fall enough to reduce reserve income faster than Circle can build fee-based network revenue.
- Distribution partners capture too much of the economics, leaving Circle with the regulatory burden but limited margin expansion.
- Banks, payment networks, exchanges, or consortium stablecoins commoditize issuance.
- USDC loses share to Tether or new regulated competitors.
- A reserve, redemption, custody, cybersecurity, or compliance event damages USDC credibility.
- CPN, Arc, or agentic-payment products fail to attract liquidity, developers, and institutions.
- Regulation becomes more restrictive than expected, especially around reserves, yield-sharing, bankruptcy, and issuer licensing.

## 12. 10x / 5x Underwriting Lens

Using the market snapshot of approximately US\$17.23 billion in market capitalization, a 5x outcome implies roughly US\$86.2 billion in equity value and a 10x outcome implies roughly US\$172.3 billion. These are not price targets. They are underwriting thresholds used to ask whether the opportunity is large enough to deserve Zerion-style exponential-growth research.

Underwriting Test	Formula	Illustrative Result
5x market-cap hurdle	Current market cap x 5	US\$17.23B x 5 = US\$86.2B
10x market-cap hurdle	Current market cap x 10	US\$17.23B x 10 = US\$172.3B
Required thesis quality	TPO x EPC x survivability	Large TPO must translate into retained economics
Primary question	Can Circle capture value?	Stablecoin growth alone is insufficient

The credible 5x case requires a major stablecoin adoption cycle, continued USDC growth, manageable competition, and stable or improving value capture. The 10x case requires Circle to become a core operating layer of regulated internet finance, with meaningful fee-based network revenue from payments, developer infrastructure, tokenized finance, Arc-related products, or agentic commerce.

Sources: [S8]

## 13. Scenario Analysis

Scenario	Description	Key Conditions
Bull / 10x	Circle becomes a core regulated financial infrastructure layer.	USDC scales materially; CPN and Arc gain traction; fee revenue becomes meaningful; distribution costs improve; regulation creates a compliance moat.
Base / 5x Candidate	Circle remains a leading regulated stablecoin issuer with expanding adjacent products.	USDC grows; reserve income remains meaningful; mainstream use cases develop gradually; economics remain acceptable but not dominant.

Bear	Stablecoin growth benefits the ecosystem but not Circle shareholders enough.	Margins are competed away; rates fall; partner economics remain heavy; banks and exchanges capture most value; new products fail to scale.
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## 14. REI Dashboard

Risk Area	Early Warning	Escalation	Resolution / Positive Signal
Rates / Reserve Income	Fed cuts or reserve yield compression	Reserve income falls faster than fee revenue grows	Fee-based revenue scales enough to reduce rate dependence
Distribution Economics	Rising distribution costs	RLDC margin compresses materially	Renegotiated economics or diversified distribution
Competition	New bank/payment stablecoins launch	USDC share declines persistently	USDC maintains share and becomes preferred regulated rail
Regulation	Restrictive implementation guidance	Product limitations or high compliance burden	Clear licensing and reserve framework supports adoption
Trust / Reserves	Questions about reserve quality or redemption flows	Redemption stress or operational issue	Continued weekly disclosure and assurance support confidence
Product Extension	Low CPN/Arc developer or corridor usage	Products fail to generate volume	CPN/Arc become material usage or revenue drivers

## 15. TVI Dashboard

Thesis Area	Evidence That Strengthens Thesis	Evidence That Weakens Thesis
Stablecoin adoption	USDC circulation and transaction volume grow sustainably outside crypto trading.	Growth remains tied mainly to crypto volatility or trading cycles.
Value capture	RLDC margin improves; fee revenue expands; distribution costs stabilize.	Distribution costs absorb most incremental reserve income.
Institutional adoption	Banks, fintechs, merchants, and payment firms integrate Circle infrastructure.	Institutions issue competing stablecoins or bypass Circle rails.
Network products	CPN / Arc / agent products show developer, corridor, and institutional usage.	Product launches remain narrative-heavy with weak volume.
Regulatory moat	GENIUS-style compliance favors Circle's regulated positioning.	Rules commoditize issuance or constrain business model economics.

## 16. Source-Checked Notes

The most important source distinction in this initial report is between paradigm evidence and shareholder value-capture evidence. Circle's USDC metrics support adoption and paradigm relevance. Coinbase-related payment-base economics, rate sensitivity, and competitive dynamics are the main evidence informing the caution around EPC and CFF.

This report intentionally does not rely on a single valuation model. It uses the Zerion 10x / 5x lens as an underwriting screen. A full investment memo would still require valuation, comparables, dilution analysis, margin modeling, rate-sensitivity cases, and portfolio-construction work.

## 17. Initial Zerion Conclusion

Circle deserves a full PAR report because it sits directly on a major paradigm shift: the movement from bank-hour, intermediary-heavy, geographically fragmented money movement toward programmable, 24/7, internet-native dollar settlement. Circle has strong structural alignment and meaningful adoption evidence.

The investment question is not simply whether stablecoins will grow. The correct Zerion question is: if stablecoins grow exponentially, how much of that value can Circle capture? The answer is promising but not yet definitive. Circle is a credible 5x candidate if adoption and value capture continue improving. It is a conditional 10x candidate if USDC, CPN, Arc, and adjacent infrastructure evolve into durable fee-generating financial rails rather than primarily reserve-income products.

Final Initial View	Assessment
PAR	Strong
PAM	Strong but still maturing beyond crypto-native use
CFF	Moderate
10x Status	Conditional candidate
5x Status	Credible candidate under successful adoption and improved value capture
Next Work	Build a full financial model and rate-sensitivity model; monitor REI/TVI quarterly

## Source Register

[S1] Circle Pressroom, "Circle Reports First Quarter 2026 Results," May 11, 2026. <https://www.circle.com/pressroom/circle-reports-first-quarter-2026-results>

[S2] Circle, "Transparency & Stability," accessed July 2026. <https://www.circle.com/transparency>

[S3] Circle platform / product page describing AI-enabled financial and developer infrastructure, accessed July 2026. <https://www.circle.com/>

[S4] White House Fact Sheet, President Donald J. Trump Signs GENIUS Act into Law, July 18, 2025. <https://www.whitehouse.gov/fact-sheets/2025/07/fact-sheet-president-donald-j-trump-signs-genius-act-into-law/>

[S5] Coinbase Global 2025 Form 10-K / related collaboration agreement disclosures on USDC payment-base economics. [https://s27.q4cdn.com/397450999/files/doc\\_financials/2025/q4/Form-10K-2025.pdf](https://s27.q4cdn.com/397450999/files/doc_financials/2025/q4/Form-10K-2025.pdf)

[S6] SEC Exhibit 10.1, Coinbase-Circle Collaboration Agreement, dated August 18, 2023. <https://www.sec.gov/Archives/edgar/data/1876042/000119312525070481/d737521dex101.htm>

[S7] Reuters, "Circle revenue boosted as stablecoin demand rises amid volatility," May 11, 2026. <https://www.reuters.com/technology/circles-quarterly-earnings-benefit-stablecoin-safety-during-volatile-period-2026-05-11/>

[S8] Market data snapshot via financial data provider returned July 2026: CRCL price, market cap, intraday range and volume. Data snapshot: CRCL price US\$64.62; market cap approximately US\$17.23B; latest trade time July 2, 2026 23:55:58 UTC.

[S9] Aronoff, Calabia, Brownworth, Samuel, and Narula, "The Hidden Plumbing of Stablecoins: Financial and Technological Risks in the GENIUS Act Era," arXiv, 2026. <https://arxiv.org/abs/2604.17167>

## Disclaimer

This PAR report is provided for informational, educational, and research purposes only. It does not constitute investment advice, financial advice, legal advice, tax advice, accounting advice, or any

recommendation to buy, sell, or hold any security, digital asset, commodity, currency, fund, derivative, or other financial instrument. All scores are analytical judgments based on available evidence and may change as new information becomes available.

Market data is point-in-time and may be stale. A complete investment decision would require independent verification, valuation analysis, financial modeling, risk assessment, and professional advice where appropriate.