

FX AT A CROSSROADS: VOLATILITY, STABLECOINS & AI

Carlo Kölzer, Group CEO of 360T and Global Head of FX & Digital Assets at Deutsche Börse Group, analyzes how volatility, stablecoins and artificial intelligence (AI) will impact the FX market in 2026 and beyond

Carlo Kölzer, CEO of 360T Group



2025 was certainly an interesting one for the foreign exchange (FX) market. “Liberation Day” Tariffs created a spike in FX volatility and prompted broader questions about the US dollar’s role in the global financial system, traditional and digital asset markets continued to converge, and the Bank for International Settlements (BIS) revealed that global FX volumes had grown to \$9.6 trillion per day.

Amidst all this, 360T achieved another milestone as the company turned 25 last year. To celebrate this achievement, and to express our appreciation to our FX industry partners which have driven our success over this period of time, we hosted three events in Frankfurt, New York, and Singapore.

Each event was quite different, reflecting the global nature of our business and the diversity of our client base. But what struck me at each one was the energy, enthusiasm, and warmth of this

marketplace. Even as FX trading becomes increasingly technology-driven, it remains a people business and relationships are still at its heart.

On a personal note, I would just like to say that seeing many of the world’s largest asset managers, hedge funds, international corporations, come together to celebrate 360T’s 25th anniversary was both a proud and humbling moment for me.



It was also a testament to the diligent, professional, and exceptionally talented global team that we have built here at 360T.

But what does 2026 bring us?

A STRESS TEST FOR TECHNOLOGY PROVIDERS

For starters, it has brought another bout of volatility — this time driven predominantly by the war in Iran and the ensuing energy shock this has caused. But in FX, there are different types of market volatility. The most visible form is short-dated spot market volatility, where large economic or geopolitical events tend to register first.

Then there is what might be called "levels volatility". This is when currency pairs breach previous highs or lows, triggering a further round of moves, often over an extended period rather than intraday.

FX swaps volatility, traditionally tied to interest rate movements, is another distinct category. There are numerous out, but the point is that these different types can flare up independently or simultaneously and each demands a different response.

As a technology provider, we know that what matters most to our FX partners is that they have full confidence in 360T's ability to manage the sharp increase in trading volumes which typically accompanies such volatility.

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On this last point, the importance of maintaining 360T's latency performance is vital. If the platform is transmitting the quotes too slowly then the pricing that appears top-of-book is not, in fact, executable because the quotes are old. This in turn leads to higher rejection rates and frustration amongst both buy-side and sell-side market participants.

So, for 360T, volatility is a stress test. It is also an opportunity for us to prove the resilience and performance of our technology precisely when it matters most.

THE RISE OF STABLECOINS

The crypto markets are no stranger to volatility, and the past year has been another rollercoaster ride for this asset class.

Bitcoin moved from around \$83,000 at the end of March 2025 to approximately \$124,000 in October 2025, before falling back below \$75,000 as of April 16, 2026.

However, while those of us who operate within global capital markets think of bitcoin and other cryptocurrencies primarily as an asset class, for millions of people in countries where access to quality banking is limited and domestic currencies struggle to hold their value, crypto has served a far more practical function.

But now, the functional application of bitcoin is under pressure from stablecoins, which offer the same practical use cases to this segment of the population without the volatility associated with bitcoin. The adoption of stablecoins more broadly has interesting implications for FX, particularly in the US.

In China, there is one stablecoin created by the government. In Europe, central banks are expected to issue central bank digital currencies (CBDCs) and provide them to national treasuries. They can then privatize these currencies and thus contribute to the creation of private stablecoins.

The US, by contrast, is unique in that there are multiple competing stablecoins emerging. So, while the fiat US dollar remains singular, we could have a fragmentation of dollar-linked stablecoins, each offering slightly different equivalence, yield methodologies, and economic profiles.

PROVOCATIVE QUESTIONS...

As a consequence, we could see each of these stablecoins trading at slightly different values to the fiat US dollar. This raises an interesting and genuinely provocative question: as the world continues to shift towards digital currencies, how many digital versions of the US dollar will emerge and gain traction — 20, 30, 50? What does that landscape look like, and what does it mean for FX traders?

What we already observe is that within the traditional financial institutions 360T works with today, crypto and stablecoin activity is typically being managed by FX teams. That is why we are confident that 360T is the natural partner for these firms as they move into digital assets. It also presents questions for us as a technology provider — not least whether our digital asset platform, 3DX, will need to operate 24/7, something we are actively exploring.

The regulatory environment remains another variable. 3DX is regulated under the Markets in Crypto-Assets Regulation (MiCAR) in Europe and we offer crypto NDFs through our European Multilateral Trading facility (MTF) but the extent to which equivalency will be recognized in other jurisdictions is unclear, and the US regulatory framework is still taking shape.

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BREAKING DOWN AI USAGE

Another important trend that is impossible to ignore right now is AI. Amidst all the hype, I think that it's important to emphasize that this technology is changing how we do things, not what we do.

Broadly speaking, I see four different levels of AI implementation within the FX market today:

1. Individual AI

So many of us across the industry are already using AI at an individual level to enhance our productivity, conduct time-consuming tasks and obtain information. Company policies, confidentiality requirements, and compliance rules of course limit the usage of AI at this level, but it is still a valuable tool for writing quickly (although I assure readers this was written entirely without the help of AI!), producing analysis, summarizing large pieces of content, etc.

2. Embedded AI

Many firms are benefiting from AI without having implemented it themselves, through third-party tools that now have AI built in. At 360T, for example, AI capabilities are embedded in the Freshdesk, Salesforce and Personio systems we use for customer support, CRM, and HR, respectively.

3. Service Tool AI

This is AI deployed by providers to directly enhance their offering to clients. At 360T, we are using AI to improve the testing of our new technology releases, which are conducted three times per year, and to enhance our bank basket optimizer, a pre-trade tool within our EMS that suggests which liquidity providers are likely to be most effective for a given trade.

4. Passive AI

Increasingly, market participants are interacting with AI without being directly aware of it. Think about when a buy-side firm requests a quote via 360T — in today's marketplace it is highly likely that AI was involved somewhere, or at some point, in the construction of this price. Conversely, when buy-side firms trade FX there is often AI involved in that decision, whether in the construction of the portfolio or hedge or the analytics guiding trading decisions.

Overall, while we see AI becoming an ever more prominent part of the FX trading process, it isn't being deployed at the point of execution and matching of trades just yet. Returning again to the previous point about the ongoing importance of humans in FX, too many people keep asking what magic existing technology systems can perform with AI, when the real question is how can AI help people enhance their value and productivity?

TECHNOLOGY, RELATIONSHIPS & TRUST

If there is a common thread running through the topics I have outlined here it is this: the FX market continues to evolve rapidly, and the pressure is on all of us to keep pace.

But evolution does not necessarily mean disruption. The fundamentals of this market — trust, relationships, and the need for reliable

execution technology — remain unchanged. And what distinguishes the leading providers in FX is the ability to support those fundamentals under any conditions.

That's why, as 2026 unfolds, we have a clear sense of where the market is heading and confidence in our ability to help our partners navigate it. Our platform has proven it can manage the most volatile conditions the market can produce. We have built the infrastructure to support digital assets in a way that meets the regulatory and operational standards our clients expect. And we are deploying AI thoughtfully, not as a replacement for human expertise but as a tool that amplifies it.

This clarity of direction does not mean the market themselves will be predictable. Twenty-five years in, FX still has the capacity to surprise.

The geopolitical landscape remains unpredictable, the digital asset space is still finding its shape, and the full implications of AI on financial markets are only beginning to emerge. What we do know is that the firms which will thrive in this environment are those that combine technological excellence with the relationships and trust that this market was built on.

That is the standard we hold ourselves to at 360T — and it is what will continue to drive us forward.