

Cryptocurrencies

State Street to provide tech for cryptocurrency trading platform

US asset manager to help power Pure Digital venue as financial firms inch into market



The State Street building in Boston, US. The new trading venue will offer cash cryptocurrency trading for investors through their existing bank relationships © AP

Eva Szalay in London 13 MINUTES AGO

State Street, one of the world's biggest asset managers, is tiptoeing into the crypto market by forging a deal to lend its trading technology to a digital currency trading venue.

The US-based financial group said on Thursday it would partner with Pure Digital, a start-up that aims to be the main institutional platform for bitcoin.

The new trading venue will offer cash cryptocurrency trading for investors through their existing bank relationships, with State Street's Currenex platform providing the underlying technology. The venue is set to go live in "mid-2021", the asset manager said.

David Newns, global head of execution services for GlobalLink at State Street Global Markets, said that the technology of currency trading platform Currenex would "translate perfectly to the digital arena".

The Pure Digital platform was founded by Campbell Adams, a currency markets veteran who created a foreign exchange venue with the backing of a consortium of a dozen banks in 2014.

“Banks are telling us that they can’t ignore client demand for crypto assets and they realise it’s a market they need to get into,” said Lauren Kiley, chief executive of Pure Digital.

The State Street decision comes less than a week before Coinbase, one of the biggest cryptocurrency exchanges, is set to go public through a direct listing. The group said [earlier this week](#) it had 56m verified users as of the end of the first quarter, with 6.1m performing transactions on average every month. Quarterly trading volume was \$335bn.

The planned launch of the Pure Digital venue is the latest in a line of announcements from major financial firms exploring cryptocurrencies and taking tentative steps towards playing a more substantial role in cryptocurrency markets.

Northern Trust and Standard Chartered formed a partnership in December to offer custody services for cryptocurrencies through a UK-based company. Bank of New York Mellon followed suit in February with its announcement that it would offer clients crypto custody services, while Goldman Sachs has restarted its digital asset trading desk.

In mid-March, Morgan Stanley became the first major US bank to offer its wealthy private clients access to three bitcoin funds.

“Big asset managers want to get involved in cash cryptocurrency markets and banks want to act as conduits. We are hoping to bring the two sides together,” said Adams.

Still, many banks remain wary of the cryptocurrency industry despite the lofty returns generated by bitcoin. The price of the digital asset surged about 300 per cent last year and its value has nearly doubled since the start of 2021. On Thursday bitcoin was trading at \$57,000.