

# Financial institutions ramp up crypto services

Article

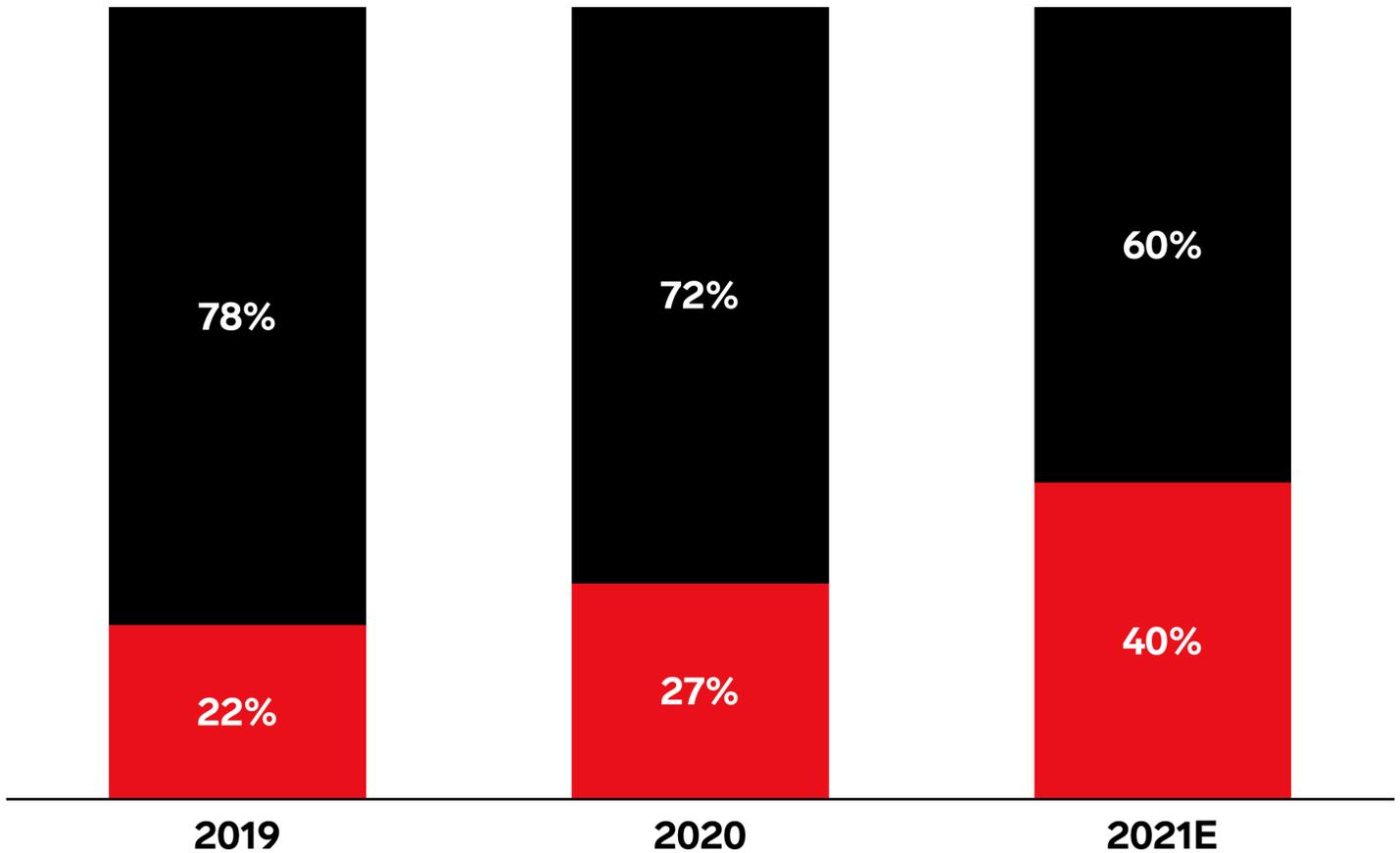
Global capital market exchange Deutsche Börse has added more crypto investing options just a week after [Goldman Sachs](#) announced the reopening of its crypto trading services to meet surging institutional demand, [per](#) Finextra. After launching the world's first centrally cleared [Bitcoin](#) exchange-traded note (ETN) last June, Deutsche Börse has now added Ethereum and Bitcoin Cash ETNs. Goldman Sachs, meanwhile, has opened institutional access to Bitcoin futures and nondeliverable forwards, with plans to add a Bitcoin exchange-traded fund.

**The incumbents are aiming to leverage their established trading infrastructure to offer institutions safe access to crypto-based complex financial instruments. Deutsche Börse's**

exchange, Xetra, comes with a regulated centralized clearing, meaning investors can rely on significantly reduced risks during transaction settlement and don't need a separate crypto wallet, unlike with crypto exchanges, providing investors with the same level of institutional-grade trading services as for other types of assets. In addition, Deutsche Börse and Goldman Sachs are offering access to more complex financial instruments than just direct investment in cryptocurrencies: ETNs are debt securities that track the performance of underlying reference indices, such as cryptos, while Goldman Sachs' nondeliverable forwards allow investors to take a view on Bitcoin's projected future price. This can be especially attractive to institutional investors wishing to take riskier positions in the [volatile](#) asset class to turbocharge their gains: Cryptocurrencies are the [best-performing](#) asset class in the last decade.

**The services come as institutional investors are moving from simply inquiring about the emerging asset to actively seeking exposure, making crypto trading services table stakes among incumbents.** Institutional investors aren't waiting on incumbents to catch up to invest: Crypto-native exchange Coinbase grew its total institutional assets to [\\$45 billion](#) in 2020, up from \$6 billion in April, while crypto asset manager Grayscale now manages [\\$30.4 billion](#), from just \$2 billion in January 2020. So, it's no surprise that [40%](#) of Goldman Sachs' clients alone already have exposure to cryptos, and the Wall Street giant is likely trying to bring this business in-house. With the introduction of these services, Goldman Sachs and Deutsche Börse join fellow incumbents, such as [Fidelity](#) and [BlackRock](#), in scrambling to meet client demand and grab a piece of this fast-growing multi-billion-dollar market, [per](#) Insider Intelligence forecasts.

# US Institutional Investors Exposed to Digital Assets



- Investors exposed to digital assets
- Investors not exposed to digital assets

*Note: Digital assets refers to the blockchain-powered emerging asset class, also known as cryptocurrencies, crypto assets, virtual currencies, and crypto tokens.*

*Source: Fidelity Digital Assets and Greenwich Associates, "The Institutional Investors Digital Asset Survey 2020 Review," June 2020; Insider Intelligence forecast*

*Methodology: Greenwich Associates surveyed 393 US institutional investors between November 18, 2019, and March 6, 2020.*

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