

Microsoft reportedly launching crypto wallet despite industry turmoil

Article

The news: Microsoft will reportedly launch an Ethereum-based crypto wallet for its Edge browser, according to The Verge. Microsoft has been testing the crypto wallet internally in recent months, and screenshots of the wallet leaked online last week.

The wallet will let users store Ethereum and Ethereum-based tokens, which customers can purchase directly from **Coinbase** and **MoonPay**, and transact with them wherever cryptos are accepted. The wallet can also connect to decentralized apps, making it easier to access NFTs and other Web3 services.

The bigger picture: The crypto industry is trying to recover from a bruising 2022, but the recent collapse of three major crypto-friendly banks has thrown the space into an even more precarious position.

- Crypto firms are scrambling after crypto-friendly **Silvergate Bank**, **Signature Bank**, and **Silicon Valley Bank** (SVB) all collapsed this month.
- And the banking crisis had ripple effects across payments. **Circle's** USD Coin (USDC) has lost roughly \$8 billion of its market cap since it revealed that \$3.3 billion of its reserves were tied up with SVB.

All of this has made it increasingly difficult for US crypto firms to bank and operate in the country. And while Microsoft and payment providers like **Mastercard** aren't giving up on crypto payments' potential, Microsoft may delay its crypto wallet launch until the industry is a bit more steady.

Why Microsoft is still making this bet: Despite laying off its metaverse team in February—four months after its creation—Microsoft sees value in connecting the Edge browser to Web3.

Microsoft has been beefing up the browser by adding things like BNPL financing options and a Bing button extension. Launching a crypto wallet could open up the browser to more use cases and payments volume—as well as cross-sell marketing opportunities to crypto-enthused consumers.

Total Cryptocurrency Market Cap Worldwide, Jan-Nov 2022

trillions



Note: shows total market cap of all crypto assets, including stablecoins and tokens

Source: CoinMarketCap.com, Nov 18, 2022

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