



**ROSA &
ROUBINI**
ASSOCIATES

MAKING SENSE OF *THIS* WORLD

2 June 2025



R&R Weekly Column
By Brunello Rosa



R&R's Pivot: How Digital Assets, Currencies, Identity and AI Interact in the Web 3.0

This week's column is about our company, [Rosa & Roubini Associates](#), which is at a crucial junction of its journey. As can be seen on our website and social media channel, the company co-founded by [Brunello Rosa](#) and [Nouriel Roubini](#) has rebranded, with an evolution towards digital assets.

As capital, currencies and entire economies undergo a profound transformation—from cryptocurrencies and stablecoins to central bank digital currencies (CBDCs) and the tokenisation of real-world assets—Rosa & Roubini is expanding its capabilities to meet the moment. Building on its deep-rooted expertise in macroeconomic, cyber-risk and geopolitical advisory, R&R is launching a dedicated [Digital Assets Advisory Practice](#) to help clients navigate the economic frontier of the 21st century. The team has also evolved and expanded to respond to these new demands, to include experts in the digital economy from various fields of technology, to offer well-rounded consultancy services through our digital asset advisory practice.

We advise corporations, financial institutions, and governments on the full spectrum of the digital asset revolution—from navigating the fast-moving global regulatory landscape, to integrating digital assets on balance sheets, unlocking new value through asset tokenisation and understanding the geopolitical implications of stablecoins and state-backed digital currencies.

Our value remains the same: independent, rigorous analysis at the intersection between macroeconomics, geopolitics, cyber and political risk analysis, policy and market implications. And now, with an eye on how those forces intersect with digital innovation in finance.

Content remains key. Together with the new appearance, R&R's products and services will also evolve. R&R will continue to produce research on the domains of its traditional expertise: macroeconomic, policy and market analysis, expanded over the years to include geopolitical, political and cyber risk analysis. Building on the success of "[Smart Money](#)" on the geopolitics of digital currencies, R&R's research on Fin-Tech will further expand to cover digital assets in their various aspects.

As a result, every week R&R will publish a set of PRIMERS on the key aspects of the digital asset economy, such as tokenisation, stablecoins, Web3 and metaverse, quantum computing and cryptography, and digital transformation of financial institutions and services.

The first of these PRIMERS is titled "[Beyond the Physical Domain: A Primer on Digital Identity, Assets and Currencies as Cornerstones of Web3 and the Metaverse](#)". It discusses the evolution of the internet from Web 1.0 (read only) to Web 2.0 (read-write) to Web 3.0 (read-write-own) and the strong interrelation between digital identity and ownership in Web 3.0 and the metaverse. It also discusses how AI interacts with digital assets in Web 3.0: how AI agents are becoming real economic actors in cyberspace.

[As has been reported](#), Coinbase, AWS (Amazon), Anthropic, Circle, and NEAR just launched "x402", which is the first protocol embedding stablecoin payments directly into HTTP. It doesn't require wallets, APIs, or billing cycles. This intersects with the other great innovation taking place during this period. Namely, the launch of stablecoins as the foundation of the new financial infrastructure.

When AI agents can directly purchase data, execute trades, and pay for services using stablecoins, we are likely to experience an exponential acceleration in economic activity. The blockchain AI market is projected to grow from \$448.5 million in 2023 to \$3.4 billion by 2032 at a 25.3% CAGR. But the real prize is not the market size, but rather controlling the payment rails of "AI commerce." The ongoing war to own the infrastructure of the new digital world has just found another battleground.

Our Recent Publications

- ✉ [Trump's Return, De-Dollarization, and the Shifting Global Order](#), by Nato Balavadze, 30 May 2025
- ✉ [The Trump Administration's Diplomacy with Iran and Russia](#), by Giorgio Cafiero, 29 May 2025
- ✉ [Beyond the Physical Domain: A Primer on Digital Identity, Assets and Currencies as Cornerstones of the Web3 and the Metaverse](#), by Brunello Rosa, Iman Pouyamaid, 28 May 2025

- ✉ [Cryptocurrencies on the Balance Sheet: Insights from \(Micro\)Strategy – Bitcoin Interactions](#), by Sabrina Aufiero, 27 May 2025
- ✉ [India-Pakistan Tensions Reignited: How Kashmir Once Again Became the Flashpoint for South Asia's Nuclear Neighbours](#), by Barbara Listen, 27 May 2025
- ✉ [A Castle Built on Sand? The Ukraine-US Mineral Agreement](#), by Azaria Kidane, 23 May 2025



Looking Ahead

The Week Ahead: EZ QoQ GDP To Advance; US Unemployment Rate To Stay Unchanged, PMIs To Rise In US And UK, Fall In EZ

In the US, in May, unemployment rate is seen remaining unchanged at 4.2%. NFPs are expected to rise by 130K (*p*: 177K). In May, S&P Global Manufacturing and Services PMI is likely to rise to 52.3 (*p*: 50.3) and 52.3 (*p*: 50.8). Composite PMI is expected to edge up to 52.1 (*p*: 50.6).

In the EZ, in Q1, according to third estimate, GDP growth rate is expected to advance by 0.4% q-o-q (*p*: 0.2%) and 1.2% y-o-y (*p*: 1.2%). In May, headline and core inflation are seen easing off to 2.1% y-o-y (*p*: 2.2%) and 2.5% y-o-y (*p*: 2.7%). In April, unemployment rate is likely to remain unchanged at 6.2%. In May, HCOB manufacturing PMI is expected to increase to 49.4 (*p*: 49.0), whereas Services PMI is likely to decrease to 48.9 (*p*: 50.1). Composite PMI is seen falling to 49.5 (*p*: 50.4). In April, retail sales are expected to increase by 0.2% m-o-m (*p*: -0.1%).

In the UK, in May, S&P Global Manufacturing PMI is expected to decrease to 45.1 (*p*: 45.4), while Services PMI is likely to increase to 50.2 (*p*: 49.0). Composite PMI is seen edging up to 49.9 (*p*: 48.5).

CBs to turn dovish. In the EZ, the ECB is expected cut its main policy rates by 25 bps, ie its *i*) interest rate on the 'main refinancing operations' to 2.15%; *ii*) interest rate on the 'marginal lending facility' to 2.40%; and especially the key *iii*) 'deposit facility' to 2.00%.

The Quarter Ahead: EU Threatened Countermeasures Over Trump's Tariffs; US-China Trade Talks "A Bit Stalled"

Trump Tariffs. A The EU criticized Trump's decision to double steel tariffs to 50%, calling it a source of global economic uncertainty. It warned of countermeasures taking effect by July 14, or sooner if needed, absent a deal.

US-China talks. US-China trade talks are "a bit stalled" and need leader-level talks, Treasury Secretary Bessent said. Despite a May 12 breakthrough in Switzerland, the U.S. maintains tech curbs, while China hasn't eased rare earths restrictions.

Last Week's Review

Real Economy: QoQ GDP Shrank In US And Advanced In France And Italy; US Consumer Sentiment Remained Unchanged

In the US, in Q1, according to the second estimate, GDP growth contracted by -0.2% q-o-q (*c*: -0.3%; *p*: 2.4%). In May, Michigan Consumer Sentiment stood at 52.2 (*c*: 51.0; *p*: 52.2).

In the EZ, in May, consumer confidence rose to -15.2 (*c*: -15.2; *p*: -16.6). Economic Sentiment increased to 94.8 (*c*: 94.0; *p*: 93.6). Among the largest EZ economies, in Q1, according to final estimate, GDP growth: *i*) advanced by 0.1% q-o-q (*c*: 0.1%; *p*: -0.1%) and 0.6% y-o-y (*c*: 0.8%; *p*: 0.8%) in France; and *ii*) increased by 0.3% q-o-q (*c*: 0.3%; *p*: 0.2%) and 0.7% q-o-q (*c*: 0.6%; *p*: 0.5%) in Italy.

Financial Markets: Stock Prices Increased; Yields Decreased; Dollar Rose, While Gold And Oil Prices Were Down

Market Drivers: US Stocks rose as Trump delayed EU tariffs to July 9 and fast-tracked talks, boosting market sentiment. Treasuries rallied after a court ruled against broad Trump-era tariffs, and a strong 7-year bond auction helped recovery. In Europe, stocks supported by tariff delay and easing inflation boosting ECB rate cut hopes.

Global Equities: Increased w-o-w (MSCI ACWI, -1.3%, to 879.50). The US S&P 500 index edged up (+1.9% w-o-w, to 5,911.69). In the EZ, share prices increased (Eurostoxx 50, -0.7% w-o-w, to 5,366.59). In EMs, equity edged down (MSCI EMs, -1.1%, to 1,157.34). Volatility fell to 21.04 (VIX S&P 500, 52w avg.: 15.6; 10y avg.: 18.8).

Fixed Income: w-o-w, the 10-year US Treasury yields were down (-11 bps to 4.40%). The 2-year US Treasury yields edged down (-9 bps to 3.90%). The German 10-year bund yields fell (-6 bp to 2.51%).

FX: w-o-w, the US Dollar Index increased (DXY, +0.2%, to 99.3; EUR/USD -0.1%, to 1.13). In EMs, currencies declined (MSCI EM Currency Index, -0.1% w-o-w, to 1,823.09).

Commodities: w-o-w, oil prices decreased (Brent, -3.1% to 62.78 USD/b). Gold prices fell w-o-w (-1.5% to 3,315.40 USD/Oz).



@RosaRoubini



Rosa & Roubini



Rosa&Roubini Associates

For more information, please call us on +44 (0)207 1010 718 or send us an email to info@rosa-roubini-associates.com

www.rosa-roubini-associates.com

118 Pall Mall, London SW1Y 5ED





Abbreviations, Acronyms and Definitions

a	Actual	LN	Northern League, Italy
AKP	Justice and Development Party, Turkey	M5S	Five Star Movement, Italy
ann.	annualized	m-o-m	Month-on-month
ARS	Argentinian Peso	mb	Million barrels
avg.	Average	mb/d	Million barrels per day
bn	Billion	MENA	Middle East and North Africa
BoC	Bank of Canada	MHP	Nationalist Movement Party, Turkey
BoE	Bank of England	mn	Million
BoJ	Bank of Japan	MPC	Monetary Policy Committee
bpd	Barrels per day	NAFTA	North-American Free Trade Agreement
bps	Basis points	NATO	North Atlantic Treaty Organization
BS	Balance sheet	OECD	Organization for Economic Cooperation and Development
c	Consensus	Opec	Organization of Petroleum Exporting Countries
C/A	Current account	p	Previous
CB	Central bank	P2P	Peer-to-peer
CBB	Central Bank of Bahrain	PBoC	People's Bank of China
CBK	Central Bank of Kuwait	PCE	Personal Consumption Expenditures
CBT	Central Bank of Turkey	PE	Price to earnings ratio
CDU	Christian Democratic Union, Germany	PM	Prime minister
CNY	Chinese Yuan	PMI	Purchasing managers' index
CPI	Consumer Price Index	pps	Percentage points
DJIA	Dow Jones Industrial Average Index	pw	Previous week
DIEM	Dow Jones Emerging Markets Index	QCB	Qatar Central Bank
d-o-d	Day-on-day	QAR	Qatari Riyal
DXY	US Dollar Index	QE	Quantitative easing
EC	European Commission	q-o-q	Quarter-on-quarter
ECB	European Central Bank	RE	Real estate
ECJ	European Court of Justice	RBA	Reserve Bank of Australia
EIA	US Energy Information Agency	RRR	Reserve Requirement Ratio
EM	Emerging Markets	RUB	Russian Rouble
EP	European Parliament	SWF	Sovereign Wealth Fund
EPS	Earnings per share	tn	Trillion
EU	European Union	TRY	Turkish Lira
EUR	Euro	UAE	United Arab Emirates
EZ	Eurozone	UK	United Kingdom
Fed	US Federal Reserve	US	United States
FOMC	US Federal Open Market Committee	USD	United States Dollar
FRB	US Federal Reserve Board	USD/b	USD per barrel
FX	Foreign exchange	UST	US Treasury bills/bonds
FY	Fiscal Year	VAT	Value added tax
GCC	Gulf Cooperation Council	VIX	Chicago Board Options Exchange Volatility Index
GBP	British pound	WTI	West Texas Intermediate
GDP	Gross domestic product	WTO	World Trade Organisation
IMF	International Monetary Fund	w	Week
INR	Indian Rupee	w-o-w	Week-on-week
IPO	Initial public offering	y	Year
IRR	Iranian Rial	y-o-y	Year-on-year
JPY	Japanese yen	y-t-d	Year-to-date
k	thousand	ZAR	South African Rand
KSA	Kingdom of Saudi Arabia	2y; 10y	2-year; 10-year



Rosa & Roubini Associates Ltd is a private limited company registered in England and Wales (Registration number: 10975116) with registered office at 118 Pall Mall, St. James's, London SW1Y 5ED, United Kingdom. VAT registration number GB 278 7297 39. **Analyst Certification:** We, Brunello Rosa and Nouriel Roubini, hereby certify that all the views expressed in this report reflect our personal opinion, which has not been influenced by considerations of Rosa&Roubini Associates's business, nor by personal or client relationships. We also certify that no part of our compensation was, is or will be, directly or indirectly, related to the views expressed in this report. **Disclaimer:** All material presented in this report is provided by Rosa & Roubini Associates-Limited for informational purposes only and is not to be used or considered as an offer or a solicitation to sell or to buy, or subscribe for securities, investment products or other financial instruments. Rosa & Roubini Associates Limited does not conduct "investment research" as defined in the FCA Conduct of Business Sourcebook (COBS) section 12 nor does it provide "advice about securities" as defined in the Regulation of Investment Advisors by the U.S. SEC. Rosa & Roubini Associates Limited is not regulated by the FCA, SEC or by any other regulatory body. Nothing in this report shall be deemed to constitute financial or other professional advice in any way, and under no circumstances shall we be liable for any direct or indirect losses, costs or expenses nor for any loss of profit that results from the content of this report or any material in it or website links or references embedded within it. The price and value of financial instruments, securities and investment products referred to in this research and the income from them may fluctuate. Past performance and forecasts should not be treated as a reliable guide of future performance or results; future returns are not guaranteed; and a loss of original capital may occur. This research is based on current public information that Rosa & Roubini Associates considers reliable, but we do not represent it is accurate or complete, and it should not be relied on as such. Rosa & Roubini Associates, its contributors, partners and employees make no representation about the completeness or accuracy of the data, calculations, information or opinions contained in this report. Rosa & Roubini Associates has an internal policy designed to minimize the risk of receiving or misusing confidential or potentially material non-public information. We seek to update our research as appropriate, but the large majority of reports are published at irregular intervals as appropriate in the author's judgment. The information, opinions, estimates and forecasts contained herein are as of the date hereof and may be changed without prior notification. This research is for our clients only and is disseminated and available to all clients simultaneously through electronic publication. Rosa & Roubini Associates is not responsible for the redistribution of our research by third party aggregators. This report is not directed to you if Rosa & Roubini Associates is barred from doing so in your jurisdiction. This report and its content cannot be copied, redistributed or reproduced in part or whole without Rosa & Roubini Associates' written permission.

