



## 3 Reasons Ethereum Is About to Skyrocket

### Description

While Bitcoin gets all the attention, its peer has had a much better run over the past year. Ethereum's value has surged 1,272% since March 2020. Meanwhile, Bitcoin is up only 806% over the same period.

This year, Bitcoin's smaller rival could widen the gap in performance. Three emerging trends could push the value of Ethereum much higher, which is why investors should watch the lesser-known crypto.

### Visa adoption

Yesterday, payments juggernaut **Visa** announced it would start settling transactions in cryptocurrency. The company has partnered with Crypto.com to pilot a settlement layer based on the Ethereum network.

With over 200 markets and compatibility with 160 currencies, the global Visa network is the largest payment platform in the world. The company processes 65,000 transaction messages *every second*. If the pilot project is successful, many of those transactions could be shifted to the Ethereum network.

As usage expands, the value of the underlying ETH is likely to skyrocket. However, payments are just one of the many ways this blockchain could be useful. Over the past year, Ethereum has seen immense adoption in another sector of the economy — digital art.

### NFTs

[Non-fungible tokens \(NFTs\)](#) are based on the Ethereum network. These are easy-to-create digital pieces of art that can be stored, bought, or sold like digital collectibles. Think of trading cards, limited edition books or exclusive soundtracks that live on the blockchain.

In 2020, the National Basketball Association adopted the technology to create TopShots — a marketplace to buy and trade moments from live games. Imagine buying an NFT video of Michael Jordan's first slam dunk and seeing the value of your collectible appreciate as Jordan became a superstar.

My example isn't perfect because I'm not into sports, but you get the idea. NFTs are already starting to gain mainstream adoption. If this continues, the Ethereum network could be the bedrock of an entirely new industry worth several billions of dollars.

While adoption and usage is surging, the developers of this cryptocurrency are about to cut supply drastically.

## Supply cut

The upcoming Ethereum Improvement Proposal (EIP) 1559 upgrades the system to lower the costs of transactions. If implemented, EIP 1559 will eliminate some ETH every time a transaction occurs. This helps maintain a low, flat fee for activity on the network. However, it also reduces circulating supply, which should boost the value of ETH.

The culmination of these two demand-side and one supply-side factor should propel ETH to the stratosphere in the months ahead.

## How to buy Ethereum

Canadian investors can add ETH to their portfolio directly via brokerages like WealthSimple. However, if you want to hold crypto in your Tax-Free Savings Account (TFSA) or Registered Retirement Savings Plan (RRSP), **the Ether Fund** (TSX:QETH.U) is your best option.

Each unit of the fund represents 0.01756762 ETH. That makes it a convenient, cost-effective way to add exposure without dealing with the complexities of cold storage, transaction fees, or tax implications of crypto.

## Bottom line

The Ethereum network is poised for higher demand and lower supply, which could magnify its value. Add the Ether Fund to your portfolio for exposure.

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1. Investing

**Date**

2025/07/23

**Date Created**

2021/03/30

**Author**

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