



## Dogecoin: Why Is It Up a Shocking 4,310.07% in 2021?

### Description

In the last 12 months, the cryptocurrency industry has gained major momentum on the back of many billionaires, high-profile investors, and institutional support. Elon Musk-led the charge for [surging Bitcoin prices](#) when **Tesla** pumped US\$1.5 billion into the cryptocurrency. Another cryptocurrency he has often tweeted about is Dogecoin, a digital asset that is enjoying a remarkable run.

Led by the likes of Bitcoin and Ethereum, the entire cryptocurrency space has blown up this year. Dogecoin has been of particular interest recently. A cryptocurrency created as a joke based on a 2013 meme of a Shiba Inu, Dogecoin managed to provide more returns in a few months than the entire **S&P 500 Index** did in three decades.

What's happening right now?

Dogecoin was up by an incredible 6,500% year to date on April 20, 2021, after declining to around 4,300% in two days. I will discuss the shocking surge for this cryptocurrency and whether it would be wise to buy Dogecoin or another asset to grow your wealth.

### With great memes comes great responsibility

The Dogecoin surge is not the first user-based frenzy we have seen this year. Bitcoin, Ethereum, Gamestop, and even Non-Fungible Tokens (NFTs), which have seen prices as high as US\$69 million for digital art, have all surged this year without fundamentals to back the appreciation.

As absurd as it may sound, the common ground for all these assets' growth has been memes. Groups of traders on social media platforms like Reddit and others have pumped these assets. As the prices rise, more traders are attracted to them, sending prices skyrocketing in a feedback loop.

These meme traders often decide on a specific price that they want for a stock or cryptocurrency and begin pumping the asset to reach it. Another example of such an occurrence is Bitcoin backers who have changed their Twitter profile pictures.

Their pictures have laser rays in their eyes to back the phrase “laser rays until \$100k,” meaning they are targeting the US\$100,000 valuation for Bitcoin. There is no symbolic meaning behind the laser eyes. It is just a meme to garner collective support for the mission to pump Bitcoin’s valuation.

We have seen that asset valuations for cryptocurrencies do not need fundamentals to move.

In a similar manner, the anticipation for “DogeDay” on April 20 coincided with the mission for Dogecoin holders to send the price up to \$1. Endorsements from Elon Musk and other celebrities, along with a successful direct listing of Coinbase, have also fueled this massive surge.

## When will the bubble burst?

Like any investment, there may be few players holding a large pile of these digital assets. If people holding Dogecoin begin dumping their holdings, it could lead to a significant decline. That is what appears to be happening right now with Dogecoin.

It is too early to say whether this is a premeditated pullback designed to attract more investors to buy on the dip or the bubble finally bursting. However, an over 2,000% decline in a matter of days is not something you should take lightly. People are investing in cryptocurrencies to get rich quickly and hedge against inflation, but there are no shortcuts to become wealthy.

## Foolish takeaway

There are better ways to hedge against inflation than risking your money on speculative assets that are dramatically volatile. Investing in a [reliable income-generating asset](#) that keeps increasing its payouts like **Fortis Inc.** ([TSX:FTS](#))([NYSE:FTS](#)) could be a far better bet for you.

Fortis is a Canadian Dividend Aristocrat with an almost 50-year dividend growth streak. The company relies on its highly regulated and contracted assets to generate predictable revenues. Its services are crucial for every industry, which means that Fortis can continue creating cash flows regardless of economic conditions.

The company has successfully managed to use its cash flows to fund its expansion and growing payouts to shareholders through several harsh economic landscapes. Investing in Fortis means that you can secure passive income that is reliable, predictable, and grows consistently over the years.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. TSX:FTS (Fortis Inc.)

## **PARTNER-FEEDS**

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

## **Category**

1. Dividend Stocks
2. Energy Stocks
3. Investing

## **Date**

2025/09/12

## **Date Created**

2021/04/26

## **Author**

adamothman

default watermark

default watermark