



## Dogecoin vs. Ethereum: Which Cryptocurrency Is a Better Bet Right Now?

### Description

It's difficult to imagine Dogecoin as a lucrative cryptocurrency investment. It was started as a joke back in 2013 and has gained close to 8,000% year to date. These staggering returns can be attributed to Elon Musk (also known as the "Dogefather"). Musk has repeatedly tweeted about Dogecoin in the last year. Recently he also conducted a poll on Twitter asking followers if SpaceX should accept Dogecoins as payments.

The staggering rally has attracted thousands of investors looking to derive exponential gains. But, as is the case with every bubble, you can make money if you book profits and exit the markets at their peak.

### Why I am bearish on Dogecoin

Bitcoin and most other cryptocurrencies have a limited number of coins that can be mined. However, Dogecoin has no such restriction. While Musk has bought thousands of dollar's worth of Dogecoin, its poor economics render it a currency that is all set to crash, burning investor wealth in the process.

There is a total of 129.7 billion Dogecoins in circulation. Further, just 13 wallets control around 50% of the crypto's supply, exposing it to pump-and-dump schemes. In the recent cryptocurrency sell-off, the price of Dogecoin fell from \$0.7376 to its current price of \$0.3423.

Dogecoin bulls argue that the digital asset's low transaction fees and a rise in adoption rates make it a top bet. Alternatively, Dogecoin handles just 50,000 transactions daily compared to 700 million transactions for payment technology companies such as **Visa** and **Mastercard**. Further, just over 1,000 businesses accept Dogecoin as a form of payment; there are also other cryptocurrencies with lower transaction fees.

The primary aim of Bitcoin and other cryptocurrencies was to create a decentralized network. However, with 67% of all Dogecoins owned by 99 addresses, it is far from being a decentralized coin and can easily be subject to price manipulation.

## Ethereum is a better cryptocurrency right now

Ethereum is the second-largest cryptocurrency in the world in terms of market cap. While Elon Musk raised concerns over the [high mining prices of cryptocurrencies](#) that contributed to the sell-off in the last week, ongoing breakthroughs might help reduce energy use and carbon footprint at a rapid pace.

According to this [BNN Bloomberg report](#), Ethereum operates "...using a proof-of-work system that requires a global network of computers running around the clock. Software developers at Ethereum have been working for years to transition the blockchain to what's known as a proof-of-stake system, which uses a totally different approach to secure the network that also eliminates the carbon emissions issue."

Ethereum 2.0 should be launched within the next year and its energy consumption will be 99.95% lower compared to the current technology. The Ethereum blockchain tech is also the foundation for DeFi (decentralized finance) and non-fungible tokens.

Now, Canadians can buy and hold Ethereum in their Tax-Free Savings Account (TFSA) and benefit from tax-free gains. Ethereum's price is down 30% from record highs, providing cryptocurrency enthusiasts a chance to buy the dip.

One way to do so is to buy the **Purpose Ether ETF** which was launched in April 2021. This fund looks to buy and hold Ether and provide investors with an opportunity for long-term capital appreciation.

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