



## Ethereum vs. Litecoin: Which Cryptocurrency Is a Good Bet Right Now?

### Description

The rally in the cryptocurrency space has come to a screeching halt in the last three months. Most major currencies including Bitcoin and Ethereum are down 50% from record highs. But like any other asset class, a price decline provides a buying opportunity for investors who are bullish on the long-term prospects of this highly disruptive industry.

Let's see if crypto investors should remain optimistic about Ethereum or Litecoin right now.

### Litecoin is down 70% since May

Litecoin has burnt massive wealth in the last two months and has lost close to 70% in market value since the start of May 2021. This sell-off can be attributed to the crackdown of cryptocurrencies by China as the country has enforced bans on the mining and trading of these digital assets.

However, in case several countries and businesses legalize cryptocurrencies, you can expect Litecoin and peer digital coins to gain momentum over the upcoming decade. [Litecoin price predictions show](#) that it might trade between US\$200 and US\$250 by the end of 2021. This cryptocurrency is forecast to reach between \$500 and \$600 in the next year and between US\$1,000 and US\$2,000 in the next three years.

Litecoin was launched back in 2011 and was based on Bitcoin. It was created to provide secure, fast, and low-cost payments to users. Currently, Litecoin has a block time of 2.5 minutes and its transaction fees are extremely low, making the cryptocurrency ideal for micro-transactions as well as point-of-sale payments.

Litecoin is currently the 13th largest cryptocurrency and is valued at a market cap of US\$7.5 billion.

### Ethereum has multiple use-case advantages

While the adoption of cryptocurrencies has gained pace in the last two years, Ethereum remains well

poised to lead the market. Ethereum has lost over 55% in market value since touching a record high earlier this year. At the time of writing, Ethereum is valued at a market cap of \$212 billion and is the second-largest cryptocurrency right now after Bitcoin.

The Ethereum blockchain is the foundation for decentralized finance (DeFi) as well as non-fungible tokens or NFTs. Ethereum is also looking to reduce energy consumption drastically as it will transition from a proof-of-work to a proof-of-stake mechanism shortly.

While investors looking to gain exposure to Litecoin will have to buy the cryptocurrency on an authorized exchange, Canadians can hold Ethereum in their Tax-Free Savings Account (TFSA) by [purchasing ETFs](#) such as the **CI Galaxy Ethereum ETF** and the **Purpose Ether ETF (ETHH)**.

Here, investors can buy the ETHH ETF which in turn purchases physical Ether. So, you basically own the ETF that owns Ether. The Purpose Ether ETF has \$147.4 million in assets under management and owns 61,182.87 Ether as of July 16, 2021. The ETF provider confirmed it has capped the management expense ratio at 1.5%. In case it falls below 1.5%, the savings will be passed to the investor.

The Purpose Ether ETF was launched in April and touched a record high of \$19.78 in May. It's now trading at \$8.60.

## The Foolish takeaway

We can see both Litecoin and Ethereum have lost massive value since May making them solid contrarian bets right now. However, given its leadership position in DeFi as well as the upcoming update, Ethereum seems a better long-term bet right now.

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araghunath

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