



SHIBA INU: This Cryptocurrency Has Turned \$100 Into \$5 Million in the Last Year!

Description

Cryptocurrencies have gained immense popularity as an asset class in the last decade. Several digital assets have generated exponential gains driven by the widespread adoption at the global level as well as due to tweets by eminent personalities such as Elon Musk and Vitalik Buterin.

One [cryptocurrency](#) called SHIBA INU has increased by 50,000 times in the last 15 months, which means it has managed to turn a \$100 investment into \$5 million. Launched in August 2020, SHIBA INU is a meme coin and has marketed itself as a Dogecoin killer. On the first day of trading, one SHIBA INU coin was priced at \$0.00000000051 per token, and it's currently trading at \$0.00002571 per token.

Last month, the world's largest crypto exchange, **Coinbase**, listed SHIBA INU on its platform, which resulted in a 40% increase in its token price in the next two days. Right now, SHIBA INU is valued at a market cap of \$15.68 billion, making it the 13th-largest cryptocurrency in the world.

Key drivers for SHIBA INU's price rise

While there are 21 million Bitcoins available to mine, the number of SHIBA INU tokens is capped at one quadrillion coins. Earlier this year, Elon Musk's **Tesla** disclosed the company now holds Bitcoin on its balance sheet, which drove cryptocurrency prices higher. Musk also adopted a shiba inu breed dog, tweeting about it on a number of occasions, which contributed to the astonishing gains in the digital asset.

Moreover, ShibaSwap is a decentralized exchange that was launched in early 2021. Now, investors can stake their SHIBA INU token to earn interest, which will also encourage traders to hold onto their investments for a longer period of time, reducing price volatility in the process.

Why SHIBA INU remains a high-risk investment

Despite its staggering returns, investors should note that adding SHIBA INU to their crypto portfolio

carries significant risks. The cryptocurrency space is unregulated and is prone to manipulation. But these risks are exacerbated for SHIBA INU, given the token's lack of real-world utility.

A report from Cryptwerk stated that [just 91 businesses accept SHIB](#) as a form of payment, and the U.S. alone has over 30 million businesses. Comparatively, Dogecoin is accepted by 1,700 businesses, including **AMC Entertainment**.

Further, Coinbase data indicates the average holding period for the token is around 13 days, which shows us traders are primarily buying the digital asset to make a quick buck and do not view it as a reliable long-term investment.

What's next for investors?

The less-than-impressive adoption numbers for SHIBA INU as well as the low holding period does not inspire much confidence. There are close to 13,000 cryptocurrencies in existence and this number will continue to surge higher in the future, increasing the pressure on SHIBA INU to stay relevant.

SHIBA INU does not provide a competitive edge in terms of transaction costs or processing times. The token is currently held by just over 7,50,000 users compared to 10 million for Ethereum and 76 million for Bitcoin. Additionally, 82% of all SHIB tokens are controlled by the top 100 accounts, which compromises the idea of a decentralized currency, making it a risky bet right now.

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