



3 Cryptocurrencies That Might Outperform Bitcoin in 2022

Description

The last 18 months have seen a significant rally in several cryptocurrencies including Bitcoin. The most popular digital asset touched a record high of US\$67,000 last week and is now up over 1,000% since March 2020, valuing it at a market cap of US\$1.14 trillion at the time of writing. Bitcoin has more than doubled in 2021 due to the rise in institutional investment and widespread adoption all over the world.

Right now, Bitcoin is viewed as an alternative asset class and is considered similar to “digital gold,” which means it should gain popularity in the current economic environment, which is inflationary, volatile, and uncertain.

But there might be other [cryptocurrencies](#), such as Cardano, Solana, and Ethereum, that could outpace Bitcoin in 2022 and beyond. Let’s see why each of them might gain traction in the future.

Ethereum

Ethereum is poised for explosive growth in the upcoming decade, as the blockchain network has already gained favour in multiple verticals, such as DeFi (decentralized finance) and NFT (non-fungible tokens). The Ether token is the second-largest cryptocurrency in the world, valued at a market cap of US\$494 billion.

Further, several cryptocurrencies and smart-contract services are built on the Ethereum blockchain, which increases the utility of the Ether token. Ethereum users will soon be allowed to stake their tokens to verify transactions, resulting in a decline in the amount of energy used by the blockchain. According to the Ethereum Foundation, the total energy consumed across the blockchain network is estimated to decline by 99.95%.

An investment of \$1,000 in Ether at the start of 2020 would be worth close to \$31,500 today, easily surpassing Bitcoin returns in this period.

Solana

A cryptocurrency that has gained 12,500% in market value this year, Solana is currently the sixth-largest digital asset with a market cap of US\$61.23 billion. It has emerged as one of the hottest altcoins this year, as Solana's blockchain scores highly in aspects of scalability and speed.

In fact, the [blockchain network processes](#) 1,000 to 2,000 transactions each second, and the average cost per transaction is less than \$0.01. Similar to Ethereum, the Solana blockchain is also used for applications such as DeFi and NFTs. But the Ethereum network can handle between 10 to 15 transactions per second, which pales in comparison.

Solana has also been chosen by FTX to facilitate derivatives trading. FTX is the 17th-largest cryptocurrency exchange in the world with a trading volume of US\$2.4 billion.

Cardano

Cardano is the fourth-largest cryptocurrency in the world with a market cap of \$71.48 billion. The cryptocurrency was launched back in 2016, and the ADA token is up almost 2,300% in the last year. Cardano is one of the largest blockchain networks that uses a proof-of-stake mechanism, making it far less energy-intensive compared to Bitcoin and Ethereum.

In September, Cardano launched the Alonzo hard fork, which ended the Shelley era and started the next phase, also known as Goguen, [according to CoinMarketCap](#). Now, users can easily deploy smart contracts on Cardano, which suggests decentralized applications can be built on the blockchain network, making it a direct competitor to Ethereum.

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