



SOL: Why I'm Bullish on the Long-Term Potential of Solana Right Now!

Description

As an alternative asset class, cryptocurrencies have managed to generate significant interest in the last 18 months due to their ability to generate exponential gains within a few years. We have seen how [meme-based cryptocurrencies such as SHIBA INU](#) and Dogecoin have exploded in the last year. But there is another digital asset with real-world utility that has been flying under the radar until now.

Solana is currently the sixth-largest cryptocurrency in the world and has gained a staggering 12,500% year to date. So, \$500 invested in Solana at the start of 2021 would be worth close to \$65,000 right now.

What is Solana?

Solana is a decentralized blockchain network that is built to allow scalable, user-friendly applications. It claims to be the fastest blockchain in the world, allowing Solana to expand its ecosystem at a rapid rate. This network has already attracted over 400 projects across verticals such as Decentralized Finance (DeFi) and NFTs (non-fungible tokens).

The Solana blockchain [can compute over 1,000 transactions per second](#) and has since processed over 35 billion transactions to date. The average cost per transaction is also low at \$0.00025.

One of the key reasons for the rising popularity of Solana is that it ensures composability between projects by maintaining a single-layer global state. This scalability also ensures transaction costs remain less than \$0.01 for developers and users.

Some of Solana's big-ticket wins include the following:

- Audius: a decentralized streaming service that has over five million monthly active users who chose to migrate to Solana due to its scalability.
- A consortium of partners led by FTX Research launched Serum, which is a non-custodial decentralized exchange that's built on the Solana blockchain. The average daily volume is \$80 million, and Serum's total transactions have exceeded \$4.3 billion.

- USDC, the largest stablecoin ecosystem in the world, chose Solana for fast settlement.
- Metaplex , which empowers creators to engage audiences via custom NFTs storefronts and low-cost minting, is also run on the Solana blockchain.

What's next for SOL investors?

Public blockchains have allowed individuals with an internet connection to access digital markets. The global financial system has the potential to become more efficient and democratized by leveraging blockchain networks. However, legacy blockchains are slow with high transaction fees preventing this highly disruptive ecosystem from reaching its full potential.

We have seen that Solana is successfully increasing the adoption of its blockchain due to its fast, low-cost, and scalable network. It empowers developers to rapidly develop applications by using composable building blocks.

The long-term potential for Solana is mouth-watering given that the total value locked, or the sum of assets deposited in DeFi protocols on the platform, has already touched US\$10 billion.

This blockchain is not only attracting DEX platforms but borrowing and lending players as well due to the above-mentioned advantages. The number of decentralized applications built on Solana has surpassed 200 this year, which is still lower compared to almost 3,000 applications built on the Ethereum blockchain. However, Solana is well poised to gain traction and rise as a worthy competitor to Ethereum.

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