



Shiba Inu: Is the Party Over or Is it Just Getting Started?

Description

As Foolish investors, we're always on the lookout for the best [growth stocks](#) on the market right now. However, alternative asset classes, such as cryptocurrencies, are making a tremendous amount of noise right now. The returns of a crypto token like **Shiba Inu** ([CRYPTO:SHIB](#)) are certainly hard to ignore.

Shiba Inu was introduced in August 2020 by the pseudonym Ryoshi, which can refer to a single or group of individuals. With an astronomical growth rate of approximately 70,000,000% over the past year, Shiba Inu has made a number of investors who have put a small amount of capital to work very rich, very fast.

However, since peaking in October, SHIB tokens have since lost nearly half their value at the time of writing. Accordingly, many holding these meme tokens may be worried. After all, what goes up hyper-fast, can also go down at the same speed.

Let's dive into whether this run in SHIB is really over or not.

It's really hard to call a top

Zooming out and looking at the chart of Shiba Inu, a few things are abundantly clear. This is a token that has astronomically increased in value in very short spurts. However, what's also notable is the fact that this is really the token's second massive rally.

Earlier in May, SHIB went parabolic, surging to new all-time highs at the time. However, this token did sell off violently in the weeks and months after, before going on this latest run through the end of October.

Those who held and did nothing since the beginning of the year are better off for it. However, it's clear that this is a token that's still driven mainly by momentum. Since going parabolic earlier this year via tweets from celebrity CEO Elon Musk, this token settled down before going on another momentum-driven rally.

Whether this community-based token can succeed long term remains to be seen. However, one thing's for sure. This token is one that's certainly hard to call a top on.

Bottom line

For investors looking for higher-risk, higher-return assets, Shiba Inu is certainly an enticing option. However, this meme token is also one that carries a substantial amount of risk.

Those who have held this token for the past few months may do well to take a little risk off the table. After all, it's a long-term investing game. And ensuring one has capital reserves to invest in the next big idea is a good idea. Diversification is a good thing, and holding too much of any asset can be problematic over the long term.

Right now, I'm happily watching how things play out on the sidelines. Indeed, Shiba Inu will be an intriguing cryptocurrency to watch from here.

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chrismacdonald

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