



Shiba Inu Coin: I'm Not Buying

Description

Shiba Inu Coin has been one of the breakout meme coins of 2021. The cryptocurrency has rallied several million percentage points since it was first offered, with most of the gains occurring this year.

SHIB's gains may have been triggered by the hype surrounding Dogecoin. Earlier in the year, **Dogecoin** staged a legendary rally thanks to publicity from Elon Musk. After the Dogecoin boom went bust, traders went looking elsewhere for crypto gains. SHIB was a major beneficiary of the trading, rallying immediately after DOGE tanked.

The perception that these two events were related is corroborated by the fact that Shiba Inu Coin's branding is similar to DOGE's own. Both coins use the Japanese Shiba Inu dog as their mascot, and their communities tend to share memes based on the popular Doge template.



Doge, the inspiration for both Dogecoin and Shiba Inu Coin.

This all looks very promising. But I'm *still* not buying SHIB. The token [has been trending downward for three weeks now](#); in this period it has declined about 50%. Past results don't always indicate future results, but the recent trend has been undeniably bearish. For me, this is simply too risky of an asset to invest in. In this article, I will explain why I feel that way about 2021's hottest meme coin.

Extreme volatility

The biggest strike Shiba Inu coin has going against it is volatility. We can't calculate a beta coefficient for SHIB because there is no meaningful benchmark to compare it to. But suffice it to say, when an asset rises several million percent before falling 50%, [it's pretty volatile](#). Certainly, it's more volatile than the **S&P 500 Composite Index**. While there's always a chance that SHIB will go on another market-beating rally, there's also the chance that the current selloff will continue until SHIB is worth nothing. And since the coin has no fundamentals to speak of, the technicals are all you have.

Not much real-world use

Another big problem with Shiba Inu Coin is that it is seeing almost no real-world use as a currency. Unlike **Bitcoin**, which is increasingly accepted by major retailers, Shiba Inu is barely accepted by anybody. The U.S. *Sun* has a list of retailers who accept SHIB, but none of them are big companies you've heard of. Movie theatre giant **AMC Entertainment** has said that it will start accepting the coin, but it remains to be seen how that will play out.

Many companies have attempted to accept crypto only to find that the volatility or fees were too much to cope with. U.S. video game developer Valve was one noteworthy example. It started accepting Bitcoin a few years ago but ended support for it after the volatility proved excessive.

Could this crypto play be better?

As I've shown in this article, Shiba Inu Coin is too volatile and too lacking in real-world use for me to invest in it. I won't be buying it any time soon. With that said, I'm not opposed to crypto in principle. I would seriously consider [investing in crypto stocks](#) like **HIVE Blockchain Technologies** ([TSXV:HIVE](#))(NASDAQ:HVBV) if the price was right. HIVE is a mining company that mines BTC and ETH. The fact that it mines two different coins gives it a certain kind of "diversification."

If either BTC or ETH goes up, HIVE can grow its revenue even if the other trades flat. Additionally, the company uses cold climate data centres to reduce cooling costs, which helps improve its margins. In its most recent quarter, HIVE posted solid increases in mining income and earnings. In my opinion, it is a better crypto play than Shiba Inu.

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