



Should Investors Buy Shiba Inu Right Now?

Description

Investors are always seeking [growth](#) opportunities in the equity market. That said, another asset class — i.e. cryptocurrencies — are attracting a lot of interest from investors. Investors in high-risk, high-reward cryptocurrencies such as **Shiba Inu** ([CRYPTO:SHIB](#)) have outperformed equity investors by a very wide margin of late.

Now, the momentum-driven rise many of these meme tokens have seen has been one heck of a ride for investors. Whether this momentum can continue is something that's certainly debatable.

Accordingly, let's take a look at why some investors may still consider Shiba Inu right now, despite the inherently higher risk profile of such an investment.

Shiba Inu has an impressive community

In the crypto world, the value of a given token or network is hard to define. Generally speaking, the utility or value created for users of a token or network is a key factor investors take into consideration. For Shiba Inu, the use cases for this cryptocurrency are relatively limited right now.

However, what most Shiba Inu bulls point to as a reason to own this cryptocurrency is the strong community underpinning SHIB. This is a token that has garnered an incredible following. And while well more than 10,000 cryptocurrencies exist, all anyone wants to talk about right now is Shiba Inu.

That's no accident. Brought to popularity following the rise of dog-themed cryptocurrency **Dogecoin**, Shiba Inu rose to prominence following various Elon Musk tweets. Over the past year, this cryptocurrency has soared approximately 70,000,000%. That's an incredible return for investors in a very short amount of time.

Now, many investors certainly had reason to take profits along the way up. Accordingly, those still holding onto Shiba Inu hoping for greater returns ought to be given a round of applause. However, this token's community is what keeps many investors in Shiba Inu right now. It's still a [top-15](#) cryptocurrency for a reason.

There are many risks

However, like any cryptocurrency, there are a set of risks with owning Shiba Inu that ought to be taken into consideration. This isn't an investment that most investors see as a long-term hold. Rather, Shiba Inu is widely viewed as a lottery ticket by speculators and a volatile asset to trade for day traders.

Accordingly, Foolish investors will certainly want to take extreme caution with this token right now. Putting some funny money to work is one thing. But betting the farm on a token like this is something that's definitely not advised.

Bottom line

Shiba Inu has shown the ability to provide substantial returns for investors. However, given how violent this appreciation has been this year, and the current market cap of this token, it's hard to make the argument Shiba Inu could provide a repeat this year.

That said, anything can happen in the crypto world. Indeed, Shiba Inu will remain a top crypto to watch through the end of this year and into 2022.

CATEGORY

1. Cryptocurrency
2. Investing

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chrismacdonald

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