



Could Dogecoin Be an Attractive Speculative Pick?

Description

Among the [growth](#) sectors most appealing to investors seeking higher-risk investments with the potential for sky-high returns is the crypto space. In this space, **Dogecoin** ([CRYPTO:DOGE](#)) has emerged as an investment that has provided such life-altering returns for investors in a very short amount of time.

However, the question is whether this meme token is worth the risk right now. After all, many other high-profile growth stocks are currently trading at valuations that perhaps make more sense.

Let's dive in.

What is going on with Dogecoin?

Dogecoin, launched in 2013, seems to ride on its first-mover advantage in the meme token space. This token is actually among the oldest cryptocurrencies out there and is considered, by and large, to be "old" by crypto standards. Many cryptocurrencies launched a year or two ago are included in the top 50 list.

However, Dogecoin didn't really rise to prominence until this year. A series of famous tweets from Elon Musk, and a rush into the more speculative depths of the crypto world has meant that DOGE is currently approximately 100 times where it was a year ago. That's some impressive growth.

Of course, like any highly speculative asset, Dogecoin has also seen impressive volatility during its rise to prominence. Currently, this meme token is down nearly 70% from its peak earlier this year.

This volatility makes for a difficult investment thesis for more conservative investors. While those seeking risk will note that this potential downside is part of the game, it's also worth noting that Dogecoin's market capitalization is massive. Currently, Dogecoin takes [10th spot](#) in the crypto rankings by market capitalization, as of this morning.

What now for DOGE?

Indeed, the price action for DOGE of late has been rather bearish. Currently, this token trades for around \$0.22 apiece. However, this token had been relatively range-bound in the \$0.25-\$0.30 range for some time.

A number of factors have boosted Dogecoin over the short term in recent weeks. However, most rallies for this meme token have been short-lived in nature. This is a token that's been on a downtrend since May, suggesting capital is rotating toward less-speculative cryptocurrencies.

There's certainly a lot to like about the crypto space from a growth perspective. However, investors right now appear to be gravitating toward tokens with greater utility as long-term investments. To me, Dogecoin right now appears more like a trading vehicle than a long-term investment.

That said, this market is one that never fails to amaze. Investors considering Dogecoin ought to be aware of the extremely high level of risk with this token. However, until investors transition from lottery ticket investing to slow-and-steady value investing, this token could indeed continue to run.

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