



## AVAX: Which Crypto Is the Next to Pop?

### Description

In the last 15 months, several [cryptocurrencies](#) have generated staggering returns to investors. For example, \$100 invested in Shiba Inu back in April 2021 would now be worth over \$25,000 today. Similarly, digital tokens such as **Dogecoin** and **Solana** have also returned 5,900% and 12,000%, respectively, in the last year.

However, there is another cryptocurrency in **Avalanche** that is flying under the radar but has the potential to generate significant returns to investors. The digital token of the Avalanche blockchain network is called AVAX; it has gained close to 3,000% since November 2020. At the time of writing, AVAX is now the 11th-largest cryptocurrency in the world valued at a market cap of \$26.6 billion.

Let's see why I remain bullish on this cryptocurrency right now.

### What is the Avalanche cryptocurrency?

The [Avalanche blockchain](#) is an open, programmable network that makes the platform ideal to execute smart contracts for decentralized applications, or dApps. Its transactional throughput stands at more than 4,500 tps (transactions per second) which is significantly higher compared to other networks, including **Ethereum** and **Polkadot**.

For example, Ethereum has a transactional throughput of 14 tps, while this figure for Polkadot stands at 1,500 tps. This metric basically defines the number of transactions each second. Its transaction finality is also low at less than two seconds compared to 60 minutes for **Bitcoin** and six minutes for Ethereum.

Avalanche claims the deployment of smart contracts on its platform is just one-tenth of the cost compared to Ethereum. So, users don't have to worry about high gas fees, front-running, or other adverse effects that impact legacy smart contract blockchain networks.

Further, Avalanche virtual machines allow developers to launch blockchains with several application-specific features. The Ethereum virtual machine also runs on Avalanche, and the latter is expected to

expand its ecosystem going forward.

Most blockchain experts believe network interoperability will be the next big game changer. The Avalanche Bridge allows easy integration of Avalanche and Ethereum assets between the two blockchains.

Moreover, Avalanche claims to be one of the best verifiable platforms for institutions as well as governments. You can easily launch assets and build applications on the Avalanche blockchain that focuses on security and compliance.

## Will the AVAX token break into the top 10?

Cryptocurrencies gain traction on the back of the utility of their underlying networks or any news surrounding upgrades or partnerships. This, in turn, will increase the demand for the AVAX token, driving prices higher over time.

Earlier this month, Deloitte disclosed [a strategic alliance](#) with Ava Labs, which is an Avalanche developer, to launch a disaster recovery platform by leveraging the Avalanche blockchain. The primary aim is to enable state governments showcase their eligibility to get federal emergency funding. Such use cases have the potential to add significant value to the economy.

There is a good chance for the AVAX token to gain momentum especially if the blockchain network can continue to onboard projects and expand its use cases. However, similar to other cryptocurrencies, AVAX is also prone to volatility, which exacerbates the risks associated with this asset class. It's advisable to invest as much amount as you can afford to lose in your crypto portfolio.

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