



Will Ethereum Surge in December?

Description

It looks like the dip in cryptocurrency may be over. After a number of cryptocurrencies fell around in mid-November, shares of digital tokens, including **Ethereum** ([CRYPTO:ETH](#)), started to rally. After falling about 17%, Ethereum shares are now back towards all-time highs. This could lead to a major surge in December, on the back of several pieces of good news for Motley Fool crypto enthusiasts.

Companies sign off on crypto

Cryptocurrency continues to gain traction, as company after company allows customers to use digital [tokens](#). Ethereum can now be used for everything from making purchases online to buying theatre tickets. Yet there is, of course, an insane amount of room to grow.

While it remains in the shadow of **Bitcoin**, Ethereum continues to hold the second-highest spot among cryptocurrency tokens. It's created a massive amount of wealth in a short period of time, and companies want in on that. And it's not just companies allowing the token's use that has investors interested.

Major investment firms on Wall Street have also added cryptocurrencies, including Ethereum, to their investment portfolios. With exchange-traded funds (ETFs) now allowed in the United States, this creates a strong position for another major boost in December and beyond for Motley Fool investors.

Enter an upgrade

Now, that's good news for cryptocurrency as a whole, but what about Ethereum [specifically](#)? Investors have been waiting patiently for the rollout of Ethereum 2.0. It's expected to hit the network in mid-2022, but there could still be an announcement that sends shares surging in December.

That could be the announcement that The Graph will be used as the data storage solution. Ethereum would need Zero Knowledge (ZK) rollups to reduce fees for Ethereum users, possibly long term. This comes from the very high gas fees on the current network. ZK rollups have a better data compression

system, making them ideal for Ethereum 2.0. Instead of having to see the entire blockchain data to see that the Ethereum is true, it allows one party to validate the block almost immediately.

Co-founder Vitalik Buterin suggested the company could use The Graph to store and provide historical data on demand from its servers. This would hopefully decrease costs and increase transaction speed to above its current 30 transactions per second. Management believes this should [jump](#) to 3,000 transactions per second when implemented.

Foolish takeaway

Even without the rollout of Ethereum 2.0, it's likely the cryptocurrency will continue to increase over December. An announcement about The Graph and further bullish sentiment of crypto in general are great indicators that a boom is on the way this holiday.

Shares of Ethereum are up 285% year to date.

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