



Will Dogecoin Hit \$1 in 2022?

Description

After the major revolution in the [cryptocurrency industry](#) that began in 2020, the rally has continued throughout 2021. Several cryptocurrencies have seen impressive gains, but one of the most explosive cryptos this year was none other than **Dogecoin**.

Dogecoin, as most investors know by now, was created as a joke back in 2013. So, it makes sense that it was the most popular and quintessential meme coin on the market.

This never gave it that much popularity until earlier this year, when meme stocks came into focus and earned some impressive gains for investors who had decided to speculate on the highly risky stocks.

Dogecoin was similar. And in addition to being hyped by many retail investors over social media, one of the world's most iconic visionaries and currently the richest man in the world, Elon Musk, was also tweeting his encouragement.

Dogecoin started the year worth half a cent, or US\$0.005 per coin. By the time it peaked on the weekend that Elon Musk was set to appear on *Saturday Night Live*, it had grown to be worth US\$0.72 per coin. That's a massive gain of more than 14,000%.

However, unfortunately, the night that many investors had hoped would be a big boost to Dogecoin's price ended up being the top.

Now, with Dogecoin's price having sold off consistently for months, the cryptocurrency is worth a little over US\$0.20 a share. That's a more than 70% fall from its high.

So, you may be wondering, with Dogecoin so cheap, is it worth an investment today? And can the meme coin rally to \$1 in 2022?

Should you buy Dogecoin today?

The consistent selloff in Dogecoin over the last six months might make Dogecoin look like it's cheap.

However, it doesn't look promising for investors who continue to "HODL" (hold on for dear life) the coin.

While the cryptocurrency has found support at US\$0.20, each time it rallies, it continues to make lower highs than its previous rally, suggesting profit-taking, as investors look for other, more high-potential cryptocurrencies.

Back in May, right after Dogecoin began to sell off, [I'd warned investors](#) this might happen. Because there was so much hype surrounding Dogecoin and Elon Musk's appearance on *Saturday Night Live*, and because it was such a popular topic that many knew about, it was going to be very difficult to find investors who wanted to buy Dogecoin after the fact.

This is the main issue investors face when they buy a cryptocurrency like Dogecoin that has little use for it. You're hoping that someone else comes along after you and pays more for it. But without any reason to give the coin value, that can be very difficult, especially after the hype has worn off.

So, while I would never say Dogecoin can't reach \$1 in 2022, as anything is possible, I find it highly unlikely. Furthermore, if you're considering an investment in Dogecoin, I'd look elsewhere.

The opportunity cost of holding underperforming cryptocurrencies can be high. Not only could Dogecoin continue to decline and lose you money, but you could miss out on several other attractive opportunities in the space.

What are some of the best cryptocurrencies to buy?

If you're considering Dogecoin, **Ether**, the native currency of Ethereum, is a much better choice. I've mentioned before that buying cryptocurrencies in the hopes that someone else will pay more down the line is speculating, and it's a highly risky strategy.

With Ether, you don't have to worry about that. The Ethereum blockchain is the most actively used, by far. And in order to use the blockchain, you need Ether to pay for your transaction fees.

So, why would investors pay more for your Ether down the road? Because they need it. Ether is consistently in demand. And now, with the significant upgrades coming to its network, and the fact that it's already started to burn coins, the scarcity of Ether only continues to increase.

So, rather than speculate on high-risk cryptocurrencies like Dogecoin, I'd recommend finding high-quality assets with fundamental reasons as to why they will continue to grow in price over the long haul.

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