



## Ethereum: 3 Shocking Reasons Ether Has Even More Potential Than You Might Think

### Description

Ever since the significant mainstream adoption of cryptocurrencies began last year, the most actively used blockchain Ethereum and its native currency **Ether** have continued to gain a ton of popularity.

Most investors who know little about [cryptocurrencies](#) at least know that **Bitcoin** was created as a form of digital payment. All it can be used for is as a payment network.

However, Ethereum is a game changer since it has the ability to run smart contracts. And once you start to realize all the possibilities that are created by smart contracts and the blockchain industry, you start to see why the industry has so much potential, and why investors are so bullish on Ether.

There are several common reasons why Ether is an excellent investment. But here are three shocking facts that show Ether might have even more potential than we all think.

### Over 25% of Ether's total supply is locked in smart contracts on the platform

As I've mentioned several times before, the rise in Ether is almost certainly not a bubble, because investors aren't buying it to speculate on the price. They are buying it to use, such as for [decentralized finance](#) (DeFi) purposes.

And as more users are drawn to the space, more Ether continues to get locked up in smart contracts on Ethereum's network. Currently, roughly 25% of Ether's entire supply is locked up in smart contracts, with roughly 75% of that being in DeFi.

That's a significant portion, which not only validates the potential DeFi has but also locks these coins up and effectively takes them out of the circulating supply. That's not all, though.

## The supply of Ether on exchanges continues to fall

In addition to much of the supply of Ether continuing to be locked up in smart contract platforms, the supply of Ether on exchanges continues to decline.

At the beginning of the year, roughly 17% of Ether's supply was available on exchanges. Today that number sits at right around 12% and continues to decline.

This is another sign that the available supply of Ether is falling fast. So, as new capital comes into the industry and the Ethereum ecosystem, especially throughout 2022, Ether has the potential to skyrocket.

## Ethereum 2.0 is on the way

In addition to the supply of Ether available for investors to buy consistently decreasing, Ethereum is also in the process of upgrading its blockchain in a major way.

Because the blockchain network was launched so long ago, there are some significant drawbacks that need to be addressed, such as scalability. However, this is already in the works and should be launched sometime in 2022.

On top of these upgrades, Ether is now also being burned. So, each day, as more Ether is burned, naturally, it increases the scarcity. All this means a ton of potential for both Ether and Ethereum.

More than 50% of Ether's supply is currently locked up, and that number continues to increase. So, there is less supply available for new investors at a time when more investors are continually being attracted to the space.

There are other chains you can use, but at the end of the day, Ethereum has the most projects and decentralized apps, the best opportunities to make money in DeFi, and has some of the highest potential tokens deployed on its network.

So, for investors who want exposure today, you'll want to buy a high-quality ETF, such as the **CI Galaxy Ethereum ETF** or a top crypto stock that will offer exposure to the growing use of DeFi.

The blockchain industry is one of the highest potential investment opportunities of our lifetime, so it's crucial you find the highest-quality stocks to commit to for the long haul and buy them soon while they're still cheap.

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