



2021 Was the Year of Cryptocurrency: Will 2022 Be?

Description

2020 marked the start of a significant revolution for the cryptocurrency space. The [industry](#) saw its total market cap increase from roughly US\$190 billion to US\$750 billion — an increase of almost 300%. And while that seemed like an incredible rally, it was really just setting the stage for 2021.

So far this year, the industry has grown by another almost 250% to its total market cap today that's just shy of US\$2.6 trillion.

The massive increase in value over the last 23 months can be attributed to several new projects, which continue to attract new users to the space. It's no longer just speculation. There are several uses of blockchain technology and there continue to be opportunities to invest and grow your money, especially with all the [decentralized finance](#) (DeFi) products being launched.

So, if you're wondering where the crypto industry can go from here, this is what to consider.

How will cryptocurrencies perform in 2022?

The massive rally in 2020 and all the capital that was invested in the space set the stage for the tremendous increase in the popularity of DeFi. DeFi is one of the main reasons investors continue to migrate to cryptocurrencies, and it's also a major incentive for users of cryptocurrencies not to sell.

By being able to act as a liquidity provider and stake your coins, you can earn a significant yield on your investments. Currently, the total value locked in DeFi is roughly US\$275 billion. At the start of this year, though, that was just over US\$20 billion. So, in just 11 months, the popularity of DeFi has grown more than 12-fold.

And that's just one piece of the puzzle. [Non-fungible tokens](#) (NFTs) are another subsector of the crypto industry that continues to attract new users and drive up the demand for cryptocurrencies, such as **Ether**, in order to pay for them.

There are NFTs of art and music but also objects for virtual worlds and games. For example, you can

now buy, sell, and develop real estate in the [metaverse](#). Play-to-earn video games are another rapidly growing aspect of the blockchain and cryptocurrency industry. And many of the items you earn or need to buy in-game are actually sold to you as NFTs on a blockchain.

I could continue on with all the new products and ideas that are consistently being launched, but the point is that developers in the Web 3.0 space are consistently introducing new, innovative products.

Even decentralized autonomous organizations (DAOs) are growing in popularity. Most recently, a DAO made up of 18,000 investors raised US\$40 million in an attempt to purchase the U.S. Constitution at [auction](#).

So, with all this exciting potential and innovation, you definitely want exposure to the cryptocurrency industry.

What are the best crypto stocks to buy for 2022?

There are a variety of opportunities to consider that all offer significant potential for growth. So, what you decide to buy will largely depend on what you think offers the best opportunity.

Bitcoin is a popular choice, and many continue to think it will remain the most popular cryptocurrency for some time, which suggests it could be a great investment. **CI Galaxy Bitcoin ETF** is one of the best stocks that gives investors exposure directly to Bitcoin's price movements and charges just a 0.4% management fee — well worth it.

Ether is another excellent option and, in my opinion, is a slightly better investment than Bitcoin. There are [several reasons](#) why Ether could see a significant rally in 2022. And again, there are numerous ETFs that you can consider to gain exposure to Ether's incredible potential.

Perhaps the best investment, though, might be gaining exposure to the entire industry. A stock like **Galaxy Digital Holdings**, for example, allows you to do that.

Galaxy benefits from retail and institutional investors joining the space. It profits from companies looking for investment banking advice or mergers and acquisitions it might advise on. Galaxy also owns a Bitcoin mining segment and offers financing for other Bitcoin miners, which may struggle to get capital from traditional sources. It's even invested in several up-and-coming NFT projects.

So, if you're looking for high-growth stocks to buy for 2022, the cryptocurrency industry is certainly the best place to start.

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