



Ethereum Price Trend: What to Expect From the Cryptocurrency in December

Description

The price of **Ethereum** has surged by 500% year to date but is also down 10% from all-time highs. Several cryptocurrencies lost momentum over the weekend, as investors were worried about rising valuations in the equity market and the new COVID-19 variant identified in South Africa known as Omicron. The selloff in stocks triggered a decline in the crypto space, while few experts have tied the pullback to [derivatives-based trading](#).

Historically, [cryptocurrency](#) prices have fallen off a cliff multiple times but have also staged a comeback in subsequent months. For example, the price of the ETH token rose from just US\$1.35 in September 2015 to US\$1,400 in early 2018 before falling to US\$85 by the end of 2018.

The widespread adoption of these digital assets in the last 18 months has acted as the primary driver of prices. The increase in institutional investments in this highly disruptive space is likely to push crypto prices upwards over the long term, making them a solid bet for investors with a higher risk appetite.

Let's see how the ETH token has performed in the month of December over the years and if it will move higher by the end of 2021.

Ethereum is valued at a market cap of \$516 billion

Ethereum is the second-largest cryptocurrency in the world and is valued at a market cap of \$516 billion. It has returned a staggering 580,000% in the last five years to investors, making it one of the top-performing cryptocurrencies in recent times.

The price of the ETH token

- Rose by 8% in December 2015;
- Rose by 3.4% in December 2016;
- Rose by 73% in December 2017;
- Rose by 19.5% in December 2018;
- Fell by 13% in December 2019; and

- Rose by 32% in December 2020.

We can see ETH prices have generally gained pace in the month of December. In the first seven days of Dec. 2021, ETH has declined marginally to trade at US\$4,410 at the time of writing.

Will the price of the ETH token rise over the long term?

Investing in cryptocurrencies is not as straightforward as investing in the stock market. While companies have an underlying business and several financial metrics that can be analyzed, you can look at the use cases of the blockchain network on which the cryptocurrency tokens are created and launched.

Bitcoin enjoys a first-mover advantage and is viewed as a [hedge against inflation](#). The total number of Bitcoin in circulation is limited to 21 million tokens, and the world's most popular cryptocurrency is also called digital gold.

Alternatively, the Ethereum blockchain network can be used to create and execute smart contracts without the need for a financial intermediary, thereby lowering transaction fees. Its robust platform has onboarded several DeFi, or decentralized finance, projects in the last few years. In order to execute the smart contracts on the Ethereum platform, the transactions are backed by the ETH token, increasing demand for the digital currency in the process.

In a nutshell, if Ethereum can successfully expand its ecosystem, the price of the ETH token should keep rising higher in the future.

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Author

araghunath

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