



## Missed Out on Ethereum? Think Again: It's Only Getting Started

### Description

The hype around [cryptocurrencies](#) only continues to increase, and why shouldn't it? There is a ton of long-term potential, especially with blockchains that can run smart contracts such as Ethereum.

In addition, there's a consistently increasing amount of development going on in the space. And, most of all, every time these major cryptocurrencies have a significant fall off, long-term investors immediately buy the dip, and they recover quite quickly.

The recovery isn't the same across the board, though. For example, **Ether**, the native currency of Ethereum, has been outperforming **Bitcoin** for some time. And generally, the projects with longer-term potential are the ones that recover more quickly, which is understandable. On Friday night, the industry had one of the most [intense crashes](#) in a while. In a matter of hours, all the major cryptocurrencies lost a ton of value.

At nine pm eastern time, Ether traded at US\$4,602. By one in the morning, just four hours later, it had fallen to US\$3,856 — a drop of 16.2%. By eight in the morning, half the value lost had already been recovered, all while most investors were still asleep.

This reminds us just how volatile cryptocurrencies can be and why it's crucial you find high-quality and high-potential projects you can invest in for the long haul. However, it also shows how the industry is now far less speculative, and when it does sell off, savvy long-term investors immediately step in and buy the dip.

### What does this mean for investors today?

Although Ether has proven to be resilient in spite of its volatility, investors may be concerned with the fact that it costs upwards of \$5,000 in Canadian dollars to buy one whole Ether.

Since the start of 2020, the second most valuable cryptocurrency has increased in value by over 3,200% and today makes up roughly 20% of the entire market value of cryptocurrencies.

So, you may be worried that you have already missed out on one of the highest-potential cryptocurrencies there is. However, many analysts and investors think Ether is just getting started and can continue to gain in value from here.

For one, there are major changes coming to its network in 2022, and some that are already in place now, such as the burning of Ether to reduce supply. Plus, it's a lot like Bitcoin in that it has a significant first-mover advantage and has therefore attracted the most popular projects, making Ethereum more prestigious than some of its competitors and therefore attracting more capital.

Many of the top NFT projects, for example, are run on Ethereum. Furthermore, the majority of the capital locked in DeFi is also on Ethereum as well. So, naturally, as more projects are created, and these improvements to its network address some of the major drawbacks, the demand for [Ether](#) and, consequently, its price should continue to increase over the long run.

## What if you want to bet on more than one horse?

Because Ether has already gained so much value, even though it still has potential, naturally, investors will be looking elsewhere for even higher potential cryptocurrencies.

So, if you're bullish on the idea of smart contracts and the blockchain industry but want to diversify your investments, another high-potential blockchain to consider is Avalanche, which means buying its native currency **AVAX**.

Avalanche is a lot like Ethereum. It's a blockchain network with smart contract functionality that is also compatible with Ethereum. This means any project or decentralized application you run on Ethereum you can easily run on Avalanche too.

However, at the moment, Avalanche has fewer drawbacks than Ethereum, which is why many are bullish on its potential to grow long term. Not only could it eventually compete with Ethereum to be the top blockchain, but in the meantime, it can grow alongside Ethereum, since it's compatible.

The bottom line is that while Bitcoin continues to be the most popular cryptocurrency, the majority of investors joining the space today are looking for ways to use the new high-potential blockchain industry, such as investing in DeFi.

So, these blockchains like Ethereum, and their native currencies, which are used to pay for transactions, are some of the best investments you can make in the crypto space.

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