



## Is the Shiba Inu Craze Already Over?

### Description

One of the most popular [cryptocurrencies](#) in the world, **Shiba Inu**, is currently valued at a market cap of US\$20 billion, making it the 13th-largest digital token at the time of writing. The SHIB token has lost over 33% in market value in the last month but has still gained a mind-boggling 61,471,374% in the last 12 months, according to data from CoinGecko. So, an investment of \$100 in the SHIB token back in December 2020 would be worth more than \$60 million today.

Shiba Inu has delivered life-changing returns to investors. But past performance matters little to current or future investors. Let's see if the meme-based cryptocurrency can keep generating historic gains in 2022 and beyond or if it will underperform peers in the future.

### The bull case for Shiba Inu

There are several factors working in favour of Shiba Inu that include its impassioned base of followers who remain bullish on the long-term prospects of the cryptocurrency. Further, in the last month, online tech-based retail giant **Newegg Commerce** disclosed it would accept the SHIB token as a form of payment. Right now, Newegg already accepts tokens such as the BTC, DOGE, and LTC as payments.

But the biggest catalyst for Shiba Inu is the acceptance of the crypto token as a form of payment by theater-chain **AMC Entertainment**. The company's CEO Adam Aron conducted a **Twitter** poll in October [asking users](#) if AMC should accept the SHIB token as payment. More than 87% of the 153,100 respondents voted in favour of this move, after which Aron confirmed the payment integration will be completed within 120 days.

Several Shiba Inu followers are also looking to list the token on major exchanges such as **Robinhood**. In fact, over 500,000 signatures have already been gathered on Change.org to initiate the listing on one of the most popular trading platforms in North America. The listing would be a win-win situation for both Robinhood and Shiba Inu investors.

For example, Robinhood should benefit from higher transaction-based cryptocurrency revenue that fell to US\$51 million in Q3 compared to US\$233 million in Q2 of 2021. Traders and investors, however, will

benefit from higher liquidity and easier access, which, in turn, will positively impact demand-supply metrics over time.

## The SHIB token is a high-risk bet

Similar to most other asset classes, the value of digital tokens depends on supply and demand. So, if there is a surge in demand for a particular token the prices tend to move higher and vice versa. The value of cryptocurrencies will gain momentum in case of higher demand or constrained supply or a combination of the two.

So, while the total amount of **Bitcoin** in circulation is limited to 21 million tokens, which makes the world's largest cryptocurrency anti-inflationary in nature, there is no such cap on the SHIB token. Right now, there are 549 trillion SHIB tokens in circulation, which is staggering, to say the least.

Another driver for cryptocurrency prices is the utility of the underlying blockchain network. The [Ethereum and Solana](#) blockchain networks can be used to create and execute smart contracts. These transactions are completed by using the respective crypto tokens, making ETH and SOL top long-term bets. However, the limited utility of the Shiba Inu blockchain network can also be considered a headwind for investors right now.

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