



## Should You Invest in the Top 5 Cryptocurrencies Right Now?

### Description

Cryptocurrency investors have derived market-thumping gains since March 2020, driven by the widespread adoption of this highly disruptive asset class. The [cryptocurrency market](#) was valued at over \$3 trillion in November 2021 before cooling off towards the end of 2021. Let's see if the five largest cryptocurrencies in the world can continue to move higher in 2022.

### Bitcoin

Valued at a market cap of US\$888 billion, **Bitcoin** ([CRYPTO:BTC](#)) is the largest cryptocurrency in the world. Despite its exponential gains over the past decade, the price of one Bitcoin is also down 30% from all-time highs, allowing you to buy the dip.

Bitcoin enjoys a first-mover advantage and is viewed as a store of value as well as a hedge against inflation. The total number of Bitcoin that can be mined is limited to 21 million, making the BTC token anti-inflationary in nature.

### Ethereum

**Ethereum** ([CRYPTO:ETH](#)) is valued at a market cap of US\$452 million, and its blockchain network allows you to create and execute smart contracts. Basically, users can execute transactions without the need for an intermediary, making the Ethereum network a robust decentralized ecosystem.

A key driver for Ethereum in 2022 will be the second phase of the 2.0 upgrade of the blockchain, which will be completed in the next few months. This will allow Ethereum to process around 100,000 transactions per second while drastically reducing transaction fees, making the network extremely attractive to developers.

### Binance Coin

**Binance Coin** ([CRYPTO:BNB](#)) is a digital token launched by cryptocurrency exchange Binance, which is valued at a market cap of US\$87 billion. Investors or traders part of the Binance platform can pay their fees with BNB, which reduces transaction costs by 50%.

Similar to stock buybacks, Binance is also repurchasing BNB tokens with profits derived from the exchange, which is called coin burn. Binance aims to burn 100 million Binance Coins over time, making each existing BNB token more valuable for shareholders due to a pullback in supply.

## Tether

Stablecoins, as the name suggests, offer stability to investors, compared to cryptocurrencies. A stablecoin can be backed by reserve assets including gold or fiat currencies such as the U.S dollar. So, they can be viewed as a tokenized version of the reserve asset, reducing volatility multi-fold.

The price of **Tether** ([CRYPTO:USDT](#)), which is pegged to the U.S. dollar has gained less than 1% in the last three years. However, you can earn interest on these tokens by strategies such as lending and staking. For example, cryptocurrency transactions are verified by staking where you stake your own tokens to earn rewards.

## Solana

The final cryptocurrency on my list is **Solana** ([CRYPTO:SOL](#)), which is valued at a market cap of US\$53.48 billion. A key catalyst for the increase in cryptocurrency prices will be the utility of their underlying blockchain network.

Solana's easily scalable, fast, and low-cost network has allowed it to [gain massive traction](#) in the past year. This trend is likely to continue over the long term, making the SOL token [a top bet](#) for cryptocurrency bulls.

The five cryptocurrencies mentioned here are among the safest bets for investors with a large risk appetite. However, if markets turn bearish, investors might lose a significant portion of their investments within a few trading sessions.

### CATEGORY

1. Cryptocurrency
2. Investing

### TICKERS GLOBAL

1. CRYPTO:BNB (BNB)
2. CRYPTO:MAG7.SSI (MAG7.ssi)
3. CRYPTO:SOL (Solana)

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