

If I Were to Buy Just 1 Cryptocurrency for 2022, This Would Be it

Description

After two years of significant growth in the popularity of cryptocurrencies, there is a considerable revolution underway. It's not just investors speculating anymore. There are several high-potential projects offering a tonne of opportunities for growth. If you're looking for a high-potential growth investment, finding a high-quality cryptocurrency to buy in 2022 is a prudent choice.

There are a few things to understand about cryptocurrencies, though, before deciding to commit and invest your hard-earned money.

First, off you'll want to figure out what the coin does and what projects it offers exposure to. Is it used as a digital currency to purchase goods, or is it used as a token to invest in <u>decentralized finance</u> (DeFi) projects? It could even be a currency used to buy digital land in one of the many up-and-coming metaverse projects.

By determining what the coin or token does will help to determine if it has value. If the use cases it offers have real value or differentiate it from the thousands of other tokens in existence, then it should have a tonne of long-term potential.

So, with that in mind, here's one of the best cryptocurrencies you can buy for 2022.

One of the best cryptocurrencies to buy in 2022 and hold long term

Some of the best opportunities for investors today lie with all the projects being built on blockchains. Because several of the most actively used blockchains are smart contract compatible, new projects are being created each day.

These include play-to-earn video games, NFTs, DeFi and even the popular metaverse projects. So, naturally, each of these individual projects, as well as the blockchains they run on, have a tonne of growth potential.

The best investment for 2022, though, in my opinion, looks like **Fantom** (<u>CRYPTO:FTM</u>), which has the native token FTM.

One of the first and most important reasons Fantom has potential is that it's an **Ethereum** compatible blockchain, meaning projects that run on Ethereum can also run on Fantom. In addition, it means that investors can easily bridge cryptocurrencies such as <u>stable coins</u> from any Ethereum-compatible blockchain network to Fantom.

This ease of access is crucial to attracting new users, and it incentivizes developers to launch their projects on the network as well, which is another reason it's one of the best cryptocurrencies to buy for 2022.

How to determine Fantom's value

As more investors look to invest in DeFi projects, a blockchain like Fantom offers a tonne of potential. Other Ethereum compatible chains, such as **Polygon**, **Avalanche** and **Binance Smart Chain**, are each in the top 14 cryptocurrencies by market cap, with the lowest market cap of the three being Polygon, worth roughly US\$18 billion today.

Meanwhile, Fantom is the 28th most popular cryptocurrency, and its market cap is just US\$7.5 billion, and that's after Fantom has rallied by 30% over the last seven days. The network and, therefore, its currency continue to gain more popularity. But because it's still so cheap, it offers an incredible opportunity right now.

In fact, Fantom's market cap to total value locked (one of the best ratios for gauging a token's value) is quite low at just 1.25. So, the token should continue to have a tonne of upside, which is why it's one of the best cryptocurrencies to buy for 2022.

For comparison, Ethereum, Binance Smart Chain, Avalanche, and Polygon have market value to TVL ratios of 2.3 times, 5.4 times, 2.2 times, and 3.1 times, respectively. So, clearly, at a market cap-to-TVL ratio of just 1.25, Fantom is the cheapest of the bunch.

Therefore, with so much potential that all these cryptocurrencies have, and the fact that Fantom is so cheap, if I could buy just one token for 2022, Fantom would be my top choice.

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