



2 Top Cryptocurrencies to Buy for Passive-Income Creation

Description

It's probably safe to say that 2021 was the year crypto went mainstream. Many top [cryptocurrencies](#) saw astronomical gains, as investors looking for risk-on trades sought out some of the most speculative high-growth assets in the market. These happened to be in the digital currency space.

Whether 2022 will prove to be the same sort of environment for investors remains to be seen. However, there are a few tokens worth buying right now.

Here are two of my top picks in the crypto space today.

Top cryptocurrencies to buy: Aave

Based on the **Ethereum** blockchain, **Aave** ([CRYPTO:AAVE](#)) is a decentralized lending platform offering crypto-related financial services. Individuals can use this platform to lend (produce income via lending) and borrow (add to a position, much like a margin account). Investors can choose from approximately 30 different cryptocurrencies pairs to lend or borrow.

One of the areas of decentralized finance (DeFi) many point to for growth in the crypto world is the borrowing/lending space. In this space, Aave is a leader.

This is an exciting platform for investors to earn passive income. Traders can benefit from being able to easily wind down trades or add exposure. Each party benefits, with the result being increased liquidity in the market, and a passive-income opportunity for long-term investors.

Flash loans are one of the key innovations Aave has brought about. These allow for instantaneous settling of transactions, as long as enough collateral is put up. The benefits of this are obvious, and investors are catching on.

Compound

Another top cryptocurrency for passive-income generation is **Compound** ([CRYPTO:COMP](#)). Compound is a potential crypto that has stormed the decentralized finance (DeFi) sector. With many big players emerging lately, this sector is on the upswing in the crypto community.

This decentralized algorithmic money-market platform employs ERC-20 tokens. In a similar way to Aave, Compound allows for holders of various tokens to earn interest by staking them on the Compound platform. In other words, Compound is a interest-generating vehicle for investors looking to stash their crypto tokens for a rainy day. No financial intermediaries are necessary — this is the decentralized future of finance. Or at least, that's what the bulls claim.

In May of last year, Compound soared 500% to its high and has since come down considerably from that peak. Many investors view this platform as a leader in the world of passive-income platforms in the DeFi space. If this sector regains momentum next year, Compound is a token that could certainly go on another run.

Notably, Compound has recently become the first DeFi protocol to surpass \$10 billion in terms of total value locked. This is one token I've got my eye on for 2022, and I'd suggest investors take a look.

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