



## 2 Cryptocurrencies to Avoid in 2022 — and 1 to Grab!

### Description

The cryptocurrency market is starting 2022 on a down note. **Bitcoin** ([CRYPTO:BTC](#)) fell 13% in the first week of the year, recovering slightly on Sunday. It was much the same story with alt coins, including the “meme coins” that stole the spotlight in 2021. **Dogecoin** ([CRYPTO:DOGE](#)) shed 13% of its value in the first week of the year, and **Shiba Inu** ([CRYPTO:SHIB](#)) fell by about the same amount.

Unlike the previous meme coin selloff, the various alt coins were pretty well correlated with BTC this time around, suggesting that investors are losing their appetite for crypto as a whole. In this article, I will explore three cryptocurrencies that are particularly vulnerable to the current market conditions — and one that might actually be worth buying.

### Dogecoin

Dogecoin is the cryptocurrency that started the meme coin phenomenon. It was created as a joke many years ago and started actually gaining value last year when [Elon Musk pumped it](#). Musk is the richest person in the world, and he has a huge social media following. Naturally, his Tweets were followed by a quick appreciation in Doge’s price.

At one point, DOGE went for as much as \$0.56. At the time of this writing, it traded for just \$0.19. There appear to be relatively few catalysts that could result in DOGE having a better run in 2022 than in the second half of 2021. Elon Musk did Tweet about it once recently, but the actual story was underwhelming (he said his company might start accepting the coin for “merch” purchases). Unless Musk actually starts accepting DOGE for car purchases, I wouldn’t imagine his pumps will trigger much more than very brief price spikes.

### Shiba Inu Coin

Shiba Inu Coin is another meme coin like Dogecoin. This one has even fewer catalysts than Doge. It started as a Dogecoin imitator and picked up steam when people went looking for “the next Dogecoin.” Unlike DOGE, SHIB does not have any high-profile billionaires pumping it or accepting it as a payment

method at their businesses. So, it's hard to come up with a plausible reason for it to rise, when DOGE, ETH and BTC get so much more publicity.

## Bitcoin

Turning to the one crypto that may be worth buying in 2022, we have Bitcoin. This year, Bitcoin has a number of things going for it:

- Adoption as legal tender by one country.
- Reports that it will be adopted as legal tender by two more countries.
- A decent number of major companies accepting it for transactions.
- Wide publicizing by influential figures like Elon Musk, Jack Dorsey, and Cathie Wood.

All of these factors combine to ensure there will be some level of demand for BTC in the future.

Another fact about BTC is worth noting:

You can hold it through an ETF like **Purpose Bitcoin ETF** ([TSX:BTCC.B](#)) in a TFSA or RRSP and pay no taxes on your holdings. Normally, Bitcoin is subject to capital gains tax. The same goes for other cryptocurrencies. If there is no pure play ETF for a cryptocurrency, then it is pretty much 100% taxable forever. Nothing you can do about it. With Bitcoin, though, you can easily hold it as BTCC.B in a TFSA and pay zero tax. Sure, you pay the fund's managers a 1% fee, but capital gains tax can run as high as 25%. If you double your money on Bitcoin and then sell, Purpose Bitcoin ETF's TFSA-friendly structure saves you money compared to direct holdings.

### CATEGORY

1. Cryptocurrency
2. Investing

### TICKERS GLOBAL

1. CRYPTO:DOGE (Doge Grok Companion)
2. CRYPTO:SHIB (SHIB ON SOLANA)
3. TSX:BTCC.B (Purpose Bitcoin ETF)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
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