



Polkadot's Expanding Ecosystem Makes it a Top Bet for Cryptocurrency Investors

Description

Polkadot ([CRYPTO:DOT](#)) is the 10th-largest cryptocurrency in the world and is valued at a market cap of US\$24.6 billion, at the time of writing. The DOT digital token is priced at US\$25 and has gained over 400% since the start of 2021. Despite its stellar returns, the [cryptocurrency](#) is also down 50% from all-time highs. Let's see what makes Polkadot a top bet for cryptocurrency investors in 2022.

The bull case for Polkadot

A network that enables cross-blockchain transfers of any type of data, token, or asset, Polkadot provides users the ability to interoperate a variety of blockchains. As a common set of validators is used to secure multiple blockchains, Polkadot is extremely scalable. Further, it also provides transactional scalability as transactions are spread across parallel blockchains. Unlike most other networks, Polkadot can undergo upgrades, fix bugs, and add new features without the need for hard forks making the blockchain extremely adaptable.

The network has gained popularity due to the potential expansion of its ecosystem. Polkadot recently deployed parachains on its network that should be a key catalyst for the widespread adoption of this blockchain. According to [CoinMarketCap](#), parachains are connected to and are secured by Polkadot's central relay chain, allowing the former to benefit from the interoperability and scalability of the underlying network.

Polkadot's relay chain has been warming up for a while and will kick into top gear in 2022, as it's all set to onboard projects such as Moonbeam, Acala, and Parallel Finance.

Acala

Also known as the DeFi hub of Polkadot, Acala is backed by investors that include **Coinbase** Ventures, Alameda Research, and DCG. Acala aims to bridge the gap between banking and DeFi and has partnered with fintech heavyweights that include Current, Blockdaemon, and Bison Trails. It's all set to launch NFT services for media partners such as TheChive that has over 10 million users. With

its much-hyped chain set to finally kick into full steam in 2022, we see Acala as a driving force behind Polkadot's momentum this year.

Moonbeam

Moonbeam is in the process of building an infrastructure where **Ethereum** native products such as Balancer and Sushiswap can scale into multi-chain giants through its EVM. As such, Moonbeam can theoretically enable parachains and projects on the Polkadot chain to interact directly with each other.

Parallel Finance

Parallel Finance is a decentralized lending and borrowing staking protocol where depositors can earn a double yield on staked coins while borrowers can offer tokens as collateral. Parallel was founded by a wonderkid named Yubo Ruan and is backed by top-tier investors, including Sequoia Capital, Polychain Capital, Peter Thiel's Founders Fund, and LightSpeed Venture Partners. Parallel is supported by a growing team of talented developers and professionals from organizations including Stanford, MIT, Facebook, Google, **JP Morgan**, and Crypto.com.

A high-speed network

Polkadot offers a data availability and validity scheme where chains can interact meaningfully with each other. So, while the chains are independent in governance, they are united in security.

Right now, the Polkadot network can execute 1,000 transactions each second, which is significantly higher than Ethereum, which can process between 15 and 30 transactions per second. According to Polkadot founder Gavin Wood, Polkadot can soon process 100,000 transactions each second, making the blockchain network extremely attractive to a wide range of projects.

Developers are attracted to the massive potential of Polkadot's ecosystem, and the number of developers working on the network has increased to 10,000, up from just 2,600 at the start of 2021. Clearly, developers see immense value and growth in the Polkadot blockchain, making it one of the top cryptocurrencies to place your bets on right now.

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