



Could XRP Cryptocurrency Double Again in 2022?

Description

There is a sale going on right now, and Motley Fool investors should pay close attention — especially when it comes to cryptocurrency. Digital currency such as **XRP** ([CRYPTO:XRP](#)) has seen its price drop by 62% from 52 week highs. Yet it's still more than double the price it was in January 2021.

Sector-wide fall

The main point to remember is that there is a drop in cryptocurrency and tech stocks across the board. Cryptocurrency such XRP has become risky, and as inflation rises along with interest rates, investors have been seeking safer options.

Now, of course, this is something investors should have done in the first place. But it was hard to ignore the golden sparkle of cryptocurrency companies. That and the tech stocks that rose their way through 2020 and 2021. Yet now is a different story, though it's a story that means an eventual return to normalcy.

Cryptocurrency assets such as XRP will rebound, recover, and continue to climb upwards. But don't expect smooth sailing. That's the normalcy of the market, unfortunately. While there was a major draw to the market after the March 2020 crash, with every stock rebounding, that's not the norm. In reality, the stock market will rebound and remain on a positive trajectory, but there will be dips along the way.

What about XRP?

As for XRP, is it the best place to put your cryptocurrency [investment](#) for Motley Fool investors? Right now, maybe not. The cryptocurrency company Ripple's Lab continues to wait for an update on its Securities and Exchange Commission (SEC) lawsuit.

In the suit, the SEC filed an action stating two of its executives raised over US\$1.3 billion through an "unregistered, ongoing digital asset securities offering." Since 2013, the SEC has alleged that Ripple raised funds by selling XRP in unregistered securities offerings to investors both in the United States

and around the world.

“The registration requirements are designed to ensure that potential investors — including, importantly, retail investors — receive important information about an issuer’s business operations and financial condition,” said Marc P. Berger, deputy director of the SEC’s Enforcement Division. “Here, we allege that Ripple and its executives failed over a period of years to satisfy these core investor protection provisions, and as a result investors lacked information to which they were entitled.”

Don’t hold your breath

While other cryptocurrency companies may rebound quickly, it may take a while for XRP. In fact, it may never recover should the lawsuit allegations prove true. This is definitely one of the more volatile options, especially when looking at major heavyweights that are likely to rebound before Ripple.

That being said, the cryptocurrency market as a whole is a risky place. I would recommend only taking a small percentage of your portfolio towards this area, even as companies adopt the currency. With that in mind, there are likely far [better options](#) for Motley Fool investors than XRP at this stage.

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