



What's in Store for XRP Crypto in 2022?

Description

For investors in **XRP** ([CRYPTO:XRP](#)), 2021 was certainly an interesting year. Yes, XRP crypto did [more than double](#) over the course of the year. This token surged alongside the broader [cryptocurrency](#) sector, despite a number of key headwinds this past year.

For starters, Ripple Labs, the parent company of the Ripple exchange which runs the cryptocurrency's network protocols and global payments via the XRP ledger, has been embroiled in a lawsuit with the SEC. The SEC alleges that Ripple's XRP token constitutes a security, a fact which is currently being disputed in court. This case has been adjourned to February due to rising COVID-19 cases.

Bulls on XRP note that Ripple's payment protocol provides real utility to end users. Indeed, XRP allows for insanely fast processing times on international transactions, with low transaction fees. Thus, many consider XRP to be the future of cross-border payments.

So, which camp is right? Let's dive into what may be in store for XRP in 2022.

Resolution of lawsuit could provide certainty for XRP crypto

One thing we know for certain is that investors don't like uncertainty. Whether it's in stocks or crypto, the overhang from a lawsuit is a big deal. Indeed, investors like to know that the underlying business model of the investment they've picked won't be disrupted in a major way.

Unfortunately for Ripple and XRP, there's a tremendous amount of uncertainty in this regard right now.

A series of delays in hearings has kicked the proverbial can down the road for investors. While we may see some sort of resolution this year, it's also possible that this legal drama could be around for some time. Accordingly, investors in XRP today are willing to accept this risk in return for higher potential upside over the longer term.

However, until this lawsuit is resolved, many risk-averse investors may simply choose to steer clear of this token for the time being.

Bottom line

We're starting to see certain cryptocurrencies act in a similar way to stocks. While these digital tokens are supposed to move independently of the market, the same headwinds hitting equities have hurt cryptos of late.

For XRP crypto, this is a token with a unique set of risks. Like many of its crypto peers, there's upside potential with this token. However, the ongoing lawsuit with the SEC could be a headwind many investors will want to steer clear of.

My expectation is that XRP will likely idle for most of the first quarter and potentially into the second quarter. Once investors know which way the legal winds are blowing with this stock, we may start to see some moves mid-year.

For now, this is a top token I've got on my radar.

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Date

2025/08/24

Date Created

2022/01/13

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