



Is Ripple (CRYPTO:XRP) a Good Buy Today?

Description

2021 was a remarkable year for cryptocurrency investors. Several of the top cryptocurrencies generated stellar returns for investors in a bull run that started in March 2020. Right now, even the most skeptical of investors have started looking at cryptocurrencies as a viable alternative asset class. Institutional investors have also started entering the fray at a good pace.

[Investing in technology stocks](#) has been a major trend in recent years, but the cryptocurrency space might present you with another opportunity to invest in assets that could provide rapid [wealth growth](#).

Cryptocurrency investing is very risky, because it is still a speculative asset class. But with all the attention cryptocurrencies are getting from investors worldwide, it would be ill-advised to completely ignore the space.

Ripple ([CRYPTO:XRP](#)) is one asset that you might want to have on your radar if you're looking for cryptocurrencies to invest in this year. Today, I will discuss why this altcoin could make for an excellent investment for investors willing to take the leap of faith in crypto trading.

An altcoin with plenty of potential for widespread adoption

Ripple Labs is the name of the company behind the creation of XRP, the native token that exists on the Ripple blockchain network. Ripple boasts the potential for widespread adoption at a global scale for several reasons. RippleNet is a payment solutions platform that operates on the Ripple blockchain network that allows the flow of capital through XRP tokens.

Several financial institutions from over 55 countries currently use the XRP blockchain network to facilitate transactions with a rapid transaction time. Ripple also entered a partnership with SBI Remit, Japan's leading money-transfer services company, to facilitate lower-cost and faster cross-border payments with Coins.ph, a mobile wallet service provider based in the Philippines.

According to Ripple, Filipino workers employed in Japan transfer up to US\$1.8 billion each year in repatriations. The partnership with Ripple will facilitate faster and more cost-effective transfers for

Filipino workers based in Japan.

RippleNet is also considered a viable alternative to the Society for Worldwide Interbank Financial Telecommunications (SWIFT) for cross-border deals. SWIFT is the traditional network used by banks. The average transaction through SWIFT can take even more than a day, but it is the most widely used method. SWIFT launched SWIFT GO to compete with RippleNet and keep it from overtaking SWIFT's market share.

Foolish takeaway

Considering the immense potential that the Ripple blockchain network has, it's surprising to see that XRP is not a larger cryptocurrency than it already is. At writing, XRP boasts a market capitalization of US\$36.27 billion. It is the only enterprise blockchain company in the cryptocurrency space.

2020 saw the U.S. Securities and Exchanges Commission (SEC) launch an investigation into Ripple Labs after the company's executives allegedly raised \$1.3 billion from the sale of XRP tokens as an unregistered security. The company's management argues that XRP is an asset similar to the U.S. dollar, and it cannot be viewed as a security.

Provided that the investigation comes to an end this year, XRP could gain substantial momentum in the coming months. It is a [risky investment](#) to consider, but it could be worth allocating a small portion of your investment capital to Ripple.

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