



## Solana Fell 13.36% in 2022: Should You Still Buy It?

### Description

The [cryptocurrency industry](#) has boomed over the last couple of years, providing investors with exceptional returns on their investments. Despite the total value of the cryptocurrency industry growing by an estimated 200% last year, a massive selloff towards the end of the year resulted in a significant pullback in the prices of several top cryptocurrencies.

The start of the new year has not done anything to improve the situation, and the selloff has become worse. Some of the best cryptocurrencies, including **Solana** ([CRYPTO:SOL](#)), are trading for considerable discounts from their all-time highs.

You might be wondering whether it is the right time to invest in these crypto tokens [on the dip](#) or to panic and avoid investing in this space entirely. Today, I will take a closer look at Solana's performance to help you determine what could be the best possible course of action.

### A change in perspective

Consider this: a couple of years ago, most people saw cryptocurrencies as little more than speculative assets that were simply a blind gamble. The speculative and volatile nature of cryptocurrencies still exists today. However, the interest and belief in these decentralized digital assets have increased considerably in the last two years.

Many institutional investors, retailers, and even enterprise-level corporations have started to search for ways to gain exposure to this nascent industry, which has been one of the reasons for the rise of the cryptocurrency industry. The broader interest in the industry is also a positive sign which shows that cryptocurrencies are more than a fad that will fade away.

The advent of blockchain technology's use cases and the benefits brought forth by cryptocurrencies has led to a shift in innovations that were unimaginable just a decade ago. NFTs are one of the best examples of the cultural paradigm shift.

## The persistent selloff

One of the reasons cryptocurrencies have been selling off is the correlation between cryptocurrency and tech stocks. The tech sector went through a rough year in 2021, and that performance has continued this year. Tech stocks have been among the worst performers on equity markets due to fears of interest rate hikes.

Cryptocurrency prices are incredibly volatile and prone to significant intraday price changes. This new asset class is considered a riskier investment due to its volatility. Many investors have been selling off their cryptocurrency holdings to minimize exposure to high-risk investments.

However, it might be possible for you to [mitigate the risk](#) of investing in cryptocurrencies if you have a long-term mindset and the ability to bear short-term losses. Cryptocurrencies like Solana could help you accomplish that. At writing, Solana is worth US\$145.69 per unit, reflecting a 13.36% year-to-date decline.

## Foolish takeaway

Solana is one of the blockchain networks with the highest potential – a reason why it has been a top performer in the past and is one of the biggest cryptocurrencies today. Despite its massive potential, Solana is trading for a considerable discount amid the broader selloff in the crypto industry.

As more projects are built on Solana's blockchain network, the cryptocurrency will become more attractive to investors. Gaining exposure to Solana at its current prices and holding onto your crypto tokens for the long run could add significant upside potential to your portfolio.

### CATEGORY

1. Cryptocurrency
2. Investing

### TICKERS GLOBAL

1. CRYPTO:SOL (Allbridge Bridged SOL (Near Protocol))

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