



Why Solana Could Be a Big Mover in 2022

Description

One of the top-performing [cryptocurrencies](#) of last year, **Solana** ([CRYPTO:SOL](#)) has certainly been one top token investors are happy to have held onto. This token is still up more than 3,600% over the past year, despite being nearly 50% below its all-time high. Accordingly, bulls who believe Solana may make a push for new all-time highs have reason to continue holding this token.

For those looking to put fresh capital to work in the crypto space, Solana certainly provides an intriguing investment thesis. Let's dive into why this token could be a big mover this year.

Expanding ecosystem and continued traction

One of the primary ways investors attempt to value cryptocurrencies is on the size of their underlying ecosystems. Various theoretical valuation models attempt to measure the amount of utility created by a given blockchain. Accordingly, the greater the number of projects that get launched on a chain, the more it's worth.

For Solana, this is a good thing. This **Ethereum** competitor has built-in smart contract capabilities, alongside a proof-of-stake validation protocol. What this means is that like Ethereum, various decentralized finance (DeFi) projects can be built on top of Solana. Solana's market share in this regard is growing.

However, the real upside Solana provides is in the network fees and speed. This network has a stated capacity around 50,000 transactions per second, putting the Solana network up there with payment juggernauts such as **Visa**. Additionally, transactions on the Solana network often cost a fraction of a penny. Compared to Ethereum and other large networks, that's very attractive.

Thus, it's not surprising to see Solana become a leader in the NFT world. Other high-profile projects are choosing Solana for its NFT integration capabilities, and cost and speed advantage. I expect this to continue.

One word for Solana's total addressable market: *Immense*

Given the recent traction, Solana's total opportunity simply appears to be immense. This cryptocurrency's total addressable market, as a decentralized layer of the global internet, could be much bigger than investors expect. The NFT market is growing rapidly, and in this space, Solana is a leader.

It's estimated that the global DeFi market is worth just shy of \$200 billion, with the NFT market being a potentially multi-trillion-dollar opportunity. Given Solana's current [valuation under \\$45 billion](#), there's a lot to like about this token should Solana continue to grow its market share in these growth sectors of the crypto world.

Bottom line

I'm bullish on Solana as a long-term holding. However, I think 2022 could prove to be another strong year for this token. Solana remains a top-10 token in terms of market capitalization, but it's one with tremendous upside should we see another bull market materialize.

In the event the crypto market sells off in 2022, I think Solana's ecosystem provides this network with a sort of moat other competing blockchains and tokens don't have. Thus, I view Solana not only as a fast mover but a more defensive network, in many respects.

CATEGORY

1. Cryptocurrency
2. Investing

TICKERS GLOBAL

1. CRYPTO:SOL (Solana)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. chrismacdonald
2. kduncombe

Category

1. Cryptocurrency
2. Investing

Date

2025/08/25

Date Created

2022/01/19

Author

chrismacdonald

default watermark

default watermark