



ETH vs. Solana: Which Crypto Will Moon?

Description

Ether and **Solana** are two of the fastest-rising stars of the crypto world. They are both catching up on their biggest rivals in terms of market capitalization and generating significant buzz and excitement in the crypto community. Lately, ETH has been catching up with **Bitcoin** in terms of market cap, making gains while its archrival stalls. Meanwhile, Solana has been steadily climbing up the crypto charts, currently the seventh-largest crypto by market cap (fifth if you don't include stable coins).

Between ETH and SOL, we've got some exciting things happening. ETH is, of course, the native cryptocurrency of the NFT space, and SOL is a technologically innovative coin supporting fast transaction speeds and low costs. Between the two of them, there's a lot to be excited about. In this article, I will explore which crypto is most likely to "moon" in 2022.

The case for ETH

The case for thinking that ETH will rise more than SOL this year mostly has to do with real world use cases. ETH is one of those rare cryptocurrencies that are actually used to do something other than speculate. The vast majority of cryptocurrencies created never get used to make purchases, build DeFi apps, or anything else. ETH is used for several of these things.

First, ETH is used to buy and sell NFTs. NFTs are themselves [technically ETH tokens](#), so, naturally, they are bought and sold with ETH. Technically you could buy NFTs with non-ETH tokens that are compatible with ETH, but most exchanges require ETH to trade NFTs. So, as long as NFTs remain popular, there will be demand for ETH.

Second, you can hold ETH through ETFs like **Purpose Ether ETF** ([TSX:ETHH](#)). ETHH is a pure-play Ether ETF that charges you a small fee to hold ETH in stock market-traded form. The benefit of this is that you can shelter your ETH from taxation through such ETFs. By holding these ETFs in your TFSA, you avoid having to pay taxes on them. This is a huge benefit, as capital gains tax in the highest tax brackets can go as high as 25%. With ETH ETFs, you can avoid those taxes. There are no such pure-play ETFs for SOL. At least, not yet.

The case for SOL

Whereas the benefits of ETH mainly lie in the realm of use cases and tax benefits, the benefits of SOL are more technical. SOL has a variety of practical benefits over ETH:

- [Faster transaction times](#)
- Lower fees
- A smaller market cap, which makes rapid price appreciation easier to achieve

These are significant benefits. The last one on the list is somewhat of a double-edged sword, as a small market cap makes both upswings and downswings steeper. But on the whole, Solana has more “moonshot” potential than ETH does. So, perhaps it’s a decent bet for those praying for truly extreme gains, like those of BTC in its early days.

CATEGORY

1. Cryptocurrency
2. Investing

TICKERS GLOBAL

1. CRYPTO:SOL (Solana)
2. TSX:ETHH (Purpose Ether ETF)

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. andrewbutton
2. kduncombe

Category

1. Cryptocurrency
2. Investing

Date

2025/07/01

Date Created

2022/01/20

Author

andrewbutton

default watermark

default watermark