



## 2 Cryptocurrencies That Could Outpace Bitcoin in 2022

### Description

The S&P 500 more than doubled between March 2020 and December 2021. In this period, the cumulative market cap of cryptocurrencies surged by 1,400%. However, since November 2021, [cryptocurrency](#) investors have experienced a massive pullback in portfolio values.

There are several reasons why **Bitcoin** ([CRYPTO:BTC](#)) and other tokens are now trading 40% or more below all-time highs. Most digital tokens have minimal utility and are speculative in nature. Several countries view it as a high-risk investment and are cracking down on ownership of cryptocurrencies. While cryptos are viewed as an alternative asset class, they move in unison with the equity market, with a high degree of volatility.

Alternatively, there are several blockchain networks that offer competitive advantages and appeal to long-term investors. Here, we look at two such cryptocurrencies that have the potential to outpace Bitcoin in 2022 and beyond.

### Avalanche

**Avalanche** ([CRYPTO:AVAX](#)) is a blockchain network built to create and execute smart contracts. The existing payment infrastructure is outdated, as it might take a week or more to validate and settle international transactions. Alternatively, blockchain networks have successfully demonstrated improvements in terms of transaction speed and scalability.

The Avalanche blockchain [can execute over](#) 4,500 transactions per second with a throughput rate of fewer than two seconds. We can see why Avalanche and peer networks are well poised to accelerate the worldwide shift towards blockchain-based payments.

Avalanche should onboard multiple dApp (decentralized application) developers as the EVM (Ethereum Virtual Machine) runs on its network. Basically, the EVM is a software used by developers to create dApps on the Ethereum blockchain. This interoperability allows users to create dApps on a network that is cheaper and more scalable than **Ethereum**.

Avalanche is the 12th-largest cryptocurrency in the world, and it's valued at a market cap of US\$15.5 billion. The AVAX token is down 44.6% from all-time highs but has also gained around 500% in the last 12 months.

## Polkadot

**Polkadot** ([CRYPTO:DOT](#)) is the 11th-largest cryptocurrency, and it's valued at a market cap of US\$17.49 billion. The DOT token has surged by 500% since August 2020 but is also down 38% in 2022. However, there are several reasons to add Polkadot to your cryptocurrency watchlist right now.

Deutsche Telekom, which is the largest telecom company in Europe, bought a "significant" amount of DOT tokens as a part of its investment strategy. The telecom heavyweight's subsidiary called T-System will also run validators on the Polkadot network to confirm transactions and be rewarded by DOT tokens.

Right now, the Polkadot blockchain network can process 1,000 transactions per second, which is much higher compared to Ethereum or Bitcoin. Moreover, Polkadot founder Gavin Wood is optimistic that the network will soon be able to process 100,000 transactions each second.

The Polkadot network is also attracting developers at a rapid pace, as the [number of lines of code](#) written on the blockchain surpassed two million, up from just 600,000 at the end of 2020. It's evident that developers believe the Polkadot blockchain will thrive over the long term, and the increase in the developer base should enhance network capabilities going forward.

### CATEGORY

1. Cryptocurrency
2. Investing

### TICKERS GLOBAL

1. CRYPTO:AVAX (Beam Bridged AVAX (Beam))
2. CRYPTO:DOT (Polkadot)

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