



Solana: Top Pick for February or Token to Avoid?

Description

The performance of **Solana** ([CRYPTO:SOL](#)) wowed investors in 2021. This exciting crypto rose 11,000% last year, highlighting to investors Solana's potential to be a future [cryptocurrency](#) leader. With a market value of over [\\$35 billion](#), Solana is the seventh-biggest cryptocurrency on the planet. However, this crypto has not been on a great trajectory of late, down well more than 50% from its peak just a few months ago.

That said, let's dive into whether Solana can rebound from here or if investors should steer clear.

Remarkable ability to scale its network

One of the most interesting aspects of the Solana network I've dove into of late is this blockchain's ability to scale. Indeed, the ability to scale has generally been a significant challenge for several blockchain networks, including **Ethereum**, for a long time now.

However, a few days back, a **Bank of America** analyst doled out some significant praise to Solana, specifically relating to this blockchain's ability to scale its network. Ethereum prioritizes security and decentralization, but at the cost of scalability. This has resulted in higher transaction fees (in fact, in many cases larger than the transaction value being sent) and phases of network congestion. On the contrary, the average cost per transaction for Solana is only \$0.00025 as of early this year.

Bank of America analyst Alkesh Shah points out that the steep cost advantage of SOL will enable it to snatch market share from ETH in areas like gaming and micropayments. He added that Solana's formidable advantages in blockchain-based payments may make this crypto the "**Visa** of the digital asset ecosystem."

Developers undoubtedly appreciate the low-cost transactions and speed of Solana. Over 400 projects are being built upon this crypto's network, and this figure will likely increase in the upcoming years. These projects are mainly focused on areas like non-fungible tokens and decentralized finance. A flourishing developer community often acts as a solid catalyst for token price appreciation. Also, it can help fuel sharp gains for potential investors, like what we saw over the past year.

Bottom line for Solana

Indeed, Solana's positioning right now is solid. However, this is also a blockchain network that's been under pressure in recent months, as network outages have been cause for concern among many investors.

Solana engineers released an update, thereby resolving a few incidents troubling network users. Also, the blockchain network pledged to improve further in the upcoming eight to 12 weeks.

I think, right now, there's a lot to like about how Solana is positioned. Sure, there will always be other blockchains looking to take market share. That's always going to be the case. However, Solana's speed and cost advantage is worth taking a look at.

As far as top tokens to buy heading into February go, Solana is a top pick of mine.

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chrismacdonald

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