



## Ripple vs. Bitcoin: Which Should You Choose in 2022?

### Description

A market crash is the best time to buy good business. That's something most investors understand, but relatively few actually take advantage of. When your already invested capital is losing value, it's quite difficult to master the "preservation" impulse and pour even more capital into the market.

Take the current crypto slump as an example. **Bitcoin** ([CRYPTO:BTC](#)) hasn't dropped this much since August 2021, and the downward motion might continue for a while, making it even more attractively valued. And the harder it falls, the more powerful its [future growth](#) potential is likely to become. But even though it gets most of the limelight, Bitcoin is not the only good pick from the crypto market for this year.

### One of the top 10

While it used to be higher up, **Ripple** ([CRYPTO:XRP](#)) has dropped quite a bit in its market cap ranking and is currently occupying the eighth spot on the list. The crypto is currently trading for about \$0.79 apiece, almost a third of its 2021 peak valuation. Ironically, the 2021 peak wasn't the highest in the crypto's history, as is the case with Bitcoin and most other cryptos. That honor goes to its 2018 peak.

The overall market slump is partly responsible for Ripple's downtrodden value (though it's likely to go down further), but there are other factors going against this crypto as well, mainly its legal tussle with SEC. The US Securities and Exchange Commission has taken Ripple's founders to court over \$1.3 billion in unregistered securities offerings. The case was swinging in Ripple's favour, but the SEC has raised another hurdle.

If the legal battle ends in Ripple's favour and the timing coincides with the crypto market's recovery as a whole, the two triggers *might* be enough to push Ripple higher than its all-time peak, which would result in over 500% growth.

### The case for Bitcoin

I think Bitcoin *is* a good long-term buy because it almost always delivers in the long run. How much it returns, though, might push it down the ranks compared to other cryptocurrencies that offer more substantial growth potential. If you buy it at its current price, it might have to reach US\$160,000 just to offer a 500% growth, which is more than twice its all-time high peak. The chances of Bitcoin going that high without a major macro trigger are quite low.

However, if Bitcoin keeps slumping and reaches a four-digit price tag, it would almost become a must-buy.

## A Bitcoin miner

While the option is not available for Ripple, if you are interested in buying Bitcoin, an alternative way to gain exposure would be to invest in a miner like **Hut 8 Mining** ([TSX:HUT](#))([NASDAQ:HUT](#)). The stock may offer much more [powerful growth](#) compared to the underlying asset, which makes it possibly a smarter way to gain exposure to Bitcoin.

In the last 12 months, the stock has grown 65%, which is significantly higher than Bitcoin's 14%. The fall from the 2021 peak is quite pronounced as well – 58% for the Hut 8 stock compared to 41% for the underlying asset. But perhaps the most significant advantage is that you can keep Hut 8 in your TFSA and RRSP, something you can't do with Bitcoin.

## Foolish takeaway

Currently, both Bitcoin and Ripple are technically [undervalued assets](#), and so are many tech stocks associated with the crypto market. The choice between the two right now is easy. Ripple might be a slightly better buy right now. However, if Bitcoin keeps falling, it will steadily become more attractive.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. CRYPTO:XRP (HarryPotterObamaPacMan8Inu)
2. NASDAQ:HUT (Hut 8 Mining)
3. TSX:HUT (Hut 8 Mining)

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