



Ripple (CRYPTO:XRP) Could Remain Stagnant in 2022

Description

Crypto analysts think **Ripple** ([CRYPTO:XRP](#)) could experience [more downside](#) in the months to come because of persistent selling pressure. With the lawsuit against it by the U.S. Securities and Exchange Commission still pending, the price of the eighth-most valuable digital asset in the world could remain stagnant throughout 2022.

Thus far, support for XRP has been weak and as of February 2, 2022, the price had sunk to US\$0.60 from US\$0.62 in the previous trading day. Some analysts see a slow and steady decline in that a [bearish trend](#) points to a further drop to US\$0.58. It could move to a longer-term bearish trend after that, perhaps to a support level of US\$0.55.

Not all bad news

Ripple notes delays in the lawsuit with requests coming mostly from the SEC. Fortunately, the case seems to be having minimal effect on RippleNet. According to Ripple, 2021 was the most successful and lucrative year ever for RippleNet. Notwithstanding the headwind from the pending case, global momentum soared.

The volume of transactions on RippleNet more than doubled, with a payment volume run rate hitting US\$10 billion. Management said it's a testament to the product. Ripple lost **Moneygram**, its largest customer, immediately following the SEC lawsuit.

As of last count, there are over 20 payout markets for on-demand liquidity (ODL), with the Middle East as the latest addition. Meanwhile, Ripple engages in sales to improve the ODL experience of selected customers. The move eliminates pre-funding need at exchanges and enables instant global payments.

In Q4 2021, the company sold more than \$1 billion worth of XRP for its cross-border payments platform ODL. XRP sales likewise increased 45.8% to US\$717.07 million versus Q3 2021. Digivault launched support for XRP. It was the first fully UK Financial Conduct Authority (FCA) registered cryptoasset firm to do so. Delta Exchange became the first CeFi (centralized finance) exchange globally to launch XRP options.

Strong headwinds

The SEC lawsuit against Ripple is now one-year old, with the anniversary date on December 22, 2021. It alleges that Ripple Labs and two senior executives, including Ripple CEO Brad Garlinghouse, sold \$1.3 billion in their cryptocurrency XRP as a security without registering it with the SEC.

A day after the first anniversary, Garlinghouse tweeted, "2021 has been a watershed year for crypto. Acceptance and awareness of the opportunity to bring billions of people into the global financial community has never been so clear. It's been incredible to see a lot less 'maximalism', and many more builders joining the industry."

Decision could take years

Ripple did not settle as most companies would do. Instead, it decided not to give in to the SEC's demands and opted to fight. Management argues that the SEC has been biased in applying the definition of security to virtual currencies. Garlinghouse and a lawyer in the Ripple community is confident a resolution in their favour is coming in April 2022.

However, some legal experts say the odds are high that it will take years before a definitive result comes out. It could pose a problem for Ripple and stall XRP's [growth](#) if the lawsuit drags on. Many cryptocurrency exchanges have delisted the crypto due to the SEC lawsuit.

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