



## Can Ethereum Repeat its 380% Yearly Growth in 2022?

### Description

**Ethereum** ([CRYPTO:ETH](#)), the second-largest cryptocurrency by market cap, is one of the few that are as nearly as well known as **Bitcoin**, the leader of the pack. And that limelight comes with its own set of pros and cons. One major perk is universal adaption (as an investment asset), with investors from every corner of the world investing in this particular crypto.

But even as famous as it is in its own right, the crypto has difficulty following the lead of Bitcoin, which quite often dictates and shapes the course of the crypto market as a whole. However, the exact timing of the peaks of two different cryptocurrencies doesn't always overlap. For example, Bitcoin peaked in Dec. 2017, while [Ethereum peaked](#) in Jan. 2018.

In 2021, Ethereum peaked (for the first time) in May, months after Bitcoin's March peak, although the month for the second peak was the same for both cryptocurrencies (November).

This is important to understand, because if Ethereum is expected to rise the recovery wave to new growth heights, Bitcoin's growth might become the indicator for the upcoming peak.

## Can Ethereum repeat its 2021 growth?

If you had bought Ethereum on the first day of 2021 and sold it on the last day of the year, you would have grown your capital by about 382%. The growth would have been much more phenomenal if you had invested in this crypto in early 2020 and sold at the 2021 peak (about 3,200% growth), but the yearly growth is still quite impressive.

But what are the chances of a repeat performance? The crypto is just 39% down from its last peak, which wouldn't even result in a full 100% growth if Ethereum reaches that point again. And the chances of it surpassing that peak — enough to grow your capital by 380% — are quite low.

However, you may consider buying Ethereum if it drops down further, ideally, to a late three-digit price. Since it's a long shot, if you want to buy Ethereum for however much growth it offers, try making a move as soon as the bottom of the current slump is identified.

## A crypto ETF

Buying an Ethereum ETF like **CI Galaxy Ethereum ETF** ([TSX:ETHX.B](#)) is one way to gain exposure to the [crypto market](#) through an asset class that you *can* hold in tax-sheltered accounts, unlike holding Ethereum directly, which you can't. The ETF is quite new and only started trading on the TSX in April 2021, but so far, it has tracked the performance of the underlying crypto quite faithfully.

That includes the growth phase, as well as the slump, which is less than three percentage points off from the mark. It comes with a management fee of 0.4% and has a U.S. variant as well. The total net asset value (NAV) is currently \$795 million.

## Foolish takeaway

The chances of Ethereum repeating its 380% growth last year are relatively low, unless it falls down much more than it already has. The crypto asset needs to become much more "[undervalued](#)" than it currently is before it grows your capital three- or four-fold within 2022. However, if the current slump is as far as it's going to fall anytime soon, buying now and holding long term might be an idea worth considering.

### CATEGORY

1. Cryptocurrency
2. Investing

### TICKERS GLOBAL

1. TSX:ETHX.B (CI Galaxy Ethereum ETF)

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