



Are Metaverse Cryptocurrencies the Place to Invest Right Now?

Description

The crypto world has been in turmoil over the past few weeks. Indeed, this rather bearish price action for most tokens, including metaverse cryptocurrencies, led many investors to declare a “crypto winter” was underway.

The good news is, as quick as a crypto winter was announced, the snow began melting. Today, three of the metaverse cryptocurrencies I’ve got on my watchlist are surging.

Maybe momentum is back, or maybe this is just a short-term rise in the midst of a long winter. Let’s dive into whether these tokens are worth a look right now.

There’s a reason these metaverse cryptocurrencies are heating up

As per its white paper, **The Sandbox** ([CRYPTO:SAND](#)) aims at developing interconnected virtual worlds. Here, users can construct, own, and monetize gaming experiences. Its impressive progress towards making its metaverse a true virtual reality makes it stand out from competitors. Also, developers of The Sandbox boast solid game development experience. Along with such an experienced team, its unique value proposition can also help outperform peers.

Decentraland ([CRYPTO:MANA](#)) is a dApp on the **Ethereum** blockchain, similarly providing a virtual world to gamers. This metaverse platform ranks as the third-most-popular NFT collection, based on transaction volume on OpenSea. Given the enthusiastic response surrounding the metaverse and NFTs, Decentraland is seeing demand rise in impressive fashion. For those bullish on NFTs, this is a project to take a look at.

Another wildly popular metaverse style blockchain game is **Axie Infinity** ([CRYPTO:AXS](#)). Gamers can train, battle, and collect Axies. These are digital creatures, each of them with different attributes which makes them more or less valuable. The AXS token is utilized for breeding, marketplace payments, staking, and governance. Thus, I look at this metaverse play as an intriguing mix of “Pokemon meets

the virtual world.”

Of course, there are risks

Corporate adoption in the metaverse has spurred a tremendous amount of interest in metaverse [cryptocurrencies](#). However, the rise of competition from giants such as **Meta Platforms** in this space could be a headwind facing crypto investors looking at the metaverse.

Additionally, like all high-flying assets, the valuations of these metaverse cryptocurrencies have become causes for concern among investors worried about a de-risking of the markets. Each of these tokens is well off its all-time highs, due mainly to deteriorating risk-off sentiment in the markets. If this continues, it's possible these tokens could continue their previous declines.

Bottom line

Broadly speaking, I think there's a reason for the tremendous interest in the metaverse right now. These metaverse tokens have traded in higher correlation to risk assets of late. For many investors, that's a good thing.

However, with the uncertainty in the markets right now, these metaverse cryptocurrencies likely only fit the investment profile of the most aggressive investors. That said, the big rewards may justify the risk. It just depends on which part of the spectrum one lies.

CATEGORY

1. Cryptocurrency
2. Investing

TICKERS GLOBAL

1. CRYPTO:AXS (Axie Infinity)
2. CRYPTO:MANA (Decentraland)
3. CRYPTO:SAND (The Sandbox)

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