



## 3 Top Cryptocurrencies Every New Investor Should Own

### Description

Most investors are skeptical about gaining exposure to cryptocurrencies, and for good reason. For one, the technology is difficult to understand, as every digital asset has a website or a white paper that explains the utility of its blockchain network. So, you need to have a basic understanding of computer programming to even begin to comprehend how these networks operate.

Further, there are over 13,000 cryptocurrencies in circulation, and it can be overwhelming to identify the ones with the best underlying technology, which will drive demand for the digital tokens higher.

Finally, unlike stocks, it's difficult to fundamentally value cryptocurrencies, and you have to rely on metrics such as on-chain data, which is not easily available.

The [cryptocurrency](#) space is unregulated and volatile, making it an extremely risky asset class. But there is an opportunity for investors to derive significant gains within a short period of time. So, let's take a look at three popular cryptocurrencies newbie investors should place their bets on right now.

### Bitcoin

**Bitcoin** ([CRYPTO:BTC](#)) is the world's largest cryptocurrency valued at a market cap of US\$814 billion. Often viewed as a bellwether of the crypto market, Bitcoin is now held by several publicly traded companies on Wall Street. While the BTC token is down 35% from all-time highs, it has also returned close to 4,000% to investors in the last five years.

Several investors remain bullish on Bitcoin, including Ark Invest's Cathie Wood. In fact, Wood expects institutional buying to increase BTC prices to US\$560,000 by 2026 and US\$1 million by 2030.

While it will be difficult for Bitcoin to replicate its historical gains, there is a good chance for the flagship digital token to keep generating market-beating returns in the upcoming decade.

## Ethereum

Another cryptocurrency Cathie Wood is bullish on is **Ethereum** ([CRYPTO:ETH](#)), which is the second-largest digital asset with a market cap of US\$365 billion. Wood expects prices of the ETH token to range between US\$170,000 and US\$180,000 by 2030.

Compared to Bitcoin, Ethereum consumes significantly less power to mine its underlying token. Further, the blockchain can host decentralized applications, non-fungible tokens, as well as smart contracts, allowing it to onboard several projects on its network.

The upcoming Ethereum 2.0 update will be a key catalyst for investors, as the mining process will transition towards a proof-of-stake mechanism, from a proof-of-work mechanism. The transition will lower transaction fees by a staggering 99%, which should drive prices of ETH to record highs by end of 2022.

## Cardano

The final cryptocurrency on my list is **Cardano** ([CRYPTO:ADA](#)), which is valued at a market cap of US\$38.45 billion, making it the seventh-largest token in the world. Currently, in its third phase of development, the Cardano blockchain now supports the functionalities of smart contracts. So, similar to Ethereum, developers can use Cardano's network to create and execute smart contracts.

As you need to pay transaction fees in the native cryptocurrency, the demand for ADA token should gain pace if it successfully onboards DeFi projects. Data from CoinMarketCap suggests around 4,000 developers have already worked with Cardano's [test network](#) while there are around 280 smart contracts live on its blockchain.

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1. araghunath
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araghunath

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