



1 Tame “Doge” That Could Become a Powerful Wolf

Description

“It’s a joke is taken too far.” Few events in human history fit that definition, as **Dogecoin** (CRYPTO:DOGE) does. It was created as the first “meme coin” and, in a way, was a practical commentary on the wildly speculative [crypto market](#).

As an Altcoin, DOGE shares a lot with the precursor **Bitcoin** and thousands of other cryptos. However, it’s also different in many ways. For one, there is no cap on how many Dogecoins there can be. There are over 132.6 billion coins in circulation at the time of writing this, and there can be much more.

It can be mined, and the reward, which used to be random, is now fixed at 10,000 per one block mined, and it’s relatively easy to mine. The crypto got traction from the meme communities, but the real push came from Elon Musk, who tweeted about it in 2019. But the crypto value still languished in obscurity up until the mid-2021 peak, which pushed its value 31,000% higher than what it was at the beginning of 2020.

Currently, Dogecoin is the 12th-largest cryptocurrency by market cap.

Dogecoin 2021-2022

The cryptocurrency has come down a long way from its 2021 peak, and the 77% decline is only increasing (for now). Even though Bitcoin and **Ethereum** have started to recover, Dogecoin is lagging, but that’s not unusual. Its previous spike didn’t exactly coincide with the giants in the market, and its next one won’t either.

Currently, [the crypto](#) is trading for a neat \$0.2 per coin. And at this rate, even if it goes to \$1 apiece, a height it hasn’t reached yet (but got quite near to), it can grow your capital five-fold. You can set the bar low and hope for its former peak: \$0.84 per unit, and you can still experience 400% growth if you buy at the current price, which is much more than Bitcoin or Ethereum can offer.

The long-term prospects

Dogecoin may have started out as a joke cryptocurrency, but with Elon's backing and mainstream adaption, it *is* growing as more than just a speculative crypto asset you can trade. It's moving away from its former proof-of-work framework to proof-of-stake, which is more sustainable. However, how this transition impacts mining, trading, and interest in Dogecoin in general, is too soon to tell.

The speculation angle, however, is still the same. The speculative nature of the asset can allow its growth to be triggered by some positive market conditions, and if it spikes again at its former pace, reaching \$1 might not be too far off a goal. So, even if it's the best Dogecoin is capable of, and it takes you two or three years to achieve, you have to determine whether it's worth the risk.

Foolish takeaway

While the current proof-of-work reward mechanism might not make it a very attractive ESG holding, the framework it's shifting to would come under responsible [ESG investing](#). That might be an additional incentive to consider investing in this crypto.

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Author

adamothonman

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