



XRP: Why the Upcoming Week Is Extremely Crucial for Ripple Investors!

Description

Back in December 2020, the Securities and Exchange Commission, or SEC, sued **Ripple** ([CRYPTO:XRP](#)) and alleged that the XRP token is a security and not a currency. Ripple, which is a payment facilitator, might therefore be subject to securities laws, similar to other publicly listed companies.

However, Ripple refused to surrender and claims the XRP token is a digital asset, like all other cryptocurrencies. Alternatively, multiple reports suggest that a few key documents will be unsealed on February 17, which will expose a flaw in SEC's case against Ripple.

According to a *Protocol* article, Ripple's general counsel Stuart Alderoty stated, "Once released, these documents will show that in 2012 Ripple received a legal analysis that XRP was not an investment contract. The fact that it took the SEC eight years to suggest they disagreed with that analysis — while XRP traded in a massive global market — is baffling."

The XRP token gained close to 40% in market value between February 6 and February 8 following this news. However, it's still down 75% from all-time highs given it touched US\$3.2 during the bull run of 2017.

Will XRP touch all-time highs in 2022?

If the upcoming verdict favours Ripple, there is a good chance for the XRP token to gain momentum in the near term. It's currently the sixth-largest [cryptocurrency](#) and is valued at a market cap of US\$38 billion. Despite the pullback since April 2018, XRP has returned 4,500% to investors in the last eight years.

Right now, the Ripple ecosystem is facing legal hurdles, and the outcome should impact other cryptocurrencies as well. So, the verdict will be closely watched with every stakeholder part of this highly disruptive space.

Due to the [ongoing legalities](#) surrounding Ripple, several cryptocurrency exchanges including Kraken, **Coinbase**

and Binance stopped XRP trades on their platforms. If XRP is re-listed on top crypto exchanges, pent-up demand, and higher liquidity should increase its price in the next few months.

Ripple continues to expand its ecosystem

A key catalyst of the price of a digital token is the utility of its underlying blockchain network. Ripple Payments has already found multiple real-world use cases in the payments space. The RippleNet blockchain network onboarded Morocco's largest bank last month, while institutions such as Banco Santander, **Bank of America**, and **American Express** are already a part of RippleNet.

While several cryptocurrency exchanges have delisted XRP, it's still one of the most liquid digital assets in the world, with a trading volume of US\$2.54 billion in the last 24 hours. We can see that the demand for a fast and secure cross-border payments service with low transaction fees is robust and here to stay.

While legal challenges are difficult to predict, the cryptocurrency segment will stand to benefit if Ripple receives a favourable judgment. In addition to [quality legal advice](#), Ripple can successfully leverage community support, which is why an SEC victory remains unlikely this week.

In a nutshell, RippleNet aims to replace legacy systems such as SWIFT, which means XRP investors are well positioned to derive exponential returns in the long term.

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