



2 Cryptos Are Breaking Out, and Another Could Drop 22%

Description

The frenzy over cryptocurrencies continues in February 2022, although heightened investors' interest is not on **Bitcoin** or **Ethereum**. While the top two cryptos have regained momentum after Valentine's Day, **Solana** ([CRYPTO:SOL](#)) and **Ripple** ([CRYPTO:XRP](#)) could upstage both. **Cardano** ([CRYPTO:ADA](#)), however, could free fall soon.

Like technology and [growth stocks](#), Bitcoin and Ethereum could weaken in a rising-rate environment. The former, in particular, dropped 80% in 2018 during the first crypto winter. With diminishing returns for the most popular cryptos, Ripple and Solana becomes the [next-best alternatives](#) because of their "use" cases.

Ethereum killers

Crypto experts refer to Solana and Cardano as Ethereum killers, except that the latter is on a downtrend. The price went as high as US\$2.27 on November 9, 2021, but is down 52.5% (US\$1.08) as of this writing. Input Output announced a plan to increase the network's capacity as well as the script memory units of its smart contract language.

According to the tech company behind the Cardano network, the adjustment is part of a planned series of network optimizations. The optimization will continue this year through a series measured steps. Input Output believes it will carefully and methodically scale Cardano for future growth as demand increases.

Despite the announcements, ADA keeps slipping. Market analysts say if the support level doesn't hold, a steep correction is possible. Meanwhile, Solana fell below US\$100 for the first time since February 9, 2022. However, the price has surged by 5.6% since and is now at US\$101.81.

Solana's NFT (non-fungible token) system is growing significantly thanks to the high demand for projects like Solana Monkey Business and Degenerate Ape Academy. NFT-driven games like *Aurory* and *Star Atlas* should also generate hype for SOL.

More metaverse projects are building not only on Ethereum. The latest buzz is the US\$5 million funding raised by Portals, a Solana-based metaverse projects. Investors include Greylock, the co-founder of streaming video site Twitch, and gaming NFT marketplace Fractal. Analysts' average price forecast for SOL in 2022 is US\$217, or a 113.1% upside potential.

Gaining momentum

Ripple has risen 33% since January 31, 2022, and trades at US\$0.8235 today. Technical analysts say the crypto broke the bear market trendline notwithstanding a pending lawsuit. On December 22, 2022, the U.S. Securities & Exchange Commission (SEC) filed a case against Ripple and two its senior executives for trading unregistered securities worth US\$1.3 billion.

Ripple argued that XRP is not a security, and therefore, the lawsuit stands on weak grounds. Its CEO, Brad Garlinghouse, said, "Despite these crazy headwinds with the SEC, we grew very quickly, and we feel like we're starting 2022 in a great position of strength." He added that the buyback of significant Ripple shares recently show XRP's momentum. Analysts' average price target for XRP in 2022 is US\$1.02 (+23.9%).

Management hopes to obtain a favourable ruling from the SEC lawsuit. There are speculations that Ripple could take it to the next level once the case is over. Garlinghouse thinks the ultimate future is to see a public company in the United States, which is the largest capital market in the world.

Cryptocurrency destination soon

Canadians understand the risks surrounding cryptocurrencies. Still, [investments in the space](#) could increase, as the country sees their significant innovative and economic potential.

CATEGORY

1. Cryptocurrency
2. Investing

TICKERS GLOBAL

1. CRYPTO:SOL (Allbridge Bridged SOL (Near Protocol))
2. CRYPTO:XRP (HarryPotterObamaPacMan8Inu)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
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