



Why Terra Is Looking Like an Attractive Token to Buy Right Now

Description

Investing in [cryptocurrencies](#) isn't for the faint of heart. This sector has been highly volatile, with even the most high-profile tokens getting hit. One project I've been watching closely of late that hasn't been exempted from this price action in the market is **Terra** ([CRYPTO:LUNA](#)).

Terra has been a fantastic performer last year. This currency, which manages a network of Stablecoins, saw an impressive [15,000% jump](#), reaching more than \$100 per token. Currently, Terra trades around \$56 per token, which is still up approximately 15-fold from its bottom over the past year.

Could more upside be on the horizon? Here's why I think that's certainly possible for this token this year.

Terra offers stability

Terra is an algorithmic stablecoin network that provides token stability by minting and burning its tokens over time. The Terra blockchain comes with multiple stablecoins, including the popular UST. These stablecoins are able to maintain their stability over time, with the help of LUNA. LUNA is a token of Terra blockchain that has the capacity to absorb volatility.

The overall structure of this blockchain is complicated. There are multiple algorithms that provide stability to this blockchain network. However, Terra can stabilize its UST token with the help of its token LUNA.

A stablecoin can be quite useful for investors seeking to make transactions through cryptocurrency. Since stablecoins are designed to prevent fluctuations, investors are able to make long-term contracts on the blockchain or engage in small payments with little ill-effects of volatility. Right now, that's a major strike for many large blockchain projects.

This project also offers multiple benefits for investors

Apart from its high growth potential, Terra's token LUNA comes with a wide range of benefits for investors. Terra, as a blockchain network, provides competitive programmable payments. In addition, it has an infrastructure that allows for the simplification of decentralized apps.

Terra also provides some interesting capabilities in terms of interoperability. This means investors can use this crypto on different chains. As of now, Terra's token LUNA can be used on networks such as **Solana** and **Ethereum**. However, the Terra development team has plans in place to expand this protocol to be used on other blockchains as well.

This network has a governance mechanism that is community-based in nature. In simple terms, validators receive voting rights on important network updates. Such updates can include alterations, upgrades, etc.

Bottom line

Terra has impressive growth potential, an experienced team of leaders, and it has been developing other projects in the metaverse field.

Terra's stablecoins, supporting this network's dollar-pegged UST, has the potential to perform well over the long term. Of course, risks remain higher in the crypto world than in other asset classes. Accordingly, investors should be aware of these risks when considering Terra. That said, this token is one aggressive investors may want to dive into at these levels.

CATEGORY

1. Cryptocurrency
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TICKERS GLOBAL

1. CRYPTO:LUNA (Terra)
2. CRYPTO:SOL (Solana)

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