



How High Can the Price of Ethereum Get in 2022?

Description

Over the last three months, the price of **Ethereum** ([CRYPTO:ETH](#)) has been selling off considerably. The second-most valuable cryptocurrency, which outperformed **Bitcoin** ([CRYPTO:BTC](#)) in both 2020 and 2021, has gotten caught up in the sell-off of the entire industry and has actually underperformed Bitcoin for much of this sell-off.

In total, the price of Ethereum currently sits around 45% off its all-time high of US\$4,487, which it reached on November 10, 2021.

A sell-off this severe in just a few months can be concerning. However, it's not necessarily surprising, considering that the cryptocurrency industry is already highly volatile. Furthermore, Ethereum is still worth more than it did as recently as last April. So despite the recent sell-off, the cryptocurrency industry and Ethereum's long-term growth potential is still significant.

However, if this is the case, you may be wondering why it's sold off recently.

Why has Ethereum sold off?

To know where the price of Ethereum is going in 2022, we first have to understand why it's this cheap.

As I mentioned, it's not just Ethereum specifically selling off, but the entire [cryptocurrency industry](#) has fallen out of favour with investors.

As [inflation](#) has ramped up, the macroeconomic environment has changed, and now tensions in Eastern Europe are peaking, investors have consistently been looking to offload risk from their portfolios. And the easiest and quickest way to do that is by selling highly volatile cryptocurrencies.

In addition to the entire industry's sell-off, though, Ethereum has also lost some demand for its tokens recently due to its network desperately needing upgrades so it can scale better when it gets busy.

This has been an issue with Ethereum for some time, but it's been exacerbated in the last year as the

cryptocurrency industry has gained so much popularity. So in order for Ethereum to regain momentum, it's going to have to solve a lot of these scaling issues.

It's important that investors remember that the price of Ethereum is not just driven by investors buying it to hold as stocks are. The demand for Ethereum rises when more users need it to use the network. So when the upgrades, which are currently in the works and slated to be released later this year, are finally implemented, it should drive more activity on the network, meaning more users and more demand for Ether.

How high can the price of Ethereum get in 2022?

The potential for the price of Ethereum to rally in 2022 depends on a few different factors. First off, the macroeconomic environment is likely going to have to improve. If investors are continuing to look for defensive investments and higher-risk stocks and other investments are still out of favour, it's going to be hard for Ethereum to rally on its own.

Furthermore, even if the cryptocurrency industry was to rebound this year, Ethereum's individual performance will depend largely on how well the upgrades to its blockchain work. If Ethereum can successfully solve its scaling issues, it could gain a tonne of momentum, and its price could start to rise rapidly, as we've seen in the past.

So the potential for Ethereum's price lies with multiple factors, which is why it's always hard to predict when these assets could rally. But one thing's for sure: Ethereum is quite cheap at this price.

Furthermore, when Ethereum finally does come back into favour again, the rally could be the fastest we've seen, as the cryptocurrency industry is now as popular as ever among users, investors, and even companies and institutions.

So if you're bullish on Ethereum, I'd look to buy while its price is still cheap. It's one of the best growth opportunities for investors today.

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