



## 2 Cryptocurrencies That Have Outpaced XRP in 2022

### Description

Most cryptocurrencies, including **XRP** ([CRYPTO:XRP](#)), are trading in the red this year. The XRP token is down 8% year to date, valuing the sixth-largest cryptocurrency at a market cap of US\$37.4 billion. XRP is part of the Ripple ecosystem, a company that is wrestling with legal challenges.

Back in late 2020, the U.S. Securities and Exchange Commission [alleged that XRP](#) is similar to asset classes such as stocks and bonds. So, the executives at Ripple were accused of breaking trading rules when they sold XRP tokens without required registrations in place.

There is a good chance for the XRP token to gain momentum if the verdict is ruled in its favour. However, let's see which two cryptocurrencies have already outpaced XRP in the first two months of 2022.

### FTT token

The **FTX** ([CRYPTO:FTT](#)) trading platform launched a native [cryptocurrency](#) back in May 2019. Since the start of 2020, the price of the FTT token has risen by more than 2,000%, valuing it at a market cap of US\$6.45 billion. Despite its stellar rise, the FTT token is also down 46% from all-time highs.

The FTX team consists of some of the world's most popular cryptocurrency traders, who found it difficult to execute trades on other mainstream exchange platforms and decided to build their own exchange. Right now, FTX offers exclusive features such as a stablecoin settlement, clawback prevention, and a centralized collateral pool.

Presently, other crypto exchanges claim a significant portion of customer fund towards socialized losses with regard to clawback prevention. FTX reduces this amount as it used a three-tier liquidation model. The collateral on peer exchanges is also fragmented across token wallets and prevents traders from liquidation. The derivative contracts on FTX are settled using stablecoins and require a single margin wallet. Finally, traders on FTX can take leveraged positions and don't have to trade on margin.

The FTT tokens are used as collateral for margin trades thereby increasing demand and prices over

time.

## Terra

The seventh-largest cryptocurrency in the world, **Terra** ([CRYPTO:LUNA](#)) is valued at a market cap of US\$35 billion. In the last two years, the LUNA token has surged by a staggering 42,000%. So, an investment of \$100 in LUNA token back in March 2020 would be worth more than \$42,000 today.

Last week, [Terra disclosed](#) that its stable coin, **TerraUSD** (CRYPTO:UST), will be backed by a **Bitcoin** reserve worth US\$1 billion. The TerraUSD is not a conventional stablecoin as it's not backed by the U.S. dollar. It's in fact fixed to the U.S. dollar by a burning and minting process for LUNA.

So, if UST prices decline below US\$1, it can be swapped for LUNA (which is minted) and sold for US\$1 allowing investors to benefit from arbitrage. Alternatively, if the price of the UST moves over US\$1, additional LUNA tokens will be burned reducing the latter's supply and increasing the price. Now, a Bitcoin reserve should reduce volatility within Terra's ecosystem.

In a nutshell, investors expect the Bitcoin reserve to provide a margin of safety and add stability to the LUNA token.

### CATEGORY

1. Cryptocurrency
2. Investing

### TICKERS GLOBAL

1. CRYPTO:LUNA (Luna by Virtuals)
2. CRYPTO:XRP (HarryPotterObamaPacMan8Inu)

### PARTNER-FEEDS

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2. Koyfin
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