



1 Key Metric to Watch With Ethereum Right Now

Description

The [cryptocurrency](#) sector is still reeling from the impact of this year's slow start. This fast-growing sector peaked in November of last year at around \$3 trillion. Much of this impressive performance can be tied to that of **Ethereum** ([CRYPTO:ETH](#)), which made its all-time high of nearly \$4,900 per token late last year.

Today, the crypto market has dwindled to around \$1.8 trillion, losing roughly 40% of its value from its peak. Similarly, Ethereum trades in the \$2,680 range at the time of writing, currently up meaningfully this morning to the tune of 6%.

For those expecting Ethereum's momentum to continue, here's a key metric to watch.

More than 10 million ETH locked on Ethereum 2.0 staking contract

As per data from Dune Analytics, within the Eth 2.0 staking contract, there are more than 10 million ETH tokens locked into this network. This is certainly good news for Ethereum investors bullish on the network's planned upgrade to a proof-of-stake blockchain. In order for this network to be viable, the Ethereum 2.0 deposit contract needed 524,000 ETH to launch. However, with such an over-subscription taking place, investors have become more bullish on this planned upgrade.

In fact, data shows that more than 67,000 unique depositors contributed to this staking effort. This ETH will be locked and inaccessible to investors. That said, existing shakers will receive 4.8% in yield for their efforts.

Those looking at the potential for dividend-like yields in the crypto space like staking. Indeed, Ethereum's move toward a proof-of-stake network may be enticing from this perspective alone. Additionally, as more ETH gets locked in to staking contracts, the supply-and-demand fundamentals of this token should improve over time.

Currently, Ethereum 2.0 is in the “Kintsugi” testnet stage before rollout. Testnets run on the top and mimic the mainnet or core blockchain activity without causing an impact to it. They enable the community and developers to test features and applications in a controlled setting.

Remarkable upside potential

Ethereum’s overall market capitalization is truly impressive to look at. Valued at [\\$340 billion](#) at the time of writing, that’s a valuation greater than the GDP of many nations. Of course, seeing a pathway to impressive growth from here can be difficult (a 10 times return would mean a valuation around \$3.4 trillion, which would be absolutely astronomical).

That said, there are many who believe that such valuations are possible. As a central tenet to the rise of decentralized finance applications, Ethereum’s network provides the plumbing for many projects to exist. Without Ethereum, we wouldn’t have much of the progress in the crypto space.

Accordingly, the value of ETH is directly tied to the growth of this network. Until Ethereum stops growing, there are many who believe this token’s valuation can continue to increase.

Bottom line

Like all cryptocurrencies, investing in something like Ethereum carries a tremendous amount of risk. However, there’s a reason why many investors remain bullish on this token.

Those taking a long-term view of the crypto sector may want to dive into the value Ethereum provides. Right now, this is a top token for many investors for good reason.

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