



Momentum Is Back in the Crypto World – How High Can These Top Tokens Go?

Description

Investors taking the pulse on how the overall cryptocurrency market is performing have a number of ways of doing so. Investors can look at the overall market capitalization move of this sector. Or, they can simply see how top tokens **Bitcoin** ([CRYPTO:BTC](#)) and **Ethereum** ([CRYPTO:ETH](#)) are performing.

After all, Bitcoin and Ethereum combined make up more than 60% of the overall crypto market. These top cryptocurrencies are prominent global players. For institutional investors, these are top tokens to consider.

Can these top tokens continue higher to new all-time highs? Or is the top in? Let's discuss.

Bitcoin soars despite hawkish Federal Reserve

Jerome Powell, chairman of the U.S. Federal Reserve, has put forward an interest rate hiking path that may be more aggressive than many investors expected. Accordingly, assets of all types have been very volatile of late.

Powell stated at the National Association for Business Economics conference that the central bank needs to move "expeditiously" in order to combat inflation. He further added that larger-than-typical hikes in interest rates could be deployed if the need arises. Despite this, Bitcoin touched its highest level since March 3, along with other top tokens. As of Friday, this token trades at nearly \$45,000 apiece, a marked increase from a low of less than \$35,000 per token over the past month.

While Bitcoin appears to be moving in closer correlation to major indexes, inflation will be a key factor investors consider with this token. After all, Bitcoin is designed to be non-inflationary over the long term. Yes, new BTC is minted during the mining process. However, the 19,000,000th Bitcoin is expected to be mined in the next month or so, with a cap of only 21,000,000 Bitcoin ever able to circulate. Accordingly, there's still an inflation catalyst that could take this token higher from here.

Enthusiasm growing around Ethereum

Like Bitcoin, Ethereum has been soaring of late. As of Friday morning, this token surged to nearly \$3,200 per token, on the back of a rather impressive catalyst.

Namely, investors in Ethereum are enticed by this network's upcoming merger. Ethereum has already deployed its Kiln testnet which will be merged to create a proof-of-stake network. Accordingly, those bearish on the mining underpinning both Bitcoin and Ethereum will now have no reason to avoid investing in this top token.

The potential for staking on the Ethereum network is a big deal. It's expected that the Ethereum 2.0 staking contract could drive significant interest in ETH tokens. That's because it's widely expected for staking rewards to be in the 10%-15% range out of the gate.

What this means is that long-term investors can lock in their tokens and earn a double-digit yield. For those holding ETH for the long term, this is a very meaningful return. Aside from the potential for capital gains, these staking rewards provide some serious added upside potential.

Of course, we'll have to see how this merge goes. There's always the potential for issues. However, Ethereum's fundamentals are about to get a lot more attractive.

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