



2 Reasons Why XRP Could Be the Future of Crypto

Description

XRP ([CRYPTO:XRP](#)), the native [cryptocurrency](#) token used on the XRP Ledger, was launched in 2012. As one of the oldest tokens out there, investors may have mixed opinions on the ability of this network to grow at an astronomical rate.

That's mainly because there are now so many projects in the crypto world seeking capital. And, as we've seen, so many small-cap projects have absolutely skyrocketed from a small base to achieve incredible market capitalizations. Currently, XRP's market cap places this token [seventh](#) on the list of all cryptocurrencies, making a rapid rise less likely for this top crypto.

However, there are a few reasons to remain bullish on this token. Let's dive into the bull case behind XRP right now.

1. Ability to transfer money anywhere

Many investors take cross-border trade for granted. Indeed, we live in a globalized world. Accordingly, the ability to transfer money globally is becoming increasingly important.

XRP is the token supporting Ripplenet, a global payment transfer system. Using Ripplenet and XRP tokens, users can transfer money anywhere around the globe for roughly \$0.25 per transaction. Compared to most major money-transfer services, that's dirt cheap.

As more emphasis is put on money-transfer services, XRP could continue to grow in importance in the crypto world. This network's cross-border functionality is among the best in the sector at scale.

2. XRP Ledger efficiency

XRP has been able to gain this cost advantage via impressive efficiency within the network's ledger. Blockchain technology can be thought of as a perpetual ledger. New transactions that are added to the block form a chain (hence, blockchain).

However, how efficient the said ledger is will inform the prices charged for fees on a given network. In this regard, XRP gains top marks.

Many transactions can be carried out at a fraction of a cent. With cost being of utmost importance to global merchants, XRP is often viewed as one of the only cryptocurrencies that can facilitate meaningful scale at minimal cost to the most number of people. That's why many investors like this token.

Bottom line

It's important to remember that XRP's parent company, Ripple, is still in the throes of a lawsuit with the SEC. While we've covered that quite a bit on The Motley Fool, it's something investors need to consider. The outcome of this case is likely to determine much of this network's value over the medium term.

With that risk in mind, XRP is certainly a more difficult cryptocurrency to consider. From a fundamental basis, it's easy to see why investors want to jump on this token. However, I'm going to wait for the dust to settle before giving a final verdict on this token.

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