



Forget XRP (Ripple): Here's Why DeFiChain Cryptocurrency Is a Top Bet Instead!

Description

While the [cryptocurrency](#) market has gained significant momentum in the last two years, the **XRP** ([CRYPTO:XRP](#)) token has trailed most digital tokens in this period. Ripple is the decentralized payment system created by Ripple Labs, and XRP is the native cryptocurrency of the blockchain network.

XRP was initially built to disrupt the global payments system, as it allows users to send or receive money at a low cost. Its ability to process transactions at a fast clip makes XRP attractive to investors and institutions alike.

XRP is the sixth-largest cryptocurrency in the world, valued at US\$34 billion by market cap. The token touched a high of \$3.4 back in January 2018 before losing steam to currently trade at \$0.70. Despite the massive pullback, XRP has returned close to 17,000% to investors in the last nine years.

Ripple is in the [midst of a litigation](#) with the Securities and Exchange Commission. The regulatory body alleged Ripple engaged in unregistered securities filings, which effectively deems the token as a security. Several legal experts believe Ripple is well poised to win the case, which should drive XRP prices higher. However, given its less-than-impressive performance since 2018, let's take a look at another cryptocurrency that is a better buy right now.

What is DeFiChain?

Valued at a market cap of \$2.1 billion, **DeFiChain** ([CRYPTO:DFI](#)) is a blockchain platform built to leverage the potential of decentralized finance within the **Bitcoin** network. DeFiChain is supported by a network of nodes or computers to facilitate fast and low-cost transactions. It also aims to resolve issues relating to security, decentralization, and scalability.

Launched in 2019, DeFiChain was created to offer financial services including lending, borrowing, and investing. As it is a decentralized platform, no single authority controls the network.

The DeFiChain platform is tied with the Bitcoin network as a software fork. Basically, a fork is created whenever changes, features, or improvements are introduced to a blockchain network. Further,

DeFiChain is integrated with Bitcoin using a Merkle. According to Coin Market Cap, a Merkle is “a tree structure in cryptography, in which every leaf node is labelled with the hash of a data block and every non-leaf node is labelled with the cryptographic hash of the labels of its child nodes.”

DeFiChain's suite of products includes lending, pricing oracles, asset tokenization, token wrapping, and distribution of dividends, among others.

What are dTokens, and why are they important?

Earlier this week, DeFiChain activated the Fort Canning Road hard fork on its network, which marks the rollout of code upgrades to fix premium pricing issues associated with dTokens. The dTokens were trading at a premium of 10-15% due to high demand.

dTokens allow investors to gain price exposure to underlying assets without having to worry about geographical restrictions or trading limits. These assets can be minted by anyone using DeFiChain's loan scheme.

The dTokens prices depend on supply and demand and they may be tied to real-world assets. So, if you invest in dTSLA, you will not invest in **Tesla** stock. Instead, you will invest in a digital token that will follow the price of TSLA stock.

According to U-Zyn Chua, the lead researcher at DeFiChain, “Bringing dTokens closer to their real-world counterparts will make them significantly more attractive for investors and pave the way for the future adoption of DeFiChain. Additionally, the futures contracts offer lucrative arbitrage opportunities for traders.”

The Fort Canning Road hard fork will now keep dToken prices within a 5% range of corresponding real-world shares. If the price of a dToken crosses the 5% limit, DeFiChain offers a short-term arbitrage opportunity.

The prices of the DFI token have increased by over 3,300% in the last two years and should move higher in 2022 due to the Fort Canning hard fork.

CATEGORY

1. Cryptocurrency
2. Investing

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1. CRYPTO:XRP (HarryPotterObamaPacMan8Inu)
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