



## 2 Gaming Cryptocurrencies That Could Deliver Stellar Gains in 2022 and Beyond

### Description

The macro-economic challenges in 2022 are expected to negatively impact the performance of [cryptocurrencies](#) this year. While this asset class has generated exponential wealth for investors in the past, you need to understand that holding cryptocurrencies carries significant risks.

Alternatively, the widespread adoption of cryptocurrencies and the increasing utility of blockchain networks are expected to drive the prices of the underlying digital tokens higher.

Here, we'll look at two [gaming cryptocurrencies](#) in **Axie Infinity** ([CRYPTO:AXS](#)) and **The Sandbox** ([CRYPTO:SAND](#)) to see why they are well poised to gain traction going forward.

### Blockchain games attract US\$2.5 billion in investments in Q1

According to a report from DappRadar, gaming dApps (decentralized applications) and metaverse projects have attracted US\$2.5 billion in investments. Comparatively, blockchain games raised a total of US\$4 billion in 2021.

In March, blockchain games attracted 1.22 million unique active wallets and the use of blockchain games has surged by 2,000% year over year. In fact, the decentralized metaverse might grow to be valued at US\$8 trillion.

However, due to the pullback in cryptocurrency prices, the trading volume in virtual worlds has fallen by 12% compared to Q4 of 2021. The average prices of virtual lands on gaming metaverses, such as **Decentraland** and The Sandbox, have also declined by 40%.

### The bull case for The Sandbox

Valued at US\$3.34 billion by market cap, The Sandbox has created a virtual world where users can build, create, and trade digital assets. It integrates the characteristics of a decentralized autonomous organization and NFTs to gain traction in the blockchain gaming vertical.

The Sandbox is focused on facilitating a play-to-earn model, where the SAND token will be used to enable transactions on the platform. In Q1 2022, the Sandbox completed its second Alpha season and attracted over 325,000 visitors to the 35 experiences available for players. It distributed US\$30 million in SAND tokens and has partnered with several companies, including Warner Bros and **Ubisoft**.

## The bull case for Axie Infinity

Axie Infinity is another blockchain-based game, which means it is partially owned and operated by players. Here, you can collect, raise, breed, and trade Axies which are token-based creatures. Each Axie is an NFT and has different features and attributes.

Further, users can earn tokens such as AXS, or Axie Infinity Shards, and SLP, or Smooth Love Potion. The AXS tokens are used as a governance protocol and to facilitate marketplace payments.

In terms of daily active users, Axie Infinity is the most popular game on the **Ethereum** blockchain, as players [have spent close to](#) US\$4 billion on this marketplace in the last year. The Axie Infinity platform also generated US\$1.3 billion in sales, which includes fees charged for breeding as well as marketplace transactions.

The demand for the AXS token will depend on the popularity of the Axie Infinity game. Investors can stake their AXS tokens as well to earn rewards and the payout stands at close to 39% right now.

## The Foolish takeaway

While it may seem demand for these games has remained tepid since the start of 2022, gaming dApps are driving the majority of on-chain activity in recent months. We can see the potential for blockchain games remains robust, making their underlying tokens extremely valuable.

### CATEGORY

1. Cryptocurrency
2. Investing

### TICKERS GLOBAL

1. CRYPTO:AXS (Axie Infinity)
2. CRYPTO:SAND (The Sandbox)

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