



2 Reasons Why Polkadot Is Looking Attractive Right Now

Description

Polkadot ([CRYPTO:DOT](#)) has quickly emerged as a top [cryptocurrency](#) for investors to consider. Currently outside the top 10 in terms of market capitalization, this project is still a behemoth in its own right. At the time of writing, Polkadot's [market cap](#) sat at \$11.2 billion — not too shabby indeed.

Let's dive into what makes this project an attractive one to consider right now. After all, today's impressive 35% rally may be an indicator of just what the market feels about this token.

1. Noteworthy projects in the ecosystem

Taking a step back, it's important to realize that Polkadot is a layer-0 network, which allows other layer-1 blockchains to operate on top of it. Polkadot's value is in its sharding technology, which allows for more transactions to be processed faster, and at a cheaper price.

Given the growth we've seen in the crypto world, this technology is very important. And while **Ethereum** continues to hold the market share in this regard, Polkadot is seeing increased interest. The network's parachains operate differently, but allow for smart contract-enabled decentralized applications to be built. Many rightly think this is the future.

Polkadot's list of projects is quite impressive and growing. Moonriver on Polkadot's KSM testnet and Moonbeam on DOT mainnet are two such examples. These are present in the Polkadot ecosystem, in addition to 38 other parachains.

As Polkadot's ecosystem grows, so too should its token value. Accordingly, long-term investors who like what they see may be inclined to consider this project right now.

2. More interactive blockchain

Polkadot is seeing impressive investor interest due to the fact that its network is more interactive. Developers can connect blockchains to the Polkadot system and develop completely new blockchains.

It certainly does catch investors' attention when they see developers going after the new technology.

Regarding other networks such as Ethereum, investors often need to purchase fractions of coins depending on the valuation. This isn't the case with Polkadot, which has a lower per-unit price.

As crypto gains more popularity, it's entirely feasible that projects like Polkadot will snatch significant market share away from incumbents, particularly Ethereum. I think this thesis holds water, though there are risks. With Ethereum's upcoming merge, Polkadot's future value remains uncertain. Accordingly, investors may want to factor in this risk to their calculations.

That said, given how interactive Polkadot is, and the number of new projects on this blockchain, I think it's a token worth checking out. Right now, Polkadot is on my watch list. However, should the market continue to consolidate, this token may move into a portfolio position at some point.

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Date

2025/07/01

Date Created

2022/05/13

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