



Where Is Polkadot Headed in 2022?

Description

For top-15 [cryptocurrency](#) **Polkadot** ([CRYPTO:DOT](#)), it's been a rough start to the year. Indeed, nearly every digital token has seen depreciation this year, as valuations come down across most risk assets. For crypto, a higher-risk asset class to begin with, this decline has been remarkable to watch.

Polkadot has moved out of the top-10 [rankings by market capitalization](#) as a result of a decline of more than 80% from its peak last year. Despite a valuation of nearly \$10 billion, this project is one that's seen impressive price pressure of late.

That said, is Polkadot a buy at this cheaper valuation? Let's dive into a couple positives for this digital currency.

Giant step toward multi-chain interoperability

Polkadot's parachain network is now a fully interoperable multi-chain ecosystem. On May 4, Polkadot completed an upgrade enabling parachain-to-parachain messaging through the XCM "cross-consensus messaging" format.

This indeed is a huge innovation for this ecosystem and the entire cryptocurrency space. Notably, this is the first time a multi-chain ecosystem has connected with trustless, native interoperability and unified security.

Now, Polkadot assets can be transferred between parachains. Also, dApps, smart contracts, and other modules developed using the native Substrate framework of Polkadot can communicate with each other across Polkadot parachains.

The XCM launch is indeed a huge milestone for the Polkadot ecosystem, transitioning it to a multi-chain ecosystem with full interoperability from a network of siloed chains. Also, Statemint, the common good parachain of Polkadot, has seen an upgrade, enabling the minting of assets like NFTs.

The Polkadot ecosystem has shown resounding support for the news.

More positives from the launch of XCM

The chief growth officer at Acala Network, Dan Reecer, stated that the launch of XCM implies an end to the multi-year launch procedure of Polkadot.

Acala is Polkadot's first parachain winner, and XCM's launch makes it easier for this network to launch its liquid DOT staking product. This will further enable DOT stakers to be utilized as collateral to mint the aUSD stablecoin of Acala or stay liquid and earn staking rewards.

The CEO and co-founder of Polkadot parachain Centrifuge, Lucas Vogelsang, stated that XCM provides interoperability without incurring the risks linked with cross-chain bridges. In other words, parachains can now collaborate, and the movement of assets will take place in an efficient and fast manner without risks coming from bridges.

Bottom line on Polkadot

All in all, it seems Polkadot does have a bright future ahead this year. The developments within the DOT ecosystem and the ones going on in the entire cryptocurrency space may take Polkadot scale new heights.

There's always risk with any crypto investment. However, Polkadot is one project I've got on my watch list. Interoperability is a big deal. And Polkadot provides this in spades.

CATEGORY

1. Cryptocurrency
2. Investing

TICKERS GLOBAL

1. CRYPTO:DOT (Polkadot)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. chrismacdonald
2. kduncombe

Category

1. Cryptocurrency
2. Investing

Date

2025/06/28

Date Created

2022/05/25

Author

chrismacdonald

default watermark

default watermark