



Is Dogecoin Cryptocurrency Pure Garbage or Gold Right Now?

Description

Cryptocurrency was one of the first areas to see a drop during the most recent market correction. And many investors decided to dump the smaller fish, including meme-cryptocurrency **Dogecoin** ([CRYPTO:DOGE](#)).

But now that we've seen Dogecoin fall to incredible low levels, should investors be paying attention to it once more?

What happened to Dogecoin?

Dogecoin has never been worth all that much, especially compared to peers like **Bitcoin** ([CRYPTO:BTC](#)) and **Ether** ([CRYPTO:ETH](#)). Its all-time high hit \$0.70 last spring before the market started to take a turn.

Now, Dogecoin is about \$0.106 as of writing. That's a fall of 85% since those peaks, and down 52% since the beginning of 2022.

But while other industries are starting to see some positive movement, Dogecoin remains at those low levels. So should Foolish investors see this as an opportunity, or a warning sign?

How other cryptocurrencies are doing

The biggest tell to see whether you should get into Dogecoin is how other cryptocurrencies are doing — the ones that have done well in the past and will likely continue to climb in the future. For that, we should look at the previously mentioned Bitcoin and Ether.

It's a very similar situation for both Bitcoin and Ether, which have also fallen significantly since the beginning of the year and from their all-time highs. So as we can see, people don't seem too excited about [investing in cryptocurrency](#) right now.

So where does that leave Dogecoin investors?

Should you dig into Dogecoin?

It's important to note two things. The first is that cryptocurrency is here to stay. Financial institutions and governments are already on board, doing research and creating their own digital currencies in the process.

But it's just as important to note that only a few of these companies will come out on top. It's like the dot-com bubble, the cannabis bubble, any bubble really. Many companies will try to make it, and many will fail.

Dogecoin has a few benefits and drawbacks in this case. It's a meme crypto that remains popular as a peer-to-peer digital currency. It's also been favoured by Elon Musk as his favourite of the coins. Furthermore, with the method of mining, there is no limit to how many Dogecoin can be mined.

The cryptocurrency was primarily used as a tipping system on both Reddit and Twitter for creating great content. However, you can now buy or sell Dogecoin at any digital currency exchange and store it in a crypto wallet.

But while Musk may have said he was going to ensure Dogecoin's price would climb, it instead tanked after his appearance on "Saturday Night Live." And since then, it's only gone down.

Foolish takeaway

Dogecoin looks similar to the rest of the cryptocurrency companies, but does have some support by big names. Yet that one big name of Musk may actually end up doing more harm than good.

But the biggest problem comes with the infinite supply of Dogecoin. This could lead it to inflationary prices, compared to Bitcoin, which has a cap of 21 million. That creates more value and can hedge against inflation. Furthermore, Dogecoin doesn't have as much security as cryptocurrencies like Bitcoin.

So when cryptocurrency starts climbing once more — and it will — I would most assuredly look for opportunities to invest in the sector. But when it comes to Dogecoin, don't be fooled into high-growth opportunities. Seek out the value. I'm not sure Dogecoin offers that today.

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