



Where Is Dogecoin Headed in the Long Term?

Description

Dogecoin ([CRYPTO:DOGE](#)) is the world's 10th-largest [cryptocurrency](#) with a market cap of \$8.2 billion. For a meme token that was initially created as a joke, that's a pretty incredible feat.

That said, like many tokens, Dogecoin has lost the vast majority of its value. Trading as high as \$0.74 during the peak of the crypto mania last year, DOGE has since slipped to as low as \$0.05 per token this year. That's good for a decline of more than 90% from its peak, where Dogecoin is currently trading.

Now, the question many investors have is, where is this token headed from here? Are new all-time highs in order for this dog-inspired token? Or could another 90% decline from here take place?

Let's dive in.

Dogecoin: The Elon Musk token

It's undeniable that **Tesla** CEO Elon Musk really drives a lot of the price action with Dogecoin. With a single tweet (positive or negative), Dogecoin tends to move double digits in one direction or another. Given Elon's mostly positive support for Dogecoin, investors in this meme token watch his rhetoric closely.

A number of occasions have taken place this year, which validates this point. For speculators, this can certainly provide an interesting asset to trade.

However, for longer-term investors, the fact that tweets can move the value of a given asset to such a degree and with such consistency may be worrying. All it would take is a single Musk tweet denouncing support for Dogecoin, and this whole thing could fall apart.

Indeed, there's extremely high risk with trading this crypto. Most investors already know this going in.

But there are catalysts

One of the more compelling catalysts to have come about recently is the announcement from **Coinbase** that Dogecoin will be accepted as payment for the company's commerce solutions. Coinbase Commerce aims to bring together businesses and consumers in the crypto economy. Accordingly, it is making cryptocurrency transactions more accessible and easier while integrating new cryptos as payment options.

Other digital tokens were included in the array of options made available. However, for meme token holders, the addition of Dogecoin is a big deal.

That's mostly because this token otherwise doesn't carry much utility. A lack of real-world use cases is something that has dragged this token down to a greater degree than the overall market of late. Thus, should more integrations take place, investors could have more catalysts on the horizon to look to.

Bottom line

There's no doubt that Dogecoin is one of the most speculative assets an investor can look to right now. Indeed, there are some catalysts to point to. However, the long-term trajectory of this token is really dependent on factors outside of Dogecoin's control. Thus, this asset doesn't meet my criteria as a potential holding.

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