



2 Altcoin Opportunities to Watch in This Bear Market

Description

The crypto winter has decimated investor wealth in 2022. Due to a range of macro-economic factors and the liquidation crisis surrounding the crypto space, the prices of digital assets have fallen off a cliff. However, long-term investors can view the massive pullback as a buying opportunity and benefit from exponential gains when crypto markets recover.

Let's take a look at three cryptocurrencies that are solid long-term buys right now.

Ethereum

Ethereum ([CRYPTO:ETH](#)) is the second-largest [cryptocurrency](#) in the world, valued at a market cap of US\$174 billion at the time of writing. Ethereum gained popularity among developers due to its ability to host decentralized applications or dApps. The dApps are created across several verticals that include non-fungible token marketplaces, metaverse projects, and decentralized finance platforms.

While the ETH token is down 62% in 2022, it has surged higher by 25% in the past week due to an exciting development.

The Ethereum merge, which will boost the transition of the blockchain network from a proof-of-work (PoW) mechanism to a proof-of-stake (PoS) mechanism, is expected to be completed by September 19.

However, the final phase of the transition will be completed by 2023 or 2024. It is one of the biggest events surrounding Ethereum as a PoS validation mechanism that results in faster transactions, scalability, and lesser use of energy.

The Ethereum network can process around 14 transactions per second, which is quite low compared to other PoS blockchains such as **Solana**. But the upcoming merge should resolve a lot of issues related to scalability and costs increasing demand for the Ethereum network. In fact, a PoS validation protocol may allow Ethereum to process 100,000 transactions each second.

Chingari

Down 90% from all-time highs, **Chingari** ([CRYPTO:GARI](#)) has underperformed the crypto market this year. Among the most popular short-video platforms in India, Chingari launched its token earlier this year. It allows video creators to monetize content on the blockchain via the GARI token.

However, India imposed a new transaction tax on cryptocurrencies driving trading volume significantly lower. According to a *Bloomberg* report, major Indian exchanges have seen daily trading volumes decline between 60% and 87% since the 1% transaction tax was levied on July 1.

The lower liquidity on exchanges coupled with a bearish market sentiment has been a blow to crypto businesses, including Chingari. While the GARI token has been hit hard, Chingari has 40 million monthly active users and continues to gain traction.

Despite its less-than-impressive performance, GARI is among the top three tokens on the Solana blockchain in terms of active wallets and has distributed over US\$1 million to its community through rewards.

While the cryptocurrency market remains extremely volatile, investors should understand generational wealth is created in bear markets. **Polygon**, which is another popular blockchain network, launched its cryptocurrency in a bear market and saw prices drop by 70%. However, its developer community focused on technology and innovation, making MATIC the 13th-largest cryptocurrency in the world.

It's quite possible for Chingari to stage a comeback if the app continues to widen its user base, driving adoption of the GARI token higher in the process.

The Foolish takeaway

Investing in cryptocurrencies is a high-risk proposition, and you need to consider your risk tolerance before gaining exposure to the asset class. Ethereum has surged 12,000% since October 2016, but past performance does not guarantee future returns. It's advisable to invest as much as you can afford to lose in cryptocurrencies.

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