



2 Cryptos That Could Benefit From Ethereum's Merge More Than Ethereum

Description

The **Ethereum** ([CRYPTO:ETH](#)) blockchain is all set to merge with its Proof-of-Stake (PoS) Beacon chain. The probable date for this update is Sep. 19, according to Ethereum foundation member Tim Beiko. This merge will bring Ethereum into the world of PoS blockchains.

A PoS consensus mechanism is the more energy-efficient mechanism, which secures and validates blocks. However, Proof-of-Work "mining," or validation, which Ethereum currently employs, requires significant computing power to solve complex mathematical problems to accomplish the same goals. More computing power means more energy usage and greater environmental impact.

Thus, Ethereum is on track to become much more efficient (both from an energy standpoint as well as functionality). However, there are other projects that may benefit more from this merge than Ethereum itself.

Let's dive in.

Ethereum Classic

One of the questions many [crypto](#) investors have with respect to this merge is, where will all of Ethereum's miners go?

As it turns out, **Ethereum Classic** ([CRYPTO:ETC](#)), a fork of the original Ethereum blockchain, is likely to garner interest. That's because this blockchain is very similar to Ethereum, requiring minimal hardware upgrades from current Ethereum miners to migrate over.

Assuming this is the case, Ethereum Classic could see increased interest from investors over time. That's because Ethereum Classic could be viewed as a more secure blockchain and a realistic alternative to Ethereum (as a hedge, in case something goes wrong with the merge). These factors, along with significant investments from current Ethereum miners of late, suggest this is a token with room to run.

Lido DAO

Lido DAO ([CRYPTO:LDO](#)) is an interesting project to consider on its own. This liquid staking solution allows investors with small amounts of Ethereum to stake on the Beacon Chain. Currently, the requirements to stake Ethereum are high — 32 ETH are required. That's more than \$50,000, in today's prices.

Lido essentially aggregates prospective Ethereum takers, allowing for greater diversity within staking pools. Users receive staking rewards, as well as stETH (Lido Staked Ether), for their troubles.

The problem is, stETH is redeemable for ETH only after the merge takes place. There's a lockup period, and with uncertainty around the merge date (which has been continually pushed back), as well as liquidity issues, Lido has seen investor concern grow.

That said, with more certainty around what could be a Sep. 19 merge date, investors appear eager to lock in their ETH in exchange for stETH. Should this continue, Lido could be a key beneficiary of this move, to a much greater degree than Ethereum.

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