



## Will Ethereum (CRYPTO:ETH) Be the “New” Crypto King After September 15?

### Description

The first mover in the crypto kingdom sits on the throne right now, but its position is under threat. **Bitcoin** ([CRYPTO:BTC](#)), the crowned head, could be unseated by **Ethereum** ([CRYPTO:ETH](#)) after the launching of the “merge” on September 15, 2022.

Both cryptos have declined significantly from their all-time highs in November 2021, although the fortune of the world’s second-largest cryptocurrency could change soon.

### Comeback from the crypto winter

Turbulence has hit risky assets in 2022, since the aggressive rate hikes by central banks started. Beside the drop in market cap from US\$3 trillion to below US\$1 trillion, the [cryptocurrency market](#) was beset with insolvency issues. Several crypto companies filed for chapter 11 bankruptcy protection due to the turmoil.

Steve Sosnick, the chief strategist at Interactive Brokers, said, “We have no historical precedent for how Bitcoin and other cryptos might act if we enter a sustained period when central banks actively drain liquidity. Those tend to be difficult times for investors, and riskier assets tend to underperform safer ones.”

The risk-off mood of investors sent Bitcoin and Ethereum prices into a tailspin. As of this writing, the former is down 57%, while the latter is losing by 57.7% year to date. However, some crypto experts and market researchers predict that Ethereum has better chances of a comeback from the crypto winter than Bitcoin.

### Network upgrade

Ethereum’s switch from “proof of work” to “proof of stake” in validating transactions could be the game changer. The software upgrade means you don’t need as many computers anymore to keep the Ethereum blockchain going. Note that governments and environmentalists are worried about the

carbon emissions from proof-of-work mining.

The method requires a lot of computing power and creates a substantial amount of carbon emissions (an estimated 40 billion pounds). By upgrading to the proof-of-stake system, independent researcher Kyle McDonald said Ethereum could potentially cut energy costs by 99.95%.

McDonald added that Bitcoin uses massive energy but can't drop the energy-intensive method, because it doesn't have the coordination like Ethereum. Governments might impose stricter regulations on Bitcoin and cause its price to collapse. According to McDonald, a few thousand energy-efficient computers are going to make a huge difference.

## Brutal comedown

Bitcoin's price rose to as high as US\$67,566.83 on November 8, 2021, but McDonald recommends selling, as it will never climb to such level again. Ethereum suffered the same fate after hitting a record-high US\$4,812.09 on the same day. Today, a crypto winter is at hand. Crypto experts warn that it's going to be a prolonged bear market, like the period between 2017 and 2018.

Clara Medalie, the research director at crypto data firm Kaiko, said, "The 2017 [crash](#) was largely due to the burst of a hype bubble." Macroeconomic factors like stubborn inflation and rising interest rates caused the crypto meltdown in 2022. Until the pace of rate hikes slows down, volatility in crypto markets will remain extremely high.

## Speculative assets

Some skeptics think the highly anticipated event could be another "buy the rumour and sell the news" thing. Cryptocurrency prices are tied to inflation and interest rates, so don't expect the transition to stabilize the market. Thus, Ethereum might not ascend to the throne in post-merge.

### CATEGORY

1. Cryptocurrency
2. Cryptocurrency

### TICKERS GLOBAL

1. CRYPTO:BTC.? (Bitcoin.?)
2. CRYPTO:ETH (Bridged Ether (StarkGate))

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