



## 2 Top Cryptocurrencies to Watch Out for in September

### Description

For crypto investors, the bear market has been quite painful as several digital tokens have lost over 60% in market value since November 2021. The double whammy of rising interest rates and red-hot inflation has shifted investment capital towards lower-risk assets, accelerating the sell-off in the [cryptocurrency](#) space.

But for those who remain [bullish](#) on the future of cryptocurrencies, the ongoing pullback is an opportunity to buy the dip. Let's take a look at two top cryptocurrencies you should keep your eye on in 2022.

### Avalanche

A layer one blockchain, **Avalanche** ([CRYPTO:AVAX](#)) is a network that hosts decentralized applications. Valued at US\$5.4 billion by market cap, Avalanche is the 16<sup>th</sup> largest cryptocurrency in the world.

Due to the Avalanche network's multiple use cases, it has surged in popularity in recent years. Avalanche aims to displace **Ethereum** ([CRYPTO:ETH](#)) as the most popular decentralized network to host smart contracts. The Avalanche blockchain can execute up to 6,500 transactions per second which is much higher than Ethereum.

Further, Colony Lab, an Avalanche ecosystem accelerator, has partnered with Phuture, a decentralized crypto index platform. The two entities will launch CAI (Colony Avalanche Index), the first index token that offers exposure to Avalanche's ecosystem.

The CAI is an investment tool designed for those who are part of the Avalanche ecosystem but prefer to gain exposure in a capital-efficient manner. The CAI network is the third largest DeFi (decentralized ecosystem) in terms of total value locked and hosts popular GameFi projects, including DeFi Kingdoms.

## Ethereum

The second largest blockchain network globally, Ethereum is valued at \$185.7 billion by market cap. Ethereum's blockchain network was launched in 2015. It was the first network to host smart contracts, which are self-executing programs between two parties, eliminating the need for an intermediary. The smart contracts are run on software known as the Ethereum Virtual Machine.

Comparatively, **Bitcoin** ([CRYPTO:BTC](#)) was created to facilitate a peer-to-peer digital payments system and simplify cross-border transactions at a low cost.

Due to its robust nature, Ethereum has attracted top developers and engineers to enhance the utility of its platform. A report from venture capital firm Electric Capital revealed that over 4,000 active developers work on Ethereum each month. Moreover, 20% of new Web3 developers are part of the Ethereum network.

Ethereum is easily the biggest ecosystem of dApps (decentralized applications). There are close to 3,000 dApps that run on Ethereum, which in turn creates demand for the ETH token. These dApps have several use cases across categories, such as decentralized finance protocols, blockchain gaming, and [non-fungible tokens](#).

The upcoming Ethereum merge might act as a crucial catalyst for ETH prices. As Ethereum transitions to a proof-of-stake validating mechanism, the blockchain should draw developer interest which would bring greater returns to investors. This merge will eliminate the need for energy-intensive mining, and is considered the most significant upgrade in the history of Ethereum.

In the first eight months of 2022, Ethereum's validators have risen by 50% to 142,000, while 20 million new addresses were created for Ethereum-compatible wallets.

## The Foolish takeaway

Given the volatility and lack of regulation associated with cryptocurrencies, Ethereum and Avalanche are high-risk, high-reward investments. Keep in mind that you should only allocate as much capital as you can afford to lose in these two cryptocurrencies.

### CATEGORY

1. Cryptocurrency
2. Investing

### TICKERS GLOBAL

1. CRYPTO:AVAX (Beam Bridged AVAX (Beam))
2. CRYPTO:BTC.? (Bitcoin.?)
3. CRYPTO:ETH (Osmosis allETH)

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