What's So Trendy About Crypto Currency That Everyone Went Crazy Over It?

There's no doubt about it, Cryptocurrency is making big waves. To many people, Cryptocurrency is not very different from trading stock. You have probably read or heard about it and you might even buy Bitcoin now and then. One may wonder what is special about Cryptocurrency that has made it so popular and it continues to make headlines at the moment.

There are actually several reasons which contribute to the widespread popularity of Cryptocurrency. Keep reading and we will tell you why Cryptocurrency has become so relevant in recent years.

## Cryptocurrency will be the core currency in the future

The economic crisis of 2008 thought us that the traditional banking systems are not enough for the modern ages, this fact has been confirmed in 2020 more and more. People are feeling the need for feasible alternatives, that's exactly what Crypto offers, a secure and decentralized form of banking that takes governments and banks on the way out. Ironically, banks all around the globe can easily realize it.

Just take a look at Germany’s Deutsche Bank’s **Imagine 2030** report. They talk about the fragile nature of the traditional money system, that by 2030 over 200 million people will be using digital money and by then, traditional money will be already out of the equation. And it's not just Deutsche Bank.

Twitter's Jack Dorsey has said he believes bitcoin will eventually become the single currency across the world. Elon Musk has stated that Crypto is a far better alternative to transfer value than a piece of paper. China State TV has called blockchain the technology that makes Crypto possible is ten times more valuable than the Internet.

## **Cryptocurrency Is Potentially Profitable**

Not only you can transfer value with a Crypto account, you can use it to save. But the really big opportunities come when you invest in Crypto. Just take a brief look at bitcoin, if you'd invested 100 in it just five years ago, by now that one hundred dollars would be worth two thousand five hundred. Or if you'd got into it really early, 110 years ago it would be worth 1.9 million. The price of bitcoin is still set to keep going on up sure, and to be fair, probably not as dramatically as it did before. Other Cryptocurrencies like Ethereum, Litecoin, Dash, Ripple and Lisk have showed to have promising potentials to grow and bring great returns to their owners.

## Cryptocurrency is a solid option for saving your money

We've already talked about Crypto's long-term rising trend, let's compare it with traditional money. If you buried 100$ and waited for 10 years, the amount of good or service you could buy with it after a decade could be a greatly less than when you put it in the ground, that’s because of inflation. Leaving it in a bank account isn't going to be much better choice, because the interest rates in bank accounts is between zero to some extremely low disclaimer.

That’s right, Crypto is more volatile than most traditional currencies, mostly because it is still in its early days trying to gain grip. Like at the start of 2018 when the price of bitcoin sank dramatically. But remember, it's more or less recovered since then and its upward trend will most likely continue and beat any volatility. That's what makes it such a great alternative for long-term investing, something that will surpass any interest rates banks can offer you.

## Cryptocurrency is safe from inflation

We talked about inflation, now let's delineate it in full. The problem with regular money is it's always sinking in value and it doesn’t happen just by accident. Governments and central banks do it deliberately as a work around to financial crisis.

A time like in2020 there was a shortage of money and governments tried to bypass it by printing more money. In fact 22 of all dollars that exist today were made in 2020, when the Federal Reserve injected two trillion dollars into the economy.

Making money appear out of nowhere might sound pretty neat until you start thinking about the consequences. There will be more money but the amount of goods and services it is pursuing remains the same and the value of the money falls compared with the value of those goods and services, this is called inflation.

That’s the main reason why smart people trust gold more than money, because when there's an economic crisis new gold doesn't just magically appear out of thin air and it keeps its value. Bitcoin and other Crypto, just like gold can’t get created as a monkey patch to financial problems. It means that Crypto also holds its value and it is inflation-proof.

## It is getting more and more easier to get involved into Crypto

There is a widespread misconception that one needs a degree in programming or maybe in finance to get into Crypto, we'll tell you now you don't. A smartphone with internet access is all you need to start. In fact Crypto is way easier to get into than most traditional investments.

First because of its fluid nature you can buy and sell it easily and quickly. Second you don’t need a high threshold to start. For stocks and bonds, usually you need to put a large sum of money in, it means that you can't just put down some 100 bucks, with Crypto you can. Better still, there's no institutions no paperwork, just get an account, get a wallet and track your assets. You don't have to give any documents or even your name, it’s pseudonymous.

## You have full control over your money

Regular money is handed over to the control of banks and governments. The questions is, who controls Crypto? Crypto has a democratic nature, the beauty of Crypto is that it is controlled by nobody and everybody at the same time. Let's take bitcoin for example, the code is stored in thousands of nodes, by node we mean the computers of tens of thousands of people who voluntarily run bitcoin software on their computers.

There's no central authority or mastermind behind Crypto, all users, all over the world effectively retain control and it's up to the users to keep the network active and healthy. Working this way has all kinds of advantages over banks. Like, banks are only open business hours of the country they're based in while blockchain functions non-stop. Bank payments can take up to 48 hours to clear while bitcoin transactions take between 15 minutes to an hour.

## Security matters

So, no big powerful institution is monitoring Cryptocurrency. A major concern arises here, is Crypto safe? The answer is an emphatic yes.

Crypto is by nature safe. That's because anytime a transaction takes place and digital money gets handed over to a new user, the information is gets recorded permanently and can't be erased even after it has changed hands. Remember we said the data is stored by tens of thousands of users in a decentralized way, unlike a bank which has one central database.

In a decentralized system, if one user has an error or if anyone tries to manipulate the records, the other tens of thousands users will cross-reference each other and correct it. So the bigger the network, the more secure it is. In case of bitcoin, that's big and widespread enough so you can count on it being secure.

## Crypto has the lowest fees ever

Paying fees is an inevitable part of any kind of investment. For making, buying, selling and even storing the investment you have to pay fee. This is also true for Crypto. The difference is that, with Crypto fees are determined by users, i.e. it depends on the users to keep them low, much lower than the ones you'll be charged by stock brokers to invest in stocks or bonds.

The same applies for making transfers, especially international ones. Make a transfer through a bank and it will cost you an arm and a leg. With Crypto, however, there are no institutions making a profit from these transactions. This is an extremely great advantage to people doing international business and one more reason why the adoption rate of Crypto is just going up.

## Blockchain is here to keep Crypt’s back

A crucial point you have to comprehend about blockchain is that bitcoin and other Crypto are built on top of blockchain in a similar way that Facebook or Google are built on the Internet. We think that Crypto is a reason that blockchain is going to become more and more significant. Yes, blockchain is what makes Crypto possible, but there's more than Crypto which blockchain can do.

Just in case you would like to know more, let's take look at some of the areas blockchain is being used for. Big business typically make use of it to record data. Companies like Pfizer, Walmart, Siemens and Unilever use it to keep data which is too complex for a single database to record. Healthcare providers use it to store their patient’s medical records safely and there's potential for it to grow into records of property ownership and in elections to keep track of votes and eliminate the need for recounts. Sure, blockchain will come in handy in the future.

## Cryptocurrency has high returns when done strategically

Remember we talked about how much bitcoin has risen and how the long-term upward trend is found to continue. So we won't repeat ourselves but we will take the chance to talk about a few other Cryptocurrencies. In 2020 even with the Corona pandemic in full swing, lots of Crypto have seen big gains. The world's second largest Crypto Ethereum started the year at 145 and is now at 600 and some believe that it will be as popular as bitcoin sooner or later. Ripple started the year at just over 20 cents and is now around 65 cents. Many other Cryptos are moving in the same direction.

## Cryptocurrency is in limited supply so it is inflation-proof

We already talked about how regular currencies lose their value because of inflation. There's a simple reason why Crypto doesn't; the supply is limited. This is hard-written into the source code which states that there is only be 21 million bitcoin ever produced, currently 18.5 million bitcoins have been mined. As a quick explanation, mining is the process in which advanced computers crack complex math problems and unlock the bitcoins stored in the code. Even if new bitcoins are still being mined there's a limit to this. This is totally different from traditional money, in the way that banks decide to print it by the truckload. In the case of bitcoin, the number of new coins released slows down every four years due to the aforementioned limited supply. That's the reason bitcoin won't suffer from inflation.

## No government can touch the price of Cryptocurrency, it is determined by the open market

Governments have lots of options to manipulate the circulation of the traditional money and alter its value. We mentioned that printing new money and touching interest rates (the price of borrowing money from government) has ripple effects for the rest of the economy. But with Crypto none is controlled by governments, instead everything is controlled by the free market or how much people are willing to buy and sell it for.

Besides that governments are never able freeze Crypto accounts or track the records of who has how much in each account. That's because, unlike regular bank accounts, Crypto accounts are pseudonymous. It means the holder doesn't disclose their true name or identity.

## Cryptocurrency is still in its early days, it will keep disrupting markets

## Bitcoin was created in 2009, it means that Crypto is already over 10 years old. But it's really taking off and experience the growth now. Over the next decade it is going to be a whole load more exciting than what we've seen up till now. You could say the stage right now is like the Internet in the 90s. In fact if you take look at the numbers of people who've adopted Cryptocurrencies in the course of the last decade, it is very similar with the adoption of the internet back in the 90s.

## Deutsche Bank have pointed out this correspondence too, and they predict the adoption rates are going to keep on the same rate as the Internet of the 90s. In other words it's going to keep rising in a remarkable way and just like the Internet, which disrupted literally everything over the recent decades, we're probably expecting blockchain doing the same thing over the upcoming decades.

## Big business is adopting Cryptocurrency

Microsoft, McDonald’s, KFC and subway virgin galactic cheap, air gift 4chan, Norwegian air, Twitch sports, clubs like the Dallas, Mavericks, Miami dolphins or Portuguese soccer club, Benfica and Wikipedia, here is the list of companies that already accept bitcoin. Many companies are still ambivalent about Crypto, because it's still volatile but that's only a matter of time to even out. Big businesses one by one will eventually accept bitcoin and other Crypto as payment. Remember how twitter's Jack Dorsey talked about it being the future of money. Well, he's put his money where his mouth is and his payments company has invested 50 million dollars in bitcoin, all proof that big business is taking Crypto seriously.

These are some major reasons why Cryptocurrency is rising in popularity. The democratic nature of the Crypto universe obliges everyone to provide the society with the more in-depth and up-to-date knowledge about it. In case you have any extended knowledge about Crypto or have hands-on experience with trading bitcoin or other Cryptocurrencies, please let us know.

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