

Shiba Inu passes Dogecoin as top "dog" in cryptocurrency

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This mobile phone app screen shot shows the logo for Dogecoin, in New York, Tuesday, April 20, 2021. The recent trading frenzy over a digital token called Shiba Inu—commonly billed as a "meme" or joke coin—has vaulted the canine-themed cryptocurrency into the top ten most valuable digital assets by market value, hitting \$40 billion and surpassing its cousin and apparent inspiration, Dogecoin. Credit: AP Photo/Richard Drew

Cryptocurrency has officially gone to the dogs.

The recent trading frenzy over a digital token called Shiba Inu—commonly billed as a "meme" or joke [coin](#)—has vaulted the canine-themed cryptocurrency into the top ten most valuable digital assets by [market value](#), hitting \$40 billion and surpassing its cousin and apparent inspiration, Dogecoin.

Shiba was up another 10% at midday on Monday and has doubled in value in the past week. Most of that gain came in a flurry of trading last Wednesday, when it gained a whopping 66%.

Even with its recent meteoric rise—it's up about 900% in the past month—each Shiba coin costs just a tiny fraction of one cent. If you bought \$1,000 worth of Shiba in late September, your 20 million coins would now be worth around \$9,000.

Like most cryptocurrencies, Shiba is not commonly used for commercial transactions and is considered by most experts and investors to be a high-risk, speculative bet due to the broader volatility of the crypto market. Experts warn that investors need to be cautious about putting money into something with anonymous leadership that appears to have little functional use.

Lee Reiners, an outspoken crypto skeptic, teaches fintech and cryptocurrency courses at Duke University School of Law. Reiners said he's not surprised by Shiba's recent spike.

"This is what happens when you have massive speculation in assets with no intrinsic value," Reiners said.

Investors might be thinking this story sounds familiar. Bitcoin has doubled in value twice this year—with a rapid plunge in between—and

now sells for more than \$60,000 per coin. Among stocks, GameStop had a surge that rivals Shiba's, rocketing from about \$17 per share in early January to \$483 later that month. Lately, it's consistently traded around \$180.

While Shiba is the current white-hot cryptocurrency, you can't trade it through more traditional brokers—yet. A petition with more than 450,000 signatures on Change.org is pushing for the mobile trading app Robinhood to start allowing Shiba trades. Robinhood currently allows trading of Dogecoin and other cryptocurrencies. Its CEO Vladimir Tenev told investors last week that the company would "carefully evaluate whether we can add new coins in a way that's safe for customers and in line with regulatory requirements."

Stronger regulation of the crypto markets seems inevitable, but it's unclear when it might happen. The chair of the U.S. Securities and Exchange Commission, Gary Gensler, said in August that the world of crypto doesn't have enough [investor](#) protection and compared it to "the Wild West."

Whether that lack of regulation is driving the recent spikes in Shiba and other digital assets is not clear. What seems apparent though, is that [retail investors](#)—the little guys—are leading the way.

Kyle Waters, a research analyst at the blockchain data and analytics firm Coin Metrics, said the median trade size of Shiba on that busy Wednesday was \$115. That's "highly suggestive" that the typical Shiba trader on Coinbase is a small retail trader, Water said.

Shiba's rise is similar to Dogecoin's ascent in the spring, when it caught fire and rose jumped from around 5 cents to 57 cents between April 7 and May 7.

Like many other crypto currencies, Shiba is shrouded in mystery. According to [its white paper](#)—or "Woof Paper," in this case—the token was started in 2020 by an anonymous person or group named "Ryoshi." The paper, which describes how Shiba and its progeny works, is also peppered with soaring-but-vague platitudes about community, freedom, revolution and destroying traditional paradigms.

A person with limited background knowledge of technology and blockchain vernacular would be hard pressed to decipher much of the technical wording in the [white paper](#).

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