**Introducing alternate coins**

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Altcoins are also known as alternative currencies. These are bitcoin clones and rivals (boo, hiss!). There are well over 4,000 different altcoins in existence. If you do not like to trade or speculate on bitcoin against fiat currency markets, you could trade against altcoins instead.

Altcoins seek to improve on the ideas bitcoin represents. Some people feel the need for more anonymity, whereas other developers want to explore the boundaries of the underlying blockchain technology. Rather than submitting their ideas to the bitcoin developers, they use the bitcoin code, change the name, make some minor tweaks, and launch it as a brand new digital currency.

Bitcoin is too expensive to buy or trade, what should I do to make some profits?

Answer: Look into altcoins.

The market for altcoins is nascent. It is an unequal pairing. The number of altcoins listed in cryptocurrency markets has rapidly multiplied in the past decade and attracted hordes of retail investors, feverishly betting on their price movements to amass short-term profits. But such investors do not have the capital necessary to generate sufficient market liquidity. Thin markets and an absence of regulation produces quicksilver volatility in altcoin valuations. Certain altcoins, such as Ethereum’s ether and Ripple’s XRP, have already gained traction among mainstream institutions, resulting in high valuations.

[Muslim Council of Britain condemns ‘cold-blooded murder’ of lawmaker](https://nation.com.pk/18-Oct-2021/muslim-council-of-britain-condemns-cold-blooded-murder-of-lawmaker)

But alongside the pros, there are severe cons too such as the absence of regulation and defined criteria for investment means that the altcoin market is characterised by fewer investors and thin liquidity. As a result, their prices are more volatile as compared to Bitcoin. It is not always easy to distinguish between different altcoins and their respective use cases, making investing decisions even more difficult and confusing. As there are several “dead” altcoins that ended up sinking investor dollars.

We’ll take a look at a few of the biggest cryptocurrencies for inspiration:

Bitcoin: “a decentralised digital currency, without a central bank or single administrator, that can be sent from user to user on a peer-to-peer network without the need for intermediaries.”

Ethereum: “a decentralised, open-source blockchain with smart contract functionality.”

Polkadot: “a blockchain network that connects, builds, and hosts blockchains.”

[Shias in Afghanistan fearful amid deadly mosque attacks](https://nation.com.pk/18-Oct-2021/shias-in-afghanistan-fearful-amid-deadly-mosque-attacks)

Bitcoin and Ethereum are both successful examples of cryptocurrencies that have created markets where demand eclipses supply, which causes price to appreciate. Bitcoin has accomplished the feat by creating a solid monetary policy base (slowly decreasing mining rewards and a capped supply in the open market). Ethereum has started to burn ETH tokens since the EIP-1559 hard fork was activated, creating a deflationary supply while network activity continues to increase, driving demand. Before EIP-1559, ETH’s supply still outpaced demand thanks to high network activity across DeFi platforms, NFT minting, peer-to-peer transactions, and other tokens that existed on the network.

Exchange token FTX uses network proceeds to buy back and burn tokens, creating deflationary pressure that in theory causes the price to rise. The current state of affairs in the altcoin markets is unlikely to consolidate into a single cryptocurrency. But it is also likely that a majority of the more than 1,800 altcoins listed in crypto markets will not survive. The altcoin market will coalesce around a bunch of altcoins—those with strong utility and use cases—which will dominate the markets.

[Petrol price hike: Traders, clerks announce long march after Rabi-ul-Awal 12](https://nation.com.pk/18-Oct-2021/petrol-price-hike-traders-clerks-announce-long-march-after-rabi-ul-awal-12)

For investors looking to diversify within crypto markets, altcoins are an inexpensive way to expand their horizons beyond Bitcoin. Rallies in crypto currency markets have produced returns that are multiples of those produced by Bitcoin. However, there are risks involved in altcoin investing, not least of which is the absence of regulation. The maturation of crypto currency markets will likely bring more sophistication and capital into the industry, paving the way for regulation and less volatility. So the question remains, what are the Top 10 Altcoins? Ethereum, PolkaDot, Swipe, LiteCoin, Cardano, BinanceCoin, Ripple, Tether, Solana and Chainlink are the current big contenders.