Joke’ Cryptocurrency Dogecoin Now Has a $2 Billion Market Cap

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You can point to the incredibly volatile pricing of today’s top cryptocurrencies as proof that they are, at a minimum, an incredibly risky investment. And you can get an even better idea of the state of the market by looking at the strange success of one unlikely currency: Dogecoin. Yes, that’s the cryptocurrency that’s named after the incredibly popular Shiba Inu dog meme that took off in 2013. Originally created as a joke, Dogecoin now sits at a market capitalization of over $2 billion.

Dogecoin was trading at just around $0.0021 a coin around the beginning of December. And it appears to have been wrapped up in all the “Bitcoin Mania” over the past month, which includes all the companies that put the word “blockchain” in their names and watched their stock prices soar. As of today, Dogecoin trades for around $0.018 a coin — a 757-percent increase.

“I haven’t held a substantial amount of Dogecoin since early-2015 so the market cap doesn’t mean a lot to me,” writes Jackson Palmer, Dogecoin’s creator. “It does however act as my barometer for crypto mania and speculation. I have a lot of faith in the Dogecoin Core development team to keep the software stable and secure, but I think it says a lot about the state of the cryptocurrency space in general that a currency with a dog on it which hasn’t released a software update in over 2 years has a $1B+ market cap.”

Palmer says he’s concerned that all the talk surrounding the valuation of different cryptocurrencies — focused on their

potential as investments – is taking too much attention from the technology that powers them.

“As a result, we’re seeing even highly centralized assets such as Ripple achieve extremely high valuations, despite their lack of technological innovation and misalignment with the original vision of Bitcoin,” he writes.

Are we in a bubble, though? According to Palmer, the answer seems pretty obvious: yes. Unfortunately, it’s a lot trickier to time when this bubble might burst, if it does. And should that happen, Palmer says that he hopes negative reactions to the considerable amount of money that might be lost don’t ruin the mainstream appeal of digital currency, nor stifle research and innovation in the space.

To that point, even Dogecoin’s developers are willing to offer a little financial device via their Twitter account: Don’t borrow money to trade Dogecoin (or any cryptocurrency).

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