

Three Factors That Will Shape The Future Of Cryptocurrencies In 2018

We're coming up on nine years since the creation of the first decentralized cryptocurrency technology in our digital world, the [Bitcoin](#).

Since day one, cryptocurrencies are about offering free, open, and transparent transactions. The virtual monies operate independently, with no third party to exercise control over them. That means transactions are performed securely, quickly, risk-free, and more efficient, beating the old, traditional financial systems hands down.

There's also another key benefit of cryptocurrencies, and that's about their organic nature. Because a government or financial institutions do not control them, cryptocurrencies are safe. They are not immune to hackers, fraudsters, and other hazardous security breaches.

Since the launch of the first virtual currency in 2009 and its enormous success, a number of cryptocurrencies, such as Litecoin, Namecoin, and PPCoin have emerged. Over one thousand cryptocurrencies exist as of September last year, according to Jerry Brito and Andrea Castillo in their recent [study](#).

The last several years (and especially 2017) you've heard a lot about Bitcoin and [Initial Coin Offering \(ICO\)](#). Some might say too much, but trust me, it's not going away. We won't go back to traditional payment methods after being offered with cryptographic transaction systems that are safe and simple and open for miners to control — the Internet-empowered users won't tolerate it.

2018 will mark a shift in both the market and the value of digital currencies. Here are three big predictions about the future of cryptocurrencies in 2018:

Welcome, crypto funds.

Because cryptocurrencies make payment processing more effective and efficient, clients are becoming more interested in using them, among other things, in their everyday business activities.

This led many financial institutions to use crypto assets so they can meet their client's needs. That will, in turn, augment the growth of the digital currency market. 2018, therefore, will welcome many crypto funds, resulting in the increasing size and value of the cryptocurrency market.

With an estimated [\\$2 billion in assets](#) — in the more than 100 crypto funds already in place — more and more crypto assets are expected this year. For example, Goldman Sachs has earlier announced that it would not only clear futures for its clients, it would also launch a cryptocurrency trading desk by mid-2018.

Meanwhile, S&P 500 bitcoin-hedged ETF is very probable. Also, be ready to see other things, too, such as ICOs being fully integrated into business ventures.

ICOs in business

You could say that 2017 was the year of ICOs, and you could be right.

About 230 ICOs were developed in 2017 but it is hard to say whether all of them were really put to use in business. This year, this new means of funding will be put to use.

ICOs will not only be mere ideas created by developers, and filed in words and codes. Investors will fully integrate them in business. In other words, they'll use them to power startups, which will help streamline the ICO process to be on par with traditional fundraising.

To further support this development, other ICO platforms will offer their own helping hands to ease the funding and other financial processes. And as the crypto market expands, there's going to be the need for more alternative currencies and technologies to accommodate the growing demand for this digital coin revolution.

Let's talk about that next.

The rise of new altcoins and digital platforms

Leading cryptocurrencies such as Bitcoin and Ethereum, while they are popular and efficient, have their problems.

For example, bitcoin mining technology is a huge energy consumer. The [World Economic Forum](#) (WEF) projected that by 2020, Bitcoin would consume more electric power than the entire world consumes today. Even Ethereum is facing growth problem, as an increase in one app can crash the whole cryptokitties network.

For these reasons — and many others — users may seek alternative options, which will result in the creation of alternative coins and newer digital platforms. The new altcoins are needed to right the wrongs of the existing ones and ease the transaction process we need today.

Already, Litecoin, Ripple, and Zcash to name a few, have started replacing bitcoin. And, yes, they're big competitors for bitcoins and Ethereum on the one hand. They're also suitable for the smart online users on the other.

So, rejoice. You'll have more altcoin options to choose from in this great year.

<https://www.forbesmiddleeast.com/three-predictions-that-will-shape-the-future-of-cryptocurrencies-in-2018>