



# Crypto Investing Perspective: The Good and The Bad

**Kelly Chambers** Published May 19, 2022 · 2 mins

The world of crypto has been a world of change in 2022. Rather than getting caught up in short-term price movements, let's look at two of the major themes so far this year, one negative and one positive.

## The Bad: A Bewildering Bear Market

Let's state the obvious and acknowledge the crypto bear market that we are currently in. Crypto markets are down YTD (as of May 16, 2022), with [Bitcoin down](#) about 36%. Most recently, the market was shocked by the [UST stablecoin de-pegging](#) which followed a rough few months driven by inflation, Fed rate hikes, and the war in Ukraine. But it's [not just crypto](#)—the S&P 500 is down around 16% and the NASDAQ is down around 25%. As reported by the [NYTimes](#), Bitcoin has demonstrated a higher correlation to tech stocks in 2022. For investors across asset classes, 2022 has been difficult to navigate, and looks like it will bring continued uncertainty with a global conflict and ongoing inflation. These are great examples of why we say investing in cryptocurrency is highly speculative and only suitable for investors who can bear the risk.

## The Good: More VC and Institutional Investment

Maybe less obvious to the average investor is the flood of venture and institutional money flowing into the industry. We've seen record breaking venture capital investment into crypto and the wider Web3 space in 2022, [outpacing](#) 2021 by 321% in Q1 year-over-year.

This is a positive sign for crypto's long-term adoption as VC money is attracted to potentially high-growth industries. On the institutional side, 2022 has been busy, with firms like [Goldman Sachs](#) and [Bridgewater](#) active in crypto. And most recently [an investment](#) from Wells Fargo, Citigroup, and BNY Mellon into institutional crypto trading firm Talos. Long-term, VC and institutional involvement should help the crypto industry mature.

## **A Time for Learning**

Now is a time for stepping back to gain more perspective. Set aside time to assess how your investments fit into your overall portfolio. Take a look at all [Makara Baskets](#) or enhance your knowledge with our [Crypto EDU articles](#).

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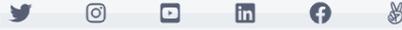
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