

What's Hot: Remarkable month for XRP

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Dovile Silenskyte

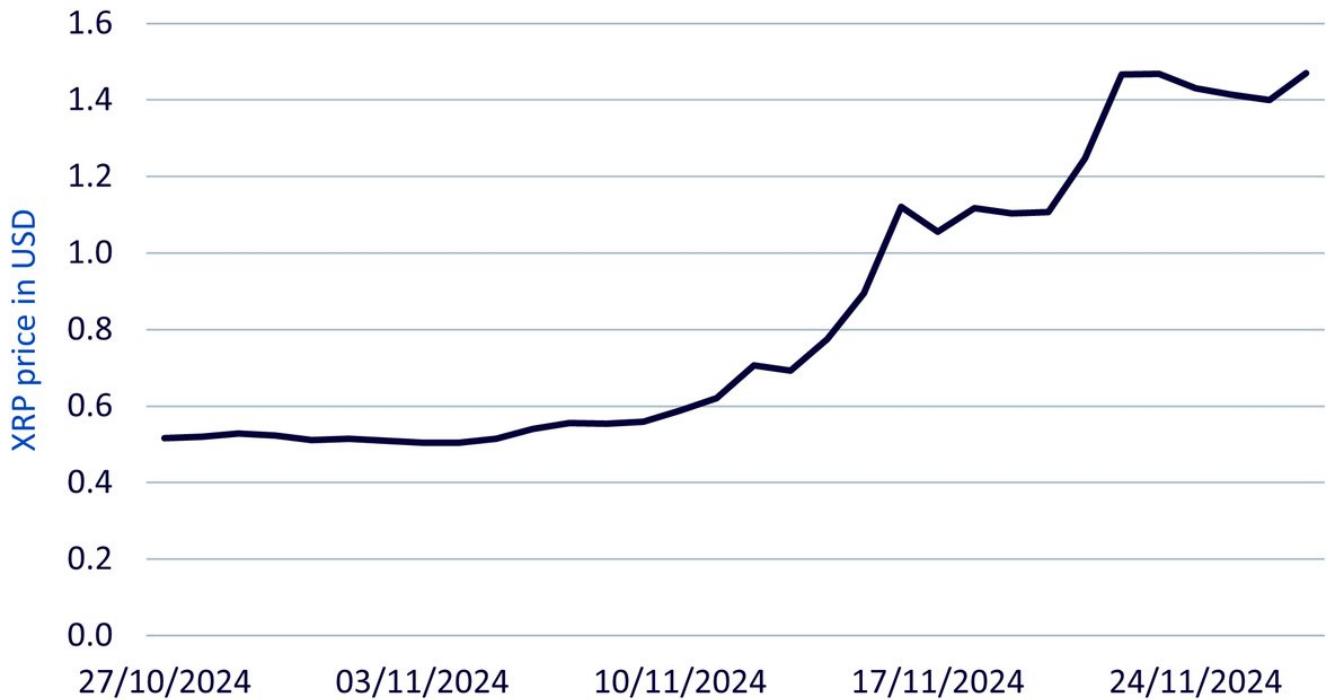
Director, Digital Assets Research

Key Takeaways

- XRP price surged by approximately +180% in November, its best month since 2021.
- Regulatory developments, including Gary Gensler's resignation, drove investor confidence.
- Whale activity signals growing institutional interest in XRP.
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November 2024 has been a standout month for XRP, delivering its best performance since April 2021. Over the past 30 days, XRP's price has surged by an impressive +180%¹, driven by a favourable and improving regulatory outlook and increased whale activity.

Figure 1: XRP price surge during the last 30 days



Source: GlassNode. 28 November 2024. **You cannot invest directly in an index. Historical performance is not an indication of future performance and any investment may go down in value.**

Let's explore the key drivers behind this remarkable growth, shown in Figure 1 (above).

Regulatory tailwinds: a new chapter for XRP

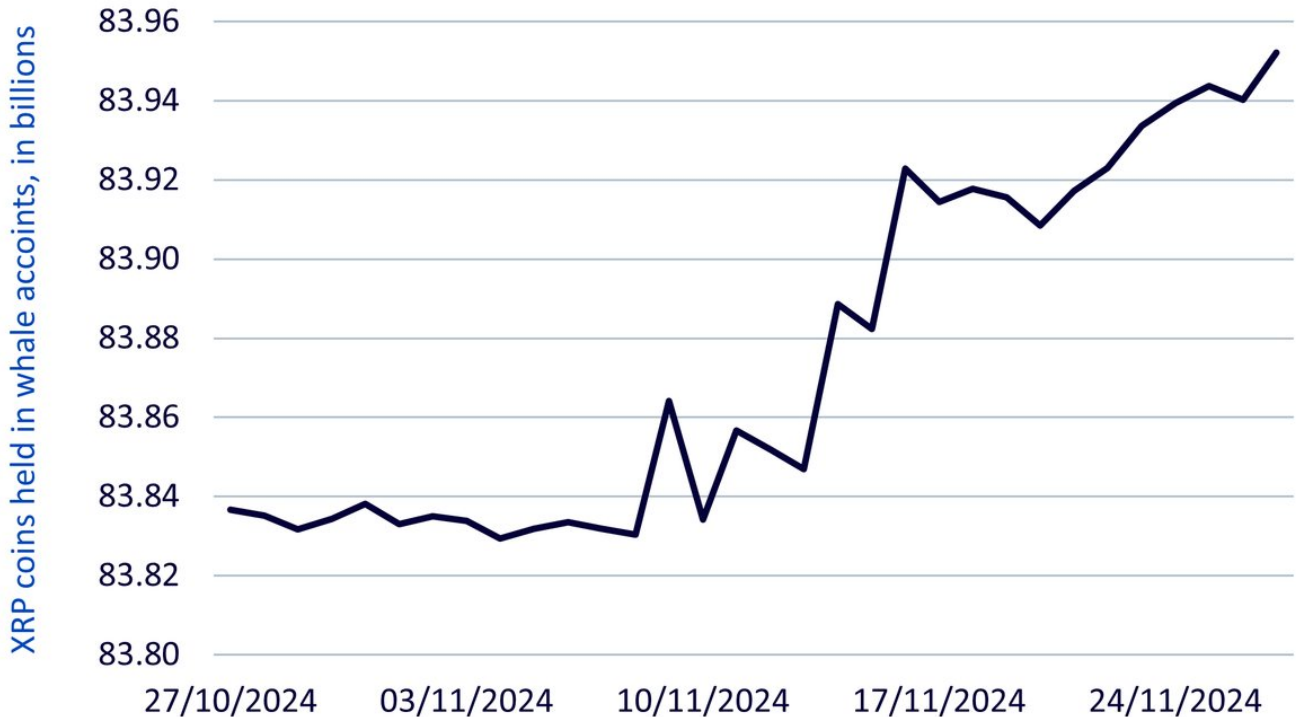
The political and regulatory landscape has played a pivotal role in XRP's recent ascent, with two major developments setting the tone:

- **Trump's re-election sparks optimism:** the re-election of President Donald Trump, known for his pro-cryptocurrency stance, has boosted market confidence. Investors anticipate a more supportive regulatory environment under his administration, paving the way for broader adoption of cryptocurrencies such as XRP.
- **Gary Gensler's resignation announcement:** the announcement that Securities and Exchange Commission (SEC) Chair Gary Gensler will step down on 20 January 2025 added further momentum. Gensler's tenure was marked by stringent policies toward cryptocurrencies, including legal challenges against major players such as Ripple. His departure, coinciding with Trump's inauguration, has fuelled speculation of a more lenient regulatory approach going forward.

Whale activity: a bullish signal

While there is no universally agreed threshold, wallets holding 1 million or more XRP tokens are generally categorized as whale wallets in the XRP ecosystem.

Figure 2: Increasing whale accumulation in the XRP ecosystem



Source: CoinMetrics. 28 November 2024. **Historical performance is not an indication of future performance and any investment may go down in value.**

Figure 2 (above) highlights a significant surge in XRP whale activity, with large holders accumulating nearly 120 million² XRP tokens – valued at approximately \$170 million³ – over the past 30 days. During this time, the number of wallets holding 1 million or more XRP coins increased by 754, reflecting growing interest from high-net-worth and institutional investors.

This strategic accumulation often signals confidence in XRP's long-term potential, reinforcing a bullish outlook among market participants.

Balancing optimism with caution

While XRP's recent performance underscores its growth potential, investors should remain mindful of potential risks, including:

- **Global regulatory actions:** stricter regulations in major markets could limit XRP's adoption and / or reduce trading volume.

- **Market downturns:** XRP's price often correlates with broader crypto market trends, making it susceptible to overall declines.
- **Whale sell-offs:** significant liquidations by large holders could flood the market, depressing XRP price.
- **Macroeconomic factors:** rising interest rates and economic instability could reduce demand for riskier assets, such as XRP.

Despite these potential challenges, XRP's recent surge demonstrates the increasing confidence of both retail and institutional investors.

Conclusion

November 2024 has proven to be a remarkable month for XRP, with significant price appreciation driven by a brighter regulatory landscape and heightened whale activity. While these factors emphasize XRP's growing status in the cryptocurrency market, investors need to be aware of potential risks, such as unexpected regulatory developments or significant change in macroeconomic conditions.

1 Messari. 28 November 2024.

2 CoinMetrics. 28 November 2024.

3 CoinMetrics, Messari, WisdomTree. 28 November 2024.

4 CoinMetrics. 28 November 2024.

Important Risks Related to this Article

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