



Cardano Faces Institutional Inflows as Investors Pull Funds from Ethereum and Bitcoin to ADA

Description

Cardano may beat Ethereum and Solana as institutions see more potential on network than ever

Cardano is seeing inflows of funds from institutional investors as the demand for the network is on the rise following many upcoming releases and solutions, putting the ecosystem in one category with giants like Ethereum, per [CoinShares](#).

The most interesting part of the report is not the existence of rising inflows, but the rate of reallocation of institutional funds. Ethereum and Solana are being actively drained as ADA gains more confidence among institutions.

At the current pace, in the next few months, the volume of ADA held by institutions will exceed Ethereum holdings. The most likely cause of the outflow of funds from Ethereum is recent issues with Beacon chain that are possible on the mainnet after the Merge.

Security concerns could become a massive issue for investors, especially institutions that tend to choose stable investments over speculative ones. The block reorganization may have caused a replication of all transactions and operations on the main network that have happened while it was present.

Cardano is growing while getting ready for summer releases

Previously, U.Today covered the massive growth of the network, as Cardano recorded a 368% YTD increase in daily on-chain transactions. Such a strong increase is tied to the release of the first decentralized applications and solutions built on the ecosystem.

The biggest and most awaited update for Cardano is Vasil Hard Fork that will bring several CIPs to life. Expected network upgrades will decrease transaction fees and processing time, making Cardano one

of the cheapest and fastest networks in the industry.

At press time, Cardano trades at \$0.5 and loses around 1.6% of its value in the last 24 hours.

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Category

1. Economy-Business-Fin/Invest
2. Main

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