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Price Analysis Shows that Shiba Inu May Fall by 20% This Week

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The sudden drop in the price of [Shiba Inu](#) is mainly related to the panic selling of the holders! Shiba Inu token, known as one of the best meme coins in the [cryptocurrency](#) market, is trying to stabilize after devaluation earlier this month. The cryptocurrency market plummeted due to the news of Terra's stablecoin collapse. However, it seems that nothing is useful. Many experts predict that Shiba Inu will continue to fall this year and then rebound sharply.

When Robinhood, a popular trading platform, listed the currency for trading on April 12, Shib did get a 21% boost. But since then, it has been going downhill. Since the beginning of this month, the price of shib/ USD has fallen by more than 40%, and has fallen by 65% since 2022.

No one could have predicted Shiba Inu's amazing success in 2021 (except the trader who turned the \$8000 investment into \$5.6 billion through Shiba Inu in 400 days). Shib has great volatility, and the token has dropped a lot from its peak. The incredible dogecoin led the rise of the meme coin, and the Shiba Inu token (the breed of dogecoin's dog mascot) is the evidence.

The reasons behind this decline

One of the biggest reasons is that the entire cryptocurrency market is falling, as is Shiba. However, the sudden drop in Shiba Inu price is mainly related to the panic selling of the holders. Even a small drop in prices can sometimes trigger panic selling, because people are afraid of losing money, but holding and buying the limit seems to be the best choice.

The biggest challenge of Shib project is its practicality. The development of Shiba token is due to hype, not products. That is why when the hype began to slow, prices began to fall and have been plunging since then. The Shiba team is now working to build products for its ecosystem, but at a slow pace.

In addition, Shiba coin also faces an imminent threat, that is, the sale of \$1 trillion Shib held by Shiba army. The burning rate of the commemorative coin witnessed a large-scale decline, falling by 75% overnight. Shiba Inu's burning rate was hit and fell by 75% overnight. After the large-scale combustion at the beginning of this week, the combustion rate of Shib has slowed down. According to the shibburn portal, 34.72 million Shiba Inu tokens have been burned in the past 24 hours. Nearly 41% of Shiba Inu's circulating supplies have been burned. 55.6% of Shiba Inu tokens are still in circulation on exchanges.

Another threat to Shib is the fact that its exchange reserves have plummeted. Investors have accumulated about 1.02 trillion Shib worth about US \$10.6 million. These tokens have all been withdrawn from Shib's current supply. If Shib shows a trend reversal, Shib coins that may exceed US \$1trillion will impact the exchange. This will increase the pressure on sales, and then cause the price to fall.

Supporters believe that the combustion of Shiba Inu is a key driver of shibacmy's bullish sentiment. The price of the so-called dogecoin killer has plummeted by 88% from an all-time high and continues to fall. The holders of Shiba Inu have already thrown out this commemorative coin and continue to make profits.

However, the collapse of Shiba Inu may continue. Although it is impossible to predict the future, Shiba Inu's weak fundamentals and centralized ownership make it a high-risk asset. And the valuation of the token is likely to continue to collapse in 2022.