



Why Banxa (TSXV:BNXA) Stock Was up 19% Yesterday!

Description

Cryptocurrencies momentarily plunged yesterday, but a little-known crypto stock was *up big*. **Banxa Holdings** ([TSXV:BNXA](#)), one of my top picks for the digital assets sector, surged 19% yesterday. The stock is up 80% since August 27 (yes, you read that right.)

So, why is Banxa stock surging while the rest of the market experiences turbulence? Here's what investors need to know about this uniquely attractive opportunity.

Banxa's business model

Banxa offers a payment processing service for crypto companies. In other words, it helps these firms convert fiat to digital currencies. High-profile clients include Abra, Binance, Ledger, and OKex. Users of these devices and platforms need to go through a payment gateway created by Banxa to, for instance, convert Canadian dollars to Bitcoin.

To put it another way, Banxa is the **Lightspeed** of crypto. And just like Lightspeed, Banxa makes it money on value and volume. So, when people are rushing to sell their Bitcoin or Ethereum, Banxa gets more transactions and more transaction fees. That's what makes this stock a unique play in the crypto space.

The stock had a stunning run initially. It more than doubled in value since going public in January but has since lost substantial value. Banxa stock now trades at a 42% discount to its all-time high. But yesterday's surge is a sign that things are about to turn around in a big way!

Yesterday's news

Banxa made announcements about new hires yesterday. Many of these new recruits are experienced veterans from the tech and financial space. But the most noteworthy was Chloe Sasson appointment as chief of staff. Sasson formerly worked for Google.

The company also announced three new initiatives that should help the fledgling startup to hit hyper growth in the near term. The first is reaching delivery on more than 99% of orders within 20 minutes.

That would make Banxa the fastest fiat-to-crypto converter in the industry. The second is offering its regulatory technology (Reg-Tech) platform to clients as a new service.

However, the most exciting growth initiative is the company's entry into Decentralized Finance, or DeFi. DeFi is rapidly becoming popular with investors seeking unique ways to generate passive income and fixed returns from digital assets. The sector is nascent but quickly expanding. This could be a trillion-dollar opportunity for Banxa.

Meanwhile, [Banxa stock is ultra-cheap](#). It's trading at a price-to-sales (P/S) ratio of six. Bear in mind that revenue is expanding by triple digits every year, so the *forward P/S ratio* is incredibly low.

Bottom line

Banxa Holdings, a little-known crypto payment startup, has had an incredible run this month. As cryptocurrencies become more mainstream, Banxa should see a dramatic rise in payment volumes. The stock surged 19% yesterday as the company hired a former Googler and announced new plans to boost growth. Over time, Banxa hopes to become the market leader in crypto payment processing, reg-tech, and DeFi.

Banxa stock is fundamentally undervalued and has plenty of room to grow.

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