



After Gaining 40% Last Week, Is Galaxy Digital Stock Still Worth Buying Today?

Description

Last week several cryptocurrencies as well as crypto stocks saw significant rallies. The introduction of crypto ETFs south of the border, among other things, has brought a tonne of momentum back to the space. One of those cryptocurrency stocks that saw a significant gain last week is **Galaxy Digital Holdings** ([TSX:GLXY](#)).

Galaxy Digital is a high-quality financial services stock that's rapidly growing its footprint in the cryptocurrency industry. The company has several segments serving many aspects of the growing crypto industry.

One of the reasons why the stock is such an excellent investment is because it's so unique. There are hardly any companies that have a business model similar to Galaxy Digital's. In fact, it's one of the only crypto stocks in the financial sector, rather than being classified as a [tech stock](#).

But after gaining 40% last week, is the stock still worth buying today, or should investors wait for a pullback?

Galaxy Digital stock

To understand what Galaxy Digital Holdings is worth and whether or not it's worth an investment today, we need to know the business inside and out.

What's most important to know right away is that Galaxy has five main segments that are each rapidly expanding. In addition to providing different opportunities for growth, though, they each offer Galaxy diversification.

Although the stock certainly benefits more when the industry is seeing an increase in popularity and major cryptocurrencies like [Bitcoin](#) are rallying, Galaxy Digital's business is being built to still perform well, even if the industry loses momentum from retail investors and the major cryptocurrencies trade range-bound for a while.

The five segments of Galaxy Digital stock's business

The five segments consist of asset management, trading, investment banking, mining and principal investments.

The asset management segment provides investors with funds to easily gain exposure to cryptocurrencies, such as the **CI Galaxy Ethereum Fund**. In total, Galaxy Digital has over \$2.2 billion assets under management, as of September 30, 2021.

The trading segment offers market-leading, sell-side services such as spot and derivatives OTC trading, lending, and structured products to high-net-worth individuals and institutions. Currently, Galaxy Digital stock has over 600 counterparties and supports trading in 100 unique crypto assets.

Its investment banking segment provides general corporate advisory services, financing opportunities, as well as merger and acquisition advisory services to cryptocurrency or blockchain companies.

The mining segment is made up of Galaxy Digital's own Bitcoin mining operations as well as a financing business for other miners in the industry. It can be difficult for cryptocurrency companies to get traditional financing from banks, so this is another example of an opportunity that Galaxy Digital is taking advantage of. Furthermore, Galaxy looks to bring innovation to the space, as it aims to create several products for miners, including the ability to hedge.

Lastly, and in my opinion, the most exciting segment of Galaxy Digital stock is its principal investments division. This segment consists of all the high-potential venture investments that Galaxy Digital is making in up-and-coming technologies. This includes cryptocurrency businesses, digital assets, and other special situations. Already, the company has made 84 investments and had 68 companies in its portfolio at the end of the second quarter.

Upcoming earnings

Galaxy Digital stock will report updated earnings later for its third quarter on November 15. And while these are important, they will reflect the period ending September 30. Therefore, they are somewhat irrelevant. Don't get me wrong; it will be important to get an update on how its business performed during the summer months when the industry didn't have as much momentum.

However, since the start of the fourth quarter, Bitcoin and Ether have both gained roughly 30%, and a tonne of momentum has returned to the space. So, even if the numbers aren't spectacular, we already know the industry is rallying once again.

Bottom line

Galaxy Digital is one of the most exciting growth stocks to buy in Canada, let alone the cryptocurrency industry. It's a stock that, in my opinion, along with the cryptocurrency industry, has years of significant upside.

Therefore, if you're bullish on cryptocurrencies and think Galaxy Digital has a bright future, I'd be

looking to pull the trigger today.

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Author

danieldacosta

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