



Galaxy Digital vs. Hut 8: Which Is the Best Crypto Stock to Buy Today?

Description

There's a lot of potential in crypto stocks. It's an industry I think almost every investor should have exposure to. There are lots of high-quality crypto stocks to choose from, though. You could buy high-quality mining stocks like **Hut 8 Mining** ([TSX:HUT](#))([NASDAQ:HUT](#)). In addition, you could buy financial stocks in the crypto industry like **Galaxy Digital** ([TSX:GLXY](#)).

The key with the cryptocurrency industry is investing for the long term. It's impossible to predict how these major cryptocurrencies and the industry in general will perform in the short run. Furthermore, it's well known that the industry is highly volatile.

However, we can mitigate the impact of this [volatility](#) by committing to investing for the long run. Similarly, you could dollar cost average into crypto over time, as you would do with stocks.

So, if you're ready to invest for the long term, here's what to consider and whether Hut 8 or Galaxy Digital is the right crypto stock to buy for your portfolio.

Hut 8 is one of the top growth stocks to buy now

Hut 8 is one of the top mining stocks in the crypto industry, making it an incredible [growth stock](#) for investors to consider today.

The performance of Hut 8's stock is much more based on Bitcoin and the top cryptocurrencies' price performance than Galaxy Digital stock's, as that's the biggest variable in how much profit a mining stock can make.

Because its operations are leveraged to the price of Bitcoin, the more the price rises, the more its profitability will increase too. This has led to massive gains by Hut 8 over the last year, especially compared to the underlying cryptocurrencies that it mines.

For this reason, Hut 8 could offer better potential than Galaxy Digital stock in the short run. However, with that being said, investing in a mining business is considerably riskier. You aren't just relying on

Bitcoin's price to increase. You also have to worry about the miner's operations.

Hut 8 is a top performer in the space, though, which should help alleviate some concerns. It's also the largest holder of self-mined Bitcoin of any publicly traded company in the world.

Plus, recently, it's been showing it can adapt and grow with the times too. Hut 8 started out solely as a Bitcoin-mining stock, with all the potential of Ethereum, though, it has expanded its operations to mine Ethereum as well.

So, if you're bullish on cryptocurrencies and want to find a high-quality crypto stock to buy now, Hut 8 is a high-growth investment that's significantly leveraged to the price of the two major cryptocurrencies.

Galaxy Digital is one of the best crypto stocks to buy for the long run

While Bitcoin's price and the popularity of the cryptocurrency industry are generally correlated, that's not always the case. Furthermore, as we continue to see innovation in the space, there could be a time when Bitcoin is no longer the most dominant cryptocurrency.

So, if you're bullish on the cryptocurrency industry but wary of gaining exposure to just a few of the top cryptocurrencies, or maybe don't want a high-risk mining stock, Galaxy Digital could be the perfect choice for you.

Galaxy is building a massive, five-segment financial services business that operates in the crypto space. It's a great way to gain exposure to the growth and popularity of the industry as a whole rather than just a few cryptocurrencies.

For this reason, while I think Hut 8 might offer more potential in the short run, Galaxy is a better long-term crypto stock to buy and shouldn't be as volatile, either. While the company does benefit from Bitcoin prices increasing, as it attracts more investors to the space, including to its asset management division, it's still nowhere near as reliant on prices increasing.

Instead, it will benefit from the major transition to blockchain technology over the years. This is especially evident, as Galaxy has built up a considerable portion of its business to deal with institutions and high-net-worth clients.

So, if you're looking for a business that still offers a tonne of growth potential but is a longer-term, less-risky investment, Galaxy Digital is an excellent stock to consider.

CATEGORY

1. Investing
2. Stocks for Beginners

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1. NASDAQ:HUT (Hut 8 Mining)
2. TSX:GLXY (Galaxy Digital)

3. TSX:HUT (Hut 8 Mining)

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Date

2025/08/23

Date Created

2021/11/08

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