



Why Galaxy Digital Stock Rallied 65% in October

Description

Galaxy Digital Holdings ([TSX:GLXY](#)) saw shares explode during October. Shares climbed 65% in just once month, coming down to some [stellar](#) news coming from south of the border. So, let's look at what's going on with Galaxy Digital stock.

What happened?

Galaxy Digital stock climbed 65% thanks mainly in part to an announcement from the United States Securities and Exchanges Commission (SEC). The SEC stated cryptocurrency exchange-traded funds (ETFs) would now be approved in the United States.

This was a big deal for companies in the U.S. waiting around to see this approval. However, for Galaxy Digital stock it was even better news. Canadian cryptocurrency ETFs have been around for a while now. And Motley Fool investors just learning about these ETFs will see ETFs with experience rather than brand-new companies.

So what?

For those seeking exposure to cryptocurrency without the massive share price, Galaxy Digital stock and other cryptocurrency ETFs are amazing. You don't have to make a massive investment, but that's not the only benefit. These ETFs, just like other ETFs, give you exposure to multiple cryptocurrency companies. And I don't just mean the currency itself.

Sure, you get access to Bitcoin and Ethereum, for example. However, you can also get access to mining companies. These companies have also been doing incredibly well with the rise of cryptocurrency. Think the gold rush, but the mining takes place in someone's basement and with incredibly expensive equipment.

Therefore, these cryptocurrencies are yet another way the cryptocurrency market legitimizes itself. ETFs are a step in the right direction for those still sitting on the fence, deciding whether

cryptocurrency is a real thing or not.

Now what?

Galaxy Digital stock climbed 65%, so is it too late? Here at the Motley Fool, we believe investing should be long term. Therefore, it's really never too late to invest in anything. The key is finding a company that you believe will continue to be strong, even when the excitement wears off.

In the case of Galaxy Digital stock, it actually has a [valuable](#) P/E ratio of 12.88 as of writing. Further, it's only \$41.20 as of writing. That's far less than the thousands you'd invest in Bitcoin or other cryptocurrencies. That being said, as those cryptocurrencies climb, Galaxy Digital stock will continue to benefit.

Galaxy Digital stock also benefits from doing some mining of its own. So, not only do you have exposure through investments but also through direct mining.

The real risk is whether we're due for another cryptocurrency bust after this ETF boom. And the likely answer is yes. Analysts, unfortunately, see Galaxy Digital stock and others coming back to Earth. So, for now, if you like cryptocurrency ETFs, I would wait for a pullback. But then continue to hold onto these companies long term.

Bottom line

Galaxy Digital stock offers a diversified way to get in on cryptocurrency. This is the future, whether you understand it or not. In the case of this ETF, you may want to start doing more research. Cryptocurrency will be here for the foreseeable future. And in a decade from now, this company is likely to be one of the top players that Motley Fool investors will wish they'd purchased at today's prices.,

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