



## Why Galaxy (TSX:GLXY) Stock Dropped 7% on Monday

### Description

Shares of **Galaxy Digital Holdings** ([TSX:GLXY](#)) fell 7% on Monday after Galaxy stock announced it agreed to issue and sell \$500 million worth of notes at an interest rate of 3%. However, the hit to its share price is a short-term loss from listing these new notes.

### What happened?

Galaxy stock fell by 7% Monday after [management](#) announced the selling of \$500 million worth of notes, which can be exchanged for shares. These shares would go towards its new holding company, which will be set up in the United States. Its buyers would receive the notes at an interest rate of 3%

This is the latest move Galaxy stock made towards its [restructuring](#) and “re-domiciliation to the United States.” The notes will mature by Dec. 15, 2026, unless exchanged, redeemed, or repurchased earlier. The capital will then be used towards growing its business, again mainly towards expansion in the U.S.

### So what?

This news comes just about two weeks after Galaxy stock announced its earnings report. During the third quarter, it saw an increase of 1,146% in income to \$517 million. Further, the company believes it will see at least \$400 million of income for the fourth quarter.

Galaxy stock currently has \$62 million invested in 22 different non-fungible token (NFT) related companies, purchasing two NFTs directly. But it's the trading of cryptocurrency, especially **Bitcoin**, that's led to its successful numbers.

It was during this quarter that the company announced it would continue with its move towards a United States listing, moving the company to the United States as well. This, of course, comes with the boom in cryptocurrency exchange-traded funds stocks in that country.

## Now what?

This is the important part. Galaxy stock may be down right now, but it's not due to a major market selloff by investors. The cryptocurrency [company](#) selling \$500 million in notes is what led to this drop in share price. The company moved from a market cap of \$3.29 billion on Friday to \$3.05 billion as of writing.

But this drop in share price to raise funds by offering a private secondary stock offering is great news for those wanting to buy on a dip. Galaxy stock created a dilution of shares by adding further shares to the market, resulting in a short-term loss. However, those wanting to get in now are likely to see long-term gains, as the company continues its growth trajectory.

In fact, the issued notes have a value of about \$42 per share for its new shareholders. Therefore, that leads to a potential upside of 35% as of writing! It's very likely that investors may soon buy up Galaxy stock, so investors should watch carefully in the near future.

### CATEGORY

1. Cryptocurrency
2. Investing

### TICKERS GLOBAL

1. TSX:GLXY (Galaxy Digital)

### PARTNER-FEEDS

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