



## Market Correction: How It Could Impact Crypto Stocks

### Description

Over the last few weeks, we have seen volatility starting to pick up with crypto stocks, but also across the board. There are several reasons why the market is on edge right now. So with the potential for a stock market correction increasing, it's crucial to start planning and preparing what to expect in case that happens.

That doesn't always mean you have to buy or sell *any* stocks, however. Sometimes it can simply mean reviewing your investments and looking at what you want to buy if stocks do indeed sell off significantly. It also means understanding how certain businesses and stocks will react and be impacted by a market correction.

And especially with all the popularity of crypto stocks these days, it's important to understand how they will perform.

### Expect volatility from crypto stocks in a market correction

As many investors know, the [cryptocurrency industry](#) and, consequently, crypto stocks are already highly volatile. So as volatility increases across all stocks, expect crypto investments to be even more volatile than normal.

Significant volatility can be worrisome for some investors. However, if you take a long-term approach, it can actually be a great opportunity to find some of the highest quality stocks trading cheap.

It also means if you hold a speculative asset, you could get burned. Not only will speculative assets likely fall more in value due to a stock market correction, but they may never recover or take a lot longer to do so, as investors are focused on investing their capital into the highest potential crypto stocks while they trade cheap.

### Consider why the market is being impacted

The reason for the market correction can have a major impact on which stocks you buy and how soon you want to pull the trigger. For example, lately, there have been supply chain issues and higher [inflation](#) hurting markets. However, even more recently, the latest variant may contribute to another stock market correction.

These headwinds shouldn't really impact crypto stocks, though. So as these stocks sell off while volatility picks up, they offer some of the best opportunities for investors.

This might not always be the case, however. So any time market volatility starts to pick up and the potential for a stock market correction increases, it's important to understand what's causing it and how that will impact your stocks over the long haul.

If it's just a short-term issue or something that doesn't impact your stocks at all, such as the pandemic's almost non-existent impact on crypto stocks, then you know you have an excellent opportunity on your hands.

## A top crypto stock to buy today

One stock that's already trading at a compelling price but could get even cheaper if we continue to see more volatility is **Galaxy Digital Holdings** ([TSX:GLXY](#)). The company was founded and is currently run by Mike Novogratz, a former Goldman Sachs partner and ex-hedge fund manager.

Galaxy is an excellent choice because it's well-diversified, serving several different segments of the cryptocurrency industry and expanding its potential for growth considerably.

In addition to offering funds for investors to gain exposure to cryptocurrencies, it also offers investment banking advice to crypto companies. It has its own mining segment and even has a highly profitable trading division that serves high-net-worth and institutional clients.

The cryptocurrency industry is full of long-term potential, so it's all about finding the highest potential investments and committing to them for the long term.

Galaxy is one of those stocks. So the next time there is a significant market correction, consider what's causing it, and if you believe that these crypto stocks are being oversold, it could be the opportunity of a lifetime to buy these high-potential assets while they trade dirt cheap.

### CATEGORY

1. Cryptocurrency
2. Investing

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1. TSX:GLXY (Galaxy Digital)

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