



Why Galaxy Digital Holdings Shot up 11% on Tuesday

Description

Galaxy Digital Holdings ([TSX:GLXY](#)) shares shot up by 11% in early-morning trading on Tuesday. The digital miner and financial asset manager saw delayed growth after the [markets](#) were closed over the holidays. Shares are up 118% in the last year alone.

What happened?

The recent growth happened after Galaxy Digital funded a \$100 million credit loan to Canadian **Bitcoin** miner **Bitfarms**. Bitfarms will back the facility through its Bitcoin holdings. The goal is to use the funds to aid in its further global growth initiatives, Bitfarms management stated. Further, it aims to reach a hashrate of three exahashes per second by March 31. It aims to reach eight exahashes per second by Dec. 31.

This loan is the latest provided by Galaxy Digital, which is already providing a \$65 million loan to public mining companies in 2021 alone. It provides another avenue where Galaxy Digital will continue to see growth as the popularity for cryptocurrency rises.

So what?

Galaxy Digital proved its a strong option for investors during the rise in [cryptocurrency](#) popularity. As companies, and even countries, begin to accept digital currency, Galaxy Digital has put itself in a prime position. It's the money lender to the new industry that *needs* cash on hand to both survive and thrive.

In the case of Bitfarms, its growth is fairly dependent on expansion. The company already took out \$60 million to fund its projects and plans to take out the remaining \$40 million over the next few months. This would likely be to make further acquisitions, according to Bitfarms's statement.

Now what?

Bitfarm is only one example of how Galaxy Digital continues to grow. During the last quarter, Galaxy Digital announced it had assets under management of \$3.2 billion. That then [grew](#) in the next month to \$3.4 billion. The quarter also deployed \$62 million into 22 different non-fungible token (NFT) related companies, both through investment and funding. Further, it directly purchased two NFTs.

Galaxy Digital also hopped on the growth in exchange-traded funds (ETFs) in the cryptocurrency sector, launching two EFTs during the quarter — all this while seeing net income rise 1,146% year over year and its loan book climb 65%.

You'll notice the company has its hands in many pies, and that's what investors should love about it. It's involved with digital banking, mining, asset management, trading — you name it. It has cash on hand to continue to drive growth, with analysts predicting the stock to double in the next year.

So, while shares of Galaxy Digital are up 11% on Tuesday, there is still far more growth to come for cryptocurrency buffs.

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