



## Why Galaxy Digital Holdings Fell 10% on Monday

### Description

**Galaxy Digital Holdings** ([TSX:GLXY](#)) saw shares drop by about 10% on Monday. This came after the financial institution and cryptocurrency investor gave an update on assets under management.

### What happened?

Galaxy announced on Jan. 5 after market close that as of Dec. 31, 2021, it had a total of \$2.87 billion of assets under management. While this is an increase of 75% since December 2020, it's a loss of 17% since November 2021.

Galaxy had been on a solid climb over the past year, doubling its assets under management between December 2020 and November 2021. This is the first drop back the company has gone through in quite some time, if ever.

Of course, the drop is related to the pullback in cryptocurrency stocks as a whole. Both **Bitcoin** and **Ethereum** have dropped around 20% in the last month alone. This definitely played a role with the drop in Galaxy as well as it focuses on a digital assets and [blockchain](#) technology.

### So what?

The thing is, the recent drop in cryptocurrency looks like a short-term issue — especially for a company like Galaxy Digital. The cryptocurrency company involved itself in every aspect of the digital currency business. It now has a hand in everything from straight-forward coin ownership to starting up digital mining companies.

And it's been doing quite well. Galaxy Digital announced during its latest earnings report it brought in \$1.2 billion in net income between January and September 2021. As more companies adopt digital currency, it's clear this situation will only improve.

“Our organic growth demonstrates our continued ability to capitalize on opportunities, with our net

comprehensive income growing to \$517 million from a net comprehensive income of \$41.5 million in the prior year period,” said Michael Novogratz, founder and CEO of Galaxy Digital. “Year to date through November 12th, we have provided shareholders with approximately \$1.6 billion in net comprehensive income, on the back of our strong operational and investing portfolio growth. We look forward to our U.S. listing and the close of our BitGo acquisition, which we now expect will occur in the first quarter 2022.”

## Now what?

Galaxy Digital has a U.S. listing and a major acquisition for the first quarter, as the CEO mentioned. Furthermore, digital [currency](#) is expected to make a rebound. While it may not be the soaring prices we saw in 2021, it could be a far safer situation for investors.

So, right now, analysts believe Galaxy is a buy. In fact, many list its target price at more than double today's value of around \$20 — especially after the recent drop. So, while December 2021 didn't look great, January 2022 could be an entirely different story.

Shares of Galaxy doubled in the last year and are down 56% from 52-week highs.

### CATEGORY

1. Cryptocurrency
2. Investing

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1. TSX:GLXY (Galaxy Digital)

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