



Why Galaxy Digital Stock Plunged to its Lowest Level Since October

Description

What happened?

The shares of **Galaxy Digital Holdings** ([TSX:GLXY](#)) fell by 10.2% in intraday trading on Tuesday. The stock ended the session at \$19.92 per share with about 9.5% losses. Notably, it's the fourth consecutive week GLXY stock has witnessed a correction; this correction has taken it to its lowest level since October 2021. As a result, the stock has lost 29.3% of its value in the last 30 days compared to 2.5% advances in the **TSX Composite** benchmark.

So what?

Galaxy Digital is a New York-based financial services and investment firm with a market cap of about \$6.6 billion. The company primarily focuses on its digital asset and [cryptocurrency investment](#) services. It was founded by the popular American investment banker and cryptocurrency supporter Michael Novogratz, who currently leads the company as its CEO.

While there was no company-specific news to blame for Galaxy Digital stock's recent big losses, the ongoing massive selloff in the cryptocurrency market could be the reason for its sharp losses. In early November, **Bitcoin** prices reached their all-time high near \$69,000 per BTC. Since then, it has dived by nearly 40%. Similarly, **Ethereum** prices have also plunged by more than 15% in January so far after witnessing 20% value erosion in December.

A continued downtrend in cryptocurrencies could potentially scare away investors, hurting the financial growth prospects of companies like Galaxy Digital. At the time of writing, Bitcoin and Ethereum prices are trading with 3.1% and 5.4% losses in the last week, respectively. It could be the main reason why GLXY stock has seen more than 12% value erosion in the last five sessions.

Now what?

In November 2021, Galaxy Digital's CEO Novogratz [cited](#) cryptocurrency adoption trends and price increases for his bullishness about the company's future. Arguably, the cryptocurrency adoption trend has largely been positive in the last year. However, the recent crypto market crash certainly underlines the big risks involved in cryptocurrency-related investments.

While a potential cryptocurrency market recovery in the coming months could help Galaxy Digital stock regain investors' confidence, I don't consider GLXY a good investment for investors with a small risk appetite.

CATEGORY

1. Cryptocurrency
2. Investing

TICKERS GLOBAL

1. TSX:GLXY (Galaxy Digital)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. jparashar
2. kduncombe

Category

1. Cryptocurrency
2. Investing

Date

2025/09/04

Date Created

2022/01/19

Author

jparashar

default watermark

default watermark