



Why Galaxy Digital Stock Surged Over 10% Today

Description

What happened?

The shares of **Galaxy Digital Holdings** ([TSX:GLXY](#)) surged by more than 10% Thursday morning after [witnessing nearly 16% value erosion](#) in the last couple of sessions combined. At the time of writing, the stock was trading at \$20.43 — up 11.4% from yesterday's closing price. By comparison, the **TSX Composite Index** was trading with a 90-point gain, 0.4%, for the day.

So what?

Today's sharp gains in Galaxy Digital stock came after the prices of key [cryptocurrencies](#) like **Bitcoin** and **Ethereum** staged a sharp recovery early this morning. In the last 24 hours, Bitcoin has risen by nearly 3% above the US\$43,200 level. Similarly, Ethereum's — the second-largest cryptocurrency by market cap — price has soared by about 4.2% to above the US\$3,250 level.

For the last couple of months, Galaxy Digital's investors have been concerned about a consistent drop in its stock due to weakening crypto prices. That's why today's apparent reversal in cryptocurrency prices came as a big relief for them, leading to a big rally in GLXY stock.

Now what?

Galaxy Digital has been one of the most volatile stocks on the TSX in 2022 so far after staging a massive rally in the last couple of years. GLXY popped by about 928% in 2020 when COVID-19-related concerns shifted investors' attention towards the cryptocurrency market. Most investors preferred to use cryptocurrencies to hedge against a stock market crash. This trend suddenly increased the volume in the crypto market, leading to a big rally in the prices of cryptocurrencies like Bitcoin and Ethereum.

The cryptocurrency market rally continued in 2021, which helped GLXY stock more than double by yielding 108% positive returns for the year. While Galaxy Digital's founder and CEO Michael Novogratz [remains](#)

optimistic about the company's future, its stock price movement is still highly correlated with the latest trends in the crypto market. That's why you can expect GLXY stock to keep making big moves on both sides in the near term until we see a clear and stable trend in the crypto market.

CATEGORY

1. Cryptocurrency
2. Investing

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1. TSX:GLXY (Galaxy Digital)

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