



## Why Banxa (TSXV:BNXA) Stock Was up 12.7% Yesterday

### Description

Little-known cryptocurrency payment processor **Banxa Holdings** ([TSXV:BNXA](#)) had a fabulous day yesterday. The stock was up 24% at one point. It ended the trading day 12.7% higher than the day before. Trading volume spiked, as investors added tens of millions to the company's market value.

This rally was despite the fact that most other tech stocks were plunging yesterday. Sentiment in the sector still remains gloomy, which is why this surge in [Banxa stock](#) came as a surprise. Here are three reasons why the company's market value soared yesterday.

### What happened?

Banxa's fortune is tied to the cryptocurrency sector. The company helps the world's biggest crypto exchanges and service providers accept payments from clients using fiat. Banxa handles all the compliance (Know Your Customer, Anti-Money Laundering, etc.) to allow giants like Binance, Ledger, and Abra to accept payments.

This is why the industry's trading volume is a key indicator of Banxa's growth. More adoption and bigger transactions translate to better revenue for Banxa. Over the past few months, the volume and value of digital assets have been declining. But in recent weeks major cryptocurrencies have staged a rebound. **Bitcoin** is up 24% since late January, and **Ethereum** is up 28% over the same period.

If this rebound continues, Banxa's growth rate could be sustained.

### So what?

The boom in cryptocurrencies is clearly reflected in Banxa's top line. In December, the company reported a 337% year-over-year jump in total transaction volume. This triple-digit growth rate has been sustained for much of 2020 and 2021. While the rate could subside in 2022, there's still plenty more room for expansion.

Banxa keeps aggregating new clients to its network. In December alone, the team added Bitget, zkSync and gmx.io to the client list. Altogether, the company now helps dozens of large crypto enterprises handle transactions in 80 digital currencies across 136 countries.

To sustain its efforts to scale, Banxa is now trying to access the capital market in the U.S.

## Now what?

Banxa shares are currently traded on the Toronto Stock Venture Exchange and over the counter in the United States. In late-2021, the company applied for an uplisting to the NASDAQ. This uplisting should be complete if and when the company meets the exchange's minimum requirements.

If listed, Banxa will access a new pool of capital and, perhaps, a higher valuation. The NASDAQ listing could lower the team's cost of capital. It could also enhance the company's profile and gain attention from a new set of growth investors abroad.

With all these positive catalysts culminating, it's no surprise that Banxa stock has been surging lately.

## Bottom line

Banxa stock is up alongside the cryptocurrency sector. The correlation is obvious. With Bitcoin and other cryptocurrencies rebounding, the stock surged 12.7% yesterday. This upward trend could continue. The NASDAQ listing is another positive catalyst. Keep an eye on this challenger tech stock.

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