



Which Crypto Stock Is the Best to Buy During This Dip?

Description

Throughout 2020 and 2021, the [cryptocurrency industry](#) rallied considerably. There was a slight pullback in the middle of 2021, however, the industry surged throughout the second half of the year until its peak last November. Since that peak, though, almost every crypto stock and even the best cryptocurrencies to buy have lost roughly half their value.

As investors who are long cryptocurrencies, seeing a pullback is not ideal. However, if you truly are bullish on the cryptocurrency industry long term, then this dip is an excellent time to find the best cryptocurrencies or crypto stocks to buy, especially if you missed out during last year's rally.

So if you're looking to take advantage of the recent sell-off in cryptocurrencies, here is one of the best crypto stocks to buy now.

Mining stocks offer excellent growth potential

If you're bullish on cryptocurrencies, especially **Bitcoin**, mining stocks can be excellent investments.

These stocks are leveraged to the price of Bitcoin, which means they'll be more volatile, offering investors more opportunity for growth when prices are rallying.

Buying crypto stocks that are even more volatile than cryptocurrencies may not be for everyone, but if you're willing to hold these stocks long term and you believe Bitcoin's price will continue to increase, they are some of the best crypto stocks to buy.

However, most mining stocks only offer exposure to [Bitcoin](#) and its price. And while that should continue to increase, you may want exposure to other high-potential opportunities in the cryptocurrency industry.

That's why I think **Galaxy Digital Holdings** ([TSX:GLXY](#)) is the best crypto stock to buy during this dip.

The best crypto stock to buy in this dip

Galaxy Digital stock is the best crypto stock to buy for several reasons. First off, it has several different segments, offering diversification which helps make it more resilient but also exposes investors to more growth potential. Furthermore, it has an incredible management team led by crypto billionaire Mike Novogratz.

Even if you appreciate the potential that mining stocks offer, Galaxy Digital has its own mining segment. The division mines Bitcoin in addition to providing funding for other mining companies, who may find it difficult to get financing from traditional banks. In addition to its mining segment, though, it's the combination of Galaxy's other segments that make it the best crypto stock to buy.

These other segments include an investment banking division, which advises on mergers, acquisitions, raising capital, and more. Galaxy also serves high-net-worth clients and institutions, as well as having an asset management division launching various investing funds.

Lastly, it has a principal investments segment focused on finding high-potential, early-stage projects to invest in. This division offers some of the greatest growth opportunities and helps diversify Galaxy Digital's business even more.

Bottom line

Although cryptocurrencies have proven to grow extremely rapidly in the past, investors should look at the industry as a long-term investment. It's nearly impossible to time the market, so determining when these stocks will rally is extremely difficult.

However, there's no denying the potential Galaxy Digital has when the industry finally regains momentum again. So while these cryptocurrencies and crypto stocks trade undervalued, Galaxy Digital is the best stock to buy.

CATEGORY

1. Cryptocurrency
2. Investing

TICKERS GLOBAL

1. TSX:GLXY (Galaxy Digital)

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Date

2025/08/22

Date Created

2022/02/28

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