



Buy 1 Crypto Stock Now for Higher Returns Than BTC

Description

Crypto traders are [cautious](#), not upbeat, about **Bitcoin** ([CRYPTO:BTC](#)) ending above US\$42,000 in three consecutive days since March 21, 2022. While the bullish sentiment could be returning to the cryptocurrency market, the rally could be short-lived.

Katie Stockton, managing partner at Fairlead Strategies, said short-term indicators are improving for BTC. She's speaking from a technical perspective. Stockton added, "We expect recent highs near US\$45,000 to soon be cleared as a positive catalyst. A breakout earlier this month suggested Bitcoin has upside toward US\$51,000."

People not familiar with the crypto's volatility shouldn't jump in the water too soon. The potential for higher gains is tempting, but the losses could be more, because a sudden sharp decline is always possible for BTC.

Meanwhile, **Galaxy Digital Holdings** ([TSX:GLXY](#)) has been gaining momentum lately. The [crypto stock's](#) gain since March 11, 2022, is 49.8%. Unlike Bitcoin, this \$7.33 billion asset management firm operating in the cryptocurrency and blockchain technology ecosystems has visible [growth catalysts](#).

A new warning

Bitcoin has yet to emerge from the crypto winter. The world's largest cryptocurrency is still down 7.4% year to date and 36.5% off its all-time high of US\$67,566.83 on November 8, 2021. The latest warning about crypto comes from U.S. Federal Reserve chairman Jerome Powell.

On March 23, 2022, Powell was reported to have said that new forms of digital money, such as cryptocurrencies and stablecoins present risks to the U.S. financial system. New rules for customer protection are foremost in his mind.

His complete statement reads, “Our existing regulatory frameworks were not built with a digital world in mind. Stablecoins, central bank digital currencies, and digital finance more generally, will require changes to existing laws and regulation or even entirely new rules and frameworks.”

Powell believes there are potential financial-stability concerns for some products. “We don’t know how some digital products will behave in times of market stress,” he added. The central bank’s worry is the use cryptocurrencies for money laundering and other illicit activities.

The Fed chief want governments to act or work to prevent them, so crypto products could provide value to consumers and can gain wider adoption. Some market observers agree that the Biden executive order on cryptocurrency is a step in the right direction.

Growth driver

The good news for Galaxy Digital was its trading unit's facilitation and execution of a crypto transaction with **Goldman Sachs**. It was the first-ever OTC crypto transaction of with a prominent U.S. investment bank.

This \$7.49 billion company from New York provides blockchain and cryptocurrency financial services to institutions globally. Its trading platform focuses exclusively on the rapidly expanding digital-asset market. A variety of centralized exchanges and OTC markets are open to interested clients.

Damien Vanderwilt, co-president, and head of Global Markets at Galaxy Digital, said, “Goldman’s continuing trust in us is a testament to Galaxy’s expertise and ability to meet the evolving demands by institutions as crypto solidifies itself as the fifth asset class.”

Market analysts recommend a buy rating for the crypto stock. Their 12-month average price target is \$41.67. The current share price of \$22.25 could climb 87.3%.

Better choice

Bitcoin rides on hype to propel the stock. Thus, the price could rise and fall with no apparent reason. Galaxy Digital appears to be the better investment choice for now.

CATEGORY

1. Cryptocurrency
2. Investing

TICKERS GLOBAL

1. TSX:GLXY (Galaxy Digital)

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