



## Cryptocurrency Investors: What Now?

### Description

Cryptocurrency continues to fall for investors, and it remains a shock to those who invested in the sector over the last few years. After making some people millions, it seems that those same people may have lost just as much in the recent crash.

So, the question is, what now?

### What's happening now?

[Cryptocurrencies](#) like **Bitcoin** ([CRYPTO:BTC](#)) continue to wax and wane, but drops seem to be happening more regularly. Bitcoin, for example, fell by 88% from January to mid-July of this year. And while Bitcoin then rebounded by about 17%, as the market started to climb, a little pullback in the market at large sent it plunging yet again. Now, shares are up only 3% from mid-July to date.

The problem is that the reason for the drop remains unclear, besides ongoing fear of market uncertainty. It's not like inflation or even rising interest rates really affect Bitcoin or [other cryptocurrencies](#). Instead, it seems that it's just too risky for investors to get back into in this market filled with slowing stocks.

Still, does that mean you should get out forever? Or use this as an opportunity?

### That depends

Of course it does. There are numerous factors when considering cryptocurrencies, but, of course, at the top of your list is your risk tolerance. If you're retiring soon, it's unlikely this is best for your portfolio. On the same hand, even if you have decades to invest, it could be a bumpy ride with no certainties if you choose the wrong cryptocurrency.

And yet many investors sought out the "next big thing" when crypto came on the market. Now, one would *hope* they know better. So, it's time to move onto companies that have a stronger future in the

world full of cryptocurrencies.

Because it *will* be full of them, we just don't know which ones. The United States government is working on a digital dollar, and that's in response to a digital yuan. That's on top of the privatized companies that continue to create opportunities for investors to sink their teeth into.

So, where should investors look who are able to stomach this highly risky environment?

## Think big picture

There are lots of cryptocurrencies out there to consider, and, by far, Bitcoin is probably your best bet. However, it's incredibly expensive. And that expense doesn't mean it's going to be less volatile, it just means it will probably last when other cryptos fail.

Instead, I would look at companies that support the rise of cryptocurrencies. For that, **Galaxy Digital Holdings** ([TSX:GLXY](#)) looks like an excellent option. Galaxy stock is an asset management firm, dedicated to getting cryptocurrency-related companies off the ground. This includes blockchain firms, miners, and cryptocurrencies themselves. In fact, it even mines for crypto itself.

What's more, Galaxy stock actually looks like a huge value play when you look at its fundamentals. It currently trades at just 5.57 times earnings and 0.28 times book value. And yet shares are down 69% year to date, following the same path as Bitcoin.

## Bottom line

Cryptocurrency remains an incredibly volatile place only those willing to take on high risk should consider. And even then, your strategy shouldn't be "get rich and get out." Instead, find quality companies that will climb higher and higher in this new digital age.

### CATEGORY

1. Cryptocurrency
2. Cryptocurrency

### TICKERS GLOBAL

1. CRYPTO:BTC (Bitcoin)
2. TSX:GLXY (Galaxy Digital)

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#### **Date**

2025/07/25

#### **Date Created**

2022/08/27

#### **Author**

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