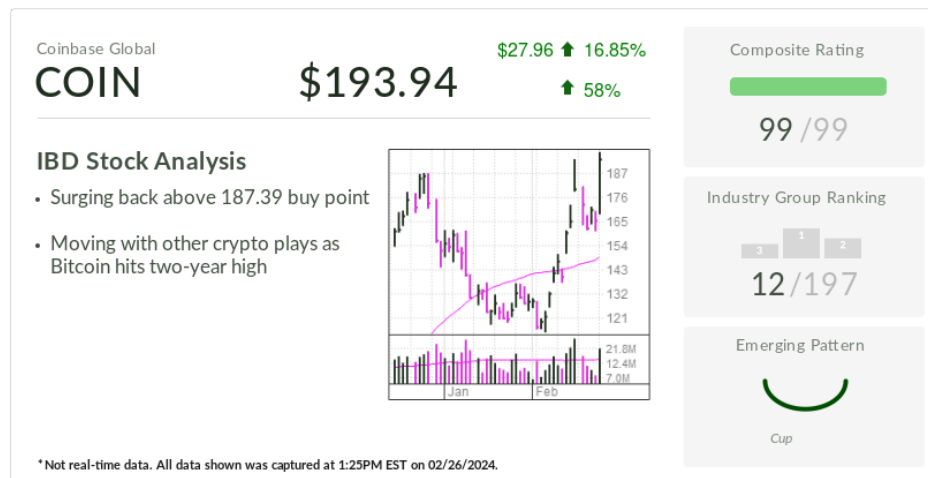


INVESTOR'S BUSINESS DAILY®

IBD STOCK OF THE DAY

Coinbase, IBD Stock Of The Day, Surges Above Buy Point As Bitcoin Nears \$55,000

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HARRISON MILLER | 04:04 PM ET 02/26/2024

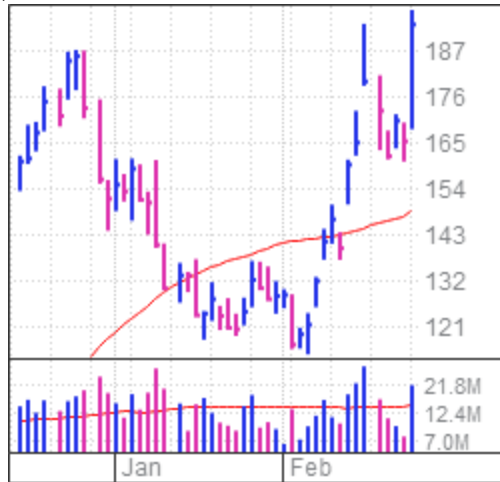
Coinbase Global
COIN

\$ 193.94**\$27.96** **↑ 16.85%**
↑ 58%

IBD Stock Analysis

- Surging back above 187.39 buy point
- Moving with other crypto plays as Bitcoin hits two-year high

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Composite Rating



99/99

Industry Group Ranking



12/197


Emerging Pattern



Cup

* Not real-time data. All data shown was captured at 1:25PM EST on 02/26/2024.

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 oinbase is Monday's **IBD Stock of The Day** as it surges past a buy point. Shares of the cryptocurrency exchange are running higher with other crypto stocks as the bitcoin price spiked to nearly \$55,000 for the first time since November 2021.



Coinbase (COIN) on Feb. 15 reported diluted earnings of \$1.04 per share, improving from a loss of \$2.46 per share last year and ending a streak of seven consecutive quarterly losses. Total revenue spiked 51% to \$953.8 million, marking the exchange's second consecutive increase after six straight quarters of double-digit declines.

FactSet expected Coinbase earnings of 2 cents per share on a 31% jump in revenue to \$826 million.

Consumer transaction revenue leapt nearly 60% over the year to \$492.5 million and improving from \$274.5 million in Q3. Institutional transaction revenue increased 173% to \$36.7 million, also climbing from \$14.1 million last quarter.

Total subscription and services revenue climbed almost 33% to \$375.4 million. Custodial fee revenue rose to \$19.7 million, compared to \$11.4 million last year and \$15.8 million last quarter, respectively.

For Q1, Coinbase expects subscription and services revenue to range from \$410 million to \$480 million.

Coinbase is also **serving as the cryptocurrency custodian** for a majority of newly launched spot bitcoin ETFs following the FTC's Jan. 11 approval for those funds.

ETF Impact

"We've always said that ETFs would be a win-win for Coinbase and we're starting to see that play out on our platform," CEO Brian Armstrong said on the Feb. 15 earnings call, noting Coinbase custody accounted for 90% of the \$36 billion in bitcoin ETF assets at the time. "We're earning revenue, not just on custody, but also on trading and financing. We've already seen great demand as bitcoin is now the second-largest ETF commodity in the U.S., surpassing silver."

A number of firms hoisted their price targets on shares after the report based on the performance and Q1 outlook. H.C. Wainwright on Feb. 16 raised its price target on Coinbase to \$250 from \$115 and maintained a buy rating on the stock.

The upcoming bitcoin halving event in April along with growing demand and incremental inflows from spot bitcoin ETFs will provide "significant positive catalysts" for the exchange going forward, the firm wrote.

Bitcoin Notches Two-Year High

Bitcoin on Monday jumped as high as \$54,944 marking its highest level since early December 2021. The crypto's total market capitalization is back above the \$1 trillion mark for the first time in more than two years following its February rally. Bitcoin is now up more than 25% so far in 2024, with most of the gains coming after the spot bitcoin ETF launches in early January.

Cathie Wood Takes Profits

Meanwhile, Cathie Wood and her ARK Invest firm appear to be taking profits on COIN stock throughout February. ARK Invest on Feb. 14 sold \$34.23 million worth of Coinbase stock across three of its funds, its first sale of the crypto exchange's shares in over a month, according to daily trade updates. The most recent sale prior came on Jan. 11 following the bitcoin ETF launches, according to CoinDesk.

ARK Invest regularly sold shares throughout the month following Coinbase's earnings. The firm sold a total of 971,814 shares of COIN stock in February across the ARK Innovation ETF (**ARKK**), ARK Next Generation Internet ETF (**ARKW**) and ARK Fintech Innovation ETF (**ARKF**), worth roughly \$167.25 million based on the various closing prices.

Coinbase Stock

Coinbase stock leapt 16.85% Monday to 193.94, moving back above a prior 187.39 **cup-base** buy point. Investors could have jumped into COIN as it broke the downtrend of a high handle formation. Traders also could use the Feb. 16 high handle peak of 193.64 as an entry or add-on buy point, but it's already significantly extended from the 50-day line.

COIN shares on Feb. 16 briefly broke out from a **cup base** following earnings but didn't close above that level. Shares fell back last week.

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Shares have rocketed 51% so far in February to erase its 26% drop from January.

Coinbase leads the Computer Software-Financial Group according to the **IBD Stock Checkup**.

COIN stock has a perfect 99 **Composite Rating**. The Composite Rating combines various technical and fundamental indicators into one easy-to-read score. Shares have a 76 **EPS Rating**. Coinbase's **relative strength line** is trending toward its 52-week highs from late December and has a 98 **RS Rating**.

Elsewhere, spot bitcoin ETF shares and crypto stocks surged Monday along with bitcoin. Spot bitcoin ETFs, including the iShares Bitcoin Trust (**IBIT**), ARK 21Shares Bitcoin ETF (**ARKB**), Fidelity Wise Origin Bitcoin Trust (**FBTC**) all gained 5% Monday. The new bitcoin ETFs, except for Fidelity, are now trading at record levels after punching above launch-day highs.

Bitcoin miner **Marathon Digital (MARA)** vaulted 21.7% to 29.19 Monday ahead of Q4 results late Wednesday. FactSet analysts expect the company's earnings improve to 3 cents per share from a loss of \$3.09 last year while revenue spikes nearly 440% to \$153.6 million. MARA stock has a 30.45 cup-with-handle buy point.

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