

ABSTRACT

In 2020-2021 a pandemic emerged, namely Covid-19 in the world, including in Indonesia. This pandemic has an impact on several investment instruments such as bitcoin, gold, and exchange rates (USD/IDR and EUR/IDR). Bitcoin and gold are experiencing significant gains that may bubble. Meanwhile, the rupiah exchange rate against the dollar and euro depreciated.

This study aims to determine whether there is a bubble in bitcoin, gold, and exchange rates (USD/IDR and EUR/IDR) using the GSADF test. In addition, this study will look for the effect bubble on the relationship between bitcoin, gold, and the exchange rate (USD/EUR) using the volatility effect of the EGARCH model. The time period used in this study is from January 1, 2020 to December 31, 2021.

The results of this study indicate that the bubble occurs in bitcoin and gold variables. In the bubble that occurs, there is a positive relationship between the bitcoin bubble and bitcoin return, the gold bubble and bitcoin return, so that the increase in the bitcoin and gold bubble increases the volatility of bitcoin's return. Meanwhile, there is a positive relationship between euro returns and bitcoin returns, so that an increase in euro returns increases bitcoin returns.

Keywords: Bitcoin, Gold, Dollar, Euro, EGARCH, GSADF, Bubble