

DYNAMIC LINKAGES AMONG BITCOIN, GOLD PRICES AND EXCHANGE RATES OF US DOLLAR IN JPY, GBP AND CNY: DCC EGARCH APPROACH

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Abstract

The aim of this paper is to examine the relationship between bitcoin, exchange rates of US Dollar in JPY, GBP and CNY and gold prices. The daily data for the period of 19/07/2010 to 02/05/2018 are used to model volatilities between our variables with univariate and multivariate GARCH models (EGARCH, DCC-EGARCH). The results show that bitcoin has the benefits of both commodities and currencies in the financial markets and it is useful for portfolio and risk management.

Keywords: Bitcoin market, Gold price, Exchange rate EGARCH, DCC-EGARCH

JEL classification: D74, G14, G1, D24

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