

## **ABSTRACT**

*This study aims to determine the relationship between monetary policy and cryptocurrency as a commodity in Indonesia. Cryptocurrency in Indonesia is legalized as a commodity traded on the Futures Exchange where the flow of capital can have an effect on national monetary policy. This study uses Bitcoin price as an indicator of cryptocurrency and BI 7 Days Repo Rate, Fed rates, money supply, inflation and exchange rates as monetary policy quantities with a timeframe from 2019 M1 – 2022 M12.*

*This research uses quantitative methods and literature study. The research method uses Vector Error Correction Mechanism (VECM) analysis. Using the statistical application E-views 12.*

*The results of research that has been carried out through Granger causality analysis show that monetary policy in Indonesia does not have a causal relationship with cryptocurrencies. Then from the results of long and short term VECM estimation monetary policy has a positive effect on cryptocurrencies. Besides that, through this research, it is known that monetary policy in Indonesia has its own response to cryptocurrencies and does not contribute much to changes in cryptocurrency prices.*

*Keywords: Monetary Policy, Cryptocurrency, Vector Error Correction Mechanism (VECM)*

