

ABSTRACT

This study analyzes the potential of Bitcoin, Ethereum, Tether, Binance Coin, and Ripple as safe-haven assets during economic downturns, particularly throughout the COVID-19 pandemic and the Russia-Ukraine war, in the Indonesian stock market. Daily closing data from March 2020 to June 2023 were analyzed using the GARCH model to examine the correlation between cryptocurrency prices and the Jakarta Composite Index (JCI).

The findings reveal that Bitcoin, Tether, and Ripple exhibit a significant negative correlation with the JCI, indicating their potential as safe-haven assets. Conversely, Ethereum and Binance Coin do not show a significant negative correlation but may still be considered portfolio diversification assets. These results highlight the potential of cryptocurrencies for risk mitigation and portfolio diversification in the Indonesian stock market during COVID-19 and the Russia-Ukraine war, addressing the research gap in previous studies.

Keywords: *Jakarta Composite Index (JCI), Cryptocurrency, Safe Haven, COVID-19, GARCH.*

