

CHAPTER V

CONCLUSIONS AND IMPLICATIONS

A. Conclusion

Based on the results of research on the effect of the number of bitcoin transactions, trading volume, bitcoin attractiveness, dow jones industrial average, crude pill price, gold price, and exchange rate on bitcoin price for the period 2013 - 2020, the following conclusions can be drawn:

1. The number of bitcoin transactions only has a long-term effect and no short-term impact on the price. This means that investors are only interested in investing in the long term rather than trading in the short term. Because when investors trade bitcoins, they must do the best analysis so there is no asset liquidity.
2. The trading volume has only a long-term effect and has no short-term impact on the bitcoin price. The result is the same as the first hypothesis: most investors are still interested in long-term investments rather than short-term investments such as Binance Futures. When investors play Binance Futures, they must be prepared to face the risks that will occur; this is because it has big profits but also significant risks
3. Bitcoin attractiveness has a long-term and short-term effect on the bitcoin price. A search for the word bitcoin on google makes investors increasingly believe that bitcoin, which is just virtual money, can be a

very profitable investment in the long term. This is by looking at the history of its continuously increasing value. In the short term, investors still believe that it is more profitable to invest quickly, even with high risks.

4. The Dow Jones Industrial Average has both long-term and short-term effects on the Bitcoin price. The Dow Jones Industrial Average is a notable benchmark because it consists of large companies. When the Dow Jones Industrial Average index rises, it will be followed by other prices, especially the Bitcoin price.
5. The crude oil price has no long-term or short-term effect on the Bitcoin price. However, when the price of oil continues to increase, it will cause other prices to increase as well. When the price increases, investors prefer to save their money for other needs than to invest in Bitcoin. When the demand for Bitcoin decreases, the price will also decrease.
6. The gold price has a long-term effect and has no short-term impact on the Bitcoin price. Therefore, gold and Bitcoin almost have the advantage that they can be used as safe-haven assets in the long term. While the value of gold and Bitcoin is different in the short term, gold has only a slight increase while Bitcoin has a very significant increase.
7. The exchange rate has a long-term and no short-term effect on the Bitcoin price. The EUR/USD exchange rate has a long-term impact when Bitcoin's value increases. Bitcoin is an investment commodity

affected by movements in the EUR/USD exchange rate. The EUR/USD rate is the most widely used in bitcoin transactions, so when the rate rises, the value that must be paid to get bitcoins will also increase and vice versa. In the short term, the EUR/USD exchange rate has no effect because the euro and us dollar only have a slight increase every year, in contrast to the bitcoin price, which has increased significantly yearly.

B. Implication

1. Managerial implication

The bitcoin price dynamics have become controversial since the cryptocurrency increased in popularity and became known to a broader audience. The authors have discussed some of the frequent formations of bitcoin prices. There are some exciting findings first, although the price of bitcoin can be considered a purely speculative asset. The common fundamental factors in trading use, the money supply, and rates are internal factors of bitcoin; in this case, the money supply or total bitcoin transactions play an important role in influencing the bitcoin price. This finding is in line with standard economic theory, particularly monetary economic theory and the quantity theory of money.

Second, the price of bitcoin is driven by investor interest in cryptocurrencies. This relationship has long-term and short-term influence. The interest is a proxy with bitcoin attractiveness; the more

investors who write on the google page, the bitcoin will experience an increase in price and vice versa.

Third, external factors or macroeconomic factors are involved in this research, namely DJIA, crude oil price, gold price, and exchange rate. In this finding, the macroeconomic factors significantly affect the DJIA and the exchange rate. The DJIA is an American stock index that significantly influences the global economy. Well-developed and good global economic fundamentals, especially at DJIA, can stimulate bitcoin demand. In addition, the increasing correlation between stock prices and bitcoin prices is also of concern to writers and academics. The underlying phenomenon is associated with increased intervention or migration of traditional investors to the crypto asset market.

In contrast, the exchange rate has a long-term effect on the formation of bitcoin prices. Some may believe that the European market is an essential driver of the exchange rate of BTC to USD. Increased exchange in Europe can increase demand in all markets, so the volume in Europe and US prices will be linked. It can be concluded that the importance of the EUR to USD exchange is correlated to the bitcoin price.

Bitcoin is an unconventional commodity asset with up-to-date and renewable features. This can give investors other alternatives to investing, especially in crypto assets. This development will make it

easier for investors to choose investment assets and estimate bitcoin prices. This finding by modeling the effective bitcoin relationship with internal factors, investment interest proxied with bitcoin interest, and global factors in the form of DJIA and exchange rates which can be very important for investors who trade bitcoin to understand market dynamics better and to be able to make decisions.

2. Theory Implication

This study confirms the macroeconomic theory related to the number of bitcoin transactions, trading volume, bitcoin attractiveness, DJIA, crude oil prices, gold prices, and exchange rates. In addition, this study also confirms previous research by compiling it in a research model. This research model is the effect of the number of bitcoin transactions, trading volume, bitcoin attractiveness, DJIA, crude oil prices, gold prices, and exchange rates on bitcoin prices.

C. Research limitations

The data used initially with the observation period during the 2013-2020 period did not pass the normality test, so the researchers increased it from 2014 to 2021 with the same sample, namely eight samples. With the coefficient of determination for short-term analysis of 26.7% too low, the authors suggest that future research add other macroeconomic variables such as FTSE 100 and Nikkei 225, according to research by Wijk (2013). Then there are other variables of many factors that can influence the

analysis process that affects bitcoin prices, which were not examined in this study and are expected to be investigated in the future

