Safe Investment Opportunities during COVID-19

Manas Raj[1*], Kushagra Pratap Singh[2], Manjeet Chandra[3], Ramarcha Kumar[4]

[1,2,3]*Student, School of Business, Galgotias University, Greater Noida, India*
[4]*Professor, School of Business, Galgotias University, Greater Noida, India*

Abstract: The global financial and economic crises continue to be a contentious topic among investors. There are those who can spot and seize investment opportunities, and there are those who are skilled at investing in difficult economic conditions and can create opportunities even in the most difficult crises. When the coronavirus first appeared in China, it quickly spread over the world, wreaking havoc on numerous global financial and economic markets. By researching the effect of the coronavirus on the returns of the cryptocurrency currency and global metals markets traded in the US dollar, this article intends to shed light on investment opportunities in global markets in light of the spread of the coronavirus around the world. , by looking at the impact of the coronavirus on the returns of cryptocurrency and global commodities markets traded in US dollars, where the research period was set depending on the virus's propagation at a certain level. The world, from March 25, 2020 to June 25, 2020, with Bitcoin, Ethereum, and Tether as the top digital currencies in terms of market value and trading during the research period, and gold, silver, and copper as the best metals in terms of popularity and trading. The number of daily cases, cumulative cases, and daily and cumulative deaths, as well as the number of daily and cumulative deaths, were used to assess the spread of Coronavirus in 213 countries throughout the world. The daily returns of the investment opportunities chosen in each market served as the dependent variable, and the dependent variable in the cryptocurrency and metal markets was assessed by the daily returns of the investment possibilities picked in each market. The findings of the study revealed that the spread of the coronavirus has an impact on cryptocurrency currency markets, with the independent variable (Total Deaths) having the greatest influence on all investment opportunities in the cryptocurrency market. In the metals market, the Total Deaths variable had higher influence on Gold, whereas the Total Cases variable had more influence on Silver and Copper. The findings also revealed that the average return on investment for bitcoin currency markets and metal markets did not differ statistically significantly. The results also revealed that there were no statistically significant differences between the average return on investment for cryptocurrency currency markets and metal markets, with the significance of the test reaching (0.889), which is greater than the level of significance of 5%, due to the convergence of market average levels during the period of global coronary virus spread. The best investment opportunities during the research period, according to the return-on-investment index, were Ethereum (72.02 percent), Bitcoin (38.98 percent), and Tether (0.23 percent) in the cryptocurrency currency markets, and Silver (42.16 percent), Copper (20.75 percent), and Gold (0.23 percent) in the metal markets (8.54 percent).

Keywords: safe investment, digital money, crises, profit, opportunities.

1. Introduction

Economic crises have always occurred in history, causing harm to the global economy and causing market tremors. There are those who can spot and exploit investment opportunities, and there are others who are skilled at investing in adverse economic times and can generate possibilities even during the worst of crises. The coronavirus (Covid-19) first arose in China and quickly spread over the world, causing havoc and turmoil. The virus has caused massive harm and is expected to have long-term consequences for the global

Economic crises have a negative impact on investment and present the best possibilities for wealth creation, but the current crises are unprecedented, startling, and surprising, and it will take many times to tackle them. In times of crisis, the prices of investment assets fall or level off, while the prices of other assets rise. In the midst of this wave of volatility, investors prefer to keep cash on hand to deal with any potential risks or severe deterioration in the current situation. Typically, in times of crisis, investment strategies take use of the rule that cash or cash is possessed. As a result, according to the owners of investment theory under tough economic conditions, it is possible to use this quality to capture investment opportunities that will yield a profit after the crisis is over. Economy. As a result, traditional financial markets are reacting unfavourably to the viral news, and stock values are falling. (2020, Jabotinsky and Sarel).

In times of crisis, investing in entrepreneurial ideas and new enterprises may be one of the finest ways to invest, and it may be a viable alternative to traditional investment and safe investments like gold, the dollar, and real estate. The question is whether crises generate wealth and, if so, what parts of investments yield the best returns in the face of these crises. According to a study (Essayed and Abdelrhim, 2020), there are markets that are badly affected, such as the oil and stock markets, and markets that experience tremendous growth, such as the e-commerce industry (Abdelrhim and Elsayed, 2020).

Perhaps this is what prompts many to ask, "How can we invest our money in an environment of economic recession that could overwhelm the world as a result of the Corona crisis?"

Gold, like all precious metals that can be purchased such as silver, diamonds, and jewellery, is an economic tool against economic fluctuations and crises, and its global value represents a physical safety barrier for those who possess it in times of crisis, but it is often considered the best post-crisis investment.

---

*Corresponding author: iammanas9@gmail.com

In light of ownership crises, the type of investment can be, which is one component of the investment that should be approached with prudence. Assets are differentiated by their ability to preserve their original worth over time, making them a safe investment that is unaffected by the country's deteriorating economic position.

And, in light of the crises, investing in the stock market may be deemed suicide and a waste of money, but choosing shares in government joint stock firms or enterprises that supply raw materials can be a superior investment. Government bonds are the safest investment on the stock exchange, but they are also the least profitable, because governments are the most trusted entity in the financial market, ensuring that the investor will recover the value of their bond even if the market falls apart deterioration of the economy.
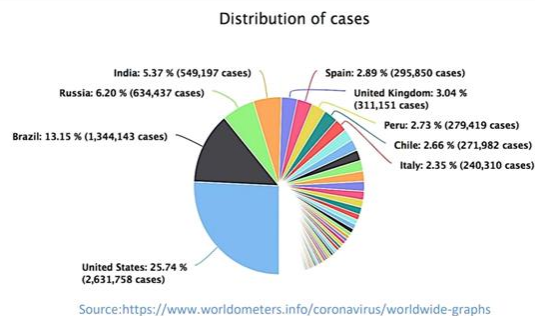
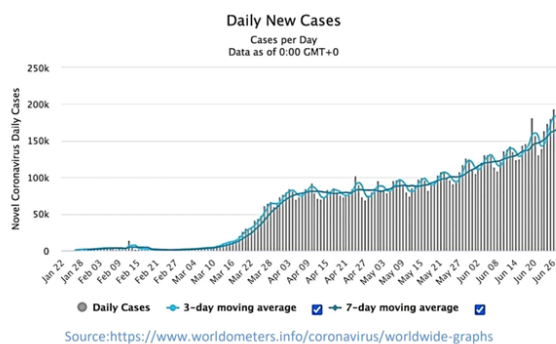

Fig. 1. Distribution of cases

Fig. 2. Daily new cases

Bouoiyour and Selmi (Bouoiyour & Selmi, 2020) looked into whether bitcoin is a safe harbour for investment and uncertainty. The results of the research indicate the consequences of the impact of the coronavirus on bitcoin volatility and return was investigated using three primary questions: is bitcoin a safe haven, does the spread of the coronavirus increase bitcoin volatility, and does bitcoin follow the efficient market theory. The study aims to demonstrate the impact of bitcoin on China's turmoil and distress during Covid-19. The findings show that bitcoin has a positive result as a safe-haven attractive asset during the coronavirus period; however, the results show high volatility during that time, but it is still a safer haven than other assets. The findings reveal that the bitcoin market is inefficient.

COVID-19, a coronavirus, has spread to 213 nations and territories throughout the world. After midnight GMT +0, the day is reset. The United Nations Geological System was used to compile the list of countries and territories, as well as their continental geographical classification.

2. Review of Literature

In this part, we attempt to introduce some past literature for this examination. The primary area manages putting resources into Cryptocurrencies and the subsequent segment manages concentrates on putting resources into valuable metals.

Literature that talked about putting resources into Cryptocurrencies:

- Shahzad et al. (2019) utilized Bitcoin and gold and item file to characterize the protected sky trademark, definitely, he found that the bitcoin and gold are great safe sky than wares are frail safe paradise yet on this is variable when differing.

- Guesmi et al. (2018) making a correlation between Bitcoin with gold, oil, and stocks in developing business sectors from the side of portfolio hazard and it was tracked down the gamble with bitcoin is viewed as low than the others.

- Interestingly, with the investigations by, Smales (2018) observes that different resources are better compared to bitcoin as its less fluid, more unpredictable, and exorbitant in exchanges.

- (Bouoiyour and Selmi, 2020) examined whether bitcoin is a place of refuge for venture and vulnerability time or not. the review shows the impacts of Covid on bitcoin levels of instability and its return, the review directed 3 fundamental inquiries, is bitcoin is a place of refuge, does the spread of Covid builds the instability of a bitcoin, portion the bitcoin follows the productive market theory.

- (Kelly et al., (2016); Goodell et al., (2020), There were many examinations directed to examine the collaboration among Cryptocurrencies and Monetary Policy Uncertainty EPU. As Wang et al. (2020) analysed the connection among bitcoin and EPU, the outcomes demonstrated that there is positive relationship, as the higher financial arrangement vulnerability the higher Bitcoin returns.

- Aysan et al. (2019) Examined the impacts of worldwide international gamble (GPR) on bitcoin, the outcomes show that there is an extraordinary positive collaboration between bitcoin costs unpredictability and GPR, as the higher GPR more noteworthy Bitcoin returns.

- Bouri et al. (2017a) led a concentrate on 14 created and creating value markets to test the connection between Bitcoin brings developments back also, vulnerability, the review shows that responds emphatically to vulnerability at both higher quantiles and more limited recurrence developments of Bitcoin returns.

- Chan et al., (2017) We dissect factual properties of the biggest (not set in stone by market capitalization), of which Bitcoin is the most unmistakable model. We describe their trade rates versus the U.S. Dollar by

fitting parametric dispersions to them.

- Sapuric and Kokkinaki (2014), analysed the Bitcoin unpredictability, contrasting it and the conversion scale of the major worldwide monetary forms, by utilizing the information for quite a long time, from July 2010 to April 2014.

- Briere et al. (2015), explored the unpredictability of Bitcoin inside the enhanced speculation portfolios among different resources, utilizing week by week information from three years beginning from 2010 to 2013 it was found that the bitcoin unpredictability is higher than different resources and it has huge normal return than different resources.

- In Kristoufek (2015), concentrated on the most influencing factors on the cost of the Chinese Bitcoin markets to test whether bitcoin is viewed as standard monetary resources or speculative resources, the review shows that it has both successes and he suggested that the investigations ought to be directed to research whether Bitcoin ought to be named resources or money.

- Glaser et al. (2014) examined what media inclusive on means for Bitcoin cost instability in its valuation.
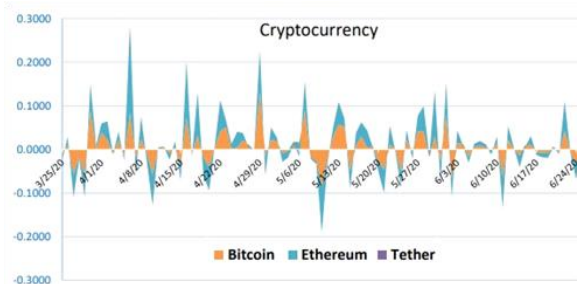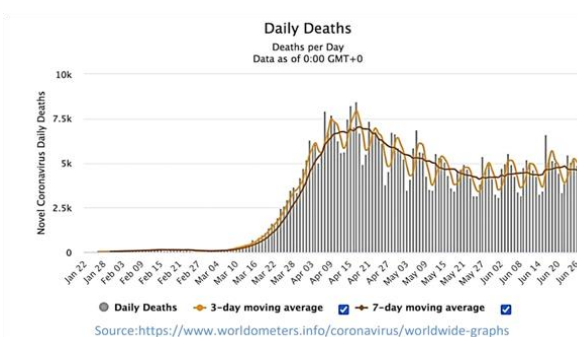

Fig. 3. Cryptocurrency

Fig. 4. Daily deaths

3. Findings

There are many examinations led on the valuable metal like gold, silver, platinum and palladium cost ways of behaving, previously, during and after the monetary emergency of 2007-2008, till today the examinations are occurring as it's the extremely urgent issue, underneath is a portion of the significant investigations:

Figuerola-Ferretti and McCrorie, (2016) led a concentrate on the hour of monetary emergency 2007-2008, the review explored the cost conduct on the fundamental valuable metal's

gold, platinum, silver, and palladium, by utilizing the different air pockets innovation somewhat hazardous. the proof of having rises in or around the monetary emergency is feeble and is, best case scenario, restricted to the run-up in the gold cost in mid-2008. The outcome showed a huge, short time of moderate hazardous way of behaving in the spot and fates costs of all four metals. Less periods are identified utilizing swapping scale changed costs, furthermore, practically none when emptied costs are utilized. likewise, the basics factors and position information offer truth be told, exceptionally restricted proof against costs having been something besides essentials driven. Potential exemptions are in gold in the approach the highpoint of the monetary emergency, and in silver what's more, palladium around the sendoff of explicit monetary items.

Watkins and McCaller (2008) dissected the copper and aluminum return variances for a significant stretch. Utilizing the AR (1) - GARCH (1,1) model. The That's what model proposes (Brent oil, WTI Crude, gold, silver, and copper) has a high vacillation's reaction yielded from the international and monetary emergency furthermore, in the wake of leading the review the outcomes said that, Although the return instability isn't really expanded, the metal business sectors have observable restrictive instability over a significant stretch.

Vivian Wuhar (2012) inferred that proceeded with instability in the product returns, including valuable metals, is still extremely high in any event, when ascertaining underlying glitches.

Sensoy (2013) researched the unpredictability of palladium and platinum versus the gold and silver costs during the hour of 2008 emergency explicitly from Jan. 1999 to April 2013, the outcome shows that the cost of palladium and platinum has moved up than their adversaries. Meanwhile, the outcome shows the infectious impact of gold on the adjustment of mono instability. Any remaining valuable metals have a similar pattern. However, silver likewise affects platinum and palladium.

Ciner (2001) expressed that the prospects contracts for silver and gold which are exchanged Japan are not cointegrated. utilized information consistently from 1992 to 1998.
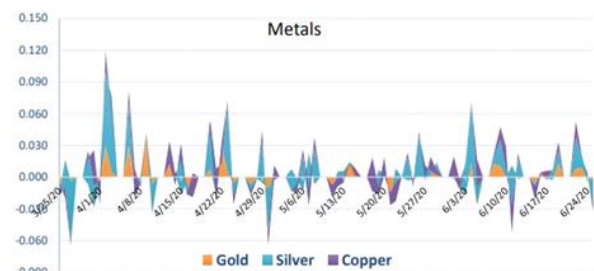

Fig. 5. Metals

Erb and Harvey (2006) contend that ware prospects returns have been generally inconsequential to one another, particularly with the various areas.

Notwithstanding, utilizing day to day information of gold, silver, and platinum, prospects contracts exchanged both the US and Japanese business sectors,

Xu and Fung (2005) find proof of solid instability criticism between these valuable metals across the two business sectors. many investigations have presented to the powerful linkages across both monetary what's more, ware markets. For example,

Choi and Hammoudeh (2010) find proof of diminishing connections between's spot ware returns (i.e., copper, gold, silver, Brent oil and WTI oil) and the US' S&P 500 stock market returns over ongoing years. one more concentrate by *Managi (2013),* by utilizing VAR GARCH model, shows that there is huge instability between the S&P 500 stock returns and spot product market returns. Specifically, their outcomes expressed that previous unpredictability and shocks of such stock returns unequivocally influence gold and oil market returns.

Cochran, Mansur, and Odusami (2012) expressed that the unpredictability file ought to be utilized as a significant measure and element of deciding the metal returns involving information for gold, silver, and platinum for the period Jan 1999 to Walk 2009, on the review he examined the impacts of macroeconomic execution on item costs and their return and the unpredictability record. Likewise,

Tulley and Lucey (2007), Soytas (2010), and Thompson (2010) affirm that the US dollar is the super macroeconomic variable that effects metal costs (i.e., gold, silver, platinum, and palladium) are emphatically related to the dollar-euro swapping scale.

Table 1
Descriptive statistics of dependent search variables from the date of 25/3/2020 To 25/6/2020

Markets	Investment type	N	Mean	Minimum	Maximum	Std. Deviation	Skewness	Kurtosis
Cryptocurrency market returns	Bitcoin	93	0.41%	-8.51%	13.12%	3.60%	0.562	1.600
	Ethereum	93	0.66%	-10.65%	20.16%	4.43%	1.141	3.833
	Tether	93	0.00%	-0.27%	0.22%	0.09%	-0.322	0.864
Metals market returns	Gold	93	0.07%	-2.80%	4.10%	1.09%	0.669	2.578
	Silver	93	0.40%	-5.80%	7.10%	2.26%	0.643	1.804
	Copper	93	0.22%	-3.10%	3.30%	1.16%	0.104	1.013

Table 2
Descriptive statistics of independent research variables of world level from the date of 25/3/2020 to 25/6/2020 at the time of its spread in all countries of the world

	independent variables	N	Mean	Maximum	Minimum	Std. Deviation	Skewness	Kurtosis
Virus indicators worldwide	Daily Cases	93	99175	180861	48753	27312	.855	.221
	Total Cases	93	4434624	9645854	471313	2621690	.301	-1.028
	Daily Deaths	93	5058	8435	2590	1324	.378	-.370
	Total Deaths	93	268348	489507	21691	138699	-.224	-1.133

This paper targets testing the accompanying theories:

The main speculation: "There is no factual importance for the autonomous factors of the marks of the spread of Coronavirus addressed in the number of everyday cases, aggregate cases, day to day passings, and combined passings on the profits of every one of the venture valuable open doors picked for the cryptographic money and metal business sectors.

The subsequent speculation:

There are no essential distinctions between the profit from interest in both the digital money cash and metal business sectors during the time of Covid spread around the world. To decide the proper relapse model to assess the impact of free

factors on the reliant variable, bend assessment is performed, and in light of the information on the best relapse bend, the relapse not set in stone.

This implies that elective speculation

Ha: β # 0 versus invalid speculation

Hb: β = 0,

where β is the relapse coefficient of the accompanying capacities.

Profits from speculation open doors = α + β1) Daily Cases) + β2 (Total Cases) + β3 (Daily Deaths) + β4 (Total Deaths) + ε

Testing Hypotheses:

Test First Hypothesis: a various relapse condition was applied to the four autonomous factors of the Corona infection spread pointers and the subordinate variable was the profits of the speculation amazing open doors picked for both the digital money and metal business sectors and the outcomes were as per the following:

Table (3): Summary of The Multiple Regression Tables and The Effect of COVID -19 On Cryptocurrency Market.

	Dependent Variable	Model Summary		ANOVA		Variables Independent	Effect of variables	Coefficients of independent variables			
		R	R²	F	Sig.			Unstandardized B	Standardized Beta	t	Sig.
1	Bitcoin	0.943	0.889	175.76	0.00	(Constant)		6034.525		19.763	.000
						Daily Cases	2	.011	.252	2.179	.032
						Total Cases	4	-.001	-1.783	-6.161	.000
						Daily Deaths	3	-.134	-.144	-3.234	.002
						Total Deaths	1	.021	2.393	10.996	.000
2	Ethereum	0.950	0.903	203.84	0.00	(Constant)		118.350		14.622	.000
						Daily Cases	0	.000	.106	.983	.328
						Total Cases	2	.000	-.810	-2.989	.004
						Daily Deaths	0	.001	.021	.505	.615
						Total Deaths	1	.000	1.651	8.110	.000
3	Tether	0.729	0.532	24.98	0.00	(Constant)		1.003		1895.01	.000
						Daily Cases	0	.000	-.469	-1.979	.051
						Total Cases	0	.000	.676	1.138	.258
						Daily Deaths	0	.000	.079	.860	.392
						Total Deaths	1	.000	.947	2.121	.037

To explain the results of table 3, we note the following:

1-The after effects of the various relapse for the synopsis of the different relapse model for the worldwide cryptographic money cash market were as per the following: -

Bitcoin: Correlation coefficient is (0.943) and coefficient of assurance is (0.889). - Ethereum:

relationship coefficient is (0.950) and coefficient of assurance is (0.903).

Tie: Correlation coefficient is (0.729) and coefficient of assurance is (0.532).

2-All models were not exactly the importance level (0.05), demonstrating the meaning of the relapse models.

3-The level of importance impact of autonomous factors fluctuated starting with one venture opportunity then onto the next as per (T) test at the degree of importance (0.05). 4-The aftereffects of (Beta Standardized Coefficients) were the beta coefficients for the autonomous factors that generally impact ere variable.

Contrasting and writing, pinpointing that is significant:

- The ebb and flow research manage the combined and new pointers and doesn't consider every one of the marks of disease and demise as it were.
- The exploration is portrayed by the way that it estimates the four signs of the spread of Covid, concerning its impact and aversion to the digital

money and the precious metal business sectors all over the planet.

- It considers from the principal concentrates on that shows the venture valuable open doors that the financial backer can chase in the difficulty season of covid-19 spread.
- The compromise in speculation open doors between the digital currency markets and the metal business sector, as indicated by the profit from venture Record.

Table (4): Summary of The Multiple Regression Tables and The Effect of Covid-19 On Metal Markets

	Dependent Variable	Model Summary		ANOVA		Variables Independent	Effect of variables	Coefficients of independent variables			
		R	R^2	F	Sig.			Unstandardized B	Standardized Beta	t	Sig.
1	Gold	0.710	0.505	22.41	0.00	(Constant)		1630.941		81.393	.000
						Daily Cases	0	.000	-.271	-1.111	.269
						Total Cases	0	.000	-.294	-.482	.631
						Daily Deaths	2	.0096	.333	3.531	.001
						Total Deaths	1	.0003	1.262	2.749	.007
2	Silver	0.921	0.849	123.3	0.00	(Constant)		11.596		24.850	.000
						Daily Cases	0	.0000	-.149	-1.106	.272
						Total Cases	1	.0000	.965	2.858	.005
						Daily Deaths	2	.0003	.279	5.352	.000
						Total Deaths	0	.000	.152	.597	.552
3	Copper	0.966	0.934	311.9	0.00	(Constant)		2.13852		82.016	.000
						Daily Cases	0	.00000	-.107	-1.199	.234
						Total Cases	1	.00000	1.445	6.486	.000
						Daily Deaths	3	.00001	.126	3.671	.000
						Total Deaths	2	.00000	.353	2.109	.038

To Explain the results of table 4, we note the following:

1-The aftereffects of the different relapse for the rundown of the numerous relapse model for all Arab oil organizations were as per the following:

Gold: The relationship coefficient was (0.710) and the assurance coefficient (0.505).

Silver: The relationship coefficient was (0.921) and the assurance coefficient (0.849).

Copper: The relationship coefficient was (0.966) and the coefficient of assurance (0.934).

2-All models were not exactly the importance level (0.05), demonstrating the meaning of the relapse models.

3-The level of the ethical impact of autonomous factors changed on every speculation opportunity to one more as per (T) test at the degree of importance (0.05).

4-The consequences of the (Beta Standardized Coefficients) were the standard beta coefficients of the autonomous factors generally persuasive in the reliant variable, where the Total Deaths variable morely affected Gold, and the Total Cases variable morely affected both Silver and Copper in the metal market.

To explain the results of table 4, we note the following:

1-The aftereffects of the different relapse for the synopsis of the various relapse model for all Arab oil organizations were as per the following:

Gold: The connection coefficient was (0.710) and the assurance coefficient (0.505).

Silver: The relationship coefficient was (0.921) and the assurance coefficient (0.849).

Copper: The relationship coefficient was (0.966) and the coefficient of assurance (0.934).

2-All models were not exactly the importance level (0.05), demonstrating the meaning of the relapse models.

3-The level of the ethical impact of autonomous factors differed on every venture a potential open door to one more as per (T) test at the degree of importance (0.05).

4-The aftereffects of the (Beta Standardized Coefficients) were the standard beta coefficients of the autonomous factors generally persuasive in the reliant variable, where the Total Deaths variable morely affected Gold, and the Total Cases variable morely affected both Silver and Copper in the metal market.

Second Hypothesis Test: The Mann-Whitney test (Z test) was applied to measure the extent of the differences between the average returns on investment for each of the investment opportunities for the crypto markets and the metal markets in question. The results were as follows:

Table (5): Examining the Difference Between Two Independent Groups: The Cryptocurrency and The Metal Markets.

INDICATOR	MARKET	N	Mean Rank	Mean	Std. Deviation	Z	Sig
Return on Investment	Cryptocurrency	279	278.55	.003552	.032947	-0.140	0.889
	Metals	279	280.45	.002319	.015965		

4. Conclusion

This paper expects to reveal insight into speculation potential open doors in the worldwide markets considering the spread of the Covid all over the planet, by concentrating on the impact of the Covid on the profits of the digital currency also, worldwide metals markets exchanged US dollars, and the Covid was estimated by signs of the spread of the infection, which is the quantity of day to day cases Cumulative cases and the quantity of everyday passings and aggregate passings, at the degree of 213 nations all over the planet,

The reliant variable addressed in the cryptographic money cash and metal business sectors was estimated by the day to day returns of the speculation valuable open doors picked in each market. As the exploration time frame was decided in view of the spread of the infection around the world, from the date of 25/3/220 to 25/6/2020.

References

[1] Aysan, A. F., Demir, E., Gozgor, G., & Lau, C. K. M. (2019). Effects of the geopolitical risks on Bitcoin returns and volatility. Research in International Business and Finance, 47, 511-518.

[2] Bouoiyour, J., & Selmi, R. (2020). Coronavirus Spreads and Bitcoin's 2020 Rally: Is There a Link? Archives-Ouvertes.Fr, 22 February, 34–49.

[3] Bouri, E., Gupta, R., Tiwari, A. K., & Roubaud, D. (2017a). Does Bitcoin hedge global uncertainty? Evidence from wavelet-based quantile-in-quantile regressions. Finance Research Letters, 23, 87–95.

[4] Bouri, E., S. Shahzad, and D. Roubaud (2018). Co-explosivity in the cryptocurrency market. Finance Research Letters (Forthcoming).

[5] Briere, Marie, Kim Oosterlinck, and Ariane Szafarz. 2015. Virtual currency, tangible return: Portfolio diversification with Bitcoins. Journal of Asset Management 16: 365–73.

[6] Chan, S., Chu, J., Nadarajah, S., & Osterrieder, J. (2017). A Statistical Analysis of Cryptocurrencies. Journal of Risk and Financial Management, 10(2), 12.

[7] Choi, K., & Hammoudeh, S. (2010). Volatility behavior of oil, industrial commodity and stock stock markets in a regime-switching environment. Energy Policy, 38(8), 4388–4399.

[8] Ciner, C. (2001). On the long run relationship between gold and silver prices: A note. Global Global Finance Journal, 12(2), 299–303.