

## **Is gold a safe-haven asset during the COVID-19 pandemic?**

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### **Abstract**

The new type of Coronavirus (SAR-CoV-2 or COVID-19), which started in Wuhan, China, in December 2019, was identified and declared a pandemic by the World Health Organization (WHO) on March 11, 2020. COVID-19 cases, which have started to spread rapidly in many countries since the date it was declared as a pandemic, continue to increase. As of July 10, 2021, the total number of cases in the world increased to 187 million people, and the total number of deaths in the world increased to 4 million people. As many countries closed their borders, shut down businesses, and entered into lockdowns in a desperate effort to contain the outbreak, this global health crisis quickly evolved into a major economic shock that strongly impacted financial markets. With the COVID-19 outbreak, investors have started to seek a safe haven for their investments. In fact, it is known that gold has remained a safe haven in many crises that have been experienced so far. However, it is interesting to test whether gold is a safe haven during the COVID-19 pandemic? Thus, the paper aims to investigate whether gold maintains its safe harbor feature during the COVID-19 period by using intraday data. More details, it will be tested whether gold protects its safe harbor feature not only against a single alternative asset but also against many alternative assets as capital market (S&P 500, Nikei225, FTSE100, and DAX 30), petroleum (oil price-brand crude), metals (silver, copper, platinum, palladium), an exchange rate (Euro/Dollar, Sterling/Dollar), debt market instruments (German 10-year bonds) and cryptocurrency market (bitcoin) instruments. In this context, this project aims to contribute to the literature examining the impact of COVID-19 on financial markets.

**Keywords:** Gold, safe haven, COVID–19 pandemic, High Frequency Data

**JEL classification:** G15; G20