ABSTRACT

Global geopolitical uncertainty triggered by interstate conflicts, military threats, and diplomatic crises often generates volatility in financial markets and encourages investors to engage in flight to safety. Under such conditions gold and Bitcoin are frequently considered as safe haven assets. This study aims to analyze the influence of the Geopolitical Risk Index (GPR) from four countries the United States, China, Indonesia, and Russia on gold and Bitcoin prices during the period January 2011 to December 2024.

The research employs a quantitative approach using multiple linear regression based on time series data. GPR data were obtained from the official database developed by Matteo Iacoviello while monthly closing prices of gold and Bitcoin were sourced from Investing.com. The model was estimated using the Heteroskedasticity and Autocorrelation Consistent (HAC/Newey–West) method to produce robust parameters against heteroskedasticity and autocorrelation.

The results show that partially only Russia's geopolitical risk index significantly affects both gold and Bitcoin prices with a negative direction. Meanwhile the GPR of the United States, China, and Indonesia does not have a significant influence on either asset. Simultaneously, the four GPR indices do not exhibit a significant effect on gold or Bitcoin prices. These findings indicate that global systemic geopolitical tensions particularly those related to Russia have a stronger impact on safe haven asset movements than regional geopolitical risks. Moreover the study reinforces that fluctuations in gold and Bitcoin are more strongly driven by global macroeconomic factors such as interest rates, US dollar strength, and overall market sentiment, rather than geopolitical risks of specific countries.

***Keywords**: Bitcoin, Geopolitics, Global Risk, Gold, GPR, Safe Haven*