



**Libyan International Medical University  
Faculty of Business Administration**



**Contemporary Issue**

**The Impact of COVID-19 on Digital Currencies**

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## Key Definitions:

➤ **COVID-19:** is a disease that first occurred in China in 2019, it has caused several death rates and a massive disadvantage on the economical sector. COVID-19 caused several business to shut down and the digital businesses had a positive impact during this era.

**Cryptocurrency:** is a digital currency that can be used as a medium of trade over a computer network and is not supported or maintained by any central authority, such as a bank or government.

**Impact of COVID-19 on digital currencies:** As a result of the COVID-19 pandemic, there is now a greater reliance on digital technologies to deliver healthcare, which raises the possibility that inequities in patient communities that already lack access to or use healthcare technology will become even more pronounced.





**Bitcoin:** can be transferred globally without the need for a centralized intermediary.

**Digital Currencies:** is a payment system that is not based on fiat currency, but rather an alternative non-tangible currency.

## The 25 Famous Crypto Currencies

- Ethereum (ETH)
- Bitcoin (BTC)
- XRP (XRP)
- Stellar (XLM)
- Cardano (ADA)
- Dogecoin (DOGE)
- Polkadot (DOT)
- Neo (NEO)
- Celsius (CEL)
- Nano (NANO)
- Chainlink (LINK)
- TRON (TRX)
- Dash (DASH)
- )
- Zcash (ZEC)
- Bitcoin Gold (BTG)
- Bitcoin Cash (BCH)
- Bitcoin SV (BSV)
- EOS (EOS)
- VeChain (VE)



## → Digital Currencies ←

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- ❑ Because it is used for online trading, digital currency can only be discovered in electronic form. They are renowned for enabling safe and transparent digital payments. Although they are becoming more and more popular, they are still far from being a trusted replacement for actual currency.
- ❑ Digital currencies like Ethereum, Bitcoin, and Litecoin are among the most well-known.

# Types of Digital Currency

## 1 TYPES OF DIGITAL CURRENCIES

2

Decentralized currencies are unregulated.

### Centralized

❑ Type of exchange of value that has one main central authority that both determines its value and also the means of exchange.

### Decentralized

Financial institutions, like banks and exchanges, do not control it.

We have virtual currencies that



# How Does Digital Currency Work?

It comes in many forms:

Example:

Cryptocurrencies

Form of currencies:

Digital Currency

Virtual Currency

Crypto-assets

They function in a variety of ways depending on their intended use and functions

List of Digital  
Currencies:

# Digital Currency



**Bitcoin**



**Ethereum**



**Cardano**



**Renmimbi**



**Polkadot**



## COVID-19 pandemic

Bitcoin

Used to cost:

Now it costs:

\$7,300

\$46,800

Investors:

Fearing that the COVID-19 crisis will lead central banks of Political actors to interfere in the market and may prefer to switch their investments.

## Why is my topic Trendy?

- After the pandemic of COVID-19 the Bitcoin was renamed as “New Gold”
- Since the world is developing a new trends are coming up that we need to cope with them every day and keep up with their latest trends same as the digital currencies and their rapid rise after the COVID-19.



## Theoretical Framework:

- Literature review
- Secondary Data
- I was able to review 14 papers on The Impact of COVID-19 on Digital Currencies.

## Literature Review

### COVID-19's affect on Bitcoin:

The main goal of this study was to investigate how COVID-19 affected Bitcoin prices and how people behave under stressful situations. Daily data from January 20, 2020, to April 30, 2020 were used in this study. All data series were found to be unit-root free at the time of the ADF test, which examined the data stationarity. The author used Primary data ,Unit Root test and Granger causality Test.



➤ (Ghassen El A et al.,2022)

➤ In Doha, Qatar

➤ The efficiency of cryptocurrency markets.

➤ Comparison between The COVID-19 Epidemic and the market during the COVID-19 era.

➤ Descriptive statistics and static efficiency tests

➤ In March 2020 the Bitcoin currency viewed a negative impact whereas in July 2021 the rise of the cryptocurrencies become a very trendy topic for everyone to talk about

- (Khanh Quoc Nguyen,2022.)
- Wuhan,China
- The Dropping Cryptocurrency Prices
- Comparison between How Distinct COVID-19 News Attitudes Affect Bitcoin Returns.
- Resources policy graphs and Garch models
- For those who want to switch from decentralized banking systems and for those who are underserved by banks, Bitcoin has proven to be a fantastic solution. For instance, using bitcoin does not require a bank account.



- (Hao Liu, A et al.,2021)
- Wuhan,China
- The rapid COVID-19 outbreak in Digital Markets
- Comparison between The Efficiency of Cryptocurrency Markets in COVID-19
- Descriptive statistics
- connection between the top 30 cryptocurrencies by market capitalization and news emotion. Banks have been compelled to close their doors due to the coronavirus. Most consumers had to hunt for financial solutions outside of brick-and-mortar banks because traditional banking was in decline.

- (Lijuan Xie et al.,2020)
- Wuhan China
- COVID-19 and Cryptocurrencies
- Comparison between Impact of the pandemic on digital currencies
- Stock market index and market indices
- Bitcoin is a very new speculative investment with a very erratic price, it may have been ineffective Tether, on the other hand, is intended to exhibit stable fluctuation and function similarly to the US dollar.



## Reflection:

- ❑ I reviewed 14 papers on the Impact of COVID-19 on Digital currency and according to the findings, the most significant impact was Bitcoin, the most important cryptocurrency in the world by market capitalization, had a great impact COVID-19. The viral outbreak is causing many to reevaluate bitcoin.

❑ Methods used by authors conducting those different articles were Secondary data, Descriptive statistics, Financial Formulae, Garch model, primary data and descriptive statistics.



## Limitations:

There are not enough papers about this trendy topic because it has just been accelerating rapidly in the past three years in the stock market.

All papers talk about the same currency which is the specific classification of digital currency (Bitcoin), and all papers highlight the importance of this specific cryptocurrency.

## Implication & Recommendation:

- ❑ This research aims to determine the most famous cryptocurrency which is Bitcoin.
- ❑ In future investigations I strongly recommend future researchers to investigate the other cryptocurrencies, Example the least mentioned In the articles(Binance Coin).
- ❑ The results stated that COVID-19 influenced a positive influence on Digital Currencies in the market.



## Conclusion:

- ❑ Bitcoin, the most important cryptocurrency in the world by market capitalization, had a great COVID-19. The viral outbreak is causing many to reevaluate bitcoin.
- ❑ Bitcoin will not revert to an ordinary market-based price over time because its value isn't based on use; only exchange.

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