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**BITCOIN, ETHER, TETHER AND GOLD: DO THESE ASSETS  
REDUCE LOSSES OR PROFITS IN THE US STOCK MARKET  
DURING THE COVID-19 PANDEMIC?**

**Abstract:**

The effectiveness of an optimal hedging for a drop in the S&P500 using gold and cryptocurrencies in the COVID-19 pandemic is considered. Based on Value at Risk a new dynamic measure of relative benefit from the hedging strategy is proposed in the paper which allows us to compare the loss reduction and profit sacrifice. We find gold as good shelter for the US stock market. It effectively lowers volatility and downside risk. Moreover, gold reduces extreme losses more intensively than corresponding profits. Hedging with optimal weights for cryptocurrencies is not recommended since it establishes weights close to zero for Bitcoin and Ether and close to one for Tether.

**Keywords:**

Stock market, Gold, Cryptocurrencies, Volatility, Value at Risk, Safe haven

**JEL Classification:** A10, C58, C49