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Are Gold, Bitcoin and Tech Stocks Correlated?

by TOM BUGDALLE and GUNTHER SCHNABL

Abstract

Bitcoin, gold and tech stocks have risen sharply for a long time and have recently suffered setbacks. Are they correlated, or is there a common driving factor?



1. Are gold, Bitcoin and tech stocks all crashing together?

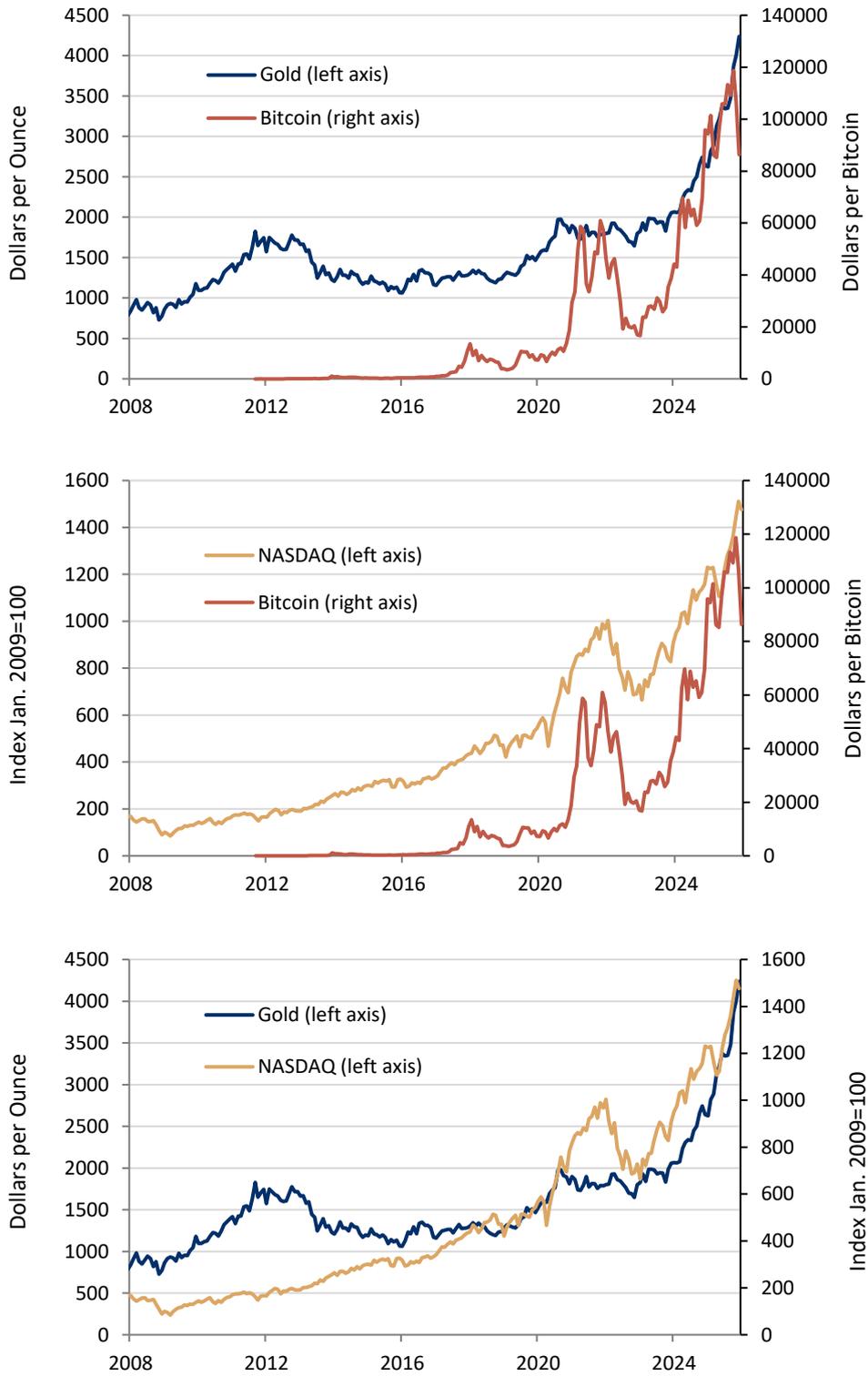
In early February 2026, shockwaves rippled through the international financial markets. US President Donald Trump's announcement that he would nominate the hawkish Kevin Warsh as chair of the US Federal Reserve caused gold and silver prices, which had been rising sharply before, to plummet. Bitcoin, which had already lost significant value, took an even bigger hit. It was called "the biggest crash since 2021". The possible reason: the narrative that Donald Trump would push the Fed into far-reaching interest rate cuts with the help of a new chairman had been damaged (Flossbach von Storch 2026).

The rise in the price of gold had continued in spurts since the turn of the millennium and had reached a very high pace. While Bitcoin had not made any major price jumps for a long time after its birth on 3 January 2009, it had risen sharply since 2018 – albeit with strong fluctuations. Despite a temporary slump, tech stocks experienced a pronounced boom from 2020 onwards, especially after OpenAI had made ChatGPT public. Concerns about an AI bubble spread (Schnabl 2025a).

At times, and in the long-term trend, the rise of gold, Bitcoin and tech stocks appears to be linked, as Fig. 1 shows. Bitcoin has been called the new gold of the 21st century (21bitcoin 2025), partly because both assets serve as a hedge against inflation. Analysts at JPMorgan argued that Bitcoin (and altcoins) had a very high correlation with (small) tech companies because investor affinity for technology was high in both markets (The Block 2025). During Bitcoin's most recent correction phase, a close correlation with software stocks was evident. In 2025, a strong joint increase in gold and tech stocks was observed (Cingari 2025). Since February 2026 at the latest, the euphoria seems to have ended for all three assets. Are gold, Bitcoin and tech stocks correlated? And if so, why is that?



Fig. 1: Gold, Bitcoin and NASDAQ



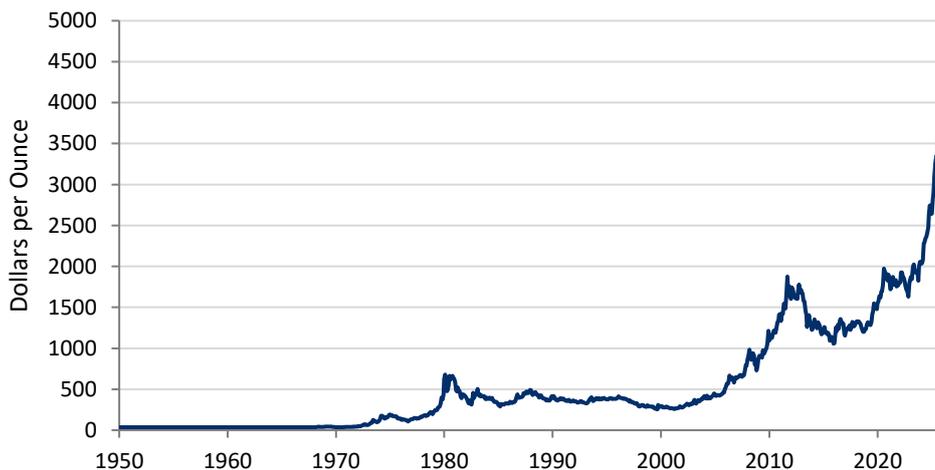
Source: ICE Benchmark Administration Ltd, Bitstamp Ltd., NASDAQ.



2. Gold as money and insurance

The three asset classes are heterogeneous. According to von Mises (1912), gold emerged as commodity money from its functional use. Already in early cultures, it had intrinsic value for jewellery, ornaments or religious use. It was scarce, easily divisible, durable and transportable, so it developed into a generally accepted means of payment (Schnabl 2025b). Gold fulfilled all three functions of money. The value of different goods could be compared and added up (unit of account). It facilitated the exchange of goods (medium of exchange) and, unlike many commodities, it did not spoil (store of value). State control followed later, when rulers had gold coins minted, which brought them seigniorage profits.

Fig. 2: US dollar per troy ounce of gold



Source: ICE Benchmark Administration Ltd.

With the introduction of paper currencies, the insurance function replaced the function of money. Although paper money was easier to transport than gold, it was less trusted. By setting paper currencies at a fixed exchange rate to gold, guaranteed by central banks, their acceptance and circulation was promoted. Until 1933, anyone could exchange their dollar bills for gold at the Federal Reserve Bank. From 1944 onwards, under the Bretton Woods System, there was a fixed exchange rate of 35 dollars per troy ounce, which acted as a sanction mechanism against the US as the country providing the anchor and reserve currency. The central banks on the



periphery of the global monetary system, which had to stabilize the exchange rates of their currencies against the dollar and hold dollar reserves for this purpose, held these reserves in interest-bearing US government bonds.

When confidence in the stability of the dollar waned because the Fed co-financing the Vietnam War by purchasing government bonds, many central banks exchanged their dollar reserves for gold. At the beginning of the 1970s, the US decoupled the dollar from gold to prevent the further loss of its gold reserves, with the result that the global monetary system has since been dominated by fiat currencies. However, gold remained an informal insurance mechanism in times of loss of confidence in paper money. This was particularly true during the period of high inflation in the 1970s and since the turn of the millennium, when the growth of central bank balance sheets and money supply accelerated again (Fig. 2). Many central banks, households and financial institutions bought gold as a hedge against inflation, even though, unlike government bonds, it does not pay interest.

3. Bitcoin as a sanction mechanism and currency

The cryptocurrency Bitcoin was created by an unknown person – widely known as Satoshi Nakamoto – in the wake of the global financial crisis (2007-2010) (Popper 2016). A headline from the British Times, embedded in the first block of Bitcoin, points to a political objective. It reads: "*Chancellor on brink of second bailout for banks*". Bitcoin thus appears to have been explicitly designed as a sanction mechanism against overly expansionary monetary policies and the associated financial market instability. According to Hayek's overinvestment theory (1931), a too low key interest rate set by central bank's leads to excessive credit creation by banks, too many investments with low returns and rising prices on the stock markets. When inflation rises and the key interest rate must be raised again, many investment projects have to be dismantled and the stock price bubble bursts.

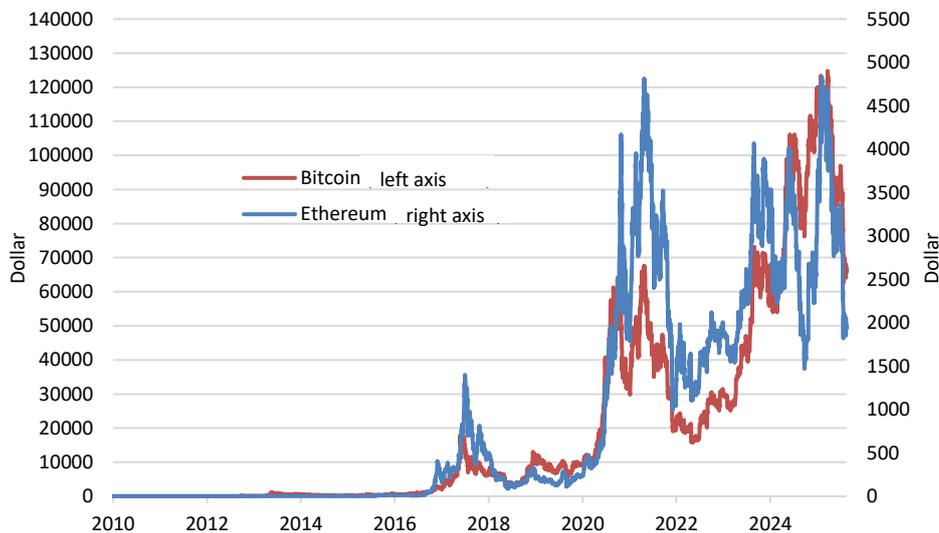
Bitcoin's message is that those who no longer trust the fiat money and financial system can find protection in Bitcoin. Similar to gold in the Middle Ages, Bitcoin also



has all three functions of money. To date, the store of value function has been at the forefront because trust in paper currencies has continued to decline since the turn of the millennium due to rapid growth in central bank balance sheets. Bitcoin, with its associated blockchain, was also created as a payment system that enables peer-to-peer payments at low cost without the banking system (transaction function). With the sub-unit satoshi, the value of all goods can be easily expressed and thus compared or added up (unit of account).

The great success of Bitcoin has led to the emergence of numerous other cryptocurrencies, known as altcoins. However, unlike Bitcoin, these are created by a central institution in a similar way to paper money and are therefore not credibly limited in quantity (Schnabl 2024). Figure 3 shows that the price development of other altcoins such as Ethereum is closely linked to Bitcoin. The disadvantages of Bitcoin are its sharp fluctuations in value, which can be attributed to its lower market depth and the fact that, unlike gold, it does not yet enjoy widespread trust. One advantage over gold is that payments and storage are simple and inexpensive.

Fig. 3: Dollar exchange rate of Bitcoin and Ethereum



Source: Macrobond

4. Tech stocks are companies, not money

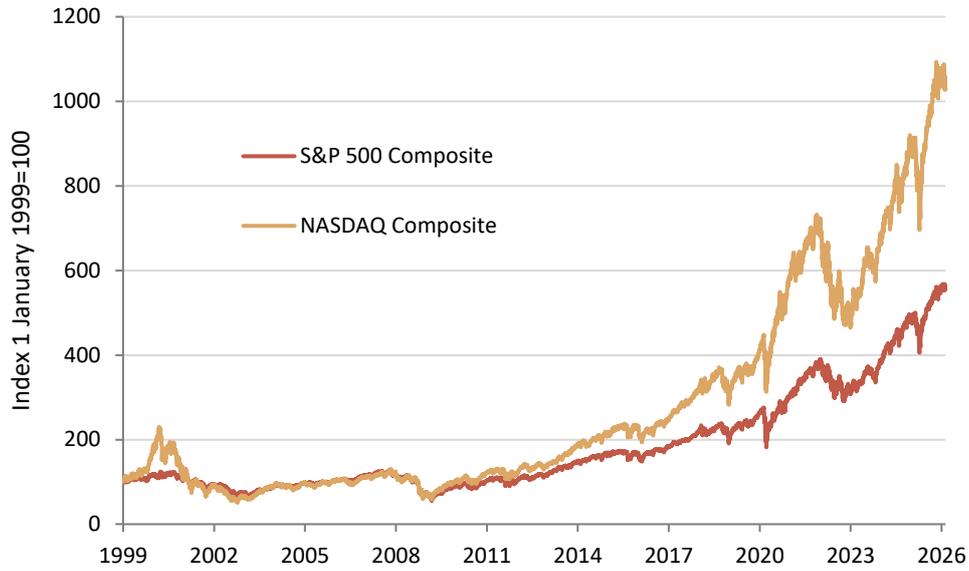


Unlike gold and Bitcoin, tech companies are not money. They are businesses whose goal – unlike gold and Bitcoin – is to generate profits. This requires innovative business ideas (Hayek 1968). Although their business models are very diverse, tech companies invest heavily in future-oriented technologies that are closely linked to digitalisation and artificial intelligence. Recently, high credit-financed investments in huge data centres for the artificial intelligence of the future have attracted a lot of attention and capital.

The question of whether to invest in tech companies today depends on the expected future returns. Although the capabilities of artificial intelligence are impressive, this does not necessarily mean that the immense investments will be economically profitable. Interest rates, which are still low by historical standards, could be a fertile ground for overinvestment and exaggeration. Another reason for the exaggerated euphoria could be that the long-standing low-interest rate policies of the major central banks have zombified the global economy (Banerjee, Doerr and Hofmann 2024), leaving few attractive investment opportunities outside of tech companies.

This is where tech companies have something in common with gold and Bitcoin. Since companies are always tangible assets, they also offer protection against inflation. This applies not only to tech stocks, which today account for 60 to 65 per cent of the NASDAQ technology index, but to all companies. However, the fantasy of very high productivity gains through artificial intelligence has caused the NASDAQ to pull ahead of the S&P 500, which represents a broader spectrum of companies across many industries (Fig. 4). This may or may not be fundamentally justified. Cheap money from central banks increases the likelihood that a bubble has formed in the AI sector (Schnabl 2025a).

Fig. 4: NASDAQ and S&P 500



Source: NASDAQ, Refinitiv.

5. Correlation, but no causality?

Correlation does not necessarily imply causality. While Fig. 1 suggests that there are close links between gold, Bitcoin and tech stocks, the correlation coefficients shown in Table 1 for the percentage rates of change indicate weak links at best. There is no indication of a substitution relationship – for example, between gold and Bitcoin as hedges against inflation – in the sense that there would be a statistically significant negative correlation. The rolling correlation coefficient for the percentage change rates of Bitcoin and Nasdaq (Fig. 5) shows that this correlation is time-dependent. While there was no correlation between the two variables for a long time, it rose sharply from 2020 onwards and has fluctuated greatly since then, indicating an unstable structural relationship. The rolling coefficients for the other two pairs are smaller and volatile as well.

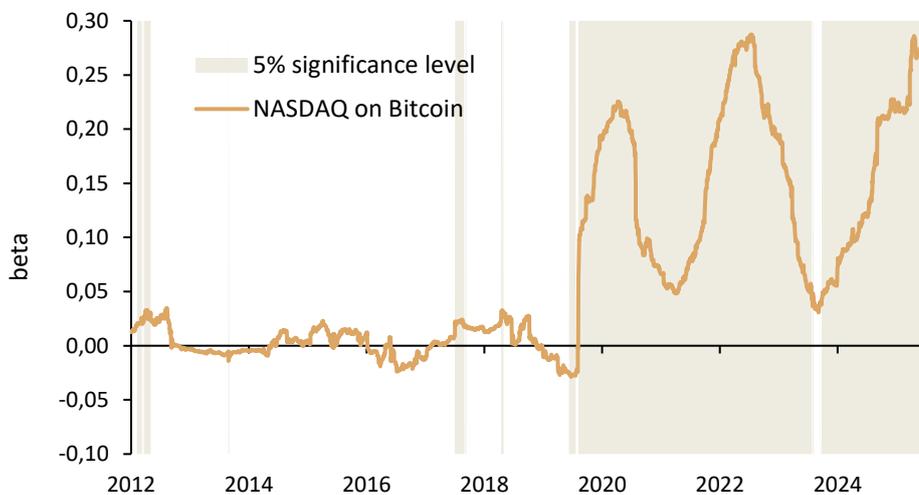
Table 1: Correlation coefficients of percentage rates of change



	Daily data	Monthly data	Annual data
Gold-Bitcoin	0,0157***	0,0032	0,0341
Bitcoin-NASDAQ	0,0449***	0,0526***	0,0933***
NASDAQ -Gold	0,0368***	0,0982	0,1566***

Data source: Maximum = 1, minimum = -1. *** Significant at the 1 per cent level.

Fig. 5: Rolling correlation coefficient for Bitcoin and NASDAQ



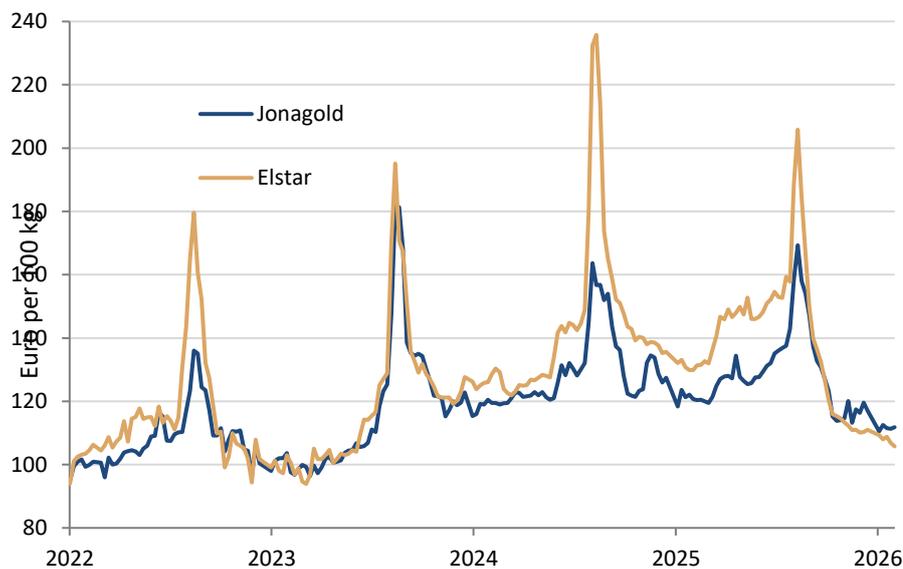
Source: Bitstamp Ltd., NASDAQ. Rolling window for the correlation of percentage change rates of daily data. Window size of 252 trading days (approximately one calendar year).

Fig. 6 shows a strong correlation between the prices of different apple varieties, between which there is a close substitution relationship. When Jonagold becomes more expensive, there is an incentive to buy Elstar, so that the Elstar price also rises and both prices fluctuate strongly with each other. Gold, Bitcoin and tech companies are not such close substitutes due to their very different characteristics. Rather, with the increasing global expansion of the money supply, there is likely to be a common driving factor that has favoured the flight to tangible assets of all kinds, as Fig. 7 suggests. A connection can be seen between the increase in the M2 money supply in the US and the mean value of the gold, Bitcoin and Nasdaq indices as an approximation of the overall development of the three safe-haven assets.



According to Milton Friedman (1963), inflation is always and everywhere a monetary phenomenon. It is not limited to consumer goods and can also be seen in assets such as stocks, real estate, gold and Bitcoin (Murai and Schnabl 2025). Which goods or asset classes are affected by inflation is likely to depend on many time- and context-dependent factors. Herd behaviour and the fear of missing out (Baumbach and Immenkötter 2025) can intensify the rush into a particular asset class until tempers have cooled and the price drifts back to its long-term (upward) trend. Although Kevin Warsh's nomination as chair of the US Federal Reserve is not yet a clear indication of monetary policy stabilisation in the US, it has put a damper on the narrative of continued highly expansionary monetary policy under Donald Trump. It is therefore not surprising that all three safe-haven assets examined have declined together, even though they are not directly linked.

Fig. 6: Apple prices over time



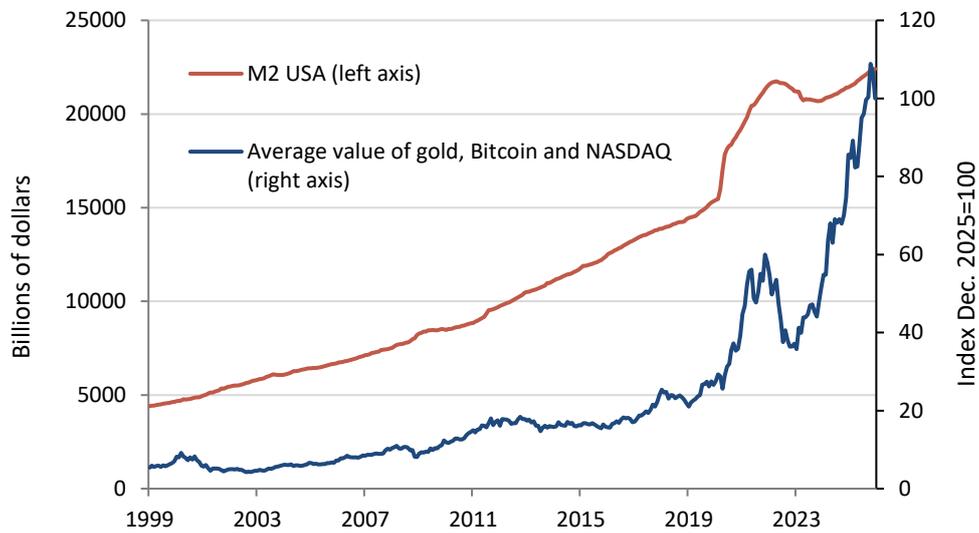
Source: BMEL.

The downward trend in Bitcoin may have started earlier than in gold, as Bitcoiners' thinking has traditionally been strongly focused on the behaviour of central banks. The shortlist for Fed chair candidates had been known since October 2025, and with it the fact that it included Kevin Warsh, a hawk. At the same time, US Treasury



Secretary Scott Bessent was already calling for greater institutional separation between monetary and fiscal policy and consolidation of the Fed's balance sheet (Bessent 2025). Gold, on the other hand, is more firmly anchored in people's minds as a hedge against geopolitical risks, which were further exacerbated in the wake of the "Greenland crisis". The markets still seem undecided about the sustainability of the euphoria surrounding tech stocks.

Fig. 7: Average value of gold, Bitcoin and NASDAQ and money supply in the US



Source: FED, ICE Benchmark Administration Ltd, Bitstamp Ltd., NASDAQ.



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