**Cover Letter**

September 9th 2022

Dear Prof. Dr. Imamudin Yuliadi, SE., M.Si.

We wish to submit an original research article entitled “COVID-19 Pandemic and Exchange Rate: A Lesson Learned from Indonesia.

We confirm that this work is original and has not been published elsewhere, nor is it currently under consideration for publication elsewhere.

In this paper, we attempts to capture the relationship between COVID-19 pandemic and Indonesian rupiah exchange rate.

We shed light on this debate by conducting the analysis of the effect of the number on COVID-19 cases and related deaths on rupiah exchange rate using high frequency time series data by employing daily data covers period January 21st 2020 – June 29th 2022 (577 observations). By using single-country evidence (Indonesia) as a lesson learned for emerging market economies, our research is a current study that discusses this topic with completed data generating processes – when the pandemic has entered last wave phase. Unlike most other studies that ignore the incubation period of COVID-19 in the number of daily transmission cases that imply confirmed cases in a single day may fluctuate sharply, we follow Duan et al. (2021) to consider it and use the growth of COVID-19 which is 14-day moving average rate of confirmed cases and related deaths as our main independent variable.

In this context, the present research aims to investigate how the COVID-19 affect the rupiah exchange rate, while controlling for the role of Jakarta composite index, interest rate, and world crude oil price. We employ an autoregressive distributed lag (ARDL) specification to see the relationship between COVID-19 and other determinant variables on rupiah exchange rate that converge toward a long-run equilibrium in the presence of stationary and non-stationary series. We provide evidence indicating that an increase in COVID-19 cases and related deaths depreciates rupiah exchange rate.

Please address all correspondence concerning this manuscript to me at [sunaryati@uin-suka.ac.id](mailto:sunaryati@uin-suka.ac.id). Thank you for your consideration of this manuscript.

Sincerely,

Dr. Sunaryati, S.E., M.Si.   
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