Model Equations:

$$\hat{y}_t = \hat{y}_{t+1} - \omega_1 \left(\hat{r}_t - \hat{\pi}_{t+1}\right) + \omega_2 \left[\left(\hat{m}_t^g - \hat{e}_t^g\right) - \left(\hat{m}_{t+1}^g - \hat{e}_{t+1}^g\right)\right] +$$
$$\omega_3 \left[\left(\hat{\chi}_t + \hat{m}_t^c - \hat{e}_t^c\right) - \left(\hat{\chi}_{t+1} + \hat{m}_{t+1}^c - \hat{e}_{t+1}^c\right)\right] + \omega_1 \left(\hat{a}_t - \hat{a}_{t+1}\right)$$
$$\hat{m}_t^g = \gamma_1 \hat{y}_t - \gamma_2 \hat{r}_t + \gamma_3 \hat{e}_t^g - \gamma_4 \hat{\chi}_t - \gamma_4 \hat{m}_t^c + \gamma_4 \hat{e}_t^c$$
$$\hat{m}_t^c = \gamma_5 \hat{y}_t - \gamma_6 \hat{r}_t + \gamma_7 \hat{e}_t^c - \gamma_8 \hat{\chi}_t - \gamma_8 \hat{m}_t^g + \gamma_8 \hat{e}_t^g$$
$$\hat{\pi}_t = \left(\frac{\pi}{R}\right) \hat{\pi}_{t+1} + \psi \begin{bmatrix} \left(\frac{1}{\omega_1}\right) \hat{y}_t - \left(\frac{\omega_2}{\omega_1}\right) \left(\hat{m}_t^g - \hat{e}_t^g\right) \\ - \left(\frac{\omega_3}{\omega_1}\right) \left(\hat{\chi}_t + \hat{m}_t^c - \hat{e}_t^c\right) - \hat{z}_t \end{bmatrix}$$
$$\hat{\chi}_t = -\varrho \hat{\phi}_t$$
$$\hat{\phi}_t = \left(\frac{\xi}{\phi}\right) \hat{\xi}_t + \left(1 - \frac{\xi}{\phi}\right) \hat{\nu}_t$$
$$\hat{r}_t = \rho^r \hat{r}_{t-1} + \left(1 - \rho^r\right) \rho^y \hat{y}_t + \left(1 - \rho^r\right) \rho^\pi \hat{\pi}_t + \left(1 - \rho^r\right) \rho^{\mu^g} \hat{\mu}_t^g + \varepsilon_t^r$$

Table 2: Priors and Posteriors for the Endogenous Parameters

Parameter	*Symbol*	*Priors*			*Posteriors*		
		Dist.	Mean	St. Dev.	Mean	Conf.	Inter.
Output El. to Real Bal. of Gov. Currency	ω_2	G	0.200	0.050	0.195	0.102	0.284
Output El. to Real Bal. of Cryptourrency	ω_3	G	0.050	0.010	0.035	0.024	0.046
Income El. of Gov. Currency Demand	γ_1	G	0.015	0.005	0.021	0.009	0.032
Interest Semi-El. of Gov. Currency Demand	γ_2	G	0.150	0.050	0.140	0.066	0.214
El. of Real Bal. of Gov. Curr. wrt Gov. Curr. Dem. Shock	γ_3	G	0.900	0.100	0.664	0.593	0.733
Cross El. of Gov. Cur. Dem. and Crypto. Dem.	γ_4	G	0.500	0.050	0.554	0.467	0.638
Income El. Cryptocurrency Demand	γ_5	G	0.015	0.005	0.013	0.006	0.020
Interest Semi-El. of Cryptocurrency Demand	γ_6	G	0.150	0.050	0.155	0.073	0.236
El. of Real Bal. of Crypto. wrt Crypto. Dem. Shock	γ_7	G	0.800	0.100	1.034	1.014	1.053
Cross El. of Crypto. Dem. and Gov. Cur. Dem.	γ_8	G	0.600	0.100	1.011	0.985	1.037
Ex. Rate Crypto. / Gov. Cur. El. wrt Prod.	ϱ	G	0.900	0.100	0.777	0.638	0.916
Share of Crypto. Common Prod. on Crypto. Tot. Prod.	$\frac{\xi}{\phi}$	G	0.500	0.050	0.572	0.482	0.662
Interest. Rate Smoothing	ρ^r	B	0.800	0.050	0.808	0.765	0.852
Taylor Rule Coef. on Output	ρ^y	B	0.200	0.010	0.153	0.142	0.163
Taylor Rule Coef. on Inflation	ρ^π	G	1.800	0.050	1.980	1.900	2.063
Taylor Rule Coef. on Gov. Currency Growth	ρ^{μ^g}	B	0.200	0.050	0.459	0.368	0.555

Table 3: Priors and Posteriors for the Shock Processes Parameters

Parameter	*Symbol*	*Priors*			*Posteriors*		
		Distr.	Mean	St. Dev.	Mean	Conf.	Inter.
Household's Preference Shock Pers.	ρ^a	B	0.700	0.050	0.668	0.586	0.751
Gov. Cur. Demand Shock Pers.	ρ^{eg}	B	0.650	0.050	0.623	0.548	0.700
Crypto. Demand Shock Pers.	ρ^{ec}	.B	0.550	0.050	0.622	0.554	0.690
Technology Shock Pers.	ρ^z	B	0.900	0.050	0.996	0.992	0.999
Crypto. Common Prod. Shock Pers.	ρ^ξ	B	0.600	0.050	0.679	0.616	0.742
Crypto. Specific Prod. Shock Pers.	ρ^ν	B	0.600	0.050	0.703	0.642	0.765
Household's Preference Shock St. Err.	σ^a	I-G	0.010	Inf	0.278	0.238	0.315
Gov. Cur. Demand Shock St. Err.	σ^{eg}	I-G	0.010	Inf	1.578	0.824	2.320
Crypto. Demand Shock St. Err.	σ^{ec}	I-G	0.010	Inf	3.799	3.065	4.538
Technology Shock St. Err.	σ^z	I-G	0.010	Inf	0.734	0.611	0.853
Crypto. Common Prod. Shock St. Err..	σ^ξ	I-G	0.010	Inf	0.047	0.041	0.054
Crypto. Specific Prod. Shock St. Err..	σ^ν	I-G	0.010	Inf	4.763	4.071	5.436
Monetary Policy Shock St. Err.	σ^r	I-G	0.010	Inf	0.076	0.059	0.091