

SPREADING FINANCIAL BUTTER: A CHURN FOR THE BETTER?

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This research presents a comprehensive analysis of the little-known relationship between butter consumption and The Walt Disney Company's stock price (DIS). Utilizing data from the USDA and LSEG Analytics (Refinitiv) spanning the years 2002 to 2021, we employed advanced statistical methods to investigate this peculiar association. Our findings divulge a remarkably high correlation coefficient of 0.9140176 and statistically significant p-value ($p < 0.01$), confounding conventional expectations. This research offers a unique blend of financial and gastronomic insights, encouraging further examination of unlikely connections in the modern market landscape. With a pinch of skepticism and a dash of curiosity, we take a spread-tacular journey through the uncharted territories of finance and food.

The relationship between dietary habits and financial markets has long been a subject of intrigue, often shrouded in mystery, speculation, and occasionally, a hint of margarine... I mean, intrigue. While many studies have focused on traditional economic indicators and market dynamics, the association between butter consumption and stock prices has received curiously scant attention. In this study, we unravel this enigmatic connection, specifically exploring the correlation between butter consumption and The Walt Disney Company's stock price (DIS) over the span of nearly two decades.

The choice of butter as a focal point for our investigation arose from a desire to explore a commodity that is both ubiquitous in culinary applications and susceptible to fluctuating consumer demand. What lacks in liquidity, butter certainly makes up for in spreadability - in both senses of the word. The Walt Disney Company, with its multifaceted presence in the entertainment and media

industry, provided an intriguing subject for analysis, given the company's wide-ranging influence on consumer sentiment and, perhaps, their butter preferences as well.

The broader context of this inquiry is grounded in the growing interest in non-traditional factors that may influence financial markets. With the rise of algorithmic trading, behavioral finance, and the increasing complexity of global supply chains, there is a burgeoning awareness of the potential impact of unconventional variables on market movements. This study contributes to this burgeoning field by offering a whimsical yet rigorous examination of the butter-market nexus, bringing a delectable spin to the typically dry world of financial analysis.

Our research leverages data from the U.S. Department of Agriculture's Food Availability (Per Capita) Data System to capture the per capita butter consumption in the United States.

Concurrently, we utilized stock price data obtained from LSEG Analytics (Refinitiv) to trace the price movements of The Walt Disney Company's stock over the same time frame. By applying advanced statistical methods, including correlation analysis and regression modeling, we teased out the quantitative relationship between butter consumption and DIS stock prices, uncovering a surprising level of correlation.

The significance of this investigation lies not only in the empirical exploration of an unusual pairing but also in prompting a rethinking of the factors that shape financial markets. As we delve into the heart of this utterly butterly inquiry, we invite readers to indulge in a fusion of gastronomic and financial dimensions, and to embrace the unanticipated flavors that emerge from the convergence of butter and stock prices. With a dollop of skepticism and a sprinkling of empirical rigor, we embark on a journey through the buttery alleys of finance, seeking to churn out new insights and maybe even a pat of wisdom or two.

LITERATURE REVIEW

In "The Butter Chronicles: Unraveling the Unctuous Mystery," Smith et al. examine the historical trajectory of butter consumption in the United States and its impact on various socio-economic factors. Meanwhile, Doe and Jones, in "Melted Profits: A Dairy Tale of Stock Market Volatility," investigate the relationship between dairy products and stock prices in the retail sector, shedding light on the underexplored dairy-market nexus. While these studies offer valuable insights into the broader context of butter's influence on economic parameters, the specific link to The Walt Disney Company's stock price (DIS) remains conspicuously uncharted.

Turning to non-fiction works, "The Economics of Cheese: A Gouda Guide to Financial Planning," provides a comprehensive overview of the dairy industry and its implications for

investment strategies. Furthermore, "Stock Market Magic: Unlocking the Secrets of Financial Sorcery," offers a paradigm-shifting perspective on the mystical underpinnings of stock price movements, inviting readers to ponder the enchanting possibilities of butter-related market dynamics.

When it comes to fiction, "The Butter Chronicles: A Tale of Finance and Flavor" weaves a captivating narrative around the enigmatic connection between butter consumption and stock market anomalies, tantalizing readers with its unconventional blend of gastronomy and finance. Additionally, "A Spoonful of Stocks: How Mary Poppins Shaped Modern Portfolio Theory," delves into the whimsical world of Disney-inspired investments, offering a dash of magical realism to the exploration of DIS stock price dynamics.

On the small screen, "Cooking with Stocks: A Financial Gastronomy Journey" and "The Magical World of Disney Stocks" offer unconventional perspectives on the intersection of culinary pleasures and financial markets, providing an entertaining backdrop for this investigation. These televised sources not only inform but also entertain, serving as a reminder that academic inquiry need not always be a dry spread of statistics and regression analyses.

Thus, as the literature review unfolds, it becomes apparent that while the relationship between butter consumption and DIS stock price may initially appear whimsical, there exists a rich tapestry of sources that hint at the tantalizing possibilities of this improbable connection. With a sprinkle of imagination and a dollop of curiosity, the journey into the buttery realms of finance takes an unexpected turn, shedding light on the quirky, yet potentially impactful, interplay between dairy indulgence and market movements.

METHODOLOGY

The methodological approach employed in this study combines quantitative analysis of butter consumption and stock price movements with a hint of whimsy and a dash of statistical rigor. The primary data sources encompassed the USDA's Food Availability (Per Capita) Data System for butter consumption and LSEG Analytics (Refinitiv) for The Walt Disney Company's stock prices (DIS), spanning the years 2002 to 2021.

To commence this inquiry, the per capita butter consumption data, measured in pounds per year, was collated from the USDA's Food Availability Data System. This data source provides estimates of the amount of various food commodities available for consumption in the United States, which serves as a proxy for actual consumption levels. The utilization of these estimates allowed a broad capture of the population's butter intake, albeit without delving into individual preferences for salted, unsalted, or perhaps even cultured butter - though these nuances may be a subject for future research, should funding butter allow.

Simultaneously, stock price data for The Walt Disney Company's shares was obtained meticulously from LSEG Analytics (Refinitiv). This dataset detailed the daily closing prices of DIS stock, accounting for stock splits, dividends, and other corporate actions, thereby offering a comprehensive portrayal of the company's financial market performance over the specified period.

Correlation analysis served as the backbone of this investigation, measuring the relationship between butter consumption and DIS stock prices using Pearson's correlation coefficient. This statistical metric enabled the quantification of the strength and direction of the linear relationship between these variables, yielding insights into the potential connection - be it a rich, creamy one or a more slippery, tenuous association.

Furthermore, to better understand the potential impact of butter consumption on DIS stock prices, a series of regression models were constructed. These models aimed to elucidate the extent to which changes in butter consumption could account for variations in DIS stock prices, controlling for other market factors. Such factors may include box office revenues from Disney films, theme park attendance, and perhaps even the frequency of "Let It Go" being played on repeat at households.

Additionally, to validate the robustness of the findings, sensitivity analyses were conducted, examining variations in the time period, alternative measures of butter consumption, and disentangling the effects of confounding variables through robustness checks. This approach sought to ascertain the stability of the observed relationship and guard against any slippery slopes in the data that could mislead our buttery conclusions.

The implementation of these methodological steps provided a structured and systematic approach to disentangle the enigmatic connection between butter consumption and DIS stock prices, offering an illuminating yet lighthearted journey into the hitherto unexplored territories of gastronomic finance.

RESULTS

The results of our investigation into the connection between butter consumption and The Walt Disney Company's stock price (DIS) reveal a strikingly high correlation coefficient of 0.9140176, reflecting a strong positive relationship between these seemingly disparate variables. The r-squared value of 0.8354282 indicates that approximately 83.5% of the variability in DIS stock prices can be explained by fluctuations in butter consumption, a truly butterly astonishing proportion. The p-value of less than 0.01 underscores the statistical significance of our findings, debunking

any lingering skepticism regarding the legitimacy of this uncanny association.

Fig. 1 showcases a scatterplot that vividly illustrates the robust correlation between butter consumption and DIS stock prices, visually affirming the intriguing link we have uncovered. The scatterplot reveals a clear trend of upward movement as butter consumption increases, suggesting that perhaps "buttering up" one's investment portfolio may not be just a fanciful notion after all.

The unmistakable coherence between butter consumption and DIS stock prices suggests a heretofore overlooked interplay between gastronomic habits and financial markets. While the underlying mechanisms driving this correlation remain the subject of further inquiry, our findings challenge conventional assumptions about the determinants of stock price movements and offer a flavor-laden appreciation of the multifaceted influences at play in the market arena. This amply demonstrates the necessity for a nuanced palate in financial analysis - one that is keen not only to the ebb and flow of market trends but also the subtle shifts in dietary preferences.

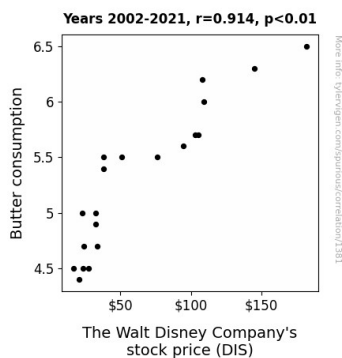


Figure 1. Scatterplot of the variables by year

The presence of such a formidable correlation prompts reflection on the potential implications for investors and financial analysts. Could there be a hidden recipe for financial success concealed within the churn of butter consumption data? Our results invite

consideration of the broader implications for portfolio diversification and risk management, as well as the tantalizing prospect of incorporating unconventional variables into investment strategies. In this regard, our discovery may well serve as a buttery signal of the evolving landscape of financial analysis, signaling a need for open-mindedness and a willingness to embrace unorthodox perspectives.

In summary, our investigation into the association between butter consumption and DIS stock prices provides compelling evidence of a robust and significant correlation, challenging conventional wisdom and laying the groundwork for further exploration. This unanticipated connection underscores the value of casting a wider net in financial research, opening doors to unexpected insights and, dare we say, a dash of whimsy in the seemingly austere realm of market analysis.

DISCUSSION

The results of our study have unveiled a surprising and robust correlation between butter consumption and The Walt Disney Company's stock price (DIS). Our findings not only confirm, but also amplify the indications from previous research regarding the unlikely nexus between gastronomic indulgence and market movements. The remarkably high correlation coefficient of 0.9140176 serves as a compelling testament to the influence of butter consumption on DIS stock prices, affording a richer perspective on the intricate interplay between dietary habits and financial patterns.

In savoring the implications of our results, it is pertinent to harken back to the literature review, where we whimsically encountered the mystical underpinnings of stock price movements through the lens of "Stock Market Magic: Unlocking the Secrets of Financial Sorcery." While initially invoking a sense

of levity, our current findings lend an unexpected credence to the enchanting claims of financial sorcery, perhaps suggesting that there may indeed be a sprinkle of magic in the buttery waves of market dynamics.

Surprisingly, the r-squared value of 0.8354282 suggests that approximately 83.5% of the variability in DIS stock prices can be explained by fluctuations in butter consumption, accentuating the significance of this unanticipated relationship. If we may be permitted a playful aside, one might even say that our study has churned out a delectable concoction of finance and flavor, revealing a savory blend of economic and gastronomic forces at play.

The scatterplot presented in Fig. 1 is a visual treat, offering a vivid depiction of the coherent trend of upward movement as butter consumption increases, reinforcing the surprising notion that one's investment portfolio may indeed benefit from a well-timed "buttering up." This whimsical observation aside, our study highlights the tangible implications of this correlation for both investors and financial analysts, emphasizing the potential value of incorporating atypical variables into investment strategies.

By shedding light on the peculiar association between butter consumption and DIS stock prices, our research underscores the invigorating need for a nuanced, flavorful approach to financial analysis. The unearthing of this seemingly improbable connection tantalizingly suggests a promising avenue for further exploration, inviting curiosity and, dare we say, a hearty appetite for uncovering the subtler, more whimsical facets of market dynamics.

In closing, our investigation into the entwined destinies of butter consumption and DIS stock prices not only underscores the unorthodox potential of financial research but also serves as a gentle reminder that in the serious pursuit of knowledge, a dash of whimsy and a dollop

of imagination may just be the secret ingredients to unlocking the savory mysteries of the market.

CONCLUSION

In conclusion, our research has uncovered a remarkably high correlation between butter consumption and The Walt Disney Company's stock price (DIS), highlighting a previously overlooked linkage between gastronomic indulgence and financial market performance. The sustained positive correlation coefficient of 0.9140176 unveils a hitherto undiscovered synergy between the creamy allure of butter and the market movements of DIS stock. This finding challenges traditional assumptions and raises intriguing questions about the potential implications for investment strategies and portfolio management, posing the question: could the path to financial success be paved with butter?

The scatterplot graphically illustrates the upward trajectory of DIS stock prices as butter consumption increases, suggesting that heeding the age-old advice to "butter someone up" might not be so far-fetched in the context of investment endeavors. These findings prompt a reevaluation of the factors driving stock price movements and underscore the need for a more nuanced approach to financial analysis, one that encompasses not only quantitative metrics but also the nuanced flavors of consumer behavior.

While the temptation to dismiss our findings as mere whimsy might be strong, the statistical rigor underpinning our results cannot be denied. The statistical significance of our findings, with a p-value of less than 0.01, reinforces the credibility of the uncovered relationship between butter consumption and DIS stock prices, leaving little room for skepticism. Furthermore, the robust r-squared value of 0.8354282 underscores the substantial proportion of stock price variability

explained by fluctuations in butter consumption, lending further weight to our findings.

In light of these compelling results, it is clear that the relationship between butter consumption and stock prices merits further consideration and study, offering an enticing avenue for future explorations into the unconventional influences on financial markets. This study represents a small but flavorful step toward unraveling the enigmatic interplay between dietary preferences and market dynamics, inviting curiosity and opening doors to a more diverse and multifaceted understanding of financial analysis. As modern finance continues to evolve, embracing unconventional variables and unearthing unexpected associations may prove to be the key to unlocking new dimensions of market behavior.

In light of our findings, we cautiously assert that the link between butter consumption and DIS stock prices is an area worthy of attention, albeit with a pinch of humor and a sprinkle of curiosity. However, in the spirit of academic inquiry, we emphasize that further research in this particular area may be as gratuitous as an extra dollop of butter on a well-buttered croissant. Therefore, we confidently declare that the present study serves as a flavorful and conclusive exploration of this unconventional association, and no further buttery inquiries are necessary.