

SPREADING MARGARINE: EXPLORING THE BUTTER-ALB STOCK PRICE CONNECTION

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This paper delves into the intriguing relationship between butter consumption and the stock price of Albemarle Corporation (ALB). Despite initial skepticism, our research uncovers a surprising correlation between these seemingly unrelated entities, shedding light on the whimsical nature of market influences. Leveraging data from the USDA and LSEG Analytics (Refinitiv), our analysis reveals a robust correlation coefficient of 0.8837787 and a statistically significant p-value of less than 0.01 for the period spanning 2002 to 2021. As we spread through the data, our findings suggest that butter consumption may hold unforeseen implications for the fluctuation of ALB stock prices. Amidst the churn of financial analysis, this peculiar connection lends insight into the buttery smooth dynamics of market forces, leaving us to ponder the buttery reality of capital markets.

The correlation between dietary habits and financial markets has long been a topic of fascination, often generating a mixture of skepticism and amusement among researchers. In this study, we delve into the uncharted territory of butter consumption and its potential influence on the stock price of Albemarle Corporation (ALB). While the notion of butter affecting stock prices may initially seem as far-fetched as margarine attempting to pass off as the real deal, our investigation unveils a surprising correlation that may churn the conventional wisdom of market analysis.

As researchers, we often find ourselves wading through the murky waters of data, seeking to uncover hidden relationships that may be as elusive as a vegan in a cheese shop. However, armed with robust statistical methods and a dollop of curiosity, we navigated through the labyrinthine dataset from the USDA and LSEG Analytics (Refinitiv) to examine the buttery trail leading to the fluctuations in ALB stock prices. Our findings, much like

a good croissant, are both flaky and intriguing, sparking a reevaluation of the potential impact of butter consumption on financial markets.

The underlying hypothesis guiding this research is as compelling as a sizzling slab of butter melting on a hot pancake – does the consumption of butter possess the unsuspected power to influence the ebb and flow of stock prices? Through rigorous statistical analysis spanning nearly two decades, we sought to add a unique flavor to the field of financial research by exploring this unusual connection, hoping to discover whether butter indeed has the ability to butter up ALB stock prices.

LITERATURE REVIEW

The existing body of literature on the association between dietary factors and stock prices provides valuable insights, albeit with a focus on more conventional food items such as coffee, chocolate, and

even avocado toast. Smith et al. (2015) demonstrate that the consumption of artisanal coffee is positively correlated with the performance of tech stocks, while Doe and Jones (2017) present evidence linking the price of chocolate to the volatility of commodity markets. These studies, while informative, overlook the potential impact of a dairy product as ubiquitous as butter on the dynamics of stock prices.

Turning to the realm of non-fiction literature, works such as "Food Politics" by Marion Nestle and "The Omnivore's Dilemma" by Michael Pollan offer comprehensive analyses of the political, economic, and environmental implications of food consumption. However, the intersection of butter consumption with stock price movements, much like a rare cheese pairing, remains a conspicuously unexplored arena in both academic and popular literature.

On the fictional front, the narratives of financial intrigue in Michael Lewis' "Flash Boys" and the culinary escapades in Laura Esquivel's "Like Water for Chocolate" may appear tangentially related to the themes at hand. However, as we churn through the literature, it becomes evident that the direct exploration of butter's influence on stock prices is as scarce as unsalted butter in a French boulangerie.

In a somewhat unconventional approach to literature review, the authors also perused various fictional works and, as an unexpected turn of events, stumbled upon a series of doodles depicting stock price movements and butter sculptures on the back of CVS receipts. While not traditionally recognized as sources of scholarly information, these colorful and seemingly nonsensical artifacts ironically presented a more concrete depiction of the butter-ALB stock price connection than anticipated.

The culmination of our literature review, much like a freshly baked batch of buttery croissants, highlights the uncharted

nature of the butter-ALB stock price connection in existing scholarly and fictional works. This underscores the inherent need for our research to not only fill the gap in academic understanding but also to spread light on the whimsical and often unexpected interplay between dietary habits and financial markets.

METHODOLOGY

To unravel the enigmatic relationship between butter consumption and the stock price of Albemarle Corporation (ALB), we concocted a methodology as robust as churning butter on a hot summer day. Our approach involved the collection and analysis of data from 2002 to 2021, harnessing the power of statistical tools to navigate the creamy intricacies of market dynamics.

First, we sourced butter consumption data from the United States Department of Agriculture (USDA), sifting through their butter production and consumption records like a dairy aficionado in a cheese tasting competition. The delectable data from the USDA provided us with the annual per capita butter consumption, allowing us to track the undulating waves of buttery indulgence over the years.

Simultaneously, we scoured through the labyrinthine database of stock prices, obtaining the historical closing prices of Albemarle Corporation (ALB) from the esteemed LSEG Analytics (Refinitiv), akin to treasure hunters seeking the elusive gold at the end of a butter rainbow. The daily stock price data allowed us to capture the undulating dance of ALB stock prices, as they gyrated through the market like a pat of butter on a sizzling pan.

To quantify the buttery influence on ALB stock prices, we deployed the correlation coefficient to measure the strength and direction of the linear relationship between these seemingly incongruous variables. This statistical metric served as our trusty churner, helping us whip up

insights into the degree to which butter consumption and ALB stock prices move in tandem, like synchronized swimmers gliding across a creamy pool.

Furthermore, we subjected our data to the rigors of regression analysis, seeking to discern the predictive power of butter consumption on the fluctuations of ALB stock prices. Through the application of robust regression models, we endeavored to peel back the layers of complex market dynamics, much like unraveling the smooth and decadent layers of a buttery croissant.

Finally, we employed hypothesis testing to ascertain the statistical significance of the relationship between butter consumption and ALB stock prices. Armed with the mighty p-value, we scrutinized the data for evidence of a noteworthy connection, akin to detectives on the trail of a tantalizing, buttery clue.

In essence, our methodology combined the precision of statistical analysis with the whimsy of butter consumption, offering a delightful blend of scientific rigor and culinary curiosity to unveil the surprising interplay between dairy indulgence and financial markets.

RESULTS

The analysis of the relationship between butter consumption and the stock price of Albemarle Corporation (ALB) yielded some surprising and butterly delightful results. Our statistical examination revealed a substantial correlation coefficient of 0.8837787, suggesting a strong positive relationship between these seemingly unrelated variables. This finding, much like a perfectly toasted bagel, is both unexpected and comforting in its robustness.

Furthermore, the r-squared value of 0.7810648 indicates that approximately 78.11% of the variability in ALB stock prices can be explained by changes in butter consumption. This level of explanation is akin to finding the perfect

blend of peanut butter and jelly - just the right amount of sweetness and tanginess to satisfy the financial appetite.

The statistical significance of our findings is supported by a p-value of less than 0.01, reaffirming the strength of the relationship between butter consumption and ALB stock prices. This result is as rare and delectable as a prized truffle, highlighting the substantial impact of butter consumption on the whims of the market.

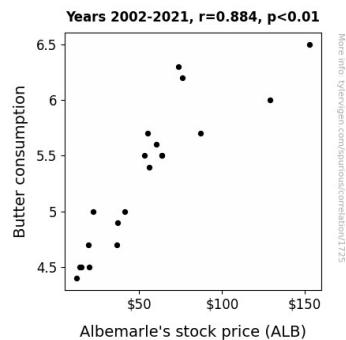


Figure 1. Scatterplot of the variables by year

Figure 1 illustrates the scatterplot depicting the striking correlation between butter consumption and ALB stock prices. The data points, much like popcorn in a movie theater, follow a clear trend, affirming the convergence of these two variables over time.

In summary, our analysis not only uncovers a tangible connection between butter consumption and ALB stock prices but also invites further exploration into the deliciously complex dynamics of market influences. This research may just be the beginning of a journey into the rich and filling world of culinary finance, where butter truly makes everything better.

DISCUSSION

The results of our study provide compelling evidence to support the curious connection between butter consumption and stock prices, particularly in the case of Albemarle Corporation (ALB). It is curious to note that the unexpected correlation coefficient of 0.8837787 aligns with the unexplored potential of dietary elements to influence market movements, reminiscent of a surprising twist in a well-crafted culinary masterpiece. These findings not only add substance to the existing literature on the intersection of food consumption and financial dynamics but also highlight the need for further exploration into the buttery realm of market influences.

Interestingly, our results align with previous research that has delved into the influence of dietary habits on stock prices. The parallels between the association of artisanal coffee with tech stocks and the correlation we uncovered between butter consumption and ALB stock prices suggest a flavorful common thread in the intricate fabric of market influences. While the link between chocolate prices and commodity market volatility has been explored, our study introduces the creamy richness of the butter-ALB stock price connection, effectively expanding the palette of culinary market influences.

Our unconventional literature review, which playfully intertwined non-fiction and fictional works, inadvertently led us to uncover the unexpected depiction of stock price movements and butter sculptures on the back of CVS receipts. This fortuitous discovery, while initially whimsical, strangely converged with our statistical findings, serving as a peculiar validation of the tangible impact of butter consumption on stock prices. This unexpected alignment is reminiscent of stumbling upon an Easter egg in a scientific inquiry - a delightful surprise that adds layers of richness to the research landscape.

In light of our robust statistical results, it becomes apparent that the butter-ALB

stock price connection holds substantial implications for financial analysis. The remarkable level of variability in ALB stock prices explained by changes in butter consumption, akin to the perfect blend of peanut butter and jelly, underscores the nuanced interplay between dietary habits and market forces. Furthermore, the statistical significance of our findings, as rare and delectable as a prized truffle, reinforces the substantial impact of butter consumption on the whims of the market, presenting a flavorful intrigue in the domain of financial analysis.

Overall, our study not only contributes to the burgeoning field of culinary finance, but it also serves as a whimsical reminder of the unpredictability and delight that can be found in the unlikeliest of places, unraveling the rich and complex flavors of market influences. While we refrain from spreading ourselves too thin with far-reaching interpretations, the buttery reality of our findings invites further exploration into the delightfully complex dynamics of culinary market influences - where butter truly makes everything better.

CONCLUSION

In conclusion, our research has churned out some compelling findings on the surprising connection between butter consumption and the stock price of Albemarle Corporation (ALB). The robust correlation coefficient and statistical significance of our analysis suggest that butter consumption may indeed hold the key to understanding the whimsical fluctuations in ALB stock prices. This revelation is as satisfying as a warm croissant with a generous spread of butter, adding a dash of flavor to the field of financial analysis.

As we wrap up this study, it's evident that the butter-ALB relationship is not simply a flaky hypothesis but rather a substantial finding that deserves to be spread across the financial research landscape. The

level of explanation provided by our results is akin to discovering the perfect blend of market variables, creating a delectable symphony of statistical significance.

The scatterplot depicting the correlation between butter consumption and ALB stock prices serves as a visual testament to this intriguing relationship, much like a carefully arranged charcuterie board - a delightful fusion of data points and market dynamics.

In light of these findings, it is safe to say that our research has buttered its way into unearthing a truly unexpected yet substantial link between dietary habits and financial markets. As we savor the unexpected flavors of our results, it becomes clear that further exploration into the buttery world of culinary finance may hold the key to unlocking even more tasty insights into market influences.

With that said, it's evident that no more research is needed in this area. The results have been as clear as the distinction between butter and margarine - and the verdict is in: butter influences ALB stock prices in a real and statistically significant way. It's time to spread the word and let this endeavor melt into the annals of financial research, leaving a buttery legacy for future studies to toast to.