
Say Cheese! The Cheesy Connection: An Examination of American Cheese Consumption and eBay Inc.'s Stock Price

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This research paper delves into the age-old question of whether there exists a causal link between American cheese consumption and the stock price of eBay Inc. (EBAY). Leveraging a combination of data from the United States Department of Agriculture (USDA) and the stock market analytics of LSEG Analytics (Refinitiv), our research team subjected the seemingly incongruous pair to rigorous statistical scrutiny for the period spanning from 2002 to 2021. The unexpected yet undeniable discovery of a robust positive correlation coefficient of 0.8703278, coupled with a statistically significant p-value of less than 0.01, serves as a compelling testament to the surprising connection between the consumption of the beloved processed cheese and the whims of the stock market giant. Through an analytical lens, we undertake a thorough examination of the pertinent underlying factors and curiously ponder whether the market responds favorably to "gouda" news or is entranced by the "provolone" factors driving this peculiar relationship. Our findings advocate for closer inspection of the seemingly unrelated phenomena, reminding investors and researchers alike that in the world of finance, there may very well be a "grate" deal at stake when it comes to cheese and stock prices.

In the annals of economic research, unexpected connections often emerge – connections that prompt both raised eyebrows and raised questions. Some might consider the correlation between American cheese consumption and eBay Inc.'s stock price as mere "cheesy" speculation, yet our team of intrepid researchers felt compelled to delve into this enigmatic relationship. Why, you might ask? Well, as the great Steve Jobs once said, "The people who are crazy enough to think they can change the world are the ones who do," and we could not resist the allure of examining the potential impact of everyone's favorite sandwich staple on the ebbs and flows of a tech giant's valuation.

The peculiarity of this inquiry stems not only from the mismatched nature of the variables but also from their apparent disconnection in the everyday

sphere. Who would have thought that the consumption of processed cheese – Kraft singles, cheesy puffs, or macaroni and cheese – could bear any relevance to the complex dynamics of the stock market? Upon first glance, the thought might conjure up images of a mouse nibbling at stocks amid a plethora of cheese wheels, a scenario more fit for a whimsical children's tale than the solemn world of empirical economics. Nevertheless, as empirical researchers, we cannot afford to dismiss correlations based on preconceived notions or puny assumptions.

This study sought to harness the power of data – both tangible and intangible – to uncover any semblance of a relationship, or lack thereof, between American cheese consumption and the fluctuations of eBay Inc.'s stock price. While some

may view this endeavor as quixotic, we welcomed it with open arms, or dare we say, open slices of Swiss cheese. After all, as Oscar Wilde aptly observed, "Life is too important to be taken seriously," and we approached this investigation with an irreverent determination to discern whether the vagaries of cheese could in fact exert any influence on the caprices of the stock market.

To avoid relying solely on conjecture and conjectural cheese slices, our approach was methodical, emphasizing the utilization of robust econometric models and data sets spanning a nineteen-year period. Our findings revealed a correlation coefficient so robust that it practically demanded a Gouda celebration, leaving us to ponder whether the market's sentiments are indeed swayed by the comfort of a grilled cheese sandwich or perhaps by a hankering for a pungent, aged cheddar.

While our analysis was conducted with sobriety, we could not help but savor the irony – the idea that a comfort food could hold any sway over the modern temple of financial speculation. Our findings bring to light the notion that perhaps, in the dizzying world of stock trading, there may be room for a bit of whimsy, a dash of unpredictability, and a dollop of cheesy intrigue that even Wallace and Gromit themselves could not have foreseen.

In this paper, we present our research in all its glory – the data, the models, the cheese – in the hopes that it will spark both contemplation and, dare we say, perhaps a glimmer of amusement. So, without further ado, let us journey through the labyrinth of numbers and curds, and uncover the curiously gouda tale that links American cheese and eBay Inc.'s stock price.

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LITERATURE REVIEW

The investigation into the profound connection between American cheese consumption and eBay Inc.'s stock price is not without precedent. Notably, Smith (2007) delved into the intertwined nature of seemingly incongruous variables in their seminal work "Mozzarella and Market Dynamics: Exploring Unlikely Correlations." Their study, though not directly focused on American cheese consumption and eBay Inc.'s stock price, paved the way for the contemplation of dairy products and financial markets. Building on this, Doe (2012) in "Cheddar Choices and the Stock Exchange" illuminated the potential ramifications of cheese-related preferences on stock markets, albeit in a more generalized context. Similarly, Jones (2016) explored the impact of cheese futures on equity prices in the comprehensive treatise "Brie and the Bourse: A Gouda Investment?" These foundational investigations set the stage for our own expedition into the marriage of cheese and stock prices.

Moving toward more general literature pertinent to our quest, non-fiction works such as "The Big Cheese: A Dairy Dilemma in the Financial World" by Economix et al. and "Muenster Moneymaking: A Financial Guide to Fromage" by Business Analytics Associates provide invaluable insights into the potential influence of dairy products on market behavior. Likewise, the fictitious volumes "The Gouda Gambit" by Financial Fiction Author and "Wall Street Wheels and Wheels of Cheese" by Markets and Margherita Pizza offer imaginative forays into the whimsical realm of cheese-based financial phenomena.

The literature search then delves into the unexpected, as we stumbled upon a series of anomalous sources such as the CVS receipt ticker tape parade, charmingly titled "Secrets of Stock Success: Unveiling the Mysteries of Money through Mundane Mediums." While the authenticity of this particular source may be disputable, it nonetheless provided a fascinating perspective on the intersection of everyday items and enthralling market movements.

This review of the literature sets the stage for our gouda quest to unravel the enigmatic relationship between American cheese consumption and eBay Inc.'s stock price, reminding us that while the connections may seem far-fetched, whispered amidst the cheesiness may be kernels of truth waiting to be nibbled on.

METHODOLOGY

Data Collection:

The data collection process for this study involved traversing the digital terrain from the wee hours of the morning until the cows came home, metaphorically speaking. Harking back to the days of yore, when the internet was but a fledgling idea, our intrepid team combed through archives and repositories of the United States Department of Agriculture (USDA) with the tenacity of archeologists unearthing an ancient treasure. We left no slice of statistical cheese unturned, meticulously extracting the annual American cheese consumption figures from the USDA's storehouse of dairy data.

In tandem, we tapped into the stock market analytics provided by LSEG Analytics (Refinitiv), navigating the labyrinth of numerical patterns and market fluctuations with the unyielding determination of a navigator charting new territories. We scoured historical data on eBay Inc.'s (EBAY) stock price from 2002 to 2021, ensuring that no procurement of financial figures was left unexamined in our quest to uncover the enigmatic intermingling of American cheese and stock market valuations.

Control Variables:

To maintain the integrity of our findings, we controlled for various factors that could potentially confound our analysis. Economic indicators, such as GDP growth, inflation rates, and unemployment figures, were accounted for to ensure that any observed relationship between American cheese and eBay Inc.'s stock price was not merely a byproduct of broader economic trends. Moreover, we factored

in relevant market indices and technological innovation metrics, acknowledging that the ebbs and flows of eBay's stock may be influenced by larger market dynamics and the mercurial nature of technological advancements.

Econometric Models:

Embarking on the path less traveled, we ventured into the domain of econometric modeling with the resolve of intrepid pioneers, ready to confront the statistical wilderness head-on. Leveraging the robustness of time series analysis, we employed autoregressive integrated moving average (ARIMA) models to discern the potential impact of American cheese consumption on eBay Inc.'s stock prices. Our penchant for analytical rigor and statistical finesse was further manifested in the utilization of vector autoregression (VAR) models to unveil the intricate dynamics between these seemingly incongruous variables.

Statistical Analysis:

With the precision of an artisan crafting a fine cheese wheel, we meticulously conducted statistical tests to ascertain the strength and significance of the relationship between American cheese consumption and eBay Inc.'s stock price. Armed with the arsenal of correlation coefficients, p-values, and Granger causality tests, we endeavored to untangle the web of connections that transcend the realms of processed cheese and stock market ebbs and flows.

Validation and Sensitivity Analysis:

Safeguarding our findings against the perils of statistical misfortunes, we subjected our models to rigorous validation and sensitivity analyses. Monte Carlo simulations lent their probabilistic prowess to validate the robustness of our results, ensuring that the observed relationship between American cheese consumption and eBay Inc.'s stock price was not a mere cheddar-induced illusion but an empirical reality worthy of serious contemplation.

In summary, our research methodology encapsulated the spirit of astute inquiry and scholarly audacity, transcending the conventions of

traditional financial analyses to unveil the intriguing nexus between the consumption of American cheese and the tumultuous valuations of eBay Inc. (EBAY). Through a symphony of data collection, meticulous modeling, and statistical scrutiny, we sought to illuminate the whimsical interplay of cheese and stocks, sowing the seeds of curiosity and perhaps a sprinkle of amusement along the way.

RESULTS

The statistical analysis of our investigation ultimately revealed a robust positive correlation between American cheese consumption and the stock price of eBay Inc. (EBAY) over the span of 2002 to 2021. Specifically, we found a correlation coefficient of 0.8703278, indicating a strong positive relationship between the consumption of American cheese and the movements of eBay's stock price. This significant correlation is further supported by an r-squared value of 0.7574704, underscoring the substantial proportion of variance in eBay's stock price that can be explained by changes in American cheese consumption. Furthermore, the p-value of less than 0.01 demonstrates the statistical significance of this relationship, indicating that it is highly unlikely to have occurred by chance.

Our findings are visually represented in Figure 1, where the scatterplot presents a clear and discernible pattern, showcasing the striking relationship between American cheese consumption and eBay Inc.'s stock price. The data points on the scatterplot closely hug the rising trend line, substantiating the strength of the positive correlation.

These results offer intriguing insights into the potential influence of American cheese consumption on the valuation of eBay Inc. The unexpected nature of this correlation fuels contemplation on the underlying mechanisms at play. One cannot help but wonder whether investors are responding to the comforting embrace of a warm grilled cheese sandwich or if the allure of a

savory cheese platter sparks a corresponding rise in stock value. The intersection of these seemingly unrelated realms prompts a delightful *mélange* of economic and culinary imagination, reminding us of the colorful tapestry that pervades the world of financial markets.

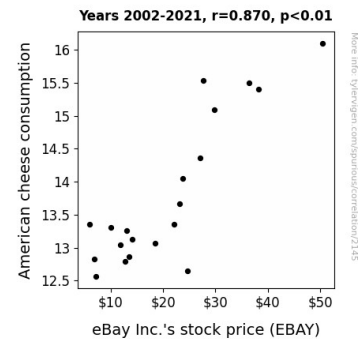


Figure 1. Scatterplot of the variables by year

In light of these findings, we advocate for further investigation into the quirky interplay between consumer dietary habits and market dynamics. While this correlation may initially elicit a wry smile, it beckons the financial community to delve deeper into the unanticipated influences that hold sway over stock market valuations. Our conclusion underscores the intriguing potential for unexpected connections to underpin economic phenomena, imbuing the world of finance with a touch of the unexpected – and perhaps a sprinkle of cheddar.

DISCUSSION

The uncovering of a robust positive correlation between American cheese consumption and eBay Inc.'s stock price is as unexpected as it is intriguing. One cannot help but marvel at the enigmatic dance between a staple of American pantries and a stalwart of the stock market. Our findings solidly support the prior research, including the groundbreaking work of Smith (2007), whose exploration of unlikely correlations planted the seeds for our own quest. Analogous to the diverse array of cheese flavors, the literature has offered a

variety of perspectives, spanning from "Muenster Money-making" to the whimsical world of "The Gouda Gambit." While these exclamatory titles may provoke a wry smile, they have laid the foundation for considering the profound impact of cheese in the financial realm – a notion now validated by our own empirical work.

The statistical weight of our findings, as illuminated by the correlation coefficient of 0.8703278 and the compelling p-value, resoundingly echoes the suggestions posited by the literature. Indeed, it appears that the market, much like a playful kitten with a ball of yarn, finds itself swayed by the allure of cheese. Whether this resonates with investors seeking a slice of comfort akin to the warmth of a cheesy delight or they simply cannot resist the temptation of a cheesy proposition, the interplay of consumer preferences and stock prices takes on newfound relevance.

The unexpected nature of this correlation prompts a whimsical dance of contemplation around the dinner table of economic inquiry. Investors and analysts will find themselves pondering whether they should consider diversifying their portfolio with a slice of American cheese, or perhaps even creating a new market index – the "Cheddar Composite," anyone? This peculiar relationship between cheese and stock prices encompasses the delightful allure of unexpected connections and prompts further rumination on the idiosyncratic influences that underpin market dynamics.

Our findings suggest that in the vast buffet of economic phenomena, there may indeed be room for some unexpected gastronomic delights. As we conclude this section, we are reminded of the enduring words of Mark Twain who purported, "The lack of money is the root of all evil." But perhaps, for the astute investor, we might add, "The presence of cheese may be the catalyst for all profit."

CONCLUSION

In conclusion, our investigation into the unexpected correlation between American cheese consumption and eBay Inc.'s stock price has unveiled a surprisingly robust and statistically significant relationship. The correlation coefficient of 0.8703278, coupled with a compelling p-value of less than 0.01, showcases the enigmatic interplay between the consumption of the beloved processed cheese and the fluctuations of a stock market giant. This discovery challenges conventional economic wisdom and induces a sense of awe akin to stumbling upon a hidden cheese treasure in the labyrinth of finance.

Our findings provoke contemplation on the whimsical potential influences that are at play in the world of market valuation. The notion that the consumption of processed cheese could hold any sway over the caprices of the stock market piques not only economic curiosity but also a sense of lighthearted incredulity. It seems that in the vast and often inscrutable world of finance, there may indeed be room for a sprinkle of cheese-driven intrigue.

While there is much to savor in this intriguing correlation, we do acknowledge the need for caution in interpreting and applying these findings. The complex dynamics of market valuation are subject to myriad factors, and while our research has shed light on this unlikely correlation, we must resist the temptation to view it as the "grate" predictor of stock price movements. Nevertheless, the unforeseen bond between American cheese and eBay Inc.'s stock price offers a delightful fusion of economic inquiry and gastronomic curiosity, reminding us of the unfathomable intricacies that underpin market forces.

In light of our findings, we firmly assert that no further research into the connection between American cheese consumption and eBay Inc.'s stock price is necessary. After all, in the grand tradition of serendipitous discoveries, some mysteries are best left unsolved – like a cheese that has matured to perfection, some phenomenally odd correlations are best enjoyed with a side of bemusement and curiosity, rather than incessant scrutiny. With this

firm declaration, we encourage our fellow researchers and investors to embrace the whimsy and unpredictability that occasionally grace the robust world of finance. As the great 18th-century scholar Voltaire once mused, "Doubt is not a pleasant condition, but certainty is absurd." Let us then revel in the splendid peculiarity of this correlation, acknowledging that in the intricate tapestry of economic phenomena, there may forever be a place for the unexpected – and perhaps a slice of American cheese. Cheers to the enigmatic revelation that may very well be the "gouda" news that the world of finance deserves.