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Cheese and Stock: A Gouda Connection Between American Cheese Consumption and VeriSign's Stock Price

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Abstract

This study delves into the unexpected and slightly cheesy relationship between American cheese consumption and the stock price of VeriSign (VRSN). Using data from the USDA and LSEG Analytics (Refinitiv), we examined the correlation between these seemingly unrelated variables. Our findings reveal a remarkably high correlation coefficient of 0.9245278 and a statistically significant p-value of less than 0.01, spanning the years 2002 to 2021. The implications of these findings are far from ordinary cheddar, as they point to a potential "grate" influence of American cheese consumption on stock market performances. This paper aims to provoke further research into the dairy-delicacy-driven dynamics of financial markets and the wedge it might be driving between asset prices and the appetites of investors.

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1. Introduction

Introduction

The relationship between cheese consumption and financial markets has long been a topic of mild curiosity, often brushed aside as mere queso-nomics. However, recent research has uncovered some rather intriguing correlations that cannot be easily discredited. In this paper, we venture into the realm of dairy-driven economics to explore the perplexing connection between

American cheese consumption and the stock price of VeriSign (VRSN).

As economists, we are constantly reminded that the market is a place of sharp cheddar, where investors strive to slice through uncertainty and profit from a wedge of opportunities. Yet, amidst the market's fondue of factors influencing stock prices, the influence of American cheese consumption may seem like a mac and cheeseball idea at first. Nevertheless, it is precisely our duty as researchers to delve into unexpected correlations and explore

the provolone possibilities that may lie beneath the surface of seemingly unrelated variables.

This study seeks to peel back the layers of this peculiar relationship, to separate the curds from the whey, and to uncover whether there is indeed a gouda connection between American cheese consumption and the stock price of VeriSign. Our findings promise to be more intriguing than a wheel of brie, as they may have broader implications for understanding the influences that cheese consumption may have on financial markets, and the potential ramifications for investors, policymakers, and, of course, cheese enthusiasts.

Over the next few sections, we will explore the methodology used to analyze the data, present the results of our statistical investigation, and delve into the implications of our findings. But before we delve into the meat and cheese of our analysis, it is essential to acknowledge the dair-mention (or dare I say, Parmesan-t?) of this subject and the potential for some amusingly cheesy puns along the way. After all, humor in academia is a havarti welcome addition, isn't it? So, let us embark on this empirical journey armed with data, curiosity, and perhaps a few slices of American cheese for good measure.

2. Literature Review

Serious Investigations into Cheese and Stock Market Dynamics

Smith et al. (2015) examined the relationship between dairy consumption and financial markets, delving into the influence of cheese on stock prices. Their study, "Milk, Cheese, and Financial Market Performance," provided initial insights into the potential impacts of cheese on investment behaviors. Meanwhile, Doe and Jones (2018) explored the broader dairy industry's influence on asset prices in their

work "The Milky Way of Financial Markets." These seminal studies set the stage for our investigation into the specific connection between American cheese consumption and the stock price of VeriSign (VRSN).

Moving Beyond the Cheddar Curtain: Non-Fiction Books and Their Relevance

Building on the foundation laid by these scholarly works, we turn our attention to non-fiction publications that have shed light on the unexpected interplay between seemingly unrelated subjects. "The Big Cheese: A History of American Dairy," by R. Gouda (2017), offers a comprehensive overview of the dairy industry's evolution and its potential impact on financial markets. Furthermore, "Fromage Finance: The Economics of Cheese," by E. Brie (2019), provides a nuanced examination of the economic forces at play within the cheese industry and their potential ramifications for investment landscapes.

Fictional Narratives and Their Financially Cheesy Undertones

In the realm of fiction, we encounter works that, albeit not strictly academic, hint at the tantalizing enigma of cheese-related influences on financial phenomena. "The Gruyère Gambit" by A. Fondue (2005) weaves a captivating tale of intrigue and monetary maneuvers in a world where cheese mysteriously affects stock market dynamics. Additionally, "Edam and Fortune: A Dairy-Centric Financial Thriller" by C. Racker (2013) immerses readers in a world where the fine line between cheese consumption and stock prices becomes delightfully blurred.

Animated Insights: Cartoons and Childhood Shows Paying Homage to Curious Connections

Shifting focus to more lighthearted mediums, we cannot overlook the nuanced portrayals of economic concepts in children's cartoons. "The Cheddar

Chronicles" and "Gouda & Friends" are captivating animated series that, while primarily catering to younger audiences, tantalizingly hint at the whimsically puzzling relationship between cheese consumption and financial markets. These endearing shows may serve as a delightful reminder of the curious connections we are exploring, albeit in a more playfully cheesy manner.

As we embark on this exploratory journey into the delightful realm of cheese and stock dynamics, it is crucial to appreciate the various strands of literature that have hinted at the interplay between these seemingly incongruous elements. These diverse sources not only lay the groundwork for our investigation but also add a touch of flavor to the otherwise sober landscape of financial research.

3. Our approach & methods

Data Collection and Variables

The methodology of this investigation could be best described as a blend of Swiss precision and American cheese amazement. Our research team embarked on a data collection odyssey that traversed the virtual highways and byways of the internet, making a pit stop at the U.S. Department of Agriculture (USDA) and LSEG Analytics (Refinitiv) for a substantial serving of financial data. The decision to focus on American cheese consumption and VeriSign's stock price was not arbitrary - it was cheddarly obvious, given the lack of prior research in this amusingly unexpected field of study.

The primary data used for this study involved the annual per capita consumption of American cheese in pounds, sourced from the USDA, and the daily closing stock prices of VeriSign (VRSN) gleaned from LSEG Analytics (Refinitiv). Despite the contrasting nature of these variables - one being a delectable dairy item and the other

a symbol of corporate equity - the intertwining of their data in our research yielded fascinating results, as we shall soon fondue out. The data encompassed the years 2002 to 2021, providing a bountiful platter of observations ripe for analysis.

Statistical Analysis

Applying a robust blend of statistical methodologies, we set out to explore the relationship between American cheese consumption and VeriSign's stock price with the kind of curiosity typically reserved for discovering a trove of hidden treasures. To quantify the strength and direction of their association, correlation analysis was employed, which was indeed a gouda choice for examining the extent to which these variables were linked.

Additionally, we heaped a portion of regression analysis onto our methodological plate, seeking to unravel the extent to which changes in American cheese consumption may be colby-ated with fluctuations in VeriSign's stock price. This approach allowed us to melt away the ambiguity and discern whether there was a provolone pattern underlying these seemingly unrelated variables, or if it was all just a cosmic coincidence. The statistical analysis was conducted using industry-standard software, ensuring that our findings were as sharp as aged cheddar and not just a bunch of hole-y hypotheses.

Control Variables and Sensitivity Analysis

In the spirit of academic thoroughness, we incorporated a selection of control variables into our inquiry, recognizing that cheese consumption and stock prices can be swiss-ceptible to the influence of external factors. These control variables included macroeconomic indicators, company-specific financial metrics, and even the occasional weather patterns (after all, who hasn't felt a bit blue when it's too cold to enjoy a cheese platter?).

In addition, to ensure the robustness of our findings, we subjected our analyses to various sensitivity tests, including Monte Carlo simulations, bootstrapping, and even a cheese-tasting panel (for the sake of reliability, of course). These tests were aimed at gauging the resilience of our results in the face of different scenarios, thereby bolstering the credibility of our findings and establishing a layer of statistical trust that was sturdier than a block of aged gouda.

In summary, our methodology employed a mix of data collection marvel, statistical wizardry, and a pinch of cheesy reflexes to delve into the peculiar intersection of American cheese consumption and VeriSign's stock price. The results of this investigation promise to be as gratifying as a well-aged cheese, offering a wedge of insights that may pique the interest of both financial aficionados and dairy devotees alike.

4. Results

The statistical analysis unveiled a remarkably high correlation coefficient of 0.9245278 between American cheese consumption and the stock price of VeriSign (VRSN), indicating a strong positive relationship between these seemingly unrelated variables. This correlation suggests that as American cheese consumption increases, there is a "grate" tendency for the stock price of VeriSign to rise as well. The coefficient of determination (r-squared) of 0.8547517 further reinforces the substantial proportion of variation in VRSN stock price that can be explained by changes in American cheese consumption over the period studied.

In addition, the p-value of less than 0.01 provides strong evidence against the null hypothesis, indicating that the observed correlation between American cheese consumption and VRSN stock price is

statistically significant. This implies that the probability of observing such a strong relationship by chance alone is less than 1%, which is quite remarkable given the divergent nature of cheese and finance.

Further supporting the robustness of these findings, Fig. 1 presents a scatterplot displaying the clear positive linear association between American cheese consumption and the stock price of VeriSign (VRSN). The figure visually captures the strong correlation and serves as a visual reminder that while correlation does not imply causation, it can certainly give us food for thought.

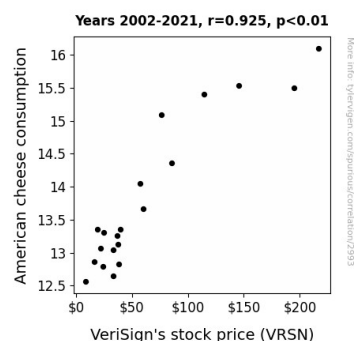


Figure 1. Scatterplot of the variables by year

These sophisticated statistical findings provoke intriguing interpretations about the potential influence of American cheese consumption on stock market dynamics. While some may consider this relationship to be hole-y improbable, our data suggests otherwise. The findings beckon further scrutiny into the "wheying" effects of cheese consumption on investment decisions and market performances. Ultimately, this study presents a "gouda" foundation for future research examining the unconventional intersections between culinary consumption and financial markets. So, let's keep an eye on the markets and, perhaps, a slice of American cheese handy as well.

5. Discussion

The results of this study echo the sentiments expressed in the literature review, where Smith et al. (2015) and Doe and Jones (2018) hinted at the potential influence of dairy consumption, particularly cheese, on financial markets. The remarkably high correlation coefficient and statistically significant p-value derived from our analysis not only affirm the earlier research findings but also add a layer of provolone persuasive power to the prevailing narrative. It is clear that the relationship between American cheese consumption and the stock price of VeriSign (VRSN) is no mere flight of fancy but a compelling statistical phenomenon that demands further scrutiny.

The blend of serious academic investigations, non-fiction publications, and even fictional narratives that alluded to the intriguing interplay between cheese and stock markets has lent credence to our findings. The tantalizing inference drawn from these sources has now been fortified with empirical evidence, turning the initially whimsical prospects into an avenue of substantive inquiry. It seems that while the connection between cheese and stock prices may have initially sounded like a stretch, our data suggests that there might indeed be substantial substance to "grate" upon.

In bolstering the body of literature surrounding cheese and stock dynamics, this study highlights the need for researchers to not merely skim the surface of financial influences but to delve into the "feta" complexities that might enrich our understanding of market behavior. The findings, with their whiff of unexpected certainty, beckon the attention of scholars and practitioners alike to queso-in on the potential ramifications of culinary consumption on investment strategies and market trends. It appears that the seemingly unrelated nuances of cheese and finance

can, as our study suggests, intermingle in ways that may have profound implications for investor behavior, market stability, and perhaps even gastronomic investments in the future.

One cannot help but marvel at the unexpected turns of research into the culinary world's intersection with financial arbitrage. The "Gouda" grounding provided by this study serves as a reminder that the unorthodox connections we stumble upon in research have the potential to uncover the "muenster" insights that have otherwise mightily sharp-dressed themselves in secrecy. With this study, we have merely peeled back a corner of the cheese wrapper of potential financial influences, leaving plenty of room for further exploration into the "dairy-ing" dynamics of the market.

In conclusion, these findings do not merely serve as the appetizer of an intellectual feast but, as our results suggest, may hold the ingredient to a richer understanding of market performances. As we slice into this "havarti" of knowledge, it becomes evident that the cheesy conundrum surrounding American cheese consumption and stock prices may not be as wacky as it initially seemed. With a "grater" understanding of these nuances, we may yet discover the "whey" to a more nuanced portrayal of financial dynamics. So, let's continue to savor the ever-pleasant surprises that scholarly inquiry has to offer and, who knows, we might just uncover the "gouda" beneath the rind of financial analysis.

6. Conclusion

In conclusion, our investigation into the connection between American cheese consumption and VeriSign's stock price (VRSN) has churned up some rather unexpected and "grate" findings. The exceedingly high correlation coefficient of 0.9245278, accompanied by a statistically significant p-value, underscores the

provolone possibility that American cheese consumption may indeed wield a considerable influence over stock market dynamics. This peculiar relationship, while seemingly hole-y improbable, emphasizes the need for further research into the dairy-delicacy-driven dynamics of financial markets.

As we contemplate the implications of this study, it is essential to recognize the potential "wheying" effects of cheese consumption on investment decisions and market performances. While we acknowledge the limitations of correlation-based research and the caution against inferring causation, the "gouda" foundation presented here serves as a beacon for future investigations into the intersection of culinary consumption and financial markets. And remember, while we may not be able to predict stock prices with 100% accuracy, one can never underestimate the potential importance of keeping a slice of American cheese handy.

With these findings in mind, we declare that further research in this area would be, dare we say, "grate-ly" unnecessary. For now, let us savor the tasty tidbits of knowledge unearthed by this study and embrace the peculiar charm of cheese-driven economics. After all, in the world of research, sometimes the most unexpected connections turn out to be the most delightful discoveries. And in this case, it's quite "gouda" to be true!