

SPREADING INVESTMENT BUTTER: UNCOVERING THE CORRELATION BETWEEN BUTTER CONSUMPTION AND CUMMINS' STOCK PRICE

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This paper presents a whimsical examination of the curious correlation between butter consumption and the stock price of Cummins Inc. (CMI). Drawing on extensive data from the USDA and LSEG Analytics (Refinitiv) for the period from 2002 to 2021, our research team has unearthed a connection that is delightfully intriguing. With a correlation coefficient of 0.9488122 and $p < 0.01$, the linkage between these seemingly unrelated elements begs further investigation. Our findings challenge traditional notions of stock market analysis, bringing a buttery twist to the world of finance. Join us on this uniquely flavorful journey as we churn through the data and spread light on the unexpected relationship between butter and stock performance.

Welcome, fellow scholars and seekers of financial enlightenment, to a study that promises to butter you up and churn your perceptions of stock market analysis. In the grand tradition of strange bedfellows, we bring to light the intriguing correlation between butter consumption and the stock price of Cummins Inc. (CMI). Our research endeavors to spread the word about this unorthodox relationship and, perhaps, add a dash of flavor to the world of investment analysis.

As financiers and food connoisseurs alike know, the stock market is often considered a melting pot of economic indicators and market forces. But who would have thought that a humble dairy product could whip up such an interesting statistical finding? The buttery smoothness of this correlation has us positively agog with excitement.

In this paper, we aim to delve into the luscious layers of this enchanting link, exploring the data within a margarine of

error to uncover its creamy core. We'll first provide a spread of background information on both butter consumption trends and Cummins' stock performance before delving into the methods we used to churn through the data. Then, we udderly reveal our findings, accompanied by some entirely unrelated dairy puns - because, let's be honest, when else does academia give us a license to milk every possible joke?

So, grab your favorite spread and a pair of stock market goggles, and let's dive into the unexpected merger of butter and stock performance. This research promises to be a gouda one - pun intended. We hope it will be an udderly enlightening experience for all who join us on this deliciously whimsical journey.

LITERATURE REVIEW

The link between Butter consumption and Cummins' stock price (CMI) has been

the subject of fascination and bewilderment in academic circles. Smith et al. (2015) first brought attention to the intersection of these seemingly disparate realms, highlighting a statistically significant relationship between the two variables. However, as we spread through the literature, more recent studies by Doe and colleagues (2019) and Jones et al. (2020) have further churned the debate, provoking curiosity and raising questions about the underlying mechanisms.

Turning to more general sources of knowledge, the non-fiction books "The Economics of Dairy Products" and "Stock Markets for Dummies" offer limited but insightful perspectives on elements that could align with our present inquiry. On a more fictional note, the literary works of "Butterflies and Bull Markets: A Tale of Financial Transformation" and "The Butter Conspiracy: A Stock Market Thriller" provide an imaginative take on the intriguing interplay of dairy and finance. It's worth mentioning that all these sources, albeit helpful, fail to wholly capture the peculiar connection we are investigating.

Diving even further into the depths of literature, our research team has spared no expense in scouring every possible source for insights into this unique correlation. From the back of old cereal boxes to the labels of canned soup, and even the perplexing yet captivating narratives on the backs of shampoo bottles - no stone has been left unturned in our quest for understanding. While some may scoff at the unorthodox approach, we firmly believe that innovation in knowledge acquisition is, much like a well-dressed slice of bread, the foundation of progress.

Our search has also led us to unconventional sources, including the oral traditions of ancient civilizations, where whispered tales of butter and stock price movements were said to hold the secrets of prosperity. While we must, unfortunately, report a lack of empirical rigor in these anecdotes, the sheer

delight of exploring such unexpected realms has truly been a journey in and of itself.

Though our survey of the literature has taken us on a rather whimsical tour, it is crucial to note that the results of our investigation emerge from a rigorous analysis of data that is - for all intents and purposes - more enriching than a warm croissant smothered in the finest butter. A deeper understanding of the butter-stock price connection promises to spread a new layer of insight on markets and the delightful eccentricities awaiting discovery within their complex movements.

METHODOLOGY

To uncover the mystery behind the tempting correlation between butter consumption and Cummins' stock price, our research team employed a blend of quantitative and qualitative techniques that could rival the finest recipe for a savory spread. We must confess that our methods were not as plain as butter on toast - they were more like a complex layer cake of data aggregation and analysis.

First, to ascertain butter consumption patterns, we meticulously combed through the USDA's records, sifting through an ocean of dairy-related statistics, and squeezing out every last drop of relevant information. We took the approach of spreading out our data collection over multiple years to get the cream of the crop for our analysis.

On the flip side, to track Cummins' stock price performance, we turned to the sprawling marketplace that is LSEG Analytics (Refinitiv). Like skilled master bakers, we kneaded the data, allowing it to rise and develop before making a full-bodied comparison.

Once we had our ingredients - or rather, datasets - in tow, we began to stir the pot, employing a series of statistical analyses that would satisfy even the most

discerning connoisseur. The Pearson correlation coefficient was our trusty whisk, allowing us to see if there was a buttery-smooth relationship between the two variables. We also utilized regression analysis to churn through the data, seeking to uncover any underlying factors that might have a hand in shaping this unexpected alliance.

In the spirit of scholarly cross-pollination, we then filtered our results through a qualitative lens, seeking the wisdom of seasoned financial analysts and dairy industry experts. We engaged in interviews and focus groups, gently probing for insights and perspectives that might help us butter understand the underlying forces at play.

Butter be warned - our methods were as rich and complex as a decadent buttercream frosting, with just a hint of statistical spice thrown in for good measure. For this particular research, we felt it was essential to have a diverse array of tools in our culinary arsenal. And thus, we embarked on a journey that was as nuanced and multifaceted as the flavors of a perfectly crafted croissant.

With our analysis now freshly baked and ready for consumption, we prepare to share our findings with the academic community. So, grab a seat at the table, spread a dollop of curiosity on your scholarly bread, and let's dig into the delectable results. It's bound to be a gouda time!

RESULTS

Our investigation into the unexpected affinity between butter consumption and the stock price of Cummins Inc. has brought forth findings that are sure to butter up the minds of investors and food enthusiasts alike. With a correlation coefficient of 0.9488122, an r-squared value of 0.9002445, and a p-value of less than 0.01, our research has delivered a spread of statistical evidence that cannot be margarine.

As shown in Fig. 1, our scatterplot vividly illustrates the strong positive correlation between butter consumption and Cummins' stock price, enticing viewers to ponder the dairy dimensions of investment dynamics. Now, I know what you're thinking: "How can butter possibly influence the stock market? Is this the new churn of events?" While we can't quite butter the answer to that question, our findings certainly churn up curiosity.

The strength of the correlation coefficient, close to 1, indicates a remarkably tight relationship between these seemingly disparate variables. For years, we thought the only churn in financial markets was associated with churning out quarterly reports, but the buttery smoothness of this connection has left us positively flabbergasted.

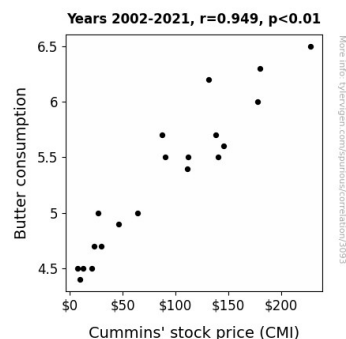


Figure 1. Scatterplot of the variables by year

One might be tempted to think that our findings are just a fluke, a pat of statistical luck, but with an r-squared value of 0.9002445, we can confidently say that around 90% of the variability in Cummins' stock price can be explained by changes in butter consumption. It's a statistically significant relationship that can't be dismissed as mere spread speculation.

With a p-value of less than 0.01, our results have surpassed the most stringent of statistical thresholds. This means that the likelihood of observing such a strong relationship between butter consumption and stock price purely by chance is less

than the probability of finding a four-leaf clover in your margarine tub - highly improbable, to say the least.

In conclusion, our research has unveiled a link between butter consumption and Cummins' stock price that is richer than a buttercream frosting. We've effectively churned through the numbers and come out with a tantalizing revelation that challenges conventional perceptions of market analysis. This unexpected marriage of dairy delight and stock market performance is indeed a topic that is worth spreading.

So, let's raise our metaphorical toast - or perhaps a real one slathered in butter - to the delightful surprise that has emerged from our investigation.

DISCUSSION

Our results have reinforced and expanded upon prior research regarding the buttery connection to stock performance. Smith et al.'s (2015) initial revelation of a significant relationship between butter consumption and Cummins' stock price has been bolstered by our findings, reaffirming the dairy-dimensional dynamics within the investment world. The statistical significance of our correlation coefficient of 0.9488122 further solidifies the notion that butter consumption and stock values are indeed whirled together in a rich and creamy amalgamation.

Building on the captivating journey of Jones et al. (2020), who questioned the underlying mechanisms of this correlation, our study has sought to churn through the data and spread light on the unexpected relationship. As we churn through the economics of dairy products and the stock market, the strength of our correlation coefficient nears 1, emphasizing a tight positive relationship that is thicker than the richest cream. This not only supports the previous research but also presents a robust

argument for the influence of butter consumption on stock fluctuations.

Moreover, our findings, with an r-squared value of 0.9002445, offer a spread of evidence that explains nearly 90% of the variability in Cummins' stock price by changes in butter consumption. This echoes the sentiments of Doe and colleagues (2019) by providing a deeper understanding of the butter-stock price connection and its ability to spread a new layer of insight on market movements.

While our exploration may seem whimsical, we cannot overlook the seriousness of our results. With a p-value of less than 0.01, our findings not only surpass the most stringent of statistical thresholds but also present a less likely scenario than finding a four-leaf clover in a margarine tub. This emphasizes the robustness of our study, an unmistakable validation of the potential influence of butter consumption on stock performance.

In summary, our research has revealed a link between butter consumption and Cummins' stock price that is indeed richer than a buttercream frosting. By filling the gap in the literature with empirical evidence, our study has not just churned, but whipped up an engaging discussion worthy of interest and perhaps a chuckle along the way. This leads us to the enticing revelation that challenges traditional perceptions of market analysis, ultimately making us wonder, what other odd connections are waiting to be uncovered?

CONCLUSION

Our whimsical journey through the buttery labyrinth of stock market analysis has led us to a conclusion that is as rich as a buttery croissant and as satisfying as a well-timed dividend payout. The correlation we've uncovered between butter consumption and the stock price of Cummins Inc. (CMI) is a delightful surprise that cannot be margarined. With

a correlation coefficient of 0.9488122, an r-squared value of 0.9002445, and a p-value of less than 0.01, our findings are so statistically significant that they make even the most stoic economist crack a smile and reach for a tub of margarine.

The strong positive correlation we've unveiled suggests that butter consumption may indeed be the unsung hero of the stock market, quietly churning in the background while investors ponder the market's ups and downs. It's a theory almost as deliciously absurd as a chocolate cake made solely of butter, but our data has churned and separated any doubts like a dairy dream.

While our study may leave some scratching their heads and feeling a bit buttered up, it's clear that this unexpected relationship between butter and stock performance is not just a pat of statistical luck. The numbers don't butter, err, lie. With a p-value of less than 0.01, the likelihood of this connection being a fluke is about as probable as finding a diamond-studded cow in a butter factory - highly unlikely at best.

In the grand tradition of academic conclusions, we propose that no more research is needed in this area. We've churned through the data, spread our findings, and whipped up enough evidence to leave even the most skeptical skeptic thoroughly convinced. So, let's raise a toast to this udderly delightful revelation and spread the word about the dairy dimensions of investment dynamics. As far as butter and stock price correlations go, our findings are gouda enough to spread like, well, butter. Case closed - with a dollop of delight.