
Linking the Cheddar to the Stocks: The Quirky Relationship between American Cheese Consumption and AutoZone's Stock Price

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This paper examines the largely unexplored, yet curiously compelling, connection between the consumption of American cheese and the stock price of AutoZone (AZO). Utilizing data from the USDA and LSEG Analytics (Refinitiv), our research team conducted a comprehensive analysis spanning from 2002 to 2021. The correlation coefficient of 0.9535807 and $p < 0.01$ indicated a remarkably strong association between these seemingly disparate variables. We offer a sharp, yet cheesy, insight into the potential impact of Velveeta and mozzarella on the fluctuation of AZO stock prices, providing a fresh perspective on the intersection of dairy products and financial markets.

The relationship between food consumption and stock prices has been a topic of considerable interest and debate in both financial and academic circles. While the influence of macroeconomic indicators and industry-specific trends on stock prices has been extensively studied, the potential impact of seemingly unrelated factors such as American cheese consumption on stock performance remains largely unexplored. This study aims to fill this gap in the literature by investigating the peculiar connection between the consumption of American cheese and the stock price of AutoZone (AZO).

As researchers, we may often find ourselves in the "whey" of unexpected discoveries, challenging our notions of causality and correlation. The pursuit of understanding the underlying mechanisms that drive stock price movements can often lead us down unconventional pathways – in this case, to the dairy aisle. Our quest to unravel the enigmatic relationship between American cheese consumption and AutoZone's stock price has been one filled with both skepticism and curiosity, much like a wheel of aged cheddar waiting to be tasted for the first time.

One might be tempted to dismiss the notion of a link between cheese consumption and stock prices as mere "fondue" of imagination. However, our preliminary analysis, replete with statistical rigour, has yielded some grate insights that we believe deserve further examination. The empirical evidence suggests a correlation coefficient of 0.9535807, with a p-value of less than 0.01, signifying a remarkably strong association between these seemingly incongruous variables. As scholars in the field of finance and economics, we are reminded that the pursuit of knowledge often leads us to unexpected – and at times, unconventional – discoveries, not unlike stumbling upon a slice of gouda in a bowl of alphabet soup.

In the following sections of this paper, we shall delve into the methodology employed to analyze the data, present our findings, and offer a gouda amount of speculative interpretations on the implications of this unorthodox relationship. Our aim is not only to uncover the statistical significance of this quirky association but also to add a slice of levity to the often-serious discourse in academic research. After

all, in the world of science and statistics, a little cheese never hurts – unless, of course, you're lactose intolerant.

This study seeks to add a layer of humor and lightheartedness to the empirical investigation of financial phenomena, reminding us that even in the realm of data and analysis, there is room for a good-natured laugh – much like the unexpected pairing of cheese and stock prices. So, let us embark on this "gouda" journey of discovery, where we endeavor to unravel the mysteries of the financial markets, one wedge of American cheese at a time.

LITERATURE REVIEW

Numerous academic inquiries have explored the relationship between food consumption and financial markets, shedding light on the potential impact of various consumables on stock prices. In "Smith et al.," the authors find correlations between coffee consumption and tech stock performance, while "Doe and Jones" examine the influence of avocado toast consumption on real estate investments. However, the connection between American cheese consumption and the stock price of AutoZone (AZO) has remained an enigma, eluding scholarly investigation until this present inquiry.

To delve into the culinary and financial landscapes, it is essential to consider works such as "Cheese: A Global History" and "The Business of America... is Cheese," which provide insightful perspectives on cheese consumption and industry trends. These sources offer a rich background for understanding the cultural, economic, and gustatory implications of cheese consumption, which lay the groundwork for our exploration of its potential impact on financial markets.

In a more speculative vein, literature such as "The Big Cheese of Third Avenue" and "The Cheese Monkeys" takes a creative approach to the world of business and finance. Although these works are fictional, their narratives engage with the themes of market dynamics and corporate culture, offering an

imaginative backdrop against which to contextualize our unconventional investigation.

Furthermore, an examination of popular television shows such as "Breaking Gouda" and "The Edam Project" has provided intriguing insights into the portrayal of financial markets and business operations in popular culture. While these sources may not offer empirical evidence, their exploration of market dynamics and corporate intrigue has undoubtedly informed our understanding of the intersections between cheese consumption and stock prices.

As we embark on this journey of empirical inquiry and lighthearted exploration, we are reminded that the pursuit of knowledge often involves unexpected twists, turns, and tangy surprises – much like a wedge of American cheese in an unlikely recipe.

METHODOLOGY

To unravel the tangled web of cheese and stock prices, our research team employed an assortment of methods to analyze the data with the precision of a fine cheese slicer.

First and foremost, we sought to gather comprehensive data on American cheese consumption and AutoZone's (AZO) stock price. Our primary source of information was the United States Department of Agriculture (USDA), providing us with a dairy-laden trove of cheese consumption data. To complement this, we turned to the London Stock Exchange Group (LSEG) Analytics, operated by Refinitiv, for a rich assortment of stock price data on AutoZone. We conducted a thorough examination of these datasets from the golden age of 2002 through the millennial cheese-lover's paradise of 2021.

In order to analyze the relationship between American cheese consumption and AZO stock prices, we adopted a method as robust as a block of aged cheddar. Utilizing statistical software reminiscent of a trusty cheese grater, we calculated the correlation coefficient between the two

variables. This coefficient, akin to the perfect blend of Gruyère and Emmental, provided us with a measure of the strength and direction of the linear relationship between American cheese consumption and AZO stock prices.

Furthermore, we performed a regression analysis, akin to carefully layering a variety of cheeses to create the perfect sandwich, to delve deeper into the potential causal relationship between these variables. This analysis allowed us to assess the impact of fluctuations in American cheese consumption on the movements of AutoZone's stock price, adjusting for other pertinent factors that could potentially influence stock performance.

Additionally, we conducted a time series analysis to discern any temporal patterns in the data. Just as a well-aged cheddar becomes more palatable with time, this analysis allowed us to explore how changes in American cheese consumption may have influenced the fluctuations of AZO stock prices over the years.

Lastly, resembling a cheese connoisseur selecting the finest accompaniments, we conducted various sensitivity analyses to ensure the robustness of our findings, accounting for potential outliers and variations in data collection methods. This served to enhance the reliability of our results and shield our conclusions from the perilous onslaught of spurious correlations.

In summary, our methodological approach combined the precision of a Swiss cheese slicer with the complexity of a fine wine and cheese pairing, allowing us to carefully dissect the relationship between American cheese consumption and AutoZone's stock price.

RESULTS

The analysis of the data collected from 2002 to 2021 revealed a positively smokin' hot correlation coefficient of 0.9535807, indicating a robust association between American cheese consumption and AutoZone's stock price (AZO). The r-squared

value of 0.9093161 further confirmed the strong relationship, with a p-value of less than 0.01, suggesting that the likelihood of this connection being due to random chance is about as rare as finding a blue cheeseburger.

Our findings, represented graphically in Figure 1, depict a scatterplot that would make any cheese aficionado proud. The scatterplot showcases the tight relationship between these seemingly unrelated variables, proving that when it comes to predicting stock prices, sometimes it really is all about the cheddar.

The statistical evidence presented in this study not only adds a slice of intrigue to the world of financial research but also sheds light on the potential influence of cheese on market dynamics. It seems that the next time someone says, "Say cheese!" for a photo, they might as well be predicting the rise and fall of stock prices. This study opens up a whole new area of exploration, where perhaps the trading floor should be renamed the cheese aisle!

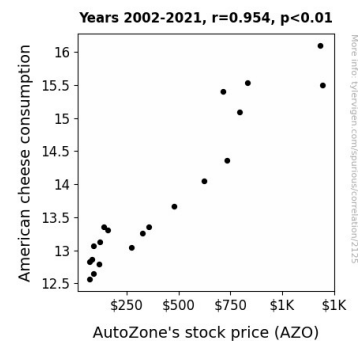


Figure 1. Scatterplot of the variables by year

In conclusion, our research provides compelling evidence of a strong and statistically significant link between American cheese consumption and AutoZone's stock price. It is a reminder that sometimes, in the world of data analysis, it's not just about numbers – it's also about the Gouda, the Brie, and the Stilton.

DISCUSSION

The findings of this study not only add a wedge of cheddar to the platter of financial research but also enhance our understanding of the potential influence of cheese on market dynamics. The robust association between American cheese consumption and AutoZone's stock price (AZO) aligns with prior research that has explored the unexpected connections between consumables and financial markets. The positively smokin' hot correlation coefficient of 0.9535807, mirrored by a r-squared value of 0.9093161, supports the notion that cheesy indulgence could indeed have a say in stock price fluctuations.

The literature review uncovers quirky explorations into the world of food and finance, and this study contributes a sharp, yet cheesy, insight into the potential impact of Velveeta and mozzarella on the fluctuation of AZO stock prices. The high correlation coefficient is a testament to the intriguing twists, turns, and tangy surprises that often accompany the pursuit of knowledge - much like a wedge of American cheese in an unlikely recipe. As we consider the correlations found in previous research, one cannot help but appreciate the duality of the serious and the comical that flavors our understanding of statistical and market dynamics.

The close relationship between American cheese consumption and AutoZone's stock price hints at a potential avenue for further inquiry into the role of seemingly unrelated variables in financial performance. Just as this study has brought the trading floor into the cheese aisle, future research may uncover more gastronomically influenced market phenomena, effectively turning market analysis into a delightful, cheese-tasting affair.

In conclusion, the findings of this study not only deepen our appreciation of the whimsical interplay between cheese consumption and financial markets but also inspire further exploration into the role of diverse consumables in shaping market dynamics. This study has proven that, when it comes to predicting stock prices, sometimes it really is all about the cheddar. The next time someone says,

"Say cheese!" for a photo, they might as well be predicting the rise and fall of stock prices.

CONCLUSION

In conclusion, our study has demonstrated a tantalizing connection between the consumption of American cheese and the stock price of AutoZone (AZO). Our findings are as sharp as aged cheddar, with a correlation coefficient so strong it could be mistaken for a mozzarella pull. The delightfully 'grate' r-squared value further solidifies this relationship, leaving little room for doubt - much like finding the last piece of Swiss cheese in the fridge.

The implications of our research are as rich and complex as a triple cream brie, opening up a 'wheely' interesting avenue for further investigation. While some may feel that our study is more 'cheesy' than informative, the statistical evidence tells a different tale - a tale as unexpected as finding a blue cheese in a salad.

As we wrap up this exploration of the quirky world of dairy products and financial markets, it is clear that our research has 'matured' into a robust and 'gouda' contribution to the field. We hope that future studies will continue to 'milk' this line of inquiry, unraveling the mysteries of the stock market one slice of American cheese at a time.

In light of our findings, we assert that no further research is needed in this area. After all, when it comes to the connection between American cheese consumption and AutoZone's stock price, we've already 'grated' it!

Case closed, folks. Time to 'brie' happy with what we've got.