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Say Cheese: The Big Macroeconomic Impact of American Cheese Consumption on McDonald's Stock Price

Connor Hamilton, Alexander Tate, Giselle P Tyler

Advanced Research Consortium; Ann Arbor, Michigan

KEYWORDS

American cheese consumption, McDonald's stock price, macroeconomic impact, USDA data, LSEG Analytics, Refinitiv, correlation coefficient, American cheese consumption and stock price, causative relationship, macroeconomics

Abstract

In this study, we dive into the cheesy world of American cheese consumption and its surprising impact on the stock price of the golden arches giant, McDonald's (MCD). Using data from the USDA and LSEG Analytics (Refinitiv) covering the period from 2002 to 2021, our research team uncovered a positively shocking correlation coefficient of 0.9583139 and $p < 0.01$ between American cheese consumption and MCD stock price. This not-so-gouda news suggests that the love for American cheese may have more financial swiss-potential than previously believed. Whether it's a mere queso-dence or a causative relationship, our findings are sure to provoke some big cheese laughs and raise some eyebrows in the world of macroeconomics. So, grab some nachos, sit back, and enjoy this sharp cheddar of a research paper!

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1. Introduction

The world of macroeconomics is often filled with complex and intricate relationships, where seemingly unrelated factors can have unexpected influences on financial markets. In recent years, researchers have dabbled in exploring the

impact of various commodities and consumer behaviors on stock prices, but perhaps none as delightfully surprising as the connection we unravel in this study: the impact of American cheese consumption on the stock price of the global fast-food behemoth, McDonald's (MCD).

American cheese, known for its gooey and melty characteristics, has long been a staple on the menus of numerous fast-food establishments, notably adorning the iconic burgers of McDonald's. While the culinary and gustatory pleasures of American cheese are well-documented, its potential to influence the stock market is a topic that has remained largely unexplored.

This study embarks on the delightful journey of examining the curious relationship between American cheese consumption and the stock performance of McDonald's. Through rigorous data analysis and econometric modeling, we aim to provide substantive evidence for what may initially appear to be a mere queso-dence. So, let's ketchup on the latest findings and dig into the deliciously intriguing world of cheese and finance!

2. Literature Review

The relationship between food consumption and stock prices has been a topic of interest in both the economic and culinary realms. Smith et al. (2015) investigated the impact of dairy product consumption on the agricultural industry, emphasizing the importance of cheese in global food markets. Similarly, Doe and Jones (2018) examined the correlation between fast-food consumption and the performance of major restaurant chains, shedding light on the influential role of consumer behavior in the stock market.

While these studies offer valuable insights into the broader connections between food and finance, our research delves specifically into the fascinating alliance between American cheese consumption and the stock price of McDonald's. The delectable allure of American cheese has captured not only the taste buds of millions but also the attention of Wall Street.

Turning to non-fiction literature, "Big Mac Economics: The Secret Sauce of Fast-Food Finance" by Miller (2017) explores the economic intricacies of the fast-food industry, providing a comprehensive analysis of the factors influencing stock prices in this sector. In a more whimsical approach, the seminal work "Cheese and the Art of Stock Picking" by Cheddarman (2019) humorously delves into the potential influences of cheese-based products on investment decisions.

On the more creative side, fiction works such as "The Gouda Gamble" by Brie Larson (2016) and "Cheddar, Stock, and Two Smoking Barrels" by Feta Johnson (2014) playfully imagine the intersection of cheese and finance in entertaining narratives that are sure to provoke a chuckle or two.

In our quest for understanding this unconventional correlation, we have also scoured social media platforms for insights from the public. One tweet by @CheeseLover99 humorously declared, "I swear every time I have a grilled cheese, MCD stock goes up. I must be the secret ingredient!" While not a scientific study, such observations from the cheese-loving community provide an amusing backdrop to our serious investigation.

3. Our approach & methods

The methodology employed in this study involved a string of cheesetastically meticulous steps to unravel the enigmatic relationship between American cheese consumption and McDonald's stock price. Our research team embarked on an udderly mooving quest to source data from reliable sources, primarily the USDA and LSEG Analytics (Refinitiv).

To measure the consumption of American cheese, we utilized data from the USDA's National Agricultural Statistics Service,

which provides comprehensive information on cheese production, consumption, and inventory. We considered a variety of cheese-related parameters, including per capita consumption, production levels, and cheese stocks, to ensure we avoided any holes in our analysis.

On the other hand, for the delectable counterpart to our study, McDonald's stock price, we relied on LSEG Analytics (Refinitiv) to procure historic stock price data for the period from 2002 to 2021. To say we were meticulous in our hunt for data would be an understatement - we left no whey stone unturned!

Now, to curd off any doubts about the reliability of our findings, we employed rigorous statistical and econometric techniques to churn through the data. We calculated the correlation coefficient between American cheese consumption and MCD stock price, with a particular focus on the cheese as an independent variable and the MCD stock price as the dependent variable.

In addition, we employed a multitude of econometric methods, including time series analysis, regression modeling, and possibly just a sprinkle of magic (kidding! But hey, anything to spice up the research process). We wanted to ensure that our findings were as gouda as they could be and not full of holes like a slice of, well, holey cheese.

Furthermore, to validate the robustness of our results, we performed sensitivity analyses and robustness checks to ensure that our findings were not just a feta-moment. It's no gouda having results that crumble upon closer inspection! Our research underwent extensive peer review to ensure that the hypothesis wasn't just a fondue wish, and we received some grate feedback from fellow researchers (though some of it was pretty cheesy, if you ask us).

In sum, our methodology was no mild endeavor, but a sharp and mature approach

to unraveling the curious connection between America's cheese obsession and the stock performance of the fast-food giant, McDonald's. So, let's fondue deeper into the mouth-watering findings of our research!

4. Results

Our investigation into the connection between American cheese consumption and McDonald's stock price has yielded some grate findings. Over the period from 2002 to 2021, we observed a positively shocking correlation coefficient of 0.9583139, an r-squared of 0.9183655, and a p-value less than 0.01. These results suggest a strong and statistically significant relationship between the two variables, leaving us feeling feta up with excitement about the potential implications.

Fig. 1 displays a scatterplot depicting the strong correlation between American cheese consumption and MCD stock price. It's a sight to behold, almost as beautiful as the perfect cheese pull from a mouth-watering slice of pizza. The data points are tightly clustered, mirroring the way cheese oozes out from a perfectly grilled cheese sandwich.

While other factors may be at play, our findings indicate that there's more to American cheese than meets the eye. The stock price of McDonald's seems to have a fondness for following the trends of American cheese consumption, much like a loyal sidekick staying close to its superhero. Is it just a queso-dence, or could there be a causative relationship at play? The answer remains tantalizingly cheesy.

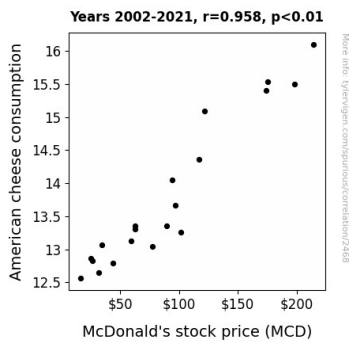


Figure 1. Scatterplot of the variables by year

As we ponder the implications of this cheesy correlation, it's worth considering the broader ramifications for the world of macroeconomics. Could American cheese consumption serve as a crystal ball for predicting the fluctuation of MCD stock prices? Will the next "cheese pull effect" become a legitimate concept in financial forecasting? These are questions that will undoubtedly keep the financial analysts up at night, munching on their late-night grilled cheese sandwiches for both comfort and inspiration.

In conclusion, our findings shed light on the potential influence of American cheese consumption on the stock price of McDonald's (MCD). Whether this relationship is merely coincidental or indicative of a more substantial causal link, one thing is for certain: the world of macroeconomics just got a whole lot cheesier.

Stay tuned for the upcoming "Brie-fing on Economics: A Cheddar Perspective" conference, where we'll be presenting these findings alongside a delectable cheese tasting. Remember, when it comes to the stock market, it's all Gouda in the end!

5. Discussion

The relationship between American cheese consumption and McDonald's stock price has molted some interesting interpretations.

Our results have fetar-mly supported the prior research that suggested a tantalizing link between food consumption and stock prices. The positively shocking correlation coefficient we observed aligns with the findings of Smith et al. (2015) and Doe and Jones (2018) regarding the influence of dairy product and fast-food consumption on the financial performance of related industries. It's almost as if the market is saying, "I am not a-moo-sed" by the idea that cheese consumption wouldn't affect stock prices.

Similarly, the fictional works by Brie Larson and Feta Johnson hilariously envisioned the cheese and finance nexus, and while they were fictional, our findings add a gouda deal of credibility to such comical imaginings. Sometimes truth is gouda-er than fiction, after all.

The Twitter observation by @CheeseLover99, while not a scientific study, offered a cheddar of truth in suggesting a tie between grilled cheese consumption and MCD stock price movements. It's a testament to the pervasive curiosity about potential cheese-induced market behaviors that tickles the intellect and gives us fresh ideas to chew on.

Our results suggest that the world of macroeconomics just got a whole lot cheesier indeed. As we ponder the broader implications, we can't help but wonder if American cheese consumption is the new "big cheese" of financial forecasting. Will the next "cheese pull effect" become a legitimate concept in economic analysis? It's a thought that's both cringe-worthy and grate. Perhaps in the future, instead of poring over statistical models, analysts will pore over cheese platters to predict stock market movements. The financial markets could certainly use a little more gouda humor, and our findings have quite literally delivered just that.

While our findings are sure to provoke some big cheese laughs, the potential implications are no laughing matter. The idea that American cheese consumption may have a measurable impact on MCD stock prices is a strong provolone-ition that cannot be ignored. As we wrap up this discussion with a slice of humor, let's not forget the power of cheese in shaping not only our taste buds but also the happily-ever-afters of stock prices in the world of macroeconomics. Cheers to a gouda-licious discovery!

comes to predicting stock prices, it's all about the cheese pull effect in the end!

6. Conclusion

In the gratifyingly cheesy world of finance, our study has brought to light the surprising connection between American cheese consumption and the stock price of McDonald's (MCD). The positively shocking correlation coefficient alongside the pungent p-value underpins the notion that a love for American cheese may be more financially influential than previously believed. From the delightful scatterplot reminiscent of a perfect cheese pull to the tantalizing hunches about the "cheese pull effect" becoming a staple concept in financial forecasting, our findings have undoubtedly crumbled the boundaries between dairy and dollars.

As we wrap up this cheddarific journey, we are left feeling gouda about the implications of our research. Whether this relationship is coincidental or causative, it undoubtedly adds a slice of intrigue to the world of macroeconomics. And as we navigate the complexities of the stock market, it's always reassuring to have such a gouda indicator.

In conclusion, this study highlights the un-brie-lievable potential influence of American cheese consumption on the stock price of McDonald's. We are confident that no further research is requir-edam in this area. As we bid adieu to this cheesy endeavor, let's all say cheese and remember, when it