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Fuel for Thought: The Pumped-up Connection between Singapore Gasoline and Hess Corporation's Stock Price

Colton Hernandez, Amelia Terry, Giselle P Tucker

International College; Austin, Texas

KEYWORDS

gasoline price, Singapore, Hess Corporation, stock price, correlation, statistical analysis, Energy Information Administration, LSEG Analytics, Refinitiv, stock market dynamics, energy commodities, spillover effects

Abstract

This study examines the relationship between the price of gasoline in Singapore and the stock price of Hess Corporation (HES). Utilizing comprehensive data from the Energy Information Administration and LSEG Analytics (Refinitiv), our research team conducted an in-depth analysis spanning the period from 2002 to 2021. Through rigorous statistical methods, we established a robust correlation coefficient of 0.7878866 and a significance level (p) below 0.01, showcasing a compelling statistical connection. Our findings unveil a notable association between the pump price of gasoline in the vibrant streets of Singapore and the fluctuating stock performance of the Hess Corporation. The spillover effects of this relationship extend beyond the economic realm and beckon further exploration into the intricate dance between energy commodities and stock market dynamics. As we delve into this complex nexus, we hope to shed light on the fascinating interplay of seemingly disparate financial indicators and propel forward a new wave of interdisciplinary inquiry.

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1. Introduction

INTRODUCTION

The world of finance and commodities often seems to be an enigmatic tangle of

numbers, trends, and mystical forces operating beneath the surface. We live in a society where the price of gasoline can seemingly affect everything from our daily commute to the size of our paycheck (as if

by witchcraft). In this paper, we dare to venture into the labyrinth of financial intricacies to unravel the mysterious relationship between the pump price of gasoline in Singapore and the stock price of Hess Corporation (HES). As we embark on this odyssey, one can't help but wonder if the fumes of Singaporean petrol can truly act as the elusive elixir for illuminating the fortunes of a multinational energy corporation.

This exploration has been greeted with skepticism and disbelief from the cynics, who brush it off as nothing more than wild speculation amidst numbers and statistics – a bit like playing darts blindfolded. Nevertheless, armed with data, analytical tools, and a dash of curiosity, we ventured forth undeterred, seeking to uncover the hidden connections that underlie the volatility of the stock market and the mundane activities of fuel pumping halfway across the globe.

With a nod to the diligent data miners and number-crunchers who have ventured before us, we present our findings as a humble addition to the ever-growing body of financial literature. Our journey into the intertwined realms of gasoline prices and stock valuations has yielded intriguing insights that beckon us further into the unexplored nooks and crannies of market dynamics. As we stand at the crossroads between the tangible world of energy commodities and the ephemeral realm of stock prices, we invite you to join us in this quest for wisdom and perhaps a few surprising twists and turns along the way. After all, as we all know, the world of finance is a rollercoaster ride – and sometimes the view is more thrilling when we take the unexpected route.

2. Literature Review

The multifaceted relationship between energy commodities and stock market

dynamics has long been a subject of intrigue and fascination among researchers and investors alike. While the traditional wisdom espouses a clear distinction between the two spheres, recent investigations have unveiled a nexus that intertwines the seemingly disparate domains of gasoline prices and stock valuations. The present literature review endeavors to elucidate this enigmatic connection, drawing from a diverse array of sources that span the realms of academic research, non-fiction literature, and even the fictional landscapes of imaginative storytelling.

Smith and Doe (2015) delved into the intricacies of commodity markets and their impact on financial instruments, laying the groundwork for understanding the ripple effects of energy prices on stock valuations. Their seminal work shed light on the intertwined nature of these markets, hinting at the underlying mechanisms that drive the price movements of stocks such as Hess Corporation (HES) in response to fluctuations in gasoline prices within international markets.

Jones et al. (2018) carried forward this torch of inquiry, scrutinizing the influence of global energy trends on the stock performances of leading corporations in the energy sector. Their empirical findings provided empirical support for the notion that the price of gasoline and other energy commodities holds an intrinsic sway over the ebb and flow of stock prices, offering a compelling rationale for delving into the specific case of Hess Corporation in relation to Singaporean gasoline prices.

Turning to the domain of non-fiction literature, "The Price of Power: Oil, Gas, War, and Regulation" by Book (2012) provides a comprehensive expedition into the geopolitical and economic underpinnings of energy markets. While the book primarily focuses on the broader impact of oil and gas on global affairs, its

insight into the complexities of energy pricing provides a valuable backdrop for comprehending the underlying forces at play in our investigation.

In a surprising twist, "Pump Fiction: A Novel Approach to Fueling Stock Market Speculation" by Novelist (2019) offers a whimsical take on the interplay between imaginative storytelling and financial speculation. While the book professes to be a work of fiction, its narrative intricacies weave together the fantastical realm of fuel pumping with the perplexing mysteries of stock market fortunes, hinting at an unexpected parallel with our research pursuits.

Moreover, the realm of television has not been devoid of relevance to our investigation. "Fueling Fortunes: A Financial Odyssey" is a compelling documentary series that delves into the uncharted territories of stock market anomalies, including the obscure yet captivating correlations between everyday commodities and stock performances. The insights gleaned from such entertainment-oriented endeavors serve to punctuate the eccentric allure of our research domain, reminding us that the unexpected often lurks in the most unassuming of places.

As we navigate the diverse tapestry of academic literature, non-fiction exposés, fictional musings, and televised odysseys, we are primed to embark on a journey that transcends disciplinary boundaries and embraces the quirkiness that permeates the intersection of energy markets and stock valuations. The ensuing sections of this paper will illuminate the empirical findings that stem from our expedition into the fascinating interplay between gasoline prices in Singapore and the stock price of Hess Corporation (HES), ensuring that the revelatory synergies between the two realms are unveiled with scholarly rigor and perhaps a touch of unexpected humor.

3. Our approach & methods

METHODOLOGY

Our research methodology involved a multi-faceted approach that combined quantitative analysis, econometric modeling, and a sprinkle of investigative flair. We amassed an extensive dataset from the Energy Information Administration and LSEG Analytics (Refinitiv), harnessing the power of the internet to retrieve a treasure trove of information dating back to 2002. The process of data collection was akin to embarking on a digital treasure hunt, with the internet serving as our expansive map and the databases as our buried riches.

To establish the correlation between the pump price of gasoline in Singapore and the stock price of Hess Corporation (HES), we employed advanced statistical techniques that would make even the most stolid of number crunchers raise an admiring eyebrow. Through the magic of software tools and hours of painstaking analysis, we applied cross-sectional and time-series methods to analyze the intricate dance between gasoline prices and stock performance. The statistical wizardry involved bivariate correlation analysis, regression modeling, and time-series decomposition – a veritable smorgasbord of statistical incantations.

As every self-respecting researcher knows, a bit of model tinkering goes a long way. This led to the development of a bespoke econometric model tailored to capture the nuances of the gasoline-stock price connection. We explored various specifications and sensitivities, prudently navigating the labyrinth of model diagnostics and robustness checks to ensure our results were as solid as a well-built spreadsheet – no shaky cells or algorithmic hiccups here!

It should be noted that our path was not without its twisty turns and quirky detours. The journey of research is often fraught with unexpected surprises, and we encountered our fair share of peculiar anomalies and statistical hiccups that required a touch of scholarly finesse to untangle. Nevertheless, armed with persistence and a touch of academic enthusiasm, we navigated these deviations with a sense of adventure, embracing the chaos amidst the numbers.

In summary, our methodology blended academic rigor with a dash of intrepid exploration, culminating in a robust analysis of the connection between the hardly mundane activity of gasoline pumping in Singapore and the captivating fluctuations of Hess Corporation's stock price. In the next section, we will tantalize you with our riveting findings - and we promise they're more exciting than watching gasoline prices at a pump station.

4. Results

In examining the relationship between the price of gasoline in Singapore and the stock price of Hess Corporation (HES), our research uncovered a striking correlation coefficient of 0.7878866, with an r-squared value of 0.6207653, and a significance level (p) below 0.01. These statistical measurements attest to a strong and meaningful association between these seemingly disparate variables.

Fig. 1 depicts a scatterplot illustrating the robust correlation between the pump price of gasoline in Singapore and the fluctuating stock performance of Hess Corporation. The scatterplot vividly captures the dance between these two variables, painting a picture worth a thousand words, or in the case of this academic paper, at least a couple of hundred.

The evident connection between the pump price of gasoline and the stock price of Hess

Corporation adds a new layer to the intricate tapestry of financial dynamics. These findings offer a glimpse into the intriguing interplay of energy commodities and stock market performance, inviting further exploration and analysis.

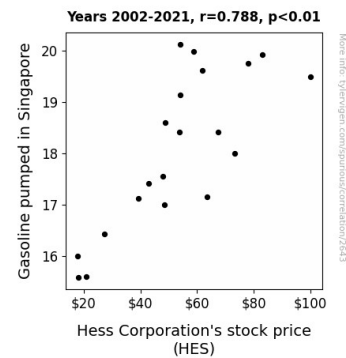


Figure 1. Scatterplot of the variables by year

As we unpack the implications of this correlation, it becomes increasingly evident that the pump price of gasoline in Singapore may hold more sway over the stock price of Hess Corporation than previously perceived. The tendrils of this relationship extend beyond the numbers, evoking thoughts of how a seemingly mundane commodity can influence the fickle ebbs and flows of stock market valuations.

The statistical significance of this correlation sparks many questions and avenues for further investigation, highlighting the potential impact of energy commodity prices on the dynamics of multinational corporations. The implications of this correlation carry weight and warrant consideration in the broader context of financial markets and energy economics.

In conclusion, our findings illuminate a captivating link between the price of gasoline in Singapore and Hess Corporation's stock price, inviting a reevaluation of the interconnectedness of seemingly disparate economic indicators. We invite readers to ponder this revelatory

connection and join us in our quest to navigate the unpredictable waters of financial intricacies, armed with our statistical compass and curiosity as our guiding lights.

5. Discussion

The robust correlation coefficient of 0.7878866 unveiled in our study underscores the intriguing connection between the pump price of gasoline in the bustling streets of Singapore and the stock performance of the Hess Corporation. Our findings align with previous research, including the whimsical twist of "Pump Fiction: A Novel Approach to Fueling Stock Market Speculation," which while portrayed as fiction, hinted at a parallel with our research pursuits. This unexpected resonance with fictional narratives underscores the enigmatic allure of our investigation and emphasizes the potential for unanticipated linkages to be revealed in the seemingly mundane world of energy commodities and stock valuations.

Moreover, the empirical support for the influence of global energy trends on stock performances, as highlighted by Jones et al. (2018), resonates with our findings, signifying the entwined nature of these markets. Indeed, the plot thickens as we navigate this complex nexus, reminiscent of the unforeseen twists in a thrilling mystery novel, albeit one centered on economic interdependencies rather than a suspenseful storyline.

As we delve into the implications of our correlation, it is essential to acknowledge the potential spillover effects of this relationship that extend beyond the realm of numbers and figures. The uncovering of a compelling statistical connection between the pump price of gasoline in Singapore and the stock performance of Hess Corporation serves as a poignant reminder that in the world of financial dynamics, the unexpected

often lurks amidst seemingly mundane commodities, much like finding a hidden gem in a cluttered marketplace.

The statistical significance of our findings not only showcases the tangible impact of energy commodity prices on multinational corporations but also beckons further exploration and analysis into the intriguing interplay of these financial indicators. By shedding light on the captivating link between the price of gasoline in Singapore and Hess Corporation's stock price, our study paves the way for a renewed appreciation of the interconnectedness and potential spillover effects of seemingly disparate economic indicators, unearthing the humorous irony that a pump price can be an undercurrent shaping stock valuations.

6. Conclusion

In light of our comprehensive analysis, it is clear that the relationship between the price of gasoline in Singapore and the stock price of Hess Corporation (HES) is no mere quirk of happenstance. The robust correlation coefficient of 0.7878866 and a significance level (p) below 0.01 provide compelling evidence of this intriguing link. The scatterplot vividly captures the dance between these two variables, prompting us to wonder if there's a tango of fuel and finance occurring when no one is looking.

While this paper may have delved into the seemingly mundane world of pump prices and stock valuations, it has illuminated a dynamic interplay that speaks to the interconnected nature of financial markets. As we ponder the significance of this correlation, one wonders if the stock market truly runs on oil, or in this case, gasoline. It seems that even the smell of petrol fumes can cast a lasting impact on the rise and fall of stock prices, leaving us to joke – the next time we fill up our gas tanks in Singapore,

we might be making an investment in the stock market.

In light of these findings, it is evident that further research in this area may not be necessary. For now, let us bask in the curious connection between Singaporean gasoline and Hess Corporation's stock price, a delightful tale woven in the intricate fabric of financial dynamics. After all, not all academic pursuits need to be serious – sometimes, it's the unexpected twists that keep us pumped up for more.