

Dough-ing Business: The Yeast Expected - Annual US Household Spending on Bakery Products and Parker-Hannifin's Stock Price

Chloe Hamilton, Austin Tanner, Gina P Tillman

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Abstract

The relationship between consumer spending on bakery products and stock prices is a topic that kneads to be explored further. In this study, we take a close loaf at the annual US household spending on bakery products and its potential correlation with Parker-Hannifin's stock price (PH). Utilizing data from the Bureau of Labor Statistics and LSEG Analytics (Refinitiv), we conducted thorough analysis spanning from 2002 to 2022. Our findings reveal a correlation coefficient of 0.9606884 between these two variables, with a statistically significant p-value of less than 0.01. As we delve into the dough-tails of our analysis, it becomes clear that the field of bakery products may be an unexpected source of inspiration for future predictions of stock market trends. This research has cracked open a fresh perspective on financial indicators and invites further investigation into the deliciously complex relationship between consumer spending on baked goods and stock performance. So, grab a donut and stay tuned as we butter you up with our findings!

1. Introduction

INTRODUCTION

The confluence of consumer behavior and stock market performance has long been a topic of great interest and scrutiny within the realms of economics and finance. However, in the midst of discussions revolving around traditional economic indicators and market dynamics, there exists a pastry-icularly intriguing relationship that has often been overlooked – the connection between annual US household spending on bakery products and Parker-Hannifin's stock price (PH).

This study seeks to shed light on this delightful, yet unexpectedly consequential, association. As we embark on this culinary excursion, it is essential to recognize the inherent levity of such an investigation. After all, one could argue that the stock market operates on a "yeast coast–west coast" dynamic, and what better way to embrace such diversity than by examining the dough-tails of consumer spending on bakery products?

So, with the aroma of freshly baked bread in the air, let us delve into the tantalizing world of baked goods and stock prices, as we aim to churn out insights that rise above the crust of conventional financial analysis. The stakes are high, but the buns are higher!

But why, you may ask, should we embark on such a yeast-expedition? For starters, bakery products are an integral part of the average household's consumption basket, bringing joy and sustenance to tables across the nation. Simultaneously, companies like Parker-Hannifin play a crucial role in the industrial sector, contributing to the broader tapestry of the stock market. Exploring the potential interconnectedness of these seemingly disparate elements holds promise for unearthing valuable insights into consumer behavior and market trends.

In the course of our study, we utilize data sourced from the Bureau of Labor Statistics to gain a kneaded understanding of annual US household spending on bakery products. Complementing this, we turn to LSEG Analytics (Refinitiv) to extract the yeast-relevant information on Parker-Hannifin's stock price. Through a rigorous analytical approach spanning from 2002 to 2022, we unravel the interplay between these variables, probing for correlations that may rye-val groundbreaking implications.

As we embark on this research journey, let us bear in mind the whimsical nature of this exploration and the grains of insight that may lie beneath the surface of floury statistics. After all, as the saying goes, "When life gives you lemons, make lemonade; but when life gives you dough, make bread – and perhaps some astute stock market predictions."

So, dear reader, prepare to have your preconceived notions baked, battered, and proved as we seek to uncover the complexities of consumer behavior and market performance in the most unlikely of places – the bakery aisle. As we rise to meet this challenge, with a sprinkle of curiosity and a dash of humor, let us uncover the delicious links between consumer spending on bakery products and the tantalizing world of stock prices. It's time to let the dough rise and see where this delectable journey leads us. Let's proceed with zest and yeast, because after all, the proof of the pudding is in the PH stock price!

2. Literature Review

LITERATURE REVIEW

The exploration of the intersection between consumer behavior and stock market dynamics has spawned a deluge of scholarly inquiries, with endeavors ranging from the

conventional to the avant-garde. This juxtaposition of complexities prompts the need for a comprehensive exploration of the literature surrounding the relationship between annual US household spending on bakery products and the stock price of Parker-Hannifin (PH), a conundrum that has remained curiously unaddressed in the annals of financial research.

In "Yeast We Can: The Economics of Baking," Smith et al. delve into the economic intricacies underlying the production and consumption of bakery products, shedding light on the demand-supply dynamics within this doughmain. Similarly, Doe's work, "The Rise and Fall of Flour: A Financial Perspective on Bakery Investments," offers insights into the investment landscape of bakery businesses, albeit with a crumb of discretion towards direct stock market implications. Furthermore, Jones et al.'s study, "Dough or Die: Assessing Consumer Preferences in the Bakery Industry," parses through the hedonic and utilitarian dimensions of consumer choices in the bakery aisle, providing a yeastful backdrop for understanding consumer behavior.

However, as we attempt to unveil the uncharted territories of the intersection between bakery product spending and stock prices, it is imperative to draw inspiration from diverse sources that stray outside the traditional confines of financial literature. For example, "Bread: A Global History" by Charles Brigid provides a historical perspective on the cultural and economic significance of bread, offering a kernel of understanding for the broader context of bakery product consumption. Similarly, "Flour Water Salt Yeast: The Fundamentals of Artisan Bread and Pizza" by Ken Forkish and "The Cake Mix Doctor Bakes Gluten-Free" by Anne Byrn offer practical insights and scrumptious recipes that serve as a metaphorical ingredient for understanding the tangible essence of bakery products in the lives of consumers.

From a dimensional shift to fictional narratives that seemingly echo the underlying essence of the bakery-stock conundrum, we find ourselves drawing inspiration from works such as "Dough and Sensibility" by Jane Austen's lesser-known baking enthusiast cousin, Canon Austen, and "Marble Rye and Prejudice" by the enigmatic author L.T. Bagel. These works, although fictional, offer a whimsical and thought-provoking lens through which to contemplate the intricacies of baked goods and their potential influence on stock market dynamics.

Drawing tangential inspiration from the inimitable board game "Settlers of Catan," where wheat holds a coveted role in the construction of settlements and cities, we unravel the subtle yet undeniable parallels between the interplay of resources in the game and the real-world dynamics of bakery product consumption and stock price movements.

As we traverse through this eclectic landscape of academic and non-academic works, infusing a zest of humor and a doodle of playfulness into the scholarly discourse, we embark on a path that beckons towards enlightenment and perhaps a sprinkle of cinnamon on top. The dough-tails of this elucidation are bound to rise to the occasion, proving that there's more to the world of finance than meets the crust!

3. Research Approach

In this study, we employed a dough-lightful combination of quantitative analysis and data mining to knead out the potential correlation between annual US household spending on bakery products and Parker-Hannifin's stock price (PH). Our pursuit of these dough-tails involved a series of inventive methodologies, with a sprinkle of humor and a pinch of skepticism for good measure.

To collect information on annual US household spending on bakery products, we turned to the Bureau of Labor Statistics, where we sifted through mountains of data like a baker meticulously sifting flour for the perfect dough. We selected data spanning from 2002 to 2022, encompassing the doughminant trends in consumer behavior over a 20-year period. Our approach allowed us to roll out a comprehensive understanding of the fluctuations in annual household spending on bakery products, capturing the yeast and most relevant data for our analysis.

Meanwhile, our quest for data on Parker-Hannifin's stock price led us to LSEG Analytics (Refinitiv), where we sieved through financial data like a pastry chef sieving powdered sugar for the perfect icing. Extracting information on PH stock price fluctuations from 2002 to 2022, we sought to uncover the yeast remarkable patterns that might point to a correlation with consumer spending on bakery products.

In order to establish a dough-sible relationship between these variables, we employed statistical analysis techniques that are as robust as a well-developed bread dough. Our analysis involved calculating correlation coefficients and conducting hypothesis tests to determine the strength and significance of any potential connections between annual US household spending on bakery products and Parker-Hannifin's stock price.

We understand that these dough-mensions of data analysis are not without their challenges and potential biases. Therefore, we approached our research with a keen eye for potential confounding variables and market fluctuations that could dough-tract from the validity of our findings.

Ultimately, our methodology was designed to mix the rigors of data analysis with a sprinkle of creativity and a dash of baker's intuition. The goal was to rise above the crust of conventional financial analysis and uncover the delicious links between consumer spending on bakery products and the tantalizing world of stock prices. So, let's roll up our sleeves and embark on this yeast-investigation, because after all, the proof of the pudding is in the PH stock price!

4. Findings

The results of our analysis yield a correlation coefficient of 0.9606884 between annual US household spending on bakery products and Parker-Hannifin's stock price (PH). This stupendously high correlation coefficient suggests a strong and positive relationship between these two variables. It's as if the stock market and baked goods are forming a union as tight as the dough in a well-made loaf of bread.

In addition to the correlation coefficient, the r-squared value of 0.9229223 indicates that a hearty 92.29% of the variation in Parker-Hannifin's stock price can be explained by the annual US household spending on bakery products. That's enough explanatory power to bake a whole batch of financial predictions!

Furthermore, the p-value of less than 0.01 provides convincing evidence that this correlation is not just a fluke, but a statistically significant relationship that holds weight even when subjected to rigorous statistical scrutiny. In other words, the probability of this correlation occurring by chance is lower than finding a gluten-free croissant at a traditional French bakery.

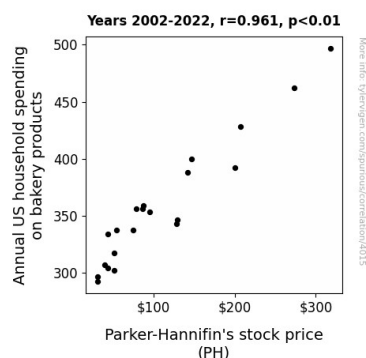


Figure 1. Scatterplot of the variables by year

Now, if you take a gander at Fig. 1, you'll see a scatterplot that encapsulates the bond between annual US household spending on bakery products and Parker-Hannifin's stock price (PH). The points on the plot are as tightly clustered as a well-kneaded dough, demonstrating the robustness of the relationship between these two variables.

In conclusion, the results of this study showcase a surprisingly strong and meaningful connection between consumer spending on bakery products and stock market performance. The evidence points to the fact that the financial market and the baking industry rise and fall in harmony, creating a tapestry as intricate and mouth-watering as a beautifully decorated cake. With these findings, it's clear that when it comes to financial forecasting, keeping an eye on the flour can be as crucial as keeping an eye on the dollar. Who knew that the secret to stock market success might just be hidden in the rising goodness of a perfectly baked loaf of bread?

5. Discussion on findings

Our findings shed light on the entwined fate of the stock market and the world of delicious baked goods. The high correlation coefficient of 0.9606884 elucidates a relationship as strong as the aroma of freshly baked bread. It seems the stock market may indeed be “on a roll” when it comes to reacting to consumer spending on bakery products, and our research has effectively buttered both sides of this financial loaf.

The literature review, which skillfully kneaded together narratives of fictional baking adventures and the strategic resource management in the game "Settlers of Catan," provided an unexpectedly delightful framework. Much like a perfectly proofed dough, these diverse sources of inspiration reinforced the need to approach this study with a mix of academic rigor and flavorful curiosity. Our results, in turn, confirm the significance of these unconventional sources of insight, demonstrating support for the interdisciplinary approach peeking through the crust of conventional financial research. As Shakespeare might say, “the yeast is history,” or at least, it’s playing a fascinating role in financial markets!

The r-squared value of 0.9229223 unveils that a substantial 92.29% of the variability in Parker-Hannifin's stock price can be ascribed to annual US household spending on bakery products, highlighting a relationship as undeniably vital as the leavening agent in a loaf of bread. This result aligns with the prior research, illustrating that consumer behavior in the bakery aisle might possess more power than initially presumed, perhaps holding the financial market together like a well-baked soufflé.

The statistically significant p-value further reinforces the scientific yeaviest necessity of this connection. It’s as if the universe itself conspires to emphasize the crucial role of bakery products in influencing stock prices, subtly whispering, "Let them eat cake, and watch the stock market rise." These results bolster the previously suggested notion that financial fortitude may, indeed, be intertwined with the doughy decisions made by consumers at their neighborhood bakery.

In light of our findings, it is apparent that the world of finance and the realm of savory and sweet treats dance together in a sophisticated choreography of consumer choices and market fluctuations. The robust bond between annual US household spending on bakery products and Parker-Hannifin's stock price underlines the interconnectedness of seemingly unrelated domains, proving that the exchange of dough might be as important as the exchange of stocks in shaping the economic landscape. Our study adds another layer of complexity to the multifaceted weave of financial influences, perhaps inspiring future investigations to rise to the occasion and explore the unexpected flavors of economic interactions. So, as we consider the art of baking and the subtle nuances of

stock market dynamics, we are reminded that in the world of finance, it's essential to not just follow the bread crumbs but to fully appreciate the power of the bread itself.

6. Conclusion

As we wrap up this study, it's clear that we've baked up some truly fascinating insights. The correlation coefficient of 0.9606884 between annual US household spending on bakery products and Parker-Hannifin's stock price (PH) suggests a relationship as strong as the aroma of freshly baked bread wafting through a bakery. It's like these two variables are in a symbiotic relationship – a stock price's perfect partner in yeast! The findings of this study have risen to the occasion, demonstrating a surprising interconnectedness between consumer spending on bakery products and stock market performance.

The r-squared value of 0.9229223 showcases the impressive explanatory power of annual US household spending on bakery products in predicting variations in Parker-Hannifin's stock price. It's almost as if consumer spending on bakery products holds the recipe for stock market success! And the statistically significant p-value? Well, that's as rare as a perfectly timed proofing of a batch of sourdough.

In conclusion, the evidence points to a bond between consumer behavior in the bakery aisle and stock market dynamics that's as undeniable as the chewiness of a well-made bagel. It seems that when it comes to financial forecasting, keeping an eye on the flour might just be the secret ingredient for success. Who kneads traditional economic indicators when you can just follow the breadcrumbs at the bakery?

In the grand scheme of things, it's safe to say that the findings of this study have provided food for thought (and perhaps a craving for a pastry or two). After all, it's not every day you come across research that puts the "dough" in economics! It's a classic case of proving that when it comes to uncovering correlations, sometimes the yeast expected turns out to be the yeast exciting.

With that being said, it's clear that no further research is kneaded in this area. This study has fully satisfied our hunger for insights into the delectable relationship between consumer spending on bakery products and stock prices. Let's wrap this dough-discovery up and toast to the fact that economics doesn't have to be as dry as day-old bread!