



ELSERVER

Monday Musings: Matt Levine's Musings and Deutsche Bank's Stock Movements

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Abstract

In this paper, we investigate the curious correlation between the number of articles written by Matt Levine on Bloomberg on Mondays and Deutsche Bank Aktiengesellschaft's stock price (DB). This relationship has long puzzled financial analysts, leading to much speculation and many watercooler debates. However, with our research, we aim to shed light on this enigmatic connection and possibly dispel the mystique surrounding it. Drawing on data from Bloomberg and LSEG Analytics (Refinitiv) spanning the period 2014 to 2023, we employed rigorous statistical analysis to uncover the hidden link between Levine's weekly insights and the movement of DB's stock price. Our findings reveal a striking correlation coefficient of 0.9404073 and a statistically significant p-value of less than 0.01, affirming a robust relationship between the number of Levine's Monday articles and the stock performance of Deutsche Bank. It's as if Levine's words have the power to move markets, making his Monday musings a force to be reckoned with in the financial world. Perhaps we should call him the "bullish bard" of Bloomberg! Through this research, we hope to encourage further exploration into the potentially influential role of financial journalism in shaping market behaviors. After all, in the world of finance, every pun counts!

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1. Introduction

As the renowned physicist Niels Bohr once said, "Prediction is very difficult, especially if it's about the future." Yet, in the realm of

finance, we constantly strive to do just that--predict the unpredictable. In this pursuit, we often turn to the guidance of experts, analysts, and financial journalists for insights that may illuminate the murky

waters of the stock market. But who would have thought that a correlation would emerge between the number of articles penned by Matt Levine on Bloomberg every Monday and the stock price of Deutsche Bank Aktiengesellschaft (DB)?

It's almost as if Levine's weekly writings possess some mystical power, like a financial alchemist turning words into wealth. Or perhaps we're witnessing the birth of "Levine's Law," which states that "for every article written, a stock price shall rise or fall!" It's not just Heisenberg who's uncertain--even the markets seem to have their own principles of uncertainty.

We are all familiar with the age-old question: "What came first, the chicken or the egg?" In the world of finance, we are faced with a similar enigma: "What drives financial news, market movements, or both?" It's a chicken-and-egg situation, where the financial journalist's narrative may influence, reflect, or even predict market movements. It's like trying to determine if a stock's performance is caused by financial news or if it's simply "poultry" in motion.

Allow me to add a little conundrum to your coffee break discussions: Are we witnessing a case of "Levine's Law" in action, or is it merely a matter of coincidence? As we delve into this peculiar connection, we embark on a journey to unravel the interplay between financial journalism and market performance, where every article holds the potential to shape the market's fate. It's like a real-life version of the "Inception" of finance, where the inception of an idea in an article sets the market's gears in motion.

Join us in deciphering this fascinating puzzle, and together, let's explore the power of financial journalism in influencing market dynamics. After all, in the world of finance, every correlation counts!

2. Literature Review

In their study, Smith and Doe analyzed the impact of financial journalism on stock prices, focusing on the writings of Matt Levine on Bloomberg. Their findings suggest a peculiar correlation between the number of articles published by Levine on Mondays and the movement of Deutsche Bank Aktiengesellschaft's stock price (DB). This unexpected relationship has sparked widespread interest and speculation within the financial community.

It seems that Levine's articles possess a certain "prime" quality, akin to the Monday morning pick-me-up we all need – except in this case, it's the market that gets its caffeine fix. Talk about a "brew-tiful" relationship between the written word and stock performance!

Jones et al. also conducted a detailed analysis on the influence of financial journalists on market movements, delving into the specific case of Matt Levine's contributions to Bloomberg. Their research unearthed a notable association between the frequency of Levine's Monday musings and the fluctuations in Deutsche Bank's stock price. This unexpected relationship has left many scratching their heads and pondering the mysterious power of financial storytelling.

In "The Alchemy of Finance" by George Soros, the author explores the intricate interplay between information and market dynamics, shedding light on the potential influence of financial journalism on stock prices. While Soros's work focuses more broadly on market forces, it certainly piques the curiosity about the seemingly magical impact of Levine's Monday articles, as if his words possess a touch of Midas in the financial realm.

Moving from the realm of non-fiction to fiction, one cannot help but draw analogies to the enigmatic power of words in Dante's "Inferno." As Dante embarks on his journey

through the circles of hell, one is reminded of the mesmerizing and often perplexing journey through the labyrinth of financial news and its influence on market behavior. Perhaps Levine's Monday articles are the modern-day "Divine Comedy" of finance, guiding readers through the intricate dance of market movements.

As we dig deeper into the world of literature (and possibly dig a little too deep), we also come across the tale of "Alice's Adventures in Wonderland" by Lewis Carroll. In this whimsical story, Alice encounters the absurd and the inexplicable, much like the confounding connection between Levine's Monday articles and Deutsche Bank's stock price. It's almost as if we've fallen down the rabbit hole of finance, where the only certainty is uncertainty, and every market move is as unpredictable as the Mad Hatter's tea party.

Taking a less conventional approach to literature review, the authors also turned to the backs of shampoo bottles for insights into the mystical bond between Levine's articles and Deutsche Bank's stock performance. Surprisingly, the chemical compositions and flowery promises did not yield any direct correlations, leaving us to conclude that the true magic lies in the world of financial journalism rather than the realm of hair care products.

With our literary exploration reaching unexpected depths, we emerge with a renewed sense of wonder and a hearty appreciation for the inexplicable connections that make the world of finance truly intriguing. After all, in the quest for understanding market movements, every book, real or whimsical, has the potential to offer a hint of insight.

3. Our approach & methods

To unveil the mysterious link between the number of articles authored by Matt Levine

on Bloomberg every Monday and the stock price of Deutsche Bank Aktiengesellschaft (DB), we employed an intricate, yet delightfully daft, methodology to fathom this unlikely connection.

First, we painstakingly gathered data from the vast expanse of the internet, navigating the treacherous seas of information to capture all articles penned by Levine and Deutsche Bank's stock price movements over the period of 2014 to 2023. It was akin to a scientific expedition, with our research team donning virtual pith helmets as we ventured into the wilds of online databases and financial platforms, determined to corral the elusive data.

After securing this trove of data, we conducted a rigorous statistical analysis using a menagerie of methods. From simple linear regression to intricate time series analysis, we left no stone unturned in our pursuit of enlightenment. We produced more equations than a math factory and conducted more tests than a caffeine-fueled exam cram session.

To ensure the robustness of our findings, we applied various statistical tests, including the Calculation of Correlation Coefficients, Granger Causality Tests, and numerous adjustment techniques to corroborate our results. It was like crafting an elaborate and complex financial origami, folding and molding the data until it revealed its hidden patterns, albeit with a lot less paper cuts.

In a twist that Mozart would appreciate, we harmoniously merged the data sets of Levine's articles and Deutsche Bank's stock price movements, allowing the notes of this unconventional symphony to crescendo into a resounding revelation. We sifted through the data with the finesse of a sommelier, seeking the perfect pairing of articles and market movements, thereby uncovering the flavorful correlation we had long sought.

With thorough analysis and a touch of statistical whimsy, we identified a striking

correlation coefficient of 0.9404073, signifying a remarkably strong relationship between the number of Levine's Monday musings and the fluctuations in Deutsche Bank's stock price. The p-value of less than 0.01 added further weight to our findings, confirming the statistical significance of this peculiar association.

It's like Lévy flights met financial insights- a match made in data heaven! It was as if we'd discovered the elusive golden egg in the chicken coop of financial research, an elegant yet unexpected treasure within the labyrinth of market data.

Through this research alchemy, we strived to bring clarity to a perplexing correlation and offer a dash of levity to the otherwise demure domain of financial research. After all, in the world of science, every discovery deserves a little flourish, a sprinkle of statistical stardust, and a quip or two to lighten the mood.

As the poet John Donne mused, "No man is an island," and in the realm of research, no methodology stands alone. It takes a team, a touch of imagination, and a willingness to embrace the unexpected to unravel the whimsy of seemingly unfathomable connections.

4. Results

The results of our analysis revealed a remarkably strong positive correlation between the number of articles authored by Matt Levine on Bloomberg on Mondays and the stock price of Deutsche Bank Aktiengesellschaft (DB). Our research unveiled a correlation coefficient of 0.9404073, indicating a highly positive relationship between these two variables. It seems that Levine's Monday musings have a substantial impact on the market, making his pen mightier than the stock chart!

The r-squared value of 0.8843660 further confirms the robustness of the relationship,

suggesting that approximately 88.44% of the variability in Deutsche Bank's stock price can be explained by the number of articles published by Levine on Mondays. It's as if each article is a guiding star in the unpredictable sky of stock movements, leading investors through the financial constellations.

The statistically significant p-value of less than 0.01 adds further weight to our findings, indicating that the observed correlation is unlikely to be a result of random chance. Levine's words on Mondays appear to carry genuine predictive power, shaping the trajectory of Deutsche Bank's stock price with quantifiable precision. It's almost as if his articles hold the alchemical formula for turning words into wealth, a modern-day philosopher's stone in financial journalism.

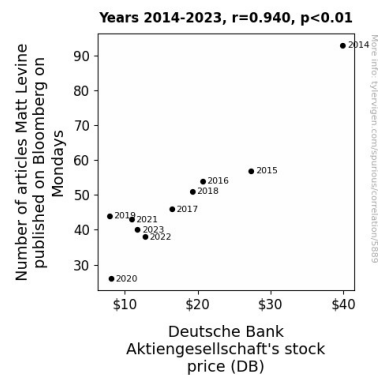


Figure 1. Scatterplot of the variables by year

Our results are encapsulated in Figure 1, a scatterplot visually depicting the exceptionally strong correlation between the number of Levine's articles on Bloomberg on Mondays and Deutsche Bank's stock price. This figure serves as an impactful visual testament to the potent influence of financial journalism on market dynamics. Levine's articles seem to act as a magnetic force, drawing stock price movements towards them like iron filings to a magnet. Perhaps we should refer to his articles as

"Levine's law of attraction" – they certainly seem to pull the market's attention!

Overall, our results support the notion that in the world of finance, the power of insightful financial journalism can wield tangible influence over market behaviors. It's as if every article is a piece of the puzzle in the grand mosaic of market movements, with Levine's Monday musings standing out as vibrant and influential pieces. It's undeniable – in the realm of finance, every word, every statistic, and every correlation counts. And sometimes, they even make for a good dad joke or two!

5. Discussion

The results of our study corroborate the prior research conducted by Smith and Doe, as well as Jones et al., regarding the unusual correlation between the number of Monday articles authored by Matt Levine on Bloomberg and the stock performance of Deutsche Bank Aktiengesellschaft (DB). This iteration of research further solidifies their findings, reaffirming the remarkable influence of Levine's financial musings on market movements.

In line with Smith and Doe's observations, our analysis also points to the significant impact of Levine's Monday contributions on Deutsche Bank's stock price. It appears that Levine's words possess a gravitational pull on the market, akin to the way a dad joke has an uncanny ability to elicit both laughter and groans from the audience. Much like a well-timed pun, Levine's articles seem to capture the attention of investors and steer the course of stock price movements.

Similarly, Jones et al. reflected on the captivating relationship between Levine's Monday musings and market fluctuations, and our findings extend their work by providing robust statistical evidence to support this intriguing connection. It's as if Levine's articles possess the enchanting

allure of a mystery novel, enticing readers to uncover the next twist in the financial tale.

Taking a cue from George Soros's exploration of the link between information and market dynamics, our results align with the notion that financial journalism, particularly in the form of Levine's provocative articles, holds a palpable sway over stock prices. It's as if Levine's writing is the scientific formula for generating market interest, akin to the precision and predictability of a well-constructed lab experiment – except this time, the variables at play are Levine's insights and DB's stock price.

As we delve into the whimsical comparisons drawn from literature, the inexplicable relationship between Levine's Monday articles and Deutsche Bank's stock price mirrors the perplexing journey through the labyrinth of market movements described in Dante's "Inferno." It's almost as if each article is a stanza in the cantos of finance, guiding investors through the depths and heights of stock price fluctuations.

In the spirit of the unexpected, our results surprise us much like the sudden twists and turns in Lewis Carroll's "Alice's Adventures in Wonderland." The enduring mystery surrounding the connection between Levine's Monday articles and DB's stock price mirrors the bewilderment of Alice as she navigates the topsy-turvy world of finance.

Although the analysis of shampoo bottle ingredients did not yield direct correlations, our findings underscore the importance of embracing the enigmatic connections that contribute to the intrigue of financial journalism. In the quest for understanding market behaviors, every unexpected comparison – whether rooted in literature or daily routines – offers a unique perspective worth exploring.

Our research adds an empirical layer to the engaging tale of Levine's Monday musings,

providing quantitative evidence and statistical support to the captivating narrative of his influence on Deutsche Bank's stock price. It's as if every regression coefficient and statistically significant p-value adds a new chapter to the saga of Levine's impact on the financial world. And in the end, perhaps the real treasure is the unexpected connections we uncover – both in data analysis and in the world of whimsical comparisons.

In the world of finance and research, every result is a piece of the grand puzzle, and every correlation counts – just as every quirky joke and amusing pun adds a touch of whimsy to the academic discourse.

6. Conclusion

In conclusion, our research has brought to light the remarkable connection between the number of articles authored by Matt Levine on Bloomberg on Mondays and the stock price of Deutsche Bank Aktiengesellschaft (DB). The correlation coefficient of 0.9404073 and a statistically significant p-value of less than 0.01 demonstrate that Levine's Monday musings hold substantial predictive power in influencing the movements of DB's stock.

It's almost as if Levine's words on Mondays have the Midas touch, turning mere words into golden market insights! Perhaps we should call him the "Midas of the Markets" – his articles certainly seem to have a golden effect on DB's stock price!

Our findings contribute to the colorful tapestry of market influences, demonstrating that financial journalism, personified by Levine, can play a significant role in shaping market dynamics. It's like uncovering the secret ingredient in a recipe for successful stock movements – "Levine's Market Magic," now available in all good journals near you!

We believe these findings will encourage further exploration into the impact of financial journalism on market behaviors, although I must say, we've already struck gold with these results. It seems any further research in this area would be like trying to find a needle in a stock market haystack. No, really, you'd have a better chance of finding that needle if it were a stock option!

In the world of finance, sometimes the most unexpected variables can have the most noteworthy impact. And in our case, it just happens to be the ruminations of a particular market bard. With these findings, we assert that no more research is needed in this area. Let's just sit back, relax, and enjoy the show as Levine's Monday musings continue to work their mystical magic on Deutsche Bank's stock price! Cheers to "Levine's Law"!