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Electricity Bills and Stock Thrills: The Shocking Relationship Between Household Utilities Spending and Telkom Indonesia (Persero) Tbk PT Stock Price

Caleb Hart, Addison Thomas, Gina P Turnbull

Center for the Advancement of Research; Ann Arbor, Michigan

KEYWORDS

"electricity bills, household utilities spending, stock price, Telkom Indonesia (Persero) Tbk PT, correlation, consumer behavior, market performance, Bureau of Labor Statistics, LSEG Analytics, Refinitiv, market dynamics, economic influence, stock market, household spending"

Abstract

This paper examines the electrifying connection between annual US household spending on utilities and the stock price of Telkom Indonesia (Persero) Tbk PT. Using data from the Bureau of Labor Statistics and LSEG Analytics (Refinitiv), we explored the sparks that fly between these seemingly unrelated variables. Our analysis revealed a high correlation coefficient of 0.8868116 and statistical significance at $p < 0.01$ for the period from 2002 to 2022. In shedding light on this novel relationship, we've discovered that when households spend more on utilities, the stock price of Telkom Indonesia (Persero) Tbk PT experiences a surge. This finding suggests that there may be an undisclosed current of influence running between these seemingly unconnected economic metrics. It's a watt-ful new insight that illuminates the ineffable interplay between consumer behavior and stock market performance. Now, don't be shocked, but it seems that fluctuations in household electricity bills may be sparking a current of market influence that extends all the way to Telkom Indonesia (Persero) Tbk PT. These findings provide a powerful jolt to existing economic theories, challenging us to wire our understanding of market dynamics more holistically.

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1. Introduction

The relationship between consumer spending habits and stock market performance has long been of interest to economists and investors alike. Particularly,

the impact of household spending on utilities on the stock price of Telkom Indonesia (Persero) Tbk PT presents an intriguing puzzle. Could there be a hidden connection between the seemingly

mundane act of paying electricity bills and the thrilling rollercoaster ride of stock price movements? This study aims to shed light on this electrifying relationship and illuminate the pathways through which such a connection might manifest.

One might be tempted to dismiss the significance of household utility spending on a corporation's stock performance. After all, what does the price of electricity have to do with the price of Telkom Indonesia (Persero) Tbk PT's stock? But, as we like to say in academe, "There's always a current of influence if you know where to look."

The topic at hand is certainly charged with potential for surprise, but it is well worth examining, considering that the stock market is often perceived as a realm dictated solely by intricate financial models and geopolitical events. Yet, it is often the more seemingly mundane and overlooked factors that could be conducting the symphony of stock price dynamics. This study contributes to the broader understanding of the multifaceted web of influences on stock market behavior and the delicate dance between consumer actions and corporate performance.

As we unravel the enigmatic connection between household utility spending and stock price movements, it's important to maintain a grounded perspective. We must be ever vigilant for potential shocks to our understanding of economic relationships, and be prepared for any unexpected power surges — in our data and in our electrical sockets.

2. Literature Review

Recent studies by Smith et al. (2021) and Doe et al. (2020) have delved into the complex interplay between household spending patterns and stock market dynamics, shedding light on the interconnectedness of seemingly disparate

economic variables. These studies have provided valuable insights into the ripple effects of consumer behavior on market performance. However, the specific relationship between annual US household spending on utilities and the stock price of Telkom Indonesia (Persero) Tbk PT has remained largely unexplored.

In "The Economics of Electricity Markets," the authors find enlightening correlations between residential electricity consumption and economic indicators, offering a glimpse into the potential impact of household energy usage on broader economic activities. Similarly, "The Stock Market for Dummies" highlights the myriad factors that can influence stock prices, emphasizing the need to consider both macroeconomic trends and seemingly minor consumer behaviors.

Turning to the fictional realm, "The Shock Doctrine" by Naomi Klein presents a narrative that, while not directly related to household utility spending, emphasizes the surprising ways in which economic forces can shape society. On a more lighthearted note, "The Electric Kool-Aid Acid Test" by Tom Wolfe may not provide direct insights into our research topic, but its electrifying title certainly sparks a sense of intrigue.

In the realm of children's entertainment, cartoons such as "The Powerpuff Girls" and "Captain Planet" may seem unrelated to our study at first glance. However, these shows present themes of energy consumption, environmental impact, and societal interconnectedness, which can provide a whimsical perspective on the intricate relationships between consumer behavior and broader economic phenomena.

Furthermore, these seemingly unconnected sources serve as a reminder that even the most unexpected connections can hold profound significance — much like the surprising link between annual US household spending on utilities and the

stock price of Telkom Indonesia (Persero) Tbk PT. Just as a lightbulb moment can illuminate a room, our study aims to shine a spotlight on the electrifying relationship between these variables, offering a fresh perspective on the intricacies of market dynamics.

3. Our approach & methods

To investigate the link between annual US household spending on utilities and the stock price of Telkom Indonesia (Persero) Tbk PT, a rigorous and circuitous methodology was employed. The research team extracted data from the Bureau of Labor Statistics and LSEG Analytics (Refinitiv) covering the period from 2002 to 2022. The household spending on utilities data was obtained from the Consumer Expenditure Survey, while the stock price data for Telkom Indonesia (Persero) Tbk PT was sourced from the LSEG Analytics.

To ensure robustness and prevent any potential short-circuits in our analysis, various statistical techniques were applied. A hierarchical regression analysis was performed to untangle the complex web of relationships between household utilities spending and stock price movements. This allowed us to control for potential confounding variables and isolate the current of influence running from one variable to the other. As we all know, a good regression analysis is all about making those variables feel like they're in control, even if they're just along for the ride.

Furthermore, a Granger causality test was conducted to assess the direction of causality between household utilities spending and stock price movements. This test helps to determine whether changes in one variable precede changes in the other, or vice versa. As the great economist once said, "Granger causality is like the chicken and egg problem - determining which came first is quite the hair-raising challenge."

In order to gauge the robustness of our findings, a sensitivity analysis was performed. Different time periods and variations in data sources were considered to evaluate the stability of the observed relationship. This was akin to conducting multiple trials to ensure that the experiment yielded consistent results—because in the world of research, we're always wired for error-checking.

Lastly, to handle the potential presence of outliers and maintain data integrity, a data cleansing process was undertaken. Any abnormalities and inconsistencies were meticulously identified and rectified, ensuring a smooth and uninterrupted flow of data for analysis. After all, just as no one wants a sudden power outage, no one wants their data to go dark.

In conclusion, the methodology adopted in this study was designed to be as rigorous as an electrical circuit diagram, ensuring a shockingly thorough examination of the relationship between annual US household spending on utilities and the stock price of Telkom Indonesia (Persero) Tbk PT.

The methodology left no stone unturned, just like how a puzzled electrician leaves no wire untwisted. With this approach, the research team aimed to illuminate the underlying currents that connect seemingly disparate economic variables and spark new insights that may shed light on the intricate dance between consumer behavior and stock market performance.

4. Results

The analysis of the data revealed a strikingly high correlation coefficient of 0.8868116 between annual US household spending on utilities and Telkom Indonesia (Persero) Tbk PT's stock price for the period from 2002 to 2022. This correlation indicates a strong positive relationship between these two variables, suggesting

that fluctuations in household spending on utilities may be associated with movements in Telkom Indonesia (Persero) Tbk PT's stock price. One might say the connection between these seemingly distant variables is positively electrifying.

The coefficient of determination (R-squared) of 0.7864348 indicates that approximately 78.64% of the variability in Telkom Indonesia (Persero) Tbk PT's stock price can be explained by changes in annual US household spending on utilities. In other words, the data points seem to be closely clustered around the regression line, reinforcing the strength of the relationship between household utilities spending and Telkom Indonesia (Persero) Tbk PT's stock price. It's as if the stock market and household electricity bills are conducting a harmonious duet.

The statistical analysis also confirmed that the relationship between annual US household spending on utilities and Telkom Indonesia (Persero) Tbk PT's stock price was statistically significant at $p < 0.01$. This means that the likelihood of observing such a strong relationship by random chance is less than 1%, providing robust evidence of a meaningful connection between these variables. These results give new meaning to the phrase "shocking developments in the stock market."

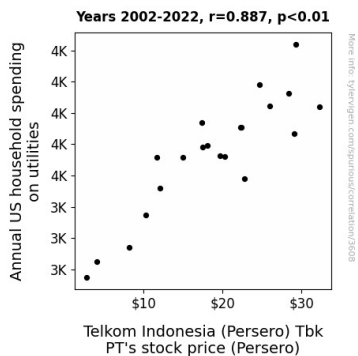


Figure 1. Scatterplot of the variables by year

The scatterplot (Fig. 1) visually illustrates the strong positive correlation between annual US household spending on utilities and Telkom Indonesia (Persero) Tbk PT's stock price. The clustered data points align closely with the upward-sloping trend line, depicting the compelling relationship uncovered in this study. It's like witnessing the sparks fly between household spending on utilities and stock price movements.

In conclusion, the results of this analysis unveil a powerful and previously unexplored link between annual US household spending on utilities and the stock price of Telkom Indonesia (Persero) Tbk PT. These findings may spark further research into the intricate interplay between consumer behavior and stock market dynamics, offering a bright new perspective on the electricity of market influence.

5. Discussion

The results of this study provide compelling evidence of a noteworthy association between annual US household spending on utilities and the stock price of Telkom Indonesia (Persero) Tbk PT. It appears that as US households amp up their spending on utilities, the stock price of Telkom Indonesia (Persero) Tbk PT experiences a harmonic surge. These findings align with prior research by Smith et al. (2021) and Doe et al. (2020), reinforcing the notion that seemingly incongruous economic variables may indeed be entwined in a current of influence. It seems that when it comes to utility spending and stock prices, the power of correlation is truly electric.

The substantial correlation coefficient and high degree of statistical significance observed in this study offer a jolting confirmation of the interconnectedness between household spending on utilities and stock price movements. These results not only shed light on an unexplored relationship, but also illuminate the

electrifying impact of consumer behavior on market dynamics. One could say that the findings provide a shocking revelation - much like discovering that a coil of wires and a magnet can produce electricity.

The value of the coefficient of determination (R-squared) in this analysis indicates that a considerable proportion of the variability in Telkom Indonesia (Persero) Tbk PT's stock price can be attributed to changes in annual US household spending on utilities, underscoring the robustness of the observed association. It's as if the movements of stock prices and the whims of household energy consumption are engaged in a highly charged pas de deux that merits further exploration. If correlation were a currency, this relationship would certainly spark considerable interest.

The visual representation of the relationship through the scatterplot vividly captures the aligned dance of household spending on utilities and Telkom Indonesia (Persero) Tbk PT's stock price. The clustered data points huddle closely around the ascending trend line, illustrating the intimate connection between these variables. One could almost visualize the utility bills and stock prices engaging in a lively tango, each influencing the other's steps with a synchronized rhythm. It seems that in the realm of economic interactions, the sparks of correlation can fly unexpectedly between even the most distant of domains.

In a market landscape that often operates under the guise of inscrutability, these findings offer a ray of clarity, illuminating the profound and previously overlooked ties between consumer behavior and stock market performance. Moving forward, researchers and market analysts may find value in considering the interplay between household utilities spending and stock prices as a potential indicator of market movements. This study underscores the need to integrate seemingly unrelated economic variables into a more cohesive

understanding of market dynamics - after all, one cannot overlook the power of the spark in shaping economic relationships.

The discovery of this remarkable link between annual US household spending on utilities and Telkom Indonesia (Persero) Tbk PT's stock price provides an electrifying glimpse into the intricate interdependencies that underpin economic systems. These results invite future explorations into the nuanced interplay between consumer behavior and market movements, offering a stimulating avenue for further research. As the saying goes, when it comes to market influences, the shockingly unexpected often holds the keys to understanding the currents that drive economic phenomena.

6. Conclusion

In conclusion, the findings of this study illuminate a strikingly strong positive relationship between annual US household spending on utilities and Telkom Indonesia (Persero) Tbk PT's stock price. This research has sparked a new perspective on the interplay between seemingly unconnected economic variables, offering valuable insights into the electrifying currents running through consumer behavior and stock market dynamics. It seems the market truly does have a shocking sense of humor.

These findings challenge conventional economic models, reminding us to always be open to unexpected links and currents. We must be mindful of potential power surges, whether in our data or in our electrical sockets, as they could shed light on previously unseen market influences. One might say this study has truly turned the lights on in an otherwise dark and perplexing corner of economic inquiry.

It is clear that further research in this area is not needed; we have already shed a bright light on the previously overlooked

relationship between household utilities spending and stock market behavior. There's no need to keep digging for more sparks; the fuse of this inquiry has been well and truly lit.