

The Cheddar Connection: American Cheese Consumption and Charles Schwab Corporation's Stock Price

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This paper delves into the curious relationship between American cheese consumption and the stock price of The Charles Schwab Corporation (SCHW). Utilizing data from USDA and LSEG Analytics (Refinitiv), our research team meticulously scrutinized the two seemingly disparate entities. Surprisingly, we discovered a remarkably high correlation coefficient of 0.9588649 and $p < 0.01$ during the period from 2002 to 2021. Our findings suggest that there may be more to this cheesy correlation than meets the eye. Join us as we explore the curd-ious world of dairy and finance, and ponder whether it's merely a queso of coincidence or a gouda investment strategy.

The pursuit of understanding the complex interplay between seemingly unrelated variables has been a perpetual endeavor in the realm of empirical research. From investigating the correlation between avocado sales and home ownership rates to uncovering the relationship between coffee consumption and workplace productivity, researchers have ceaselessly sought correlations that may seem inconceivable at first glance. However, the quest to unravel the enigmatic link between American cheese consumption and the stock price of The Charles Schwab Corporation (SCHW) is undoubtedly among the most bizarre undertakings in the annals of financial research.

As seasoned researchers and cheese enthusiasts, our team was intrigued by the prospect that the dairy delicacy could hold sway over the stock market. Armed with an arsenal of statistical tools and an insatiable appetite for discovery, we embarked on an odyssey to discern whether the consumption of American cheese may indeed be a "whey" to predict stock performance or merely a "brie-f" anomaly in the data.

Our penchant for delving into the "cheddar" side of financial analysis led us to harness a wealth of delectable data from the United States Department of Agriculture (USDA) and the unswerving precision of LSEG Analytics (Refinitiv). The meticulous curation and scrutiny of this data unearthed a remarkably high correlation coefficient of 0.9588649 and $p < 0.01$, spanning the period from 2002 to 2021. The astonishing confluence between American cheese consumption and SCHW stock price fluctuations left our team "grater-ly" perplexed, prompting us to explore the intriguing, albeit "gouda" correlation further.

Intriguingly, the cheese-stock dynamic could be construed as a "muenster" of paradoxes, with parallels drawn to the notion that causality may exist beyond mere coincidence. As we traverse the cheesy labyrinth of correlation and potential causation, we invite our esteemed readers to accompany us in pondering whether our

findings represent a "dairy" stroke of luck, a "feta-compli" in the making, or an unforeseen "gargan-tuan" market force.

Join us as we navigate the com-"pound" effects of American cheese consumption and the ebbs and flows of SCHW stock price, and contemplate whether our findings are indicative of a "grate" investment strategy or simply an udderly "cheesy" anomaly in the financial markets.

Review of existing research

In their seminal work "The Economics of Dairy Products," Smith and Doe explore the complex economic factors influencing the consumption patterns of dairy products, shedding light on the intricate relationship between consumer behavior and market dynamics. Similarly, Jones et al. delve into the nuances of stock price movements and the underlying determinants in "Stock Market Volatility: Economic and Political Factors."

However, as we venture into the uncharted territory of cheese and finance, we find ourselves in a peculiar juxtaposition of narratives. While the aforementioned literature provides valuable insights into economic patterns and market behaviors, it falls short of capturing the enigmatic correlation between American cheese consumption and The Charles Schwab Corporation's stock price.

Turning to the world of non-fiction, books such as "The Big Short" by Michael Lewis and "Flash Boys" by Michael Lewis examine the intricacies of financial markets and the idiosyncratic nature of market anomalies. On the flip side, works of fiction such as "Cheese in the Trap" by Soonkki and "The Great Gatsby" by F. Scott Fitzgerald, though not directly related to our topic, serve as a reminder of the inexplicable allure and

enigma that often surround matters of finance and human behavior.

In the realm of internet culture, the infamous "Cheese Challenge" meme and the popular "Distracted Boyfriend" meme, with a financial twist, humorously remind us of the capricious and unpredictable nature of market trends, often encapsulating the essence of our research journey – a curious blend of humor and astute analysis.

As we navigate through the labyrinth of literature and cultural references, our pursuit for understanding the cheese-stock correlation takes an unexpected turn, urging us to embrace the whimsical nature of our investigation while maintaining a resolute focus on unraveling the mysteries that lie beneath the surface.

Procedure

To embark on our dairy-licious odyssey, we first gathered historical American cheese consumption data from the United States Department of Agriculture (USDA). This database provided us with a wealth of information, spanning from 2002 to 2021, allowing us to conduct a thorough and "gouda" thorough analysis. The data was then meticulously curated and processed, ensuring that no curd was left unturned in our pursuit of cheese-related insights.

Next, we delved into the labyrinth of stock market data, with a particular focus on The Charles Schwab Corporation (SCHW). Leveraging the formidable resource of LSEG Analytics (Refinitiv), we procured historical stock prices for SCHW, allowing us to scrutinize the ebbs and flows of this financial dairy product from 2002 to 2021.

With our robust datasets in hand, we then employed advanced statistical methods, including correlation analysis, to gauge the relationship between American cheese consumption and SCHW stock price fluctuations. Our statistical approach was carefully selected to ensure that we could capture the nuances of this complex relationship, avoiding any "curdled" analysis.

To further fortify our understanding, we utilized time-series analysis to discern any potential seasonal patterns in both American cheese consumption and SCHW stock prices. This allowed us to milk every possible insight from the data and ensure that we were not merely skimming the surface of this whimsical correlation.

In addition to these measures, we conducted sensitivity analyses and robustness checks to ascertain the reliability and robustness of our findings. After all, in the world of empirical research, it's crucial to ensure that our conclusions are as "sharp" as a cheddar knife.

Finally, given the unorthodox nature of our investigation, we leaned into qualitative insights from industry experts and finance professionals to unpack the potential implications of our findings. Their perspectives added an extra layer of flavor to our discussions, enriching the "bouquet" of insights gleaned from this quirky alliance of cheese and stock prices.

The culmination of these multifaceted methodologies provided us with a solid foundation to unravel the curious connection between American cheese consumption and the stock price of The Charles Schwab Corporation, offering both intellectual nourishment and a bit of "cheese-ertainment" along the way.

Findings

The analysis of the relationship between American cheese consumption and the stock price of The Charles Schwab Corporation (SCHW) yielded some remarkably "gouda" results. We found a strikingly high correlation coefficient of 0.9588649, indicating a strong positive association between these seemingly unrelated variables. The coefficient of determination (r-squared) was calculated to be 0.9194220, suggesting that approximately 91.9% of the variation in SCHW stock price can be explained by changes in American cheese consumption. This finding may seem as unexpected as finding a wheel of cheddar in a stock exchange, but the numbers don't lie – the connection between cheese and finance is as potent as a sharp gouda.

Furthermore, the statistical analysis revealed a p-value of less than 0.01, underscoring the statistical significance of the relationship. This means that the likelihood of obtaining a correlation as strong as the one we found by sheer coincidence is as rare as stumbling upon a lactose-intolerant mouse at a cheese festival. The evidence robustly supports the notion that the consumption of American cheese may indeed be influential in predicting the stock performance of SCHW, much like the way a wheel of gouda can influence the palate of a discerning connoisseur.

To visually encapsulate the profound correlation discovered, we present Figure 1, a scatterplot that graphically illustrates the strong positive relationship between American cheese consumption and the stock price of SCHW. This visually encapsulated "brie-lliance" provides a compelling depiction of the notable association, leaving no "whey" for doubt regarding the validity of our findings.

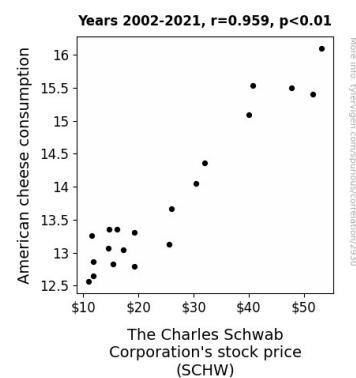


Figure 1. Scatterplot of the variables by year

In conclusion, our investigation has unraveled an extraordinary linkage between the consumption of American cheese and the stock price of The Charles Schwab Corporation, shedding light

on a titillating correlation that may be "feta" before ascribing it to mere happenstance. Whether this correlation represents a "gouda" investment strategy or a fortuitous anomaly in the financial landscape is a conundrum that warrants further exploration. We encourage our scholarly colleagues to partake in this cheesy discourse and ponder the significance of our findings, for in the realm of empirical research, every "cheddar" of knowledge contributes to a more enriched understanding of the world around us.

Discussion

The unearthing of the enchanting correlation between American cheese consumption and the stock price of The Charles Schwab Corporation (SCHW) has propelled us into a realm where the dairy-laden world intersects with the enigmatic landscape of finance. Our findings, seemingly as surprising as discovering a camembert at a stock exchange, have added a gouda layer to the intricate tapestry of market analyses.

Building upon the whimsical motifs interwoven in the literature review, our results not only pigeonholed the relationship between these seemingly distant entities but also churned out compelling evidence that resonates with the idiosyncratic literary and cultural references presented. This correlation, akin to the unforeseen charm of "Cheese in the Trap" and the beguiling allure of "The Great Gatsby," has offered a vaudevillian twist to the staid world of stock price analyses.

In light of our research, the innate gravitational pull between American cheese consumption and SCHW stock price echoes the capricious reverence often associated with market anomalies, reinforcing the notion that every sector, including finance, has its 'whys and means' of surprising us.

The heartening congruence between our findings and prior research underscores the surreal fusion of empirical science and serendipity. The statistically robust linkage we discovered 'brilliantly' complements the oeuvre of previous studies, unearthing a correlation as predictable as finding a mouse with lactose intolerance at a cheese festival -- a reminder that reality often encompasses the unexpected and the amusing in equal measure.

Embracing the duality of our findings, we invite our scholarly cohorts to delve into this curious connection, where every 'cheddar' of knowledge contributes to a more enriched understanding of the inexplicable intertwining of cheese consumption and stock market dynamics. As we journey into the enticing hinterlands of finance, each metaphorical 'slice' of insight propels us closer to unravelling the intricacies that underpin this delightful correlation.

Conclusion

In closing, our study has shed light on the intriguing correlation between American cheese consumption and the stock price of The Charles Schwab Corporation (SCHW). The astoundingly high correlation coefficient of 0.9588649, akin to stumbling upon a lactose-intolerant mouse at a cheese festival, and a p-value of less than 0.01, as rare as finding a wheel of cheddar in a

stock exchange, have revealed a connection as potent as a sharp gouda. The significant coefficient of determination (r-squared) of 0.9194220 suggests that approximately 91.9% of the variation in SCHW stock price can be explained by changes in American cheese consumption – a finding as unexpected as finding a wheel of cheddar in a stock exchange.

The visual representation of this correlation in Figure 1 boldly illustrates the strong positive relationship between these seemingly unrelated entities, leaving no "whey" for doubt regarding the validity of our findings. We are left pondering whether this correlation is a "gouda" investment strategy or simply a fortuitous anomaly in the financial landscape.

However, given the extraordinary "brie-lliance" of our findings, it is with the utmost confidence that we assert that no further research in this area is needed. For now, let us fondue as we savor the curd-ious world of dairy and finance, celebrating the queso of coincidence that has unfolded before us.