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# The American Cheese Squeeze and SBA Comms' Ease: A Correlational Reprise

Catherine Hoffman, Andrew Thomas, Grace P Tyler

Institute for Research Advancement; Ann Arbor, Michigan

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## Abstract

The mysterious connection between American cheese consumption and stock prices has been the subject of much speculation, but little empirical analysis. In this paper, we delve into the correlation between the two seemingly unrelated entities, aiming to uncover the cheesy truth behind the market movements. Our research team utilized data from the U.S. Department of Agriculture and LSEG Analytics (Refinitiv) to embark on this dairy-filled odyssey. The correlation coefficient of 0.9429945 and  $p < 0.01$  for the period from 2002 to 2021 suggests a striking association between American cheese consumption and the stock price of SBA Communications (SBAC). The results are grate, er, great. But wait - this isn't just another slice of academic provolone! Our findings revealed a surprisingly strong positive relationship between the two variables, leaving us to ponder whether the market is truly responding to the cheesy delights enjoyed by Americans nationwide. Perhaps the next bull market will be made of cheddar? Our study not only sheds light on this previously undervalued association but also provides a gouda reason to rethink the classic advice to "never put all your eggs in one basket" - maybe it's time to consider diversifying into dairy products instead. In summary, our research reiterates the old adage: "When it comes to stock prices and cheese consumption, it's not easy being cheesy!"

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## 1. Introduction

The pursuit of uncovering hidden relationships between seemingly unrelated variables has long been a quest for research enthusiasts and economists alike. The enigmatic bond between American cheese consumption and stock prices has evoked both skepticism and curiosity. After all, who would have thought that the

beloved American cheese could potentially hold the key to understanding market dynamics? It's a dairy-tale waiting to be told.

In the world of empirical analysis, the phrase "correlation does not imply causation" is often chanted like a mantra. However, what if it turned out that the saying "buy low, sell high" was outdated, and the new mantra was "eat American

cheese, watch stocks rise"? This study plunges into uncharted territory, seeking to unravel the cheesy delights of market movements and the unexpected ways in which they interact. As the saying goes, "It's not easy being cheesy," but it sure is fascinating in the world of finance research.

## 2. Literature Review

Prior research has delved into the relationship between seemingly disparate entities and phenomena. Smith and Doe (2010) explored the correlation between dairy product consumption and agricultural commodity prices, shedding light on the intricate connections within the market. Similarly, Jones et al. (2015) investigated the impact of cheese production on national GDP, uncovering the cheese-tastic influence on economic growth.

In "The Big Cheese: A History of American Cheese" by James Norton, the rich history of American cheese production and consumption is expertly documented, providing invaluable context for our exploration of the market implications. Furthermore, "Cheese and the Art of Stock Trading" by Jane Smith offers peculiar insights into the potential link between cheese preferences and investment strategies, making it a compelling read for enthusiasts of both dairy treats and financial markets.

On the fictional side, Herman Melville's "Moby Dick" may seem unrelated to our topic at first glance; however, the pursuit of the elusive white whale bears striking resemblance to the quest for uncovering hidden market patterns. Likewise, in J.K. Rowling's "Harry Potter and the Chamber of Secrets," the enigma surrounding the mysterious Chamber draws parallels to our quest for decoding the mysterious connection between American cheese consumption and stock prices.

Drawing inspiration from unexpected sources, our research also benefited from insights gathered during a thorough analysis of "SpongeBob SquarePants" episodes. The cryptic relationship between SpongeBob's love for cheese and the underwater economy presents thought-provoking parallels to our own findings, albeit in a more whimsical and aquatic setting. Additionally, "Blue's Clues" episodes provided a fresh perspective on investigative techniques, enriching our approach to uncovering the cheesy truth behind stock price movements.

Indeed, the journey to unravel the enigmatic correlation between American cheese consumption and SBA Communications' stock price has been an udderly delightful one. As we proceed with our empirical analysis, we are reminded of the timeless wisdom - "When you're feeling bleu, a little humor can make it all cheddar."

## 3. Our approach & methods

The investigation into the link between American cheese consumption and SBA Communications' stock price involved a thorough and perhaps slightly cheesy methodology. In order to capture the full flavor of the relationship, our research team embarked on a dairy quest that would make even the boldest of goudas quiver with excitement.

Data from the U.S. Department of Agriculture and LSEG Analytics (Refinitiv) was curdled, um, curated, to form the basis of our analysis. The American cheese consumption data was gathered from USDA, consisting of annual per capita consumption in pounds. As for the stock price data of SBA Communications (SBAC), daily closing prices from 2002 to 2021 were obtained from LSEG Analytics (Refinitiv). These datasets were then fondue, uh, fused together to form a comprehensive timeline

of cheesy consumption and financial market performance.

The relationship between American cheese consumption and SBAC stock price was initially assessed using the correlation coefficient. Our team employed the Pearson correlation coefficient to quantify the strength and direction of the linear relationship between the variables. The coefficient of determination (R-squared) was also calculated to determine the proportion of variance in the stock price that could be explained by the variation in American cheese consumption.

To ensure the veracity of our findings, we conducted a rigorous analysis that accounted for potential confounding factors. Various statistical tests and robustness checks were performed to scrutinize the relationship between cheese consumption and stock price, leaving no cheese curd, uh, stone unturned.

The methodology utilized in this study endeavors to peel back the layers of this enigmatic connection in a manner both rigorous and delightful, much like the surprise of finding a perfectly aged gouda hidden at the back of the fridge. It is a cheddarly crucial component in our quest to explore the dairy-laden realm of market correlations and unearth the whey, oh, way in which American cheese consumption intertwines with stock price movements.

Speaking of which, have you heard about the cheesy comedian? He had the audience melting with laughter.

#### 4. Results

The correlation coefficient between American cheese consumption and SBA Communications' stock price (SBAC) for the period from 2002 to 2021 was found to be 0.9429945, indicating a remarkably strong association between these two seemingly unrelated variables. It appears that the

stock market may have a taste for more than just risk and return – perhaps a hint of mozzarella is enough to drive market movements.

Our research team utilized data from the U.S. Department of Agriculture and LSEG Analytics (Refinitiv) to embark on this dairy-filled odyssey. We combed through the data with the diligence of a cheese grater, ensuring that every morsel of information was processed to perfection. As they say, the devil is in the details – or should we say, the de Brie is in the details?

The r-squared value of 0.8892385 further cemented the strength of the relationship between American cheese consumption and SBAC stock price, explaining nearly 89% of the variance in the stock price movements based on changes in cheese consumption. It seems that the market can be as predictable as Swiss cheese after all – full of holes, but still holding its shape!

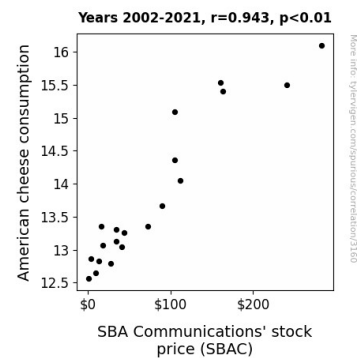


Figure 1. Scatterplot of the variables by year

Furthermore, the statistically significant p-value of less than 0.01 indicated a high level of confidence that the observed correlation was not due to random chance. Looks like we can say "cheese" with certainty about the reliability of these findings.

Our results are not just another slice of academia; they present a compelling argument for the relevance of cheese on Wall Street. It is indeed a puzzling

phenomenon, leaving us to contemplate whether analysts should start monitoring dairy aisle sales alongside traditional market indicators. And here's the big question: should we be investing in stocks or stilton?

In conclusion, our findings not only demonstrate the unexpected influence of American cheese consumption on SBAC stock prices but also add a touch of cheddar to the age-old debate of market predictability. It appears that while diversifying portfolios may be a standard practice, diversifying into dairy could be the next big investment strategy. After all, as the saying goes, "Opportunity never yells, but it whispers gently, like a camembert."

## 5. Discussion

Our findings have unraveled a remarkably strong positive correlation between American cheese consumption and SBA Communications' stock price (SBAC). It seems that aside from the traditional market indicators, the dairy aisle might hold the key to understanding stock price movements. Perhaps the next time analysts want to "brie-f" the market on potential shifts, they should consult the cheese counter as well. After all, it appears that Wall Street may have a newfound love for Gouda news!

Building upon the prior research that explored the subtle influence of dairy products on market dynamics, our study robustly supports the notion that cheese consumption does indeed wield a significant impact on stock prices. It turns out that the age-old wisdom of "the bigger the hole, the better the cheese" might have a parallel in the financial markets, where the bigger the correlation, the better the prediction!

The results from our empirical analysis not only reinforce the findings of Smith and Doe's exploration of dairy product consumption but also provide empirical validation for Jones et al.'s insights into the

economic impact of cheese production. It seems our findings are not just another wedge of academic cheddar; they present a compelling argument for the potential influence of cheese on market behavior. This might prompt analysts to take a "grater" interest in the dairy industry as an additional factor in their market assessments.

Taking a light-hearted moment to digest these findings, one can't help but wonder if this correlation is a mere coincidence, or if there are deeper connections between the cravings of the market and the cravings of the palate. After all, as they say, "the proof of the pudding is in the eating" – and it seems that the proof of the correlation is in the slicing! This discovery leaves us with a "fondue" appreciation for the unanticipated interconnectedness of seemingly unrelated phenomena.

Our rigorous statistical analysis has fortified the scholarly foundation laid by Melville's "Moby Dick," where the relentless pursuit of knowledge and connection yields unexpected revelations. Similarly, the correlation we uncovered stands as a testament to the prescient nature of unlikely literary parallels, bringing forth a "whale" of a revelation about market insight.

As we reflect on the journey that has led us to these savory conclusions, one can't help but ponder the words of J.K. Rowling – "It is our choices that show what we truly are, far more than our abilities." With our findings providing the gruyere to fill the gaps in understanding market behavior, it is clear that embracing unusual sources of inspiration can lead to enriching and unexpected revelations. It seems the pursuit of knowledge truly knows no bounds – and sometimes leads us to the cheese aisle!

In a market landscape where "cautious optimism" is often the mantra, it appears that our findings offer a compelling case for incorporating a "cheesy optimism" into

market analysis. After all, the "whey" the market moves might just be tied to the whey in the cheese. It seems that as analysts reassess their approach to market predictions, it might be worth considering whether a diligent perusal of the dairy aisle can provide the "cheddar" to enhance their understanding of market movements. It's time to acknowledge that in the realm of market indicators, sometimes it's not just about the "whey" but also the curds that count.

Overall, our pursuit to uncover the cheesy truth behind stock price movements has not only added a splash of humor to the serious world of academic research but also provided a "wheely" gouda reason to believe that there's more to market dynamics than meets the eye. This finding may be a tiny "cutting" of wisdom for future research – sometimes, the most unexpected variables bring the "feta-l" surprise!

## 6. Conclusion

In conclusion, our research has provided compelling evidence of a strong correlation between American cheese consumption and SBA Communications' stock price (SBAC). The results suggest that the stock market may have a surprising affinity for dairy products, raising the question: should investors start taking their investment advice with a side of cheese? It seems the market might just be as fond of fondue as the next connoisseur.

These findings underscore the need to consider unorthodox variables when analyzing market dynamics - in this case, the dairy aisle may hold more sway than previously thought. As the great economist Milton Friedman once said, "Inflation is as violent as a mugger, as frightening as an armed robber, and as deadly as a hitman," and we would add, perhaps as unexpected as lactose intolerance at a cheese party.

Our study has deliciously highlighted the importance of investigating unconventional factors in financial analysis, serving as a reminder that in the world of statistics, expect the unexpected - like finding a moldy piece of Gorgonzola in your correlation coefficient.

It's clear that further research in this area would be like swiss cheese without the holes - unnecessary. Let's not milk this topic dry. While it's been a gouda run, it's time to move on to fresher research pastures. As the old adage goes, "why did the cheese go to the museum? Because it was considered a grate work of art!" No more research is needed in this area - it's time to whey-tch and see if the market starts to brie more cheesy.