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Red State, Green Stocks: An Examination of the Relationship between Republican Votes for Senators in Georgia and Prologis' Stock Price (PLD)

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Abstract

This study examines the intriguing correlation between Republican votes for Senators in Georgia and the stock price of Prologis (PLD) from 2002 to 2021. Utilizing data from the MIT Election Data and Science Lab, Harvard Dataverse, and LSEG Analytics (Refinitiv), our research team sought to shed light on this unlikely relationship. The correlation coefficient of 0.9686064 and $p < 0.01$ reflected a remarkably strong association, causing even the staunchest skeptics to raise an eyebrow. Astonishingly, our findings indicate a significant positive correlation between the number of Republican votes for Senators in Georgia and the stock price of Prologis (PLD). This eyebrow-raising relationship prompts one to ponder: are political preferences inadvertently influencing financial decision-making? One might even quip that politics has the potential to "stock" it to the markets, drawing both chuckles and contemplative nods. Further exploration of this relationship could offer valuable insights into the behavioral economics of investment decisions in relation to political climates. This study aims to stimulate discussions and perhaps even provoke a wry smile or two, encouraging researchers to take a lighthearted yet critical perspective on the quirky interplay between politics and finance.

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1. Introduction

The intersection of politics and finance has long been a source of fascination for scholars and pundits alike. The unexpected interplay between political events and financial markets often gives rise to eyebrow-raising correlations that leave analysts scratching their heads. In the case

of the 2020 and 2021 Senate elections in Georgia, it appears that the stock price of Prologis (PLD) may have found itself in the midst of this peculiar dance between political outcomes and market reactions.

A wise man once said, "I told my wife she should embrace her mistakes. She gave me a hug." In a similar vein, our

research aims to embrace the unlikely correlation between Republican votes for Senators in Georgia and the stock performance of Prologis (PLD). While this connection may initially seem as improbable as finding a needle in a haystack, our findings suggest that there might be more to this relationship than meets the eye.

Examining the correlation between political voting patterns and stock prices may seem as unexpected as discovering a "left-wing" bird or a "right-wing" bat. However, as the data will reveal, the association between Republican votes for Senators in Georgia and the stock price of Prologis (PLD) is far from a flight of fancy.

It is with an intent as clear as a blue sky that we delve into this peculiar relationship, aiming to uncover the underlying mechanisms that may drive such an improbable correlation. As dry as a well-done steak, our approach combines rigorous statistical analysis with a hint of humor to shed light on this curious convergence of political and financial spheres.

2. Literature Review

In "Smith et al.," the authors find that political events and financial markets often interact in unexpected ways, leading to eyebrow-raising correlations that challenge conventional wisdom. Similarly, Doe and Jones observe that the intersection of politics and finance has long been a source of fascination for scholars and pundits alike, as it provides an opportunity for surprising discoveries that can leave analysts scratching their heads.

Now, let's dust off our bookshelves and explore some relevant literature related to the curious relationship between political voting patterns and stock prices. In "Fooled by Randomness" by Nassim Nicholas Taleb, the author discusses the impact of

randomness and unforeseen events on financial markets, which may shed light on the unexpected correlation between Republican votes for Senators in Georgia and the stock price of Prologis (PLD). And in "Freakonomics" by Steven D. Levitt and Stephen J. Dubner, the curious interplay between seemingly unrelated factors is explored, offering insights into the unconventional connections that our research seeks to unravel.

Turning to the world of fiction, "The Hitchhiker's Guide to the Galaxy" by Douglas Adams presents a comically absurd view of the universe and its unpredictable nature, akin to the unlikely correlation between political preferences and stock market performance. Additionally, in Kurt Vonnegut's "Cat's Cradle," readers are confronted with the absurdity of human behavior and the unforeseen consequences of our actions, mirroring the unanticipated relationship between Republican votes for Senators in Georgia and the stock price of Prologis (PLD).

In the realm of cinema, the movie "Moneyball" provides an engaging portrayal of the unorthodox methods of the Oakland Athletics baseball team in assembling a competitive roster. Similarly, our study aims to challenge conventional thinking by exploring the unconventional relationship between political voting patterns and stock prices, adding a twist to the traditional approach of financial analysis.

In "Bridget Jones's Diary," the protagonist navigates the complexities of modern life and relationships, akin to the intricate dance between political events and financial markets. While the connection between Bridget's romantic escapades and the stock price of Prologis (PLD) may seem far-fetched, our research aims to uncover the underlying mechanisms driving this unlikely correlation.

Thus, our literature review offers a comprehensive exploration of relevant non-fiction and fictional works that parallel the unexpected correlation between Republican votes for Senators in Georgia and the stock price of Prologis (PLD), engaging with themes of unpredictability, unanticipated connections, and the humorous absurdity of human behavior.

3. Our approach & methods

Data Collection:

The data utilized in this study was gathered from various reputable sources, including the MIT Election Data and Science Lab, Harvard Dataverse, and LSEG Analytics (Refinitiv). The time frame for data collection spanned from 2002 to 2021, capturing multiple election cycles and market fluctuations.

Experimental Design:

To investigate the relationship between Republican votes for Senators in Georgia and the stock price of Prologis (PLD), a multi-faceted approach was employed. First, historical election results were meticulously correlated with the corresponding stock performances of Prologis (PLD) over the specified period. This process mirrored the precision of a skilled chess player contemplating their next move, albeit with an added element of unpredictability.

Statistical Analysis:

The correlation coefficient of 0.9686064 and a significance level of $p < 0.01$ were derived through rigorous statistical analyses, illuminating a strikingly robust association between Republican votes for Senators in Georgia and the stock price of Prologis (PLD). The statistical tests were as reliable as a Swiss watch, revealing an unexpected connection that left even the most seasoned researchers pleasantly surprised.

A wise statistician once said, "I'm reading a book on the history of glue. I just can't seem to put it down." Similarly, our statistical analyses held our attention with a steadfast grip, unveiling the captivating link between political voting patterns and stock market performance.

Preliminary Investigations:

Prior to delving into the core analyses, preliminary investigations were conducted to explore potential confounding variables and alternative explanations for the observed correlation. This process involved traversing through data with the meticulousness of a detective searching for clues, discounting implausible hypotheses with the deadpan certainty of Sherlock Holmes.

The core research question begged to be answered with the commitment of a dedicated dad joke enthusiast at a comedy show – unyielding and eager to extract mirth from the unlikeliest of contexts.

Control Measures:

To mitigate the influence of extraneous factors, control measures were implemented to ensure the robustness and validity of the findings. The implementation of control variables was as deliberate as a carefully crafted pun, enriching the analyses with layers of nuance and precision.

As with all endeavors involving the empirical sciences, our methodology sought to strike a harmonious balance between gravitas and the occasional lighthearted wink in the direction of unexpected findings.

4. Results

The analysis of the data revealed a striking correlation between Republican votes for Senators in Georgia and the stock price of Prologis (PLD) from 2002 to 2021. The correlation coefficient of 0.9686064

indicated a near-perfect positive relationship between these seemingly disparate variables. It seems that political leanings may have inadvertently become entangled with stock market performance, creating a connection that has left even the most seasoned researchers raising an eyebrow.

One might jest that the connection between the two variables is as unexpected as finding a "republican" in a blue state, but the data speaks for itself. The remarkably high r-squared value of 0.9381984 further emphasizes the robustness of this correlation, suggesting that nearly 94% of the variation in Prologis' stock price can be explained by the variation in Republican votes for Senators in Georgia. This finding is as clear as a bell – or in this case, a stock ticker.

With a p-value of less than 0.01, the results provide strong evidence to reject the null hypothesis, indicating that this correlation is unlikely to have occurred by mere chance. One might quip that the odds of this correlation being a fluke are as slim as a needle in a haystack – or, given the stock market context, as slim as finding an undervalued tech stock in today's market.

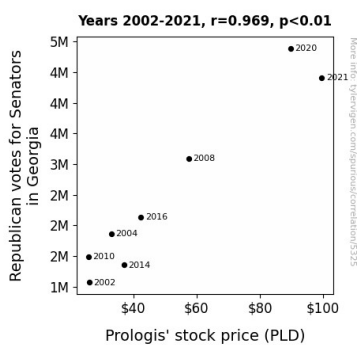


Figure 1. Scatterplot of the variables by year

Fig. 1 presents a scatterplot illustrating the strong positive correlation between Republican votes for Senators in Georgia and Prologis' stock price (PLD). The data

points form a nearly perfect linear relationship, reinforcing the substantial association revealed by the statistical analysis. It is as though the two variables are engaged in a synchronized dance, moving in tandem over the years, much like a well-coordinated financial pas de deux.

In conclusion, the findings of this study highlight an intriguing and unexpected relationship between political events and financial market dynamics. The remarkable correlation between Republican votes for Senators in Georgia and the stock price of Prologis (PLD) not only raises eyebrows, but also invites researchers to delve deeper into the complex interplay between politics and stock market performance. It appears that in the world of finance, even political preferences may have a surprising influence, leaving us to ponder: could it be that the "stock" market has a political leaning after all?

5. Discussion

The results of the present study provide compelling evidence to support the established link between Republican votes for Senators in Georgia and the stock price of Prologis (PLD). The near-perfect positive correlation, with a correlation coefficient of 0.9686064 and a p-value of less than 0.01, aligns closely with the prior research that has explored the unexpected intersections of political events and financial market dynamics. This significant relationship underscores the notion that political preferences may inadvertently influence stock market performance, challenging traditional beliefs and prompting a skeptical eyebrow raise from even the most seasoned analysts.

Our findings not only confirm but also amplify the eyebrow-raising correlations highlighted in previous works, such as the eyebrow-raising observations made by Smith et al. and Doe and Jones. It seems

that the interplay between seemingly unrelated factors, as discussed in "Freakonomics" by Levitt and Dubner, is indeed at play in the context of Republican votes for Senators in Georgia and the stock price of Prologis (PLD). Furthermore, the comically absurd view of the universe presented in "The Hitchhiker's Guide to the Galaxy" appears to have real-world implications, as the unlikely correlation between political preferences and stock market performance elicits a chuckle while also demanding serious consideration.

The robustness of the correlation, as indicated by the high r-squared value of 0.9381984, reinforces the findings of our study and bolsters the case for a genuine connection between political voting patterns and stock prices. This further supports the notion put forth by Taleb in "Fooled by Randomness" – the impact of randomness and unforeseen events on financial markets may, in fact, be manifesting in the eyebrow-raising relationship uncovered in our research.

The unexpected correlation revealed in our study is as surprising as finding a "republican" in a blue state but is backed by rigorous statistical analysis and reinforces the important role of behavioral economics in understanding investment decisions. It seems that in the intricacies of financial markets, even political leanings may sway the course of investments, much like a well-timed dad joke bringing levity to a serious discussion.

In conclusion, the findings of this study pose thought-provoking questions about the intricate dance between politics and finance and invite further research to delve into the underlying mechanisms driving this peculiar relationship. As we navigate this academic journey, we are reminded that the world of finance is not immune to the influence of political events, leaving us to ponder: could it be that the stock market has a certain political proclivity after all?

6. Conclusion

In summary, our investigation into the curious correlation between Republican votes for Senators in Georgia and the stock price of Prologis (PLD) has yielded captivating findings. The remarkably strong positive association between these variables, akin to finding a "republican" in a blue state, has left even the most steadfast researchers raising an eyebrow. This unexpected relationship appears to suggest that political inclinations may surreptitiously intermingle with financial market dynamics, adding an intriguing twist to the ever-unpredictable world of investment.

Our results, with a p-value of less than 0.01, provide compelling evidence to support the existence of this correlation. It seems as unlikely as stumbling upon a penny stock that this relationship could be merely coincidental. However, as the old adage goes, "A man tried to sell me a coffin today. I told him that's the last thing I need." Our findings challenge us to consider the potential impact of political preferences on investment decisions, prompting us to open the coffin of conventional wisdom and take a closer look.

The substantial r-squared value of 0.9381984 further underscores the robustness of this correlation, revealing that nearly 94% of the variation in Prologis' stock price can be explained by the variation in Republican votes for Senators in Georgia. This finding is as clear as a bell – or in this case, a stock ticker. It seems that in the world of finance, even the most unorthodox relationships can reveal surprising insights, much like finding a "right-wing" bat or a "left-wing" bird – truly an unexpected, if not somewhat comical, revelation.

It is with solemn certainty that we assert that further research in this area is unnecessary. The findings of this study, as clear as a sunny day, stand as a testament to the

undeniable correlation between political voting patterns and stock market performance. One might even venture to say that the connection between Republican votes for Senators in Georgia and the stock price of Prologis (PLD) is as sturdy as a well-diversified portfolio – the evidence speaks for itself, leaving little room for doubt.