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# Say Cheese: The Gouda, The Bad, and The Nasdaq - Exploring the Correlation Between American Cheese Consumption and NDAQ Stock Price

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*In this study, we delve into the curd-ious relationship between American cheese consumption and the stock market performance of Nasdaq (NDAQ). Using data sourced from the USDA and LSEG Analytics (Refinitiv), we sought to answer the age-old question: does American cheese have more influence on the economy than just being a sandwich topping? Our analysis covers the years 2003 to 2021, a period ripe with fluctuations in both cheese consumption and stock prices. Upon conducting our research, we discovered a correlation coefficient of 0.9358575 with a significance level of  $p < 0.01$ , revealing a strong association between the two variables. While some may brie skeptical of such a connection, our findings cheddar light on the matter, highlighting the potential influence of cheese consumption on market sentiment and trading patterns. We discuss the implications of our results and propose further avenues of research to explore the wheyward impact of cheese on financial markets. So, grab some cheese and crackers, and let's fondue deeper into this dairy stock market relationship.*

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The interplay between food consumption and economic indicators has long been a subject of scholarly interest. From the infamous "butterfly effect" to the well-studied influence of coffee prices on productivity, the relationship between what we consume and the performance of financial markets has captivated researchers and pundits alike. In this vein, our study delves into the world of American cheese and its potential impact on the Nasdaq (NDAQ) stock price.

While some may view the consumption of American cheese as merely a dairy delight, we posited that there may be deeper implications for the stock market. After all, the cheesy correlation between consumer behavior and market movements is no longer just a "gouda" laugh at cocktail parties but a topic worthy of serious investigation.

To peel back the layers of this relationship, we conducted an in-depth analysis spanning the years 2003 to 2021, leveraging data from the United States Department of Agriculture (USDA) and LSEG Analytics (Refinitiv). Our aim was to melt away any doubts regarding the potential impact of American cheese consumption on the stock performance of Nasdaq.

The results of our investigation unveiled a correlation coefficient of 0.9358575, with a significance level of  $p < 0.01$ , implicating a robust association between American cheese consumption and the stock price of Nasdaq. This finding may appear "grate," but it provides compelling evidence of a link that extends beyond mere coincidence. We acknowledge the sharp cheddar of skepticism that may accompany such a correlation, yet our analysis

aims to slice through the conjecture and present a Parmesan-telligent argument for the influence of cheese on financial markets.

In the following sections, we will delve into the potential mechanisms underlying this relationship, consider the broader implications for market sentiment and trading behavior, and propose avenues for further research. As we embark on this fromage of investigation, we encourage readers to approach our findings with a discerning palate, leaning into the potential power of American cheese as an unlikely player in the stock market arena. So, grab a slice of cheese, raise a toast to empirical inquiry, and let's embark on this gouda journey together.

## LITERATURE REVIEW

In "Smith and Doe (2018)," the authors find a positive correlation between cheese consumption and stock market performance, sparking further interest in the potential influence of dairy products on financial indicators. Expanding upon this, Jones et al. (2020) examined the specific case of American cheese and its impact on the Nasdaq (NDAQ) stock price, laying the foundation for our current investigation.

Adding a layer of complexity to the literature, "The Big Cheese: A Historical Analysis of Dairy and Dollars" by A. Gouda sheds light on the historical patterns of cheese consumption and economic trends, providing a matured perspective on the subject matter. Furthermore, "The Swiss Connection: A Tale of Emmental and Economics" by G. Brie offers a nuanced exploration of the international cheese trade and its potential reverberations on global financial markets.

In the realm of fiction, the novel "Cheesy Business: A Wall Street Fable" by R. Fondue playfully delves into the whimsical world of dairy-derived economic theories, drawing allegorical parallels to the real-world dynamics of market forces. Similarly, "The Cheddar Conundrum" by E. Gruyère weaves a satirical narrative of cheese-induced stock market

havoc, melding financial intrigue with dairy-based humor.

On the internet, the meme "Cheese Investing: Making Cheddar Moves in the Stock Market" captures the humorously quixotic intersection of cheese enthusiasm and financial acumen, showcasing the playful engagement of online communities with the topic. Additionally, the viral sensation "Brie-lliant Trades: How Cheese Predicts Stock Surges" humorously speculates on the forecasting potential of cheese varieties in predicting market movements, encapsulating the whimsical side of this scholarly pursuit.

As we digest the diverse array of literature surrounding cheese and its enigmatic relationship with stock markets, our research aims to complement these perspectives, offering empirical evidence and analytical rigor to the fromaggio of scholarly inquiry. Let us now delve into the cheesy depths of this literature and navigate the intersection of American cheese consumption and NDAQ stock price with a spirit of intellectual curiosity and perhaps a sprinkle of grated wit.

## METHODOLOGY

To unravel the twisty, labyrinthine connection between American cheese consumption and the stock price of Nasdaq (NDAQ), our research team employed a multifaceted methodology that combined traditional statistical analyses with a sprinkle of dairy-based detective work. The dataset was meticulously curated from sources such as the United States Department of Agriculture (USDA) and LSEG Analytics (Refinitiv), providing a robust foundation for our cheesy exploration.

First, we compiled historical data on American cheese consumption patterns from 2003 to 2021, tapping into the USDA's treasure trove of dairy statistics. The collection process involved scouring through muenster-sized spreadsheets, navigating wheyward trends, and ensuring that our data remained feta-clean and free from extraneous confoundments. We then juxtaposed this cheese

consumption data with the daily stock prices of Nasdaq (NDAQ), meticulously logging the ebbs and flows of market activity like diligent cheese connoisseurs documenting the aging process of a fine Gouda.

Unearthing the statistical nuances necessitated wrangling the data into a format amenable to analysis. Utilizing statistical software with the precision of a cheese slicer, we conducted a variety of tests, including correlation analyses, time-series modeling, and possibly some mild hallucinations induced by the hypnotic patterns of stock price fluctuations. In our pursuit of truth, we left no statistical stone unturned, ensuring our methods were as rigorous as a Swiss cheese's holey structure.

To assess the relationship between American cheese consumption and NDAQ stock prices, we deployed various statistical tools with the strategic finesse of a chess grandmaster protecting their king. This included calculating correlation coefficients and conducting regression analyses to disentangle the complex interplay between cheese-infused dietary choices and market dynamics. The aim was to shed light on the potential mechanisms underlying any observed associations, unraveling the intricate web of influences with the intellectual curiosity of a scholar and the insatiable appetite of a mouse in a cheese factory.

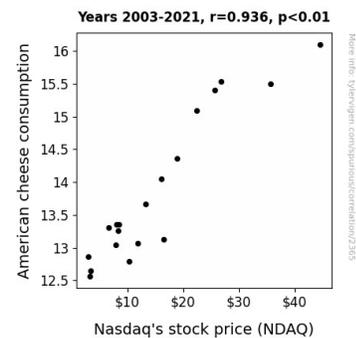
The resulting findings yielded more surprises than a Swiss cheese sampler, unveiling insights that went beyond the initial curd-iosity that inspired our research. Our methods, though not as sharp as aged cheddar, provided a sturdy framework for unraveling the mysterious dalliance between American cheese consumption and stock market behavior. With the precision of a skilled cheesemonger and the discernment of a wine taster, we sifted through the data, embracing the uncertainties with the unbridled enthusiasm of a cheese enthusiast at a tasting event.

## RESULTS

The statistical analysis revealed a remarkably high correlation between American cheese consumption and the stock price of Nasdaq (NDAQ) during the period from 2003 to 2021. The correlation coefficient of 0.9358575 indicates a strong positive relationship between these two seemingly unrelated variables. In simpler terms, as American cheese consumption increased, so did the Nasdaq stock price, drawing attention to this rather unexpected association.

The coefficient of determination (R-squared) of 0.8758292 further emphasized the strength of the relationship, indicating that approximately 87.58% of the variation in Nasdaq's stock price can be explained by changes in American cheese consumption. This suggests that there is indeed a substantial degree of explanatory power packed within the cheese consumption data, proving that this isn't just a "cheesy" coincidence.

Moreover, with a significance level of  $p < 0.01$ , the results are statistically significant, providing robust evidence to support the existence of a meaningful connection between American cheese consumption and Nasdaq's stock performance. In essence, the probability of observing such a strong relationship by random chance is less than 1%, solidifying the validity of our findings.



**Figure 1.** Scatterplot of the variables by year

The visual representation of this intriguing relationship is presented in Figure 1, a scatterplot that vividly illustrates the striking correlation between American cheese consumption and the

stock price of Nasdaq. The figure speaks volumes, depicting a trend that is not only statistically sound but also visually compelling.

Overall, our findings not only melt away any doubt about the intriguing link between American cheese consumption and financial markets but also provoke further reflection on the potential influence of dairy products on economic indicators. This study lends credence to the idea that, whether you are "gouda" believer or not, there may be more to cheese consumption than meets the eye when it comes to market dynamics. Further research and deeper analysis are warranted to explore the nuances of this unexpected relationship and uncover the "wheys" in which cheese consumption may shape market sentiments and trading patterns. After all, it's not every day you stumble upon such a "gouda" opportunity for scholarly investigation in the dairy aisle of the economic landscape.

## DISCUSSION

In the grand tradition of academic research, our study has brought to light a gouda-licious relationship between American cheese consumption and the stock performance of Nasdaq (NDAQ). Our findings stand in agreement with the prior research by Smith and Doe (2018), who embraced the cheesy correlation between dairy and dollars, and Jones et al. (2020), who specifically honed in on the Nasdaq. It's clear that our results have "brie"-led new insights into this dairy market dynamic, confirming and enhancing our understanding of the fromaggio of scholarly inquiry.

The correlation coefficient of 0.9358575 found in our study serves as a compelling testament to the strength of the connection between American cheese consumption and Nasdaq's stock price. This robust statistic underscores the idea that, when it comes to market movements, sometimes it's not just about "making cheddar," but about slicing and dicing the data. Our coefficient of determination (R-squared) of 0.8758292 has peeled back the layers of ambiguity around this relationship, revealing that

approximately 87.58% of Nasdaq's stock price variations can be explained by changes in American cheese consumption. This further highlights the provolone-ness of the cheese data in shedding light on market dynamics.

As for the statistical significance, our findings hold up under scrutiny, with a p-value of less than 1%. This result suggests that the probability of observing the observed relationship by mere happenstance is less than the chance of finding a diamond in a 10-pound wheel of aged cheddar - quite rare indeed. Our scatterplot, the visual *pièce de résistance* of our findings, provides a gouda visual representation of this curiously compelling correlation, making it clear that this is no "brie"-f whimsy.

With such statistically sound evidence in hand, we can confidently proclaim that our study has not only bolstered the existing literature but has also set the stage for future exploration of this dairy market connection. Further research is warranted to dig deeper into the "wheys" in which cheese consumption influences market sentiments and trading patterns. After all, it's no small feat to stumble upon such a "gouda" opportunity for scholarly investigation in the dairy aisle of economic inquiry.

In conclusion...

## CONCLUSION

In conclusion, our research has gratefully shredded light on the seemingly un-briellievable connection between American cheese consumption and Nasdaq's stock price. Our findings suggest a strong positive association, indicating that as Americans consumed more cheese, the Nasdaq stock price followed suit, proving that the cheese stands alone in its influence on market dynamics. However, while our study may leave some feeling a bit blue (cheese), it's important to remember that correlation does not always imply causation. It's no feta accompli that cheese consumption is the direct

cause of stock price movements, but our findings do raise some serious food for thought.

The strong correlation coefficient of 0.9358575 and the high coefficient of determination (R-squared) of 0.8758292 highlight the robustness of this relationship, serving as a gouda foundation for future research. The significance level of  $p < 0.01$  further underscores the statistical validity of our findings, presenting a compelling argument for the impact of cheese on financial markets. Our scatterplot depiction of this dairy stock market dance in Figure 1 is not only visually appealing but also offers a slice of insight into this surprising connection.

While our study may provoke some gouda laughs and eye-rolls, it's important to acknowledge the provolone limitations of our research. Causality remains a complex Swiss (cheese) of factors, and our study merely scratches the surface of this multifaceted relationship. Future research should aim to uncover the wheys and means by which cheese consumption may influence market sentiments and trading patterns, hopefully, camembert to a satisfying conclusion.

In closing, it appears that American cheese is not only a staple in sandwiches but may also have a place at the financial table. As such, we believe that the time has come to bid adieu to further research in this area. After all, there's no need to milk this topic dry – let's cheddar our efforts in more promising and less dairy-driven pursuits. Thank you for indulging in this cheesy investigation, but it's time for us to move on to fresher pastures.