

Return to The Superbowl and Stock Market

a. 1967-1999

	Superbowl Winner	
	NFC	AFC
UP	16 84%	7 50%
Stock Market		
DOWN	3 16%	7 50%

Chi-Square = 4.47 with 1 degree of freedom
Significant at 0.05 level

Yules Q (Gamma) = 0.68

Lambda = 0.00

St. Louis Rams (NFC) won the 2000 Superbowl.
Should you invest in the stock market?

Why or why not?

b. 1967-1997

	Superbowl Winner	
	NFC	AFC
UP	16 84%	5 42%
Stock Market		
DOWN	3 16%	7 58%

Chi-Square = 6.09 with 1 degree of freedom
Significant at 0.02 level

Yules Q (Gamma) = 0.76

Lambda = 0.20

Would you have been more confident about investing
in 2000 if the Broncos hadn't won in 1998 and 1999?

The Real Issue.

We have no reason to suspect a causal relationship between Superbowl victory and stock prices. Despite finding a “significant relationship” between these variables, if we want to understand why stock prices change we probably need to investigate other explanations.

Similarly many have noticed a correlation between World Series victors (American or National League) and the party that wins the Presidential election. This relationship is similarly non-causal.

What might be a relationship worth investigating is the link between the stock market (or the economy more generally) and the President elections. If you're interested in pursuing this question consider the following web pages:

<http://www.brill.com/features/csm02001.html>

and

<http://fairmodel.econ.yale.edu>