**John Doe Advisory**
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# Correlation & Cointegration

The Coca-Cola Company KO vs PepsiCo, Inc. PEP

## Inputs

| | |
|---|---|
| First input | The Coca-Cola Company KO |
| Benchmark | PepsiCo, Inc. PEP |
| Rolling window (days) | 126 |
| Date range | 2005-01-03 → 2026-11-13 (5,501 common trading days) |

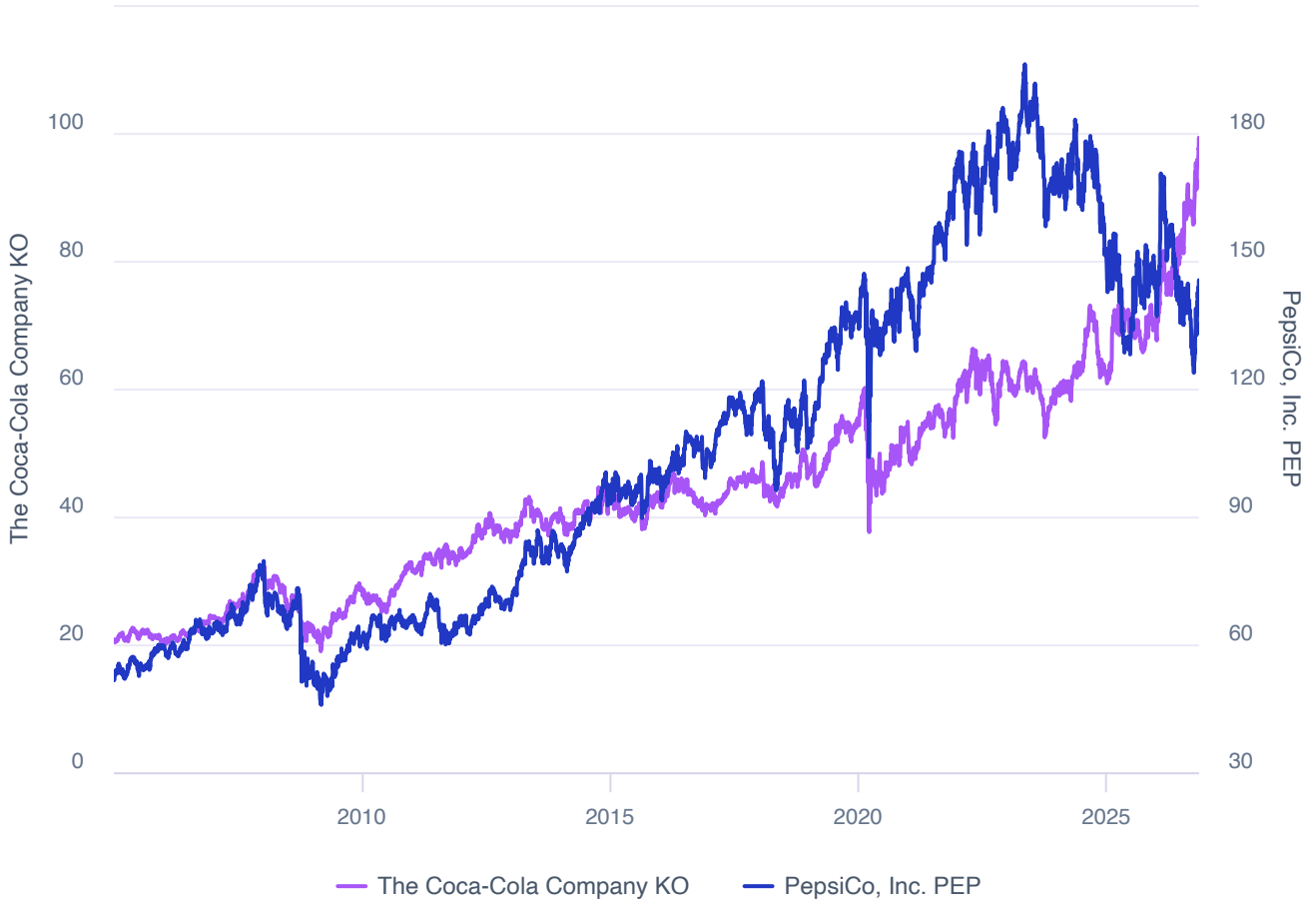
## Statistical assumptions

The analysis is computed on the daily historical price series of the selected asset, expressed in its native quotation currency. Returns, volatility and any derived statistics reflect the asset's standalone realized performance over the available data window.

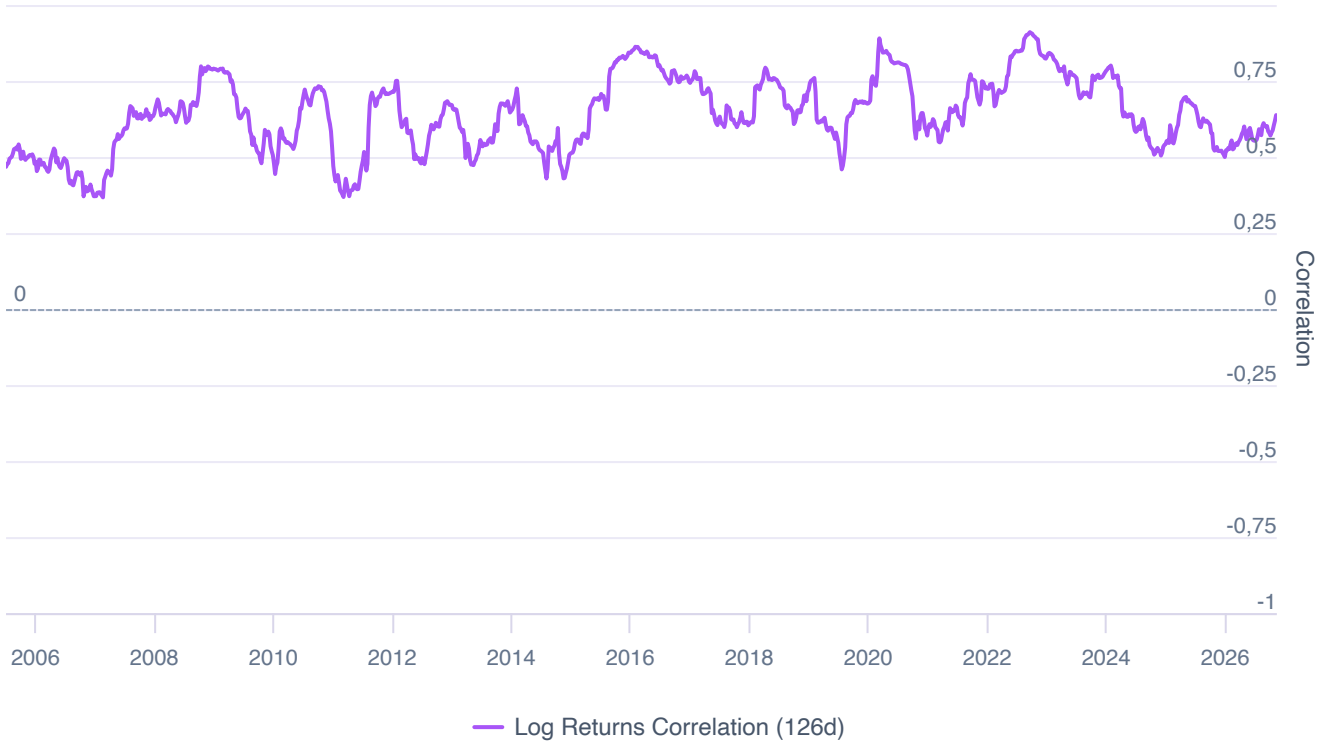
The analysis window corresponds to the full intersection of dates available for the asset within the requested period. Where the user has specified a date range, the same intersection is restricted accordingly.

## Correlation Chart

### Daily Price Comparison



### Correlation Evolution



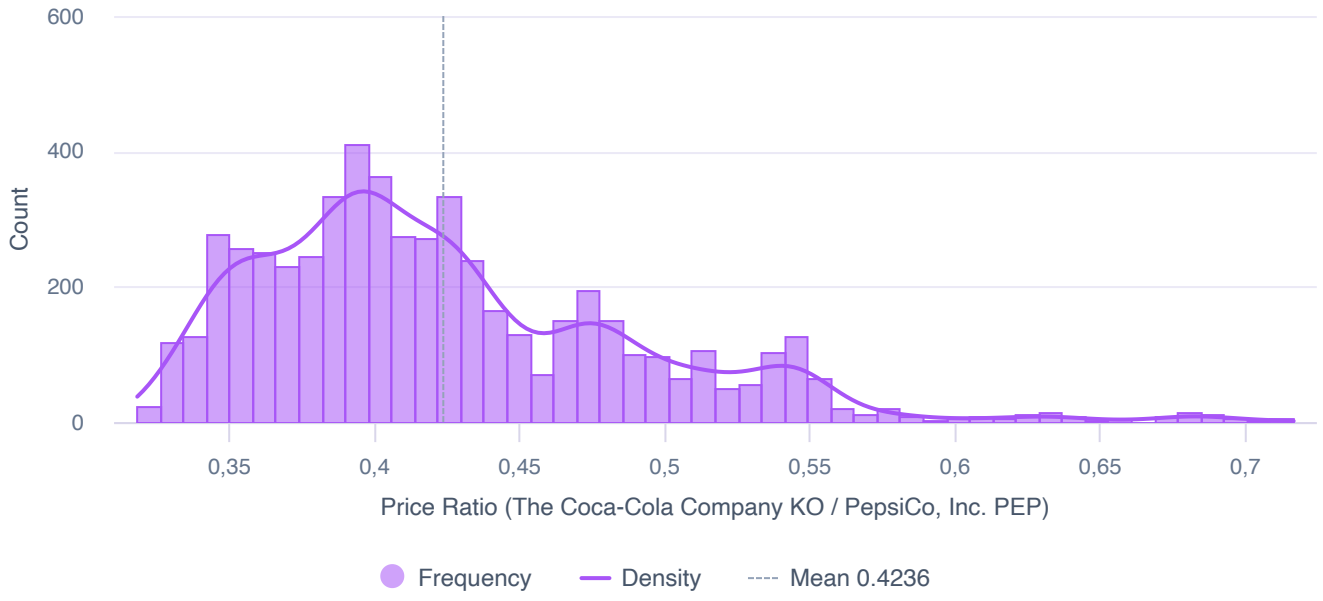

## Correlation Table

### Correlation Metrics

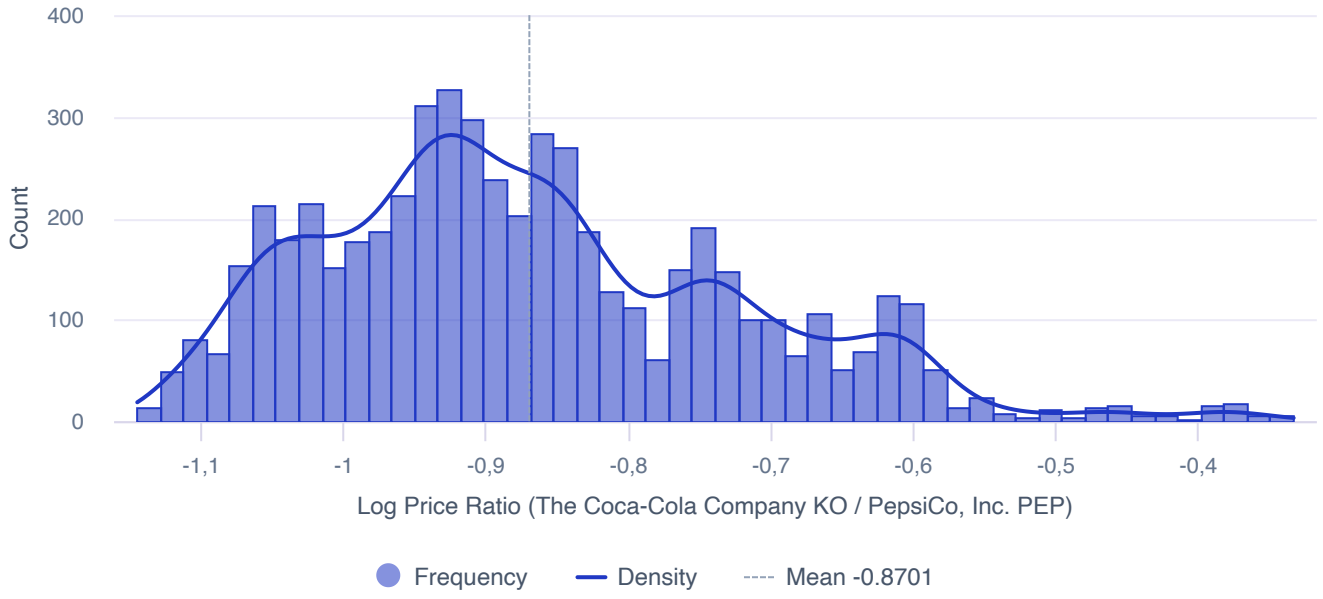
| Metric | Value |
|---|---|
| Price Correlation | 0.8899 |
| Log Returns Correlation | 0.6809 |

## Cointegration Chart

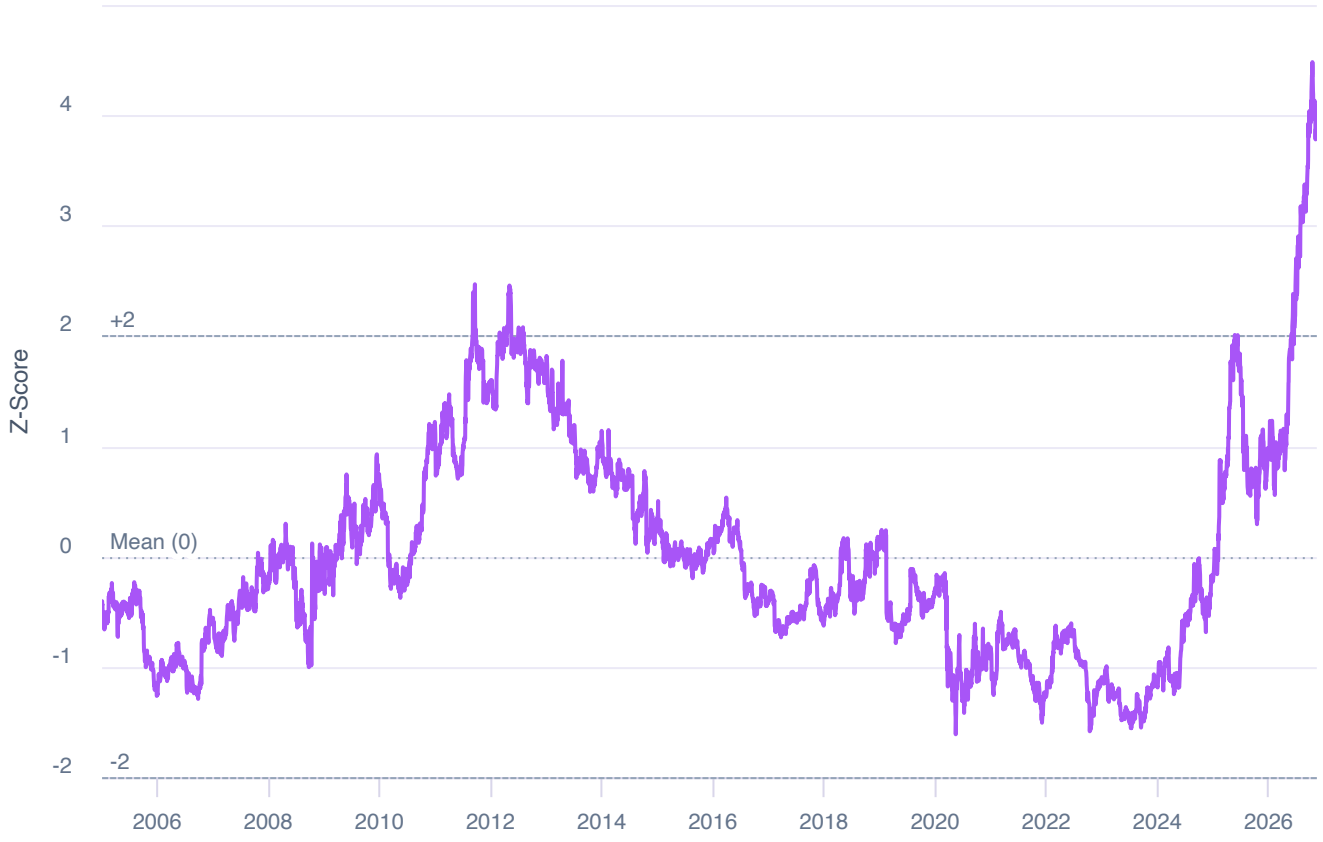
### Price Ratio Distribution




### Log Price Ratio Distribution



### Z-Score Evolution




## Cointegration Table

### Price Regression

| Statistic | Value |
|---|---|
| Beta | 0.3503 |
| Alpha | 6.8831 |
| $R^2$ | 0.7918 |
| P-value | 0.0000 |

### Log Returns Regression

| Statistic | Value |
|---|---|
| Beta | 0.6716 |
| Alpha | 0.0002 |
| $R^2$ | 0.4637 |
| P-value | 0.0000 |

## Cointegration Test

| Statistic | Value |
|---|---|
| Test statistic | 2.0995 |
| P-value | 1.0000 |
| ADF on residuals: Statistic | 2.1039 |
| ADF on residuals: P-value | 0.9988 |

Window: 2005-01-03 to 2026-11-13, 5,501 common trading days. Engle-Granger on price levels, augmentation lag 1.

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