Mick, the title of my presentation will be “Dot-Com Bubble/Bust”. The order of my slides will be as follows:

1. Title page including the definitions
2. Timeline
3. DotComY2K image
4. DotComSurvivors image
5. Summary

Also the last section is the Data Cleanup and Exploration slide.

**Dot-Com Bubble/Bust**

March 13, 2000

**DEFINITION** of '**Bellwether Stock**' A **stock** that is believed to be a leading indicator of the direction of a sector, industry or market as a whole. **Bellwether stocks** are often used to determine the direction in which an industry or market is headed in the short term.

The dotcom [bubble](https://www.investopedia.com/terms/b/bubble.asp) occurred in the late 1990s and was characterized by a rapid rise in [equity markets](https://www.investopedia.com/terms/e/equitymarket.asp) fueled by investments in Internet-based companies. During the [dotcom](https://www.investopedia.com/terms/d/dotcom.asp) bubble, the value of equity markets grew exponentially, with the technology-dominated [NASDAQ](https://www.investopedia.com/terms/n/nasdaq.asp) index rising from under 1,000 to more than 5,000 between 1995 and 2000.

**Timeline**

|  |  |
| --- | --- |
| 1994 | Amazon founded |
| 1995 | EBay founded |
| 1998 | Pets.com founded |
| 1999 | Webvan founded |
| January 10, 2000 | AOL merged with Time Warner |
| January 14, 2000 | Dow Jones peaks at 11,705.28 |
| January 30, 2000 | 17 Dot-Com companies advertised in the Super Bowl |
| March 10, 2000 | Nasdaq peaks at 5,132.52 (Friday) |
| March 13, 2000 | Markets open 4% lower (Monday) |
| January 28, 2001 | Three (3) Dot-Com companies advertise in the Super Bowl |
| April 2001 | Telecomm crash |

**Summary**

Pets.com file bankruptcy in November 2000. The IPO launched with $300M in investment capital. The IPO to liquidation took 268 days.

Webvan shutdown in June of 2001.

Cisco stock price declined 86% during the crash.

EBay and Amazon survived and thrived. Amazon is currently one of the largest companies by market capitalization in the world.

By 2004 only 48% of the Dot-Com Companies survived.

IBM is a bellwether stock. As you can see, while other stocks had severe declines, IBM held its value. It did suffer through peaks and valleys but investors fled to stocks such as IBM.

**Data Cleanup and Exploration**

* Data was obtained from a standardized historical stock library
* Data obtained in the format of open-high-low-close-volume
* Only cleanup required was the conversion of the date from string to datetime format. This was accomplished in Pandas.
* One interesting problem we encountered was the price scale when plotting a stock versus the stock index such as the Dow Jones. The stock was in the <$100 range while the Dow may have been in the $11,000 range. Each team member will demonstrate how they overcame this issue.
* The insights that we discovered will be discussed with each event.