

Netflix Stocks Analysis For 2017 Fiscal Year

Data Science Career Path

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1. Introduction

1.1 Project Introduction

In this project, I will act as a data visualization developer at Yahoo Finance!

I will be helping the "Netflix Stock Profile" team visualize the Netflix stock data.

In finance, a *stock profile* is a series of studies, visualizations, and analyses that dive into different aspects a publicly traded company's data.

In this project, we only considered the 2017 fiscal year data and analyse Netflix stocks against the Dow Jones stock.

1.2 Project Objective

For the purposes of the project, we will only visualize data for the year of 2017. Specifically, I will oversee creating the following visualizations:

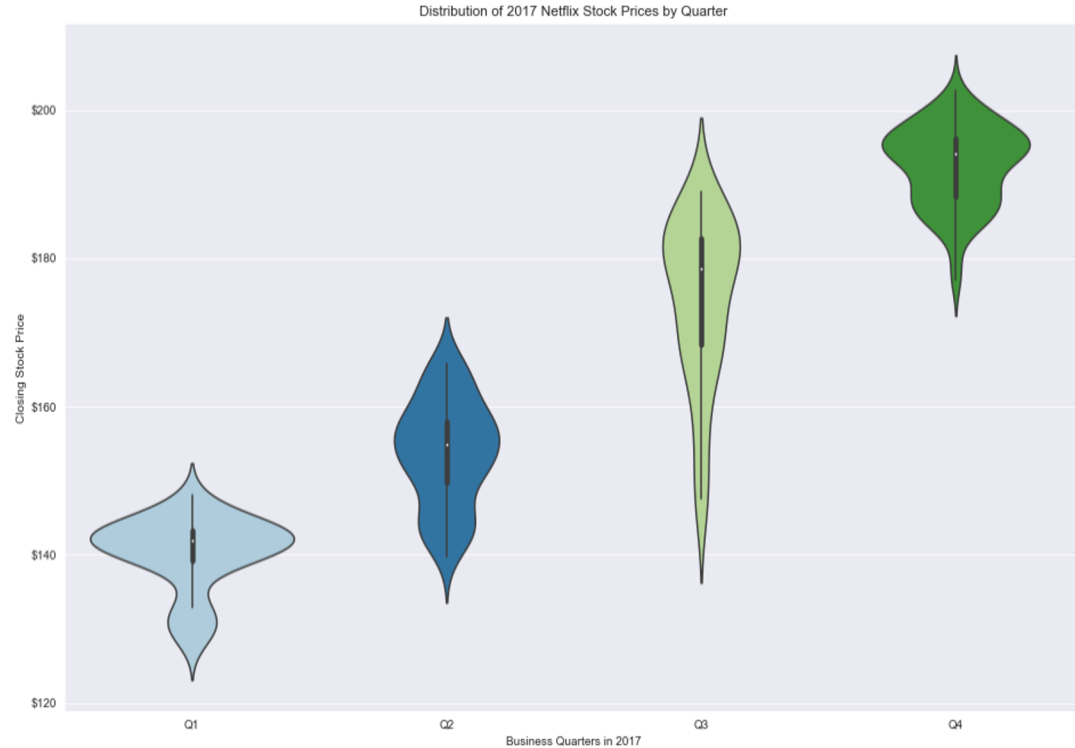
- The distribution of the stock prices for the year 2017
- Netflix's earnings and revenue in the last four quarters
- The actual vs. estimated earnings per share for the four quarters in 2017
- A comparison of the Netflix Stock price vs the Dow Jones Industrial Average price in 2017

2. Stock Profile Analysis

2.1 Netflix Stock Price Distribution for 2017

We would like to have an idea about the price distribution of Netflix stocks for 2017. This distribution has been plotted using a Violin plot with the Python module of Matplotlib. Some of the insights noticed are as follows:

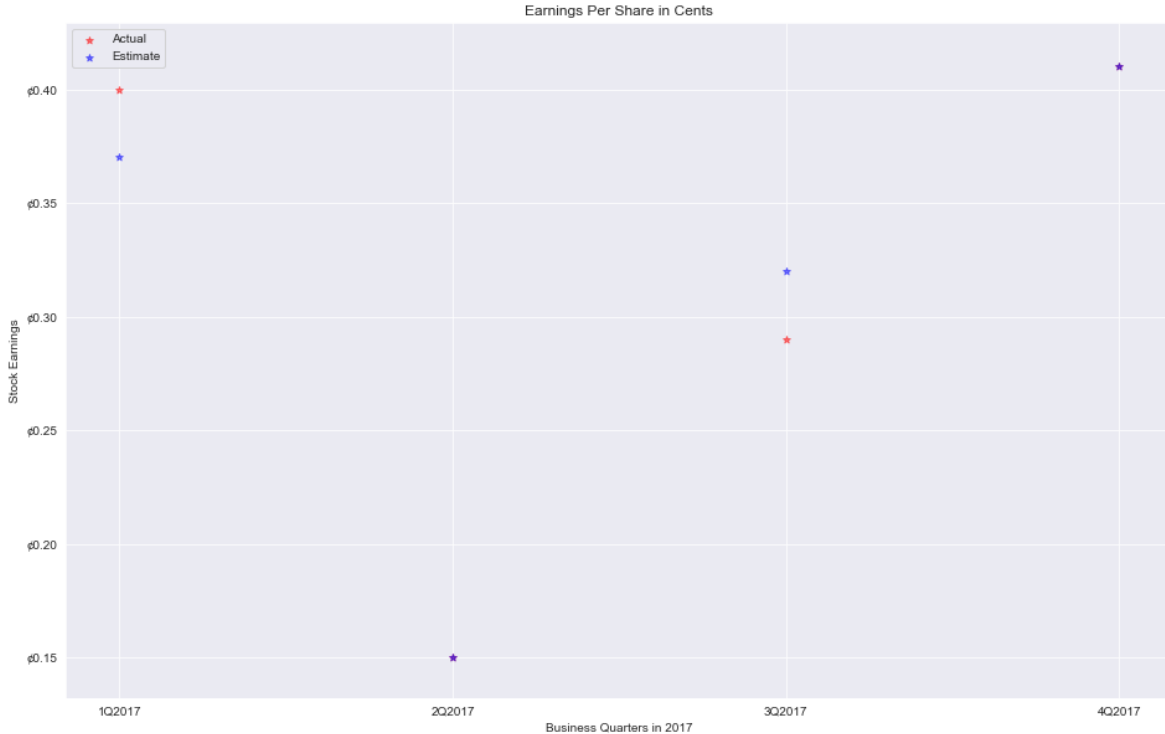
- There was an overall increase in stock prices in each quarter.
- The lowest closing stock price was \$127.49
- The highest closing stock price was \$202,68
- The highest single day increase was \$74.46(difference between opening stock price and closing stock price)



2.2 Projected Earnings vs Actual Earning

The graph displayed the projected shares earning per quarter from Yahoo Finance and the actual earning per quarter that was gained by Netflix stocks. We plotted the figures using a Scatter plot and it reveals that:

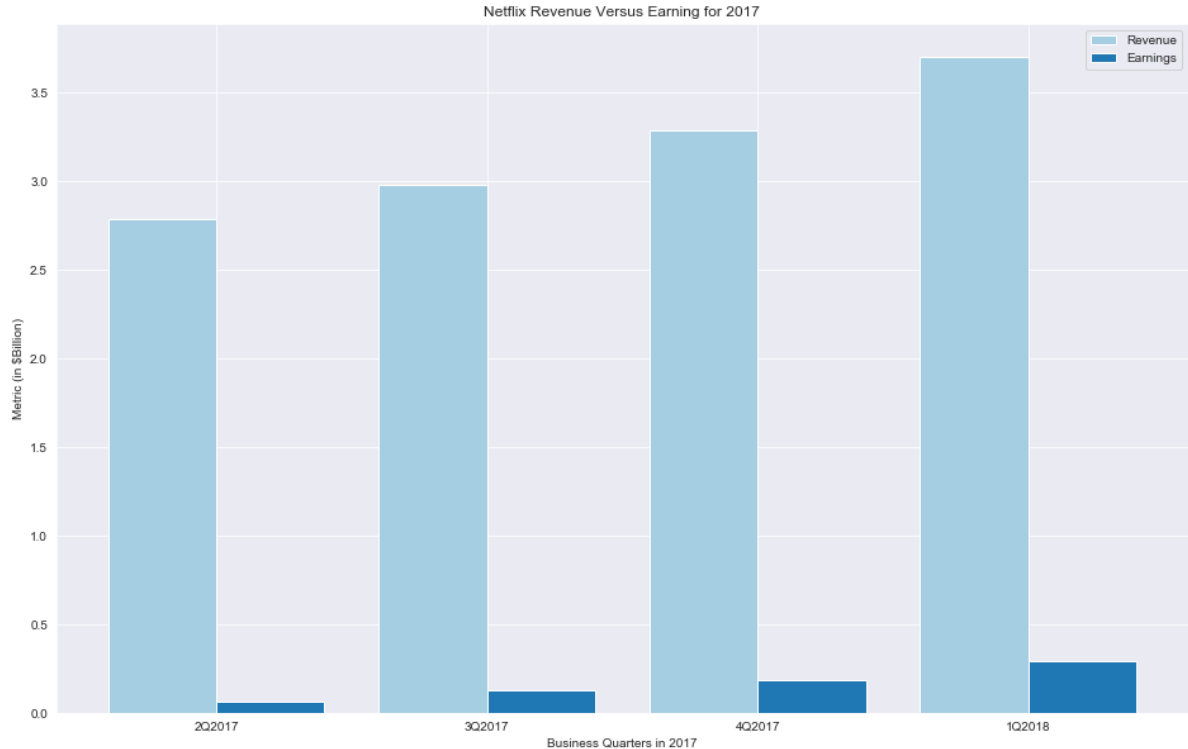
- The project earning and actual earning were the same in the second and last quarter of the 2017 fiscal year (purple star).
- The first quarter earning was higher than project which indicated that Netflix shares traded better in the first quarter of 2017 than the third.



2.3 Netflix Stocks(Earning) and Revenue

The graph displayed Netflix revenue generated from stocks and the earning from the revenue. The following can be deduced:

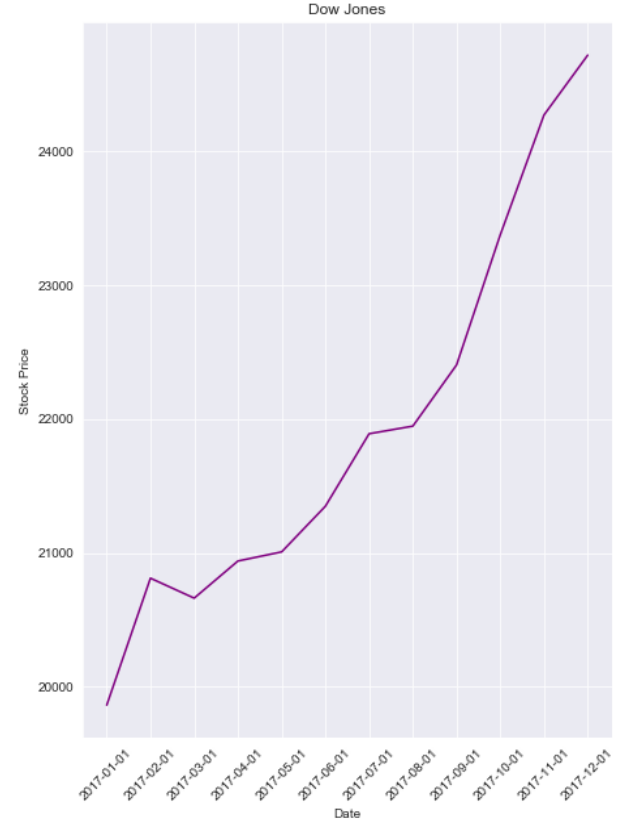
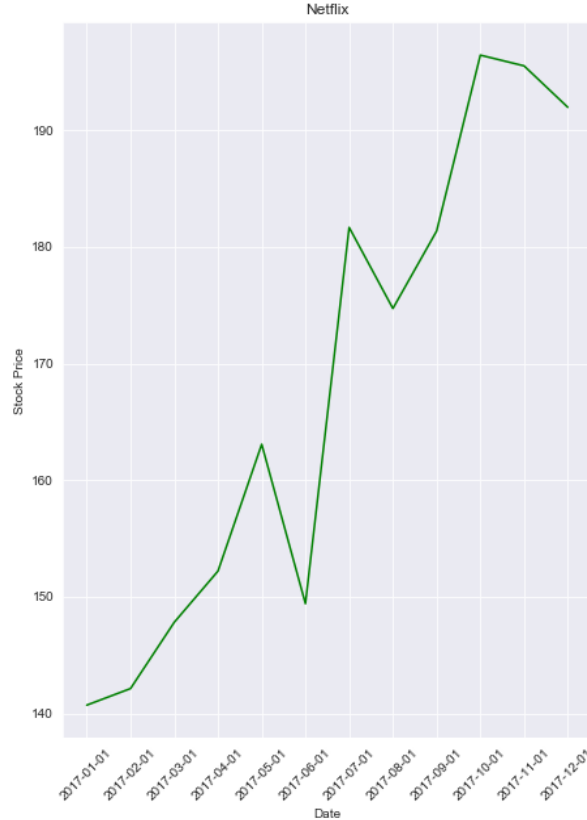
- Both revenue and earning are growing with an upward trend.
- Earning is less than 10% of revenue for all quarters, this shows that about 90% of Netflix revenue is going into operating costs.



2.4 Netflix vs Dow Jones

Finally, we decided to compare Netflix stock against Dow Jones to get further insight about the behaviour of the stocks. We noticed the following:

- Dow Jones stocks grow at a steady rate than Netflix.
- Even though Netflix showed some growth, it dropped 3 times in 2017 unlike Dow Jones which dropped just once
- Netflix stocks was more volatile than Dow Jones



3. Conclusion

Conclusion and Recommendation

Netflix stocks performed very well in 2017 fiscal year. Though being volatile, the stock price grew above average and performed very well at the last quarter of the year.

We are also recommending that Netflix investigate how to reduce the operating costs so as to increase earnings and could also improve its stock price.

Financial Data Source

[Yahoo Finance](#)