

Market Trends

Meta, Twitter, Snapchat





Social Media & The Stock Market

Facebook (Meta), Twitter, and Snapchat are 3 of the most popular social media platforms globally and in the United States.

In this presentation, we will examine how the share prices of these companies have changed over the past decade.



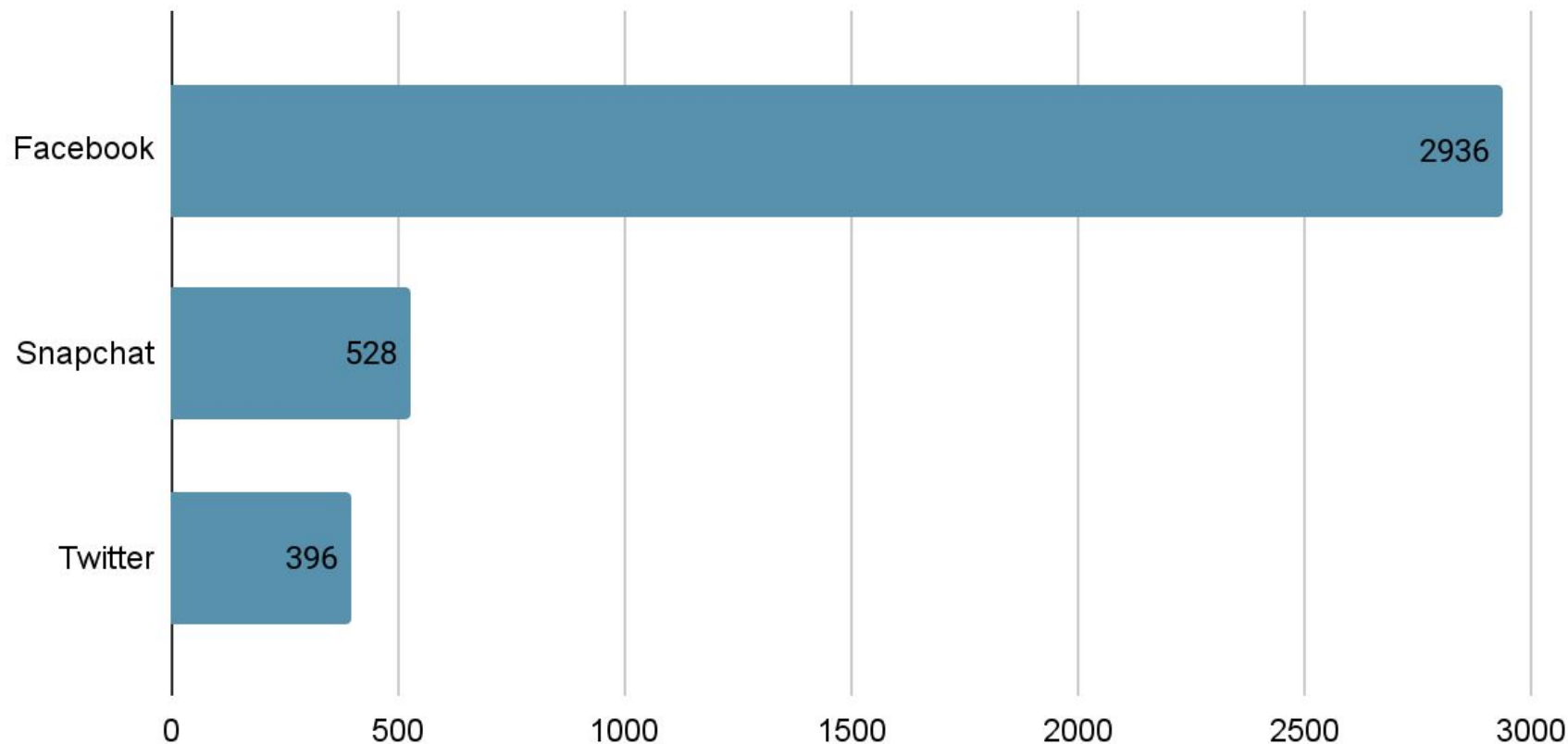
Goal

We want to see if the 3 companies have followed the same general trends in the market over the past 5 years.

This is not meant to be a rigorous examination. Our main focus was to look at dramatic climbs and falls, and see if any company behaved noticeably different than the others.

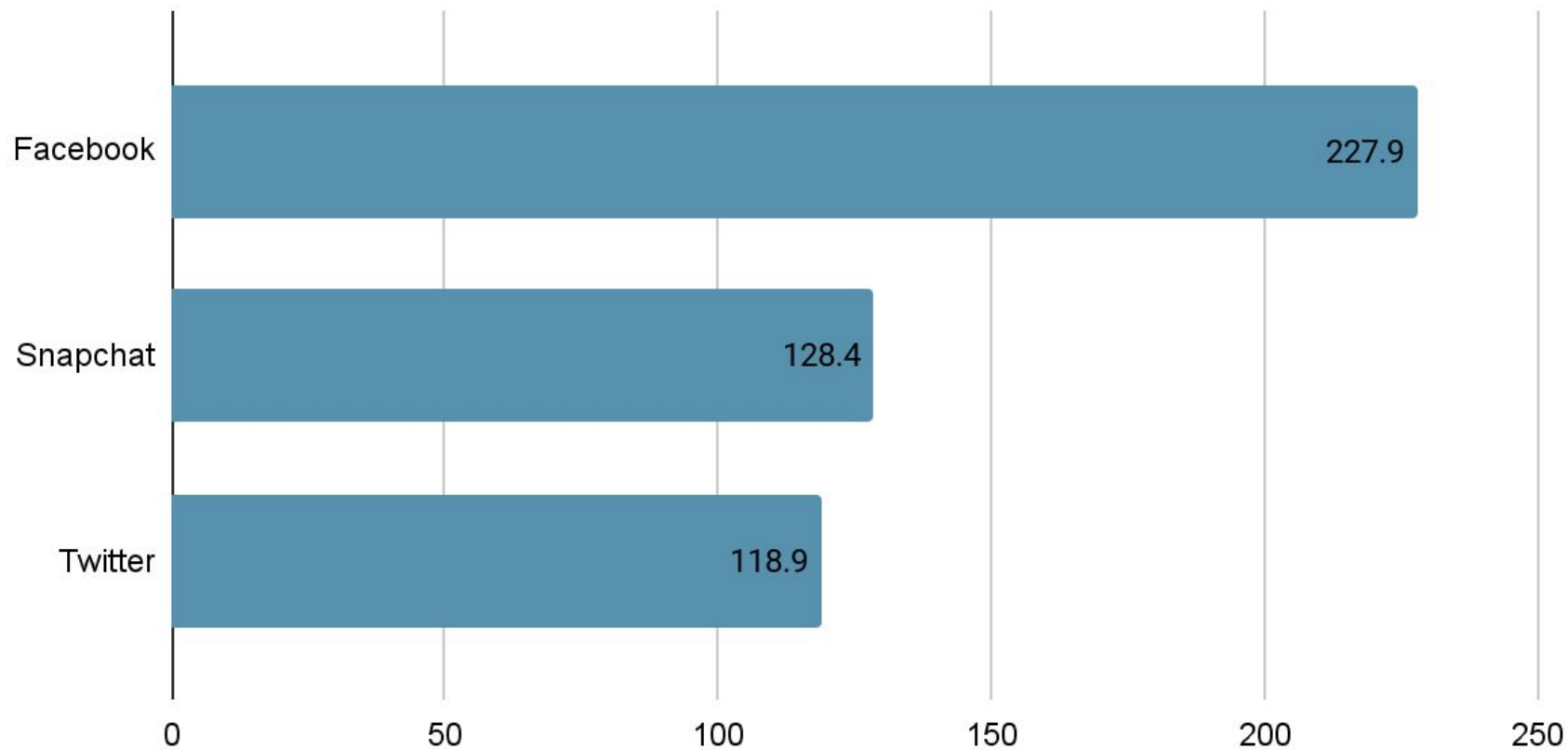
Social Media Platforms (Global)

Active Users (In Millions)



Social Media Platforms (US)

Active Users (In Millions)





When did each enter the market?

Facebook (now Meta): May 18, 2012

Twitter: October 4, 2013

Snapchat: March 2, 2017

Closing Price (All Time)



The Nasdaq Composite



This gives a heuristic of how the trends of FB/META compared to that of the overall stock market since 2012.



More recent market behavior

For a more recent comparison, we will now restrict our attention to the past 5 years (April 6th 2017 - April 6th 2022)

Closing Price (Past 5 Years)





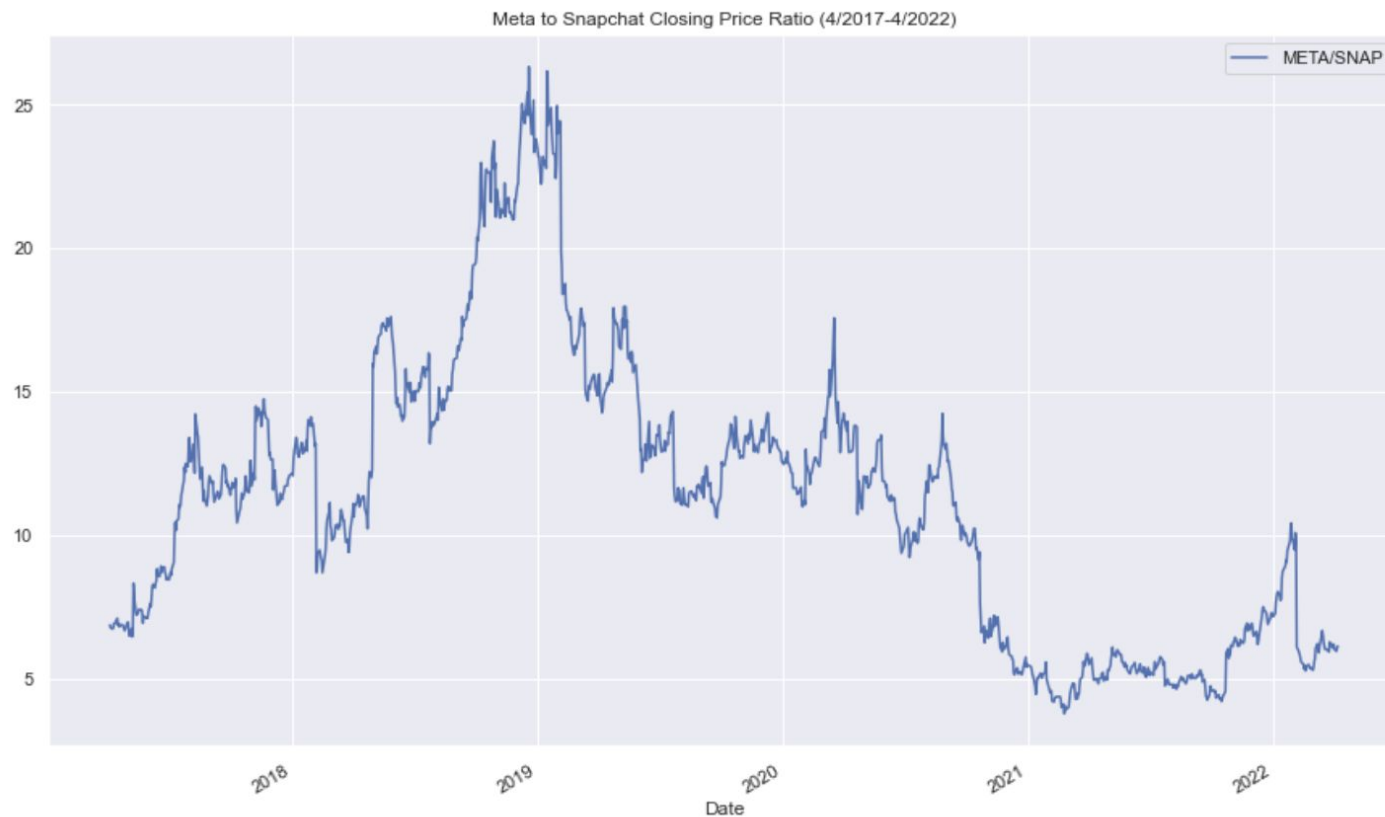
Price Ratios

Looking solely at the share prices doesn't tell the whole story.

To gain more insight on how the companies compared to each other, we will look at the relative value of each pair.

This was calculated by dividing the closing price of one by the closing price of another.

Relative Value: META vs SNAP



Relative Value: META vs TWTR



Relative Value: TWTR vs SNAP



Scaled Closing Price Comparison

Here we can see how each company's value changed relative to its own ATH (all time high) over the past 5 years.





Trend Summary

All 3 social media companies tend to follow similar patterns in recent years, with significant growth between early 2020 and late 2021.

This was followed by a sharp decline in early 2022.

Between mid 2018 and late 2020, Snapchats relative value to Meta and Twitter decreased dramatically, with a peak discrepancy occurring between late 2018 and early 2019.



References

<https://www.theglobalstatistics.com/united-states-social-media-statistics/>

https://en.wikipedia.org/wiki/Social_networking_service