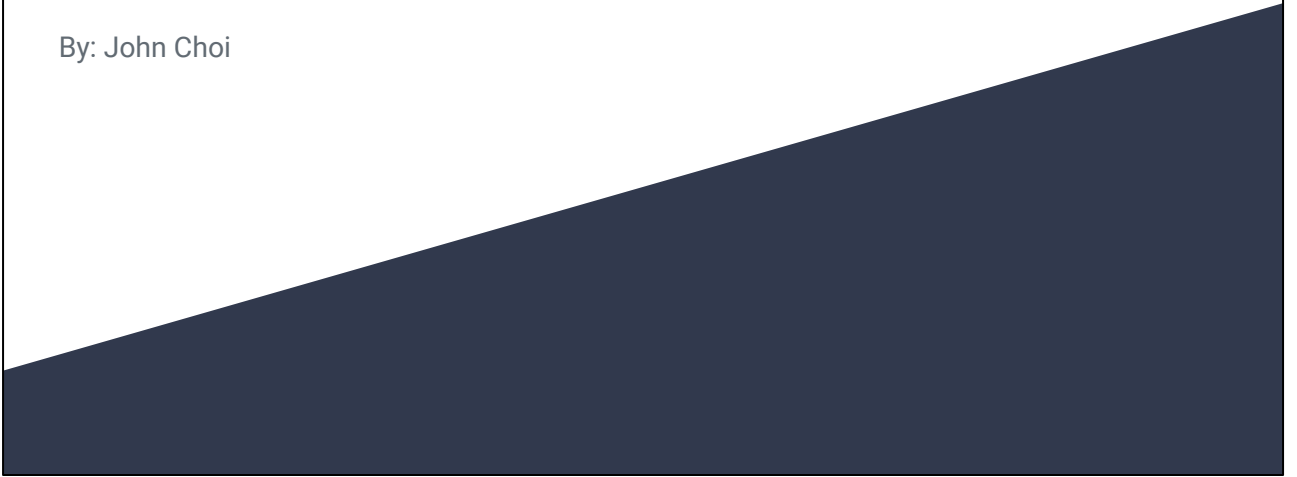


Netflix Stocks Capstone Project

By: John Choi



Financial Data Source: [Yahoo Finance](#)

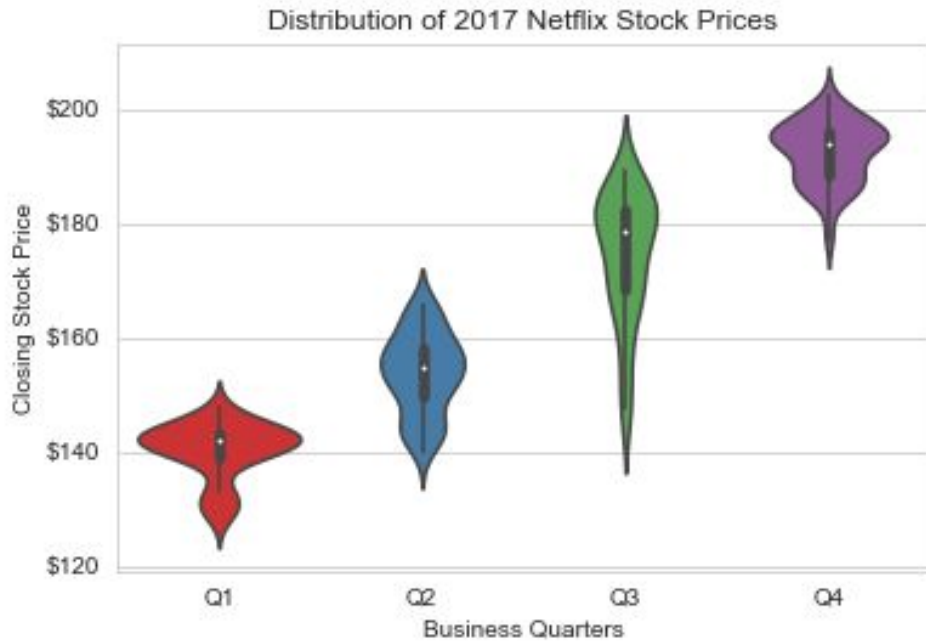
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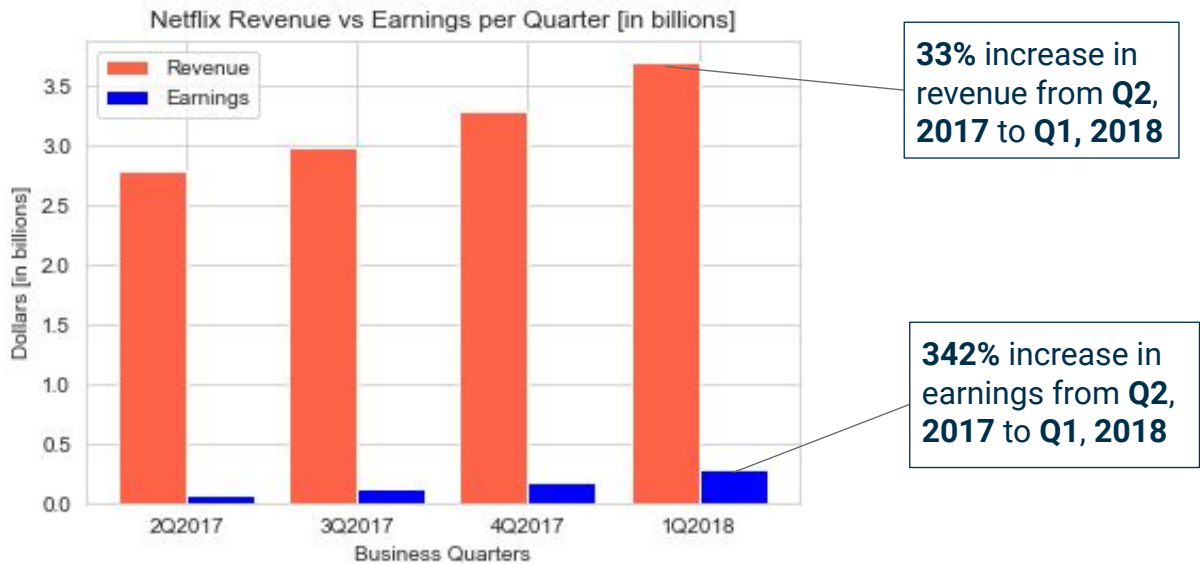
Methods

Netflix 2017 stock prices were analyzed, prepared, and plotted through the use of Jupyter Notebooks in order to assess the risk of the Netflix stock.

Netflix stock prices were compared against the Dow Jones stock prices of 2017 to grasp an overall sense of Netflix's performance in 2017.



Most of the prices in 2017 fall between the 140 to 145 price range.
The highest recorded stock price in 2017 is \$202.68 and the lowest stock price is at \$127.49.



Earnings constituted 2% of revenue in Q2 of 2017 and increased to 7% of revenue by Q1 of 2018.

Both revenue and earnings experienced a positive growth from Q2 of 2017 to Q1 of 2018. Revenue had a 33% increase and earnings had a 342% increase. The percent of revenue that was made up of earnings increased during this time period from 2% of revenue in Q2 of 2017 and increased to 7% of revenue by Q1 of 2018.

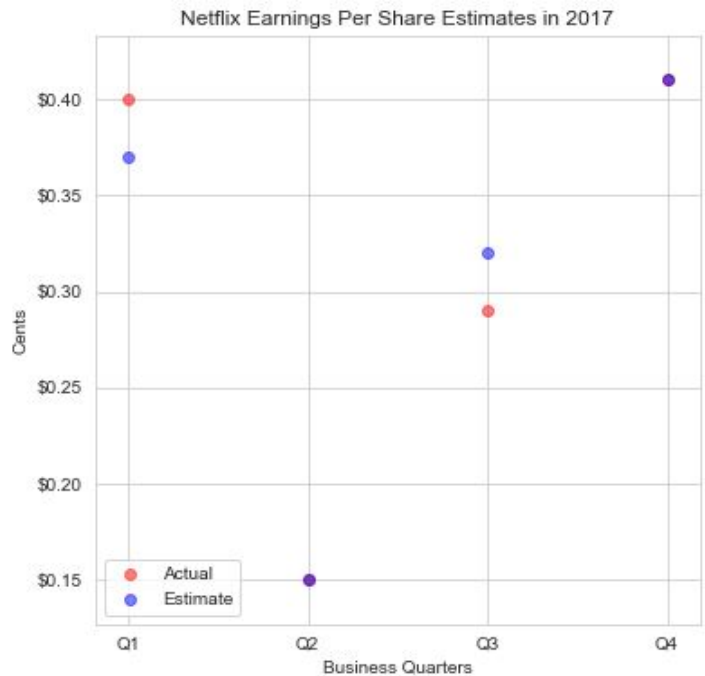
How well did Netflix predict actual earnings in 2017?

Q1: -7.5% Error

Q2: Exact Match

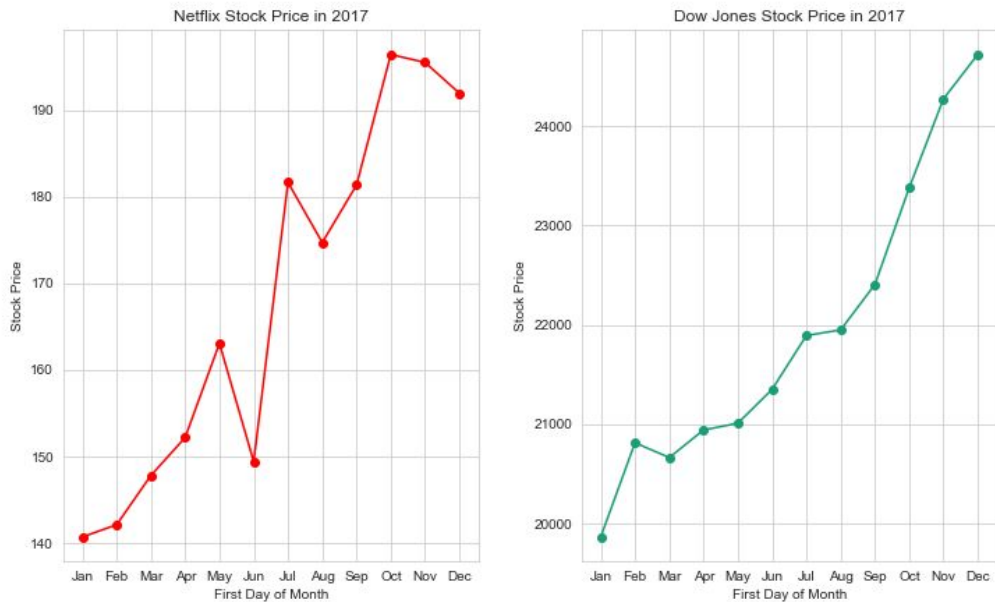
Q3: +6.5% Error

Q4: Exact Match



Generally, the Netflix estimates were fairly close to the actual earnings in 2017. In Q2 and Q4, the estimates of Netflix earnings per share matched their actual earning per share. It could be helpful to see what variables were used to predict the exact matches for actual earnings in Q2 & Q4, as well as considering what variables might have been overlooked.

How does Netflix's performance compare to the Dow Jones Industrial Average in 2017?



Netflix and the Dow Jones both show upward trends in 2017, though Netflix ascent was far more volatile with more drastic drops as seen in June, August, and another dip in December.

Further research into the overall market during these months should be implemented to understand what could have caused these drastic drop-offs in stock prices.

The overall prices of Netflix stock are far smaller than the Dow Jones.