Capstone Project: Netflix Data

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Introduction

Netflix Stock Profile

I've been hired as a data visualization developer at Yahoo Finance! My job is to help financial analysts by creating some of the visualizations for a stock profile of Netflix.

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

The analysis and visualizations are based on Netflix and Dow Jones data from 2017.

I've used the following Python libraries:

- Pandas
- Matlotlib
- Seaborn

Code and visualizations prepared using Jupyter Notebook.

Content

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

Format

| Visualizations	Findings
Visualizations of the data. Presented in tandem with findings	Assertions and conclusions based on the visualizations. Presented in tandem with visualization

Stock Profile

Stock Health

There was a moderate growth in shares over the entire period. Mostly Closing stock prices fluctuated between $140 and $200.
The lowest point was $127 and the highest point $202.

As we can see from the graph, Q3 had a wide distribution of closing stock prices from $146 to $189. There was a very high volatility in closing stock prices.

Distribution of 2017 Netflix Stock Prices by Quarter
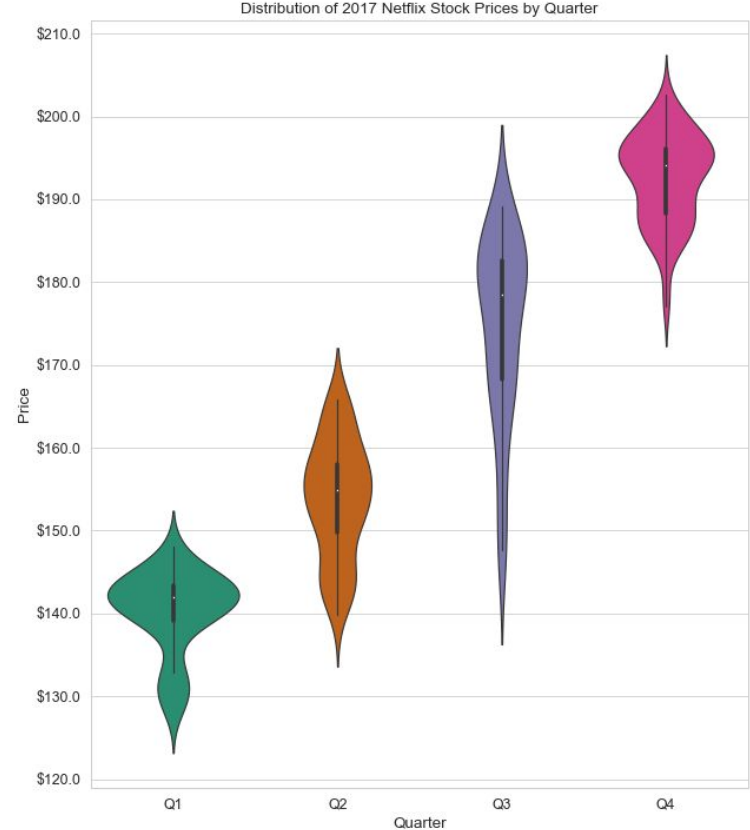
EPC review

This scatter plot of Actual vs Estimated EPC shows that Yahoo's prediction matched right in Q2 and Q4.

In other quarters Yahoo's prediction was close to the actual EPC with an average 9% error, $0.4 vs $0.37 and $0.29 vs $0.31

The actual vs. estimated earnings per share for the four quarters in 2017
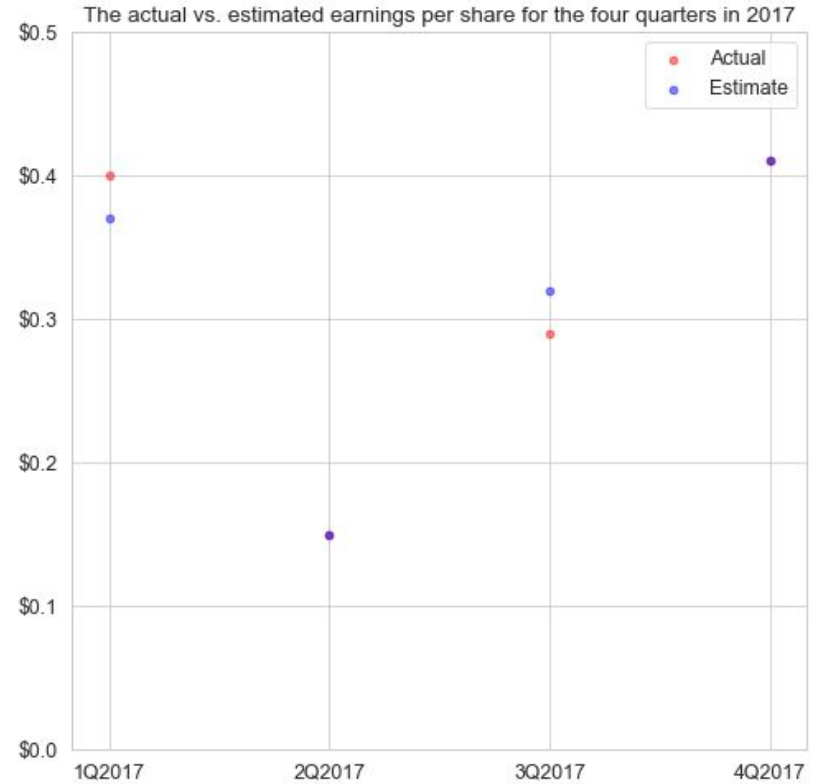
Earnings vs Revenue

As is shown in bar chart Netflix's earnings and revenue had an upward trend throughout the period.

Revenue was $ 2.79B and earnings was $ 65.6M in the first quarter. And in the last quarter revenue was $3.7B and earnings was $290M.

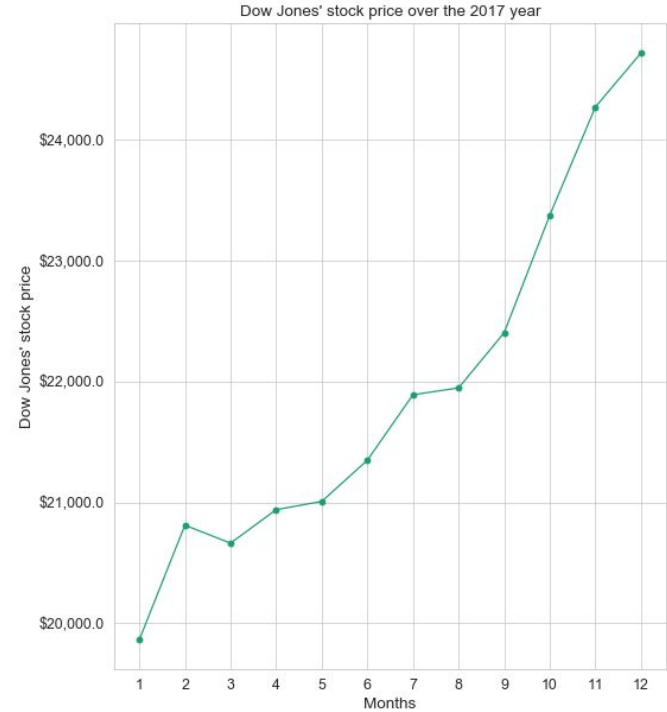Netflix's earnings and revenue in the last four quarters
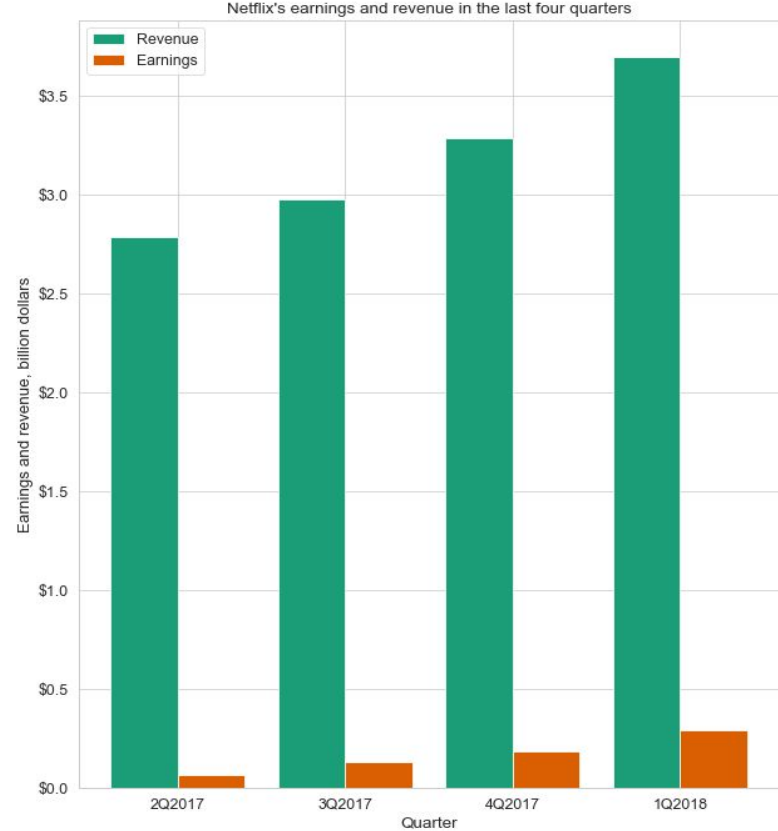
Earnings vs Revenue, %

It is valuable to note that the share of profit from revenue showed a more than three and a half times increase from 2.3% to 7.8% throughout the period.

Netflix's percentage of the earnings from revenue over the 2017 year
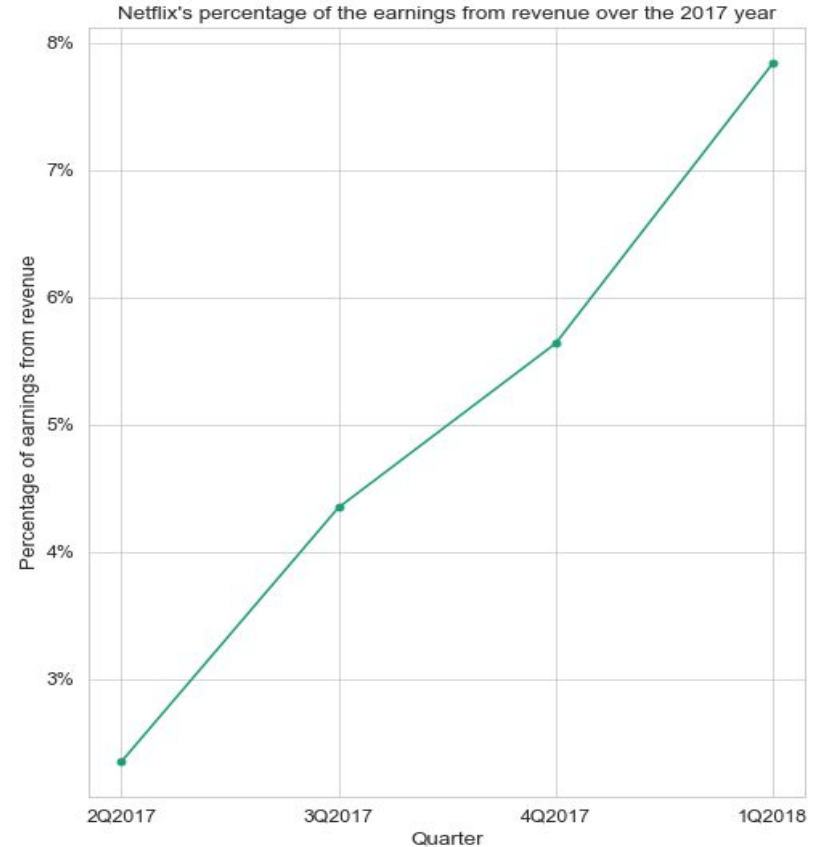
Netflix Stock vs DJIA change for 2017

Netflix's stock price over the 2017 year

Dow Jones' stock price over the 2017 year

Stock vs DJIA

Overall, both DJ index and Netflix stock prices demonstrated a rise by 124% and 136% throughout the period.

There was only one decline in DJIA in Q1, whereas Netflix's stock prices had 3 downturns in Q2, Q3, Q4.

These facts suggest that the decline in Netflix shares' price was a special case, not a Dow Jones trend.

Netflix's stock price over the 2017 year

Dow Jones' stock price over the 2017 year

Conclusions

The growth of Netflix's shares was more than one and a half times that of DJIA, which indicates that the indicator of the former is greater than the market. The Netflix's stock showed a significant increase from $140 to $191 in 2017. The stock rose steadily in all quarters except the second quarter, where the stock fell from $163 to $149. The conclusion is positive for buying shares.

The end