



NFLX vs DJI: 2017

A Quarterly Review

Purpose

Analytics

The stock price for Netflix (NFLX) is compared to the market, which is simulated by DJI for the year 2017. Price at the beginning of each month for the two are analyzed and compared using summary statistics. Closing price of each market day for NFLX is also analyzed to determine volatility in each Quarter.

All data collected comes directly from Yahoo! Finance

A description of the Dow Jones Industrial Average can be found [here](#) (Investopedia: Dow Jones). You can click to learn why the Dow Jones is used as a proxy for the Market at large.

Visualization

All visualizations are created using Pandas, Seaborn, and Matplotlib inside Jupyter Notebook. Visualizations include Violin Plot, Scatter Plot, Side by Side Bar Graph, and Line Graph

Hello!

I am Nathan Marceaux

This project is completed to demonstrate skills in:

- Computer programming
- Exploratory Data Analysis
- Data Visualization

You can find me on:

- Github
- LinkedIn

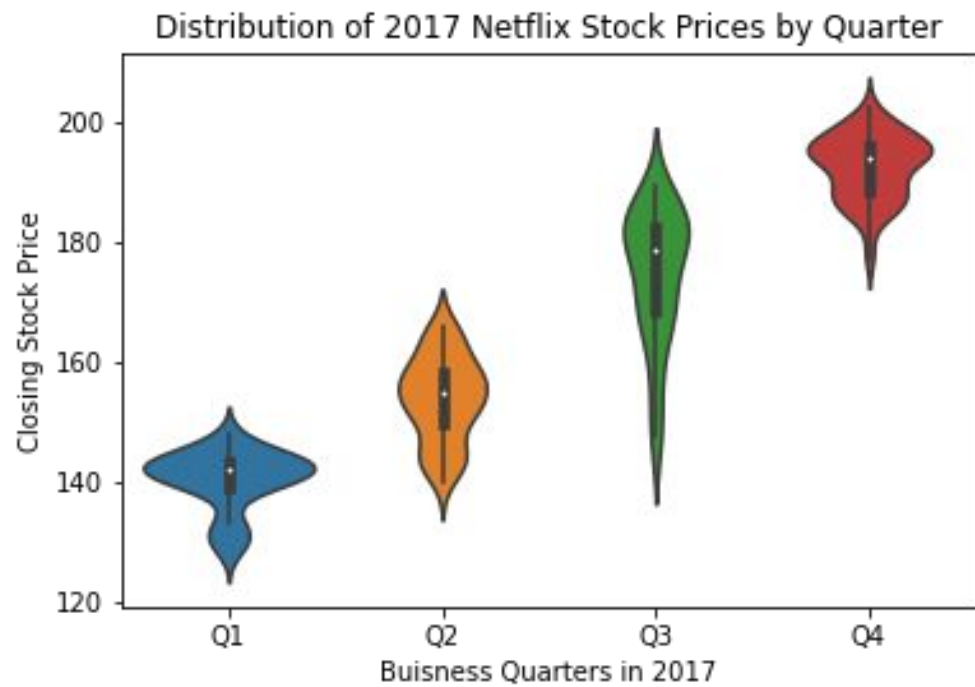
Questions:

1. In which quarter did NFLX experience the largest swing in price?
2. Did EPS meet expectations?
3. How do earnings compare to revenue?
4. How did NFLX compare to the market overall?

1.

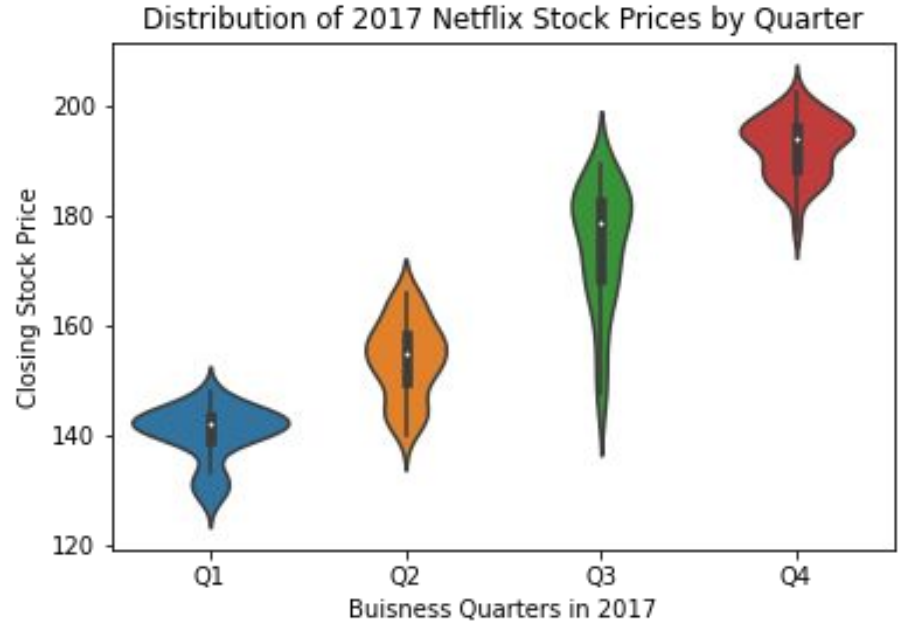
Variation in Stock Price by Quarter

From Jan 2017 - Dec 2017



Takeaways

- ▷ Q3 Has largest variation
- ▷ Avg Price ~ \$145 - \$165
- ▷ High ~ \$210
- ▷ Low ~ \$125

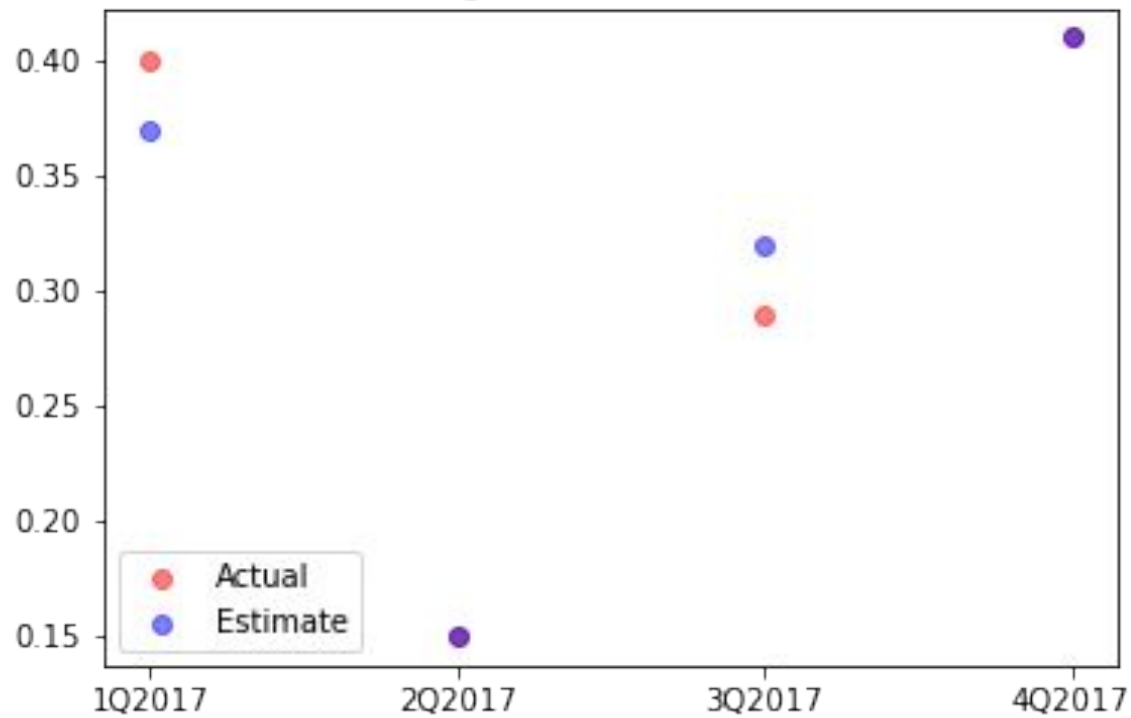


2.

Actual vs Estimate EPS by Quarter

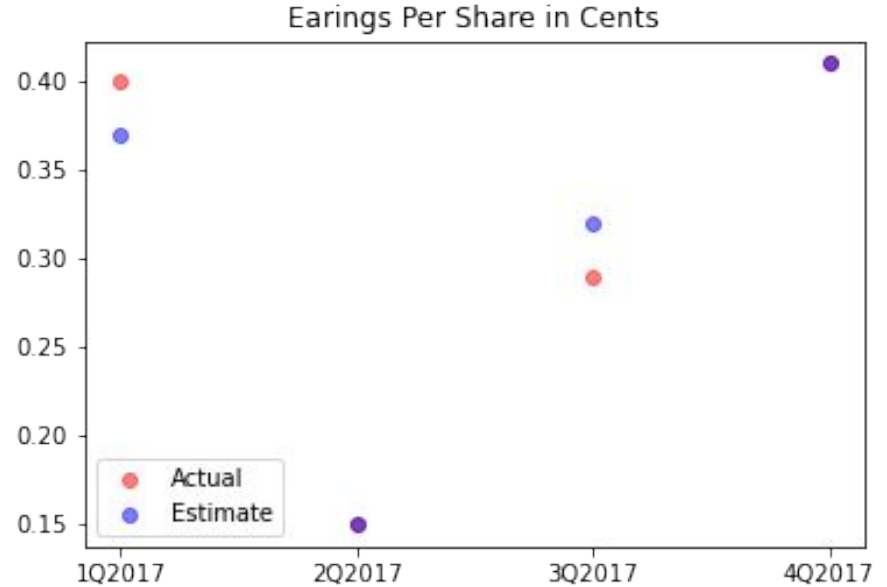
From Jan 2017 - Dec 2017

Earnings Per Share in Cents



Takeaways

- ▷ Q1 and Q4 Highest EPS
- ▷ Q1 Surpassed Estimate
- ▷ Q3 Missed Estimate



3.

Revenue vs Earnings Per Quarter

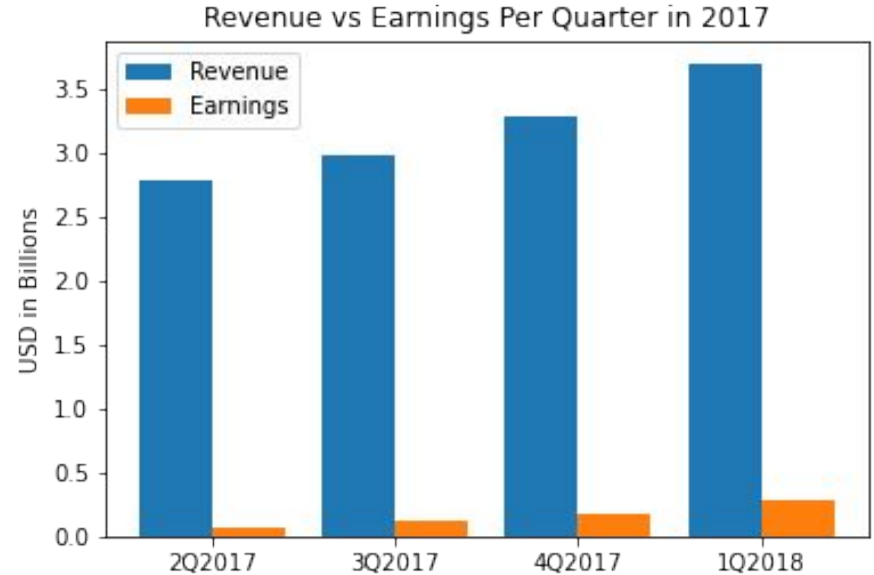
From Jan 2017 - Dec 2017

Revenue vs Earnings Per Quarter in 2017



Takeaways

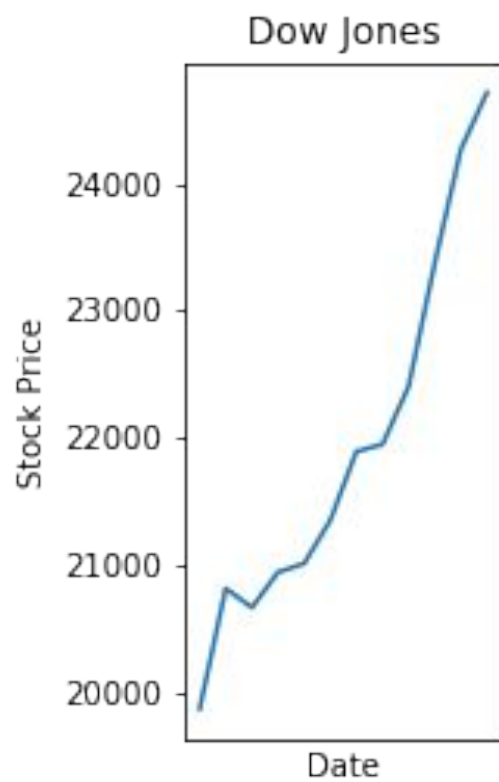
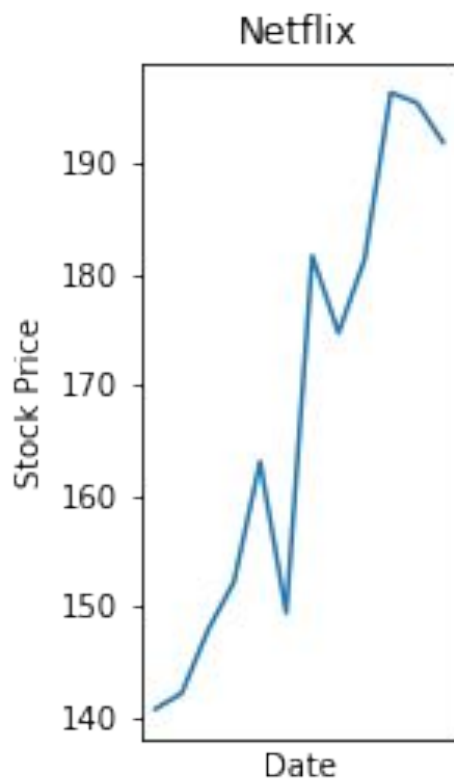
- ▷ Revenue about 16x Earnings
- ▷ Revenue Growth of ~ \$1 Billion in 2017



4.

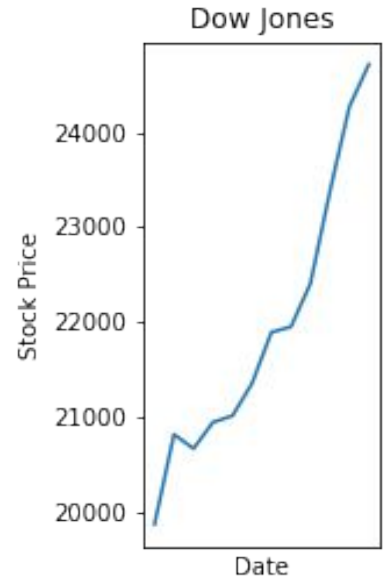
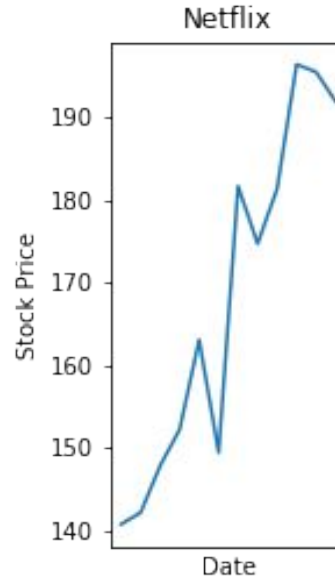
Netflix vs The Market

From Jan 2017 - Dec 2017



Takeaways

- ▷ NFLX trends around the market
- ▷ NFLX slightly more volatile
- ▷ Netflix ~ 35% YOY
- ▷ DJI ~ 30% YOY



Summary / Next Steps

Despite some variation outside market norms, Netflix continues to grow in both revenue and earnings, outpacing the growth of the overall market

How can Netflix increase revenue beyond adding new customers?

What is the cause of decreased revenue in Q3?