



Stock Research Report

Stock Name: Netflix Corporation (NFLX)

www.teambiddles.com

April 11, 2020

Profile

Netflix, Inc. is a provider an Internet television network. The Company operates through three segments: Domestic streaming, International streaming and Domestic DVD. The Domestic streaming segment includes services that streams content to its members in the United States. The International streaming segment includes services that streams content to its members outside the United States. The Domestic DVD segment includes services, such as digital optical disc (DVD)-by-mail. The Company's members can watch original series, documentaries, feature films, as well as television shows and movies directly on their Internet-connected screen, televisions, computers and mobile devices. It offers its streaming services both domestically and internationally. In the United States, its members can receive DVDs delivered to their homes. The Company had members streaming in over 190 countries, as of December 31, 2016.

NETFLIX INC

Consumer Services: Cable/Satellite TV

5

439.17 12.42 (2.91%)

previous close (16 Apr)

430.98 -8.19 (-1.86%)

• post-market

421.00×100

434.00×100

431.61 Day's Range 449.52

252.28 52wk Range 449.52

SELL

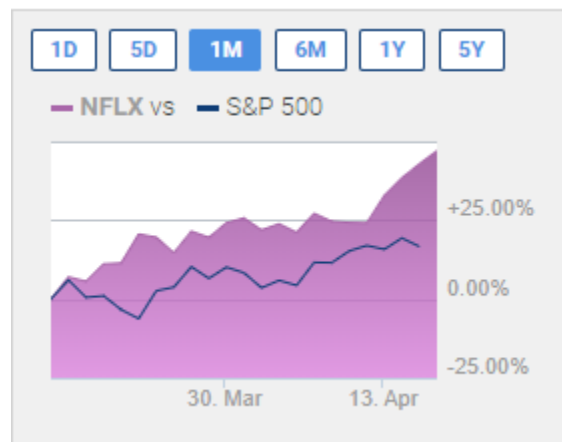
Technical analysis

BUY

PERFORMANCE

5 Day	18.46%	
1 Month	32.27%	
3 Month	29.69%	
YTD	35.73%	
1 Year	21.87%	

1 Month

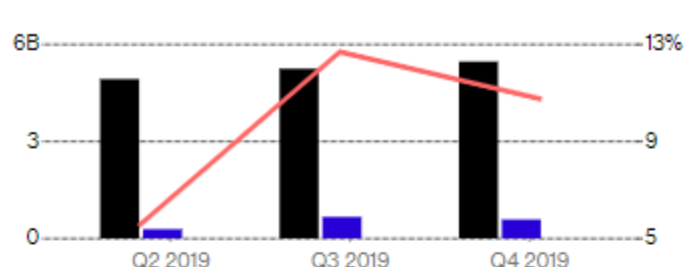


Fundamental

For the fiscal year ended 31 December 2019, Netflix Inc revenues increased 28% to \$20.16B. Net income before extraordinary items increased 47% to \$1.74B. Revenues reflect International segment increase of 36% to \$10.62B, Domestic streaming and DVD segment increase of 19% to \$9.54B. Net income benefited from International segment income increase from \$661.9M to \$1.58B, Domestic streaming and DVD segment income increase of 25% to \$3.49B

Income Statement

Quarterly Annual

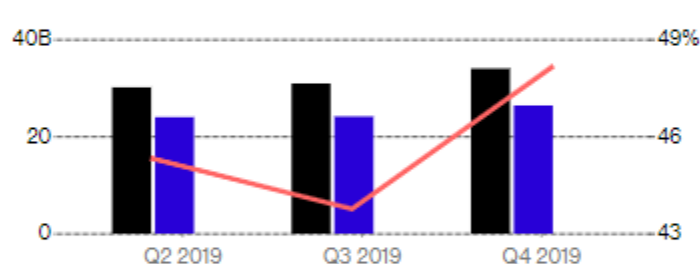


Q4 2019 (Millions USD)

● Revenue	5,467.43
● Net Income	586.97
● Profit Margin	10.74%

Balance Sheet

Quarterly Annual

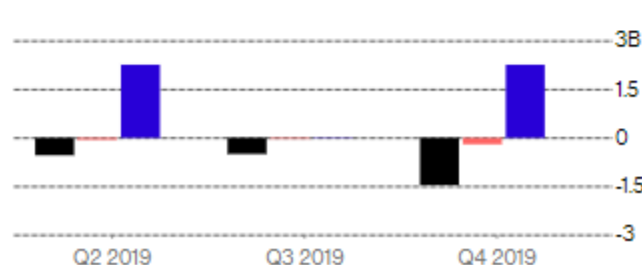


Q4 2019 (Millions USD)

● Total Assets	33,975.71
● Total Liabilities	26,393.56
● Debt to Assets	48.19%

Cash Flow

Quarterly Annual



Q4 2019 (Millions USD)

● Operating	-1,461.98
● Investing	-207.57
● Financing	2,253.61

NFLX PEERS - SELECT UP TO 4 PEERS TO COMPARE IN CHART

Top 5 Industry Peers ▼

Company Name/Symbol ^	Current Consensus Recommendation	Price	Today's Change	Market Cap	P/E	5 Yr EPS Growth
<input checked="" type="checkbox"/> Netflix Inc. NFLX	<div><div>BUY</div></div>	\$439.17	▲ 12.42 +2.91%	162.7B	70.9x	+76.94%
<input type="checkbox"/> Amc Entertainment Holdings I AMC	<div><div>HOLD</div></div>	\$2.44	▲ 0.03 +1.24%	270.0M	--x	+6.01%
<input type="checkbox"/> Amc Networks Inc AMCX	<div><div>HOLD</div></div>	\$23.20	▲ 0.10 +0.43%	1.4B	3.3x	+20.27%
<input type="checkbox"/> Discovery Inc DISCA	<div><div>BUY</div></div>	\$21.47	▲ 0.12 +0.56%	11.7B	6.7x	+17.30%
<input type="checkbox"/> Live Nation Entertainment In LYV	<div><div>BUY</div></div>	\$36.40	▼ 2.07 -5.38%	8.2B	--x	+22.50%
<input type="checkbox"/> Walt Disney Co DIS	<div><div>BUY</div></div>	\$102.02	▼ 1.35 -1.31%	186.1B	31.3x	+5.22%

Technical

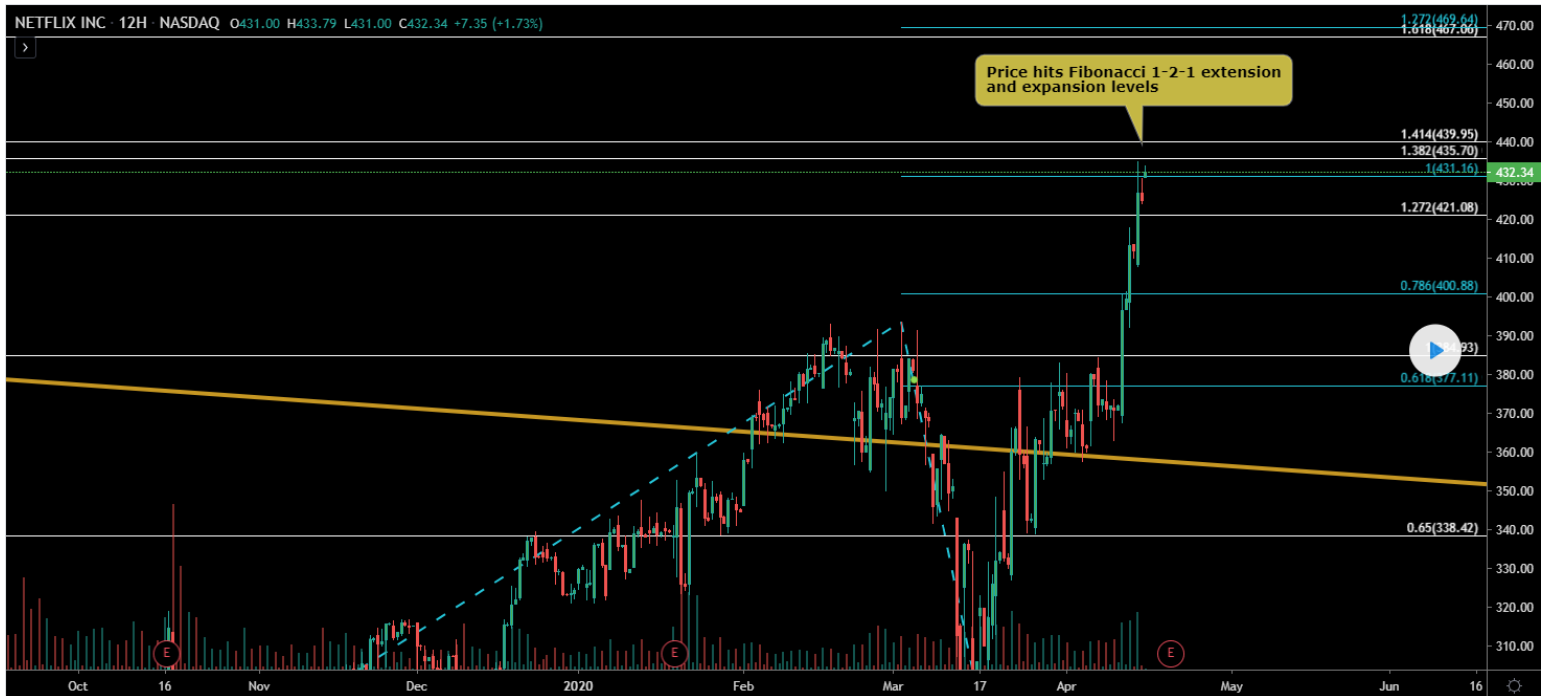
(Setups, Buy Points, & Ideas)

Elliot Wave Count and Oscillator

Wave 2 Confirmed



Investment Circle Trader Ideas



Price hits Fibonacci 1-2-1 Extension and Expansion Levels: May need a rest, strong breakout has reached confluences of Fibonacci targets. Trader BullishCharts



Long Trade upside target of \$474.04 – Trader Samoziko


























Potential \$460 – Trader YMula

Previous Candlestick Patterns

Netflix 439.17 +12.42 (+2.91%)

Candlestick Patterns

 [Customize](#)

Pattern	Timeframe	Reliability	Candles Ago	Candle Time
Emerging Patterns				
 Harami Bearish	5H	★ ★ ★	Current	
 Harami Cross Bearish	5H	★ ★ ★	Current	
 Bullish Engulfing	1H	★ ★ ★	Current	
 Bullish Engulfing	30	★ ★ ★	Current	
Completed Patterns				
 Doji Star Bearish	1M	★ ★ ★	1	Mar 20
 Deliberation Bearish	1W	★ ★ ★	2	Mar 29, 2020
 Upside Gap Three Methods	1H	★ ★ ★	3	Apr 16, 2020 12:00PM
 Harami Bullish	15	★ ★ ★	5	Apr 16, 2020 02:30PM
 Harami Cross	15	★ ★ ★	5	Apr 16, 2020 02:30PM
 Dark Cloud Cover	1D	★ ★ ★	6	Apr 07, 2020
 Engulfing Bearish	1H	★ ★ ★	7	Apr 15, 2020 03:00PM
 Doji Star Bearish	30	★ ★ ★	8	Apr 16, 2020 11:30AM
 Engulfing Bearish	1D	★ ★ ★	10	Apr 01, 2020
 Advance Block Bearish	30	★ ★ ★	10	Apr 16, 2020 10:30AM
 Engulfing Bearish	1M	★ ★ ★	11	May 19
 Harami Bearish	1W	★ ★ ★	11	Jan 26, 2020
 Harami Cross Bearish	1W	★ ★ ★	11	Jan 26, 2020
 Three Black Crows	5H	★ ★ ★	12	Apr 07, 2020 03:00PM
 Bullish Engulfing	15	★ ★ ★	12	Apr 16, 2020 12:45PM
 Three Outside Down	30	★ ★ ★	13	Apr 15, 2020 03:30PM
 Three Outside Up	1M	★ ★ ★	14	Feb 19
 Dark Cloud Cover	5H	★ ★ ★	14	Apr 07, 2020 05:00AM
 Evening Doji Star	1H	★ ★ ★	14	Apr 14, 2020 03:00PM
 Engulfing Bearish	30	★ ★ ★	14	Apr 15, 2020 03:00PM
 Bullish doji Star	15	★ ★ ★	14	Apr 16, 2020 12:15PM
 Bullish Engulfing	1M	★ ★ ★	15	Jan 19

Highlights

- Relative Strength (RS) is 9.9 out of 10
- Earnings Per Share (EPS) 9.9 out of 10
- Ranked 1st in peer group
- Accumulation / Distribution is 10 out of 10
- Short Term: **Neutral** | Mid Term: **Buy** | Long Term: **Buy** | Support \$359.99 | Stop Loss \$390.09

Exits

- Place trailing stop loss order, take profits at 5% is recommended, but ride the stock price up
- Place a stop limit order, and ensure intraday price trading range is large enough so you don't get priced out of the stock
- Stop Loss at 7% below entry is recommended as risk strategy to preserve capital

Weekly

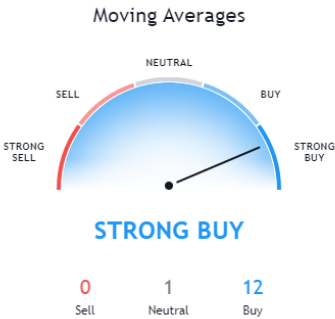
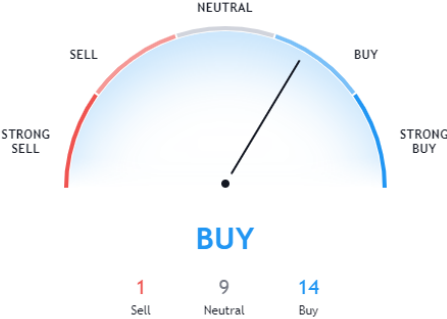
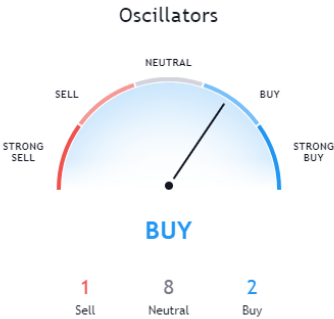
Pivot Points »

Apr 16, 2020 08:05PM GMT

Name	S3	S2	S1	Pivot Points	R1	R2	R3
Classic	341.55	351.63	361.17	371.25	380.79	390.87	400.41
Fibonacci	351.63	359.12	363.76	371.25	378.74	383.38	390.87
Camarilla	365.32	367.12	368.92	371.25	372.52	374.32	376.12
Woodie's	341.29	351.50	360.91	371.12	380.53	390.74	400.15
DeMark's	-	-	366.22	373.77	385.84	-	-

1 minute 5 minutes 15 minutes 1 hour 4 hours 1 day 1 week 1 month

Summary



OSCILLATORS

Name	Value	Action
Relative Strength Index (14)	68.56	Neutral
Stochastic %K (14, 3, 3)	88.33	Neutral
Commodity Channel Index (20)	197.42	Neutral
Average Directional Index (14)	28.20	Neutral
Awesome Oscillator	51.79	Buy
Momentum (10)	71.85	Sell
MACD Level (12, 26)	32.78	Buy
Stochastic RSI Fast (3, 3, 14, 14)	84.39	Neutral
Williams Percent Range (14)	-5.25	Neutral
Bull Bear Power	110.29	Neutral
Ultimate Oscillator (7, 14, 28)	67.26	Neutral

MOVING AVERAGES

Name	Value	Action
Exponential Moving Average (5)	380.10	Buy
Simple Moving Average (5)	370.47	Buy
Exponential Moving Average (10)	356.19	Buy
Simple Moving Average (10)	333.88	Buy
Exponential Moving Average (20)	332.30	Buy
Simple Moving Average (20)	335.19	Buy
Exponential Moving Average (30)	308.33	Buy
Simple Moving Average (30)	323.37	Buy
Exponential Moving Average (50)	262.35	Buy
Simple Moving Average (50)	247.39	Buy
Exponential Moving Average (100)	—	—
Simple Moving Average (100)	—	—
Exponential Moving Average (200)	—	—
Simple Moving Average (200)	—	—
Ichimoku Cloud Base Line (9, 26, 52, 26)	340.38	Neutral
Volume Weighted Moving Average (20)	327.74	Buy
Hull Moving Average (9)	407.92	Buy

NFLX Historical Data



Time Frame:

Daily ▼



Download Data

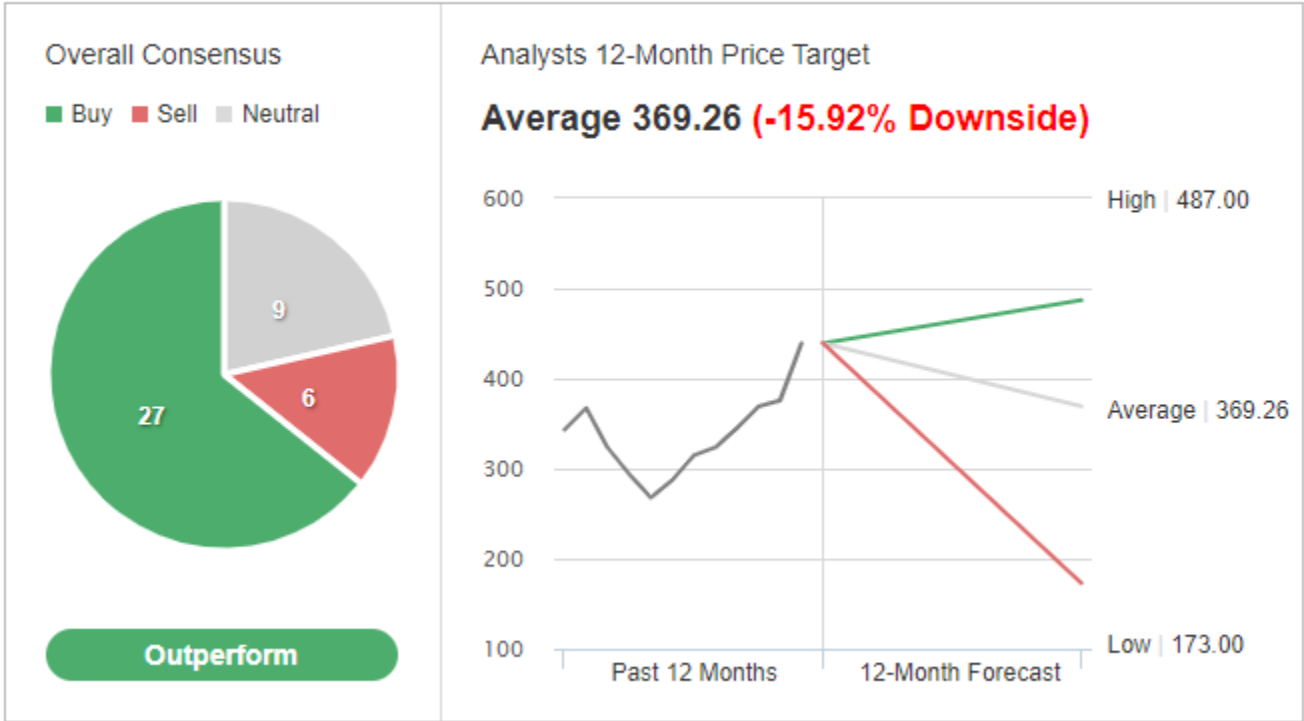
03/16/2020 - 04/16/2020



Date ↕	Price ↕	Open ↕	High ↕	Low ↕	Vol. ↕	Change % ↕
Apr 16, 2020	439.17	436.85	449.50	431.75	15.74M	2.91%
Apr 15, 2020	426.75	412.63	434.82	412.63	13.56M	3.19%
Apr 14, 2020	413.55	397.61	417.76	395.00	11.58M	4.24%
Apr 13, 2020	396.72	371.36	400.40	367.90	11.69M	7.01%
Apr 09, 2020	370.72	370.61	372.00	363.05	7.71M	-0.11%
Apr 08, 2020	371.12	374.00	377.87	368.38	6.91M	-0.31%
Apr 07, 2020	372.28	380.29	381.31	369.50	7.05M	-2.02%
Apr 06, 2020	379.96	366.50	380.26	361.88	8.18M	5.03%
Apr 03, 2020	361.76	367.47	370.48	357.61	4.86M	-2.25%
Apr 02, 2020	370.08	364.08	370.89	360.26	4.59M	1.65%
Apr 01, 2020	364.08	375.98	380.06	361.22	6.67M	-3.04%
Mar 31, 2020	375.50	368.35	382.96	366.71	9.37M	1.22%
Mar 30, 2020	370.96	363.00	377.80	361.17	8.62M	3.88%
Mar 27, 2020	357.12	359.38	368.45	353.20	7.95M	-1.62%
Mar 26, 2020	362.99	342.29	363.78	342.29	7.24M	6.02%
Mar 25, 2020	342.39	360.98	361.78	339.28	8.77M	-4.18%
Mar 24, 2020	357.32	369.91	372.05	353.21	11.64M	-0.82%
Mar 23, 2020	360.27	347.89	366.11	340.88	13.45M	8.24%
Mar 20, 2020	332.83	342.31	350.49	332.00	10.85M	0.24%
Mar 19, 2020	332.03	324.06	348.38	316.87	10.62M	5.25%
Mar 18, 2020	315.47	300.77	331.50	300.03	12.59M	-1.34%
Mar 17, 2020	319.75	306.19	322.90	290.25	10.01M	7.00%
Mar 16, 2020	298.84	306.63	334.35	294.75	10.56M	-11.14%
Highest: 449.50	Lowest: 290.25	Difference: 159.25		Average: 364.85		Change %: 30.59

Wall Street

NFLX Consensus Estimates



Data Based on a Poll of 42 Analysts

ANALYST CONSENSUS & TRENDS

STRONG BUY	4	<div></div>
BUY	2	<div></div>
HOLD	0	
SELL	0	
UNDERPERFORM	0	

The current Price Target for CALA is \$9.80

Latest News

[Here's what happened to the stock market on Thursday](#) 3 hrs ago - CNBC.com

[Stocks making the biggest moves midday: Netflix, Abbott Laboratories, BlackRock, Jack in the Box & more](#) 7 hrs ago - CNBC.com

[Freelancers in the movie industry are particularly vulnerable as box office revenue plummets to zero](#) 8 hrs ago - CNBC.com

[Amazon, Netflix top the list of JPMorgan's favorite internet stocks right now](#) 8 hrs ago - CNBC.com

[Analysts say buy stay-at-home stocks like Netflix and Kraft Heinz in Thursday's calls of the day](#) 10 hrs ago CNBC.com

[Netflix: Late To The Party](#) 2 hrs ago - Seeking Alpha

[Now That The S&P 500 Has Bottomed, More Individual Stocks Are Breaking Out](#) 7 hrs ago - Seeking Alpha

[Climbing The Wall Of Worry: Staying Ahead Of The Bear Market Rally](#) 8 hrs ago - Seeking Alpha

[Disney And Discovery: Covid-19 Durable Streaming Plays \(Video Transcript\)](#) 8 hrs ago - Seeking Alpha

[Netflix up again as Morgan Stanley sees lead building](#) 10 hrs ago - Seeking Alpha

Complaints, Reviews, & Major Litigation

[Netflix Faces Privacy Class Action](#)

[Netflix sued over When They See Us](#)

[Netflix Just Go Sued for \\$150 Million](#)

[Why Netflix is Getting Sued By Its Own Users](#)

[US Judge dismisses Netflix shareholder lawsuit over](#)

[\\$25M Netflix ‘Black Mirror’ Lawsuit cleared to proceed](#)

[Netflix sued by Choose Your Own Adventure publishers](#)

[Netflix Accused of Violating Broadcom’s Patents for Video](#)

[Netflix Faces Class Action Lawsuit Alleging Company Misled](#)

[Netflix hit with Securities Class Action Over Subscriber Growth](#)

[Netflix Targeted by Shareholder Lawsuit After Q2 Subscriber](#)

Content issues

13 Reasons Why

The 2017 Netflix original series [13 Reasons Why](#) (about a teenager who [kills herself](#) and leaves behind tapes explaining her action) was criticized for romanticizing, sensationalizing, and increasing interest in suicide (especially given a recent increase in suicide deaths among teenagers), and "glorified and glamorized" issues such as depression and [post-traumatic stress](#).^{[33][34][35][36][37]} Netflix did respond to the controversy by adding additional viewer advisories, and providing links to [suicide prevention](#) resources.^{[38][39]} On July 16, 2019, Netflix announced that it had edited the first-season finale of the series to remove the scene that depicted the main character's suicide, stating that "as we prepare to launch [Season 3](#) later this summer, we've been mindful about the ongoing debate around the show", and adding that "we've heard from many young people that *13 Reasons Why* encouraged them to start conversations about difficult issues like depression and suicide and get help—often for the first time".^[40]

New Zealand's film ratings board [OFLC](#) created a new "RP18" rating (recommending parental guidance for viewers under 18) in response to *13 Reasons Why*, arguing that although it contained graphic and objectionable portrayals of the act, "these issues need to be talked about in a way that is informed and safe – parents, guardians and other adults need to have open conversations with teens about the issues raised by the show."^[41]

Depiction of death camps in Poland

The makers of the 2019 documentary [The Devil Next Door](#) included a map made in 1985 which attempted to show where Nazi death camps stood relative to modern Polish borders. In response to complaints by Prime Minister [Mateusz Morawiecki](#), Netflix agreed to insert additional text emphasizing that such camps were in occupied territory. This move was criticized for potentially legitimizing a [2018 Polish law](#) which restricts how one may refer to the Holocaust.^[42]

Insensitive depictions of Jesus

In December 2019, Netflix announced a special titled [*The First Temptation of Christ*](#), which depicts Jesus, the son of God, as a homosexual figure who has a relationship with an Outspoken satirical [atheist](#) named Orlando. The series is a work of [Porta dos Fundos](#), a Brazilian comedy group who became prominent through social media. The depiction of a gay Jesus and the scenes in which Mary is seen smoking weed caused outrage by many Netflix users resulting in requests by the Christian community to suspend the special series from the platform.^[43] Jesus' drunken depiction in [*The Last Hangover*](#) also a work by Porta dos Fundos, has also caused outrage.

Portrayal of smoking

A July 2019 report by the anti-tobacco group [Truth Initiative](#) highlighted the amount of [smoking](#) portrayed in [*House of Cards*](#) and [*Orange Is the New Black*](#) as higher than on broadcast television, and noted nearly double the number of references to smoking between season 1 and season 2 of [*Stranger Things*](#). In response to the report, Netflix stated they will make efforts to cut back on the depiction of smoking in its original series.^[44]

Use of disaster footage

In late 2018, Netflix faced criticism for its use of stock footage from the 2013 [Lac-Mégantic rail disaster](#) in multiple original productions, including the series [*Travelers*](#), and the film [*Bird Box*](#). The footage was subsequently replaced in both works.^[45]

Employee poaching

In September 2016, Netflix was sued by [20th Century Fox](#) for [tortious interference](#), alleging that the company "unlawfully target[ed], recruit[ed], and poach[ed] valuable Fox executives by illegally inducing them to break their employment contracts with Fox to work at Netflix." The suit in particular referred to Netflix's hiring of Tara Flynn and Marco Waltenberg, who were still under contract with Fox.^[54] In October 2016, Netflix filed a counter-suit against 20CF, alleging that the [fixed-term](#) contracts being used by Fox were in violation of the California Business and Professions Code, for "facilitating and enforcing a system that restrains employee mobility, depresses compensation levels, and creates unlawful barriers to entry for Netflix and others competing in the film and television production business". Netflix described the agreement as "a form of [involuntary servitude](#)".^{[55][56][57]} Viacom sued Netflix for the same reason in October 2018, over its hiring of Momita Sengupta.^[58]

In June 2019, judge Marc Gross issued a tentative ruling holding that Netflix "intentionally interfered with Fox's contracts with Waltenberg and Flynn" to "further its own economic interest at Fox's expense", but that Fox had failed to present any evidence of actual damages against the company. The case was to go to trial in January 2020.^{[59][60]}

In December 2019, Gross issued a final ruling barring Netflix from soliciting employees under fixed-term employment contracts with Fox, or inducing them to violate such contracts.

Miscellaneous controversies

Bicycle Thieves copyright issue

In 2015, Netflix and [Cinedigm](#) were sued by Corinth Films over its streaming of the 1948 Italian film [*Bicycle Thieves*](#); although the film itself was considered [public domain](#) in the United States, distinct subtitling or dubbing of the film can still be considered a separate and copyrightable work. Corinth alleged that the specific version of the film, registered by Richard Feiner & Co. and owned by Corinth, was being licensed by Cinedigm to Netflix without permission. The parties later settled.^{[101][102]}

DRM criticism

Netflix use of DRM has been criticized by [Defective by Design/Free Software Foundation](#).^{[103][104]} The digital restrictions have impeded viewing for paying subscribers. For example, a 2019 update to Netflix dropped support for certain [Samsung](#) and [Roku](#) devices because they predate [Microsoft's PlayReady](#) DRM.^{[105][106]}

Price increase lawsuit

In July 2016, a Netflix subscriber sued the company over the 2014 raising of its subscription fee from US\$7.99 to \$9.99, alleging he was told by a Netflix customer support representative in 2011 that they could pay the same price in perpetuity as long as they maintained their subscription continuously.^[107]

Firing of Jonathan Friedland

In June 2018, Netflix [CCO](#) Jonathan Friedland was fired for saying the word "[nigger](#)" during a company meeting about offensive words.^[108] A memo released by Reed Hastings, which stated that he should have used a [euphemism](#), mentioned that Friedland said the word again during a follow-up meeting with [human resources](#). Hastings described the second utterance as "confirm[ing] a deep lack of understanding".^[109] Days later, an advertising campaign for Netflix launched, which emphasized its black talent.^[110]

Playback speed feature

In October 2019, Netflix began to experiment with allowing users to change the speed at which content is being played, ranging from half the original speed, to up to one-and-a-half times faster the original speed. The feature was deployed to selected users of the service's [Android](#) app. The feature was criticized by various members of the film industry, who argued that it harmed the artistic integrity of their work. Netflix vice president Keela Robison stated that the feature "generated a fair amount of feedback – both for and against", and noted use cases for slowing down playback, such as helping viewers locate details in scenes, or making it easier to understand dialogue in foreign languages if they are still learning the language. Robison also noted that they had deliberately limited the rollout of the feature due to "creator concerns", and that such functions had already been available on DVD players.^{[111][112][113]}

Twitter bullying

In March 2019, Netflix responded to a random [Twitter](#) user called Joe Gil, who tweeted [constructive criticism](#) regarding a then recently released trailer for [Unicorn Store](#) by "sticking up for" [Brie Larson](#)'s directing skills. This was reported by some as Netflix "standing up to trolls" or a "[mansplainer](#)", and was covered widely enough by the mainstream media that the user made his account private, however some sources reported the incident as an act of "bullying" towards a fan who simply offered an opinion.^[114]

