

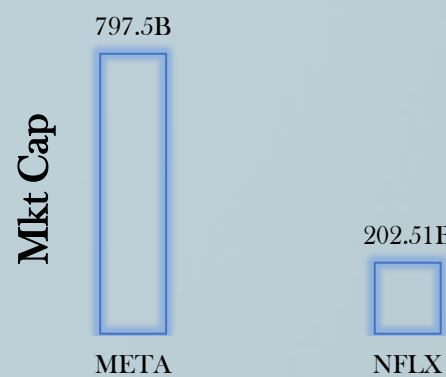
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Comparative Analysis of Meta and Netflix: A Deep Dive into Liquidity and Market Performance

In this article, we will analysis and examine the liquidity and market performance of two prominent companies, Meta and Netflix, as of July 17, 2023. By evaluating various indicators such as market capitalization, share turnover, intraday volatility, and variance ratio, we aim to provide valuable insights into the liquidity profiles and historical market trends of these companies.

Market Capitalization

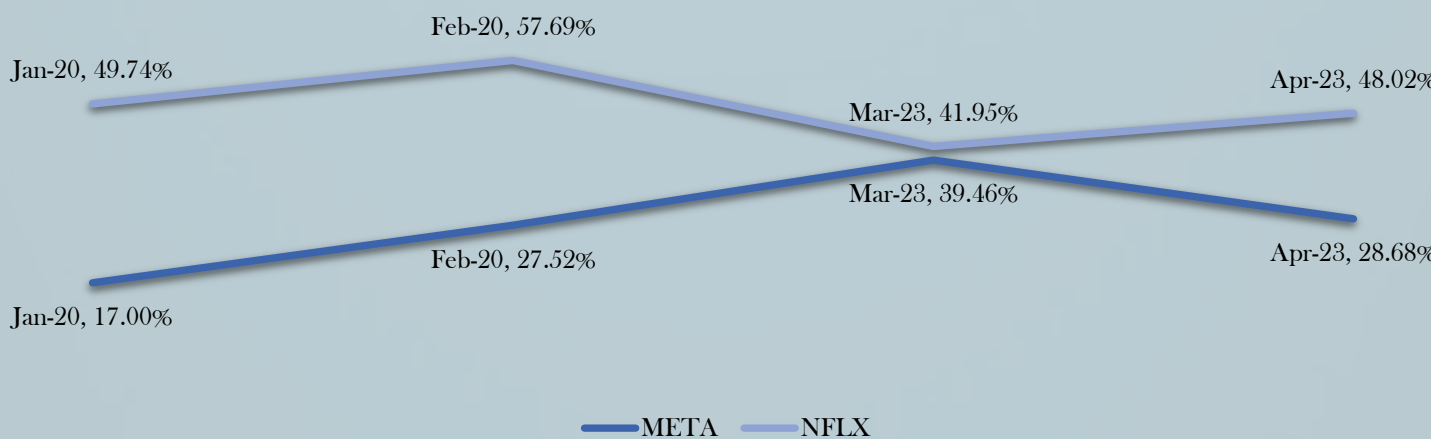
As of July 17, 2023, Meta boasts a substantial market capitalization of \$797.50 billion, while Netflix holds a market capitalization of \$202.51 billion. Meta's significantly higher market capitalization highlights its larger market presence and potentially greater investor confidence compared to Netflix.



Share Turnover

Share turnover is a measure of stock liquidity, representing the percentage of shares traded within a specific period. Analyzing the data from January 2020 to July 17, 2023, we observe fluctuations in share turnover for both Meta and Netflix. In March 2023, Meta exhibited a share turnover of 39.46%, indicating a high level of liquidity and active trading. On the other hand, Netflix displayed a share turnover of 41.95% in March 2023, reflecting relatively high trading activity for the company.

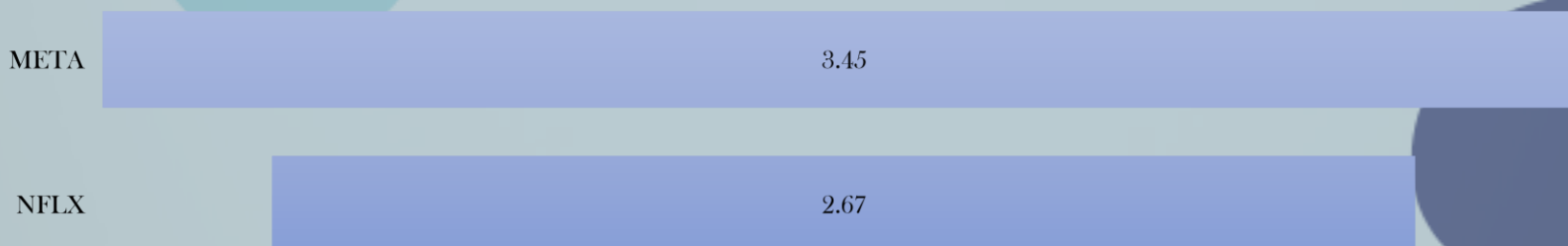
Share Turnover



Intraday Volatility (VAR)

Examining the intraday volatility from July 17, 2023, 9:30 to July 17, 2023, 16:00, we calculate the VAR indicator to gauge the magnitude of price fluctuations within a single trading day. Meta demonstrated an intraday VAR of 3.45, suggesting a moderate level of price volatility. In comparison, Netflix had a slightly lower intraday VAR of 2.67, indicating relatively less volatility in its daily price movements.

VAR Intraday

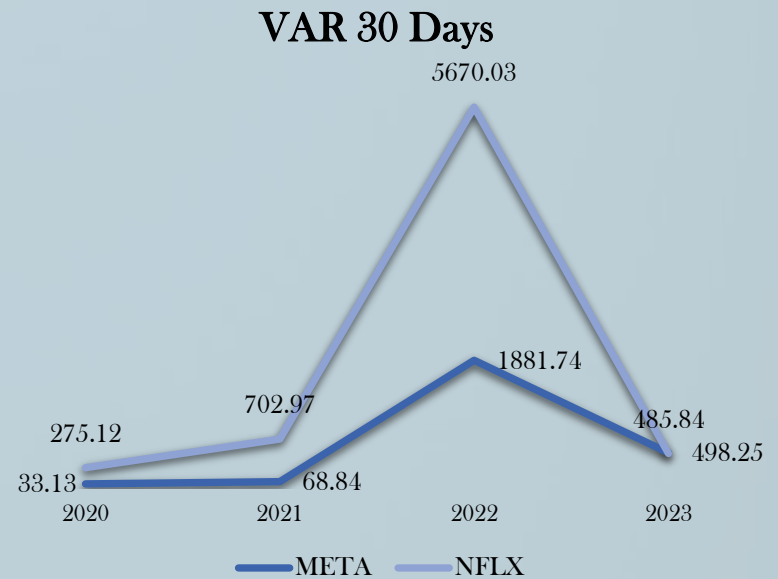


30-Day VAR

The VAR (variety spread) values indicate the price differences or spreads for META and NFLX over a 30-day period in each respective year. Analyzing these values can provide insights into the price volatility and potential trading opportunities for these entities.

For META, the variety spread shows a notable increase from 33.13 in 2020 to 1881.74 in 2022. This suggests a significant price difference or volatility within the 30-day period during that year. However, in 2023, the variety spread for META decreased to 498.25, indicating relatively less price difference or volatility compared to 2022. This reduction may suggest a decrease in trading opportunities or a relatively more stable price pattern for META in that year.

In the case of NFLX, the variety spread also demonstrates significant fluctuations. The values increase from 275.12 in 2020 to 5670.03 in 2022, indicating a substantial price difference or volatility during that 30-day period. However, similar to META, the variety spread for NFLX decreases to 485.84 in 2023, suggesting a reduction in price difference or volatility compared to the previous year.



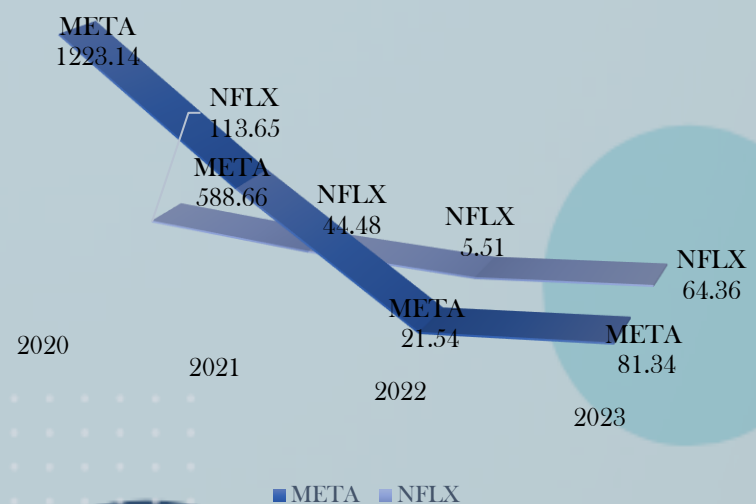
VAR Ratio

The VAR Ratio compares the intraday price variations within a day for different stocks. A ratio greater than 1 generally indicates that the stock is more liquid, meaning there is a higher volume of trading activity and the price changes more frequently throughout the day.

In the context of the given data, when comparing Meta and Netflix, the VAR Ratios for Meta in the years 2020, 2021, 2022, and 2023 are 1223.14, 588.66, 21.54, and 81.34, respectively. For Netflix, the corresponding ratios are 113.65, 44.48, 5.51, and 64.36.

Based on these ratios, both Meta and Netflix have VAR Ratios above 1, indicating that they are relatively liquid stocks with active trading and price movements within a trading day. However, it's important to note that higher VAR Ratios do not necessarily imply better or worse performance; they primarily suggest a higher level of intraday price volatility and trading activity. Investors may have different preferences regarding the desired level of liquidity based on their investment strategies and risk tolerance.

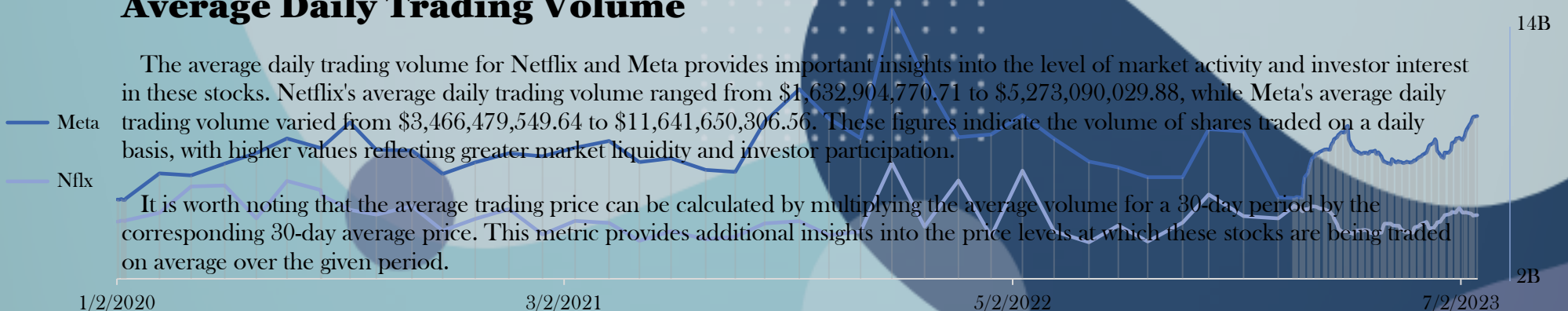
VAR Ratio Dynamic



Average Daily Trading Volume

The average daily trading volume for Netflix and Meta provides important insights into the level of market activity and investor interest in these stocks. Netflix's average daily trading volume ranged from \$1,632,904,770.71 to \$5,273,090,029.88, while Meta's average daily trading volume varied from \$3,466,479,549.64 to \$11,641,650,306.56. These figures indicate the volume of shares traded on a daily basis, with higher values reflecting greater market liquidity and investor participation.

It is worth noting that the average trading price can be calculated by multiplying the average volume for a 30-day period by the corresponding 30-day average price. This metric provides additional insights into the price levels at which these stocks are being traded on average over the given period.



Conclusion

The analysis reveals key insights into the liquidity and market performance of Meta and Netflix. Meta's dominant market capitalization reflects its larger market presence and investor confidence. Both companies experienced fluctuations in share turnover, with Meta showing relatively higher activity in recent months. In terms of price volatility, Meta demonstrated moderate intraday and 30-day volatility, while Netflix exhibited more significant fluctuations. Meta's VAR ratio indicated a more consistent trend over time, suggesting greater stability compared to Netflix.

It is important to note that market dynamics and performance can be influenced by numerous factors beyond the scope of this analysis. Investors should conduct thorough research, consider additional indicators, and consult with financial professionals before making investment decisions.

Disclaimer: The analysis provided above is based on historical data and does not constitute financial advice. It is recommended that investors perform their own research and seek guidance from qualified professionals before making any investment decisions.