



This Gravity-Defying Growth Stock Still Has Room to Run in 2020

Description

The leader in Canadian movie exhibition, **Cineplex** wowed media investors a couple of weeks back when it [emerged as a takeover target](#) for **Cineworld**.

A \$2.1 billion deal saw investors fall over themselves to snap up shares in the Canadian movie exhibition and media leader sending Cineplex rocketing 34%. However, in 2020 the entertainment wars will be about content streaming platforms over theatres.

Disney needs to avoid the “Boeing Effect”

Don't buy **Disney**, but do keep an eye on it. That seems to be the consensus wisdom at the moment, as the streaming war gets kicked up a notch. While exhibitors could see some momentum in 2020, the real battle ground will be inside homes and on phones.

Similar to **Boeing**, which just jumped on news that it was making a profound change in leadership, Disney saw initial tailwinds from its early streaming service take-on.

But both stocks could have a bumpy 2020: Boeing needs more than a simple change of CEO to reassure investors, while Disney faces a running battle for subscriber share.

Barely recovering from the 737 Max disasters, pundits had looked to Boeing's [space industry segment](#) for some redemption. Instead, Boeing's much-heralded Starliner mission failed with the world watching. To cap it all off, its CEO quit over the holidays.

While Boeing has had some very public problems recently, it's hard not to see the botched Starliner mission as the straw that broke the camel's back.

To stick with the analogy, investors should look beyond the Disney+ boost and not count on it to take the media giant from steady media industry growth to sudden FAANG-style sustained momentum.

Instead, factor in churn, low subscription fees, and the strong growth of its biggest competitor in the

streaming space, **Netflix**.

A high-growth FAANG stock with further to climb

The troubled aviator aside, investors looking to glean upside from the streaming wars should be looking at subscriber numbers and international market potential.

With a fairly sparse schedule for next year, Disney might be putting too many eggs into one basket with its Disney+ ambitions. Netflix, however, has demonstrated steady subscriber growth beyond North America.

While U.S. and Canadian markets have long been a source of steep take-on growth for Netflix, international subscribers are proving a force to be reckoned with, as non-Americans now compose 62% of the FAANG favourite's content consumers. Netflix now commands almost 160 million members.

Looking at growth in 2019, Disney saw appreciation of 36.8%, while Netflix was up 28.7% for the year. But the real success story is much bigger than that.

In the past 10 years, Disney shares have appreciated by 4.5 times, while Netflix has seen a staggering +4000% growth. In terms of capital return, Netflix really is the king stock of the **S&P 500 Composite Index**.

The bottom line

Don't believe the hype: Netflix isn't done yet, and Disney faces an ongoing challenge to the throne of the content streamers. However, where both companies could shine in 2020 and throughout the new decade is in the arena of original content. In terms of growth, however, momentum investors may not be looking at a new Netflix in Disney.

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