



Netflix Stock Jumps 16% in a Month: What Investors Should Know

Description

Netflix ([NASDAQ:NFLX](#)) shares have started to recover over the last month, as it seems investors have become interested in tech stocks once more. However, the rise in Netflix stock looks like it may be due to more than just changing market sentiment.

The bust

Netflix stock had a major boom [during the pandemic](#), with streaming services in general seeing a major uptick thanks to everyone staying at home. Yet this has led to a bust in the past year. Inflation and rising interest rates mean everyone needs to cut back, and expensive streaming services are one way to do that.

Netflix stock enjoyed being the only option for so long, but that's no longer the case. With major competitors edging in on the company, it remained questionable as to how long Netflix could stay on top.

That proved especially true during the first part of 2022. Shares plunged by the end of January by 40% and only continued to drop, as inflation and interest rates rose. But it looks like the company still has a few tricks up its sleeves.

Marketing upgrade

The biggest move from Netflix stock lately has been a partnership with **Microsoft** to support its technology and sales for ad-supported offerings. However, the company also managed to surprise investors by announcing its customer growth during the last quarter.

Netflix stock saw shares rise, as customers came back to the streaming service, with management calling out *Stranger Things* as a major influence. The show has become the most-watched English language show in the history of Netflix.

The company now expects an additional one million new customers, with Wall Street predicting it could be as high as 1.84 million during its next quarterly report.

What about the long term?

It seems management isn't going to make any major changes, and that could be a good thing. Over the last 25 years, Netflix stock managed to retain members thanks to its strong product offerings and improvements to the streaming service. Its algorithms and new content have been a strong reason customers continue to use the streaming service. And with the success of shows like *Stranger Things*, the company isn't shy about creating franchises from successful shows.

For now, Motley Fool investors can look at the company's past to see success in the future. [Tech stocks](#) have been down in general, and now Netflix stock remains a valuable buy. That's even after 16% growth in the last month. Shares are still down 63% year to date, and it trades at a fair 19.39 times earnings.

Furthermore, shares are still up 19,818% in the last two years! That's a compound annual growth rate of 30.28%! And it looks far more agreeable, given shares ballooned up 60,000% in 20 years before the recent downturn. Today, stable growth looks far more manageable for Motley Fool investors.

Foolish takeaway

Netflix stock is on the recovery, seeing a growth in customers and offerings. It continues to offer some of the best content by both streaming services and networks alike. Yet right now, it offers a way to get in on a recovery while still buying at a fair price. So, if you've been interested in buying up Netflix stock, it looks like now is the time.

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