

Apple is now worth 1.5 trillion dollars

The Nasdaq chart representing Apple's stock performance over the past five years.

reader comments

109 with 73 posters participating

Share this story

Today, Apple became the first US company to achieve a \$1.5 trillion market capitalization. The stock surged even as investors began pulling back in many other areas of the economy.

Reasons given by investors for the optimism include anticipation of the launch of a 5G iPhone this fall, signs of strong App Store sales, and interest in the potential of ARM-driven Macs, based on a Bloomberg report yesterday that said Apple may announce an ARM transition at its annual developer conference later this month.

Yesterday and today, Apple's movement ran counter to most of the rest of the market, where investors' actions have reflected fear of a global coronavirus resurgence and anticipation of bad news from the US Federal Reserve in a report due out today.

Market capitalization essentially means the total number of shares of a company being traded multiplied by the current trading value of a share in that company, making it the best publicly available measure of the company's actual value.

Apple's valuation in the stock market has seen a dramatic rally despite two major investor panics in the past two years: one at the turn of 2018 and 2019, when reports said iPhone sales were declining, and another when the pandemic first took root in China, where much of Apple's critical operations and partners are located, earlier this year.

It should be noted that Apple has embarked on an aggressive campaign to buy back some of its own shares to reduce its cash reserves, which many investors deemed to be excessive—but a measure of market capitalization accounts for that.

After investors became concerned in 2018 and 2019 of Apple's over-reliance on the iPhone, the company has endeavored to launch more services and produce content that could at least partially make up for the smartphone slowdown, which also affects its competitors. Generally, investors have been happy with the progress they've seen.

Along with that services and content push, anticipation of ARM-based Macs that might offer competitive advantages in a pitch to consumers, optimism about the prospects for a 5G iPhone, and interest in the long-term potential of Apple's explorations of health and augmented reality technology seem to have given investors enough to be optimistic about.

That said, today's stock market is nothing if not volatile. Time will tell if the growth continues or if shareholders will again get skittish.

<https://arstechnica.com/?p=1682680>