

Apple Company Explainer

It's almost impossible to picture a world without technology. Tech companies is by far the most significant industry in today's world, impacting the global economy by forming new ideas and pushing revolutionary changes throughout all industries.

Headquartered in Cupertino, California, in the United States, Apple's unique foundation system was created and constructed by a business named Earthquake Protection Systems, which is located on the other side of the San Francisco Bay. The majority of the company's output is shipped to earthquake-prone countries like Turkey, Peru, and Ecuador (Fuller, par.10).

Apple was founded in April 1, 1976, in Los Altos, California, in the United States, by Steve Jobs and Steve Wozniak. Without the help of their third companion Ronald Wayne, there would be no iPhone, iPad, or iMac today. Jobs persuaded Wayne to take 10% of the firm stock and act as a mediator if he and Woz went head to head, but Wayne stepped out 12 days later, selling an investment worth \$72 billion 40 years later for just \$500. This was all an accomplishment of three friends in one garage (Rawlinson, par. 6, *The Foundation of Apple*).

Since Steve Jobs' death in 2011, Tim Cook has been the formal CEO of Apple up until this date. He had previously led the firm during Jobs' health absences, but since arriving in 1998, he's been effective in guiding Apple from near-bankruptcy to its current position as one of the world's greatest firms (Gallagher, par. 19, *Joining Apple*).

Vanguard Group Inc. investors hold the most shares in Apple today (Chart below). In terms of investment management firms, Vanguard has a quite distinctive structure. The funds own the firm. The shareholders then possess the various funds of the company. As a result, Vanguard's true owners are its shareholders. Other than its shareholders, the company has no external investors. The majority of the main investment firms are listed on the stock exchange (John, par. 1).

EN English (United States) United States-International

https://finance.yahoo.com/quote/AAPL/holders/

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0.07%	% of Shares Held by All Insider
59.40%	% of Shares Held by Institutions
59.45%	% of Float Held by Institutions
5,448	Number of Institutions Holding Shares

Top Institutional Holders

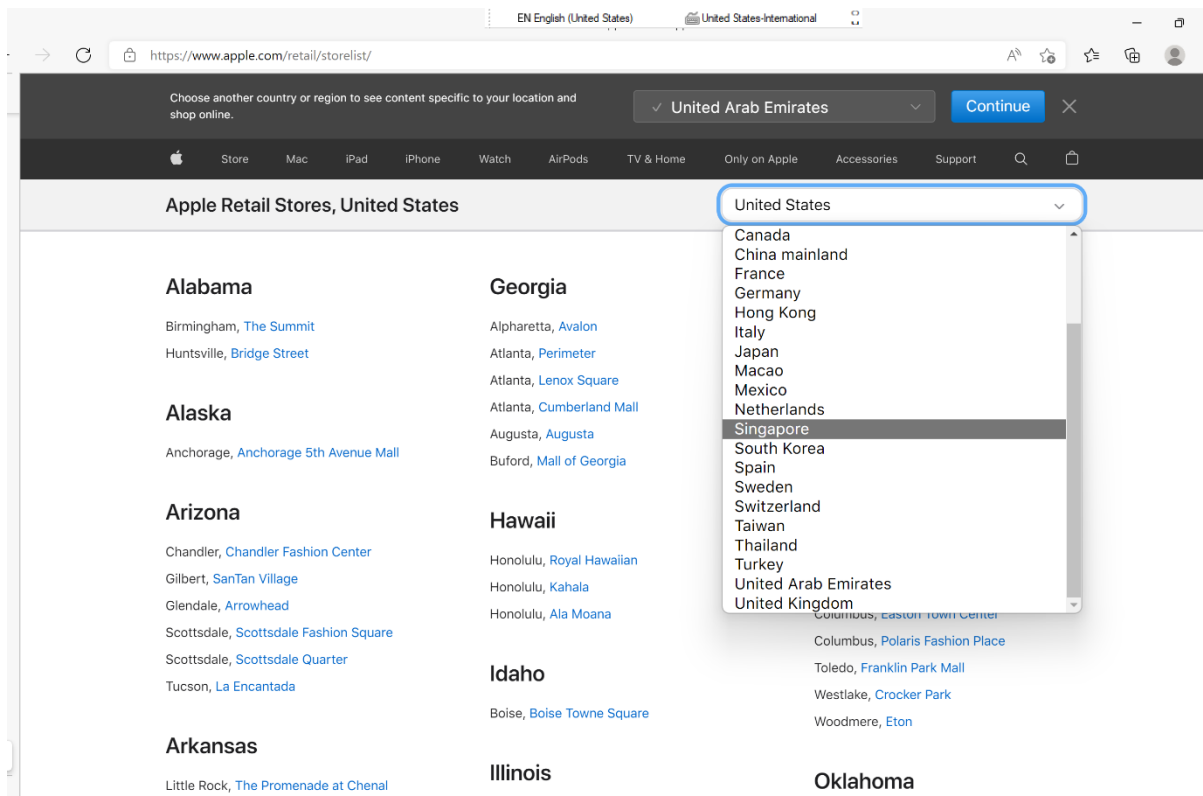
Holder	Shares	Date Reported	% Out	Value
Vanguard Group, Inc. (The)	1,261,261,357	Dec 30, 2021	7.73%	223,962,179,162
Blackrock Inc.	1,019,810,291	Dec 30, 2021	6.25%	181,087,713,372
Berkshire Hathaway, Inc	887,135,554	Dec 30, 2021	5.44%	157,528,660,323
State Street Corporation	633,115,246	Dec 30, 2021	3.88%	112,422,274,232
FMR, LLC	352,204,129	Dec 30, 2021	2.16%	62,540,887,186
Geode Capital Management, LLC	264,351,901	Dec 30, 2021	1.62%	46,940,967,060
Price (T.Rowe) Associates Inc	223,148,792	Dec 30, 2021	1.37%	39,624,530,995
Northern Trust Corporation	190,876,014	Dec 30, 2021	1.17%	33,893,853,805
Bank Of New York Mellon Corporation	144,695,935	Dec 30, 2021	0.89%	25,693,657,177
Norges Bank Investment Management	142,076,403	Dec 30, 2021	0.87%	25,228,506,880

Based on Apple's stock price, in January 3, 2022, Apple hit \$3 trillion as of its market capitalization (Nivedita Balu, par. 1). Dr. Wissam El Khoury, chair of the department of finance, professor of finance, and EMBA program director at the American university in Dubai, stated: "Apple stock is recording an increase in price for the 11th consecutive day. Apple stock still needs to go up by another 2% (approximately) to make the company hit again its all-time-high market cap of \$3 trillion".

Just like many other companies, Apple has also been pulled down by Russia's invasion of Ukraine, which prompted commodity prices to spike and increased inflation concerns. Apple shares fell to intraday lows before recovering some of their losses. The stock finished the day down 1.2 percent at \$163.20 (Gurman, par. 6).

On the other hand, Professor Khoury claims "Some people might think that sanctions on Russia will decrease the revenues of Apple. This is not the case as sales coming from Russia constitute only 1% of the company's total sales".

The company does not have any actual stores in Russia, thus it ships its phones, desktops, and tablets via its online stores, as well as through third-party retail stores (Collier, par. 1). "If we tackle the issue from a supply-chain perspective, Apple doesn't have suppliers in Russia or Ukraine. The stock market gets sometimes influenced by macro events; the behaviour of investors changes according to the broad political, economic, and financial mood. Currently, investors are optimistic about a possible ceasefire" according to Professor Khoury.



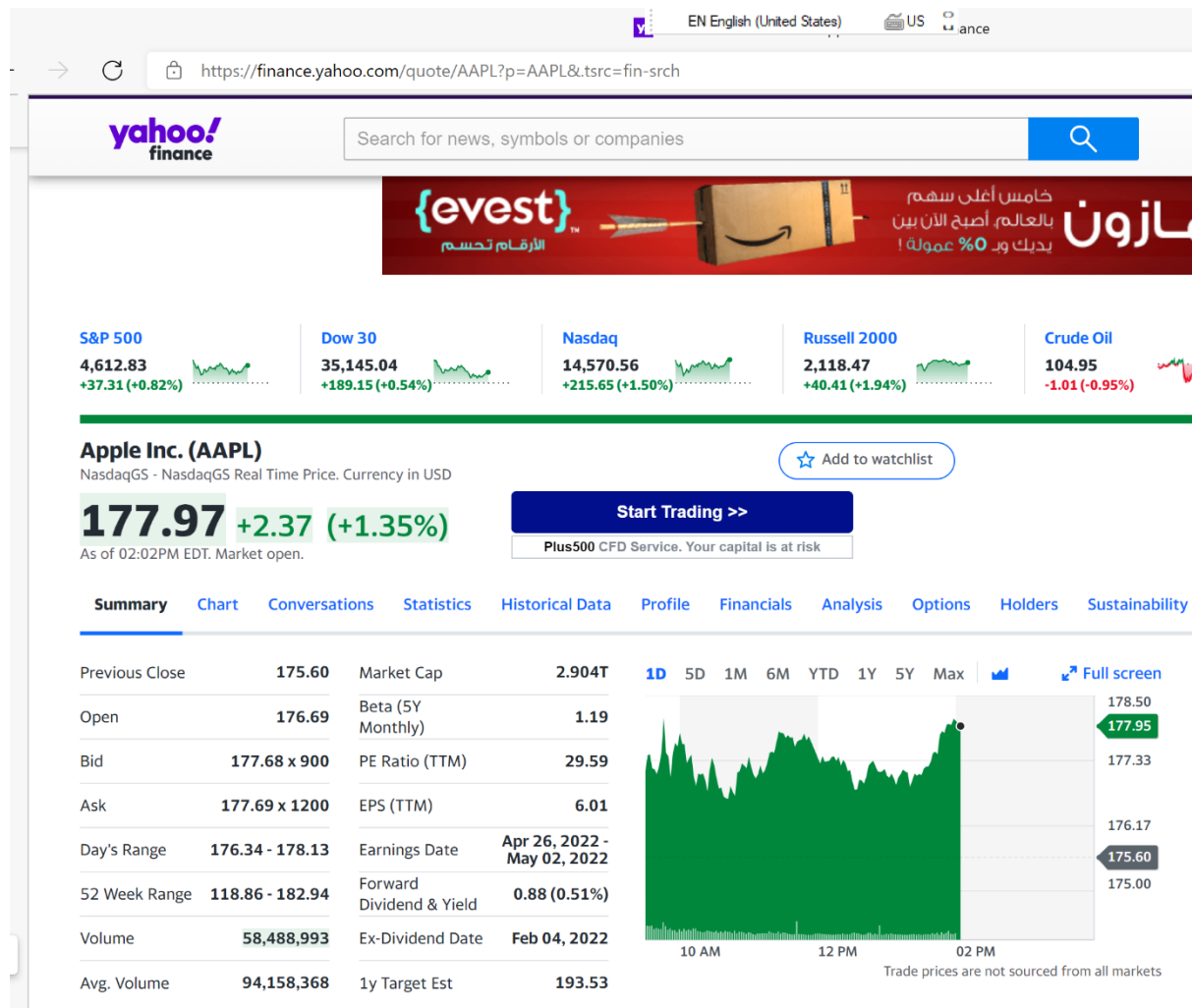
No Track of Apple Stores in Russia

Since Apple has a track record of strong performance, and analysts appear to think that the company is worth investing in. The implied volatility indicator reveals how much future movement the market expects. High implied volatility options indicate that investors in the underlying stocks are anticipating a large move in one direction or the other. It could also indicate that an event is approaching that will either create a large rise or a large sell-off. When putting together a futures trading strategy, volatility is simply one part of the equation (Zacks Equity Research, Yahoo Finance, par. 1). “The stock markets have been very volatile since the start of the Russian invasion of Ukraine” according to Professor Khoury.

Apple also announced its fastest chipset, a brand new high-performance computer, and practically all of its products to the 5G bandwagon during the "Peek Performance" event on March 8, 2022. (N/A, par.4, Gulf News). Professor Khoury states: “At the beginning of the tensions in eastern Europe, most investors who sold their AAPL stocks did so due to macro forecasts and not company-specific events”.

Dr. Zafer Akin, Professor of Economics at the American university in Dubai, stated: “I think it is a good idea for someone who wants to invest in Apple’s stock market to keep it in his/her portfolio. It is of course affected from the global shocks but overall it has a positive trend over the years and more or less moves with the market. I do not personally own any share of it, but I keep a close eye on it since it is one of the most traded and kept shares in the market”

Similarly, Professor Khoury strongly expresses his optimism towards Apple stock market by stating “ I am bullish on AAPL stock. If we take the U.S. market alone, we expect tech stocks (not only AAPL) to increase as the Federal Reserve has already started a rate lift-off”.



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