

Amazon joins exclusive club, crossing \$2 trillion in stock market value for the first time

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An Amazon Prime truck is seen on April 5, 2024, in Portland, Ore. Amazon hits a stock market valuation of \$2 trillion for the first time on Wednesday, June 26, 2024. Credit: AP Photo/Jenny Kane, File

Amazon joined the exclusive \$2 trillion club Wednesday after Wall Street investors pushed the value of the e-commerce giant's stock past that threshold.

Shares in Amazon.com Inc. finished the day up almost 4%, giving the Seattle-based company a stock market valuation of \$2.01 trillion. Its stock has gained 52% in the past 12 months, partly driven by enthusiasm for the company's investments in artificial intelligence.

Amazon now joins Google's parent Alphabet, software behemoth Microsoft, iPhone maker Apple and chip maker Nvidia among companies with valuations of at least \$2 trillion.

Last week, Nvidia hit \$3 trillion and briefly became the most valuable company on Wall Street. [Nvidia's chips](#) are used to power many AI applications and its valuation has soared as a result.

Amazon has also been making big investments in AI as global interest has grown in the technology. Most of the focus has been on business-focused products, including AI models and a chatbot called Q, which Amazon makes available to businesses that use its cloud computing unit AWS.

"A big part of the valuation boost has been cloud and AI," said Wedbush tech analyst Dan Ives. "Amazon is going to be a major player in the AI revolution."

In April, Amazon CEO Andy Jassy said that AI capabilities have reaccelerated AWS' growth and that it was on pace for \$100 billion in annual revenue. The unit's growth slowed last year as companies cut down on costs amid high inflation.

Amazon has also invested \$4 billion in the San Francisco-based AI

company Anthropic to develop so-called foundation models that underpin generative AI systems. In addition, Amazon makes and designs its own AI chips.

Outside of its cloud business, Amazon has cut costs significantly since late 2022, laying off more than 27,000 corporate employees across several divisions. It [reported revenue and profits](#) for the first quarter of the year, aided by growth in AWS as well as its core retail business and advertising. All those things are boosting investor sentiments, said Neil Saunders, the managing director at GlobalData Retail.

"Certainly, there are downsides, but these are mostly external—such as the threat from the FTC," Saunders said, alluding to the federal agency's antitrust lawsuit against the company.

But, he said, "investors see these clouds as a long way off so they are not dampening the current valuation."

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