

Apple reaches \$2 trillion market value as tech fortunes soar

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In this June 16, 2020 file photo, the sun is reflected on Apple's Fifth Avenue store in New York. Apple is the first U.S. company to boast a market value of \$2 trillion, just two years after it became the first to reach \$1 trillion. Apple shares have gained nearly 60% this year as the company overcame the shutdown of factories in China that produce the iPhone and the closure of its retail sales amid the coronavirus pandemic. (AP Photo/Mark Lennihan, File)

Apple has become the first U.S. company to boast a market value of \$2 trillion as technology continues to reshape a world where smartphones are like appendages and digital services are like instruments orchestrating people's lives.

The iPhone maker reached the \$2 trillion milestone in Wednesday's early stock market trading when its shares surpassed \$467.77.

The stock later backtracked to close at \$462.83, but it didn't diminish a remarkable achievement that came just two years after Apple became the first U.S. company with a \$1 trillion market value. It comes amid a devastating pandemic that has shoved the economy into a deep recession and caused unemployment rates to soar to the worst

levels since the Great Depression nearly a century ago.

But Apple and other well-established tech giants such as Microsoft, Google, Amazon, Facebook and Netflix have thrived during the upheaval as the pandemic has forced millions of people to work, attend classes, shop and entertain themselves at home. That, in turn, has made technology even more crucial, a factor that has caused investors to snap up the stocks of the industry's biggest players, as well as relative newcomers, such as video conferencing service Zoom, which has seen its shares quadruple so far this year.

Apple's stock has climbed nearly 58% this year. In recent weeks, the rally has been bolstered by excitement over a four-for-one stock split that Apple announced late last month in an effort to make its shares more affordable to a wider swath of investors.

The broader boom in tech stocks also has helped the benchmark S&P 500 index reach new highs after steep declines earlier in the year. Apple, Microsoft, Amazon, Facebook and Google's parent company, Alphabet account for nearly 23% of the S&P 500's entire value.

Apple isn't the first company in the world to reach a market value of \$2 trillion. That honor belongs to energy producer Saudi Aramco, which attained it in December 2019. Saudi Aramco now trails Apple with a market value of about \$1.8 trillion.

Now that technology has clearly become the oil of the 21st century, other industry leaders could soon be joining Apple in the \$2 trillion club, now that it is clear technology has become the oil of the 21st century. Many industry analysts are predicting Amazon, Microsoft and Alphabet could eclipse the milestone in the upcoming months too.

But regulators and lawmakers looking into

allegations that Apple, Amazon, Google and Facebook have been illegally abusing their power to stifle competition could spook investors if their investigations result in moves that undercut the companies' profits.

Not all technology companies are doing as well as they were before the pandemic. Google, for instance, suffered the first quarterly revenue decline from the previous year in its history during the April-June period as the advertising sales that generate most of its profit tapered off amid pandemic-driven lockdowns across the U.S.

But Apple has fared extraordinarily well, buoyed by the timely April debut of a new iPhone model priced at about \$400, 40% to 60% less than the fancier devices that it released last fall. The company will face another litmus test in October when it is expected to unveil a line-up of new iPhones, including a model capable of connection on the next generation of ultra-fast wireless networks known as 5G.

The next wave of high-priced iPhones, coming out a few weeks later than usual because of production delays caused by the pandemic, are expected to test the depths of Apple's customer loyalty as well how much people are willing to spend during tough times for most people outside the technology industry.

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