

# Apple stock still has a chance to surprise investors

The iPhone maker is facing countless challenges, but many analysts say Apple stock can still surprise. A series of challenges

"Defect of Apple" enters 2024 with countless obstacles. Declining international iPhone sales, antitrust lawsuits and falling stocks are all causes of concern for investors. But some analysts say that the market still has reason to hope that Apple still has great opportunities and the stock can reach \$250/unit in the next 12 months.

A series of challenges

Apple once ranked first in the 'Magnificent Seven' stock group - including the 7 largest technology businesses: Facebook, Amazon, Apple, Google along with Microsoft, Tesla and Nvidia. But now, Apple is the name near the end.

Apple shares have fallen 10% so far this year as the group has had to deal with tightening regulations at home and abroad, as well as falling iPhone sales in China.

In March, the US Department of Justice sued Apple Corporation for allegedly unfair competition, creating an illegal monopoly in the smartphone market, causing Apple's stock price to drop so much that it blew away \$100 billion in value. market value in just one day. At the same time, iPhone demand in China has also decreased since the COVID-19 pandemic.



As a result, Apple, along with Tesla and Alphabet, Google's parent company, were relegated to the lower ranks of the Magnificent Seven stocks. The best-performing stocks in what many analysts call the 'Fab Four' include Microsoft (Facebook's parent company Meta), Amazon and Nvidia. Apple shares are still up about 2% over the past 12 months.

Not only that, the iPhone manufacturer also faced a series of challenges after launching the Vision Pro mixed reality headset in February. Weak purchasing power caused management to halve annual sales expectations. 2024 of this product.

This is not a surprising phenomenon in the field of virtual reality. Meta, Apple's rival in the VR/AR glasses market, has continuously lost money investing in their virtual reality dream. This situation has persisted since Mark Zuckerberg first announced that the metaverse was the 'future' of Meta in 2021. Users also remained cautious with the expensive price of 3,500 USD and 'big promises'. Big hammer' of Vision Pro before its launch.

Analysts' forecasts

However, analysts at Bank of America, Wedbush and Morgan Stanley have all encouraged investors to buy Apple stock recently. Experts set a price target for this stock in the range of 210-250 USD.

On March 22, Morgan Stanley analysts wrote that overall iPhone demand remained stable, despite the slowdown in China. They expect Apple's first-quarter 2024 earnings to be slightly higher than Wall Street forecasts.

Agreeing with that sentiment, Wedbush analysts say it's not over yet for Apple in China, predicting that rumors of Apple's AI-powered iPhone in 2025 will spur demand. goods in this country in the future. Wamsi Mohan of Bank of America also called Apple shares the 'top pick' of the year on April 29.

Wamsi Mohan also revealed last week that Apple is planning to buy back shares, reducing the number of shares outstanding and increasing investor stakes and future earnings. Stock repurchases increase earnings per share and typically also increase a company's stock price.

Apple is the technology corporation that has spent the most on stock buybacks in the past 10 years. They paid a total of \$621 billion to buy back their own shares between 2013 and 2023.

Meanwhile, Alphabet, Google's parent company, spent about a third of that amount on its stock during the same period. In the last fiscal year, Apple spent \$78 billion on stock buybacks, reducing the number of shares outstanding by about 2%.

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