

Nasdaq OMX to rebalance index; Apple weighting cut

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(AP) -- Nasdaq OMX Group Inc. on Tuesday announced a rebalancing of the Nasdaq-100 Index next month that will significantly reduce Apple Inc.'s weighting in the index.

The Nasdaq-100 Index is made up of the 100 largest non-financial stocks listed on the Nasdaq stock market. It is one of the most widely watched market indexes, used as a barometer for the growth of large-cap U.S. stocks.

The index is tracked by mutual funds and exchange-traded funds. The rebalancing, which takes effect May 2, will likely mean that fund managers will have to shift their holdings to reflect the new weighting.

That will have a dramatic impact on Apple. The Cupertino, Calif., company currently accounts for 20 percent of the index, and the rebalancing will bring that share down to 12 percent. In pre-market trading, Apple shares are down \$5.14, or 1.5 percent, at \$336.05.

Apple's shares have rocketed over the past few years, boosting its market capitalization. The company was worth only \$7 a share 10 years ago. It closed Monday at \$341.19.

Nasdaq OMX, the operator of the Nasdaq stock market, said the rebalancing was necessary because "weights of Index Securities were no longer closely aligned to the actual [market capitalization](#) weights and continued to diverge." It said the rebalance will bring the weights of the

companies in the index closer in line with their actual market capitalizations.

Nasdaq said the move won't change the methodology used to calculate the index or the index securities. Sector weights will stay in the same relative order and magnitude, Nasdaq said.

Microsoft Corp., whose current weight on the index is about 3 percent, will see the rebalancing bring its share up to 8 percent. Its stock gained 44 cents, or 1.7 percent, to \$25.99 in pre-market trading.

Other tech companies that will see their weightings in the index more than double include [Intel](#) Corp., [Cisco Systems](#) Inc., [Oracle Corp.](#) and Dell Inc.

Apart from Apple, companies that will lose much of their weighting include Starbucks Corp. and Intuit Inc.

"The special rebalance reflects our commitment to ensure the Nasdaq-100 Index remains a relevant benchmark for investors around the world who track the performance of the U.S. equity market," John Jacobs, executive vice president, Nasdaq OMX Global Index Group, said in a statement.

The special rebalance will be enacted based on index securities and shares outstanding as of March 31.

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