

Apple rallies past \$700 amid iPhone euphoria

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The Apple logo on the Apple store on 5th Avenue in New York. Apple shares traded above \$700 for the first time on Wall Street Tuesday, amid optimism on the tech giant as it launches its new iPhone 5.

Apple shares closed above \$700 for the first time on Wall Street Tuesday, amid optimism about the tech giant as it launches its new iPhone 5.

Apple closed up 0.3 percent at a record \$701.93, a day after the Silicon Valley firm said it received more than two million orders for its new iPhone 5 in just 24 hours.

The company's market value based on its stock price has surged above \$657 billion, extending Apple's lead as the world's most valuable corporation.

Apple unveiled the new version of its iconic smartphone last Wednesday and opened up pre-orders on Friday. The company said the hot item would be available in 100 countries around the world by year's end.

Shaw Wu, analyst at Sterne Agee, has set an Apple price target of \$840.

"We continue to believe many underestimate iPhone 5 in that it is a significant update and will drive a powerful product cycle," Wu said in a note to clients, adding that the only thing holding Apple back may be "supply constraints."

Scott Craig, analyst at Bank of America-Merrill Lynch, said Apple is entering an "iPhone super cycle" and raised his price target to \$850 for the stock.

"Our upward estimate revision is driven, in part, by a faster than expected global rollout of the iPhone 5," he said in a research note.

"We expect the iPhone 5 sale... to exceed the four million unit record set by the iPhone 4S in the first weekend."

Some analysts say Apple could sell 10 million iPhones in the opening days and 50 million before the end of 2012.

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