

# Facebook stock climbs after upgrade (Update)

November 26 2012

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In this Friday, May 18, 2012, file photo, the animated facade of the Nasdaq MarketSite, welcomes the Facebook IPO, in New York's Times Square. On Monday, Nov. 26, 2012, Facebook's stock climbed after an upgrade from an analyst who believes Wall Street is underestimating the company's potential to grow revenue. (AP Photo/Richard Drew, File)

(AP)—Facebook's stock is climbing after an upgrade from an analyst who believes Wall Street is underestimating the company's potential to grow revenue.

Bernstein Research analyst Carlos Kirjner said Monday that Facebook Inc. is likely to beat Wall Street's revenue expectations over the next 12 to 24 months. He expects Facebook to hit \$6.98 billion in revenue in 2013, some 9 percent higher than the average analyst's expectation. In 2011, the social network reported revenue of \$3.71 billion.

Kirjner upgraded Facebook's stock to "Outperform" from "Market Perform," saying that mobile advertising will drive revenue growth. He wrote in a note to investors that Facebook will likely be able to increase the number of advertisements its users view each day, with little chance they will see the additional ads as a "material deterioration" of their Facebook experience.

That said, Kirjner still thinks Facebook is a risky investment, because it depends on the long-term success of social advertising—a still new and unproven advertising model.

Facebook's stock is up \$1.85, or 7.7 percent, at \$25.85. It's still down 32 percent from its initial public offering price of \$38.

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Citation: Facebook stock climbs after upgrade (Update) (2012, November 26) retrieved 25 March 2023 from <https://phys.org/news/2012-11-facebook-stock-climbs.html>

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