

Exxon passes Apple as most valuable company (Update)

January 25 2013, by Barbara Ortutay



This Jan. 30, 2012 photo shows the sign for the ExxonMobil Torrance Refinery in Torrance, Calif. Exxon has once again surpassed Apple as the world's most valuable company after the iPhone and iPad maker saw its stock price falter, according to reports Friday, Jan. 25, 2013. Apple first surpassed Exxon in the summer of 2011. The two companies traded places through that fall, until Apple surpassed Exxon for good in early 2012. (AP Photo/Reed Saxon, File)

Exxon has once again surpassed Apple as the world's most valuable company after the iPhone and iPad maker saw its stock price falter.

Apple Inc.'s stock has been on the decline since the company's quarterly

earnings report Wednesday suggested that its fast growth phase, rare for a company of its size, may be coming to an end.

Apple's stock fell 2.6 percent to \$438.76 in afternoon trading Friday for a market capitalization of \$412 billion. That followed a 12 percent drop on Thursday, the biggest one-day percentage drop for the company since 2008.

Exxon Mobil Corp. gained 10 cents Friday to \$91.45 for a market capitalization of \$417 billion.

Apple first surpassed Exxon in the summer of 2011, displacing the oil company from a perch it had held since 2005. The two companies traded places through that fall, until Apple surpassed Exxon for good in early 2012—at least until Friday.



In this Oct. 20, 2012 photo, people line up to enter a newly-opened Apple Store

in Wangfujing shopping district in Beijing. Exxon has once again surpassed Apple as the world's most valuable company after the iPhone and iPad maker saw its stock price falter, according to reports Friday, Jan. 25, 2013. Apple first surpassed Exxon in the summer of 2011. The two companies traded places through that fall, until Apple surpassed Exxon for good in early 2012. (AP Photo/Andy Wong, File)

China's largest oil company, PetroChina, could lay claim to having hit a market capitalization even higher than either Exxon's or Apple's, but only based on prices on the Shanghai stock exchange, which is isolated from the rest of the financial world because of Chinese laws on foreign investment. PetroChina's shares also trade in Hong Kong and on the New York Stock Exchange. Based on prices there, its market capitalization never went as high as \$500 billion.

Apple and Exxon are among only a half dozen U.S. companies to have ever reached \$500 billion in market value. Apple and Microsoft Corp. are the only ones to have ever hit \$600 billion.

Apple's stock price peaked in September at \$705.07 on the day the iPhone 5 was released. Exxon, in the meantime, has been trading steady. Its business—oil—seems less prone to stock market ups and downs than the Cupertino, California-based tech darling.

Exxon, which is based in Irving, Texas, set a record in 2008 for the highest quarterly earnings by any company. In the first nine months of 2012, Exxon earned nearly \$35 billion, or 10 percent more than the same period in 2011, on revenue of \$367 billion. Results for the fourth quarter are due Feb. 1.

Exxon, the biggest investor-owned energy company in the world,

predicted in December that oil will continue to be the most important source of energy. That's because cars, trucks, airplanes, trains and ships will still depend heavily on oil-derived fuels such as gasoline and diesel.

This year, investors seem unforgiving with Apple, looking for perfection and punishing the stock for anything less. The company's stock price slipped below \$500 for the first time last week, as investors saw signs that the iPhone 5 was falling behind competition from phones running Google's Android software, especially those from Samsung Electronics Co.

The latest quarterly report added to the concerns. Apple warned that its revenue growth, which had been running at a speed more reminiscent of promising startups than multi-national corporations, is slowing down considerably.

A big reason: It has been nearly three years since a new product has come from a company still seen as the embodiment of innovation. That last product, the iPad, came in 2010, when its CEO Steve Jobs was still alive. Some analysts question whether Apple can keep growing by just releasing new versions of its old products. The long-rumored Apple TV, is still just that, a rumor.

Copyright 2013 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: Exxon passes Apple as most valuable company (Update) (2013, January 25) retrieved 8 July 2024 from <https://phys.org/news/2013-01-exxon-surpasses-apple-world-valuable.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.