

Apple's stock cuts losses after CEO emails on China business

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Apple shares helped lead the stock market on a steep dive Monday morning, but the tech giant recovered in dramatic fashion soon after CEO Tim Cook [assured](#) a popular Wall Street commentator that his company is still doing well in China.

"I get updates on our performance in China every day, including this morning, and I can tell you that we have continued to experience strong growth for our business in China through July and August," Cook wrote in an email to CNBC's Jim Cramer, who shared the message with his audience as Apple's stock plummeted more than 13 percent Monday morning.

That plunge erased more than \$75 billion in Apple's market value, which started the day around \$602.8 billion.

Apple and other U.S. tech stocks were rocked Monday by continued worries over China's economy, following an early sell-off on Friday. Apple says the region it calls "Greater China," which includes Hong Kong and Taiwan, is its second-largest market—producing more than a quarter of its sales and its biggest share of growth last quarter.

The company rarely comments on its stock performance, outside of quarterly earnings reports, as Cook acknowledged in his email to Cramer. But he said he knew that questions about China are "on the minds of many investors." Cook went on to say that, in China, "growth in iPhone activations has actually accelerated over the past few weeks,

and we have had the best performance of the year for the App Store in China during the last 2 weeks."

Under federal securities rules, public companies aren't supposed to disclose "material information" about their business performance unless it's made widely available to the public, noted Stephen Diamond, an associate professor who teaches securities law at Santa Clara University. But Diamond said Cook's email may not be an issue since Cramer read it on CNBC soon after he said he received it.

An Apple spokeswoman declined comment on the email except to confirm its authenticity.

Apple's stock has been in a slump since its last earnings report in July, and some analysts have said it's unlikely the company can maintain the rapid growth it enjoyed over the last year.

But others echoed Cook's bullish outlook on Monday. In a note to investors, Daniel Ives of FBR Capital Markets said he was continuing to rate the company's stock "outperform," citing the expected release of new iPhone models this fall and potential for more growth in China.

Those sentiments helped Apple shares make a partial recovery later in the day. After closing on Friday at \$105.76, Apple shares plunged early Monday to a low of \$92, then soared as high as \$108.80 before closing at \$103.12.

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