

Who are the stock market heavyweights?

August 5 2015, by Steve Rothwell



In this Thursday, May 9, 2013 file photo, people walk near the Apple store in Santa Monica, Calif. Even after its recent slump, Apple's market value is still two thirds bigger than Microsoft, the next biggest publicly-traded company in the U.S. That means that when Apple moves, so does the market. (AP Photo/Reed Saxon, File)

At \$654 billion, Apple is the stock market's heavyweight.

Like a handful of other "big cap" companies such as Microsoft and Exxon Mobil, the iPhone maker's market value means that when its shares move, so can the market. And these are the companies that

influence your stock portfolio.

"The combination of Apple's size and price moves, results in an enormous impact on indices," says Howard Silverblatt, a senior index analyst for S&P Dow Jones Indices.

Lately, Apple's influence has been a drag.

Since closing at a record \$133 on February 23, Apple has slumped to \$115.40, wiping \$115 billion off the value of its stock. Between then and Wednesday's close, the Standard & Poor's 500, the most widely-tracked stock index, was down 0.5 percent.

Without Apple, the decline would have been a gain of 0.1 percent, according to S&P Dow Jones Indices, the company behind the S&P 500 index and the Dow Jones industrial average.

Of course the opposite is also true, when Apple's shares rise, the market can get a lift. Either way, for every \$1 change in Apple stock, the S&P 500 rises or falls 0.6526 points, says Silverblatt.

The impact of the technology giant is so big that S&P Dow Jones Indices has created a technology index that excludes Apple.

That allows investors to separate what's going on with tech stocks from what's going on with Apple because, while they're similar, the two might not be the same.

For example, the S&P 500 information technology sector is down 1.3 percent since Apple's record close. Take out Apple and the group has actually gained 1.8 percent.

History suggests that companies as dominant as Apple don't tend to stay

top dog for long. Competitors emerge, new products roll out, and growth can slow.

Exxon Mobil, which Apple surpassed to become the biggest publicly-traded company in August 2011, has slumped over the last year along with the price of oil. To be sure, Exxon Mobil is still big, with a market value, or capitalization, of \$322 billion. But it has slipped to third in the ranking of S&P heavyweights, behind Microsoft.

In the early 1980s, computer company IBM was the stock market's big gun. Personal computers were still a new concept and IBM was one of the industry's dominant players. At the end of 1985, the company's stock made up 6.4 percent of the S&P 500's total value, much bigger than Apple's current 3.6 percent.

Since then, the company has had to grapple with fierce competition from more nimble rivals. Like Exxon, Big Blue is still powerful, but it now ranks as the 28th largest in the S&P 500, making up 0.8 percent of the index.

Below are the six biggest companies in the S&P 500, ranked by market capitalization, which is determined by shares outstanding multiplied by stock price.

— APPLE

Market Value: \$654 billion

Weight in S&P: 3.6 percent.

— MICROSOFT

Market Value: \$380 billion.

Weight in S&P: 2.1 percent.

— EXXON MOBIL

Market Value: \$322 billion

Weight in S&P: 1.7 percent.

— WELLS FARGO

Market Value: \$297 billion

Weight in S&P: 1.5 percent

— JOHNSON & JOHNSON

Market Value: \$276 billion.

Weight in S&P: 1.5 percent.

— GENERAL ELECTRIC:

Market Value: \$261 billion.

Weight in S&P: 1.4 percent.

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