Apple Sets Record For Company Value At $623B

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NEW YORK (AP) — Apple is the world's most valuable company, ever.

On Monday, its surging stock propelled the company's value to $623 billion, beating the record for market capitalization set by Microsoft Corp. in the heady days of the Internet boom.

After a four-month dip, Apple's stock has hit new highs recently because of optimism around what is believed to be the impending launch of the iPhone 5, and possibly a smaller, cheaper iPad.

Apple Inc. has been the world's most valuable company since the end of last year. It's now worth 53 percent more than No. 2 Exxon Mobil Corp.

Apple's stock hit $664.74 in midday trading before retreating slightly to $661.70. That was $13.42, or 2.1 percent, higher than Friday's close.

Microsoft's 1999 peak was $620.58 billion, according to Standard & Poor's.

The comparison to Microsoft does not take inflation into account. In inflation-adjusted dollars, the software giant was worth about $850 billion on Dec. 30, 1999. Microsoft is now worth $257 billion.

Analysts believe Apple's stock has room to grow. The average price target of 38 analysts polled by FactSet is $745.80.

Despite the surge, Apple's stock is not particularly expensive compared to its earnings for the last twelve months. The company's "price-to-earnings ratio" is 15.6, compared to 16.1 for the S&P 500 overall. That suggests investors, unlike analysts, don't believe the company can grow its sales much from current levels.

Apart from the iPhone and "mini iPad," analysts are speculating that Apple plans to make a TV set to complete its suite of consumer electronics products. Apple usually doesn't comment on its future product plans until a few weeks or days before a launch.

Apple's stock surge has made it a major part of many investment portfolios, often without the investors realizing it. The company makes up 4.7 percent of the value of the S&P 500 index, which is used as the basis for many mutual funds.

Figures supplied by FactSet imply Microsoft's market capitalization record was $619.25 billion, somewhat lower than the $620.58 billion calculated by S&P. The difference lies in the number of outstanding shares the firms ascribe to Microsoft at the time.

China's largest oil company, PetroChina, could lay claim to having hit a market capitalization even higher than Apple's, because of the particularities of the Chinese stock market.

PetroChina was briefly worth $1 trillion after it listed on the Shanghai stock exchange in 2007, but only based on its price on that 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, and based on prices there, its market capitalization never went as high as $500 billion.

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