Apple Shares Hit $700

Barbara Ortutay, Associated Press

NEW YORK (AP) -- Apple's stock reached $700 for the first time on Tuesday, setting a record for the company the day after it announced that orders for its iPhone 5 topped 2 million in the first 24 hours.

The stock traded as high as $701.44 in the morning, up a quarter of a percent from Monday's close. It later fell slightly. It had come within 20 cents of $700 on Monday.

The rally in Apple's stock price puts the company's market value at $656 billion.

The $700 mark is somewhat of an arbitrary milestone for Apple's stock, representing little more than a nice round number and a record high trading level.

The company, after all, already enjoys the distinction as the world's most valuable public company ever. Google Inc., its Silicon Valley neighbor, saw its stock price surpass $700 in 2007. On Tuesday, Google's stock was trading at $715.24. But the online search leader's market capitalization is well below Apple's at $234.1 billion.

Apple started taking orders for the iPhone 5 at 3 a.m. EDT Friday. Orders during the first 24 hours more than doubled what Apple had for its predecessor, the iPhone 4S, over the same period last October.

"This was despite somewhat lukewarm reviews and some claiming it had 'lack of a wow factor,' Sterne Agee analyst Shaw Wu said in a note to investors. "We continue to believe many underestimate iPhone 5 in that it is a significant update and will drive a powerful product cycle."

Wu estimates that Apple will likely ship 27 million iPhones in the current quarter. That's up from his earlier estimate of 26 million.

Apple said on Monday that while most orders will be delivered this Friday, when the phone goes on sale in stores in the U.S. and eight other countries, demand for the iPhone 5 exceeds the initial supply. That means some of the devices will be delivered in October.

Buyers who have a two-year service agreement with AT&T, Sprint or Verizon Wireless are able to order the phone for $199 (16 gigabyte model), $299 (32 GB) or $399 (64 GB).

The iPhone 5 represents the first major revision of the iPhone's screen size since the first model was introduced in 2007. The new iPhone has an elongated screen, at 4 inches measured diagonally. That allows room for another row of icons and lets widescreen movies fit better. Earlier models had 3.5-inch screens. The new phone is also thinner and weighs less than previous versions. It can operate on LTE cellular

networks and sports a new processor and updated software.

Apple share have risen 87 percent since Oct. 5, when CEO Steve Jobs died. The stock was up 15 cents at $699.93 in Tuesday morning trading after briefly surpassing $700.

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