

Apple's \$3 Trillion Market Cap

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“On Friday, June 30, 2023, Apple, the iPhone manufacturer, closed the trading day in New York with a market value (market capitalization) of just over \$3 trillion, an historic record. Apple’s \$3 trillion market value is eight times that of the second largest mobile phone manufacturer, Samsung.”

Thus the many surprises we see in the financial markets. But like the blind magician who does his tricks out in the open because he can't see, we politely don't see that S&P Dow companies spent \$922.7 billion on stock buybacks, and that only one of the 500, Apple, bought \$90.2 billion of its shares. Until 1982 such artificial boosting the value of one's own company was rightly considered a crime. But the aged and sick system we call capitalism needs all the powder and wigs it can muster to make itself presentable.

In the past decade Apple purchased \$573.4 billion of its own stock without paying a penny in sales tax, and with the Wall Street Journal and Bloomberg idiotically expressing amazement at the resiliency of the American economy which can fight itself out of any threat. But only in the make believe criminal world of the financial market. In the real world there is real competition and they can have catastrophic consequences like Nato making a trap to catch Russia in Ukraine only to have it symbolically sprung on their own necks while their neo-Nazi puppets have a real life-death experience.

[Makers and Takers: The Rise of Finance and the Fall of American Business](#) by Rana Foroohar – *“... Apple’s behavior is no aberration. Stock buybacks and dividend payments of the kind being made by Apple – moves that enrich mainly a firm’s top management and its largest shareholders but often stifle its capacity for innovation, depress job creation, and erode its competitive position over the longer haul – have become commonplace. The S&P 500 companies as a whole have spent more than \$6 trillion on such payments between 2005 and 2014, bolstering share prices and the markets even as they were cutting jobs and investment.”*

Steven Pearlstein of the Washington Post noted that Apple's actions are even worse than they seem – *“The most significant and troubling aspect of this buyback boom, however, is that despite record corporate profits and cash flow, at least a third of the shares are being repurchased with borrowed money, bringing the corporate debt to an all-time high, not only in an absolute sense but also in relation to profits, assets and the overall size of the*

economy...Corporate America, in effect, has transformed itself into one giant leveraged buyout.”

And then there is Inflation

The idiotic American media is regularly expressing concern that the all-powerful American working class has the capitalist ruling class in a choke-hold forcing them to empty their pockets in wages increases that are the cause of inflation. Niels-Jakob Hansen, Frederik Toscani, Jing Zhou report in the latest IMF *World Economic Outlook* that rising corporate profits account for almost half of the rise of inflation over the last two years. Meanwhile the European Central Bank has jacked up interest rates to 3.5%, the highest in 22 years and driven several economies into recession.

Isabella Weber, a professor at UMass-Amherst, has caused much controversy because she says inflation is caused by capitalists jacking up prices as much as they can get away with: *“a critical factor that is driving up prices remains largely overlooked: an explosion in profits”*, Weber wrote.

In 2021, U.S. non-financial profit margins have reached levels not seen since the aftermath of the second world war. This is no coincidence.

She noted that “large corporations with market power have used supply problems as an opportunity to increase prices and scoop windfall profits”.

She must really be onto something because she got the NYT’s resident economic babbler Paul Krugman to judge her call for price controls *“truly stupid.”*

No time for civility when your sick and dying economic system is on the ropes.

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