Dow Breaks 22,000 for the First Time Ever

Apple Inc’s surprisingly strong quarterly results and forecast pushed the iPhone maker’s shares to a record high, helping the Dow Jones Industrial Average breach the 22,000 mark for the first time ever.

The stock rose as much as 6.4 percent at $ in early trading, boosting the market capitalization of the world’s most valuable company by about $50 billion to $832 billion.

“The Appleverse is expanding with all segments growing,” UBS analyst Steven Milunovich said.

At least eight brokerages raised their price targets on the stock, with Barclays making the most bullish move by raising its price target by $23 to $146. The median price target on the stock is $165.

“There is no reason for opportunistic investors to trek to the sidelines given the June-quarter print and Sept-quarter guide,” Barclays analyst Mark Moskowitz wrote in a client note.

Apple on Tuesday reported better-than-expected third-quarter results and indicated that its upcoming 10th-anniversary iPhone lineup was on schedule.

Apple is widely tipped to adopt higher-resolution OLED displays for the latest iPhone, along with better touchscreen technology and wireless charging – which could come with a $1,000 plus price tag.

Sales of iPad made a surprise comeback in the quarter and were up 15 percent from a year earlier. The company also hit a milestone of 1.2 billion iPhones sold.

Revenue from emerging markets, excluding China, rose 18 percent and remained a bright spot.

Greater China, however, reported its sixth straight decline in revenue, hurt by customers switching to locally made phones.

While most analysts said that increasing competition in China and a fast saturating smartphone market could lead to slowing growth for Apple, Raymond James' analyst Tavis McCourt said the launch of iPhone 8 could shore up demand China.

"We believe there is significant pent up demand for the iPhone 8 in Greater China that will lead to a more than a doubling in demand from Greater China," McCourt said. {eoa}

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