

# Apple Computer: Why Is Everyone Going Crazy Over Their Products?

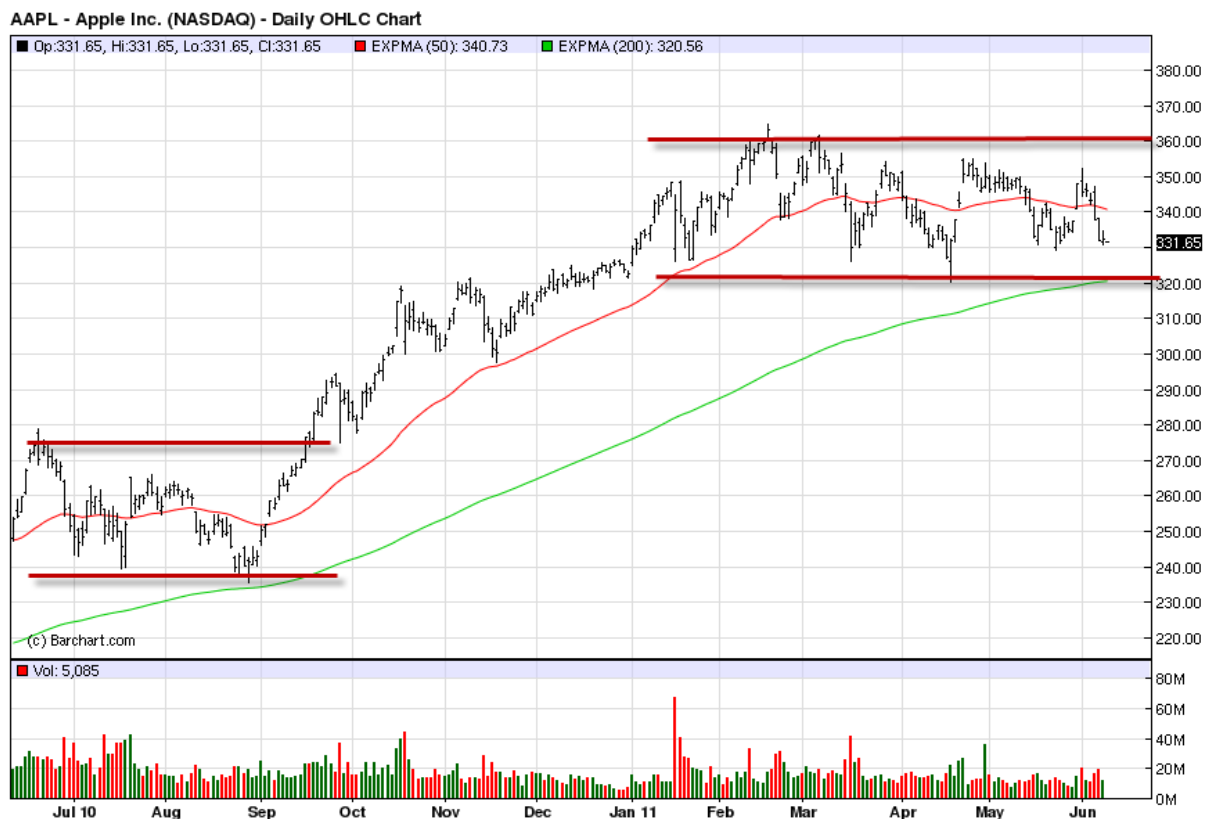
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In the United States, Apple has been gaining popularity for years. While there are many reasons, most of it revolves around the iPhone, iPad, and now – the iCloud.

The iPhone has been one of the major reasons for the emergence of the smartphone as retail based product as well as business-related tool. iPhone is by far the most expandable phone on the market as it had the App Store, a place where customers can download small applications to run on the phone. For example, an application can be something as simple as one that tells you weather conditions, and as complex as one that allows you to videoconference with others. Because of these applications, the iPhone is something that can virtually reinvent itself over and over.

The iPad is a tablet computer that is rapidly becoming the tool of choice for small business as well as retail consumers in the US. Basically, it is a computer that looks like a flat screened monitor with cellular and Wi-Fi capabilities. It is all touched based, much like a smartphone, and can run applications that are on the iPhone.



Apple announced the iCloud on June 6, and the first implementations included are the ability to store your music on a server outside of your PC, Mac, or iPad. The iCloud allows you to listen to your songs on anything that has an internet connection. Other examples would be syncing of eBooks between the iPhone, iPad, and your desktop computer. While it is only focusing on the

consumer right now, you can see how important this could be for business as a manager could upload a report and have it deployed to all employees simultaneously. A friend of mine (an architect) lives in Thailand while designing and building resorts in Mexico. He is beginning to use Apple's FaceTime which will allow him to see the remote job site being built and communicate with clients using video conferencing.



Looking at the stock itself, there is most certainly an overall uptrend to this company. While I do not own the company it is an important stock to watch. The chart looks healthy as price has pulled back to the 50 and 200 day moving averages which has been dynamic support in the current bull market.

The one thing that stops most investors from getting too heavily involved in this stock is its price – currently about \$330 a share. The move to new highs would even have it at \$360 a share which makes it difficult to buy large quantities. However, there are plenty of ETF's out there that offer exposure to this great company.

The simplest way to do this is to perhaps buy the QQQQ, as it is a Nasdaq-100 ETF, and as such is weighted with 20.51% of the company's stock in it. The added benefit to using this vehicle is that it also allows investors to take advantage of an overall market rise which my analysis shows we are likely to see over the next 12-18 months.

Also available are the IXN and IYW. The IXN, or iShares S&P Global Technology Index Fund allows an investor to not only gain exposure to Apple, (It makes up 10.73% of the listing.) but also allows the investor to gain exposure to the emerging markets and their technological needs. The IYW, or Dow Jones US Technology Index Fund is weighted with Apple making up a whopping 14%, and focuses on the US solely, which is currently going through a technology upgrade cycle in the business world.

Keep in mind Apple hit a low of \$80 during the 2008 financial crisis and has done nothing but improve its price since then (+300%). The current basing pattern we see in this stock is not only common, but expected as the market needs to rest after large moves. With the company's innovative nature, betting against them isn't something that I would do. In fact, as the bull market continues I see Apple likely to be at the forefront of the move once again.

**July 16, 2011 UPDATE:** Apple hit a low of 310 on June 20 and has since moved up 18% to a new high, now at 365. Apple has formed a healthy double bottom base for 6 months which I will explain in my next market report. Other large cap technology stocks such as Nike, IBM, Priceline, and EMC are at new highs as well. **The market is healthy and weakness should be used as a buying opportunity.**

### **About Freeman Capital Management, LLC**

Don Freeman is Managing Director of Freeman Capital Management, a Registered Investment Advisor with the U.S. Securities Exchange Commission (SEC). He provides personal financial planning and investment advice to expatriates and teaches financial courses throughout SE Asia and the United States.

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