

BEHIND APPLE'S STRONG RESULTS

JOHANNESBURG, GAUTENG, SOUTH AFRICA, August 30, 2023 /EINPresswire.com/ -- Apple's meteoric rise to prominence is nothing short of exceptional, with its impressive performance in 2022 carrying over to 2023. [Fred Razak](#), Chief Trading Strategist at [CMTrading](#), delves into the factors underpinning this sustained success and the road ahead.

A Resilient Position

"Apple's unrivalled streak of non-negative quarters since 2009, spanning fourteen years, is a testament to their remarkable diversity and adaptive prowess in the market," observes Razak. "The transformative power of the iPhone has redefined Apple from a linear computer company to a multifaceted powerhouse. Presently, Apple stands as a horizontal entity boasting a diverse range of interconnected devices."

Razak highlights the cross-product synergy: "The seamless connectivity between Apple products, like the iPhone, MacBook, iPad, and iWatch, fosters customer loyalty. Each purchase propels customers to explore additional products within the Apple ecosystem. Beyond their aesthetic appeal, Apple products excel in processing information, creating a compelling allure. This design philosophy extends to their services, including Apple TV and Podcasts, contributing to a high retention rate and multiple income streams. Apple has cultivated a culture akin to a digital religion."

Unintentional Financial Ingenuity

"Surprisingly, Apple has inadvertently assumed a financial role resembling that of a bank. With a notable 'days payable outstanding' of 97 days in 2022, Apple capitalises on client financing, generating passive income through held funds," notes Razak. "This financial manoeuvre amplifies their revenue streams and fortifies their overall financial structure."

Inventory Efficiency and Financial Strategy

Razak elaborates on Apple's manufacturing efficiency, stating, "Apple strategically maintains only 1.5% of their assets in inventory, a paradigm shift catalysed by the 'Just-in-time manufacturing'



Fred Razak, Chief Trading Strategist
CMTrading

(JIT) methodology pioneered by the Japanese. This approach enables real-time manufacturing based on demand, minimising inventory. Notably, this tactic enhances flexibility by allowing Apple to repurpose hardware resources for varied product lines, optimising efficiency."

On Apple's strategic debt management, Razak explains, "Despite holding \$120 billion in debt, Apple's situation is advantageous due to their low 2.3% interest rate. This debt becomes a cost-effective financial tool, deducting expenses and bolstering their financial structure. Concurrently, the interest rate's meagre value facilitates revenue generation on both sides as Apple continues to amass actual cash holdings of US\$55.87 billion. This dual strategy maximises their financial leverage."



Apple's meteoric rise to prominence _image supplied

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Fred Razak, Chief Trading Strategist CMTrading

Future Projections for Stock Trading

"Apple is on par with Amazon and Google in terms of client data collection. Their cohesive product expansion strategy caters to diverse levels of consumers, creating interconnected product ecosystems. As AI makes inroads, products like the Vision Pro AR/VR headsets will further expand their clientele.

“My forecast for Apple is one of continued expansion and innovative product offerings across multiple levels of the market. The convergence of cutting-edge technology and evolving consumer needs is propelling Apple into even more promising future."

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