



Question:

Please analyze apple (AAPL) in stocks fundamentally and technically. Please analyze effect of tariffs. Please advise me about buying/selling this stocks.

Answer:

Quick Take: Apple (AAPL) is trading around **\$270.37**. Fundamentally, it remains a strong cash-generating company with record iPhone and services revenue, but faces risks from tariffs and slowing segments like iPads and wearables. Technically, the stock has rebounded sharply in 2025 after a steep decline, with key support around **\$198–\$171** and resistance near **\$228–\$260**

Fundamental Analysis

Revenue & Earnings:

June 2025 quarter revenue: **\$94.0B (+10% y/y)**, EPS: **\$1.57 (+12%)**

Services revenue hit an all-time high of **\$27.4B**, offsetting weaker iPad and wearables sales

Another quarter (Q2 2025) showed revenue at **\$95.36B**, down **23% q/q**, but with a **47% gross margin** — still very strong

Business Mix:

iPhone sales up ~13% y/y, services segment continues to grow steadily.

Wearables and iPads are lagging, but Apple's ecosystem lock-in remains a moat.

Risks:

Tariffs cost Apple **\$800M** last quarter, projected to rise to **\$1.1B**

Heavy reliance on iPhone cycle and China supply chain.

Balance Sheet:

Apple maintains one of the strongest balance sheets in the world, with massive cash reserves and consistent buybacks/dividends.



Fundamental View: Apple remains a **high-quality, cash-rich company** with strong services growth, but faces **margin pressure from tariffs and product mix shifts**.

Technical Analysis

Recent Price Action:

After a **35% decline (Dec 2024–Apr 2025)**, Apple rebounded **+30.5%**

Support Levels:

\$198 (major support).

\$164–\$171 zone (critical long-term floor)

Resistance Levels:

\$228 (golden ratio resistance).

\$260 (all-time high retest)

Momentum:

Weekly chart shows **bullish momentum**.

Daily chart signals **short-term caution** with possible pullbacks before continuation.

Technical View: Apple is in a **recovery uptrend**, but faces heavy resistance near \$228–\$260. A breakout above \$260 could open new highs, while a drop below \$198 would signal renewed weakness.

U.S. tariffs

U.S. tariffs have significantly increased Apple's costs in 2025, forcing the company to absorb billions of dollars in extra expenses, consider raising product prices, and rethink parts of its supply chain.

How Tariffs Are Hitting Apple

Quarterly Costs: Apple reported that tariffs added **\$1.1 billion in costs** in the July–September 2025 quarter, and projected another **\$1.4 billion hit** in the holiday quarter — its most important sales season with the iPhone 17 launch



Cumulative Impact: Earlier in 2025, Apple had already spent **\$800 million** restructuring supply chains and paying tariff-related costs

Absorbing vs. Passing On Costs: Initially, Apple absorbed much of the tariff burden to avoid raising iPhone and Mac prices. But CEO Tim Cook has warned that **future price increases may be unavoidable** if tariffs persist

Strategic & Operational Effects

Supply Chain Adjustments: Apple has been diversifying assembly away from China (e.g., India, Vietnam) to reduce tariff exposure. However, these moves are costly and take time.

Product Pricing Pressure: Tariffs on Chinese imports directly affect Apple's core products (iPhones, Macs, accessories). Even a **10% tariff** on these goods translates into billions in added costs annually.

Investor Concerns: On earnings calls, analysts and management have focused heavily on tariffs, reflecting how central they've become to Apple's near-term outlook

Risks Going Forward

Holiday Quarter Sensitivity: The iPhone launch cycle coincides with peak tariff costs, magnifying the financial hit.

Policy Uncertainty: While some tariffs were halved in late 2025 after U.S.–China talks, others remain in place, and the risk of new rounds of tariffs creates ongoing uncertainty.

- **Competitive Pressure:** If Apple raises prices to offset tariffs, it risks losing share to rivals less exposed to U.S.–China trade frictions.

Key Takeaway

Short term: Tariffs are a **multi-billion-dollar drag** on Apple's margins, especially during peak iPhone sales.

Medium term: Apple is accelerating supply chain diversification, but this transition is expensive.

Long term: If tariffs persist, Apple may be forced to **raise product prices**, potentially slowing demand, though its strong brand and ecosystem give it more pricing power than most tech firms.

Strategic Framework

Here's a structured way to think about a **strategy for Apple (AAPL)**, blending its fundamentals, technicals, and the tariff headwinds we discussed:



Long-Term Investors (3–5+ years)

Why Hold:

Apple's ecosystem lock-in, services growth, and cash flow strength make it a *core compounder*.

Even with tariffs and product cycle risks, Apple has the balance sheet and brand power to adapt.

Approach:

Treat Apple as a *core portfolio holding*.

Use pullbacks (especially near **\$198 support**) as opportunities to add.

Reinvest dividends or let buybacks compound value.

Medium-Term Investors (12–24 months)

Why Be Tactical:

Apple is rebounding from a steep decline, but faces resistance at **\$228–\$260**.

Tariff costs could pressure margins in the next few quarters.

Approach:

Accumulate gradually on dips, but avoid chasing near resistance.

Consider trimming if the stock stalls below \$260 and reallocating into other tech leaders until momentum resumes.

Short-Term Traders

Technical Playbook:

Bullish Breakout: If AAPL clears **\$260** with volume, momentum traders could ride toward new highs.

Range Trading: Buy near **\$198–\$210 support**, sell into **\$228–\$260 resistance**.

Risk Management: Stop-loss just below \$198 to protect against a deeper correction.

Risk Factors to Monitor

Tariffs: Each billion in added costs trims margins; watch for policy shifts.

Product Cycles: iPhone 17 demand is strong, but any weakness could weigh heavily.

Macro: Fed policy and global growth will influence tech valuations broadly.



Suggested Strategy in One Line

Core investors: Hold and add on dips — Apple remains a long-term winner.

Tactical investors: Accumulate cautiously, watch \$198 support and \$260 resistance.

Traders: Play the range until a breakout confirms the next leg.