Apple

Apple Inc. · AAPL · NASDAQ

September-quarter revenue up 11.7% and iPhone up 17.5% support growth, but memory costs cut the December-quarter gross margin guide to 45–46%, so the call is HOLD

Overall Verdict
HOLD
Bull 4 · Bear 3 · Deferred 0

Price at Issue	External Average Target Price	52-Week Low · High	Next Earnings
$348.51	**$340.77**	**$243.42 ~ $355.38**	**TBD**
Nov 10, 2026 close · −0.6%	−2.2% · 40 analysts	vs. high −1.9%	Q4 2026 earnings

01 4 Key Data Points

September-quarter revenue up 11.7%, iPhone up 17.5%
Revenue $114.48B (year ago $102.47B) · iPhone $57.58B · Mac +23.7%

December-quarter gross margin guided to 45–46%
September quarter 47.9% (about 1pp from tariff refunds per press reports) · 48.2% in the year-ago December quarter (calculated from Yahoo financials) · rising memory costs

Forward P/E of 36.6x, expected EPS growth 4.7%
Peer median 19.3x · FY27 expected EPS $9.40 (FY26 $8.98) · PEG 7.9

December-quarter revenue guided up 7–10%
$153.81–158.13B · guided as the best quarter in company history · first iPhone Duo sales included

02 Research Team Debate — 6 Issues

Memory prices ×2	Bear	The Bear side wins. The question is how much of the memory cost reaches earnings, and even if gross profit holds, margin falls 2.2–3.2pp and FY27 expected EPS growth drops to 4.7% from 20.4% in FY26. The company itself said the cost increase gets larger in the December quarter, which weighs most.
Valuation	Bear	The Bear side wins. The question is whether growth explains the multiple, and while the multiple is within its past range, EPS growth falls from 20.4% in FY26 to 4.7% in FY27, a PEG of 7.9 (37.1x FY27 P/E ÷ 4.7% growth; 7.8 on the 36.6x forward P/E). On the test of price relative to growth, the Bear case is stronger.
iPhone Duo	Bull	The Bull side wins. The question is whether the new product adds to December-quarter growth, and with the company guiding +7–10% and iPhone already growing 17.5%, the revenue case is stronger. The Duo's effect can be gauged from December-quarter iPhone revenue growth around Jan 28.
Price-target raises	Bull	The Bull side wins. Price-target issues are judged by the direction of recent changes: four of five are raises and the one cut is $5 (−1.4%). The average below the close is a drag, but the direction is up.
$7.5B of new notes	Bull	The Bull side wins. The question is whether new borrowing becomes a burden, and $7.5B is 5.5% of annual free cash flow and 13.2% of cash, while total debt at 9/30 had fallen 18.8%. Coupons of 4.650–5.350% cost something, but the size is small so the effect is limited.
Insider sales	Bull	The Bull side wins. The question is whether insider selling is a bearish signal, and the 60-day net sale of $93.19M clears the $10M bar but is 0.002% of market cap and stock-based compensation is 2.9% of revenue, below 10%, so the automatic Bear test is not met. The sales came the day after stock grants and look like disposals of pay, though whether they were for taxes is unconfirmed without the Form 4 text.

The call is HOLD. The iPhone Duo, target raises and ample cash flow favored the Bull side, while the margin hit from memory costs and the 36.6x multiple favored the Bear side, leaving a one-vote gap. The call reopens when December-quarter results show whether gross margin holds in the 45–46% range.

03 Conditions That Change the Verdict

▲ Upgrade Conditions

December-quarter results
Revenue at or above the $156.43B Yahoo expectation with gross margin of 46% or more strengthens the Bull case

▼ Downgrade Conditions

December-quarter results
Revenue below $156.43B or gross margin below 45% would strengthen the Bear case

04 Quarterly Results Unit: $B

	Q3 2025	Q4	Q1 2026	Q2	Q3
Revenue	102.5	143.8	111.2	109.4	**114.5**
Operating Income	32.4	50.9	35.9	35.7	**35.6**
Net Income	27.5	42.1	29.6	29.8	**30.7**
Operating Margin	31.6%	35.4%	32.3%	32.6%	**31.1%**

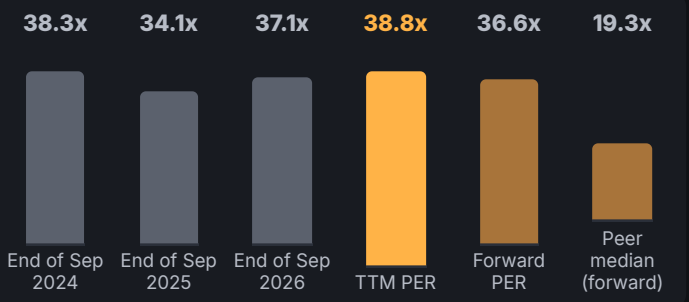
Operating margin
31.1%
Year ago 31.6%

Net margin
26.8%
Year ago 26.8%

Gross margin (Yahoo basis)
47.9%
Year ago 47.2%

Free cash flow margin
22.6%
Year ago 25.8%

05 P/E trend



06 Street Opinions

Buy 25 Hold 14 Sell 6

Avg $340.77 · High $405.00 · Low $250.00

China Renaissance	**425**	2026.11.11 (after the close)
Bernstein	**380**	2026.11.04
JP Morgan	**355**	2026.11.03
UBS	**340**	2026.11.03

07 Financial Strength

Cash and short-term investments (9/30)
$56.72B
$54.70B → +3.7%

Total debt (9/30, Yahoo basis)
$80.11B
$98.66B → −18.8%

Equity (9/30)
$112.09B
$73.73B → +52.0%

08 Recent News

11/11 China Renaissance upgrades to Buy with a $425 target (reported after the close)
Hold to Buy · 21.9% above the close · price and change shown are for the Nov 10 close and do not include any Nov 11 reaction

11/9 $7.5B of senior notes in seven series completed (8-K filed Nov 9)
Underwriting agreement dated Nov 5 · $1.25B of floating notes due 2028 and 2029 and $6.25B fixed due 2028 to 2036 · coupons 4.650% to 5.350%

11/4 Shares rebound 5.3% to a $349.51 close
Volume 2.1x the 20-day average · Microsoft also rose 6.7% that day, so the rebound was broad · reports differ on any Apple-specific cause

09 Upcoming Events

TBD · Q4 2026 earnings
Company date not yet announced · Yahoo expects Jan 28 with EPS of $2.91 and revenue of $156.43B

Nov 13 (Fri) · Weekly options expiry
Max pain $345, 1.0% below the close

Nov 20 (Fri) · Monthly options expiry
Open interest 385K calls and 353K puts · max pain $330

10 Key Risks

Rising memory costs (December-quarter gross margin 45–46%)
Impact High · Likelihood High · Watch Whether December-quarter gross margin is 46% or higher

Valuation (forward P/E 36.6x vs peer median 19.3x)
Impact High · Likelihood Medium · Watch Whether FY27 EPS rises to $9.40 or more

Slower Services growth (+9.8% in September quarter to a +8–9% guide)
Impact Medium · Likelihood Medium · Watch Whether Services

11 Checkpoints

★★★ **December-quarter results (date TBD)**
Check revenue against the $156.43B Yahoo expectation and whether gross margin stays within the 45–46% guide. Yahoo expects Jan 28.

★★★ **Memory costs and gross margin**
Watch whether the 45–46% December-quarter guide holds, compared with 48.2% a year earlier.

★★☆ **Close above the 52-week high of $355.38**
2.0% above the current price · a break confirms a new high