

Apple Closing in on Europe's Largest Stock market and the growth in Buy now, pay later (BNPL)

Much has been spoken this year about the Magnificent 7 stocks which have driven the rally in US equity indices this year. Apple, the creators of the iPhone, are top of this list of 7 and are currently showing no signs of slowing down. This past week, thanks to the dovish comments by the Federal Reserve, Apple shares closed at a record high on Wednesday evening. While this news in itself is positive, the real story is how Apple is now approaching unprecedented market value. Apple is once again fast approaching the value of Europe's largest stock market, which is France. The combined market value of companies listed in Paris was about \$3.2 trillion, while Apples combined market value is \$3.1 trillion. Apple is also bigger than all but the six largest stock markets in the world, and in pure GDP terms, Apple has a higher market value than the United Kingdom.

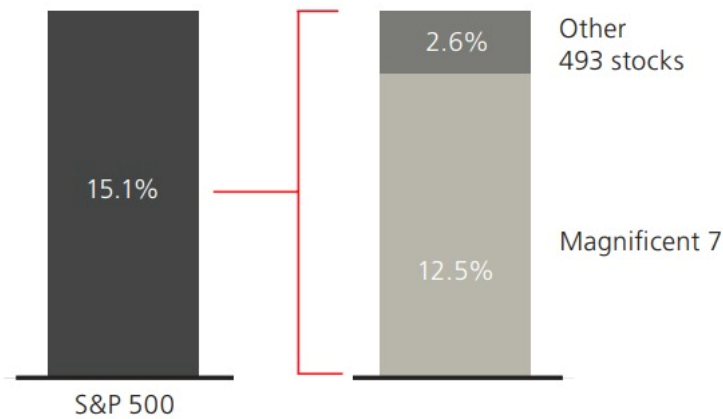


Leading on from Apple, our next chart highlights in simple terms the impact the Magnificent 7 has had on the performance of the S&P 500 this year. Up to November, the Magnificent 7 accounted for 12.5% of the S&P 500 total gain this year of 15.1%, with the other 493 stocks only accounting for 2.6% of that gain. From 2023 to 2025, Goldman Sachs sees the Magnificent Seven growing at a compound annual growth rate of 11% compared to a 3% rate for the rest of the S&P 500.

Figure 9

Contribution to S&P 500 performance

Magnificent 7 vs. remaining 493 S&P 500 stocks, year-to-date, in percentage points



Source: FactSet, UBS, as of 3 November 2023

In other news it is estimated that for November and December 2023, US consumers will use Buy Now, Pay Later (BNPL) to purchase approximately \$17bn worth of goods. This would be up \$2.5bn from the 2022 figure and represents a continued shift to this purchasing model amongst consumers in the US and worldwide.

