



Stock Market News: Apple Gets a Boost; UnitedHealth Has a Sick Day

Description

Monday morning didn't see huge moves on Wall Street, as market participants seemed like they'd be happy to get through the last day of the third quarter on a calm note. Part of what hurt stocks on Friday was news of a proposal that could have limited trading in Chinese stocks, but comments from the Treasury Department made it look less likely that such a move will get implemented. As of 11:30 a.m. EDT, the **Dow Jones Industrial Average** (DJINDICES: ^DJI) was up 124 points to 26,944. The **S&P 500** (SNPINDEX: ^GSPC) rose 14 points to 2,976, and the **Nasdaq Composite** (NASDAQINDEX: ^IXIC) gained 40 points to 7,979.

As investors wait for earnings season to give them the latest readings on how major companies are doing, Wall Street analysts haven't been afraid to give their own advance views. **Apple** ([NASDAQ: AAPL](#)) earned favorable comments from stock analysts, but health insurance companies like **UnitedHealth Group** ([NYSE: UNH](#)) face some difficult challenges that could hold back their share prices in the immediate future.

Could an Apple a day keep your portfolio healthy?

Shares of Apple were up 2% Monday morning after the mobile device maker got favorable comments from analysts at J.P. Morgan. The Wall Street giant repeated its overweight rating on Apple's stock, and it boosted its price target to \$265 per share.

Most of the comments that J.P. Morgan made centered on the recent release of the iPhone 11 lineup of smartphones. The analyst firm believes that iPhone shipments could total 185 million in 2019. That figure could end up challenging the 200 million mark by next year, although J.P. Morgan thinks it'll likely fall just short of that level.

Other analysts have seen Apple's ambitious moves on the price front as playing a key role in its future success. Although Apple set prices for the higher-end 11 Pro and 11 Pro Max at around \$1,000 or higher, the [regular iPhone 11's \\$699 figure](#) is an attractive price point that will resonate with users of previous models who are looking to upgrade. Healthier trade-in allowances are also likely to contribute to sales.

Many have criticized Apple for giving up innovation in favor of simply churning out new versions of existing products with minimal upgrades. Yet with others pointing to new camera features and enhanced battery life, Apple could well have a hit on its hands.

UnitedHealth looks a little ill

Meanwhile, shares of UnitedHealth Group were little changed Monday morning. The health insurance giant was the subject of negative comments from analysts at BMO Capital, who also cited **Humana** as suffering from some of the same headwinds.

BMO Capital cut its rating on the two insurers from outperform to market perform, and the primary reason had to do with their Medicare Advantage offerings. Medicare Advantage is an alternative to traditional Medicare that private health insurers can offer, with guidelines for minimum coverage options set by the federal government. These programs have been profitable for insurers, but BMO Capital fears that [calls for healthcare reform](#) could jeopardize the relatively rich profit margin figures that health insurers have collected from offering Medicare Advantage programs.

[UnitedHealth in particular](#) has concentrated much of its attention on Medicare Advantage, and it's been highly successful at wooing new customers. With demographic trends seeing a flood of baby boomers reaching retirement age, growth in the Medicare category looks a lot more attractive than the private sector.

There's plenty of uncertainty about what will happen with healthcare reform in Washington. Despite analyst calls to the contrary, UnitedHealth has weathered past storms, and long-term investors might well conclude it will be able to do so again this time.

CATEGORY

1. Investing
2. Tech Stocks

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1. Syndicated

TICKERS GLOBAL

1. NASDAQ:AAPL (Apple Inc.)
2. NYSE:UNH (UnitedHealth Group Incorporated)

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