



Better Buy: Amazon vs. Apple Stock

Description

Investing in stocks in companies operating in high-growth markets can protect your portfolio from short-term market fluctuations. Following a sell-off in 2022 caused by economic declines and a looming recession, this year is critical to invest in resilient and dependable companies that are likely to grow over time.

Amazon ([NASDAQ:AMZN](#)) and **Apple** ([NASDAQ:AAPL](#)) have strong positions in some of the most profitable markets, and those likely to provide long-term growth. Despite temporary economic challenges, these Big Techs are well-positioned to continue expanding in the long run.

While both Amazon and Apple have bright long-term prospects, one is unquestionably the better buy in 2023. Let's take a look at the two [tech stocks](#).

1. Amazon

After plunging by 51% in 2022, Amazon started 2023 with a bang. Since January 1, AMZN stock has gone up nearly 14% and is still going up. The rally was caused by a drop of 0.1% in the consumer price index, which shows that inflation is slowing, and an expansion of Amazon's Buy with Prime program.

Buy with Prime allows all eligible U.S. retailers, not just Amazon, to offer Prime benefits like free shipping and returns on their own websites. Analysts are hopeful that the program will make Amazon more competitive with Shopify and help it make more money by channelling sales from almost any e-commerce site.

After Amazon's e-commerce business dropped sharply last year, investors are happy to hear about Buy with Prime. In the third quarter of 2022, its e-commerce business lost \$2.9 billion, while its cloud computing business made up all of its operating income.

Amazon Web Services always reports big quarterly growth, but in Q3 2022, e-commerce sales made up 84% of total revenue. Because of this, Amazon's online retail business needs to start making money again, as soon as possible, and Buy with Prime is a good step in the right direction.

2. Apple

After a year in which the Nasdaq-100 Technology Sector index fell 29%, Apple stock has risen by nearly 15% since January.

Even though the market was going down, Apple's fiscal 2022 sales went up 8% to \$394.3 billion, while its operating income increased 9.6% to \$119.4 billion. The company grew because it was a leader in consumer electronics and online services.

For example, while competitors like **Microsoft**'s PC sales went down slightly in the third quarter of 2022, Apple's Mac sales increased by 25% year over year to \$11.5 billion.

In the past few months, the company has taken a lot of heat for making iPhones in China. In 2022, Apple stock dropped 27% because increased COVID-19 restrictions reduced factory production. But as production improved, the stock began to rise again.

While its services business is doing well, it shows that the company is smartly diversifying its income streams for the long term. In fiscal 2022, Apple's services sales went up 14% from the previous year to \$78.1 billion. This was more than double the growth rate for iPhone sales, which was 7%. Services had a profit margin of 71.7%, while products had a profit margin of 36.3%.

Apple stock growth slowed down in the last year. But the company proved its ability to stay on top in consumer product sales during a challenging year for the economy. Its services business is growing quickly, showing that it is strong and worth investing in for the long term.

Which tech stock is a better buy?

Amazon and Apple are two of the biggest companies in the world. They have the biggest market shares in some of the most profitable fields. When comparing how well they did during last year's tough economic times, Apple was the clear winner. This performance shows that it is the safer investment.

Furthermore, Amazon stock is trading at 90 times earnings, whereas Apple's [price-to-earnings ratio](#) is much better at 23. Apple stock is more valuable and a better buy in 2023.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:AAPL (Apple Inc.)

2. NASDAQ:AMZN (Amazon.com Inc.)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. cleona
2. sbchateauneuf

Category

1. Investing
2. Tech Stocks

Date

2025/08/11

Date Created

2023/01/27

Author

sbchateauneuf

default watermark

default watermark