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STOCK BLOG Tracking Buy, Sell, Hold

Apple's Price Rise Reminiscent of Pfizer's Viagra?



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By: Rose Michelson, Associate Producer, CNBC

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Apple's share price has rocketed in recent months, crossing both the \$500 and \$600 level within the space of mere weeks. So as analysts continually hike their price targets for the stock, is the only way really up?

Investment adviser J.J. Burns, president of J.J. Burns & Co., says investors should look to lessons learned from the past when they

try to predict the stock's next move.

"I hate to draw on this example, but if you take a look at what happened to Pfizer **when it came out with Viagra**, it really is so reminiscent for me," cautioned Burns.

In 1999, months after the launch of the famous little blue pill, Pfizer stock had reached a record of almost \$50 per share. But it's been a **relatively steady decline** ever since, and the stock has now lost more than half of its value.

"I get this bad feeling of what happened to Pfizer after it announced Viagra," Burns told CNBC. "It never ever ... reached that level again. I just wonder, going down the line, what will happen to Apple's share price."

Speaking about **Apple's dividend** and share buyback plan, Burns also offered a contrary view.

"From the pure investment aspect ... if I did own Apple shares at this particular time, I would probably like for them to keep [the cash]," he said. "I would like to see them look down the road to say, 'You know what, research and development is so key to

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Disclosures:

Disclosure: Neither Burns nor J.J. Burns & Co. own Apple stock.

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