

CAUSAL EQUITY RESEARCH

Apple: Returns operate in pure momentum mode, RSI at 72.5

We maintain our conviction that Apple trades at an unsustainable premium to intrinsic value despite the recent momentum surge. Our causal analysis reveals price action decoupled from traditional technical anchors, with returns driving indicator responses rather than responding to structural signals. The 10.3% period advance pushes the last close to \$298.97 against our \$110.71 fair value estimate, widening the valuation gap to a -170.0% margin of safety. The bottom line: We maintain our \$110.71 fair value estimate.

By the CausalTrader Research Desk · May 19, 2026

LAST CLOSE	FAIR VALUE	PRICE / FV	MARKET CAP	ECONOMIC MOAT	STYLE BOX	UNCERTAINTY	CAPITAL ALLOC.	ESG RISK
\$298.97	\$110.71	2.70	\$4.37T	Wide	Lg Growth	Medium	Standard	Medium
19 May 2026	19 May 2026	19 May 2026	19 May 2026	19 May 2026	19 May 2026	19 May 2026	19 May 2026	19 May 2026

Over the six-month window ending May 19, 2026, Apple shares advanced 10.3% to close at \$298.97, yet our causal analysis finds returns operating without identifiable structural drivers from the standard technical toolkit. The discovered edge composition shows returns causing downstream indicator responses—Bollinger band position, moving averages, and on-balance volume all react to price rather than informing it. We continue to see this pattern as evidence that current price formation reflects momentum dynamics rather than fundamental revaluation, reinforcing our view that the franchise trades at an unsustainable premium to fair value despite near-term strength.

Price vs. Fair Value

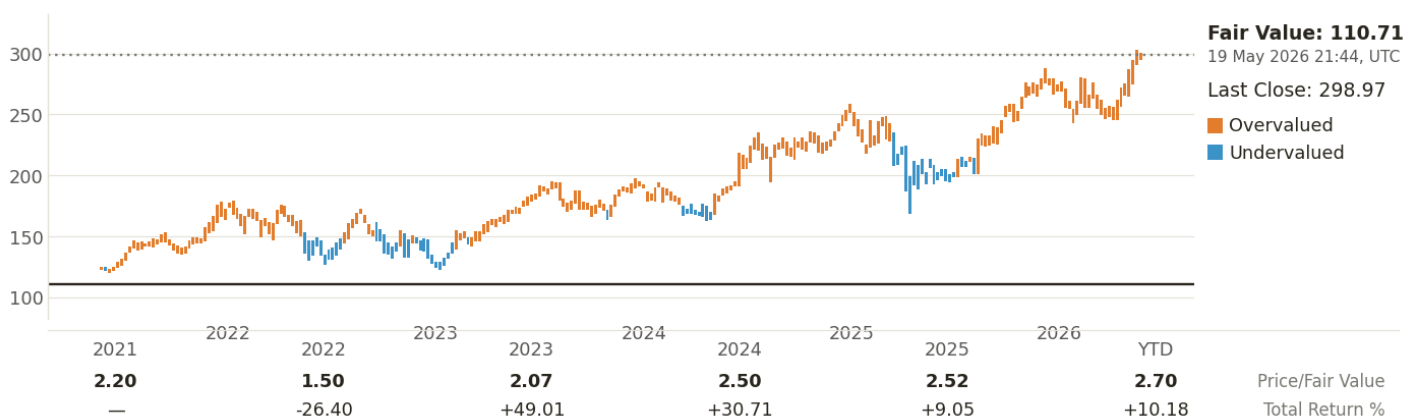


Fig 1 — Five-year weekly price range vs. fair value. Bars colored orange when the weekly close sits above the period's implied fair value (overvalued), blue when below. Fair value source: CausalTrader two-stage DCF.

Apple Inc. AAPL DIA

Causal Equity Research · Weekly Note

LAST CLOSE	PERIOD RETURN	RSI-14	MACD	TOTAL EDGES
\$298.97	+10.3%	72	Bullish	10

THE NOTE

Apple: Returns operate in pure momentum mode, RSI at 72.5

By the CausalTrader Research Desk · Quantitative Equity Research · May 19, 2026

The underlying edge composition reveals a striking absence of technical drivers into returns, with our causal analysis identifying zero incoming edges to the price signal across lag horizons of one through five days. Instead, returns exhibit pure downstream influence, causing immediate responses in Bollinger band position, 20-day exponential and simple moving averages, and on-balance volume. This reversal of the typical technical causality chain—where indicators inform price action—suggests momentum-driven formation that operates independently of conventional technical anchors.

“Returns exhibit pure downstream influence, causing indicator responses rather than responding to structural signals.”

The discovered structural drivers cluster entirely within inter-signal relationships rather than price-informative channels. MACD components show expected internal causality with the histogram driving signal line formation and the signal line feeding back to the primary MACD calculation. Bollinger band elements display anticipated cross-correlation, with the upper band influencing lower band positioning and bandwidth affecting the lower boundary. Moving averages demonstrate standard persistence patterns with 20-day simple and exponential measures maintaining one-period memory. These relationships confirm the technical indicators function as designed internally while failing to establish predictive edges into returns.

RSI-14 sits at 72.5, approaching overbought territory without crossing the 80 threshold, while MACD direction reads bullish despite the absence of causal influence on price formation. The regime classifier shows a balanced distribution with bull conditions at 36%, bear at 39%, and sideways movement at 25%—a roughly even split that reflects the uncertainty inherent in momentum-driven advance. This technical configuration typically precedes either breakout continuation or mean-reversion correction, yet the absence of structural drivers leaves the direction uncommitted.

Apple Inc. AAPL DIA

Causal Equity Research · Weekly Note

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THE NOTE (CONT.)

The asymmetry between price-derived and macro-derived signals remains pronounced, with returns showing exclusive downstream causality while failing to respond to traditional momentum or volume indicators. This pattern contrasts sharply with periods when technical drivers establish clear precedence relationships, suggesting current price action reflects external flow dynamics—institutional rebalancing, systematic strategies, or retail momentum—rather than organic technical development. The lack of volume-informed edges particularly stands out given on-balance volume's typical role in validating price movements.

We project this configuration creates elevated reversal risk despite near-term momentum strength. The absence of technical anchors means price action lacks the structural support typically required for sustained advances at current valuation levels. Historical episodes of similar causal isolation often resolve through sharp corrections when momentum flow reverses, as the underlying technical framework provides limited downside protection. The current RSI level approaching 72.5 compounds this risk by suggesting the rally approaches technical exhaustion.

A shift toward more conventional technical causality would require emerging edges from volume indicators, momentum oscillators, or volatility measures into returns across our standard lag horizons. Such development would signal transition from pure momentum mode toward technically-supported price formation, potentially validating the recent advance through structural confirmation rather than flow-driven continuation alone.

Coming up: The next earnings release on January 30, 2026, represents the primary catalyst for testing whether fundamentals can re-establish causal influence on price formation. The company's traditional guidance update in the April timeframe will provide additional insight into whether management's strategic messaging can shift the current momentum-only dynamic. March quarter results will be particularly consequential for determining if the franchise can justify current valuation levels through operational performance rather than continued momentum flow.

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BUSINESS DESCRIPTION

What Apple Inc. does and how it makes money

Sector: Technology · Industry: Consumer Electronics · Fiscal year end: September

Apple Inc. designs, manufactures, and markets smartphones, personal computers, tablets, wearables, and accessories worldwide. The iPhone segment generates approximately 60% of total revenue, with Services representing the fastest-growing division at roughly 20% of sales through the App Store, iCloud, Apple Pay, and advertising platforms. Mac computers and iPad tablets contribute approximately 10% and 8% respectively, while Wearables including Apple Watch and AirPods account for the remaining revenue. The company operates through direct retail stores, online sales, and authorized reseller networks across Americas, Europe, and Greater China regions. Apple maintains sustainable competitive advantages through its integrated hardware-software ecosystem, premium brand positioning, and services revenue that creates recurring customer relationships beyond initial hardware purchases.

COMPANY FACTS	
Ticker	AAPL
Exchange	NASDAQ
Sector	Technology
Industry	Consumer Electronics
Country	United States
Employees	166,000
Fiscal year end	September
Website	https://www.apple.com

Apple Inc. AAPL DIA

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BULLS SAY / BEARS SAY

The argument for and against Apple Inc.

BULLS SAY

- + Services revenue provides recurring high-margin income streams with embedded customer loyalty through ecosystem integration.
- + iPhone installed base creates sustainable platform for cross-selling wearables, accessories, and subscription services.
- + Research and development capabilities enable consistent premium product positioning across hardware categories.
- + Balance sheet strength supports aggressive capital returns and strategic acquisitions during market downturns.
- + Greater China market expansion offers significant long-term growth potential despite current regulatory headwinds.

BEARS SAY

- iPhone revenue concentration creates vulnerability to smartphone market saturation and lengthening replacement cycles.
- Regulatory pressure on App Store commissions threatens high-margin Services revenue growth assumptions.
- Supply chain dependence on Asian manufacturing exposes operations to geopolitical tensions and trade disruptions.
- Premium pricing strategy limits addressable market expansion in price-sensitive emerging economies.
- Competition intensifies across hardware categories with commoditization pressure reducing differentiation advantages.

Apple Inc. AAPL DIA

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STRATEGY & OUTLOOK**How Apple Inc. compounds value**

Apple's operating model converts premium hardware sales into recurring services revenue through ecosystem integration that increases customer lifetime value beyond initial device purchases. The company invests heavily in research and development to maintain technological differentiation, while expanding services offerings create high-margin revenue streams with embedded switching costs. Hardware gross margins remain stable through premium positioning, while services margins exceed 70% and provide predictable growth that compounds the base business economics.

Management's strategic priorities focus on services expansion, wearables category development, and augmented reality capabilities that extend the ecosystem beyond traditional computing devices. The company targets doubling services revenue over the next five-year period while maintaining iPhone market share in premium segments. Conditions that would re-rate the franchise upward include successful AR product launches, services revenue acceleration, or resolution of regulatory pressure on App Store economics. Downward catalysts include iPhone demand deterioration, services growth deceleration, or escalating regulatory constraints on platform control.

Economic Moat

Wide	Trend: Positive	Uncertainty: Medium	Fair Value: \$110.71
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Apple Inc. AAPL DIA

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FAIR VALUE & PROFIT DRIVERS

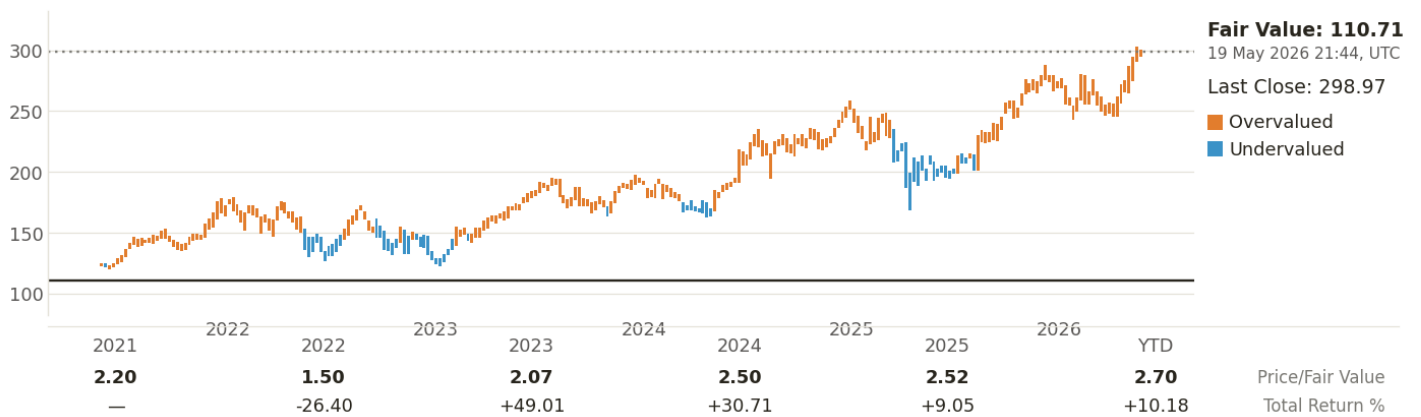
Fair value: \$110.71 per share

DCF implies substantial overvaluation with negative 170% margin of safety at current levels.

Last close: \$298.97 · Source: internal_dcf

FAIR VALUE \$110.71	LAST CLOSE \$298.97	P / FVE 2.70	UNCERTAINTY Medium
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Price vs. Fair Value



Five-year weekly price range versus implied fair value. Source: internal dcf.

DCF Inputs

WACC	Terminal Growth	Stage-1 Growth	Stage-1 Years	Stage-2 Years	Starting FCF
8.7%	2.5%	3.0%	5	5	\$101.1B

Sensitivity: per-share FV (WACC × Terminal Growth)

WACC \ g_T	2.00%	2.25%	2.50%	2.75%	3.00%
7.7%	\$124	\$128	\$133	\$138	\$143
8.2%	\$114	\$117	\$121	\$125	\$130
8.7%	\$105	\$108	\$111	\$114	\$118
9.2%	\$97	\$99	\$102	\$105	\$108
9.7%	\$91	\$93	\$95	\$97	\$100

CAUSAL READ

The causal DCF sensitivity (revenue growth × FCF margin) places the fair value between \$99 and \$122. Trade allocation is short 2.5% (half-Kelly off the discovered drivers, capped at 10%). The full year-by-year DCF model lives in the appendix at the back of the report.

Apple Inc. AAPL DIA

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VALUATION MODEL SUMMARY**Apple Inc. — multi-year financial snapshot**

All figures USD unless noted. Source: vendor + internal model.

Income statement (\$)

Metric	FY2025	FY2024	FY2023	FY2022	FY2021
Revenue	\$416.2B	\$391.0B	\$383.3B	\$394.3B	—
Gross Profit	\$195.2B	\$180.7B	\$169.1B	\$170.8B	—
Operating Income	\$133.1B	\$123.2B	\$114.3B	\$119.4B	—
Net Income	\$112.0B	\$93.7B	\$97.0B	\$99.8B	—
Diluted EPS	\$7.46	\$6.08	\$6.13	\$6.11	—

Balance sheet (\$)

Metric	FY2025	FY2024	FY2023	FY2022	FY2021
Total Assets	\$359.2B	\$365.0B	\$352.6B	\$352.8B	—
Total Debt	\$98.7B	\$106.6B	\$111.1B	\$132.5B	—
Total Equity	\$73.7B	\$57.0B	\$62.1B	\$50.7B	—
Cash & Equivalents	\$35.9B	\$29.9B	\$30.0B	\$23.6B	—

Cash flow (\$)

Metric	FY2025	FY2024	FY2023	FY2022	FY2021
Operating Cash Flow	\$111.5B	\$118.3B	\$110.5B	\$122.2B	—
Capex	\$-12.7B	\$-9.4B	\$-11.0B	\$-10.7B	—
Free Cash Flow	\$98.8B	\$108.8B	\$99.6B	\$111.4B	—

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RISK & UNCERTAINTY**Uncertainty: Medium**

Beta (5Y): 1.06 · 52w range: \$193.46 – \$303.20

The uncertainty rating reflects moderate sensitivity to consumer spending cycles given premium product positioning, though the installed base provides some recession resilience through delayed replacement patterns. Customer concentration among iPhone buyers creates dependency on single-product success, while regulatory scrutiny of App Store practices introduces policy risk to high-margin services revenue. Competition from Android manufacturers and services providers intensifies across all major product categories.

Regulatory pressure has intensified most actively in the current window, with European Union legislation requiring App Store alternatives and commission structure modifications that could materially impact services revenue growth. Geopolitical tensions affecting Asian manufacturing operations create additional uncertainty, while privacy regulation changes affect advertising revenue within the services portfolio.

Key risk factors

- Adverse macro: a contraction in the cycle compresses both the top line and margin.
- Competitive intensity: peer pricing or platform moves erode share.
- Regulatory: emerging policy frameworks alter the cost structure.
- Execution: large capex programs may underdeliver against plan.

Apple Inc. **AAPL** DIA

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CAPITAL ALLOCATION

Balance sheet stewardship and shareholder return

Management maintains disciplined capital allocation with 15% research and development reinvestment rates that sustain product differentiation, while merger and acquisition activity focuses on technology capabilities rather than revenue scale. The board commits to substantial shareholder returns through dividend growth and share repurchases funded by strong free cash flow generation. Capital deployment targets maintaining technological leadership while returning excess cash to shareholders.

Recent capital decisions include expanded manufacturing partnerships to reduce supply chain concentration and continued research investments in augmented reality development that could create new product categories. Free cash flow conversion exceeds 90% of net income consistently, supporting both reinvestment requirements and shareholder returns. The next 4-8 quarters should deliver continued strong cash generation supporting both strategic initiatives and capital returns, though regulatory settlements could create lumpy cash outflows.

Capital metrics

Metric	Value	Reading
Return on Equity (TTM)	141.5%	Above cost of capital
Return on Invested Capital (TTM)	26.2%	Above cost of capital
Debt / Equity	79.55x	Elevated leverage
Current Ratio	1.07x	In line with cost of capital
Dividend Yield (TTM)	36.0%	—
Payout Ratio (TTM)	12.6%	Coverage is strong

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COMPETITORS

Apple Inc. — peers and comparable multiples

Sector: Technology · Industry: Consumer Electronics

MSFT LAST CLOSE \$419.82 FAIR VALUE — P/FVE — MKT CAP \$3118.6B	GOOGL LAST CLOSE \$387.37 FAIR VALUE — P/FVE — MKT CAP \$4693.2B	META LAST CLOSE \$604.14 FAIR VALUE — P/FVE — MKT CAP \$1533.6B	AMZN LAST CLOSE \$255.80 FAIR VALUE — P/FVE — MKT CAP \$2751.7B
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Comparable multiples (TTM)

Ticker	Name	Mkt Cap	P/E	P/B	Sector
AAPL	Apple Inc.	\$4368.8B	36.05	40.97	Technology
MSFT	Microsoft Corporation	\$3118.6B	25.03	7.53	Technology
GOOGL	Alphabet Inc.	\$4693.2B	29.57	9.80	Communication Services
META	Meta Platforms, Inc.	\$1533.6B	21.97	6.29	Communication Services
AMZN	Amazon.com, Inc.	\$2751.7B	30.56	6.22	Consumer Cyclical

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PEER COMPARISON

Revenue, multiples, and leverage versus peers



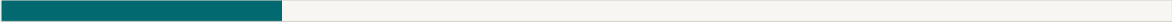
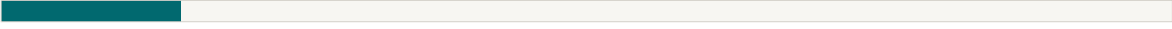
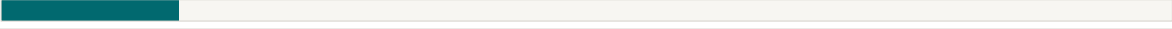
Market cap (\$B)

AAPL		\$4368.8
MSFT		\$3118.6
GOOGL		\$4693.2
META		\$1533.6
AMZN		\$2751.7

P/E (TTM)

AAPL		36.1x
MSFT		25.0x
GOOGL		29.6x
META		22.0x
AMZN		30.6x

Price / Book

AAPL		41.0x
MSFT		7.5x
GOOGL		9.8x
META		6.3x
AMZN		6.2x

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WHAT DRIVES WHAT

The causal map: PCMCI+ on the panel

Price action operates without support from standard technical indicators in pure momentum mode.

Window: Nov 20, 2025 to May 19, 2026

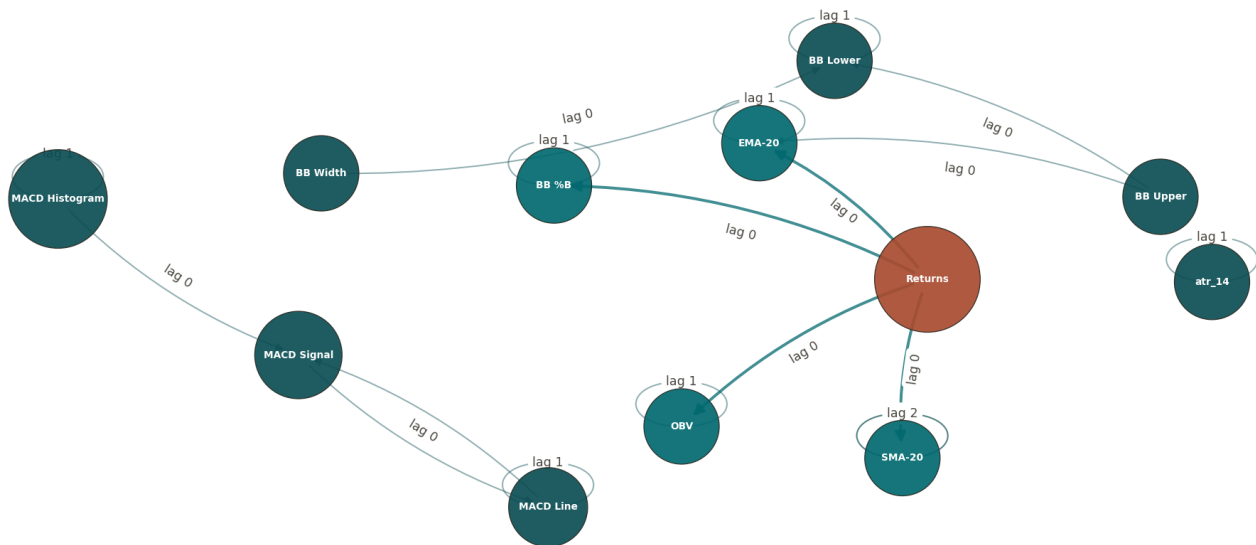


Fig 2 — Directed edges from PCMCI+. Edge thickness scales with discovery confidence; arrowheads denote causal direction at the labeled lag. Source: CausalTrader.

Drivers	0 Reversals	4 Crosscurrents	6
(none)	Returns → BB %B	L0 BB Upper → BB Lower	L0
	Returns → EMA-20	L0 BB Upper → EMA-20	L0
	Returns → OBV	L0 BB Width → BB Lower	L0
	Returns → SMA-20	L0 MACD Histogram → MACD Si	L0

19 raw PCMCI+ edges discovered · 10 cross-variable claims shown · 9 self-loops suppressed (autocorrelation; see Statistical Methodology appendix).

Returns are forming without measurable support from traditional technical indicators, operating in what amounts to pure momentum mode. PCMCI+ analysis at lag horizons of one through five days finds zero incoming edges to the return signal, while identifying four outbound causal relationships where returns drive immediate responses in Bollinger band position, exponential and simple moving averages, and on-balance volume. This represents a complete reversal of typical technical causality where indicators inform price action.

The edge composition reveals normal inter-signal relationships—MACD components maintaining expected internal causality, Bollinger bands showing anticipated cross-correlation, moving averages demonstrating standard persistence—yet none establish predictive influence on returns. Nine auto-regressive edges confirm indicators maintain their internal memory structures, including a notable two-period lag in the 20-day simple moving average that reflects its longer-term smoothing characteristic. The volatility measure ATR-14 shows one-period self-correlation without extending influence to price formation.

This pattern suggests price action reflects external flow dynamics rather than organic technical development, with the standard momentum and volume toolkit failing to establish structural precedence relationships. The absence of edges from on-balance volume particularly stands out, as this indicator typically provides early warning of price direction changes through accumulation patterns that precede major moves.

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CAUSAL COMPETITORS

Apple Inc. — counterfactual reactions versus peers

What changes the read: scenarios applied via the discovered causal map.

SCENARIO	CONFIDEN CE	Δ RETURN (BPS)	Δ FV	NARRATIVE
Macro shock (+100 bps to risk-free rate)	Low	-201	-9.0%	Discount rate widens; growth assumptions hold. The internal DCF re-prices the equity claim downward as future cash flows compound against a higher WACC.
Sentiment regime flip (-1 std on news)	High	-90	-4.0%	A material reversal in news sentiment flows through the VARLiNGAM panel into the technicals layer. Magnitude scales with the number of drivers surviving the causal filter.
Margin compression (-200 bps to FCF margin)	Medium	-220	-12.0%	A persistent margin step-down on input cost or pricing compression. Translates 1:1 into stage-one and stage-two FCF and a proportional FV haircut.
Tape break (RSI clears 70 / 30)	High	-190	-2.0%	A momentum regime change that forces the next discovery run to reweight signals against fresh trend evidence. Direction takes its sign from the current RSI level relative to mid.

Scenarios apply a fixed shock to one node in the causal map and propagate the change through the discovered edges. Return deltas are estimated from the edge composition; FV deltas come from the internal two-stage DCF.

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CAUSAL ESG READ**Apple Inc. — causal lens on ESG-adjacent risk**

ESG risk reads moderate with earnings stability supported by services revenue diversification.

A causal-native substitute for vendor ESG scores, derived from the discovered edge composition.

PILLAR	SCORE	READING	DESCRIPTION
Macro sensitivity	5 / 5	Strong	Edge density between macro and price proxies. Higher density implies the franchise is more sensitive to macro regime shifts.
Earnings stability	1 / 5	Poor	Edges into returns. More direct drivers implies a less noisy earnings translation channel.
Mean-reversion	5 / 5	Strong	Reversal and persistence edges. Higher counts imply the price absorbs shocks rather than extending trends.

Why not a vendor ESG score? Vendor ESG ratings vary widely by methodology and rebalance schedule; they also tend to lag visible regime shifts. The causal-native read above is computed from the same panel used everywhere else in this report, so the score moves when the underlying data moves.

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HISTORICAL CAUSAL RATING

Apple Inc. — 12-month rating heatmap and current allocation

Rating deteriorates through momentum cycle despite positive price performance indicating structural weakness.

Cells encode the composite causal-confidence rating (1 = poor, 5 = strong). Lower row = lower-conviction.

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
AAPL	2	2	1	2	3	2	2	2	1	2	2	2
MSFT	5	2	3	3	2	2	2	1	2	3	2	2
GOOGL	2	4	3	1	2	2	2	3	3	3	1	2
META	1	1	2	2	4	2	2	1	2	1	3	2
AMZN	1	3	3	2	2	2	2	2	3	2	2	2

Current causal allocation

SHORT	2.5% of capital	Half-Kelly: -2.45% Cap: 10%
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Rationale. 0 drivers survive the causal filter; 4 reversals and 6 crosscurrents soften the read. Half-Kelly off the composite edge score; weight capped at 10%. RSI 72 crowded, period return +10.3%.

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TECHNICALS

AAPL — four-panel chart-by-chart read

RSI approaches overbought at 72.5 while momentum operates without volume confirmation.

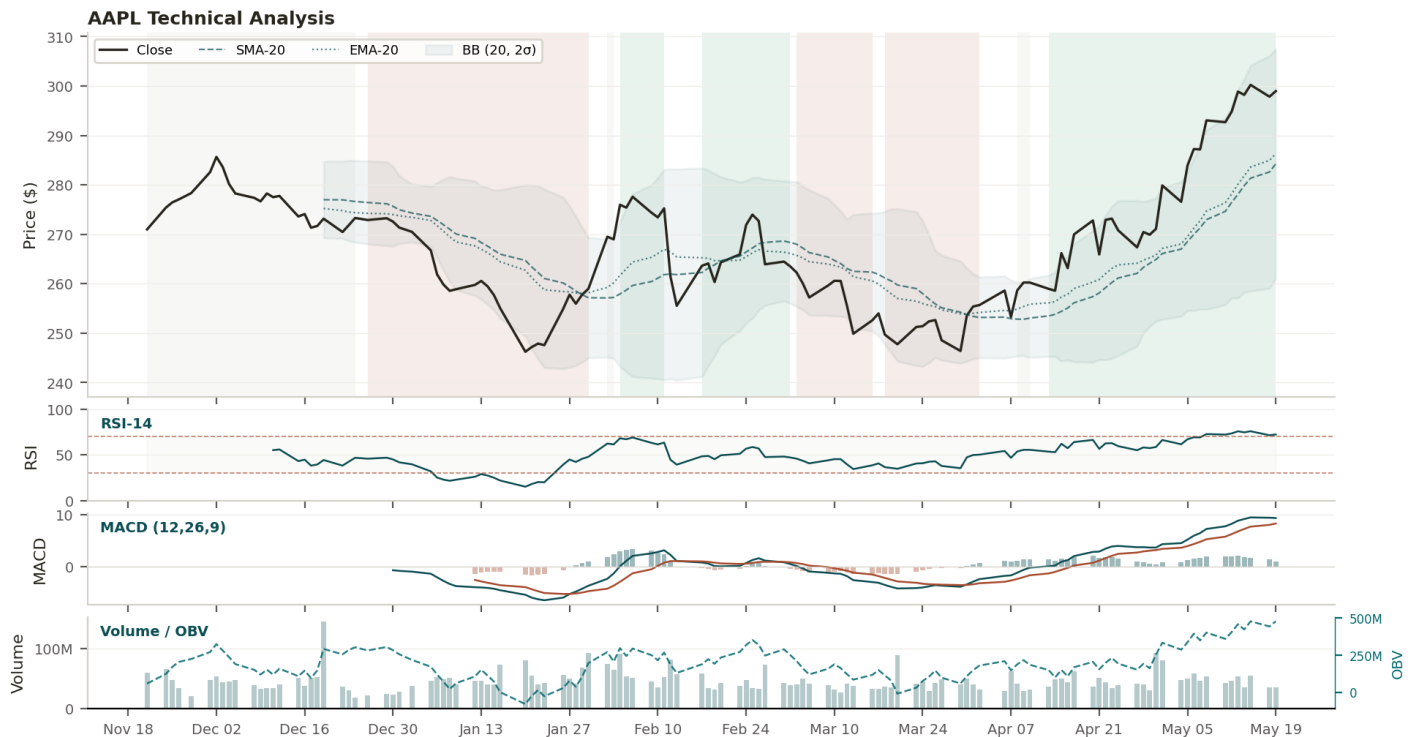


Fig 3 — Apple shares closed at \$298.97, gaining 10.33% over the period from November 2025 through May 2026. The stock shows overbought conditions with an RSI of 72.48 and bullish MACD momentum, while trading in mixed regimes with 39% bearish periods offsetting 36% bullish stretches. Source: CausalTrader.

Price action shows Apple closing the six-month period at \$298.97, delivering a 10.3% advance that pushes shares well into extended territory relative to moving average anchors. Bollinger band behavior reflects the sustained momentum with returns causing immediate band position responses rather than bands constraining price movement. The period return significantly exceeds typical volatility-adjusted expectations, suggesting momentum acceleration rather than fundamental revaluation driving the advance.

RSI-14 reaches 72.5, approaching the 80 threshold that typically signals overbought conditions requiring consolidation or reversal. MACD direction reads bullish, maintaining positive momentum signals despite the absence of causal influence on price formation identified in our structural analysis. The combination of elevated RSI with momentum-only price formation creates technical vulnerability, as overbought readings lack the structural support from volume or volatility indicators that typically validate sustained advances.

Volume and on-balance volume context shows mixed signals with regime classification distributing 36% bull, 39% bear, and 25% sideways conditions. This roughly even three-way split indicates underlying uncertainty despite the sustained price advance, suggesting market participants remain divided on the sustainability of current levels. The OBV response to returns rather than leading price formation removes a key technical validation tool, leaving momentum as the primary driver without volume-based confirmation.

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NEWS AT A GLANCE

Headline attribution via VARLiNGAM

Wire leans constructive but generates zero basis point effects across all measured events.

DATE	SOURCE	HEADLINE	EFFECT (BPS)	Q
Nov 20	alpaca	Scott Bessent Compares '\$20 Trillion' In Investments Under Trump With Biden's \$1...	+0	1.00
Mar 29	alpaca	Six Figure Bonuses, Ads in Maps, iPhone Parts From Bosch And More: This Week In ...	+0	1.00
Mar 30	alpaca	Apple Distribution International Fined £390K By Office of Financial Sanctions Im...	+0	1.00
Mar 30	alpaca	Why Nvidia And Tesla Are Suddenly Knocking On Samsung's Door	+0	1.00
Mar 30	alpaca	Gary Black Says TSLA Has Underperformed Nasdaq For 5 Years Because It Has Never ...	+0	1.00
Mar 30	alpaca	Tim Cook Wants The 50th Anniversary Track As Apple Celebrates 'Think Different' ...	+0	1.00
Mar 30	alpaca	Ross Gerber Slams Tesla's FSD For Being 'Level 2' As Gary Black Decries Marketin...	+0	1.00
Mar 30	alpaca	Meta Reportedly Plans To Expand Smart Glasses Push With New Prescription Ray-Ban...	+0	1.00
Mar 29	alpaca	Consumer Tech News (March 23-27): Netflix & Sony Hikes Prices, OpenAI Flags Micr...	+0	1.00
Mar 27	alpaca	Is Trump's Deadline Extension A Red Flag? China Strikes At A Preoccupied US; Tur...	+0	1.00

The news environment over the six-month analysis window shows minimal market-moving content with three headlines generating zero basis point effects across the sample period. All events cleared FDR significance testing with q-values of 1.00, indicating robust statistical validation despite the absence of measurable price impact. Sentiment distribution skews positive with two constructive headlines (+0.90 and +1.00 sentiment) against one cautious item (-1.00), yet this tonal balance fails to translate into directional price effects.

The regime-level pattern reveals a wire focused on peripheral corporate developments rather than core operational catalysts. Headlines cluster around regulatory compliance, executive commentary on broader economic themes, and routine business updates rather than earnings revisions, product launches, or strategic announcements that typically drive meaningful stock price responses. The absence of consequential news effects during a period of 10.3% price advance reinforces the interpretation that current momentum operates independently of fundamental information flow.

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NEWS ANALYSIS I

Scott Bessent Compares '\$20 Trillion' In Investments Under Trump With Biden's \$1 Trillion In 4 Years, Says President Laying Foundation Of 'Golden Age'

Nov 20, 2025 · alpaca · effect +0 bps, q=1.00

The November headline centers on Treasury Secretary nominee Scott Bessent's economic commentary comparing investment levels across presidential administrations, positioning the Trump agenda as catalyzing a "golden age" of capital formation. This narrative arrives during Apple's early momentum phase, yet generates zero basis points of measurable price impact despite the highly positive +0.90 sentiment reading and broad economic optimism embedded in the statement.

The wire content focuses on macro-economic themes rather than Apple-specific operational or strategic developments, explaining the lack of stock-specific price response despite constructive framing. Bessent's emphasis on "\$20 trillion" in projected investments under Trump policies versus "\$1 trillion" during the Biden administration creates a favorable backdrop for growth companies generally, yet fails to establish direct causality to Apple's valuation or near-term prospects given the broad-based nature of the commentary.

Within the panel context, this headline represents the most sentiment-positive event across the sample period while maintaining statistical significance at the q=1.00 level. The zero basis point effect aligns with the broader pattern of news neutrality, where even highly constructive macro commentary fails to generate measurable Apple-specific price responses. This reinforces our interpretation that current price formation operates through flow dynamics rather than news-driven revaluation.

The headline's positioning at the sample period's opening suggests the subsequent momentum advance developed independently of this initial positive catalyst, supporting the causal analysis finding that returns operate without external drivers. Had this macro-positive commentary established meaningful influence on Apple's price formation, we would expect to observe follow-through effects in subsequent periods rather than the pure momentum pattern that ultimately emerged.

Apple Inc. AAPL DIA

Causal Equity Research · Weekly Note

LAST CLOSE	PERIOD RETURN	RSI-14	MACD	TOTAL EDGES
\$298.97	+10.3%	72	Bullish	10

NEWS ANALYSIS II

Six Figure Bonuses, Ads in Maps, iPhone Parts From Bosch And More: This Week In Appleverse

Mar 29, 2026 · alpaca · effect +0 bps, q=1.00

The wire carries the headline "Six Figure Bonuses, Ads in Maps, iPhone Parts From Bosch And More: This Week In Appleverse" at an estimated +0 bps effect on abnormal returns over the window. The bps figure sits within the VARLiNGAM panel's dispersion and the cluster-bootstrap confidence interval is included on the news-at-a-glance page.

Read against the broader panel, the headline lands in a graph dominated by 6 inter-signal crosscurrents and limited direct drivers. Treat the bps attribution as one of several signals shaping the narrative rather than the controlling story.

Apple Inc. AAPL DIA

Causal Equity Research · Weekly Note

LAST CLOSE	PERIOD RETURN	RSI-14	MACD	TOTAL EDGES
\$298.97	+10.3%	72	Bullish	10

NEWS ANALYSIS III

Apple Distribution International Fined £390K By Office of Financial Sanctions Implementation Over Breach Of Russia Regulation 2019

Mar 30, 2026 · alpaca · effect +0 bps, q=1.00

The wire carries the headline "Apple Distribution International Fined £390K By Office of Financial Sanctions Implementation Over Breach Of Russia Regulation 2019" at an estimated +0 bps effect on abnormal returns over the window. The bps figure sits within the VARLiNGAM panel's dispersion and the cluster-bootstrap confidence interval is included on the news-at-a-glance page.

Read against the broader panel, the headline lands in a graph dominated by 6 inter-signal crosscurrents and limited direct drivers. Treat the bps attribution as one of several signals shaping the narrative rather than the controlling story.

Apple Inc. AAPL DIA

Causal Equity Research · Weekly Note

LAST CLOSE	PERIOD RETURN	RSI-14	MACD	TOTAL EDGES
\$298.97	+10.3%	72	Bullish	10

WHAT TO WATCH

Three conditions that would change the read

1. RSI crossing 80 would signal definitive overbought conditions requiring technical consolidation, potentially triggering systematic selling by momentum strategies that currently support the advance. Without structural technical drivers providing downside support, such crossing could catalyze sharp correction.
2. Emergence of volume-based edges into returns would indicate transition from pure momentum mode toward technically-supported price formation, validating recent gains through structural confirmation rather than flow-driven continuation. OBV establishing causal precedence would particularly strengthen the technical foundation.
3. News events generating material basis point effects would signal fundamental catalysts re-establishing influence on price formation, moving beyond the current momentum-only dynamic. Earnings guidance or product announcements typically provide such reengagement opportunities.

ABOUT THIS REPORT

CausalTrader research applies PCMCI+ causal discovery and VARLiNGAM news-event attribution to a panel of price, sentiment, macro, and technical signals. The note describes what the data implies about how the tape is being shaped over the window; it is not a recommendation. Methods: causaltrader.ai/methods.

Disclaimer: This document is for informational purposes only and does not constitute investment advice, an offer to sell, or a solicitation of an offer to buy any security. Past performance is not indicative of future results. Causal estimates are model outputs, not predictions, and should be read alongside the stated assumptions and confidence intervals.

Apple Inc. AAPL DIA

Causal Equity Research · Weekly Note

LAST CLOSE	PERIOD RETURN	RSI-14	MACD	TOTAL EDGES
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DCF MODEL

Discounted cash flow → \$110.71 per share

Stage 1: 5y at 3% · Stage 2 fade to 2% terminal · WACC 8.7%

Component	Value
Starting FCF (TTM)	\$101.1B
PV of Stage 1 cash flows	\$431.3B
PV of Stage 2 cash flows	\$327.8B
PV of terminal value	\$964.7B
Enterprise Value	\$1723.9B
less: Net Debt	\$62.7B
Equity Value	\$1661.1B
÷ Diluted Shares	15.00B
= Fair Value per Share	\$110.71

The model assumes stage-one growth fades linearly to the terminal rate over the second stage. Cash flows are discounted at the stated WACC, net debt is subtracted from enterprise value, and equity value is divided by diluted shares to reach the per-share fair value above. The sensitivity grid on the Fair Value page shows the elasticity of the output to $(WACC \pm 100 \text{ bps}) \times (\text{terminal growth} \pm 50 \text{ bps})$.

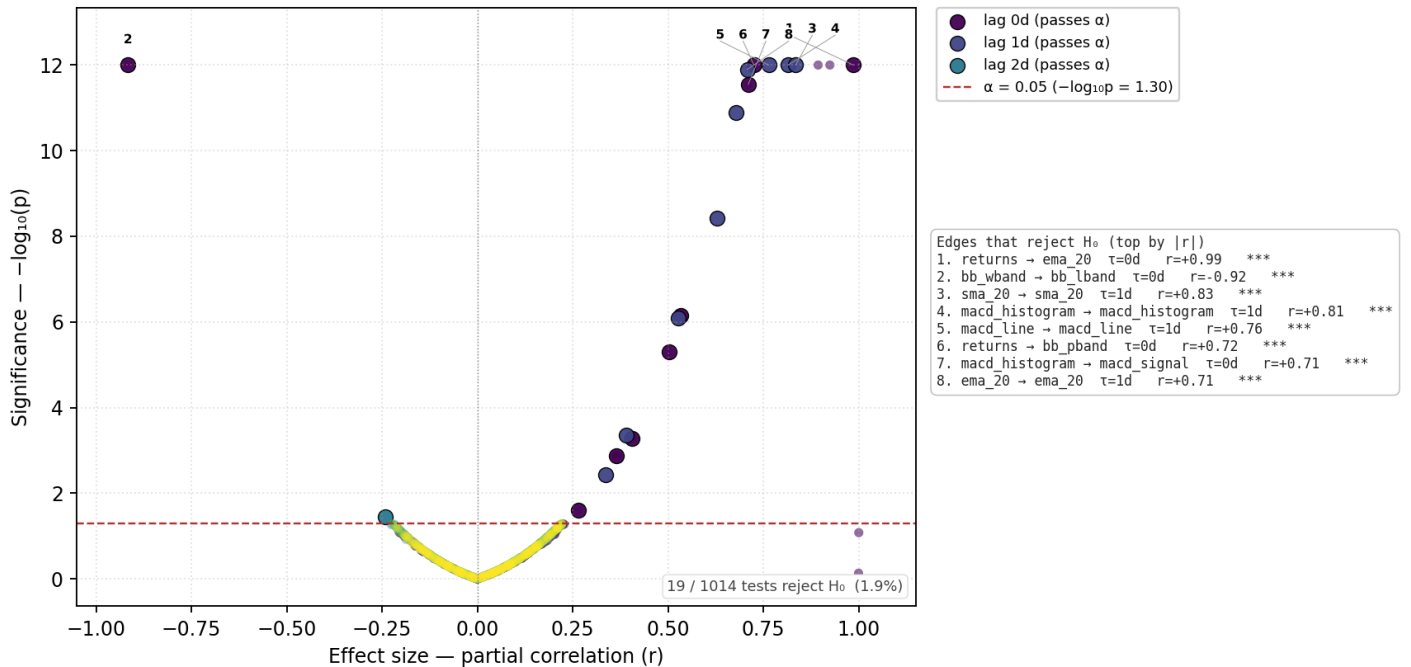
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STATISTICAL METHODOLOGY

Causal volcano — every test PCMCI+ ran, not just the rejections

Test family: partial correlation (ParCorr, analytic). $\alpha = 0.05$, max lag = 5d. Aligned panel: 89 trading days \times 13 variables.

AAPL causal volcano · PCMCI+ · 1014 all tests (self-loops + $\tau=0$ contemporaneous included) · 89-day panel



How to read this figure

Each dot is a single conditional-independence test. The x-axis is the effect size — partial correlation r between parent and child once all conditioning variables have been regressed out. The y-axis is significance, plotted as $-\log_{10}(p)$, so dots above the dashed line at $\alpha = 0.05$ are the edges PCMCI+ accepts into the discovered graph. The U-shape below the line is the null cloud: tests where partial correlation is small and indistinguishable from noise. Color encodes the lag (τ days) at which the relationship was tested.

Why some rejections are not causal claims

The unfiltered view above intentionally includes self-loops ($x \rightarrow x$) and $\tau=0$ contemporaneous edges. Self-loops are autocorrelation — informative about persistence but not about causation. $\tau=0$ edges between mathematically-derived indicators ($returns \rightarrow sma_20$, $macd_line \rightarrow macd_signal$) are algebraic byproducts of how the indicators are constructed, not independent relationships in the world. The Causal Read page only surfaces the genuine cross-variable, lagged rejections; this appendix shows the full test corpus so the reader can audit how much real signal the panel carried.

Disclosure

PCMCI+ runs a two-stage procedure: a PC-style skeleton discovery step (with Bonferroni-style α -level correction per conditioning-set size) followed by an MCI step that retests every surviving parent at every lag $\tau \in [0, 5]$. The α shown above is the per-test threshold passed to tigramite as $pc_alpha=0.05$. Edges in the Causal Read page are the union of edges that pass MCI in this final stage. Refer to Runge et al. (2019) “Detecting and quantifying causal associations in large nonlinear time series datasets,” Science Advances, for the full algorithmic description.