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Apple Added to the Dow

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JMDinvestments

Monday, March 9, 2015

Apple Added to the Dow

The DJIA (Dow Jones Industrial Average) is an index of 30 companies that are picked to represent the broad economy. As this [Fox Business article](#) notes, Apple is replacing AT&T in the index. Given that Apple is the largest company by market cap, why is Apple just now entering the index? The answer is that the Dow is price-weighted, so Apple's recent 4:1 split brought the price low enough, such that it would not unduly influence the overall index movement.

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