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Apple Issues Debt to Buyback Stock

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JMDinvestments

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Apple Issues Debt to Buyback Stock

Apple has \$150 Billion in cash, yet it has decided to issue \$17 Billion in new debt to fund its stock repurchases. Why not just use cash on hand? One reason is that almost 90% of the cash is held outside the US, and repatriating the cash would trigger significant tax liabilities. Another reason is that interest rates are so low, and if Apple can earn a higher return than the cost, the added financial leverage will be a benefit to shareholders. ([See article here, CNBC.](#))

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