From the Desk of John Colley ...

Here's something to think about - here are three tech stocks that have been in the news a lot. Lets take a closer look at Apple, Google, and Lindedin, starting with a chart:

Name, Symbol and Price	***Avg. EPS growth over last 3 years***	***Current P/E***	***Future P/E***
Apple (AAPL) $536/share	88%/year	11.9	7.0
Google (GOOG) $634/share	35%/year	22.8	16
Linkedin (LNKD) $112/share	N/A (New IPO last year)	732	Unknown

- If Apple sold at GOOG's P/E, Apple's price would be about double ($1,050)

- If Apple sold at Linkedin's P/E, Apple's price would be over $32,000 per share.

Some more info...

Apple's stock did make a big 'up' move since Christmas followed by a 12-15% correction move recently. The company has no debt, an AAA rating, and will pay a $2.65 /share dividend later this summer. The company is going global and expanding its markets worldwide, especially in Asia. Some new products on the drawing board include an I-TV which is in the works. EPS growth has been expanding over the last 3 years, averaging 88% EPS growth. Could be undervalued at current levels (remember this Friday is triple-witching option expiration so we expect "short"/selling pressure).

Google is another wonderful company. They have an A+ rating and about $10 billion in cash. Current P/E is about double Apple's. Great concept, strong potential with main concern being ad revenues and competition. GOOG shares (not up as much as Apple's since Christmas) have pulled back about 8-9% in value lately. No dividend, but a 2:1 stock split has been announced.

Linkedin came out as an IPO last year and has had tremendous support with lots of day-trading action. The stock trades at a very lofty P/E of 732 and has not made estimates yet for future earnings. The company has lots of interest, especially from retail investors who, no doubt, believe strongly in its future. The high P/E does give the stock some pressure to perform and a speculative overhang. The company is rated BBB and has a minor cash position, not unusual for a young company.

Which would you rather own?

JC
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