

Stock of the Day: International Business Machines (IBM)

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International Business Machines Corporation (IBM) provides information computer products and services. Although the company made its names in computer hardware, its information technology, business services, and software units makes IBM among the leaders in which it competes. The company's priority is growing efficiently on the business world. The latest initiative of IBM is in Japan with New Cloud Data Centers which serve in over 50 countries around the world in 14 July 2011. IBM's chairman, president and CEO Samuel J. Palmisano said: "In the second quarter, our long-term strategic investments in the company's growth initiatives again helped drive strong revenue performance." An analyst, at Sanford C. Bernstein & Corporation in NewYork, Toni Sacconaghi said: "IBM is in the midst of a new hardware product cycle that should drive mainframe revenue growth by 40% to 50%." The company's second-quarter revenue raised 12 per cent from a year earlier, superfluous from Wall Street expectations, as a result of the company's earnings from more hardware, software and services. The company has a current market cap of 214.16 billion. The company has a P/E ratio of 14.70 and forward P/E ratio of 12.03. Analysts expect the company to have an 10.43% EPS growth in the next 5 years. It seems possible when we look at the past 5 years EPS growth of 18.59 %. IBM has a 14.85% profit margin and pays 1.71% dividend yield. With all of these news and statistics, it seems that IBM will continue to be a valuable and reliable company.