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Finance



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Amazon Shares Drop Bullet-Point Summary Amazon recorded a loss in the second quarter of despite its venture and innovative investments including digital content and trading in consumer electronics.

The company realized a 10 percent decline in its stock price in 2014.

Investors in the company hope for its long-term growth despite its recent little profit.

Based on financial information on the market, Amazon realized a 27 cents loss, for every share on Thursday, 24 July 2014. On the same date, Amazon also experienced a fall in shares by 10 percent in late trade. Its loss, according to analysts, exceeds Wall Street's average drop that was at 15 cents (Seetharaman and Orr 1).

Besides the drop on stock price, Amazon forecasts an operating loss of nearly \$810 and \$410, for the third quarter that ends in September 2014 (Seetharaman and Orr 1).

The company is currently considering investments in innovative business and hardware products. Through its apparent investment plans, Amazon intends to gain competing advantage over its major competitors in business including Apple Inc and Google Inc (Seetharaman and Orr 1).

According to Tom Szkutak, the company's short-term loss results from the heavy investments that it is apparently undertaking.

Szkutak reported that Amazon is spending nearly \$100 million investing in original video contents.

Despite its short-term results, the company will continue its investment programs while its financial officers predict appreciable long-term benefits for its investors and an increase in customers.

During the second quarter, Amazon recorded a loss of 27 cents per share

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that is equivalent to \$126 million in net loss. The loss of higher than that recorded during the first quarter, \$7 million that is equivalent to 2 cents per share loss.

Amazon's revenue increased by 23 percent to a sum of \$ 19. 34 million

In the extended trade, Amazon's stocks reduced to \$ 323, from \$ 358. 61 realized on the Nasdaq.

Oral Draft

Although Tom Szkutak, Amazon's Chief Financial Officer, maintains that the company will continue to invest, it is recording losses in shares and drop in its stock price. Amazon is currently investing in innovative products including digital content and trading in consumer electronics. Its current investments are intended to compete other companies such as Apple Inc and Google Inc.

On Thursday, 24 July 201, Amazon also experienced a fall in shares by 10 percent in late trade and a 27 cents loss per share.

Work Cited

Seetharaman, Deepa and Orr, Bernard. Amazons heavy investing eats into bottom line, shares drop. Reuters. Web. Thu, Jul 24, 2014. Accessed Thu, Jul 24, 2014. <http://finance.yahoo.com/news/amazon-posts-larger-second-quarter-202734080.html>