

S&P sees slight decline in computer demand

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Standard & Poor's said Thursday global computer demand is expected to remain strong but slow down somewhat compared to a year ago.

The New York-based credit-rating agency said in its report entitled "Three U.S. Investment Grade Computer Manufacturers" that the corporate strengths of Dell, Hewlett-Packard and IBM are likely to remain steady even as the U.S. economy hits a tough spot following the devastation of Hurricane Katrina.

Dell is ranked as A, while HP has a rating of A minus, and IBM scores the highest with an A plus.

"The difference in the ratings reflects our assessment of each company's business and financial profile. IBM, the strongest of the three credits, benefits from a strong business risk profile and minimal financial risk," stated credit analyst Martha Toll-Reed. "Dell and HP each have a solid business risk profile and modest financial risk. Despite a comparable level of risk in their business profiles, Dell and HP have significantly different business models and revenue composition. Although HP has greater revenue and product diversity, Dell's rating is one notch higher than HP, reflecting Dell's stronger revenue growth and market share gains, and relatively more predictable financial performance," she said.

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