

Apple extends gains after iPhone 5 launch

September 13 2012

Apple shares extended their gains Thursday amid a generally positive response to the launch of the new iPhone 5, aimed at keeping the California firm ahead of its peers in the hot smartphone market.

Apple shares added 1.97 percent to close at \$682.98, building on modest gains on Wednesday.

Brian White at Topeka Capital Markets said he maintains a strong buy rating for Apple.

"We felt Apple executed to perfection and we believe the iPhone 5 was even more aesthetically pleasing than many had expected with a completely redesigned architecture," he said.

"As such, we remain aggressive buyers of Apple as the iPhone 5 rolls out around the world and potential new products are unveiled."

Trip Chowdhry at Global Equities Research said that with the new iPhone, Apple appears to be assuring its place as one of the leaders in the sector, along with handsets powered by Google's Android system.

In a note to clients, Chowdhry said "98 percent of (the) mobile market will be shared by Google Android and Apple iOS. There will not be any third spot left. Nokia, Microsoft and (BlackBerry maker) Research in Motion will struggle in the remaining two percent of the market."

He added, "Innovation velocity of both Apple and Google far exceeds

that of its peers."

Analyst Shaw Wu at Sterne Agee said the iPhone 5 "is a significant upgrade and will drive a powerful product cycle."

He added that the quick deliveries, set to start September 21, will mean strong sales but that fourth quarter deliveries "could be limited by supply constraints."

The new iPhone has a rich four-inch (10-centimeter) display prime for the red-hot smartphone market, in which screen size is a key factor for buyers, according to Nielsen senior vice president Jeff Wender.

Apple will start taking orders for the phone Friday and begin shipments on September 21 in the United States, Canada, Britain, France, Germany, Australia, Hong Kong, Singapore and Japan, and the phone will be available in 100 countries by the end of the year.

Pricing for US customers will start at \$199 with a two-year telecom service contract.

Morgan Stanley analyst Katy Huberty said Apple may ship between 48 million and 53 million iPhones in the fourth quarter and "up to 266 million" in 2013.

An iPhone change with the potential to irk fans is a new "Lightning" connector to replace 30-pin connections, the piece that connects devices to computers, power outlets or docking stations.

Apple will sell adaptors for plugging new generation iPhone and iPod touch devices into accessories already owned, such as stereo speakers or car sound systems.

(c) 2012 AFP

Citation: Apple extends gains after iPhone 5 launch (2012, September 13) retrieved 17 May 2024
from <https://phys.org/news/2012-09-apple-gains-iphone.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.