

Watchers wonder if Apple has lost its magic

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Apple reported its first year-over-year quarterly revenue drop in 13 years.

Is Apple facing a rare, simple pause in growth in a tough global economy or has it lost its magic for dreaming up must-have new gadgets like the iPhone?

The question was front-of-mind Wednesday on Wall Street, where shares in the California-based company fell more than six percent to \$97.82 by the official close of trading on the Nasdaq exchange.

The drop erased the equivalent of \$40 billion in market capitalization and came after Apple Tuesday reported its first year-over-year quarterly revenue drop in 13 years.

Apple also forecast that the current quarter would be difficult.

Revenue was down during the first three months of this year due to the first drop in iPhone sales since the release of the world-changing handsets in 2007.

Sales of iPhones have been the engine for Apple earnings for a while.

Cruising on a flagship?

FBN Securities said in a note to analysts that it was "concerned" that since taking over as chief executive in 2011, Tim Cook has not delivered "any real transformative products."

An Apple Watch that made its debut last year was seen as the company's first foray into a new product category under Cook. Apple has not revealed sales figures for its smartwatch, but Cook said on an earnings call that they "met expectations" during the quarter.

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