

Apple results could hold clues to iPhone 8 sales date

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Apple's next iPhone is coming. But when, exactly?

Buried in Apple's third-quarter results late Tuesday may be details about the availability of its redesigned iPhone 8, expected to be announced in early September.

If revenue outlook is on the high end, it would suggest the smartphone will be on sale later that month. If not, it would confirm fears the product's OLED screens, an improved display that would allow for sharper colors and better battery life, are in short supply, and consumers won't be able to get their hands on the new phone until October or later,

cautions RBC Capital Markets analyst Amit Daryanani in a report.

Whispers are a new, features-packed iPhone could spur a super-cycle of sales that send Apple's shares as high as \$170, according to a recent report from investment firm UBS. The company's market value might soar to a record \$1 trillion.

But Apple's path to smartphone gold comes with a big if—as in, when does the long-rumored iPhone 8 go on sale?

Two analyst reports issued last week underline growing concerns about the initial availability of iPhone 8 and two other new iPhones, which are said to be akin to an iPhone 7S and 7S Plus.

"Based on incremental supply chain data points that suggest a more pronounced OLED iPhone delay, we think the flagship device may not see initial shipments until October (vs. mid/late September for historical new iPhone launches) with volume shipments not occurring until the November/December time frame," analyst Daryanani said in a report.

Short-term concerns about the 10th-anniversary iPhone were underscored in a note to clients by BMO Capital Markets. Analyst Tim Long lowered his estimates for Apple's September quarter guidance to \$43.5 billion to \$45.5 billion "owing to our view that initial shipment volumes of the premium iPhone Pro will be limited."

As iPhone 8 production steadily increases, BMO analyst Long says he will adjust his fiscal 2018 iPhone "unit and average selling price estimates higher."

Apple historically announces new iPhones in early September, so they can be sold during the quarter ending in September and count toward the company's third quarter. For example, the company sold 13 million

iPhones in the first weekend iPhone 6S and 6S Plus were available in the fourth week of September 2015.

A hiccup in supply would only be a temporary blip in Apple's long-term fortunes, says Angelo Zino, senior equity analyst at CFRA Research. The delay, he said in a phone interview, will put "downward pressure" on consensus estimates for the September and December quarters but have no negative impact on iPhone shipments and revenue next year.

"We're concerned because we think the high-end iPhone version will be delayed a few weeks," says Gene Munster, co-founder of Loup Ventures told USA TODAY. "Even without a delay, supply is typically tight for most if not all of the December quarter. So this year we think it will be worse."

UBS, in its report, forecasts iPhone sales—powered by the new model—will surge 15% in its fiscal year 2018.

Ahead of the launch, consumers are expected to back off buying existing models. Financial institution Mizuho expects iPhone shipments of 41 million units in the just concluded June quarter, its lowest since its fiscal third quarter in 2016.

The new iPhone 8 is expected to jolt Apple sales with its much-improved camera, a significantly redesigned display and buzzy features such as a new TouchID fingerprint sensor integrated into the screen, facial recognition and wireless charging. The phone could cost over \$1,000, based on reports.

Apple is expected to post earnings of \$1.57 on revenue of \$44.9 billion in the quarter, according to Wall Street analyst estimates.

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