

Shares in chipmaker Dialog plunge over Apple contract doubts

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Shares in British-headquartered Dialog Semiconductor have plunged after an analyst downgrade that cited uncertainty over the future of its relationship with Apple.

Shares in the firm were down 16.7 percent to 39.81 euros (\$42.14) in afternoon trading Tuesday in Frankfurt, where Dialog Semiconductor is listed. They regained some ground after earlier dropping as low as 30.60 euros.

The selling followed an analyst note from Bankhaus Lampe that downgraded Dialog to "sell." It said there appeared to be "strong evidence" that Apple is developing its own power management chip for the iPhone and "intends to replace the chip made by Dialog at least in part."

Last week, shares in British chipmaker Imagination Technologies dived after that company announced that Apple plans to stop using its products.

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