

Skyworks Gains; Charter Equity, Davidson Boost Ratings

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Shares of mobile-phone chip maker [Skyworks Solutions](#) are trading modestly higher Wednesday on a pair of analyst upgrades.

- Charter Equity analyst Edward Snyder raised his rating on the stock to Market Perform from Market Underperform. He notes that the stock is down 25% [since he cut his rating on the stock](#) on April 6 on concerns that the company will generate less revenue from Apple's iPhone 5 than from the iPhone 4. "We believe our primary concern of a big loss of content at Apple is now well understood and generally reflected in the stock price," he writes in a research note. "Our thesis has been echoed in subsequent notes and downgrades by others and, with our rating change, informed the stock to the point that we now believe the bear story is in the stock. So while we expect several other negative catalysts before year end, none are as pervasive as the loss in iPhone or are likely to cause the stock to underperform the market." (He does say, though, that tear-downs of the iPhone 5 could eventually pressure the stock by as much as 10%.)
- D.A. Davidson analyst Aalok Shah raised his rating on the stock to Buy from Neutral. Shah notes that negative data points from some large handset makers have been weighing on some component suppliers. but he contends that "an improving mix of smartphones versus feature phones, and often overlooked markets like Chinese 3G data cards will allow Skyworks to meet its fiscal Q3 revenue guidance of up ~6% sequentially." With the stock off 37% since their mid-February peak, he contends SWKS now offers a favorable risk/reward.

SWKS is up 55 cents, or 2.4%, to \$23.61.