

## Apple falls below \$400; Intel, techs sink

By <u>Dan Gallagher</u> Published: Apr 17, 2013 4:14 p.m. ET

SAN FRANCISCO (MarketWatch) — Tech stocks took a hard hit on Wednesday, one of the worst sectors in a falling market, following lackluster results from Intel Corp. and Yahoo Inc. Apple Inc. shares fell below \$400 for the first time since December 2011.



Reuters Apple shares fall hard on Wednesday, leading the tech sector in a big selloff.

Shinal: How Apple becomes Microsoft 2.0
Did Apple make iPhone 4 too good?

The Nasdaq Composite Index <u>COMP, +0.29%</u> fell 1.8% to close at 3,205 while the Philadelphia Semiconductor Index <u>SOX, +0.05%</u> slid 3.3% and the Morgan Stanley High-Tech Index <u>MSH, +0.20%</u> dropped 1.8%.

Apple Inc. <u>AAPL, -0.64%</u> was one of the leading decliners in the sector, with its shares down more than 5% to close at \$402.80. The stock fell below \$400 for the first time since December 2011, reaching a low of \$398.11. Bernstein Research predicted the company will report a "tepid quarter" when it posts results for the March period next Tuesday.

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"If our estimates for this quarter and guidance are correct, and Apple does not announce that it is returning incremental cash on the call, we suspect Apple's stock could come under further near-term pressure," analyst Toni Sacconaghi wrote in a note to clients. He rates the stock as outperform.

<u>The Dow Jones Industrial Average</u> gave up 138 points to close at 14,619. The drop was blamed on disappointing results from big names like Yahoo and Bank of America Corp. Gold prices also got back onto a downslope.

Yahoo <u>YHOO, +0.21%</u> shares shed a fraction to close at \$23.70. <u>On Tuesday afternoon, the Web portal reported</u> <u>lower-than-expected revenue for the first quarter</u>, caused by a sharp drop in display advertising.

While several brokers trimmed their price targets on the stock, <u>Bank of America/Merrill Lynch upgraded Yahoo to a</u> <u>buy rating</u>, with analyst Justin Post touting the company's so-called Asian assets that include large investment stakes in Yahoo Japan and Alibaba in China.

## 3D Printing goes mainstream

(2:25)

3-D printing is a revolutionary new technology unlocking a world of innovation in design. The WSJ's Diana Jou

explores everything from high fashion dresses to medical models made from nothing but a printer.

"Alibaba's potential valuation is fundamental to Yahoo's stock price," he wrote, referring to the expectation that the company will go public at some point in the future.

Intel <u>INTC, -0.03%</u> shares edged up a fraction to close at \$21.93 <u>after the company posted in-line results for the quarter</u>, but saw its earnings fall thanks to a strong decline in PC sales in the period.

"An in-line quarter and outlook may be enough to support the stock near-term, if only because expectations were low heading into the report," wrote Ed Snyder of Charter Equity, who rates the stock as market perform. "However, Intel is enduring a product transition aimed at consumers' unquenchable appetite for all things mobile and touch-enabled."

EBay <u>EBAY, +1.37%</u> shares slipped 1.6% to close at \$56.10 ahead of its first-quarter earnings report, due after the closing bell. <u>The company is expected to report strong gains in earnings and revenue</u>, driven by its PayPal and marketplace businesses.



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