

Apple, Facebook hit tech stocks; Dell gains

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Published: Jan 15, 2013 4:26 p.m. ET

SAN FRANCISCO (MarketWatch) — Notable losses from Apple Inc. and Facebook Inc. weighed on the rest of the tech sector at the close of trading Tuesday, but Dell Inc. managed to put in another day of strong gains on speculation it might be about to go private.



Reuters

Facebook CEO Mark Zuckerberg unveils "Graph Search" on Tuesday at the social network's Silicon Valley headquarters.

The Nasdaq Composite Index [COMP, +0.29%](#) trimmed its losses to close at 3,110. The Philadelphia Semiconductor Index [SOX, +0.05%](#) fell by 0.5% and the Morgan Stanley High Tech 35 Index [MSH, +0.20%](#) fell 0.3%. The Dow [DJIA, +0.17%](#) and S&P 500 [SPX, +0.11%](#) both managed to close in positive territory.

Facebook [FB, +1.25%](#) shares ended the day with a loss of 2.7%, to close at \$30.10, after the social network unveiled its new "graph search" function at an event at its Silicon Valley headquarters. [See MarketWatch's live blog of Facebook event.](#)

Search engine giant Google [GOOG, -0.40%](#) was up fractionally, closing at \$724.93, but online-review and recommendation company Yelp Inc. [YELP, -0.25%](#) was seen as suffering at the hands of Facebook's new initiative, as its shares fell more than 6% to \$20.61.

Apple [AAPL, -0.64%](#) ended the day down by more than 3%, at \$485.92 a share. Nomura Equity Research analyst Stuart Jeffrey cut his December quarter iPhone sales estimates to 48 million from 50 million, and lowered his revenue forecast for Apple to \$53 million from \$54.2 million, saying that he still believes margins on the iPhone "are unsustainably high and will fall." [See: Apple analysts engage in public debate over iPhone 5 prospects.](#)

Dell Inc. [US:DELL](#) continued to flex its muscles, rising more than 7%, to close at \$13.17 a share on top of Monday's 13% gain. The advances came about after reports said the PC giant is in talks with two private-equity firms about going private. The Wall Street Journal reported that the companies in the discussions were TPG and Silver Lake Partners.

Why Android lags behind iOS

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Android Founder Rich Miner of Google Ventures says he sees Android as gaining a stronger foothold in corporate environments. He says more enterprise secure applications can be built on the Android platform.

Analysts that follow Dell said a buyout of the company is possible, but there are many hurdles to overcome if the world's third-largest PC company goes private. [See: Taking Dell private would be doable, but tricky.](#)

“The likelihood is low, as it would take sizable financing for a company of Dell’s size, with its \$21 billion market cap,” said Shaw Wu of Sterne Agee. “A deal of this size would likely involve multiple private-equity firms, and we estimate that the majority of [Dell’s] businesses remain under structural and secular pressure.” [See commentary: Michael Dell and post-PC tech investing.](#)

Research In Motion Ltd. [US:RIMM](#) [CA:RIM](#) was upgraded to a buy rating from underperform by Charter Equity on Tuesday. But shares of the BlackBerry maker still fell more than 3%, to close at \$14.48 after jumping more than 10% in the previous session.

In a note to clients, analyst Ed Snyder wrote that the “curb appeal” of the new BlackBerry 10 operating system expected to launch in the coming weeks “could help investors look past network-pricing issues.” He cited his “preliminary review” of the new operating system, adding that with “a compelling user interface, 70K applications and RIM’s hallmark QWERTY keyboard included in the SKU lineup, we believe the BB10 platform will appeal to a healthy percentage of the company’s 80K subscribers, driving an upgrade cycle.”

Other declines included Hewlett-Packard Co. [HPQ](#), +1.83% Nvidia Corp. [NVDA](#), +1.81% and software giant SAP [SAP](#), +0.43%



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