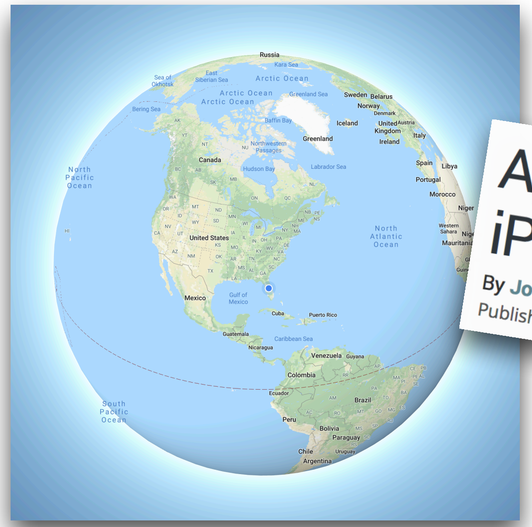
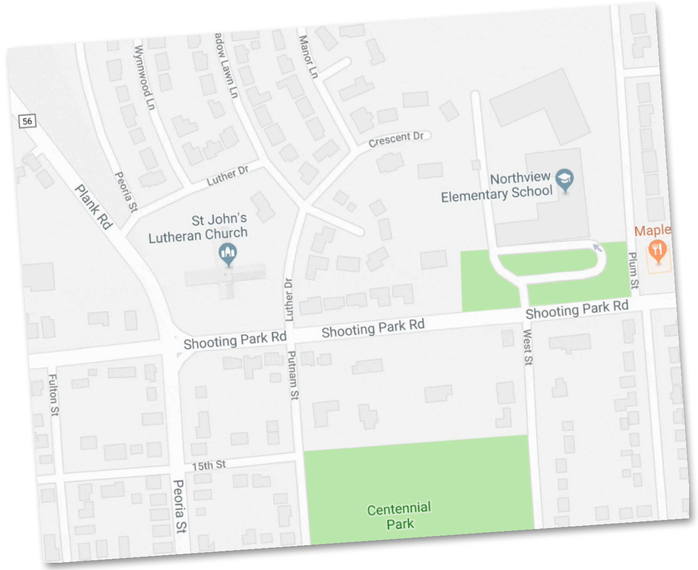
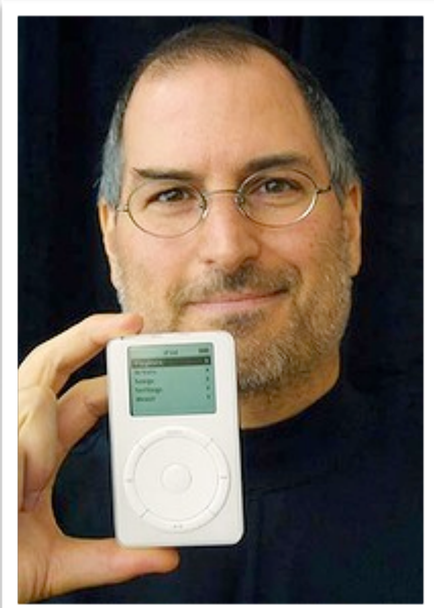


Apple should pull the plug on the iPhone

By John C. Dvorak

Published: Mar 28, 2007 7:18 p.m. ET





Cove Apple Club

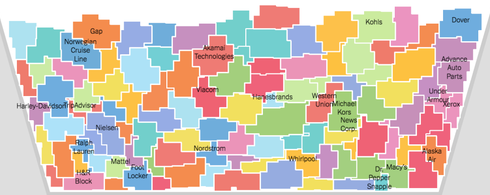
August 8, 2018

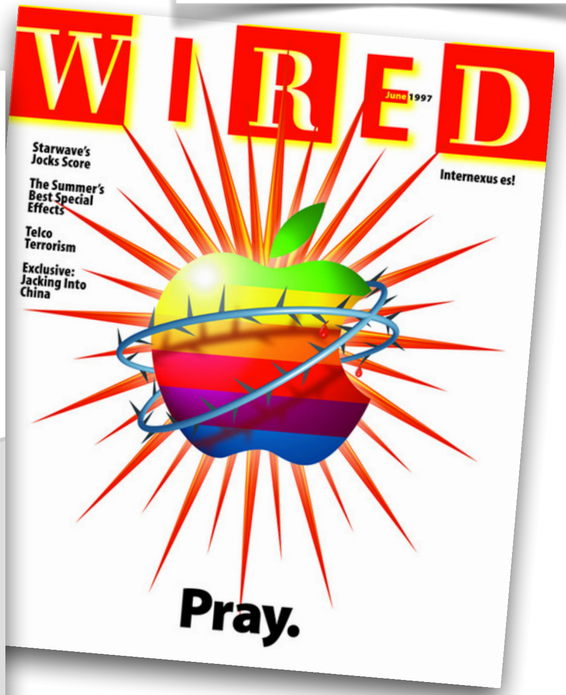
Home | The New York Times | TECHNOLOGY | Share

« NEXT

$0994 Billion

Apple is worth about as much as all 111 of these companies — combined.





Tonight’s Topics

- AAPL @ $1,000,000,000,000
- Google Maps
- ~~Ultrasonic Tracking & Apple’s Privacy Policy~~

Support the Cove Apple Club

COVE APPLE CLUB

Now in our **SECOND DECADE** of fun!

SHARE. LEARN. LAUGH!

Join **over 200 Cypress Cove residents and members** in the Cove Apple Club, and you'll learn more and get a lot more fun and productivity out of all your Apple gear! The Cove Apple Club has been meeting **every month for over a decade**, and the fun just keeps getting better and better!

We meet twice a month, year-round. Check our upcoming meeting schedule and plan to join us at our next meeting!

If you're new to the world of Apple, an old Machead from years back, or even a frustrated Windows user, you will find something interesting and entertaining at each of our meetings. Our meetings are fun and informative, with topics presented covering the range from beginner to advanced.

Our focus is on Apple products, but we often also look at other new technologies not specific to the Apple platform, ranging from computer security to Internet telephony to changes in the industry to neat new tech gadgets of interest to everyone.

All Apple products are fair game at our meetings: iPad, iPhone, iPod, Apple TV, Apple Watch and Macs of all sizes, as well as the huge world of Apple software, hardware and accessories.

Find out more about the club, our meeting schedule and how you can get in on the fun. Click the links below for details, and be sure to join our email list for all the latest updates.

Come join us and learn how to DO MORE and HAVE FUN with your Apple gear!

NOT JUST FOR NERDS!

Everyone is welcome at our club meetings. We warmly welcome curious or frustrated PC, Windows and Android users, as well as anyone interested in anything Apple-related. There's a little something for everyone at each and every Cove Apple Club meeting, so don't miss out!

JOIN US!

Click here for meeting dates and info.

MEETINGS

ARCHIVES

EMAIL LIST

SUPPORT THE COVE APPLE CLUB WHEN YOU SHOP AT AMAZON.COM

The next time you need some new Apple or other tech gear (or anything else from the 20,000,000 items in stock!), start your online shopping session with our link to Amazon.com. Your purchase will earn a little money for the Cove Apple Club, which we save up all year for a big Holiday Party for all members of the club! We update club members on the earnings every month.

So be sure to click the Amazon logo below when you need to shop for Mac products online...and "give back" to the Cove Apple Club -- without costing you an extra cent! Thanks!

TWO EASY WAYS TO USE THE AMAZON SHOPPING LINK

1. Just click here — you'll be sent to the Amazon.com homepage.

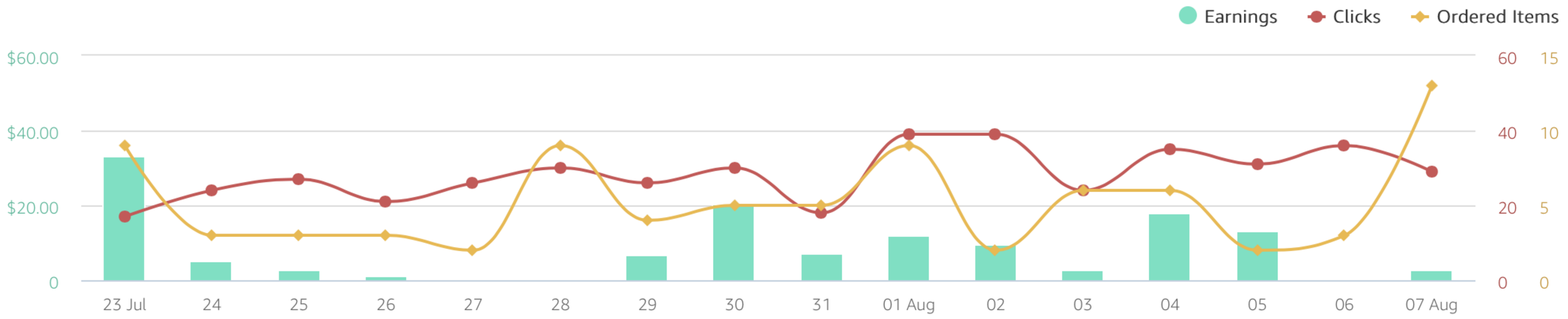
2. Just click the Amazon banner ad below.

Amazon and the Amazon logo are trademarks of Amazon.com, Inc. or its affiliates.

Since our last meeting

Jul 23 2018 - Aug 07 2018 / Custom Date Range Tracking ID: All Last Updated: Aug 07 2018 +00:00

Summary	Fees	Bounties	Amazon CPM Ads
$136.08	$136.08	$0.00	$0.00 $
			Get Started with CPM Ads



Clicks	Ordered Items	Shipped Items	Returned Items	Conversion	Shipped Items Revenue	**Total Earnings**
452	**84**	**79**	**3**	**18.58%**	**$2,458.63**	**$136.08**

2018 YTD

Jan 01 2018 - Aug 07 2018 / This Year Tracking ID: All Last Updated: Aug 07 2018 +00:00

Summary	Fees	Bounties	Amazon CPM Ads
$1,730.95	$1,722.95	$8.00	$0.00 $
			Get Started with CPM Ads

We are at Week 32. Our holiday party is in week 49.
By then, we will only have received commissions
for sales earned through September 30 (week 40).
The clock is ticking!

DO YOUR HOLIDAY SHOPPING NOW NOW NOW NOW!

Clicks	Ordered Items	Shipped Items	Returned Items	Conversion	Shipped Items Revenue	**Total Earnings**
5,475	**1,279**	**1,163**	**39**	**23.36%**	**$31,739.78**	**$1,722.95**

It’s Time to Sell Apple Stock!!!

Blue Chips Edge Lower as Trade Tensions Weigh

Deutsche Bank Posts Profit but Trading Weakness Drags On

China Targets Economy, Not Trump, With Weaker Yuan

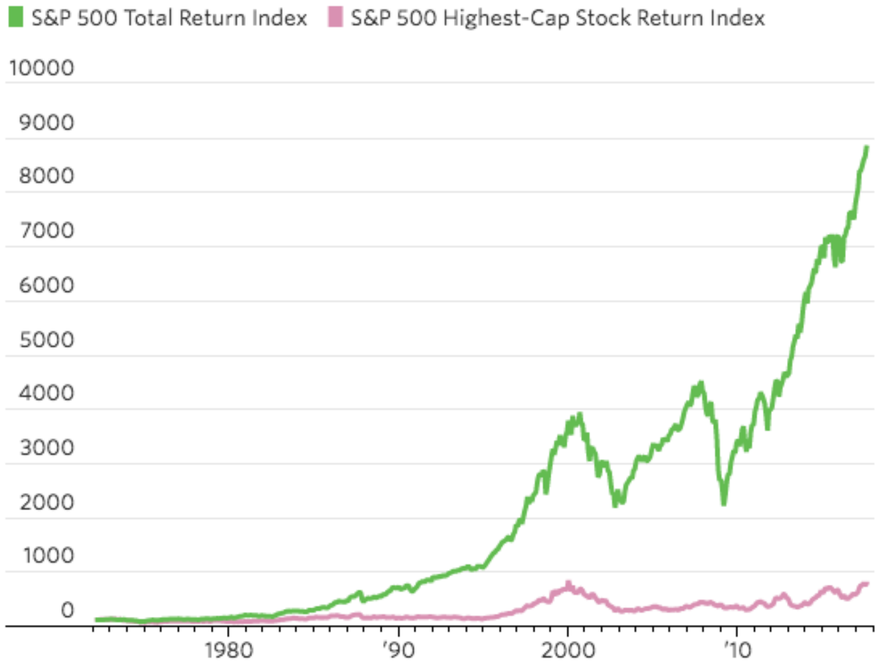
MARKETS

It's Time to Sell Apple Stock

Analysts expect Apple shares to soar, but history suggests the most-valuable U.S. company posts limited returns

Topping Out

Buying the most-valuable stock in the S&P 500 has been a losing strategy.



Note: Index, January 1972=100
Source: Ned Davis Research

Yup, it looks like AAPL has peaked!

AAPL January 1 - July 25

source: Yahoo! Finance

Or, did it peak somewhere in here?

AAPL 2003-

source: Yahoo! Finance

Actually, this chart is from LAST year…

AAPL January 1, 2017 - July 25, 2017

source: Yahoo! Finance

when this article was written…

August 4, 2017

MARKETS

It's Time to Sell Apple Stock

Analysts expect Apple shares to soar, but history suggests the most-valuable U.S. company posts limited returns

Topping Out

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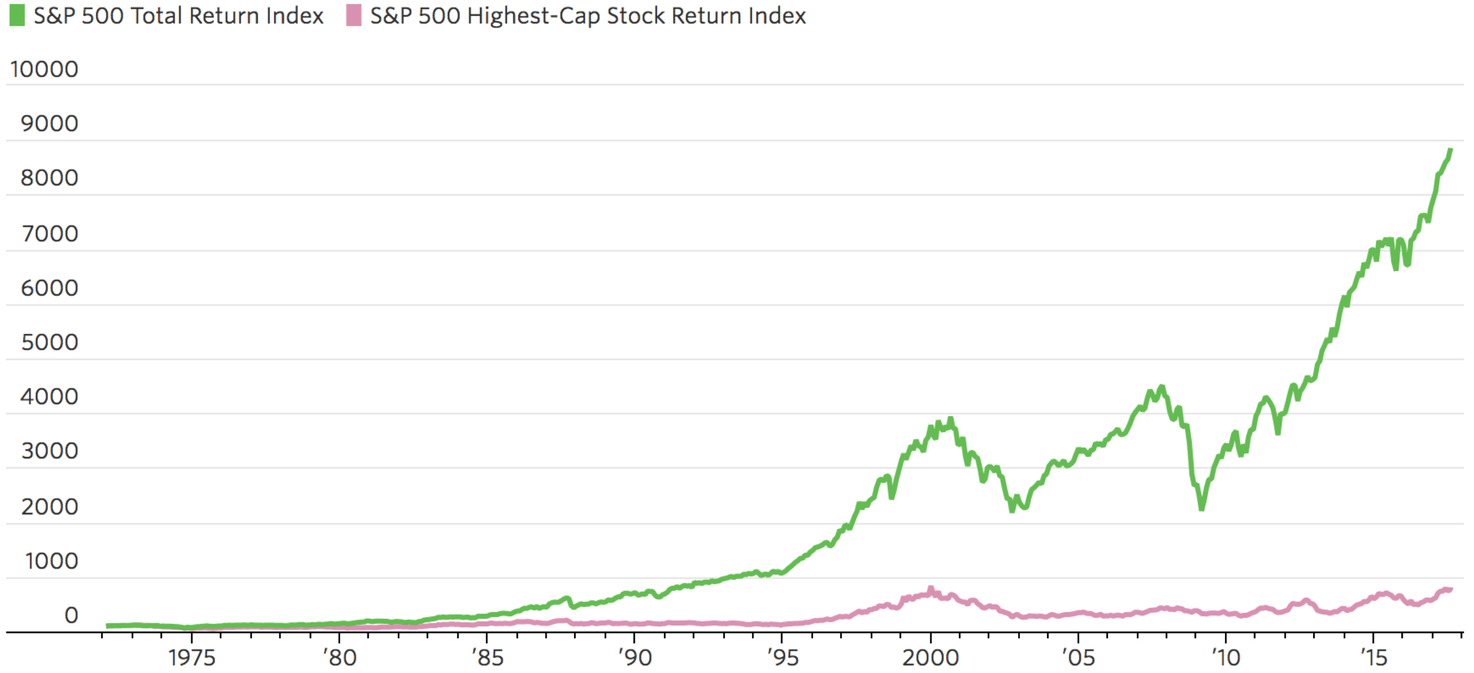


Note: Index, January 1972=100
Source: Ned Davis Research

THE WALL STREET JOURNAL

By Colin Barr
Aug. 4, 2017 12:20 p.m. ET

69 COMMENTS

source: Yahoo! Finance

AAPL closed at
$156.39 that day.

It closed at
$207.25 today…

…up 32.5% since we
were all supposed to sell it.

Apple shareholders gained $203,528,338 in value (market capitalization) since the “SELL!” call on August 4, 2017.

We would also have missed out on $2.62/share in dividends, with more coming next week.

source: Yahoo! Finance

Please point to where AAPL has peaked.

AAPL January 1, 2000 - August 8, 2018

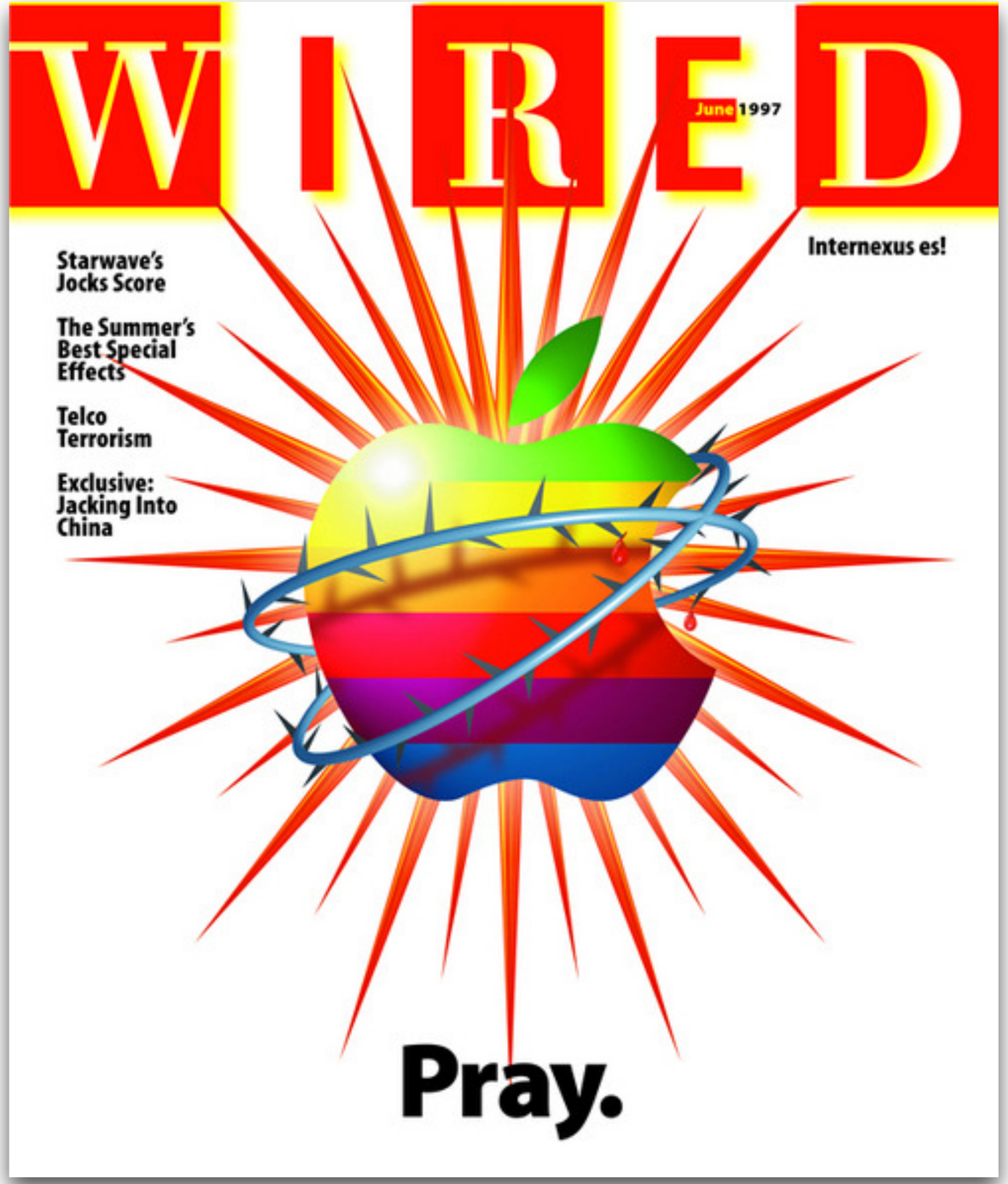
source: Yahoo! Finance

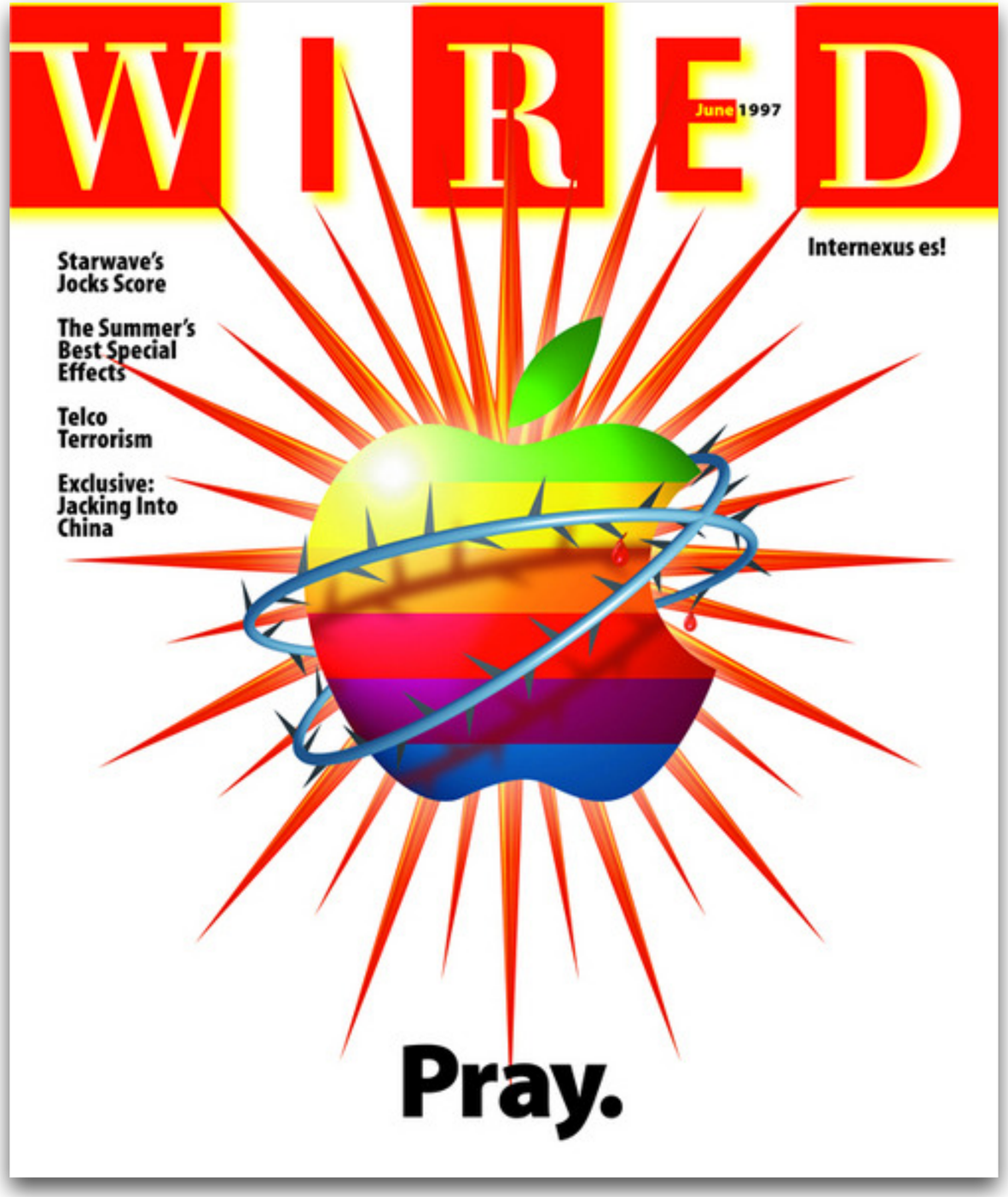
Please point to where AAPL has peaked.

AAPL January 1, 1995 - August 8, 2018

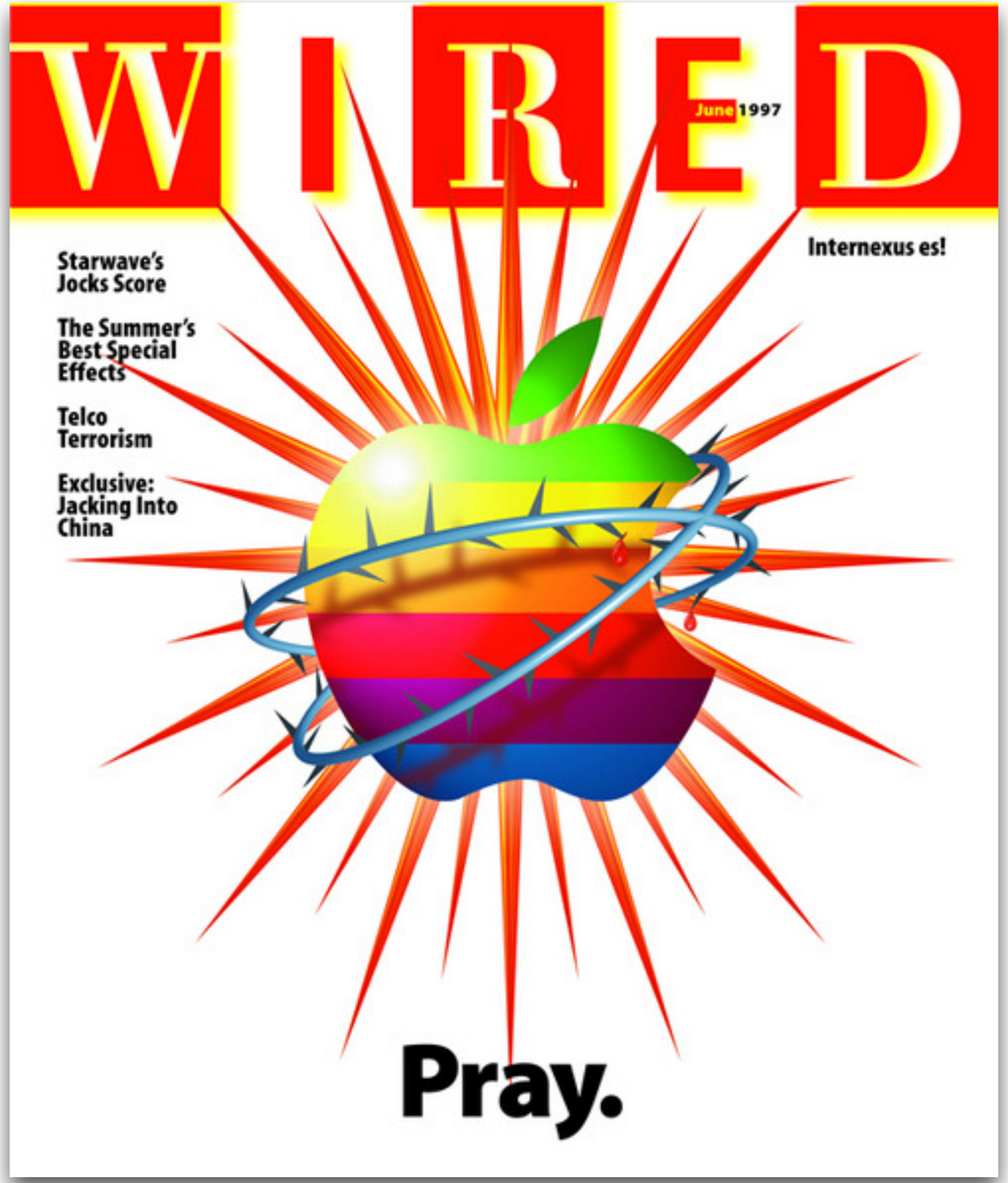
source: Yahoo! Finance

AAPL @
$1,000,000,000,000





WIRED Magazine Cover
June, 1997



- Gil Amelio is CEO
- Apple's product line is a mess
  - 100+ variations of the Mac, sold under the Performa, PowerBook, PowerMac and Macintosh G3 lines
  - Also eMate, WorkGroup Server, and Newton MessagePad
- Apple's operating system strategy is a mess
- Total sales under $4-billion worldwide and is burning $200-million/month
- Less than 90 days until lights out
- Amelio agrees to purchase Jobs' NeXT Computer for $400-million and bring Steve Jobs back to Apple

Macworld Boston 1997

- Jobs on stage at Macworld
- Announces $150-million purchase of non-voting Apple shares by Microsoft; Microsoft promises to continue to develop Office for Mac for five years; Internet Explorer would ship as default browser on Mac for five years
- “We have to let go of this notion that for Apple to win Microsoft has to lose.”
- A month after Macworld, Amelio ousted as CEO; Jobs named “Interim CEO,” or iCEO, by board
- The turnaround begins, but no one outside of Apple has much hope

“So hopefully what you’ve seen here today are some beginning steps that give you some confidence that we, too, are going to think differently, and serve the people that have been buying our products since the beginning. Because a lot of times people think that they’re crazy. But in that craziness, we see genius, and those are the people we’re making tools for.”

— *Steve Jobs, Macworld Boston 1997*

Return to Profitability

- November, 1997: Apple opens online store
- Jobs names Jonathan Ive as VP of Industrial Design, begins work on iMac
- Jobs cancels failed OS re-writes, and secretly begins transition to a new Unix-based system based on NeXT Step OS purchased by Apple under Amelio

iMac: New Life

- August 15, 1998, ***twenty years ago next week***: Apple ships the iMac, the first new product completely designed by Ive

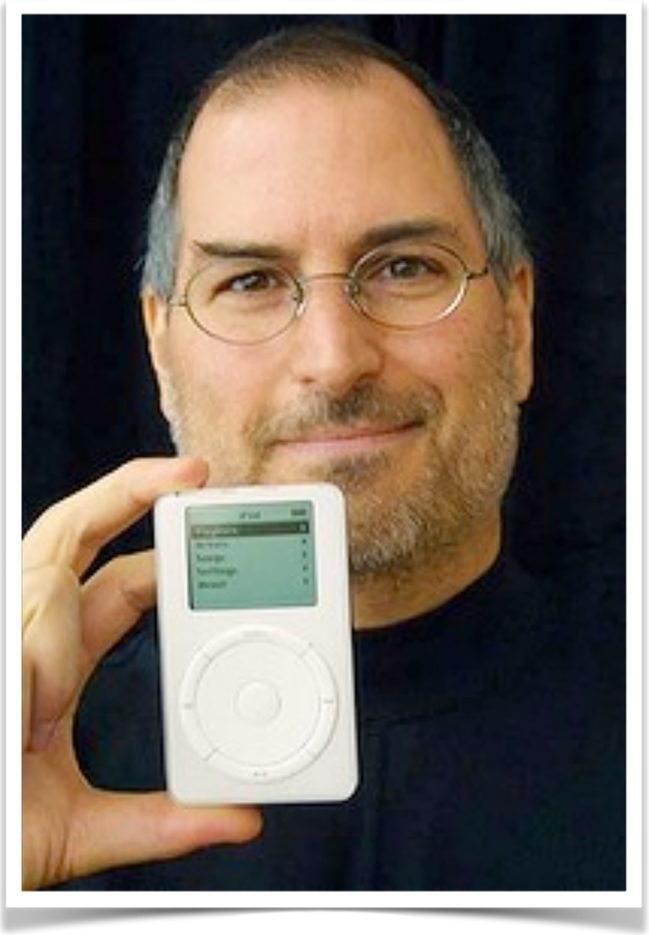
- iMac becomes an instant hit, sells 1,000,000 units in six months and over 10 million in first four years

- Apple has positive cash flow, growing revenues and cash to fund R&D projects and new OS

- iMac kick-starts the internet revolution for millions of users around the world

iPod

- Media event at The Garage at 1 Infinite Loop, October 23, 2001
- Event pushed back a month due to 9/11



October 21, 2001

Apple Presents iPod

Ultra-Portable MP3 Music Player Puts 1,000 Songs in Your Pocket

CUPERTINO, California—October 23, 2001—Apple® today introduced iPod™, a breakthrough MP3 music player that packs up to 1,000 CD-quality songs into an ultra-portable, 6.5 ounce design that fits in your pocket. iPod combines a major advance in portable music device design with Apple's legendary ease of use and Auto-Sync, which automatically downloads all your iTunes™ songs and playlists into your iPod, and keeps them up to date whenever you plug your iPod into your Mac®.

"With iPod, Apple has invented a whole new category of digital music player that lets you put your entire music collection in your pocket and listen to it wherever you go," said Steve Jobs, Apple's CEO. "With iPod, listening to music will never be the same again."

Next Generation Player
iPod represents the next generation of portable music players that store music on an internal hard drive, yet are only 20 percent of the volume of today's hard drive-based players. iPod stores up to 1,000 CD-quality songs on its super-thin 5 GB hard drive, and features up to 20 minutes of shock protection for nonstop playback when running, biking or other activities.

iPod's built-in FireWire® port lets you download an entire CD into iPod in under 10 seconds and 1,000 songs in less than 10 minutes—30 times faster than USB-based players.

iPod plays up to 10 hours of continuous music, powered by its rechargeable lithium polymer battery, and recharges automatically whenever iPod is connected to a Mac, using power supplied over the FireWire cable. Every iPod comes with a compact, FireWire-based power adapter for traveling. iPod's high-capacity 5GB hard drive doubles as a portable FireWire hard drive for storing presentations, large documents, graphic images and digital movies.

iPod plays music in the popular MP3, MP3 VBR (variable bit rate), AIFF and WAV formats and can support MP3 bit rates up to 320-Kbps. Its upgradable firmware enables support of future audio formats. For CD-quality sound, iPod is equipped with a high-output 60-mW amplifier that delivers 20 to 20,000 Hz frequency response for deep bass and crystal-clear highs. iPod's earbud-style headphones are built with neodymium magnets for enhanced frequency response and high-fidelity sound.

iPod also features a 160-by-128-pixel high-resolution display, with a white LED backlight to give clear visibility in daylight as well as low-light conditions.

Legendary Ease of Use
Apple has applied its legendary expertise in human interface engineering to make iPod the easiest to use digital device ever. Simply rotate iPod's unique scroll-wheel with your thumb or finger to quickly access your entire music collection by playlists, artists or songs. The scroll-wheel makes it possible to hold and operate iPod with just one hand and features automatic acceleration when scrolling through long lists so you can find your music in seconds. iPod also features customizable settings such as shuffle, repeat, startup volume, sleep timer and menus in multiple languages including English, French, German and Japanese. iPod can display song data in any of these languages, enabling users to mix and match songs from all over the world.

Original iPod

- 5Gb storage
- 10-hour battery life
- 160-by-128 monochrome LCD display
- FireWire for data & charging
- Mac-only
- $399 - available November 11/10/01

Experts Reaction

Apple releases iPod

Posted by **CmdrTaco** on Tuesday October 23 2001, @01:20PM
from the well-thats-not-very-exciting dept.

The BrownFury writes

> "At an invitation only event Apple has released their new MP3 player called the iPod. iPod is the size of a deck of cards. 2.4" wide by 4" tall by .78" thick 6.5 ounces. 5 GB HDD, 10 hr battery life, charged via FireWire. Works as a firewire drive as well. Works in conjunctions with iTunes 2. Here are Live updates"

. No wireless. Less space than a nomad. Lame.

In 2001, digital music players looked like this:

Creative Nomad II

Creative Rio Volt

Compaq PJB100

Panasonic SL-CT540

What Apple Edited Out of iPod:

- An on/off switch
- A file system
- Windows compatibility
- USB
- Wi-Fi
- Removable battery
- Windows Media Audio support
- Four-way menu cursor navigation
- FM radio receiver
- Any wasted space — “Steve’s bubble test”

What Apple Included with iPod

- Instant-on
- Tiny size
- Very light weight
- Long battery life
- Revolutionary scrollwheel navigation
- Rugged, continuous playback in any conditions
- Seamless sync to iTunes on Mac
- Contacts, calendar & notes synced from Mac
- Blazing-fast sync with iTunes
- Simple, one-step setup
- Simple, elegant, obvious user interface
- World language support
- Excellent audio quality with absolutely flat frequency response
- Iconic, lightweight earbuds

What No One Knew Was Coming

- iTunes Store
- Color screen
- Photos
- Videos
- Still Camera
- HD video camera
- Games
- Apps
- Accelerometer
- 30-pin dock connector
- Video out

How Apple Presented iPod

iPod.

1,000 songs in your pocket.

Ultra-slim 5-gigabyte hard drive doubles as a FireWire disk for files and applications.

Blazingly fast FireWire connection capable of downloading an entire CD in just 10 seconds.

Rechargeable lithium polymer battery that provides up to 10 hours of continuous playtime.

Headphones engineered with Neodymium transducer magnets for high-fidelity sound.

What happened

- iPod sold out immediately and for the next nine months, more than 125,000 shipped in first 60 days
- Helped Apple turn the first of 177 consecutive quarters of profit after more than a decade of massive losses
- Provided the cash Apple used to further innovate in the iPod line and all other areas of the business, leading to iPhone and iPad
- Kick-started the incredible supply chain that supports all of Apple's product lines today

…and then six years go by…

iPhone

- Introduced by Steve Jobs during Macworld at 9:41am PT on January 9, 2007
- Shipped six months later
- The TV ad you just saw began running the same night, and ran for a week, then never again.

TECHNOLOGY LAB —

Ballmer: iPhone has “no chance” of gaining significant market share

Steve Ballmer talks some smack about the iPhone, saying that it has "no chance ...

JOEL HRUSKA - 4/30/2007, 5:42 PM

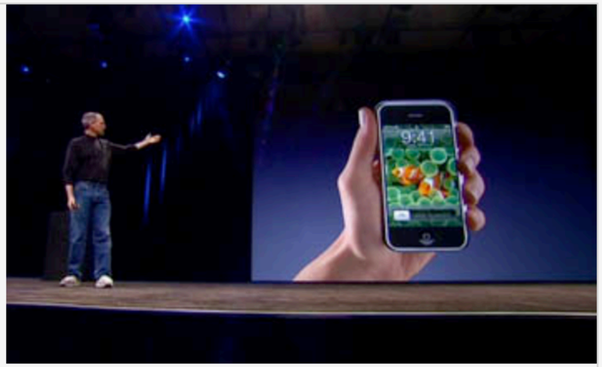
USA Today has an interview up with Steve Ballmer that touches on a number of interesting topics, including the CEO's perception of the iPhone and its chances of long-term success.

> "There's no chance that the iPhone is going to get any significant market share. No chance," said Ballmer. "It's a $500 subsidized item. They may make a lot of money. But if you actually take a look at the 1.3 billion phones that get sold, I'd prefer to have our software in 60% or 70% or 80% of them, than I would to have 2% or 3%, which is what Apple might get."

The Futurist: We Predict the iPhone Will Bomb

Posted Jun 7, 2007 by Seth Porges

Next Story



Until June 29, it's hard to tell too much about the iPhone, but I can tell you with near-certainty one thing: the product was almost certainly rushed to market before Apple's engineers would have liked.

At MacWorld, Jobs said: "We're shipping them in June". Had the phone release date been set in July or August, the entire tech world's collective red flag would have swung. So they set the release date as June 29 — a Friday, and the last weekday of the month. This, coupled with the fact that Apple has never, in recent memory, released a product on a Friday, should make everybody say "Hmmmm," and suggests they took a calculated risk of releasing a product that might be a little buggy (probably about as bad as the first run of screen-flickering, case-cracking, motherboard-busted MacBooks), rather than suffer the embarrassment of not keeping their word.

Which means that when the iPhone comes, Digg will likely be full of horror stories from the poor saps who camped out at their local AT&T store, only to find their purchase was buggier than a camp cabin.

Here's what we're predicting will go wrong with the iPhone, and a little about what may go right.

CRACKED SCREENS

Apple should pull the plug on the iPhone

By John C. Dvorak

Published: Mar 28, 2007 7:18 p.m. ET

There is no likelihood that Apple can be successful in a business this competitive. Even in the business where it is a clear pioneer, the personal computer, it had to compete with Microsoft and can only sustain a 5% market share.

What Apple risks here is its reputation as a hot company that can do no wrong. If it's smart it will call the iPhone a "reference design" and pass it to some suckers to build with someone else's marketing budget. Then it can wash its hands of any marketplace failures.

It should do that immediately before it's too late. Samsung Electronics Ltd. **SSNGY, +0.00%** might be a candidate. Otherwise I'd advise you to cover your eyes. You're not going to like what you'll see.

Things You Couldn’t Do on a Cell Phone Before iPhone

- Look at a map
- Get driving or walking directions
- Watch a video
- View a real Web page
- Hail a ride
- Book an airplane ticket, rental car or hotel
- Buy a movie ticket
- Trade stocks
- Edit a document, presentation or spreadsheet
- Print something
- Use Skype
- Make a video call
- Call someone over Wi-Fi
- Install an app on your phone
- Listen to live radio
- Watch live TV
- Take a selfie

Things You Couldn't Do on a Cell Phone Before iPhone

- Search the web
- Record a video
- Record audio
- Post to or read Facebook
- See a weather map
- Use LinkedIn
- Use Gmail
- Read a newspaper
- Shop on Amazon
- Control your thermostat, garage door opener, lights, etc.
- Track a package delivery
- Retouch a photo
- Edit a video
- Create music or video
- Read a Kindle book
- …and 1,000,000 other things

Probably The Most Revolutionary Product *Ever*

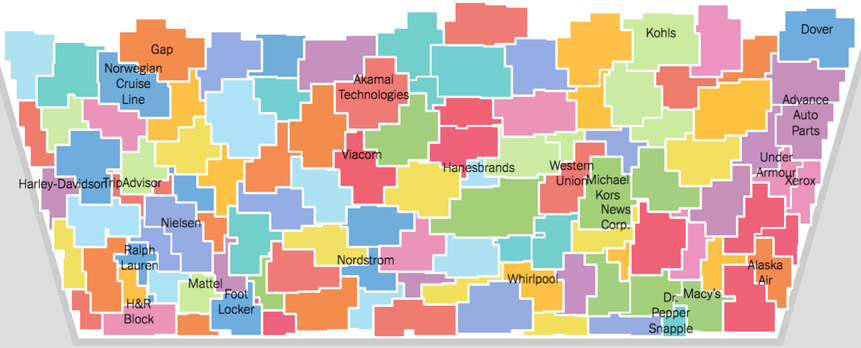
- Gave rise to thousands of new companies, industries, products
- Generated untold billions in new economic activity, jobs, businesses, services, innovations

T-Mobile LTE
10:35 AM
100%
DOW J
25,216.69
—
S&P 500
2,809.30
—
AAPL
205.06
1.008T
AMZN
1,805.94
880.8B

« NEXT

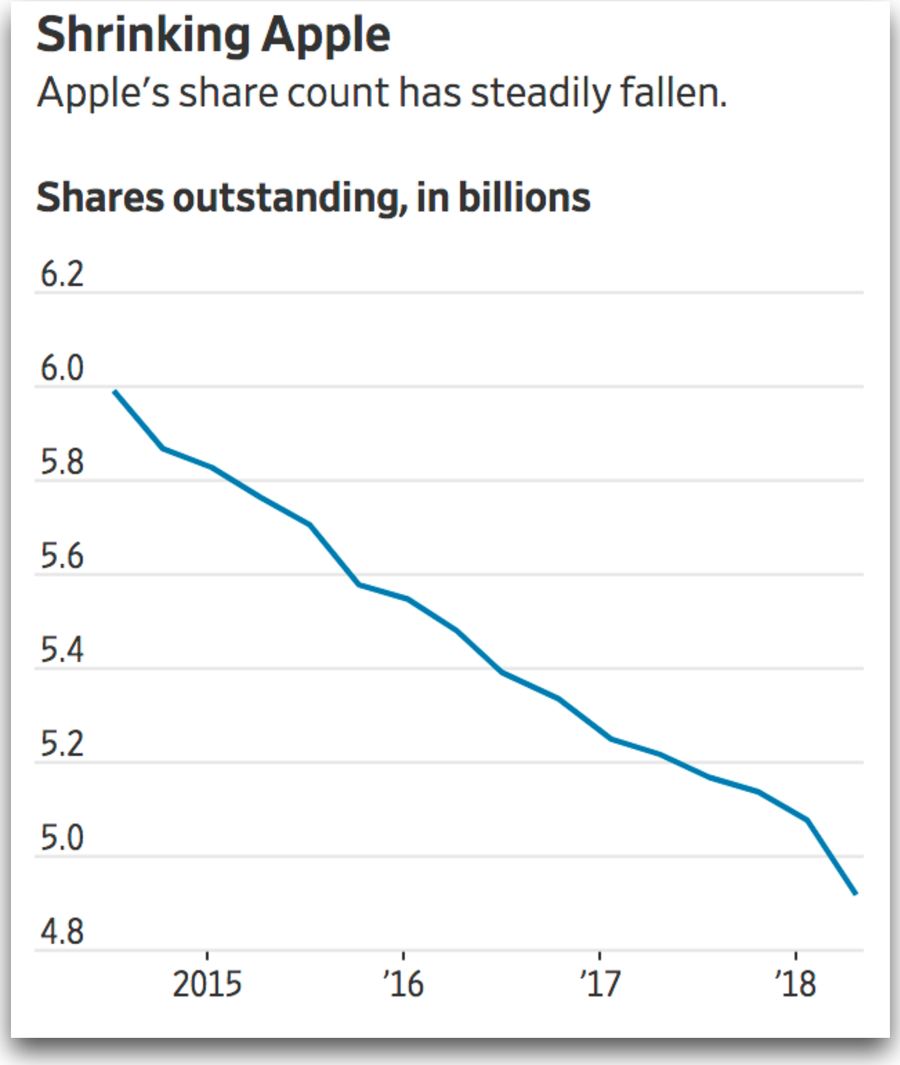
$0994 Billion

Apple is worth about as much as all 111 of these companies — combined.



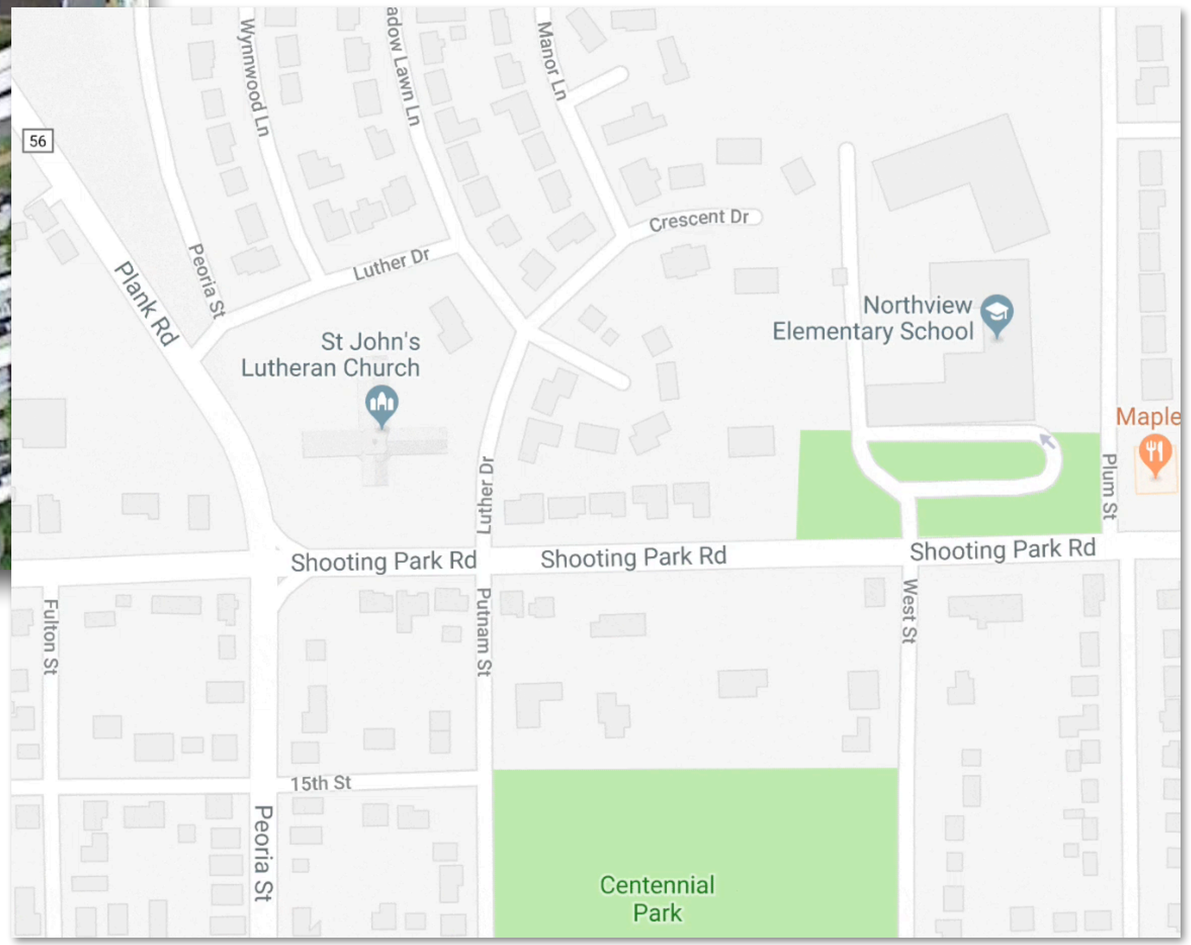
Could have happened months ago…

- Since 2014, Apple has paid out $67-billion in dividends and repurchased $201-billion of stock
- If that cash was still held on the books, Apple would have crossed the $1-trillion mark early this year
- Last month, Apple announced another $100-billion in share buybacks, which will happen “at a fast pace”



If You Had Bought AAPL When…	Date	AAPL Price Then	AAPL Price Now	% Gain
Steve Jobs Returns to Apple	2/12/1997	$0.56	$207.25	36744.44%
Original iMac Introduced	8/14/1998	$1.45	$207.25	14228.68%
iPod Introduced	10/23/2001	$1.30	$207.25	15895.21%
iPhone Introduced	1/9/2007	$13.22	$207.25	1467.19%
Cove Apple Club Founded	1/22/2007	$12.40	$207.25	1571.56%
M&M's Schwab Broker Told Us to Sell All Our Apple Stock Just After We Retired	11/6/2008	$14.16	$207.25	1363.93%
Post-Recession Low	11/20/2008	$11.50	$207.25	1702.39%
iPad Introduced	1/27/2010	$29.70	$207.25	597.88%
Tim Cook Named CEO	8/24/2011	$53.74	$207.25	285.65%
Steve Jobs Dies	10/4/2011	$53.21	$207.25	289.46%
2011 Year-End Close	12/31/2011	$57.86	$207.25	258.21%
2012 Year-End Close	12/31/2012	$76.02	$207.25	172.61%
2013 Year-End Close	12/31/2013	$80.15	$207.25	158.59%
7-for-1 Stock Split Announced	4/23/2014	$74.96	$207.25	176.46%
Apple Watch, Apple Pay, iPhone 6	9/9/2014	$97.99	$207.25	111.50%
2014 Year-End Close	12/30/2014	$112.52	$207.25	84.19%
2015 China Shock Intra-Day Low	8/24/2015	$103.12	$207.25	100.98%
iPad Pro, New Apple TV, iPhone 6S/Plus	9/9/2015	$110.15	$207.25	88.15%
2015 Year-End Close	12/31/2015	$105.26	$207.25	96.89%
2016 Year-End Close	12/30/2016	$115.82	$207.25	78.94%
iPhone X Announced	9/12/2017	$160.86	$207.25	28.84%
2017 Year-End Close	12/31/2017	$169.23	$207.25	22.47%
AAPL Market Cap Hits $1T	8/2/2018	$207.39	$207.25	-0.07%
AAPL CAGR Since 1997		36.48%		

Russia
Kara Sea
Arctic Ocean
Sea of Okhotsk
East Siberian Sea
Arctic Ocean
Arctic Ocean
Greenland Sea
Sweden
Belarus
Norway
Denmark
Bering Sea
Baffin Bay
Iceland
United Kingdom
Austria
Italy
Greenland
Ireland
Northwestern Passages
Canada
Hudson Bay
Labrador Sea
Spain
Libya
North Pacific Ocean
Portugal
Morocco
Niger
North Atlantic Ocean
Western Sahara
Nigeria
United States
Mauritania
Ghana
Guinea
Gulf of Mexico
Mexico
Cuba
Puerto Rico
Guatemala
Caribbean Sea
Nicaragua
Venezuela
Guyana
Colombia
Ecuador
Brazil
South Pacific Ocean
Peru
Bolivia
Paraguay
Chile
Uruguay
Argentina


56
Wynnwood Ln
adow Lawn Ln
Manor Ln
Crescent Dr
Peoria St
Plank Rd
Luther Dr
St John's Lutheran Church
Northview Elementary School
Maple
Plum St
Luther Dr
Shooting Park Rd
Shooting Park Rd
Shooting Park Rd
Fulton St
Putnam St
West St
15th St
Peoria St
Centennial Park

Google Maps

Google Maps

- Google has been investing in Maps since 2004 when it introduced the original Google Maps web app, launched in February, 2005
- Has invested billions in Street View, Google Earth, machine learning, satellite imagery, crowdsourcing, Android Auto / Waze, etc.
- Now makes billions each year by selling mapping services and imagery
- Apple Maps got a very late start, but has improved greatly from initial launch and continues to improve, however may never catch up to Google Maps
- Waze and Google Maps will soon be available in Apple CarPlay with iOS 12 coming this fall

Russia
Kara Sea
East Siberian Sea
Sea of Okhotsk
Arctic Ocean
Arctic Ocean
Arctic Ocean
Greenland Sea
Sweden
Belarus
Norway
Denmark
Bering Sea
Baffin Bay
Iceland
United Kingdom
Austria
Italy
Ireland
Greenland
Northwestern Passages
Canada
Hudson Bay
Labrador Sea
Spain
Libya
Portugal
Morocco
Niger
North Pacific Ocean
North Atlantic Ocean
Western Sahara
Nigeria
Mauritania
Ghana
Guinea
United States
Gulf of Mexico
Mexico
Cuba
Puerto Rico
Guatemala
Caribbean Sea
Nicaragua
Venezuela
Guyana
Colombia
Ecuador
Brazil
Peru
Bolivia
Paraguay
Chile
Uruguay
Argentina
South Pacific Ocean

Demo!

Upcoming Meeting Dates

AUG	SEP	SEP
22	12	26
Cove Apple Club 7:00 PM - 8:00 PM	No Cove Apple Club 7:00 PM - 8:00 PM	Happy Hour 6:00 PM - 7:00 PM

See you at Cheeks!