

From the Desk of John Colley...

Apple Delivers (*and then some*)

News Flash:

- *Earnings nearly doubling from one year ago...*
- Traders looking for a trade ... unfortunately, they play the stock and add to the volatility as the last few weeks have indicated (shorts hate Apple).
- Net up 94% on strong iPhone and iPad sales.
- P/E is gauging at an 80% discount to PEG, which in any sane language spells undervaluation. Probably why it popped 50 points today.
- Sales rose 59% beating the Street ... and came in at \$39.2 billion in the quarter versus estimates of \$32 to \$35 billion – Wow!
- iPhones rose 88% from a year ago to 35.1 million phones sold in just three months. This beat the Street by 3 million phones.
- Cash flow was \$14 billion versus \$10.8 to \$11 billion estimates.
- iPad sales rose 151% to 11.8 million tablets in the quarter.
- Question from the bears ... How can they keep this up? What's the next catalyst to propel it higher?
- *Apple is a solid, long-term HOLD ...*

JC
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