



News

The iPhone 13 Is Here. Is Apple Still Worth the Hype?

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With their new announcement of the iPhone 13, Apple is launching a new experience to their dedicated fanbase. Some say it is just a new phone, while others argue that it's a step towards complacency. Should you wait for the iPhone 13? We take a closer look.

Every year, there's an announcement coming from Apple headquarters that gets people excited.

People ask questions like, "are there any upgrades to existing iPhone devices?", or "can Tim Cook show all the latest news or any new updates for the Apple Car they're making?".

Whatever the case may be, consumers crave the newest & hottest tech coming from pioneers like Apple.

Well, it's no secret that Apple has a schedule for creating new products, such as iPhones and Apple Watches. In their Tuesday event, Apple unveiled the latest iPhone model lineup featuring the new iPhone 13, the iPhone 13 Mini, the iPhone 13 Pro, and the iPhone 13 Pro Max.

With upgraded features, enhanced specifications, additional hardware, and an improved operating system, it's safe to say that the new phone has a much different look than its predecessor... but is it enough? And what are investors saying about Apple (\$APPL) that hasn't been said already?



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What's New About the iPhone 13?

The A15 Chip Powering the New iPhone

The iPhone 13 Pro and iPhone 13 Pro Max models will be equipped with the new and powerful A15 Bionic chip, powering the new iPhones with cutting-edge capabilities never seen elsewhere on previous iOS versions of the iPhone.

This A15 Bionic Chip was designed and created by Nuvia, a company founded by former Apple executives. After being acquired by Qualcomm (\$QCOM) in early 2021, Nuvia became the captain of the chip-ship for future smartphone devices, especially for the next generation of iPhones.

It was revealed in Apple's event that its iPhone 13's processor, the A15 Bionic, is a chip with 15 billion transistors and new iOS graphics and AI abilities... a few things:

1. Transistors are the core circuitry elements that process and store data on chips, and the count this year is significantly higher than the 11.8 billion on the A14 chip that powers iPhone 12 models introduced in 2020.
2. Miniaturization lets chip designers pack in more transistors for new abilities, though progress in miniaturization has slowed in recent years.
3. This highlights that the Apple device has a faster CPU by up to 50% and faster video graphics by up to 30% than current competitors, such as Android phones and other devices.

Now, you might be saying, "so what else is new with this smartphone? can it walk my dog, or can it take out the trash when I ask it to, instead of just ignoring me and continuing to play video games until 12:00am?"

If this is you, then we're deeply sorry. The iPhone can't do that.

Photographers, Rejoice: The iPhone Camera Was Made for You

The iPhone is renowned for its innovations in digital photography, allowing people to capture Instagram-worthy moments in a brilliant fashion while being compact enough to fit in a pocket.

With this in mind, what do the iPhone 13 models bring to the table? Well, let's see what we got:

- The iPhone 13 Pro and iPhone 13 Pro Max will have an upgraded photography setup, similar to the iPhone 12
- Each version comes equipped with a 77mm telephoto lens with 3x optical zoom, allowing for crisper photographs and video (similar to current OLED screen display standards)
- Looking at the iPhone 13 and iPhone 13 Mini, we will see a dual-camera system that is modified to be at an angle rather than stacked on top of each other
- Larger batteries mean longer-lasting video recording time, allowing you to record & manipulate your media for longer than a workday

Apple also highlights that the iPhone 13 models will have 2.5 hours more battery life than the iPhone 12, while the iPhone 13 Mini will have up to 1.5 hours more in a single charge. The iPhone 13 Pro and Pro Max have an upgraded 120Hz ProMotion display, which means they will feel smoother while scrolling or gaming.

With a new iPhone model comes a slew of new features, promising further improvements from older models such as faster processing, longer-lasting batteries, and better cameras... but we've heard this story before, right?

Besides a larger battery, a faster chip, a smoother camera system, and a smaller notch at the top of the screen, will users actually care about the differences between something like the new iPhone 13 Pro Max and the iPhone 12 Pro Max?

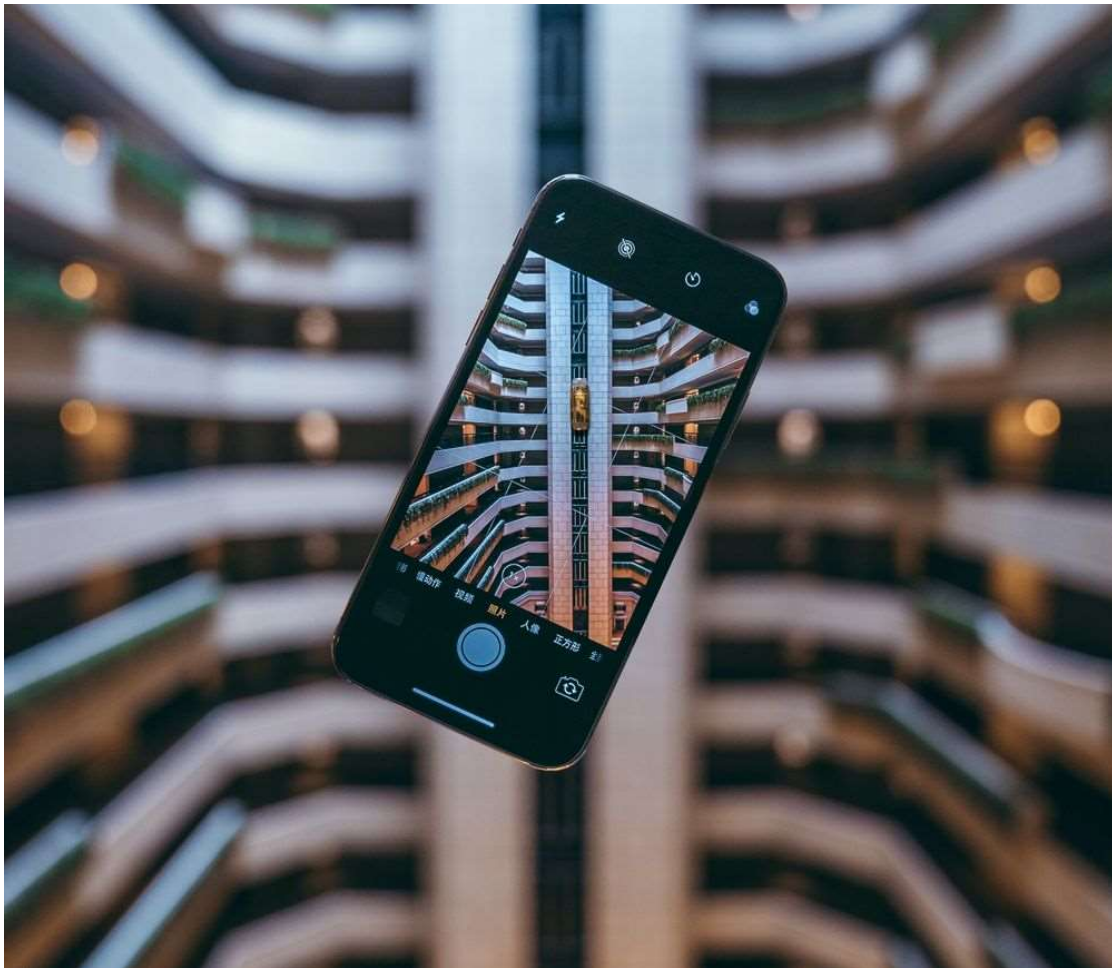


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Giving It Up: Upgrading to the iPhone 13

"If you build it, they will come."

The infamous phrase above has been used throughout time and stands true for Apple as a testament to its success. While the new lineup certainly looks and feels fancy, they don't exactly include any groundbreaking or massive upgrade changes compared to the iPhone 12. However, this doesn't change the perception around getting the newest & shiniest piece of tech ahead of everyone else.

Verizon (\$VZ), T-Mobile (\$TMUS), and AT&T (\$T) have introduced new iPhone offers to get people to upgrade their older devices to these 5G-capable phones. As has been the trend in recent years, these offers are available to both new and existing customers, offering major discounts on all versions of the new iPhone 13.

Apple went so far as to acknowledge carrier discounts during its presentation on Tuesday with Kaiann Drance, Apple's VP of Product Marketing, noting that there are "some fantastic offers from Apple and our partners" when mentioning the pricing of the iPhone 13.



Photo by Daniel Romero on Unsplash

Should I Wait for the iPhone 13?

Along with these new benefits, the new smartphone series comes equipped with improved machine-learning capabilities, real-time video analysis, and the ability to recognize and analyze text in photos - replacing existing iPhone standards and raising the bar for other competitive products.

If you have an older phone or you're looking to get your first iPhone, then the new iPhone 13 lineup can be a worthy investment.

This device series will also include other notable updates, such as wireless charging features, a more efficient screen display, an upgraded 5G smartphone chip, and a new Cinematic mode for videography.

It's no secret that premium, yet profitable, experiences delivered by Apple products tend to lean on the pricier side, so if the cost is an issue, taking previous generations into

consideration is another option.

How Much is the New iPhone 13: What's It Costing Me?

As with previous iPhones, pricing will depend on the model and storage capacity. The high-end iPhone 13 Pro and iPhone 13 Pro max will start at \$999 and \$1,099 respectively, with storage options including 128GB, 256GB, 512GB, and 1TB. US prices for the base models for each are below:

- **iPhone 13** starts at \$799
- **iPhone 13 Mini** starts at \$699
- **iPhone 13 Pro** starts at \$999
- **iPhone 13 Pro Max** starts at \$1,099

The entire iPhone 13 line will begin shipping on Friday, September 24.

In addition to the new iPhone lineup, plans have been announced for a new Apple Watch Series 7 an improved version of the Apple Watch series that is promising to deliver on enhanced artillery of features in the coming future.

Apple is known for its design capabilities and has defined the user experience category. These new additions to the released series tower over older iPhones... but are they worth it?

What does this say about Apple, a modern innovator in the tech space, who has been dragging its feet on innovation for the past few years?



Photo by Visual Karsa on Unsplash

Latest Trends with Apple

Apple (\$APPL) Share Price

Now that the newest iPhone series has been teased, what can we expect to see in the markets with the company going forward?

Apple has always been a powerhouse in capital markets and is one of the most recognizable brands in the world, spearheading the rise of the smartphone with the iPhone.

As of 2020, Apple has generated \$274 billion in revenue, with around 50% of revenue coming from iPhone sales. This figure does not even include sales from the services division, new phone plans, computer devices, smartwatches, and other Apple services.

They've beaten sales records consistently, and are valued at over \$2 trillion in 2021, making it the most valuable technology company in the world. With these accolades, it's appropriate to mark their share price with an increase of 12.3% in 2021 (YTD).

Quint Tatro, president of Joule Financial, explains that "when the market is weak, people flock to Apple. It's got a consistent cash flow, it's a steady name...", meaning with every new year of products from Apple, historically, interest skyrockets as outlooks from analysts and investors show great confidence in the company... but will this outlook stay in Q3?

Recent Volatility in Apple Share Price

Apple shares have been climbing with double-digit gains for years that have been backed by an optimistic growth outlook. In terms of the market growth, Apple's share price only experienced a slight slump on Tuesday with the stock falling 1% to close at \$148.12.

The company has a history of falling an average of 0.8% on debut days and is most likely due to investors already expecting regular innovation and with details being reported before the presentations. An exception to this was back in 2007 and Apple's 8.3% boost on the day their first iPhone was announced.

Although Apple has been successful, the unpredictable Delta variant of the coronavirus appears to be a problem on the financial modeling graphs of the team covering Apple (AAPL) at Goldman Sachs.

"We believe growth in iPhone revenue in calendar fourth quarter will be challenging for Apple but we continue to flag a low level of confidence in our ability to predict demand given the complex interplay of issues like the Delta variant, supply shortages, the end of stimulus and high consumer savings," conceded Goldman Sachs analyst Rod Hall in a research note on Wednesday.

While this seems concerning, other problems seem to arise for Apple: amid looming lawsuits and a deviation from its title as the key market leader in smartphone technology, Apple is finding out that what goes up must also come down.

Apple, Epic Games, and the App Store Chaos

The company's stock felt a sting recently after its App Store business model was ordered by a federal judge to be altered.

A federal judge has ordered Apple to substantially alter its business model, forcing Apple to allow its developers to "steer" customers away from its payment processing service, which cost Apple approximately \$85 billion in market value after the ruling - their biggest drop in four months.

Delano Saporu, the founder of New Street Advisors, explained his concerns with the recent ruling:

"It's more just adding on any near-term weakness... We had the Epic ruling last week and we saw a little bit of a drawback in the share price... I think investors that are kind of long-term bullish on a company like Apple should be adding on any near-term weakness. The stock has been rather sleepy for the better part of a year and now investors are starting to bid up."

The company's fight with Epic Games, a massive American media publisher known for its popularity through its videogame "Fortnite", resulted in the court issuing a permanent injunction that will allow all app developers to direct users to alternative payment platforms. This means users will be able to avoid Apple's 30% App Store fees.

Apple's services revenue has been a big driver of their growth over the past years but it's still unclear how much of an effect this ruling will have.

The ruling, one of the first major legal actions taken against a tech giant in a new era of antitrust scrutiny, is sure to echo loudly both in Washington, where a legislative effort to rein in the power of Big Tech is underway and in the courts, which are facing the biggest test of existing antitrust laws in decades.

Tech giants have come under the microscope in recent years as it became clear that current antitrust law does not effectively address their power, and regulators and lawmakers have been pushing to change that.

Despite the recent loss in market value, experts are still positive and confident in the stock - they expect Apple to continue climbing over the next year with an upwards of 11%.



Photo by Brandon Romanchuk on Unsplash

The Bottom Line: Should I Wait for the iPhone 13?

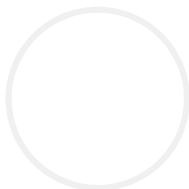
As a highly valuable company with a massive loyal following, there's no doubt that Apple will continue to grow and innovate in the future.

With the new iPhone announced, we can expect to see further growth in their revenue as consumers join the hype and make the switch. The question is: will you be joining them?

If you would like to learn more about Apple and its position in the market, begin your journey through the nuanced world of investments by going to our other article that talks about investing in Apple and what you should know.

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