

Intel Shunned For Putting Spy Doors In All Of It's Chips, Crashes: Apple To Start Using Own Mac Chips, Moving Away From Intel

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by Tyler Durden

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Intel stock was already having a bad day, down over 5%, when it suddenly tumbled even lower, plunging as much as 8.8%, its biggest slide in over 2 years, following a Bloomberg report that Apple is planning to use its own chips in Mac computers beginning as early as 2020, and replacing processors from its existing partner, Intel.

According to Bloomberg, the initiative, code named Kalamata, is still in the early developmental stages, but comes as part of a larger strategy to make all of Apple's devices - including Macs, iPhones, and iPads - work more similarly and seamlessly together, said the people, who asked not to be identified discussing private information. The project, which executives have approved, will likely result in a multi-step transition.

The shift would also allow Cupertino, California-based Apple to more quickly bring new features to all of its products and differentiate them from the competition. Using its own main chips would make Apple the only major PC maker to use its own processors. Dell Technologies Inc., HP Inc., Lenovo Group Ltd., and Asustek Computer Inc. use Intel chips.

By using its own chips, Apple would be able to more tightly integrate new hardware and software, potentially resulting in systems with better battery life -- similar to iPads, which use Apple chips.

Needless to say, the shift would be a crushing blow to Intel, "whose partnership helped revive Apple's Mac success and linked the chipmaker to one of the leading brands in electronics." Apple provides Intel with about 5 percent of its annual revenue, according to Bloomberg supply chain analysis.

Meanwhile, as [QTRResearch notes](#), it's not as though the loss of Apple can be made up with growth from other

Windows-based PCs which, as the Gartner table below shows.

While Bloomberg hedges that Apple could still theoretically abandon or delay the switch, judging by the stock reaction that's not too likely.
