



Daily Macro Insights: Apple, Jobs, and Tech founder transitions today

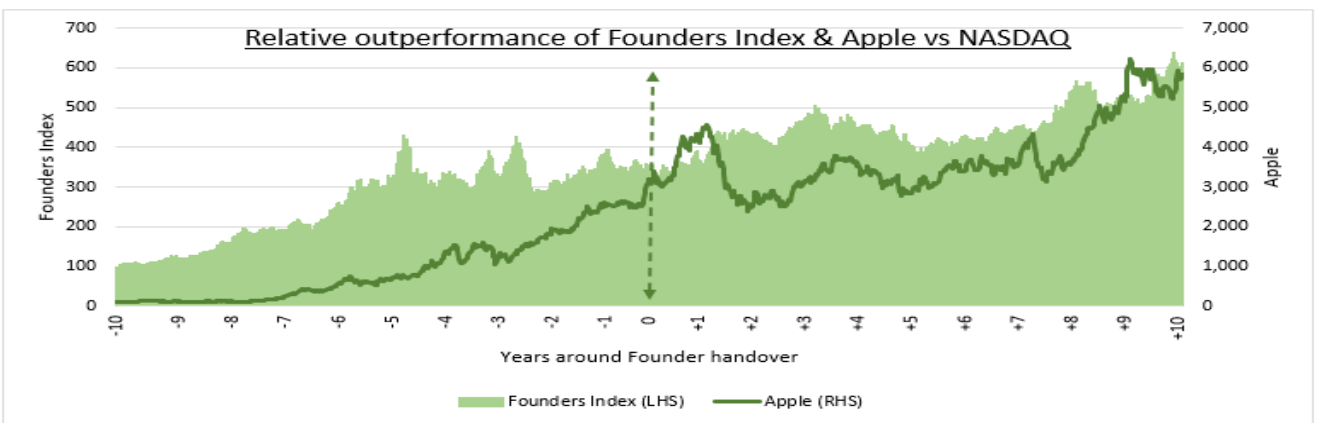
24/08/2021

APPLE & JOBS: Steve Jobs stepped down as Apple (AAPL) CEO ten years ago, on August 26, 2011, after beating the NASDAQ by 3,100% the prior decade. Fears were his successor, Tim Cook, could not come close to matching this. Except he did, and our analysis of other tech founder transitions is they have done so as well. This is relevant today as tech mega-caps from Alphabet to Amazon, Netflix, Alibaba and Pinduoduo transition from founders. What does stand out is the scale of Cook's success. Apple's 2,600% NASDAQ outperformance the past decade took its market cap to \$2.4 trillion, the largest of any listed company.

CEO TRANSITIONS: Over 10% S&P 500 companies change CEO's a year, with a fifth under pressure. The average age of the new CEO is 54, and 70% are promoted from within. This transition is especially difficult for tech founders, operating in fast changing industries with companies inextricably linked to them. Many are transitioning today. Amazon's (AMZN) Jeff Bezos stepped down as CEO last month, Netflix (NFLX) has had a co-CEO for a year, and Larry Page and Sergey Brin stepped back from Alphabet (GOOG) at end of 2019. In China we have seen founders of Alibaba (BABA) and Pinduoduo (PDD) step back in recent years.

FOUNDERS INDEX: We analyzed tech founders stepping down and the stocks performance the prior 10 years, and following 10. Our Index of Adobe, AMD, Intel, Logitech, Microsoft, SAP, Sony, Qualcomm, is simple-weighted and vs NASDAQ. It outperformed by 240% the decade prior to founder stepping down, and by similar 250% the next decade. This shows the 10x scale of Tim Cook' Apple success, but also lower risks on other founder transitions.

TODAY: Purchasing managers (PMI) growth outlook yesterday saw virus and supply chain impacts: Japan/Australia very weak; US/UK missed forecasts; only Europe clearly strong.



Source: Refinitiv, eToro calculations. Rebased to 100

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