BERNSTEIN
SOCIETE GENERALE GROUP

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U.S. IT Hardware

APPLE TRACKER (July): iPhone demand remains strong with sell-thru units +14% YoY and share gains continuing


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*The Apple Tracker breaks down the latest data on iPhone sales and services from Counterpoint and Sensor Tower, and analyzes what this means for Apple and the supply chain. For more on our Apple views see our **Apple Deep Dive**.*

Global iPhone sell-through remained strong in July, with revenue increasing 12.6% YoY, accelerating from 8.2% in June, unit volumes rising 13.8%, and ASP declining 1.0%. Performance was therefore primarily volume-driven, extending Apple's YoY unit growth streak to 17 consecutive months. Japan and emerging market APAC showed robust growth at over 65.5% and 50.8%, respectively, and Americas/Europe/China grew 2.1%/8.0%/8.0%, in July. At the product level, the iPhone 17 series continued to outperform the prior generation, with cumulative September-July sales 15% above the iPhone 16 series. Growth was led by the base iPhone 17, up 34%, and the Pro Max, up 22%, while legacy model sales declined 16% as Apple shifted availability toward the current lineup and e-series. The modest ASP decline likely reflects a stronger contribution from the base model and e-series, partially offset by continued strength in premium models.

Sell-in vs sell-through: Global iPhone sell-in and sell-through units both showed robust growth YoY in July, with sell-through units at 17.5mn during the month, growing 14% yoy, slightly above sell-in units at 17.3mn (growing 15% yoy), reflecting continued strong iPhone 17 cycle. On a MoM basis, sell-through units declined 3% MoM and sell-in units declined 7% MoM (Exhibit 7-Exhibit 9). As a result, **iPhone channel inventory units decreased MoM due to stronger sell-through than sell-in levels:** Sequentially, iPhone inventory units declined MoM by ~1% to 42.7mn in July, compared to 42.9mn in June.

For foundry/TSMC: the shipment of the Pro variants remained strong but iPhone 17e weaker than 16e has made the N3P cycle similar to N3E lately. We still believe despite the high memory cost overall Apple can hold up better than other OEMs. And even if Apple or any mobile customers release leading-node capacity, we do not expect any impact on TSMC revenue as it's supply-constrained.

For Memory: in July the DRAM content increased 27% YoY, similar to the rate in the past few months. Going forward we will monitor how memory price hike affects the memory content.

For the rest of Apple's supply chain: sentiment over Luxshare and Largan is strong, driven by iPhone's outperformance versus Android this year and a constructive CY27 outlook—supported by iPhone 18 base model launch in 1H27 and the 20th-anniversary models launch in 2H27. For **Sony**, June Q CIS beat due to strong iPhone 17 sales, but we see higher comp for 18 series due to the lack of CIS upgrades. Sony TSMC JV is being formed but share loss to Samsung could happen before that. For **Qualcomm**, we are approaching the point where AAPL sales will take a sizeable step down as AAPL diversifies away more quickly than previously expected, with overall handset revenues potentially under pressure due to weaker Android performance on the back of rising memory prices, and Apple share gains (neither of which is positive).

See the Disclosure Appendix of this report for required disclosures, analyst certifications and other important information. Alternatively, visit our Global Research Disclosure Website.

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BERNSTEIN TICKER TABLE

Ticker	Rating	Cur	28 Aug 2026 Closing Price	Price Target	TTM Rel. Perf.	Cur	Reported EPS 2025A	2026E	2027E	Reported P/E (x) 2025A	2026E	2027E
AAPL (Apple)	O	USD	319.70	370.00	19.1%	USD	7.46	8.85	10.03	42.9	36.1	31.9
SNDK (SanDisk)	O	USD	1,484.98	3,000.00	2711.5%	USD	70.08	238.36	272.09	21.2	6.2	5.5
QCOM (Qualcomm)	M	USD	164.19	165.00	(16.5)%	USD	12.03	10.51	9.57	13.6	15.6	17.2
AVGO (Broadcom)	O	USD	368.79	550.00	5.4%	USD	6.82	11.60	18.69	54.1	31.8	19.7
2330.TT (TSMC)	O	TWD	2,405.00	3,300.00	75.3%	TWD	66.25	110.70	144.85	11.5	8.2	6.1
TSM (TSMC)	O	USD	417.52	554.00	62.2%	USD	10.28	17.18	22.48	12.9	9.2	6.9
000660.KS (SK hynix)	O	KRW	1,653,000	3,300,000	482.5%	KRW	60,341	395,677	568,862	27.4	4.2	2.9
005930.KS (SEC- Samsung)	O	KRW	258,000	440,000	238.2%	KRW	6,611.53	48,393	77,273	39.0	5.3	3.3
005935.KS (SEC-Pref - Samsung)	O	KRW	186,500	374,000	197.5%	KRW	6,611.53	48,393	77,273	28.2	3.9	2.4
SMSN.LI (Samsung)	O	USD	4,758.00	7,350.00	253.9%	USD	116.15	812.39	1,290.80	41.0	5.9	3.7
MU (Micron)	O	USD	932.86	1,300.00	665.2%	USD	8.29	67.39	158.99	112.6	13.8	5.9
2454.TT (MediaTek)	O	TWD	3,925.00	4,380.00	154.5%	TWD	66.17	69.52	170.50	59.3	56.5	23.0
SONY (Sony)	M	USD	24.85	23.00	(26.0)%	USD	1.06	1.40	1.34	23.5	17.8	18.6
6758.JP (Sony)	M	JPY	4,016.00	3,800.00	(35.0)%	JPY	171.30	226.71	217.12	23.4	17.7	18.5
3008.TT (Largan)	O	TWD	7,650.00	5,150.00	186.1%	TWD	158.08	187.55	208.38	48.4	40.8	36.7
002475.CH (Luxshare)	O	CNY	57.62	86.00	(6.7)%	CNY	2.26	2.64	3.48	25.5	21.8	16.6
2382.HK (Sunny Optical)	O	HKD	71.10	94.00	(46.6)%	CNY	4.25	3.62	4.47	14.4	16.8	13.6
SPX			7,711.76									
ASIAX			1,972.56									
EM			1,834.75									
JPL			2,690.35									

O - Outperform, M - Market-Perform, U - Underperform, NR - Not Rated, CS - Coverage Suspended

AAPL, SNDK, QCOM, AVGO, MU estimate is Adjusted EPS; AAPL, SNDK, QCOM, AVGO, MU valuation is Adjusted P/E (x); 2330.TT, TSM valuation is P/B (x); SNDK base year is 2026;

Source: Bloomberg, Bernstein estimates and analysis.

INVESTMENT IMPLICATIONS

Apple: As the gateway to the Intelligence revolution benefiting from strong iPhone 17 demand, we rate AAPL Outperform with a price target of $370.

SanDisk: We rate SNDK Outperform with a price target of $3,000.

Samsung Electronics: We rate Samsung Electronics Outperform with price target of KRW440,000.

SK hynix : We rate SK hynix Outperform with price target of KRW3,300,000.

Micron: We rate Micron Outperform with price target of US$1,300.00.

TSMC: We rate TSMC Outperform with price target of NT$3,300.00.

MediaTek: We rate MediaTek Outperform with price target of NT$4,380.00.

Sunny Optical: We rate Sunny Optical Outperform, with PT = HK$94.00.

Luxshare: We rate Luxshare Outperform, with PT = RMB86.00.

Largan: We rate Largan Outperform, with PT = HK$5,150.00.

Sony: We rate Sony (6748.JP) Market-Perform, PT = JPY 3,800.00.

QCOM (MP, $165): The diversification story is real but a number of near-term headwinds (smartphone memory dynamics, margins, AAPL etc) need to be navigated first.

AVGO (OP, $550): A strong 2026 AI trajectory seems set to accelerate into 2027 and beyond, bolstered by software, cash deployment, and superb margins & FCF.

Table Of Contents

1. iPhone performance remained solid: Sell through unit volumes increased 14% YoY 4

2. Channel Inventory Reducing but slightly elevated 9

3: Foundry & Memory - Positive for demand and content 11

Foundry 11

Memory 13

4. iPhone demand by region 16

DETAILS

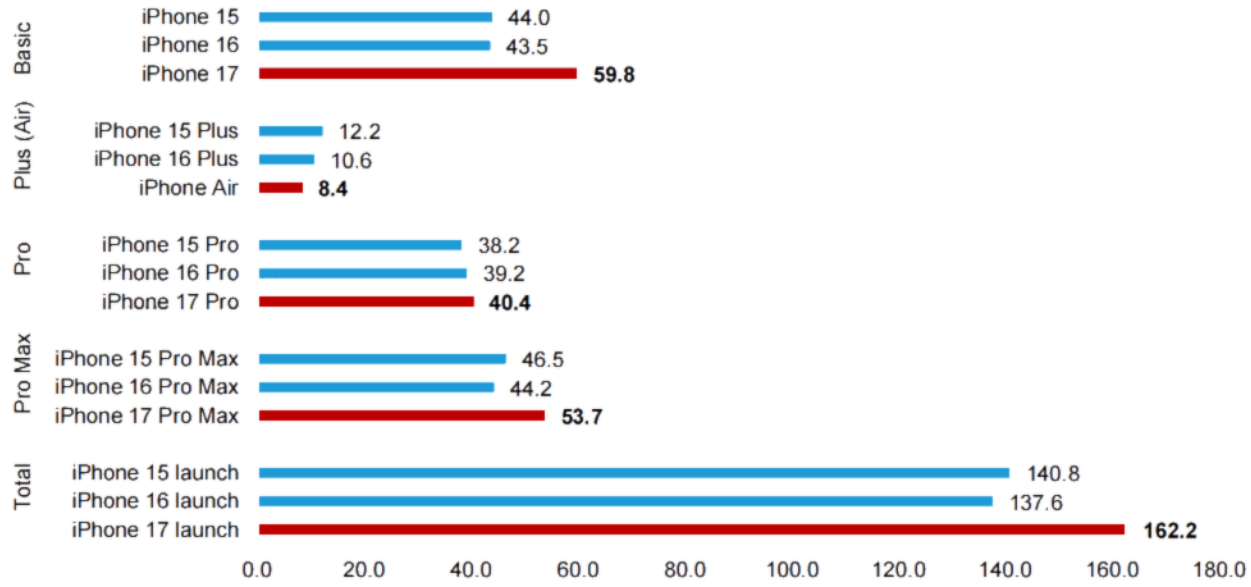
1. IPHONE PERFORMANCE REMAINED SOLID: SELL THROUGH UNIT VOLUMES INCREASED 14% YOY

Global iPhone sell-through remained strong in July, with revenue increasing 12.6% YoY, accelerating from 8.2% in June, unit volumes rising 13.8%, and ASP declining 1.0%. Performance was therefore primarily volume-driven, extending Apple's YoY unit growth streak to 17 consecutive months. Japan and emerging market APAC showed robust growth at over 65.5% and 50.8%, respectively, and Americas/Europe/China grew 2.1%/8.0%/8.0%, in July. At the product level, the iPhone 17 series continued to outperform the prior generation, with cumulative September-July sales 15% above the iPhone 16 series. Growth was led by the base iPhone 17, up 34%, and the Pro Max, up 22%, while legacy model sales declined 16% as Apple shifted availability toward the current lineup and e-series. The modest ASP decline likely reflects a stronger contribution from the base model and e-series, partially offset by continued strength in premium models.

In the Americas, July iPhone sell-through revenue increased 2.1% YoY, supported by 0.4% unit growth and a 1.7% increase in ASP. In the US, which accounts for most of the region, the iPhone 17 series remained the key product driver. However, demand remained constrained by macroeconomic pressure and less aggressive carrier promotions. Apple's direct channels, including Apple Stores and Apple.com, continued to deliver strong volumes, while prepaid demand remained soft because the current offering is concentrated in the iPhone 16e and 17e rather than the lower-priced iPhone 13 and 14 models that supported demand last year.

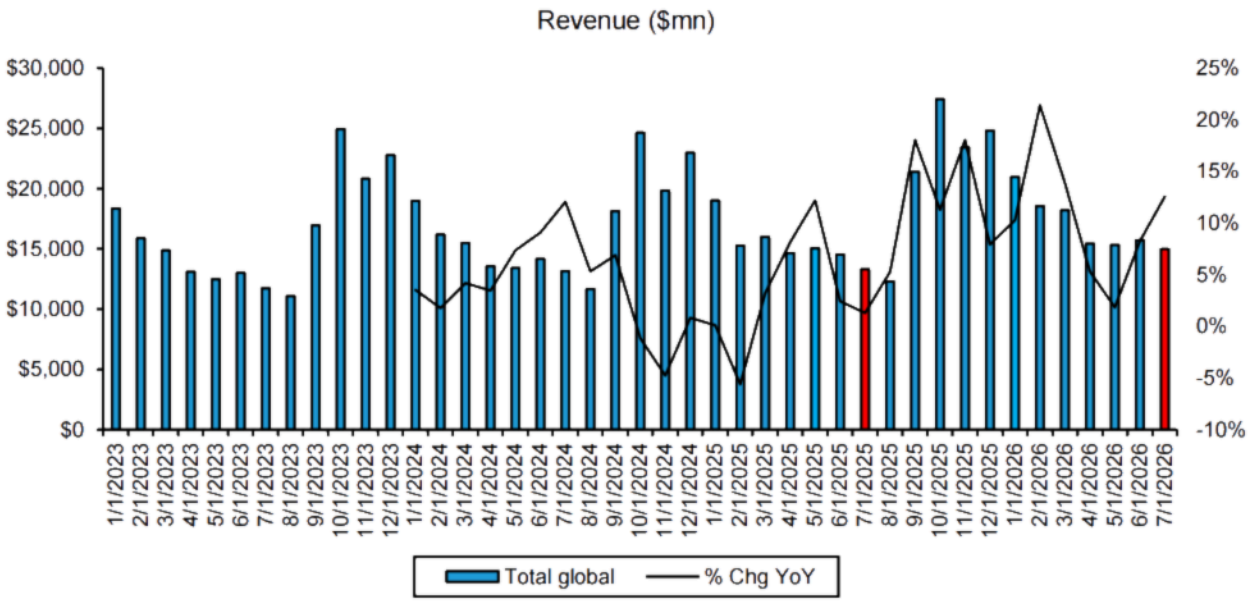
In China, July iPhone sell-through revenue increased 8.0% YoY, driven by an 11.1% increase in unit volumes, while ASP declined 2.8%. On a MoM Basis, sales declined 24% as demand normalized following the 618 shopping festival and the market returned toward regular pricing, which is typical seasonality. With major promotional activity now largely behind us in China, underlying demand is likely to remain subdued until the next iPhone lineup launches.

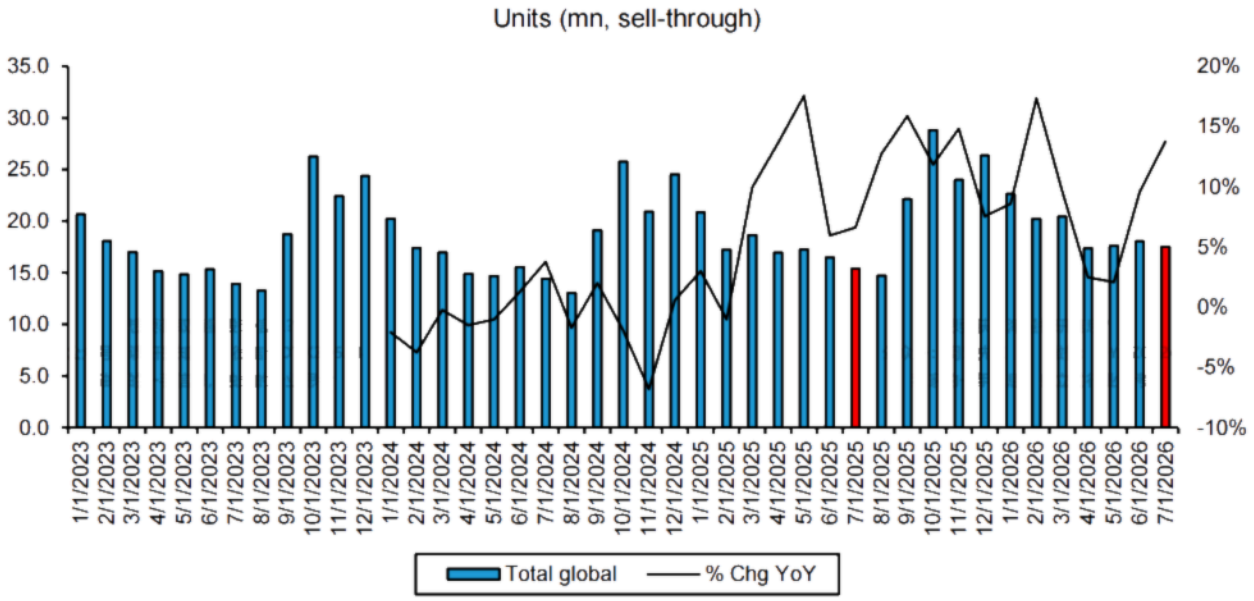
EXHIBIT 1: **Sell-thru Units (mn) in the first 11 months of launch - iPhone 17 vs. Past Cycles**

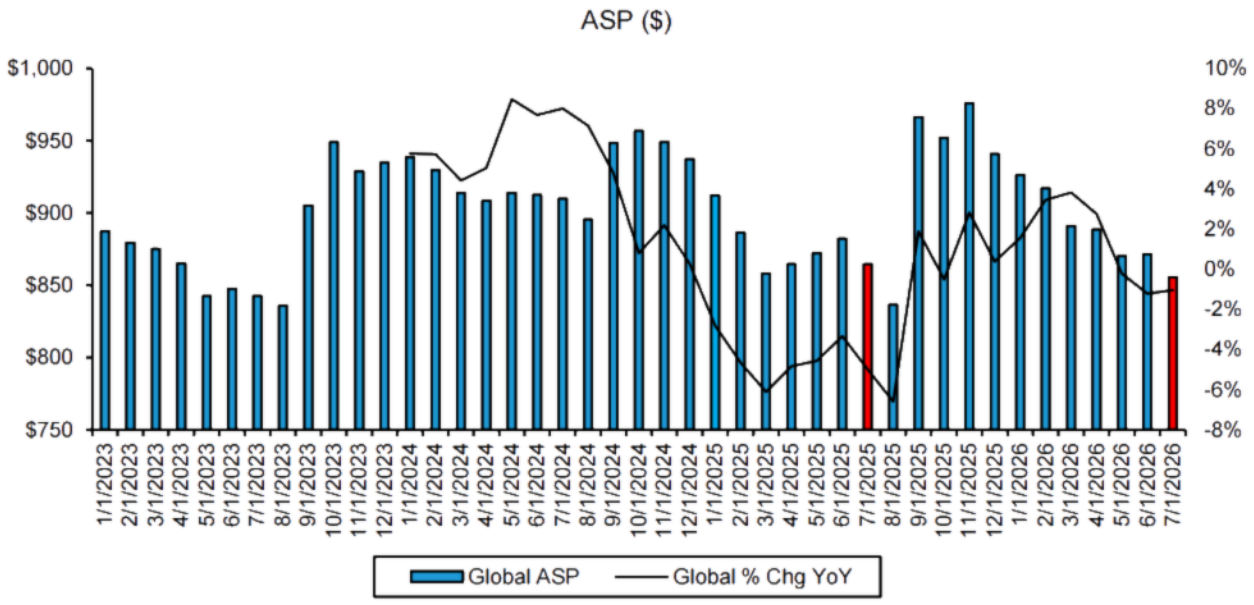


Source: Counterpoint, Bernstein Analysis

EXHIBIT 2: **Global iPhone revenue, units, ASP**

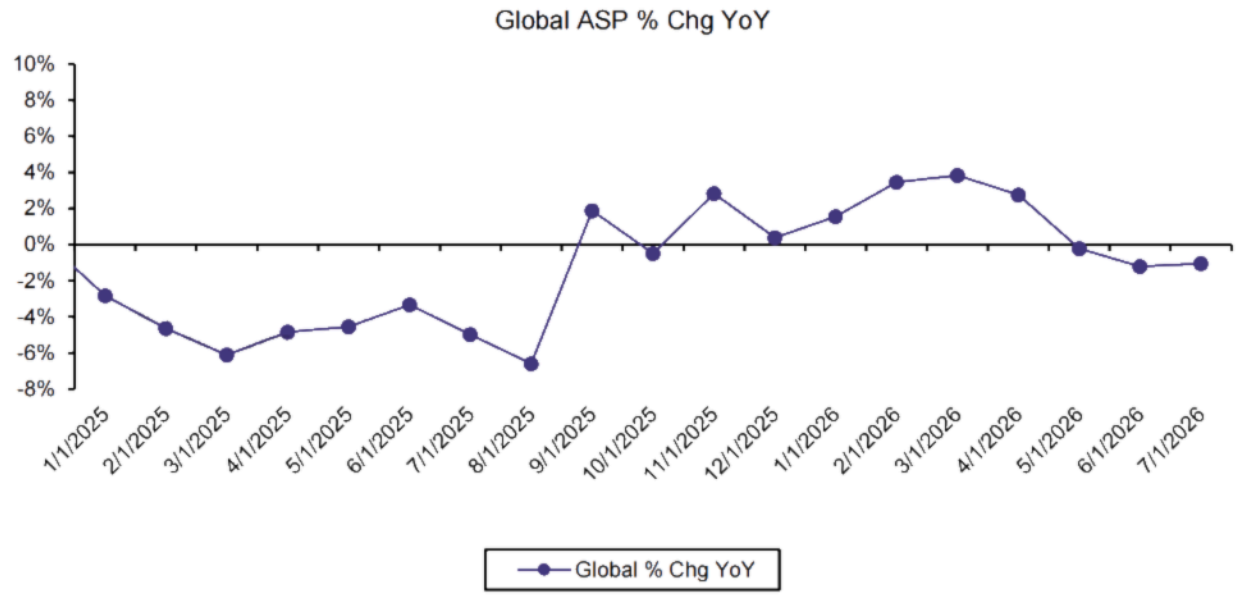






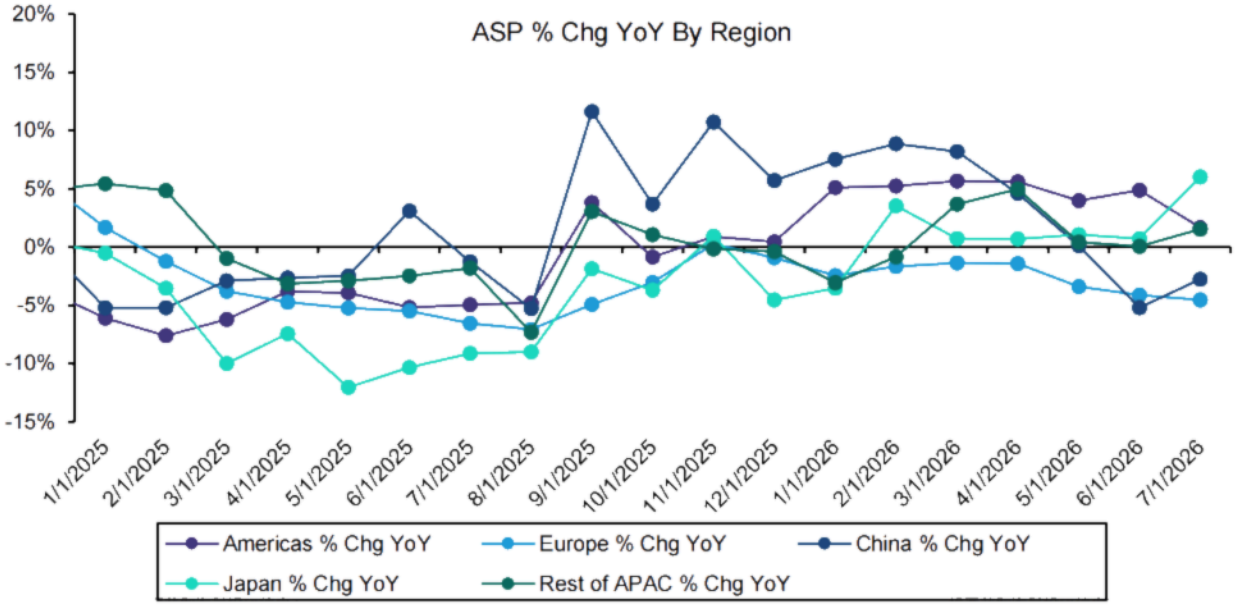
Source: Counterpoint, Bernstein Analysis

EXHIBIT 3: **Global ASP % Change YoY**



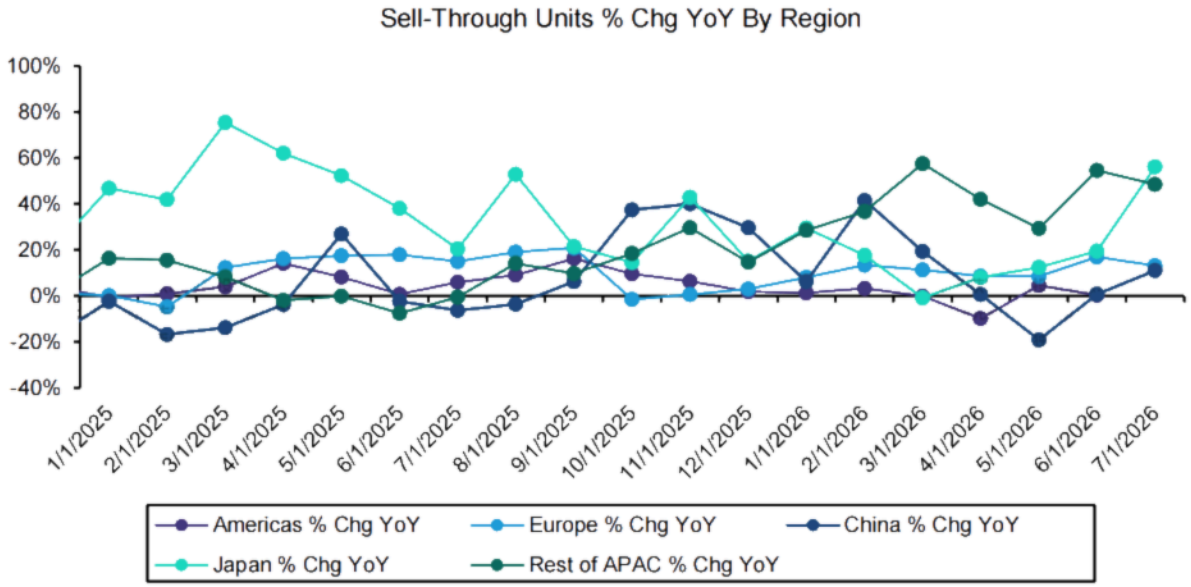
Source: Counterpoint, Bernstein analysis

EXHIBIT 4: **ASP % Change YoY By Region**



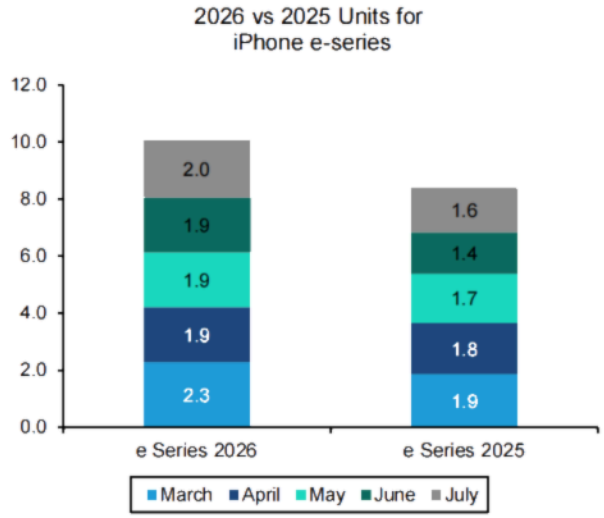
Source: Counterpoint, Bernstein analysis

EXHIBIT 5: **Sell-thru units % chg by region**



Source: Counterpoint, Bernstein analysis

EXHIBIT 6: **The iPhone e-series (iPhone 17e+iPhone 16e) has higher total units in 2026 than in 2025**



Source: Counterpoint, Bernstein analysis

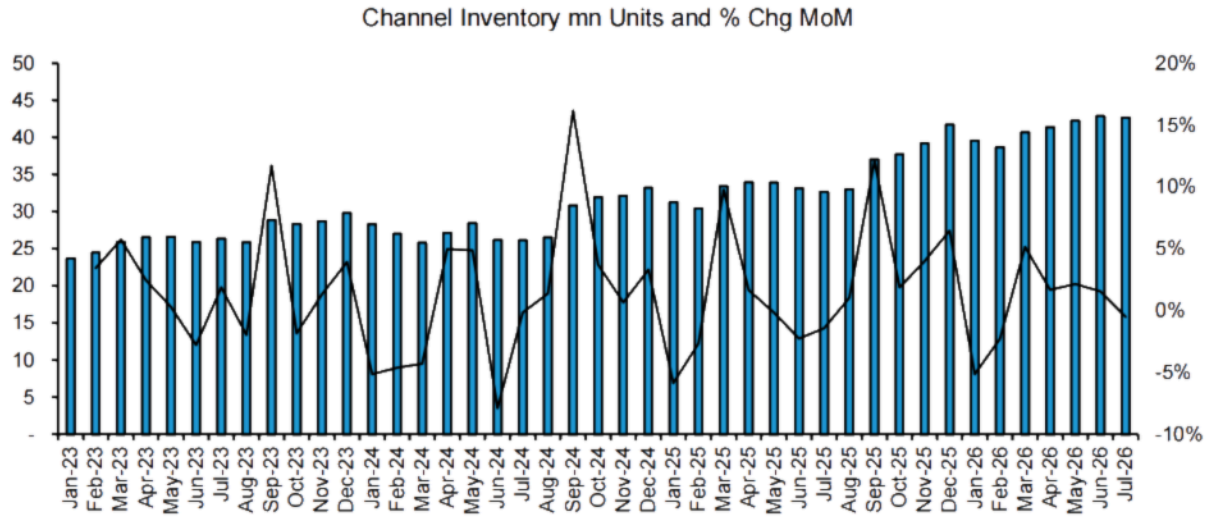
2. CHANNEL INVENTORY REDUCING BUT SLIGHTLY ELEVATED

- **Sell-in vs sell-through: Global iPhone sell-in and sell-through units both showed robust growth YoY in July,** with sell-through units at 17.5mn during the month, growing 14% yoy, slightly above sell-in units at 17.3mn (growing 15% yoy), reflecting continued strong iPhone 17 cycle. On a MoM basis, sell-through units declined 3% MoM and sell-in units declined 7% MoM (Exhibit 7-Exhibit 9)

- **As a result, inventory units decreased MoM due to stronger sell-through than sell-in levels:** Sequentially, iPhone inventory units declined MoM by ~1% to 42.7mn in July, compared to 42.9mn in June.

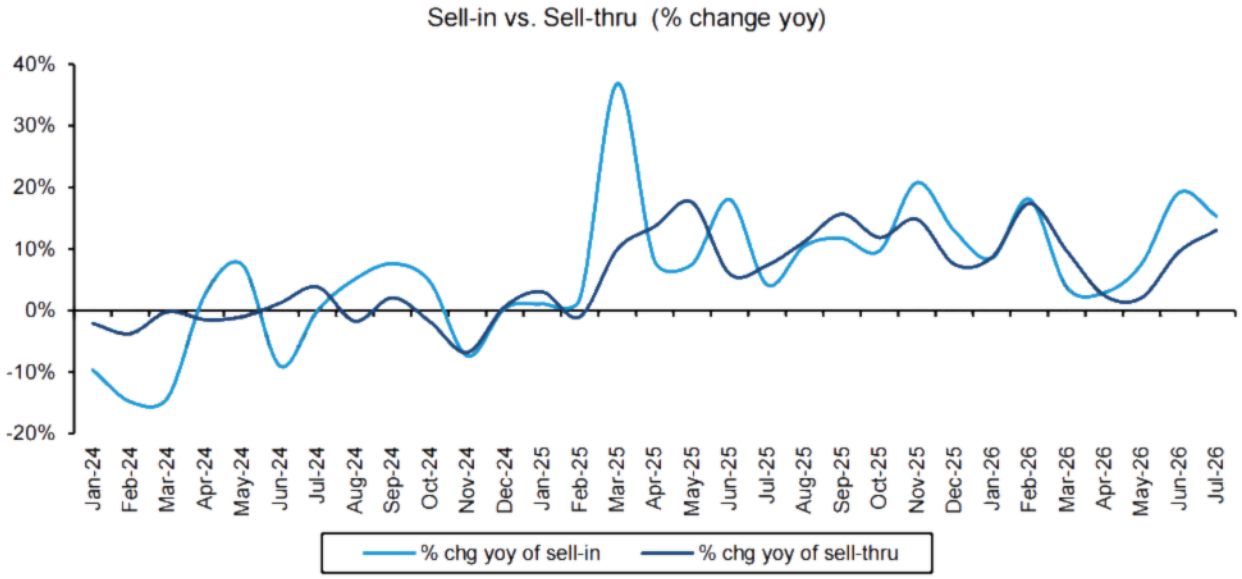
- **Inventory weeks grew to 10.6x sequentially in July from 10.3x in June** (Exhibit 10) driven by lower sell-through units partially offset by lower inventory level. The MoM decline in sell-through units is partly driven by post 618 normalization in China.

EXHIBIT 7: **Channel Inventory mn Units**



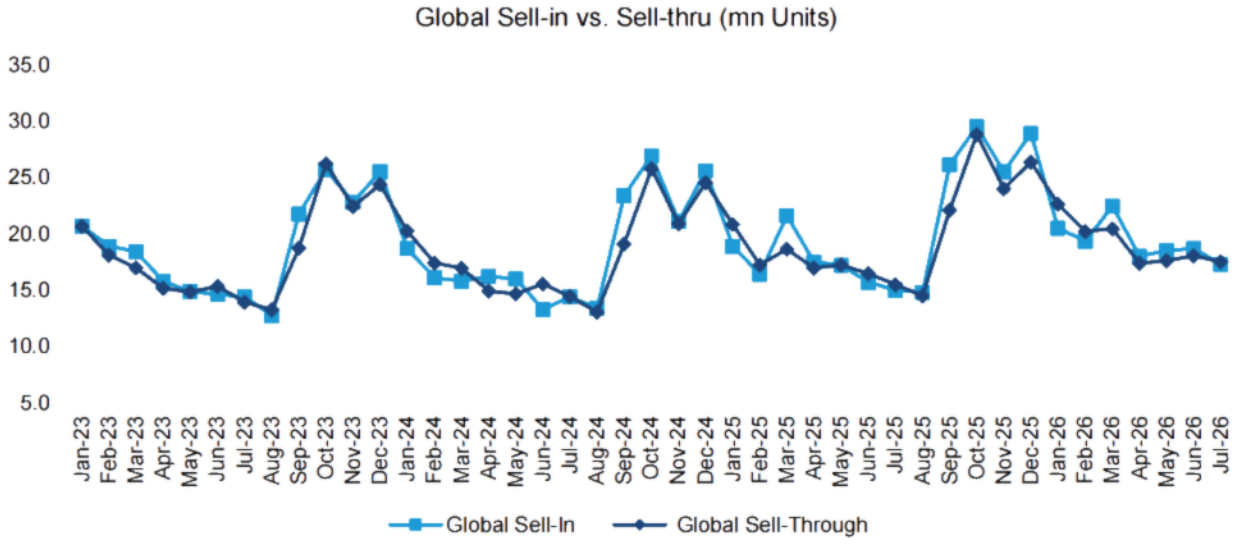
Source: Counterpoint, Bernstein analysis

EXHIBIT 8: **Global Sell-in vs Sell-thru (mn Units)**



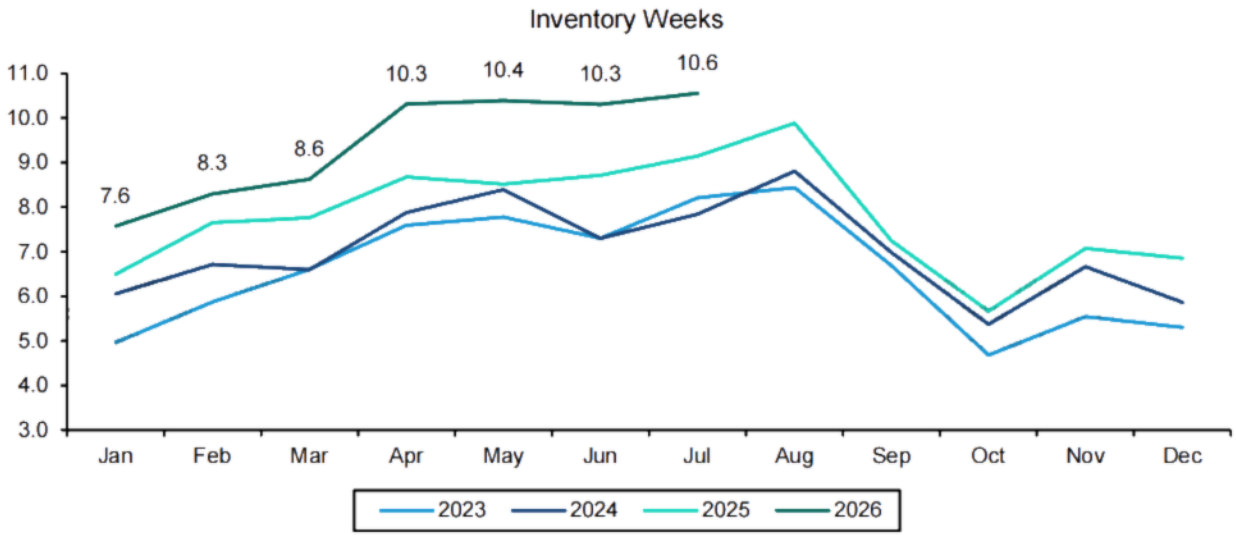
Source: Counterpoint, Bernstein analysis

EXHIBIT 9: **Global Sell-in vs. Sell-thru Units (in mn)**



Source: Counterpoint, Bernstein analysis

EXHIBIT 10: **Inventory Weeks**



Source: Counterpoint, Bernstein analysis

3: FOUNDRY & MEMORY - POSITIVE FOR DEMAND AND CONTENT

FOUNDRY

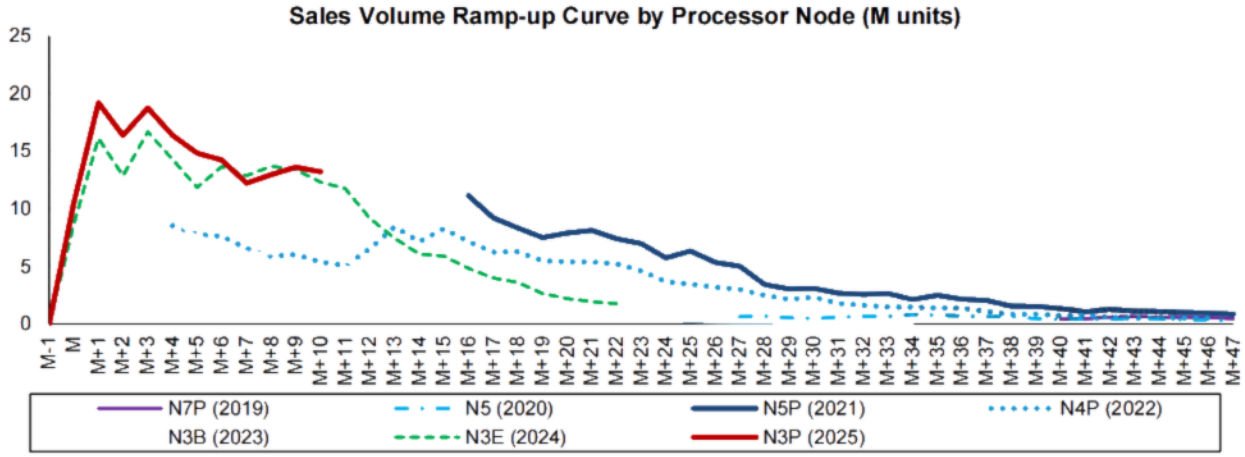
Exhibit 11 summarizes how monthly iPhone sales volume changed over years, and more importantly for TSMC how this volume changed for the process nodes used by iPhones. The "M" on the x-axis denotes the month when a main node first entered the market but possible enhancements over the main node (e.g. N5P in 2021 & N4 in 2022 over N5 in 2020) are also distinguished by their respective launch years, so that investors can get an idea how the momentum in each year differed from in prior years. Generally, sales volume experienced a significant surge in the first quarter following the initial delivery, then gradually declined eventually to below 1M units per month over c. 4 years. When a processor node or its variants was used across multiple iPhone generations, sales volume often saw a resurgence later. For instance, the 2022 N5 variant (i.e. N4P) was introduced first with the iPhone 14 Pro & Pro Max in Sept. 2022, and then used again in the iPhone 15 & 15 Plus released in Sept. 2023, and that resulted in a reversal of the declining trend 12 months after the initial launch (M+12).

Zooming to iPhone 17, we first find that the new iPhone 17 series & iPhone Air are all built on the same generation of N3 node (reportedly N3P). This is hence most comparable to 2024 when all iPhone 16 models launched in late 2024 were all on the generation (reportedly N3E) prior to N3P. Comparing these two cycles, iPhone 17's volume initially fared better than iPhone 16's at the same stage, but iPhone 17e weaker than 16e has made the two cycles about the same in recent months.

Exhibit 12 presents a similar comparison of iPhone sales trends, but broken down by mobile processor. "M" on the x-axis again denotes the month when each processor was first released & delivered with a or multiple product(s). It also shows that thanks to the robust momentum of iPhone 17, A19 Pro has achieved higher shipment vs. its predecessors. The volume of the low-end version A19 however has been dragged by less successful iPhone 17e despite partial mitigation from a stronger iPhone 17 Standard. And it is this weaker low-end shipment that made the N3P cycle similar to the N3E one in the past several months.

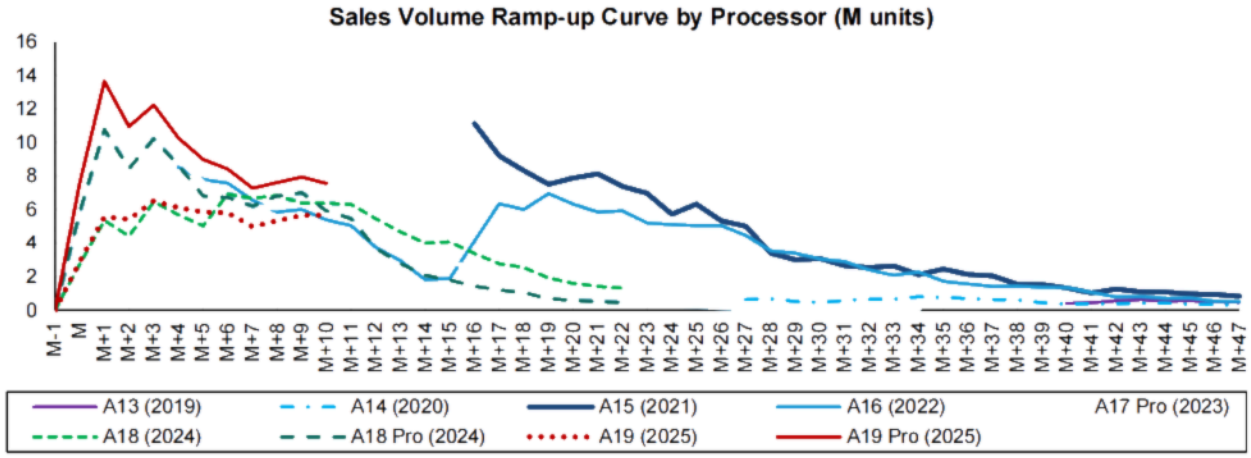
Over the past months, we have observed signs of improving customer traction at both Samsung Foundry and Intel Foundry, largely driven by tight supply of TSMC's leading-edge capacity. While TSMC's supply constraints may encourage some customers to diversify, we believe the competitive threat remains limited. TSMC is on track for A16 (1.6nm) volume production in 4Q26. In contrast, Samsung has delayed the mass production of its first sub-2nm node (i.e. 1.4nm) from 2027 to 2029 (**link**), implying a technology lag of roughly 2-3 years vs. TSMC. Given TSMC's technology leadership, proven execution and larger manufacturing scale, we do not expect Samsung's or Intel's potential foundry wins to impact TSMC's revenue outlook, as demand for TSMC's leading-edge nodes continues to exceed available supply and should readily absorb any capacity freed up by customers.

EXHIBIT 11: **Weak sales performance of iPhone 17e has made the shipment of N3P simlar to that of N3E lately.**



Source: Counterpoint, Bernstein Analysis and Estimates

EXHIBIT 12: **A similar comparison on iPhone mobile processors shows that the weakness mainly came from A19, while A19 Pro for Pro SKUs remained resilient.**



Source: Counterpoint, Bernstein Analysis and Estimates

EXHIBIT 13: **Summary of iPhone processors and their respective technology node**

Model	First Delivery Time (YYYY-MM-DD)	Processor	Node
iPhone 17e	2026-03-11	A19	N3P
iPhone 17 Pro Max	2025-09-19	A19 Pro	N3P
iPhone 17 Pro	2025-09-19	A19 Pro	N3P
iPhone Air	2025-09-19	A19 Pro	N3P
iPhone 17	2025-09-19	A19	N3P
iPhone 16e	2025-02-28	A18	N3E
iPhone 16 Pro Max	2024-09-20	A18 Pro	N3E
iPhone 16 Pro	2024-09-20	A18 Pro	N3E
iPhone 16 Plus	2024-09-20	A18	N3E
iPhone 16	2024-09-20	A18	N3E
iPhone 15 Pro Max	2023-09-22	A17 Pro	N3B
iPhone 15 Pro	2023-09-22	A17 Pro	N3B
iPhone 15 Plus	2023-09-22	A16	N4P
iPhone 15	2023-09-22	A16	N4P
iPhone 14 Pro Max	2022-09-16	A16	N4P
iPhone 14 Pro	2022-09-16	A16	N4P
iPhone 14 Plus	2022-10-07	A15	N5P
iPhone 14	2022-09-16	A15	N5P
iPhone SE 2022	2022-03-18	A15	N5P
iPhone 13 Pro Max	2021-09-24	A15	N5P
iPhone 13 Pro	2021-09-24	A15	N5P
iPhone 13	2021-09-24	A15	N5P
iPhone 13 Mini	2021-09-24	A15	N5P
iPhone 12 Pro Max	2020-11-13	A14	N5
iPhone 12 Pro	2020-10-23	A14	N5
iPhone 12	2020-10-23	A14	N5
iPhone 12 Mini	2020-11-13	A14	N5
iPhone SE 2020	2020-04-24	A13	N7P
iPhone 11 Pro Max	2019-09-20	A13	N7P
iPhone 11 Pro	2019-09-20	A13	N7P
iPhone 11	2019-09-20	A13	N7P

Source: Company websites, Bernstein analysis

MEMORY

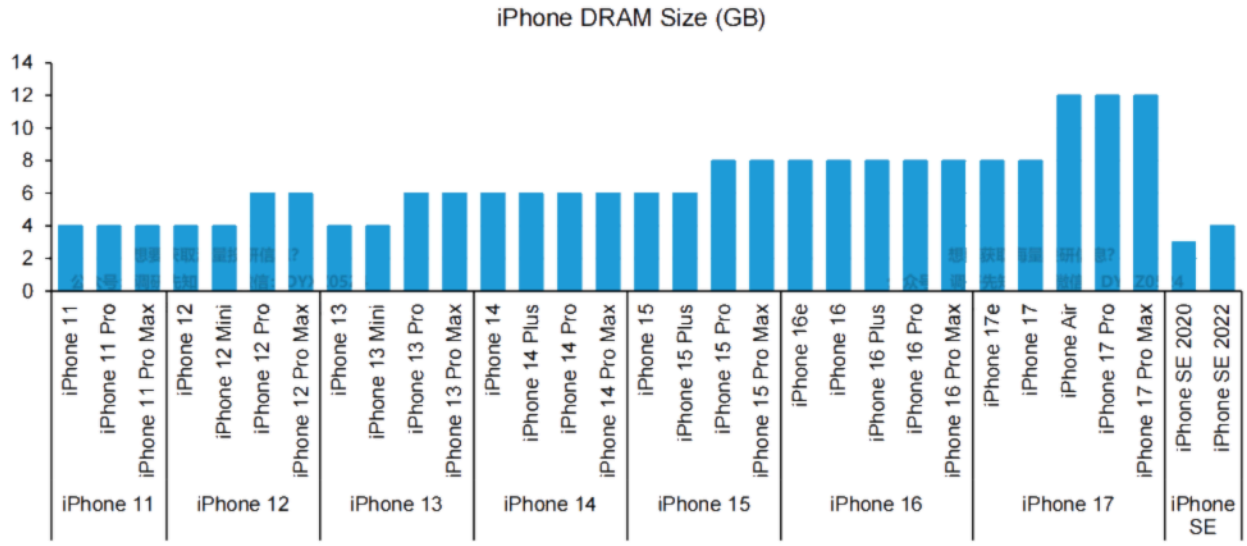
Exhibit 14 summarizes the DRAM size of all iPhone models since iPhone 11, including 8GB of iPhone 17e that Apple launched not long ago. Likely with the need to support on-device AI, Apple appears to be adding DRAM content at an accelerating pace and we will monitor closely if this trend will be affected the recent memory price increase. Starting from the launch of iPhone 17 series in September 2025, the portion of iPhones shipped with 12GB DRAM increased quickly to nearly 50% of the total iPhone shipment (Exhibit 15), driving the full-year average content in 2025 to rise 20% YoY to 8.4GB. On monthly basis, the average content per iPhone rose above 9GB starting late 2025 too.

Coming to July this year, the mix of 12GB models fell a bit to 43% of the overall iPhone shipment, and remained a bit lower than levels prior to Feb, due to the inclusion of iPhone 17e in the mix starting Mar. Models with 8GB+ DRAM was unchanged MoM at 96% of the total shipment. The average DRAM content was at 9.6GB, also down slightly vs 9.7GB in Jun though YoY growth stayed at 27% (Exhibit 16). Average DRAM content in 2026 YTD was 9.6GB, also up 27% YoY. However starting from Sep this year, the high base from Sep 2025 may make the YoY growth rate moderate. Beyond that, we also wonder whether the high memory price will affect memory content increase.

We currently forecast~8% DRAM content growth for all smartphones, slower than 2025, despite higher mix from premium segment as mid to low-end unit volume is expected to shrink due to memory shortage and price hike. As discussed above iPhone year-to-date has achieved more content growth YoY, but we will monitor if this better growth will be affected by the memory price surge.

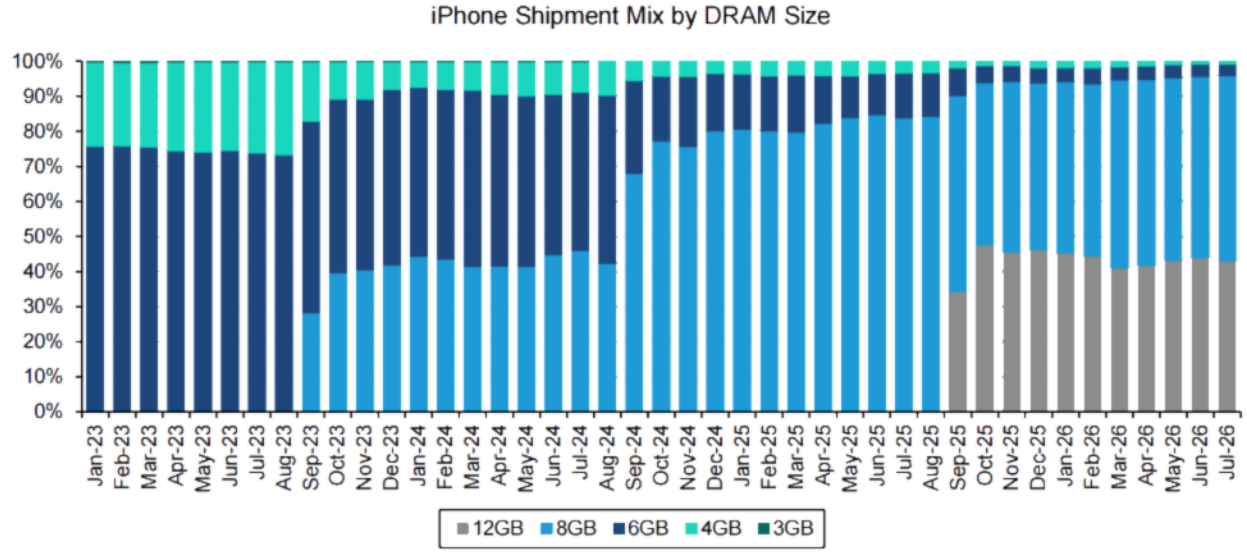
What's perhaps more relevant now is how smartphone demand may be impacted due to price increase as a result of memory cost increase. YTD, iPhone shipment YoY growth remained very robust with Jan-Jul up 9% YoY. We believe the memory cost has exerted considerable pressure on many smartphone OEMs, which have significantly reduced their unit shipment. However, we believe iPhone should be more resilient, in light of its high profitability to absorb cost increases, and should be the least impacted.

EXHIBIT 14: **Most of iPhone 17 models feature 12GB DRAM vs. 8GB for iPhone 16 series, likely to better support on-device AI.**



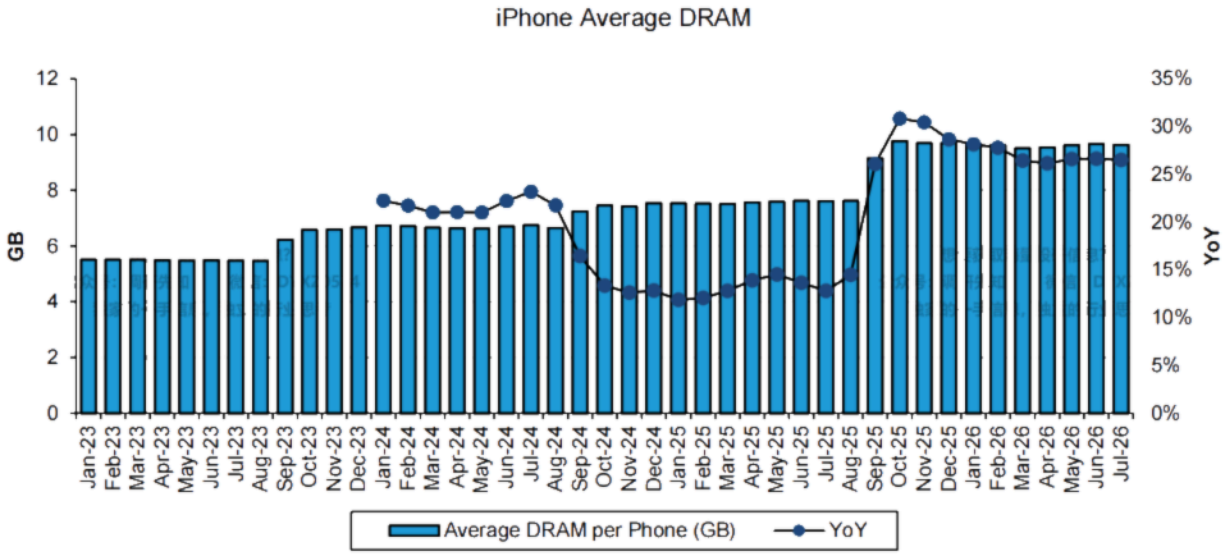
Source: iFixit, GSMArena and Bernstein analysis

EXHIBIT 15: **iPhone models with 12GB DRAM retreated slightly MoM to 43% of the overall shipment.**



Source: Counterpoint, iFixit and Bernstein analysis

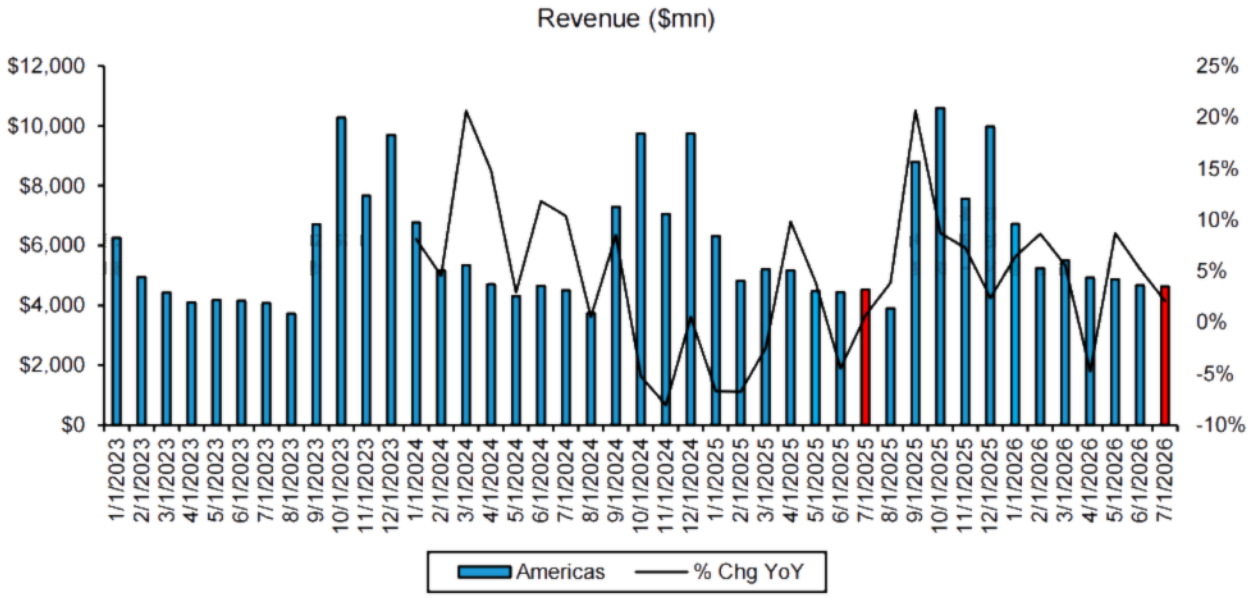
EXHIBIT 16: **The average DRAM content per phone also dropped slightly MoM to 9.6GB in July, but still up meaningfully YoY by 27%.**

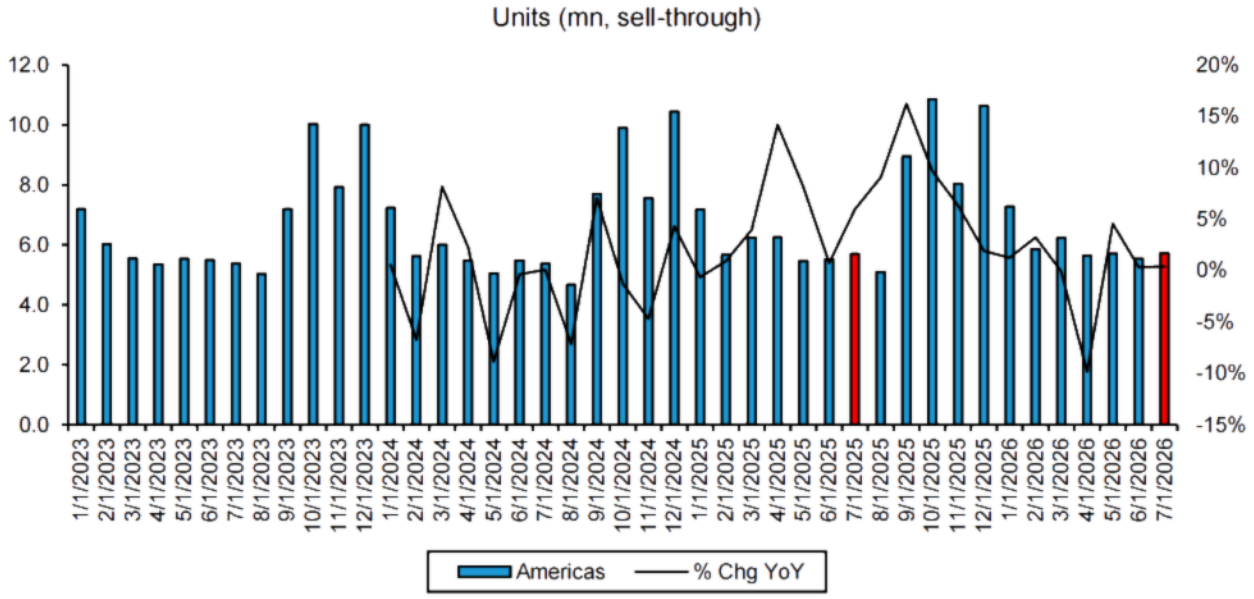


Source: Counterpoint, iFixit and Bernstein analysis

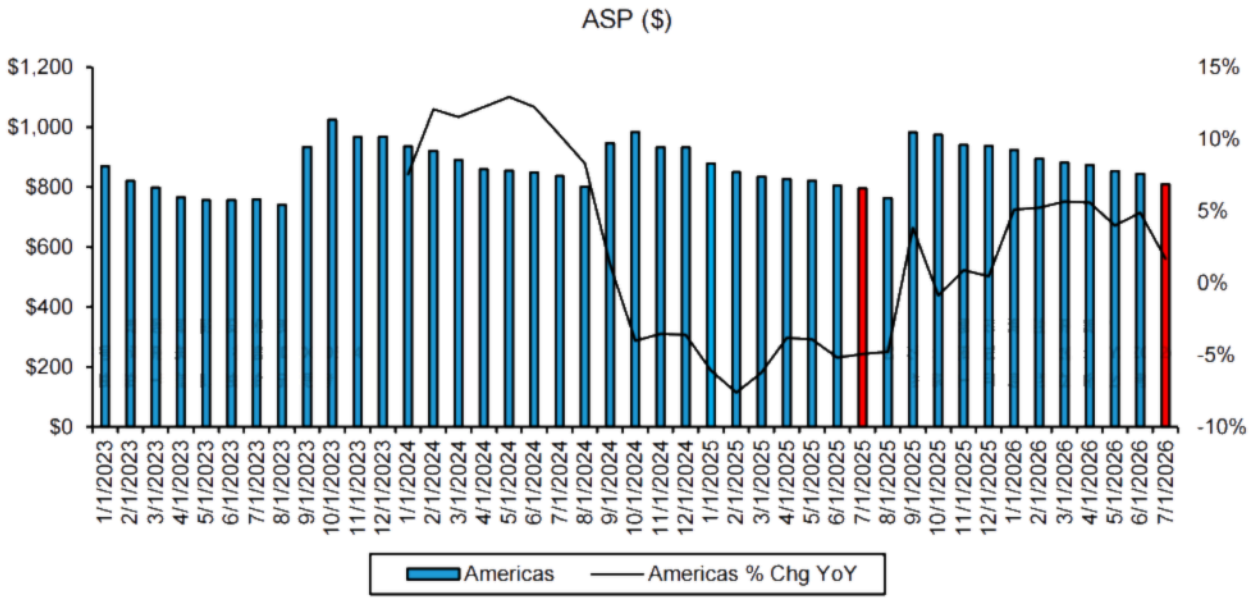
4. IPHONE DEMAND BY REGION

EXHIBIT 17: **Americas iPhone total revenue, units and ASP**



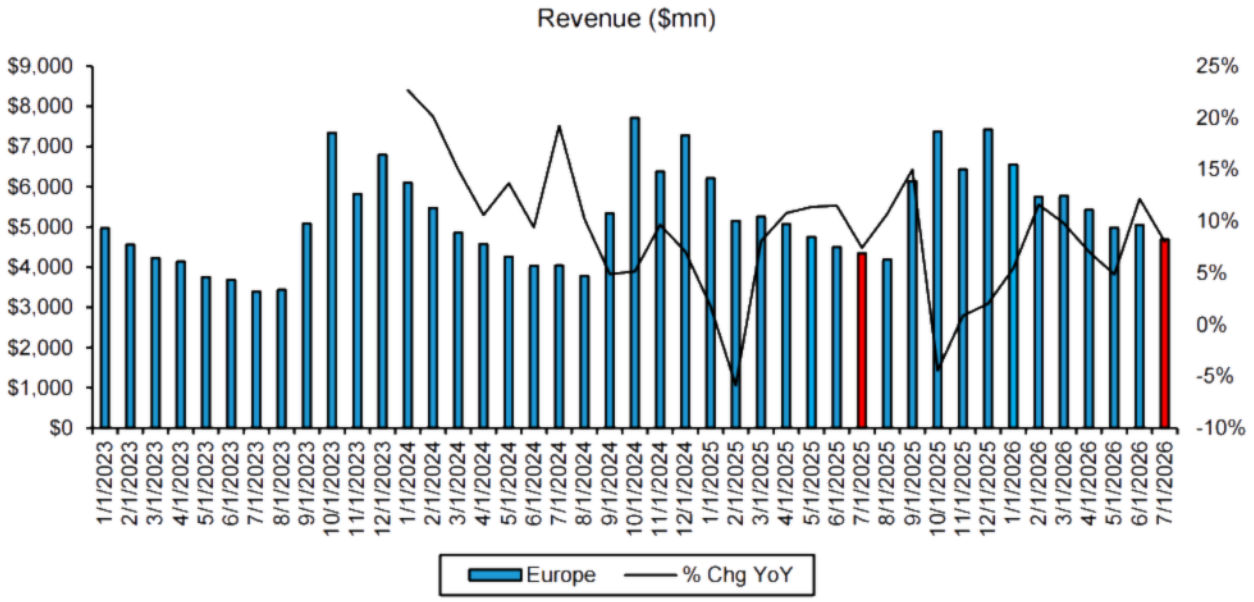


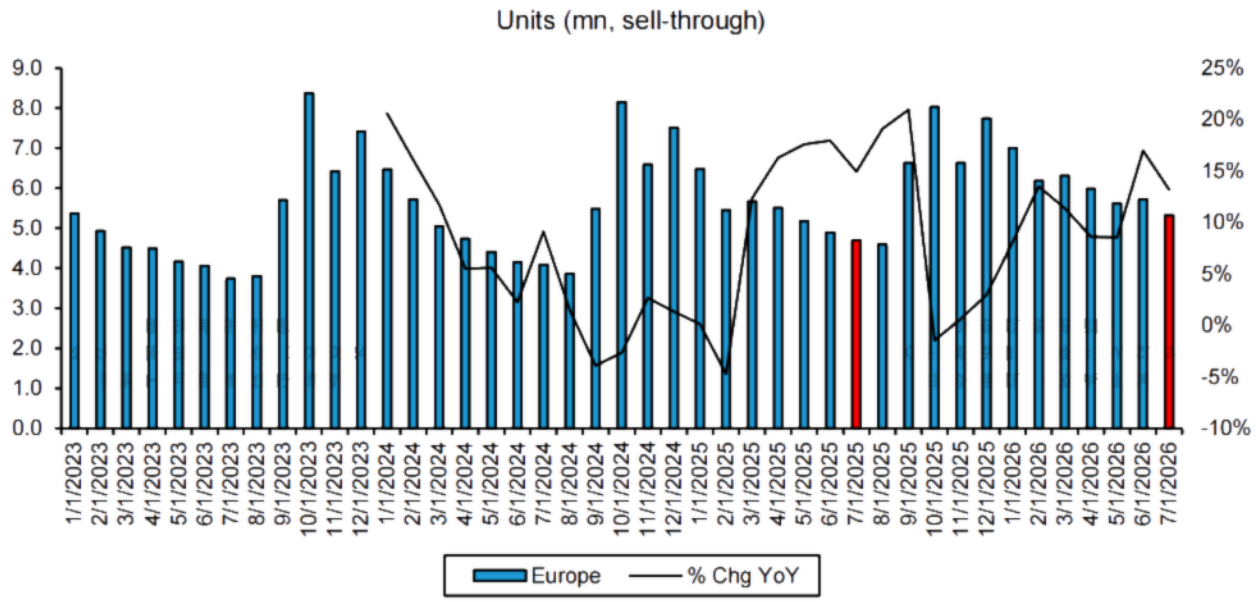
人在草木间

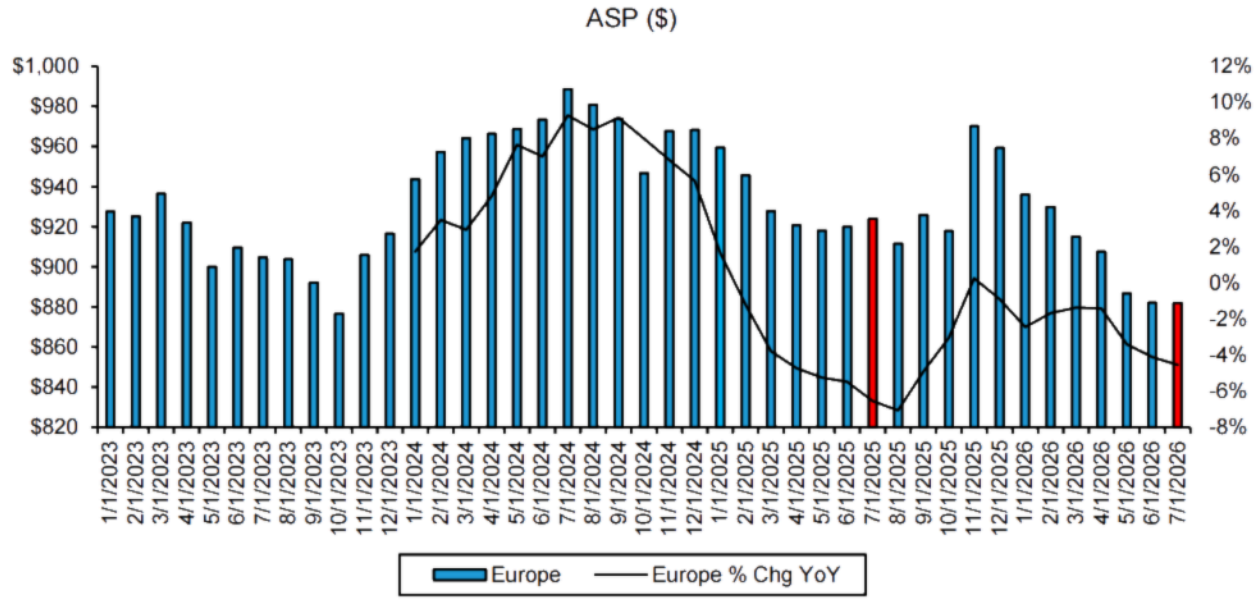


Source: Counterpoint, Bernstein Analysis

EXHIBIT 18: **Europe iPhone revenue, units and ASP**

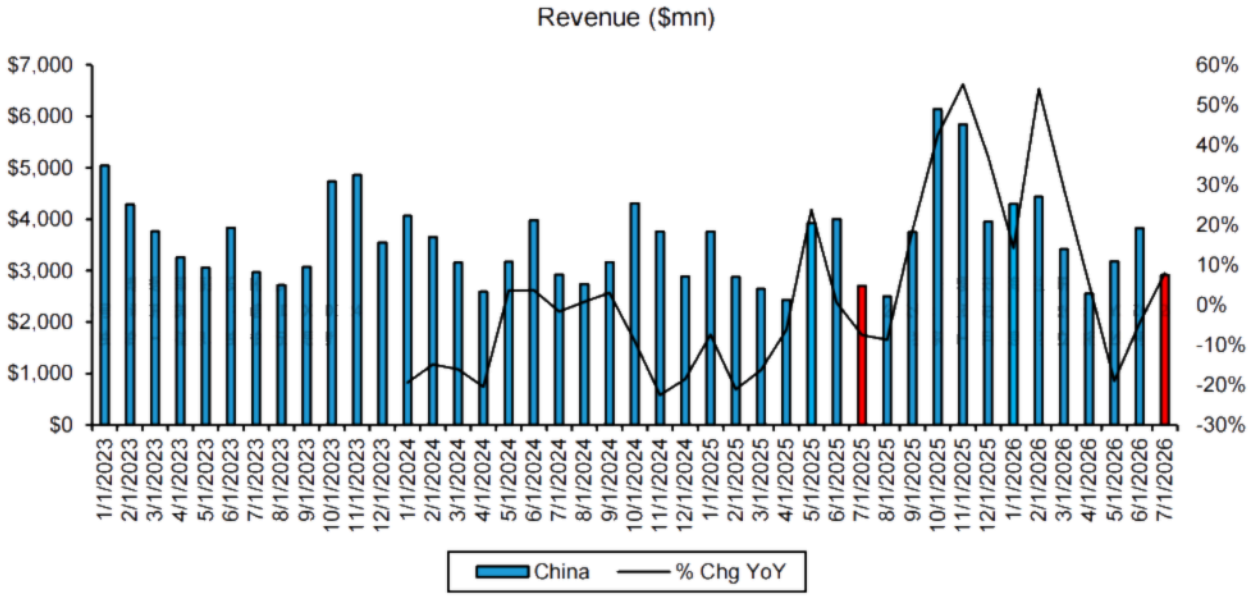


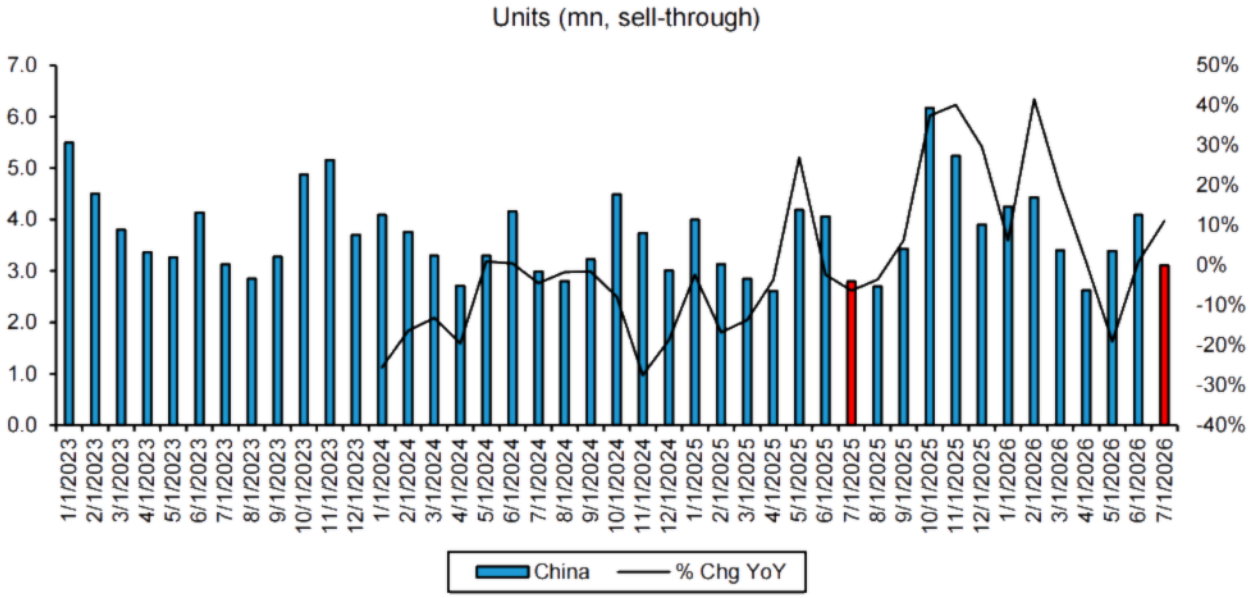


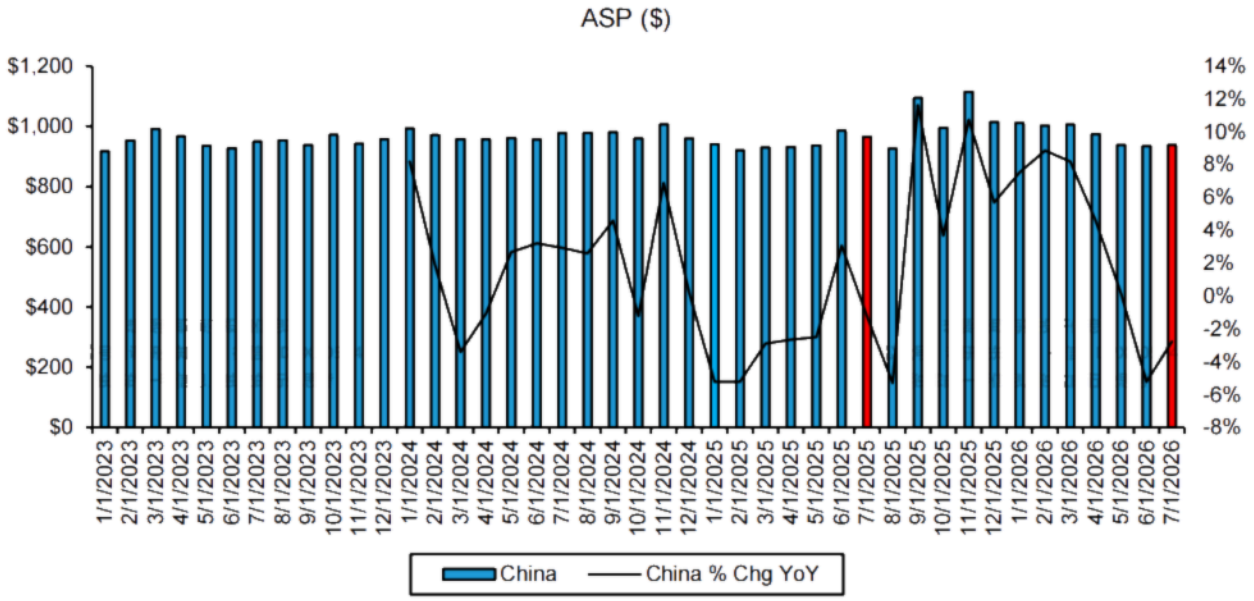


Source: Counterpoint, Bernstein Analysis

EXHIBIT 19: **China iPhone revenue, units and ASP**

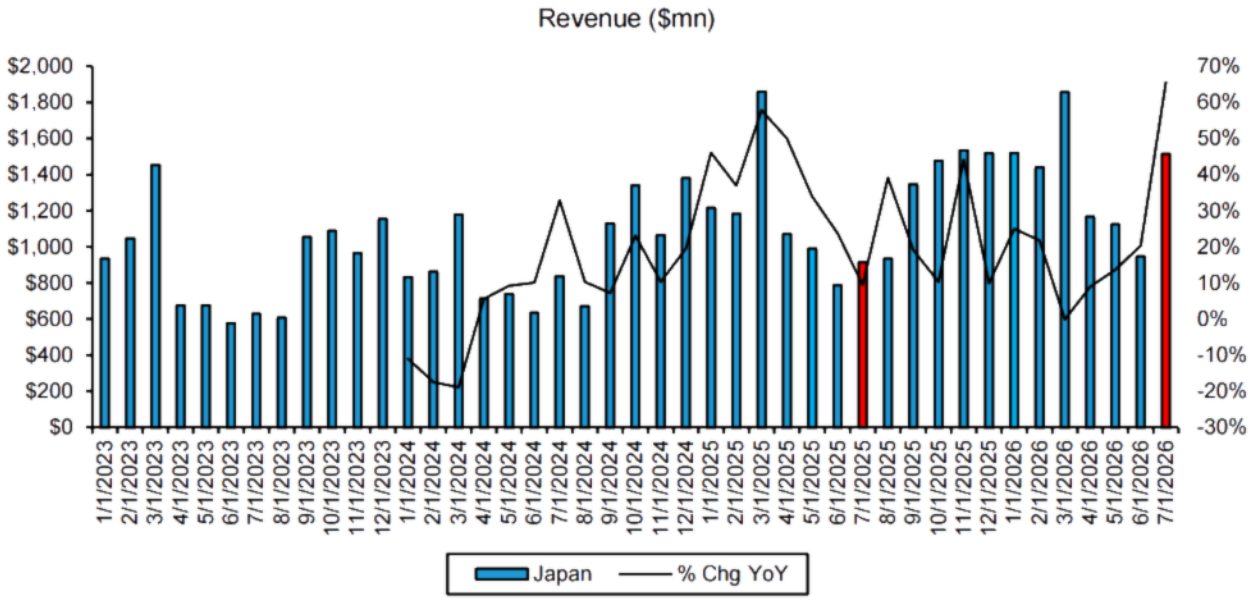


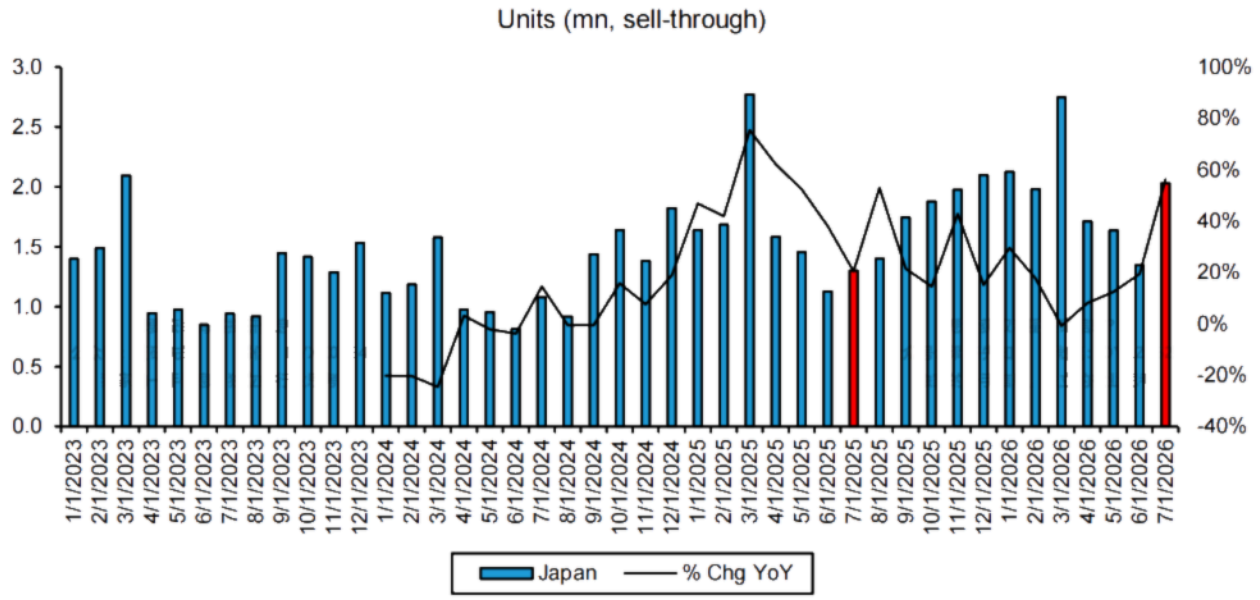


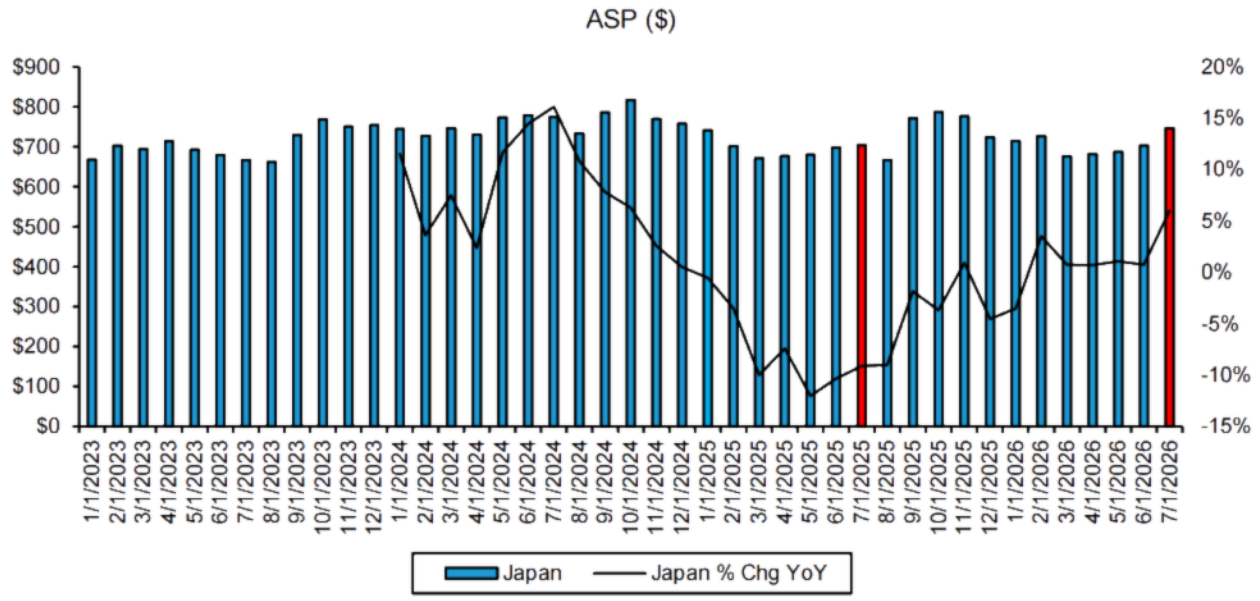


Source: Counterpoint, Bernstein Analysis

EXHIBIT 20: **Japan iPhone revenue, units, ASP**

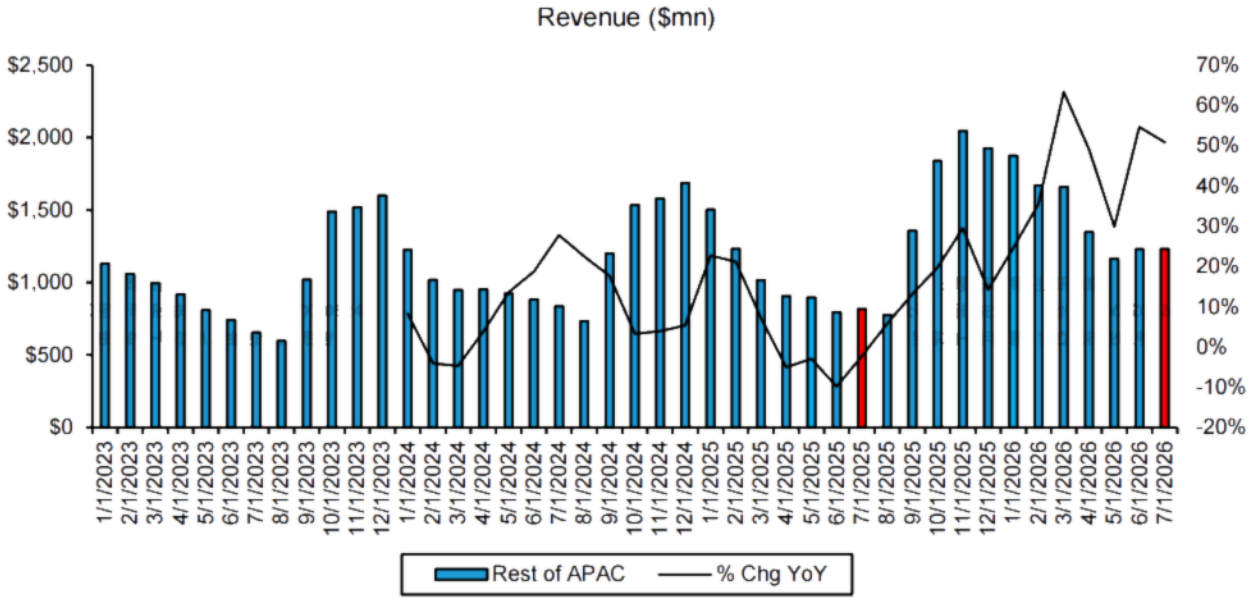


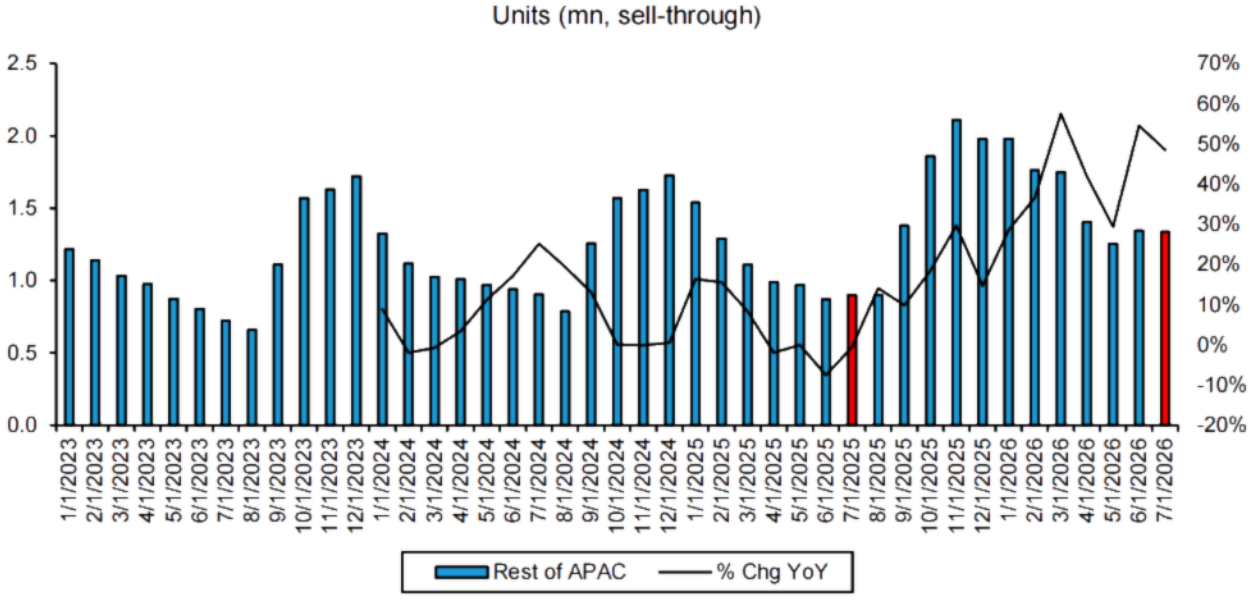


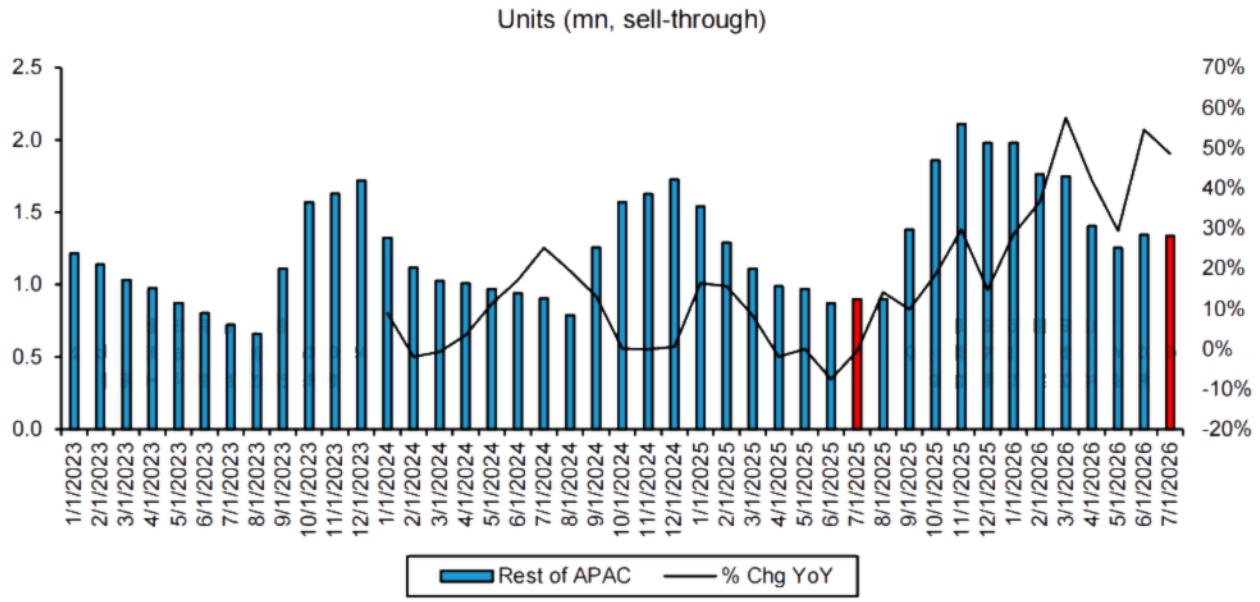


Source: Counterpoint, Bernstein Analysis

EXHIBIT 21: **Rest of APAC iPhone revenue, units, ASP**







Source: Counterpoint, Bernstein Analysis