

Q3 Could Have Been Worse

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iSuppli's estimates PC shipments actually reported healthy growth over Q3 2007, up 12-14%. Intel warns that business conditions may worsen and that demand for its chips may take a hit because of global economic conditions.

"...There could be a number of follow-on effects from the credit crisis on Intel's business, including insolvency of key suppliers resulting in product delays; inability of customers to obtain credit to finance purchases of our products and/or customer insolvencies," Intel wrote in a Wall Street filing.

A recession normally works backwards: when retailers read the economy and forecast less inventory need, they cut orders. The first actual loss affects the component makers who are taking advance orders and then in the bounce-back wave comes back to hit the market and the real recession starts.

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