

Grok on Apple Inc AAPL under CEO Timothy Cook

Grok's Prompt:

I asked the I Ching about Apple under Tim Cook for his 2nd assignment. The Oracle gave it a negative Hexagram Conflict. It is very negative as it is a solid Conflict with no moving lines to modify it. I have known about it for a few months, and I have kept away from investing in Apple.

But now there is an interesting analysis from Polly Agrawal on Cook's mistakes mainly by abandoning research and innovation, the pillars of Steve Jobs managerial style.

Please prepare an analysis for my readers, most of whom are investors, based on the Oracles reading below and Polly Agrawal's comments.

Grok's Answer:

Analysis: Apple Inc. (AAPL) Under CEO Tim Cook – Oracle's Warning Meets Modern Critique

As an investor-focused review, this analysis draws on the I Ching's Hexagram 06 (Sung - Conflict), which you consulted regarding Tim Cook's "second assignment" at Apple, and Polly Agrawal's recent thread critiquing Cook's leadership.

The oracle's solid conflict without moving lines suggests unyielding tensions, while Agrawal highlights a shift from innovation to financial prioritization, potentially eroding Apple's long-term edge. With Apple's market cap at approximately \$3.42 trillion as of mid-August 2025 and shares up 13% in a single week earlier this month, we'll examine if these signals point to caution or opportunity. Data is current through August 20, 2025.

Interpreting the I Ching: A Forecast of Internal Strife

Hexagram 06 depicts heaven (upward strength) clashing with water (downward danger and cunning), symbolizing inevitable conflict from opposing forces. Key judgments include:

- Sincerity obstructed, advising a "cautious halt halfway" for good fortune but warning against pushing to the end.
- Avoiding "crossing the great water" – no bold, risky ventures without unity.
- Seeking an impartial "great man" to resolve disputes amicably.

Applied to Apple under Cook, this evokes a core tension: the creative legacy of Steve Jobs (heaven's innovation) versus operational guile (water's financial maneuvers). No moving lines imply rigidity – no easy resolutions. You've avoided investing based on this, and it aligns with critiques of perpetuated enmity: innovation stifled by shareholder demands, weakening Apple's ability to conquer external threats like AI competition. The

image urges careful beginnings; if rights and duties (e.g., R&D vs. buybacks) aren't harmonized early, conflict escalates.

Polly Agrawal's Critique: From Product Pioneer to Finance Firm

Agrawal's August 19, 2025, thread argues Cook abandoned Jobs' product-first ethos for "greed," prioritizing dividends and buybacks over innovation.

Key points:

- Financial Shift: Jobs rejected Buffett's advice on dividends/buybacks in 2010, focusing on enterprise value. Cook initiated them in 2012, spending \$80B initially (vs. \$45B planned). By 2024, Apple led with \$110B in buybacks, while rivals like Amazon (\$85B), Google (\$45B), and Meta (\$39B) outspent on R&D.
- Innovation Erosion: Design chief Jony Ive's influence waned; Cook visited studios monthly vs. Jobs' daily. Products stagnated (e.g., similar iPhones 2014-2017), replaced by price hikes (average iPhone from \$657 in 2016 to \$974 in 2024).
- AI Lag: Siri pioneered in 2011 but lagged (62% accuracy vs. Google's 90% by 2017). In 2023, a \$10B GPU request for AI catch-up was denied for "efficiency," while \$77B went to buybacks. Result: \$1.1T market cap drop in four months (to third place behind Nvidia/Microsoft).
- Outcome: Cook grew market cap 10x but "destroyed innovation," per Agrawal. Apple Intelligence? "Marketing fluff."

This resonates on X, with users comparing Apple to Boeing's decline under financial engineering and noting Cook's rejection of AI infrastructure upgrades. Critics argue this short-termism undermines long-term prospects, echoing the oracle's warning of perpetuated enmity.

Current Reality: Recovery Signs Amid Lingering Concerns

Apple's fiscal Q3 2025 (ended June 28) showed resilience: revenue up 5% YoY to \$85.8B, services at a record \$24.2B, and EPS of \$1.40.

Stock rose to ~\$229, gaining \$394B in market cap over three days in early August.

Cook's White House visit (exempting products from tariffs) boosted sentiment.

On AI/innovation:

- Cook vows to "win" in AI, calling it "one of the most profound technologies." Plans include lifelike Siri (2026 launch), robots, and home security cams. Apple is "ready to open its wallet," with \$600B U.S. commitment including 19B chips.
- Positive X views praise Cook's operations: revenue quadrupled to ~\$400B since 2011, stock up 12x, services/moat strengthened. He's seen as an executor complementing Jobs' vision.
- But lags persist: AI features delayed to 2025-2026, and critics note revenue stagnation in hardware, reliance on services/pricing.

Metric	Apple (2024/2025)	Peers (e.g., Amazon/Google/Meta)
Stock Buybacks	\$110B (2024)	Lower; e.g., Meta ~\$39B R&D
R&D Spend	~\$30B (est. FY2024)	Amazon \$85B, Google \$45B
Market Cap Growth (Cook Era)	10x (to \$3.42T)	Varied; Nvidia surged on AI
Revenue Growth (Q3 2025 YoY)	+5%	Tech peers often 10-20%+
AI Readiness	Lagging (Siri rebuild ongoing)	Leading (e.g., ChatGPT integration)

Sources: Agrawal thread, company reports, peer comparisons.

Investor Implications: Heed the Conflict or Bet on Turnaround?

The oracle's negativity – unmodifiable conflict – substantiates Agrawal's view: Cook's finance focus created opposing tendencies (shareholders vs. products), risking Apple's moat. Jobs warned this "poison" erodes both.

Evidence: AI denial in 2023 led to 2024's \$1.1T wipeout, and X sentiment warns of "Boeing 2.0."

At 35x P/E,

AAPL trades as a premium bond proxy, vulnerable if innovation falters.

Yet, positives exist: Cook's track record (revenue 4x, hires +100K, hits like AirPods) and AI pivot could resolve tensions. If he acts as the "great man" – unifying forces via spending – fortune follows a "halt halfway." Recent gains suggest momentum, but oracle advises caution on big bets (e.g., no "crossing" into overvalued positions).

Recommendation: Align with your oracle avoidance – hold off on new positions until AI deliverables (Q1 2026). For holders, trim if conflict intensifies (e.g., missed earnings).

Diversify into AI leaders like Nvidia. Substantiated by data, this isn't doom; it's a call for vigilance in a rigid hexagram.

Disclaimer: Grok is not a financial adviser; please consult one.

Apple's Cook mistakes

Polly Agrawal

<https://x.com/PollyA36379/status/1957768221660262758>

Apple just lost more money in 4 months than most countries make in a year.
\$1.1 trillion gone because Tim Cook made the exact decision Steve Jobs refused to make for 14 years.

Warren Buffett called it brilliant. Jobs called it poison.

How Apple's greed is finally backfiring

Apple was the world's most valuable company from 2011 to 2023.

Today? They're third behind Nvidia and Microsoft.

In just 4 months, their value dropped 28%.

That's \$1.1 trillion gone.

But this disaster started in 2011.

When Steve Jobs stepped down, he told Tim Cook something crucial:

"Don't ask, 'what Steve would do' ... just do what's right"

Jobs believed great products created great stock prices.

Cook believed the opposite.

The shift was immediate.

In 2010, Jobs had \$27 billion in cash and no idea what to do with it.

Warren Buffett gave him three options: acquisitions, dividends, or stock buybacks.

Jobs refused dividends and buybacks entirely.

His reasoning?

"Our goal is to increase enterprise value."

Jobs wanted to strengthen Apple, not reward shareholders.

But in 2012, 6 months after becoming CEO, Cook did exactly what Jobs refused.

First dividend program. First stock buyback.

Initially \$45 billion planned. They spent \$80 billion instead.

Warren Buffett noticed.

Buffett famously avoided tech companies, saying "If there's lots of technology, we won't understand it."

But he invested \$1 billion in Cook's Apple.

Never invested a penny under Jobs.

This revealed everything about Apple's transformation.

They'd become a finance company.

The culture shift was brutal for Apple's design team.

Jobs visited the design studio daily. Cook? Once a month.

Chief Design Officer Jonathan Ive lost all power.

When developing Apple Watch, Ive wanted a \$25 million fashion show.

Finance team called it "unnecessary."

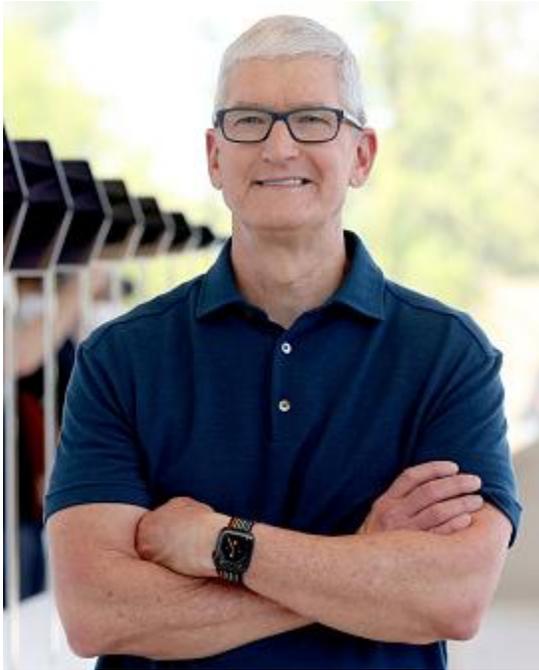
For the first time ever, Ive's ideas faced resistance from finance executives.

Cook appeared to side with them.

Ive complained to colleagues calling board members as "another one of those accounts."

He started working from home and showing up late.
Innovation was dying.
The proof was in the products.
iPhone 6, 6s, 7, and 8 looked nearly identical from 2014 to 2017.
But Cook found a new way to grow revenue: price hikes.
iPhone stayed \$650 for 7 years under Jobs.
Cook changed that forever.
iPhone X launched at \$1,000 in 2017.
A 30% price increase from the previous model.
By 2023, the most expensive iPhone hit \$1,200.
Even Apple's "budget" model jumped 40% this year.
Average iPhone price: \$657 in 2016, \$974 in 2024.
But the real disaster came with AI.
Apple pioneered voice assistants with Siri in 2011.
By 2017, Siri had 62% accuracy. Google Assistant had 90%.
When ChatGPT launched in 2022, Apple was years behind.
Their AI team knew what they needed.
In 2023, Apple's AI team requested 50,000 new GPU chips to catch up.
Cost: \$10 billion.
Cook approved it. The finance team killed it.
Their reasoning? "Make existing chips more efficient."
Meanwhile, Apple spent \$77 billion on stock buybacks that same year.
The priorities were crystal clear.
Apple led the world in stock buybacks: \$110 billion in 2024.
• But Amazon spent \$85 billion on R&D.
• Google spent \$45 billion.
• Meta spent \$39 billion.
All have better AI than Apple.
Jobs feared exactly this scenario.
Apple's \$1.1 trillion loss proves Steve Jobs was right about one thing:
When you prioritize shareholders over products, you eventually lose both.
Cook grew Apple market cap 10x, but he destroyed innovation.
A company that once modernized industries now can't even finish Siri.
That's a wrap!
Apple Intelligence was pure marketing fluff - rebranding basic features as "AI breakthrough."
I miss when Apple products actually changed how we lived, not just how much we spent.
Now it's premium pricing for yesterday's innovation.

Apple Inc AAPL under CEO Timothy Cook



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2		H	T	T		3	2	2		7
1		H	H	T		3	3	2		8

HEXAGRAM 06 – Sung - Conflict

Above CH'IEN THE CREATIVE, HEAVEN
 Below K'AN THE ABYSMAL, WATER

1. The upper trigram, whose image is heaven, has an upward movement; the lower trigram, water, in accordance with its nature, tends downward. Thus the two halves **move away** from each other, giving rise to the idea of **conflict**.
2. The attribute of the Creative is **strength** that of the abysmal is danger, **guile**.
Where cunning has force before it, there is conflict.
3. A third indication of **conflict**, in terms of character, is presented by the combination of

deep **cunning** within and
fixed **determination** outwardly.
A person of this character will certainly be quarrelsome.

THE JUDGMENT

CONFLICT.

- You are sincere And
- are being obstructed.

A **cautious halt** halfway brings good fortune.

Going through to the end brings misfortune.

It furthers one to see the great man.

It does not further one to cross the great water.

Conflict develops when one

- feels himself to be in the right and
- runs into opposition.

If one **is not** convinced of being in the right, opposition leads

- to craftiness or high-handed encroachment but
- not to open conflict.

If a man is entangled in a conflict,
his only salvation lies in being so

- clear-headed and
- inwardly strong

that he is always ready to **come to terms by meeting** the opponent halfway.

To carry on the conflict to the bitter end has evil effects even when one is in the right,

because the enmity is then perpetuated.

It is important to see the great man,

that is, an **impartial man** whose authority is great enough to

- terminate the conflict amicably or
- assure a just decision.

In times of strife, crossing the great water is to be **avoided**, that is,
dangerous enterprises are not to be begun,
because in order to be successful they require concerted unity of forces.

Conflict within weakens the power to conquer danger without.

THE IMAGE

Heaven and water go their opposite ways: The image of Conflict.

Thus in all his transactions the superior man

Carefully considers the beginning.

The image indicates that

the causes of conflict are **latent** in the opposing tendencies of the two trigram.

Once these opposing tendencies **appear**, conflict is inevitable.

To avoid it, therefore, everything must be taken carefully into consideration in the very beginning.

- If rights and duties are exactly defined, or
- if, in a group, the spiritual trends of the individuals harmonize, the cause of conflict is removed in advance.