Apple Suppliers Shunned as GT Bankruptcy Sparks Selloff

The bankruptcy of GT Advanced Technologies Inc. wiped out 92 percent of its value in a single day last month, leading to a loss in investor confidence in Apple Inc. suppliers and vendors.

Bloomberg reports that shares of 21 companies that get at least 20 percent of their revenue from Apple have fallen 2.8 percent since the Oct. 6 bankruptcy filing by GT Advanced, which had a contract with the iPhone maker to supply synthetic sapphire that was never used in its devices.

“At the heart of the concerns are agreements between GT Advanced and Apple, including a $578 million loan, that the supplier said caused its bankruptcy,” Bloomberg reports.

The case is shining a spotlight on contracts between technology companies and their suppliers, details of which aren’t typically disclosed in securities filings.

Read the story.