

# [***Forbes Daily: Apple s Outrageously Powerful AI Chip In New IPads***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:6C0B-B9J1-DXVP-501N-00000-00&context=1516831)

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**Highlight:** TikTok challenges possible ban in court; Reddit's strong quarterly earnings; Biden condemns antisemitism on college campuses; the best day to book plane tickets; and more

**Body**

**This is a published version of the Forbes Daily newsletter, you can sign-up to get Forbes Daily in your inbox here.**

Good morning,

How many times have you beencharged for a subscription you forgot to cancel? You re far from alone. A 2017 study found that 35% of Americans are **paying for subscriptions without realizing it.**

The subscription economy is here to stay, but even when you try to get rid of a subscription to save some money, many companies require you to cancel over the phone or otherwise make the process arduous. In March 2023, the FTC proposed a rule it dubbed click to cancel that would make it just as easy to cancel a subscription as it is to sign up, but businesses have pushed back against the cost.

But relying on revenue from customers who simply forget about their membership should not be a business model.

**FIRST UP**

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CFOTO/Future Publishing via Getty Images

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TikTokfiled a lawsuit Tuesday challenging a new billrequiring its China-based owner ByteDance to sell the app or face a ban in the U.S., claiming the law likely violates the First Amendment. The company argued **there is no choice except for TikTok to be banned in the U.S.**, suggesting a 270-day timeline for ByteDance s required divestment is simply not possible: not commercially, not technologically, not legally.

**MORE:**In its suit, TikTok argues that its rivals, including the parent companies of YouTube and Instagram, have the**same problems the U.S. government claims it s found with TikTok**. Plus, TikTok pointed to the fact that the Biden campaign and members of Congress continue to use the platform as ammunition to show that the app s supposed national security risks are moot.

Chime, the largest digital bank in America, wasfined $3.25 million by the Consumer Financial Protection Bureaufor **long delays in getting customers their refunds**after their accounts were closed, sometimes involuntarily. Chime took longer than 90 days to issue refund checks in thousands of instances, according to the consent order that Chime has entered into with the CFPB.

**BUSINESS + FINANCE**

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Reddit CEO Steve Huffman, center, rings the opening bell at Reddit's March IPO.

Photo by Spencer Platt/Getty Images

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Reddit sdebut quarterly results since going public in Marchwere stronger than expected,**leading the social media company s stock to skyrocket**15%. Its shares hovered at what would be their richest level since Reddit s first week of trading and more than 50% its $40 ticker in mid-April.

Shares ofPeloton spiked 15% Tuesday morning, the company s best day on Wall Street in over four months, following a report that a group of private equity firms are considering a buyout of the**company that has been floundering since its pandemic-era boom**. The company s share price skyrocketed in the early months of the Covid-19 pandemic, as gyms and wellness centers were shuttered, but investors slowly started losing faith in the company, which saw slumping sales, multiple rounds of layoffs and several recalls.

**TECH + INNOVATION**

Apple s new line of iPad Pros will include a processor thecompany claims is an outrageously powerful chip for AI, as the tech giant laid the groundwork for **long-anticipated generative AI features across its products**, though it did not offer specifics about potential AI features that could be built into Apple tech. Investors are concerned the iPhone maker is falling behind in the race to harness the new technology, and its stock has been trending downward of late.

U.S. officials have reportedlyrevoked export licenses that allowed U.S. chip makers Intel and Qualcommto supply semiconductors to Huawei, in the Biden administration s latest effort to clamp down on the Chinese smartphone and telecom equipment giant. Over the past few years, advanced **semiconductors have emerged as a key diplomatic battleground** between the U.S. and China, which has put companies like Huawei in the crosshair of sanctions.

**MONEY + *POLITICS***

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Columbia University students participate in a pro-Palestinian encampment.

Photo by Stephanie Keith/Getty Images

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PresidentJoe Biden condemned a ferocious surge of antisemitism on college campuses during a speech at a Holocaust remembrance ceremony in Washington, reiterating his ironclad **commitment to Israel and the safety of the Jewish people.** Biden s speech coincided with letters sent by the Department of Education on Tuesday to every school district and college in the country outlining examples of antisemitic discrimination that could lead to investigations under Title VI of the Civil Rights Act.

A judgepostponed former President Donald Trump s classified documents caseindefinitely on Tuesday, a win for Trump, who**has sought to delay all four of his criminal trials** past the November election. U.S. District Judge Aileen Cannon cited the need to fully and fairly consider the case s pre-trial motions, preparations and matters linked to the Classified Information Procedures Act, which ensures protection of classified information in indicted cases.

TheBiden administration paused a shipment of arms to Israellast week due to**concerns about an imminent full-scale invasion of Rafah** the city in southern Gaza where more than 1.2 million civilians have taken refuge despite strong international pushback. The affected shipment included 1,800 2,000-pound bombs and 1,700 500-pound bombs, unnamed senior Biden administration officials told several outlets.

**SPORTS + ENTERTAINMENT**

Disney sharestanked Tuesday after delivering a fairly strong earnings report,**reflecting the arduous task facing CEO Bob Iger**and company to return the Hollywood behemoth to its glory days. One key bright spot: Disney reported a $47 million quarterly operating profit for its Hulu and Disney+ streaming services, a massive turnaround from the 2023 comparable period s $587 million loss.

**DAILY COVER STORY**

**Warner Bros May Lose The NBA But Its Stock Is Still A Buy. Here s Why.**

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ILLUSTRATION BY PHILIP SMITH FOR FORBES

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**TOPLINE** There are plenty of reasons to doubt Warner Bros. Discovery.

The media giant, formed in 2022 from a merger between AT&T s WarnerMedia and Discovery, initially boasted a market capitalization matching the deal s $43 billion price tag.

But since then, **its shares have languished**, with market capitalization plunging to just $18 billion, largely due to what Wells Fargo analyst Steven Cahall called post-merger growing pains after its second-quarter earnings announcement last year. And things have gotten even worse.

In the first four months of this year, Warner Bros. Discovery shares are down 30%. Like other traditional media and entertainment companies, WBD is facing a weak advertising market, the rise of so-called cord cutting and the high costs of making new shows and movies. There are also concerns over Warner s ability to retain NBA broadcasting rights. On top of all of that, investors are upset about CEO David Zaslav s lavish pay. He was awarded a 27% raise in 2023, bringing his annual compensation to $49.7 million the second highest among major media execs behind Netflix s Ted Sarandos.

But cut through the negative chatter and you will find that**Warner Bros. Discovery s financial statements are stronger than they ve been** in years. Its free cash flow defined as the amount of cash a company has left after paying for operating expenses and capital expenditures has soared from $2.4 billion the year before the merger to more than $6 billion in 2023. With the stock languishing, its free cash flow yield per share of 30% is now the highest among S&P 500 companies.

Seaport Research Partners senior analyst David Joyce and others think investors should consider Warner Discovery s cash flow in addition to its earnings per share. This less-followed metric tells investors how much cash a company has left for paying down debt, buying back shares, or paying out dividends without having to borrow more money or dip into reserves.

In fact, a 2017 study in the Financial Analysts Journal found that cash flows are more predictive of future stock returns than earnings.

**WHY IT MATTERS**  Investors **typically favor earnings despite their potential for creative accounting**, whereas free cash flow remains a truer reflection of financial health, says **Forbes**senior reporter Brandon Kochkodin. Warner Bros. Discovery is advocating for a focus on its free cash flow, yet faces resistance in changing market perceptions. Nevertheless, for value investors, this focus might reveal the company as an undiscovered gem a belief that billionaire Seth Klarman seems to endorse.

**MORE** Why The Wolves Of Wall Street Are Turning Back To IPOs

**FACTS AND COMMENTS**

The American Cancer Society on Tuesdaylaunched a massive study meant to examine how racism, health history and lifestylecan impact the **long-term health and cancer outcomes of Black women in the U.S.**Black people are underrepresented in many modern-day medical studies as a result of historically being victims of medical research abuse:

**100,000:** The number of women the study, Voices of Black Women, will follow between the ages of 25 and 55

**30 years:** The length of time that participants will be studied to examine how demographic-specific factors affect their risk of developing or dying from cancer

**40%:** How much more likely it is for Black women to die of breast cancer than their white counterparts

**STRATEGY AND SUCCESS**

The idea of thefour-day workweek is building momentum, as**trials of shorter workweeks have proven successful**. In addition to positive impacts to employee well-being, a four-day week can also make employees feel more supported and therefore more productive, with fewer employees experiencing burnout during one study. Friday afternoon is already the lowest point for employee productivity, which has led many companies to institute flex Fridays or no meeting Fridays.

**VIDEO**

https://www.forbes.com/video/8208577d-68b1-4722-aeb0-fb333d352ccb/

**QUIZ**

The day of the week you book a plane ticket can make a big difference on the price. According to a new study, which of the following **is the worst day**to book a cheap ticket?

A. Monday

B. Wednesday

C. Friday

D. Saturday

Check your answer.

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