Coronavirus is an increasingly dark cloud over Apple.

TF International Securities analyst Ming-Chi Kuo said this week that Apple may have iPhone production problems in China. Apple's main iPhone 11 production facility in Zhengzhou was supposed to reopen this week, but it was delayed at least a week over continued coronavirus fears.

Meanwhile, Apple said this week that it would only reopen five of its stores in China. Around 35 other stores across the country are still closed, with no word on when they'll reopen.
Also this week, the Federal Trade Commission (FTC) said it wants to review acquisitions that several tech giants, including Apple, have made in recent years. And in a worrisome report, security firm Malwarebytes said malware threats are increasingly targeting Mac users.

Coronavirus impact

Coronavirus, which has infected tens of thousands of people globally, is affecting iPhone production in a big way, TF International Securities analyst Ming-Chi Kuo said this week. He told investors that Apple manufacturing partner Foxconn was planning to reopen a plant in Zhengzhou this month, but was forced to delay it because of coronavirus fears. Pegatron, another Apple manufacturing partner, was able to open its iPhone 11 production facility in Shanghai earlier this month, but has delayed the reopening of another iPhone manufacturing facility in Kushan. It's still unclear when Apple's China production will return to full capacity.

What about iPhone 12?

Apple has stopped sending engineers to China to work on the company's next iPhone, supply chain site Digitimes reported this week. However, the site's sources said that Apple's next iPhone, which could be known as iPhone 12, will still be introduced on time later this year. The site noted that Apple will begin iPhone 12 production in the summer, and as long as coronavirus is under control by then, Apple should be able to produce enough devices.

Foxconn responds

Coronavirus has significantly affected Foxconn, which is expected to be operating at 50% capacity by the end of February, and 80% capacity by the end of March, Reuters reported this week. In a statement, Foxconn called the Reuters claim "not factual," but it didn't say what its current and future production capacity would be. The company's comment spawned more questions than answers about the broader impact that coronavirus is having on Foxconn's business.

An eye on Apple Store

Apple shut down its China retail stores in response to Coronavirus earlier this month and said they would all reopen on February 10. However, Apple said this week that...
only five stores have reopened, and they would operate with reduced hours from 11 a.m. to 6 p.m. local time. Apple didn't say when its other China stores would open.

HomePod still trails Echo, Home

Apple is still behind its top competitors in the smart speaker market, researcher Strategy Analytics said this week. Apple shipped 2.6 million HomePod speakers in the fourth quarter, earning the company just 4.7% market share. Amazon shipped 15.8 million Echo devices during the period, giving it the top spot with 28.3% market share. Google's slate of Home devices had 13.9 million shipments and a 24.9% market share. Several Chinese companies, including Baidu, Alibaba, and Xiaomi, made up the rest of the field.

FTC looks at Apple acquisitions

The FTC is investigating acquisitions by major tech companies, including Apple, Facebook, and Microsoft, made from 2010 to 2019. In a statement, FTC chairman Joe Simons said the inquiry will allow the agency to "evaluate whether the federal agencies are getting adequate notice of transactions that might harm competition." The FTC will only look at acquisitions the companies made that were too small to be reported to regulators.

Mac malware is growing

Apple's Mac is becoming a bigger target for hackers, security firm Malwarebytes said this week in its 2020 State of Malware Report. Malwarebytes found 11 malware threats per Mac device, compared to 5.8 threats per Windows machine. Most of the threats facing Mac users are adware programs that bombard users with annoying ads. In its report, Malwarebytes said it's time for Mac users to "finally get serious" about their security.

One more thing...

For the first time ever, Amazon has topped Apple in a study measuring how strong of a connection customers have with top brands. The study, which was released this week by branding agency MBLM, found that Amazon has the strongest "brand intimacy" of any major company, topping Disney and Apple, which landed in the second and third spots, respectively. Brand intimacy, a measure of consumers' emotional
connection to a company, matters because companies with stronger emotional bonds with customers generate more revenue and profits than those with less of a bond. You can read more about it here.

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