J.P.Morgan

ASIA PACIFIC EQUITY RESEARCH

TAIWAN FIRST TO MARKET

24 JULY 2026

Top Stories

Taiwan: June IP strength paves way for a stronger 2H *(Tingting Ge)*

IP surged 4.6%m/m sa in June, with growth broadening across both tech and non-tech sectors.

This reinforces the signal from strong import growth, pointing to decent capex amid the AI upcycle.

Unimicron *(Jerry Tsai)* (3037 TT, OW)

We are 25% above consensus in 2027, but still see substantial upside

Looking beyond like-for-like price hikes. For months, investors have focused on the chatter of price hikes which adjust prices for ongoing products. We believe that going forward, seeking price adjustments for ongoing products won't be the priority for Unimicron, which will instead focus on securing/solidifying market share for new leading edge substrate projects, which are entering new realms in terms of size and layer counts. Keep in mind, such an approach could allow Unimicron to out-grow its peers which are typically more vocal on price hikes, as the unit area ASPs for these new products are rising even faster than periodical adjustments of like-for-like pricing, due to the rapidly rising specs that can be met by a very limited number of suppliers. We expect per unit area ASP to at least match that for 2022 (the peak of the last cycle; during which super-hot run fees were more common) with potential upside of 30% or even more vs. our updated assumptions, which already result in 25% higher earnings for 2027 vs. consensus.

Asian Tech *(Gokul Hariharan)*

Key takeaways from TXN 2Q26 results

Key takeaways from Texas Instruments' 2Q26 earnings for Asia Tech are as follows: **Industrial demand continues to pick up (partly driven by DC spillover), but is still ~5–6 ppts below the 2022 peak:** We see this as positive for mature-node foundries such as VIS and PSMC, which are already running at tight capacity.

Servers *(Albert Hung)*

Read-through from Google's Jun-26 earnings

Alphabet (OW, covered by J.P. Morgan US Internet Analyst Doug Anmuth) reported Jun-Q earnings before the Asia market open today. The key implications for the Asian tech supply chain are as follows:

Google

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Google’s Jun-Q Capex was US$45bn (+26% QoQ, +100% YoY), in line with market expectations. Server spending comprised 60% of the Capex while the remaining 40% of spending was for datacenter build-out and networking equipment. We believe CSPs have been increasing the server spending mix in total Capex given their recent Capex raise driven by the component cost hikes.

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Price Target and Estimate Changes

Unimicron *(Jerry Tsai)* (3037 TT, OW, PT NT$1,150.00)

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Sector Research

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Economics

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Key Rating, Price Target, Estimate & DPS Changes

Price Target Changes

Company	Rating	Price Target New	Price Target Old
Increases			
Unimicron	OW	NT$1,150.00	NT$734.00

EPS Estimate Changes

Company	Current FY	Next FY
Increases		
Unimicron	+25.5%	+56.6%

DPS Estimate Changes

Company	Current FY	Next FY
Decreases		
Unimicron	-3.8%	

Source: J.P. Morgan estimates.
Note: EPS Changes > +/- 1%. DPS Changes > +/- 1%. Numbers and companies above may differ from the corresponding numbers or companies in the individual notes inside the FTM

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