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UPDATE

October 14, 2026 09:00 PM GMT

Greater China Technology Hardware | Asia Pacific

Monthly Databook: Sep-26 Shipments -2% vs. MSe; Lowering 4Qe by 3%

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GREATER CHINA TECHNOLOGY HARDWARE
Asia Pacific
Industry View **In-Line**

Key Takeaways

- Top five ODMs' September 2026 NB shipments were 9.7M units (+32% m/m, -20% y/y), 2% below our estimate.
- Total 3Q26 NB builds came in at 25.2M (-17% q/q, -26% y/y).
- We see October 2026 NB builds at 6.8M units (-30% m/m, -33% y/y).
- We lower our 4Q26 NB build estimate by 3% to 23.1M units (-8% q/q, -29% y/y).
- Our top five ODMs' CY26 NB build estimate is ~107.8M units (-16% y/y).

Overall September ODM NB shipments came in 2% below MSe: Quarter-end pull-ins drove notebook shipments up 32% m/m, although volumes were 2% below MSe, with weakness mainly coming from Wistron and Compal, and to a lesser extent, Pegatron, reflecting slower NB shipments from Dell, as Dell accounted for ~60% of Compal's NB shipment, and ~55% of Wistron's in CY25, on our estimates. **Thus total 3Q NB builds came in at 25.2M units (-17% q/q, -26% y/y).** This sequential decline is sub-seasonal vs. the 15Y average seasonality of +5% q/q in 3Q.

Pull-forward demand appears to have come to an end, channel partners and distributors have stocked up on inventory, and OEMs are slowing their sales into the channel. We believe this is why our conversations with the ODMs suggest a slightly weaker 4Q volume outlook than previously expected, despite favorable mix shift. Thus, **we lower our 4Q NB build estimate by 3% to 23.1M (-8% q/q, -29% y/y)**. This sequential decline is sub-seasonal (despite an already lowered base in 3Q) vs. the 15Y average seasonality of flat q/q in 4Q. We forecast October NB builds at 6.8M (-30% m/m, -33% y/y). **Our revised forecasts imply CY26 builds of ~107.8M units (-16% y/y) for the top five Taiwan NB ODMs.**

Exhibit 1: Monthly NB shipments for top five NB ODMs

Shipment (unit: k)	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Sep-26E	Diff.	Oct-26E
Quanta	2,700	2,000	5,300	3,500	3,500	4,500	2,800	2,600	4,200	3,600	17%	2,500
Wistron	1,700	1,600	2,800	1,800	1,700	2,000	1,600	1,400	1,500	1,700	-12%	1,200
Others	1,700	1,500	2,200	1,500	1,500	2,400	1,600	1,500	1,800	1,700	6%	1,300
Compal	1,600	1,500	2,800	1,800	2,000	2,400	1,800	1,400	1,700	2,300	-26%	1,400
Pegatron	700	425	675	525	575	650	400	425	460	575	-20%	375
Total	8,400	7,025	13,775	9,125	9,275	11,950	8,200	7,325	9,660	9,875	-2%	6,775
MoM %												
Quanta	-31%	-26%	165%	-34%	0%	29%	-38%	-7%	62%	38%		-40%
Wistron	-35%	-6%	75%	-36%	-6%	18%	-20%	-13%	7%	21%		-20%
Others	-15%	-12%	47%	-32%	0%	60%	-33%	-6%	20%	13%		-28%
Compal	-33%	-6%	87%	-36%	11%	20%	-25%	-22%	21%	64%		-18%
Pegatron	-24%	-39%	59%	-22%	10%	13%	-38%	6%	8%	35%		-18%
Total	-29%	-16%	96%	-34%	2%	29%	-31%	-11%	32%	35%		-30%
YoY%												
Quanta	-4%	-35%	8%	6%	-8%	-10%	-30%	-37%	-9%	-22%		-29%
Wistron	13%	7%	47%	6%	-6%	-17%	-20%	-36%	-32%	-23%		-43%
Others	13%	-6%	16%	-12%	-17%	14%	-6%	-17%	-5%	-11%		-19%
Compal	-20%	-29%	-3%	-18%	-17%	-4%	-22%	-39%	-32%	-8%		-33%
Pegatron	15%	-26%	-4%	-14%	-26%	-34%	-47%	-48%	-44%	-30%		-52%
Total	0%	-21%	12%	-4%	-12%	-8%	-24%	-35%	-20%	-18%		-33%

Source: Company data, Morgan Stanley Research. E = Morgan Stanley Research estimates. "Others" are other leaders.

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Exhibit 2: Quarterly NB shipments for top five NB ODMs

Shipment (unit: k)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	3Q26E	Diff.	4Q26E	4Q26E	Diff.
Quanta	10,500	11,700	12,600	11,100	10,800	12,100	12,700	10,900	10,000	11,500	9,600	9,000	7%	8,500	8,500	0%
Wistron	4,600	5,100	5,200	5,300	4,900	5,900	6,400	6,900	6,100	5,500	4,500	4,700	-4%	4,000	4,200	-5%
Others	4,500	4,900	5,200	5,400	5,000	5,600	5,400	5,300	5,400	5,400	4,900	4,800	2%	4,500	4,500	0%
Compal	7,500	8,700	8,300	7,800	7,000	7,100	7,100	6,800	5,900	6,200	4,900	5,500	-11%	4,800	5,300	-9%
Pegatron	1,550	2,030	2,475	1,950	1,885	2,375	2,400	2,410	1,800	1,750	1,285	1,400	-8%	1,250	1,350	-7%
Total	28,650	32,430	33,775	31,550	29,585	33,075	34,000	32,310	29,200	30,350	25,185	25,400	-1%	23,050	23,850	-3%
QoQ %																
Quanta	1%	11%	8%	-12%	-3%	12%	5%	-14%	-8%	15%	-17%	-22%		-11%	-6%	
Wistron	-13%	11%	2%	2%	-8%	20%	8%	8%	-12%	-10%	-18%	-15%		-11%	-11%	
Others	0%	9%	6%	4%	-7%	12%	-4%	-2%	2%	0%	-9%	-11%		-8%	-6%	
Compal	-10%	16%	-5%	-6%	-10%	1%	0%	-4%	-13%	5%	-21%	-11%		-2%	-4%	
Pegatron	-6%	31%	22%	-21%	-3%	26%	1%	0%	-25%	-3%	-27%	-20%		-3%	-4%	
Total	-5%	13%	4%	-7%	-6%	12%	3%	-5%	-10%	4%	-17%	-16%		-8%	-6%	
YoY%																
Quanta	-3%	-7%	-4%	7%	3%	3%	1%	-2%	-7%	-5%	-24%	-29%		-22%	-22%	
Wistron	18%	11%	0%	0%	7%	16%	23%	30%	24%	-7%	-30%	-27%		-42%	-39%	
Others	2%	0%	6%	20%	11%	14%	4%	-2%	8%	-4%	-9%	-11%		-15%	-15%	
Compal	-1%	0%	-11%	-6%	-7%	-18%	-14%	-13%	-16%	-13%	-31%	-23%		-29%	-22%	
Pegatron	-9%	-2%	-1%	18%	22%	17%	-3%	24%	-5%	-26%	-46%	-42%		-48%	-44%	
Total	1%	-1%	-4%	5%	3%	2%	1%	2%	-1%	-8%	-26%	-25%		-29%	-26%	

Source: Company data, Morgan Stanley Research. E = Morgan Stanley Research estimates. "Others" are other leaders.

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INDUSTRY COVERAGE: Greater China Technology Hardware

COMPANY (TICKER)	RATING (AS OF)	PRICE* (10/13/2026)
Andy Meng, CFA		
AAC Technologies Holdings (2018.HK)	O (01/29/2024)	HK$36.56
Accelink Technologies Co. Ltd. (002281.SZ)	U (05/12/2022)	Rmb145.86
BYD Electronics (0285.HK)	O (04/28/2023)	HK$22.96

China TransInfo Technology Co Ltd (002373.SZ)	E (07/18/2023)	Rmb7.42
Dahua Technology Co. Ltd. (002236.SZ)	E (12/12/2024)	Rmb15.27
Eoptolink Technology Inc Ltd (300502.SZ)	O (02/27/2026)	Rmb351.30
Genius Electronic Optical Co. Ltd. (3406.TW)	E (10/13/2026)	NT$1,065.00
GoerTek Inc (002241.SZ)	E (08/14/2026)	Rmb20.63
Gosuncn Technology Group Co Ltd (300098.SZ)	U (11/07/2022)	Rmb4.16
HIKVision Digital Technology (002415.SZ)	E (12/12/2024)	Rmb33.62
Largan Precision (3008.TW)	O (10/13/2026)	NT$6,880.00
LianChuang Electronic Technology Co Ltd (002036.SZ)	U (06/12/2024)	Rmb5.74
Lingyi Itech Guangdong Co (002600.SZ)	U (04/23/2025)	Rmb10.77
Lingyi Itech Guangdong Co (1688.HK)	O (08/14/2026)	HK$4.85
Luxshare Precision Industry Co., Ltd. (2475.HK)	O (08/14/2026)	HK$48.86
Luxshare Precision Industry Co., Ltd. (002475.SZ)	O (10/24/2016)	Rmb46.15
OFILM Group Co Ltd (002456.SZ)	U (06/12/2024)	Rmb6.37
Q Technology (Group) Company Ltd (1478.HK)	U (03/23/2026)	HK$4.84
Quectel Wireless Solutions Co Ltd (603236.SS)	E (10/09/2024)	Rmb70.39
Shanghai Conant Optical Co Ltd (2276.HK)	O (04/10/2026)	HK$33.40
Shenzhen Transsion Holdings Co Ltd (688036.SS)	E (03/23/2026)	Rmb48.94
Sunny Optical (2382.HK)	E (03/23/2026)	HK$58.85
Suzhou TFC Optical Communication Co Ltd. (300394.SZ)	E (11/06/2025)	Rmb246.70
Wingtech Technology Co Ltd (600745.SS)	U (05/18/2026)	Rmb14.23
Xiaomi Corp (1810.HK)	O (04/14/2021)	HK$25.04
Yangtze Optical Fibre and Cable JSC Ltd (601869.SS)	U (10/13/2021)	Rmb370.48
Yangtze Optical Fibre and Cable JSC Ltd (6869.HK)	O (07/15/2026)	HK$150.60
Yongxin Optics Co Ltd (603297.SS)	E (11/15/2022)	Rmb100.25
Zhejiang Crystal-Optech Co Ltd (002273.SZ)	O (11/15/2022)	Rmb21.04
Zhongji Innolight Co Ltd (300308.SZ)	O (09/07/2026)	Rmb735.00
Zhongji Innolight Co Ltd (3308.HK)	O (09/07/2026)	HK$890.00
ZTE Corporation (0763.HK)	O (06/04/2026)	HK$20.12
ZTE Corporation (000063.SZ)	E (06/04/2026)	Rmb28.02
Derrick Yang		
Accton Technology Corporation (2345.TW)	O (06/06/2024)	NT$2,050.00
Advantech (2395.TW)	O (01/20/2021)	NT$714.00
AirTAC International (1590.TW)	O (04/16/2025)	NT$1,185.00
Asia Vital Components Co. Ltd. (3017.TW)	O (07/30/2024)	NT$3,315.00
AU Optronics (2409.TW)	E (02/10/2026)	NT$36.25
Auras Technology Co Ltd (3324.TWO)	E (05/04/2023)	NT$1,475.00
Bizlink (3665.TW)	O (03/10/2025)	NT$2,235.00
BOE Technology (000725.SZ)	O (09/06/2019)	Rmb5.35
Chenbro (8210.TW)	O (07/23/2025)	NT$853.00
Chroma Ate Inc. (2360.TW)	O (10/05/2021)	NT$2,250.00
Delta Electronics Inc. (2308.TW)	O (07/13/2017)	NT$1,785.00
E Ink Holdings Inc. (8069.TWO)	E (08/10/2026)	NT$147.50
Ennostar Inc (3714.TW)	U (09/23/2022)	NT$64.20
Fositek Corp (6805.TW)	O (06/25/2025)	NT$2,195.00
Hiwin Technologies Corp. (2049.TW)	O (03/30/2026)	NT$333.00
Innolux (3481.TW)	E (04/07/2025)	NT$50.90
King Slide Works Co. Ltd. (2059.TW)	O (11/08/2023)	NT$10,005.00
Lens Technology (300433.SZ)	E (07/22/2020)	Rmb26.33
Lite-On Technology (2301.TW)	E (01/15/2025)	NT$283.00
TCL Corp. (000100.SZ)	E (04/07/2025)	Rmb4.51
Tianma Microelectronics (000050.SZ)	U (01/24/2018)	Rmb6.08
Wuhan Jingce Electronic Group Co Ltd (300567.SZ)	E (11/26/2021)	Rmb167.28
Howard Kao		
Acer Inc. (2353.TW)	U (04/23/2025)	NT$32.10

Asustek Computer Inc. (2357.TW)	U (11/16/2025)	NT$990.00
Catcher Technology (2474.TW)	U (11/17/2025)	NT$196.50
Compal Electronics (2324.TW)	U (04/23/2025)	NT$37.00
Elite Material Co. (2383.TW)	O (09/14/2026)	NT$5,520.00
FIT Hon Teng Ltd (6088.HK)	O (11/03/2025)	HK$4.38
Foxconn Industrial Internet Co. Ltd. (601138.SS)	O (07/10/2019)	Rmb52.29
Giga-Byte Technology Co. Ltd. (2376.TW)	E (11/16/2025)	NT$356.00
Gold Circuit Electronics Ltd. (2368.TW)	O (10/06/2022)	NT$1,260.00
Hon Hai Precision (2317.TW)	O (03/15/2024)	NT$243.00
Inspur Electronic Information (000977.SZ)	E (08/28/2023)	Rmb61.65
Kingboard Laminates Holdings Ltd. (1888.HK)	O (09/14/2026)	HK$44.70
LandMark Optoelectronics Corporation (3081.TWO)	E (03/26/2026)	NT$2,725.00
Lenovo (0992.HK)	O (07/10/2026)	HK$31.10
Lotes Co. Ltd. (3533.TW)	E (05/12/2025)	NT$1,935.00
Nan Ya PCB (8046.TW)	O (02/23/2026)	NT$1,430.00
Pegatron Corporation (4938.TW)	E (03/25/2026)	NT$100.00
Quanta Computer Inc. (2382.TW)	O (05/01/2023)	NT$323.00
Shengyi Technology Co Ltd. (600183.SS)	E (05/26/2022)	Rmb122.54
Shennan Circuits Co Ltd (002916.SZ)	E (08/24/2023)	Rmb337.24
Unimicron (3037.TW)	O (02/23/2026)	NT$1,185.00
Visual Photonics Epitaxy Co Ltd (2455.TW)	E (09/11/2023)	NT$523.00
Wistron Corporation (3231.TW)	O (07/12/2023)	NT$187.00
Wiwynn Corp (6669.TW)	O (11/10/2025)	NT$2,115.00
Yageo Corp. (2327.TW)	O (10/28/2025)	NT$627.00
Zhen Ding (4958.TW)	++	NT$567.00
Irene Yen		
Co-Tech Development Corp. (8358.TWO)	O (09/14/2026)	NT$493.00
Taiwan Union Technology Corporation (6274.TWO)	O (09/14/2026)	NT$1,655.00

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