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Greater China Technology Hardware | Asia Pacific

Monthly Databook: July-26 Shipments -4% vs. MSe; 3Qe Lower by 6%

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

Key Takeaways

- Top five ODMs' July 2026 NB shipments were 8.2mn units (-31% m/m, -24% y/y), 4% below our estimate.
- We estimate August 2026 NB builds at 9.0mn units (+10% m/m, -20% y/y).
- We lower our 3Q26 NB build estimate by 6% to 27.3mn units (-10% q/q, -20% y/y).

Overall July ODM notebook shipments came in 4% below our estimate: Component constraints remain a bottleneck, but there is evidence of a fade in the 1H pull-forward demand. However, we do expect product mix to continue to shift toward higher-end, more-profitable models. On their recent 2Q earnings calls, the majority of ODMs noted that 2H NB builds will be weaker than 1H, which is atypical of historical seasonality (historically NB builds are 2H>1H). **We forecast August NB builds at 9.0mn (+10% q/q, -20% y/y)**.

We lower our 3Q notebook build estimate by 6% to 27.3mn units (-10% q/q, -20% y/y), after factoring in latest guidance from the ODMs post 2Q earnings call. This 10% sequential decline is sub-seasonal vs. the 15-year average seasonality of +5% q/q in 3Q. Actual shipments will remain reliant on component availability, but we continue to hear about constraints and expect this to continue to cap low-end notebook model builds. Quanta commented on its recent earnings call that 2Q is typically the peak season for Chromebooks, but due to Chromebook's target market being more price sensitive, as well as component constraints, Chromebook demand this year in 2Q was sub-seasonal, accounting for <10% of total notebooks builds during the quarter.

Exhibit 1: Monthly NB shipments for top five NB ODMs

Shipment (unit: k)	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25E
Quanta	2,800	3,100	4,900	3,300	3,800	5,000	4,000	4,100	4,600	3,500
Wistron	1,500	1,500	1,900	1,700	1,800	2,400	2,000	2,200	2,200	2,100
Others	1,500	1,600	1,900	1,700	1,800	2,100	1,700	1,800	1,900	1,600
Compal	2,000	2,100	2,900	2,200	2,400	2,500	2,300	2,300	2,500	2,100
Pegatron	610	575	700	610	775	990	750	825	825	775
Total	8,410	8,875	12,300	9,510	10,575	12,990	10,750	11,225	12,025	10,075
MoM %										
Quanta	-35%	11%	58%	-33%	15%	32%	-20%	2%	12%	-24%
Wistron	-17%	0%	27%	-11%	6%	33%	-17%	10%	0%	-5%
Others	-25%	7%	19%	-11%	6%	17%	-19%	6%	6%	-16%
Compal	-13%	5%	38%	-24%	9%	4%	-8%	0%	9%	-16%
Pegatron	-19%	-6%	22%	-13%	27%	28%	-24%	10%	0%	-6%
Total	-25%	6%	39%	-23%	11%	23%	-17%	4%	7%	-16%
YoY%										
Quanta	-3%	7%	4%	3%	-5%	11%	18%	-5%	-6%	9%
Wistron	15%	7%	0%	6%	6%	33%	25%	29%	16%	17%
Others	0%	23%	12%	13%	6%	24%	0%	6%	6%	-6%
Compal	-9%	-9%	-3%	-21%	-17%	-17%	-8%	-21%	-14%	-25%
Pegatron	16%	53%	8%	16%	6%	28%	-3%	-6%	0%	35%
Total	0%	7%	3%	-1%	-4%	10%	8%	-2%	-2%	0%

Shipment (unit: k)	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Jul-26E	Diff.	Aug-26
Quanta	3,500	3,900	2,700	2,000	5,300	3,500	3,500	4,500	2,800	3,500	-20%	3,100
Wistron	2,200	2,600	1,700	1,600	2,800	1,800	1,700	2,000	1,600	2,200	-27%	1,600
Others	1,700	2,000	1,700	1,500	2,200	1,500	1,500	2,400	1,600	1,500	7%	1,600
Compal	2,300	2,400	1,600	1,500	2,800	1,800	2,000	2,400	1,800	1,800	0%	2,100
Pegatron	710	925	700	425	675	525	575	650	400	550	-27%	600
Total	10,410	11,825	8,400	7,025	13,775	9,125	9,275	11,950	8,200	8,550	-4%	9,000
MoM %												
Quanta	0%	11%	-31%	-26%	165%	-34%	0%	29%	-38%	-29%		11%
Wistron	5%	18%	-35%	-6%	75%	-36%	-6%	18%	-20%	-25%		0%
Others	6%	18%	-15%	-12%	47%	-32%	0%	60%	-33%	-38%		0%
Compal	10%	4%	-33%	-6%	87%	-36%	11%	20%	-25%	-25%		17%
Pegatron	-8%	30%	-24%	-39%	59%	-22%	10%	13%	-38%	-15%		50%
Total	3%	14%	-29%	-16%	96%	-34%	2%	29%	-31%	-28%		10%
YoY%												
Quanta	-3%	-9%	-4%	-35%	8%	6%	-8%	-10%	-30%	-20%		-24%
Wistron	29%	44%	13%	7%	47%	6%	-6%	-17%	-20%	-25%		-27%
Others	0%	0%	13%	-6%	16%	-12%	-17%	14%	-6%	-12%		-11%
Compal	-15%	4%	-20%	-29%	-3%	-18%	-17%	-4%	-22%	-22%		-9%
Pegatron	14%	23%	15%	-26%	-4%	-14%	-26%	-34%	-47%	-27%		-27%
Total	1%	6%	0%	-21%	12%	-4%	-12%	-8%	-24%	-20%		-20%

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

Exhibit 2: Quarterly NB shipments for top five NB ODMs

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

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* (08/13/2026)
Andy Meng, CFA		
AAC Technologies Holdings (2018.HK)	O (01/29/2024)	HK$41.82
Accelink Technologies Co. Ltd. (002281.SZ)	U (05/12/2022)	Rmb184.85
BYD Electronics (0285.HK)	O (04/28/2023)	HK$23.74
China TransInfo Technology Co Ltd (002373.SZ)	E (07/18/2023)	Rmb7.82

Dahua Technology Co. Ltd. (002236.SZ)	E (12/12/2024)	Rmb16.46
Eoptolink Technology Inc Ltd (300502.SZ)	O (02/27/2026)	Rmb429.90
Genius Electronic Optical Co. Ltd. (3406.TW)	E (04/23/2025)	NT$629.00
GoerTek Inc (002241.SZ)	U (04/23/2025)	Rmb22.12
Gosuncn Technology Group Co Ltd (300098.SZ)	U (11/07/2022)	Rmb4.63
HIKVision Digital Technology (002415.SZ)	E (12/12/2024)	Rmb35.66
Largan Precision (3008.TW)	O (07/10/2026)	NT$4,660.00
LianChuang Electronic Technology Co Ltd (002036.SZ)	U (06/12/2024)	Rmb7.03
Lingyi Itech Guangdong Co (002600.SZ)	U (04/23/2025)	Rmb12.55
Luxshare Precision Industry Co., Ltd. (002475.SZ)	O (10/24/2016)	Rmb56.06
OFILM Group Co Ltd (002456.SZ)	U (06/12/2024)	Rmb7.34
Q Technology (Group) Company Ltd (1478.HK)	U (03/23/2026)	HK$6.86
Quectel Wireless Solutions Co Ltd (603236.SS)	E (10/09/2024)	Rmb59.43
Shanghai Conant Optical Co Ltd (2276.HK)	O (04/10/2026)	HK$38.20
Shenzhen Transsion Holdings Co Ltd (688036.SS)	E (03/23/2026)	Rmb54.57
Sunny Optical (2382.HK)	E (03/23/2026)	HK$58.60
Suzhou TFC Optical Communication Co Ltd. (300394.SZ)	E (11/06/2025)	Rmb257.16
Wingtech Technology Co Ltd (600745.SS)	U (05/18/2026)	Rmb17.43
Xiaomi Corp (1810.HK)	O (04/14/2021)	HK$25.88
Yangtze Optical Fibre and Cable JSC Ltd (601869.SS)	U (10/13/2021)	Rmb337.51
Yangtze Optical Fibre and Cable JSC Ltd (6869.HK)	O (07/15/2026)	HK$129.60
Yongxin Optics Co Ltd (603297.SS)	E (11/15/2022)	Rmb102.78
Zhejiang Crystal-Optech Co Ltd (002273.SZ)	O (11/15/2022)	Rmb26.96
Zhongji Innolight Co Ltd (300308.SZ)	++	Rmb921.04
ZTE Corporation (0763.HK)	O (06/04/2026)	HK$25.32
ZTE Corporation (000063.SZ)	E (06/04/2026)	Rmb35.08
Derrick Yang		
Accton Technology Corporation (2345.TW)	O (06/06/2024)	NT$2,270.00
Advantech (2395.TW)	O (01/20/2021)	NT$698.00
AirTAC International (1590.TW)	O (04/16/2025)	NT$1,470.00
Asia Vital Components Co. Ltd. (3017.TW)	O (07/30/2024)	NT$3,200.00
AU Optronics (2409.TW)	E (02/10/2026)	NT$25.75
Auras Technology Co Ltd (3324.TWO)	E (05/04/2023)	NT$1,035.00
Bizlink (3665.TW)	O (03/10/2025)	NT$2,205.00
BOE Technology (000725.SZ)	O (09/06/2019)	Rmb5.86
Chenbro (8210.TW)	O (07/23/2025)	NT$990.00
Chroma Ate Inc. (2360.TW)	O (10/05/2021)	NT$2,300.00
Delta Electronics Inc. (2308.TW)	O (07/13/2017)	NT$1,885.00
E Ink Holdings Inc. (8069.TWO)	E (08/10/2026)	NT$171.00
Ennostar Inc (3714.TW)	U (09/23/2022)	NT$58.60
Fositek Corp (6805.TW)	O (06/25/2025)	NT$1,830.00
Hiwin Technologies Corp. (2049.TW)	O (03/30/2026)	NT$381.00
Innolux (3481.TW)	E (04/07/2025)	NT$49.40
King Slide Works Co. Ltd. (2059.TW)	O (11/08/2023)	NT$12,235.00
Lens Technology (300433.SZ)	E (07/22/2020)	Rmb34.65
Lite-On Technology (2301.TW)	E (01/15/2025)	NT$269.50
TCL Corp. (000100.SZ)	E (04/07/2025)	Rmb5.17
Tianma Microelectronics (000050.SZ)	U (01/24/2018)	Rmb6.62
Wuhan Jingce Electronic Group Co Ltd (300567.SZ)	E (11/26/2021)	Rmb224.24
Howard Kao		
Acer Inc. (2353.TW)	U (04/23/2025)	NT$31.55
Asustek Computer Inc. (2357.TW)	U (11/16/2025)	NT$937.00
Catcher Technology (2474.TW)	U (11/17/2025)	NT$203.00
Compal Electronics (2324.TW)	U (04/23/2025)	NT$39.30
FIT Hon Teng Ltd (6088.HK)	O (11/03/2025)	HK$5.21

Foxconn Industrial Internet Co. Ltd. (601138.SS)	O (07/10/2019)	Rmb65.23
Giga-Byte Technology Co. Ltd. (2376.TW)	E (11/16/2025)	NT$393.50
Gold Circuit Electronics Ltd. (2368.TW)	O (10/06/2022)	NT$1,010.00
Hon Hai Precision (2317.TW)	O (03/15/2024)	NT$262.00
Inspur Electronic Information (000977.SZ)	E (08/28/2023)	Rmb79.46
LandMark Optoelectronics Corporation (3081.TWO)	E (03/26/2026)	NT$2,665.00
Lenovo (0992.HK)	O (07/10/2026)	HK$34.90
Lotes Co. Ltd. (3533.TW)	E (05/12/2025)	NT$1,810.00
Nan Ya PCB (8046.TW)	O (02/23/2026)	NT$1,215.00
Pegatron Corporation (4938.TW)	E (03/25/2026)	NT$94.80
Quanta Computer Inc. (2382.TW)	O (05/01/2023)	NT$325.00
Shengyi Technology Co Ltd. (600183.SS)	E (05/26/2022)	Rmb141.74
Shennan Circuits Co Ltd (002916.SZ)	E (08/24/2023)	Rmb377.98
Unimicron (3037.TW)	O (02/23/2026)	NT$1,000.00
Visual Photonics Epitaxy Co Ltd (2455.TW)	E (09/11/2023)	NT$384.00
Wistron Corporation (3231.TW)	O (07/12/2023)	NT$197.00
Wiwynn Corp (6669.TW)	O (11/10/2025)	NT$6,070.00
Yageo Corp. (2327.TW)	O (10/28/2025)	NT$662.00
Zhen Ding (4958.TW)	++	NT$477.50

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* Historical prices are not split adjusted.