Goldman Sachs Research

Equity Research
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The 720: Xiaomi, Guming, Global Shipbuilding, Global Metals & Mining, China Healthcare Corp Day, ANZ Retail Trading, Micron

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In Focus | Xiaomi

Xiaomi – Catalyst-Rich 3Q and Potential Turnaround – Buy. We see a potential turnaround opportunity in 3Q26 driven by smart EV and AI developments, following a 42% year-to-date pullback that leaves valuation attractive. While 2Q26 results may be the weakest of the year with China smartphone and AIoT revenue modeled down 23% yoy, we expect core revenue to resume positive growth in 3Q. We anticipate the upcoming third EV series will be an EREV large SUV priced competitively from Rmb200,000 to capture the entry-level premium space, supporting our unchanged delivery estimates of 110k and 240k units for 2026E and 2027E. 12m TP of HK$40. *Timothy Zhao*

Listen Up - GS Webcasts on the Agenda

European Technology: Neocloud, Power Semis, SPE | 430pm HK | Access Webinar | with Alexander Duval, Dani Wojdyla

Micron Results |

Micron Technology – Very strong results and guidance should move the stock higher. We expect the stock to move higher following quarterly results and guidance that were well ahead of Street expectations, driven by continued industry pricing momentum for both DRAM and NAND markets. Micron reported revenue of $41.46 bn and non-GAAP EPS of $25.11, while guiding FY4Q revenue to $50.00 bn at the midpoint with non-GAAP EPS of $31.00. We anticipate investors will focus on management commentary regarding the 16 Strategic Customer Agreements and potential updates to the FY27 CapEx outlook. 12m TP of $900. *Jim Schneider*

Themes in Play | Guming, Global Shipbuilding, Kajaria Ceramics, India Cement

Guming – HK$1.96bn CB Offering and Share Repurchase – Buy (on CL). Guming announced a HK$1.96bn one-year zero-coupon convertible bond offering due in 2027, alongside a concurrent share repurchase plan to mitigate potential dilution impacts. While the bond's non-cash amortization will negatively impact reported net income, the issuance provides capital support for both domestic and overseas expansion. Despite a 25% quarter-to-date share price correction driven by consumption concerns, we see high earnings visibility supported by fast store expansion and continuous category growth. 12m TP of HK$36. *Michelle Cheng*

Global Shipbuilding – Order Momentum to Re-accelerate. We expect global new ship order momentum to re-accelerate following a temporary month-over-month slowdown in May, driven by strong underlying replacement demand and elevated freight rates that incentivize order-placing activities. We believe capacity expansion leaders like Hengli will benefit significantly from booming tanker orders, while Yangzijiang Shipbuilding continues to see robust demand for its focus on small-and-medium size containerships. We also remain constructive on Buy rated Namura and Mitsui E&S, which stand to benefit from the resilient need to replace aging fleets and the structural shift toward environmentally friendly vessels. Overall, Chinese shipyards maintained a dominant 76% market share in tanker new order volumes, while Korean builders captured 100% of LNGC orders during the month. *Herbert Lu, Norihiro Miyazaki*

Kajaria Ceramics – Market Share Gains and Margin Expansion – Buy. We increase our FY27E and FY28E EPS estimates by 4-5% and raise our 12m TP to Rs1,330 from Rs1,170, driven by a product mix shift toward premium Glazed Vitrified Tiles and moderating gas prices. The company successfully navigated recent gas shortages impacting Morbi competitors, leveraging its biofuel capabilities and diversified manufacturing footprint to capture market share. With consumer preference shifting toward branded tiles and the company expanding its high-margin capacity in the underpenetrated Southern region, we expect Kajaria to emerge stronger even amid potential real estate slowdowns. We maintain our Buy rating as pricing discipline holds and volume growth visibility improves. *Pulkit Patni*

India Construction: Cement – Selective Upside Amid Mixed Demand – Upgrade Dalmia Bharat to Buy. We upgrade Dalmia Bharat to Buy with a 12m TP of Rs2,020, as medium-term growth concerns are resolved following its JP asset acquisition, offering compelling valuations and high-teen EBITDA CAGR visibility. While we lower our FY27E industry volume growth estimate to 6% due to potential rural consumption headwinds from a delayed monsoon, we remain structurally positive on Buy-rated market leader UltraTech. We expect better pricing and moderating pet-coke costs to support sector profitability. *Pulkit Patni*

Global Metals & Mining | Iron Ore Singapore conference, GS Copper Week Preview

Global Metals & Mining – Iron Ore Singapore conference; near-term Fe could test <US$95/t, medium-term seen higher, CMRG still in focus. We note near-term iron ore prices could drop below US$95/dmt over the next 1-2 months due to higher seasonal shipments, a slowdown in Chinese construction, and coking coal shortages. However, we expect a price recovery over the September to December period back to the US$100/t level, driven by recovering Chinese steel production leading into Golden Week. Over the longer term, we see structural tailwinds to seaborne iron ore from mine depletion, lower Fe grades, and a steepening cost curve, with significant seaborne supply growth largely viewed as a 2028 story. *Paul Young*

Global Copper – Key Debates for GS 2026 Copper Week. Ahead of our annual virtual copper week, we note that investor focus will center on companies' growth and project pipelines, capex inflation risks, and funding conditions. In the near term, we expect debates to highlight cost headwinds related to energy and chemicals inflation, alongside structural challenges around grade declines and replacement capex. We will also gather management perspectives on the regulatory environment following recent Latin American elections, as well as copper supply and demand dynamics amid rising macro uncertainties and elevated US inventories. *Marcio Farid*

China Healthcare Corporate Day Takeaways | Wuxi XDC, CSPC Pharma, Genscript, Edge Medical

WuXi XDC – Order Momentum Intact - Buy. Management noted that ADC demand momentum remains solid, supported by constructive industry sentiment and increasing early-stage clinical data readouts. Based on the current backlog and execution progress, management believes achieving its guidance of approximately 35% USD-denominated revenue growth remains on track. Domestically, the company is focused on BioDlink integration and commercial execution, while overseas operations in Singapore remain on schedule with GMP release expected around mid-July. 12m TP of HK$85.9. *Ziyi Chen*

CSPC Pharma – Guidance Maintained Amid Policy Impacts – Buy. Management reiterated its target to maintain positive sales growth for finished drugs in 2026, noting that recent anti-corruption policy impacts appear manageable as large pharma companies have adapted compliance frameworks. We note that part of the US$1.2bn upfront payments from the AstraZeneca deal will begin booking in the second quarter, with multiple near-term milestone payments expected this year. The company continues to expand its siRNA portfolio with a cardiometabolic focus and is prioritizing payload innovation and gastrointestinal tumors for its ADC strategy. 12m TP of HK$12.08. *Ziyi Chen*

Genscript Biotech – Strong LSG Growth Driven by AIDD Demand - Buy. Management highlighted a positive outlook for the life science group with FY26 revenue growth guidance upgraded to 15-18%, driven by higher-than-expected AIDD demand in both gene and protein businesses. They expect a higher adjusted OPM of 20% given high capacity utilization and more projects being delivered from lower-cost China sites. The company's highly automated workflow serves as a key competitive moat, while the ProBio biologic CDMO business continues its gradual recovery with a TCE out-licensing deal expected by year-end 2026. 12m TP of HK$17.14. *Ziyi Chen*

Edge Medical – Solid Overseas Expansion and Procedure Volume Ramp -Buy. Management reported strong overseas sales momentum with global cumulative installed systems expected to reach 160 by the first half of 2026, driven by traction in Europe, Latin America, and South Asia. Procedure volumes continue to ramp up, exceeding 20,000 cumulative procedures as of May 2026, with management remaining confident in further utilization upside. Competition remains product-led rather than price-driven, and the anticipated launch of a next-generation system next year is expected to support a US$100,000 to US$300,000 system ASP uplift. 12m TP of HK$81. *Chris Pan*

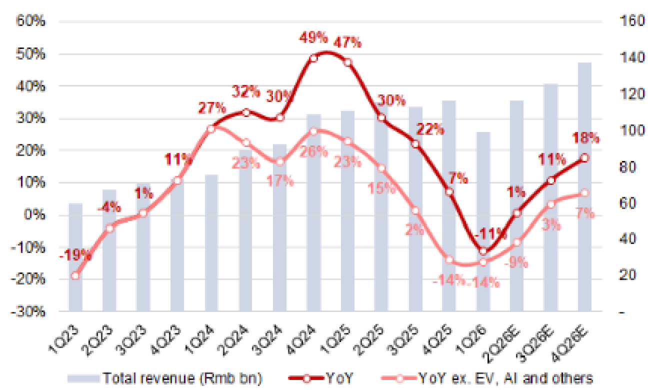
Asia Macro | Asia Index Strategy, Australia Retail Trading

Asia Index Strategy – MSCI Maintains Korea and Indonesia EM Status. MSCI maintained both Korea and Indonesia in its EM index during the 2026 Annual Market Classification Review, keeping Korea off the DM upgrade watchlist and deferring Indonesia's Frontier Market downgrade risk. For Korea, MSCI acknowledged reform efforts but emphasized that full implementation and improved investor experience, particularly ... offshore currency trading and short-selling frameworks, remain necess... Indonesia, while an immediate downgrade consultation was avoided, M... that insufficient progress by the November 2026 review could trigger re... discussions. We remain Overweight Korea supported by solid tech fund... Underweight Indonesia due to lingering free-float and index-related un...

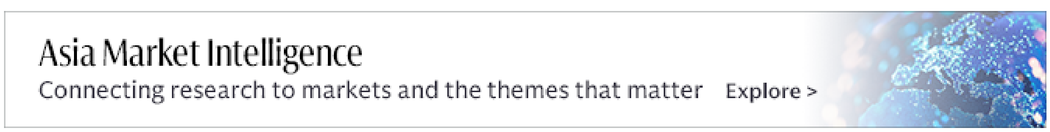
So

Australia Strategy – Retail Trading: Following the Smart Money. We find that following the signal in Australian retail trading flows has generated approximately 10% alpha over the past decade, primarily by taking contrarian positions in less closely followed small and mid-cap companies. Contrary to conventional wisdom, domestic retail investors have not been chasing trends, but rather acting as liquidity providers who consistently buy recent underperformers and sell into market strength. While retail brokers have net sold over A$110bn in ASX 300 single stocks over the decade to fund ETF purchases, their activity remains highly concentrated in lightly researched, newly listed, and bullishly rated names. We note that extreme retail net buying often flags the exhaustion of institutional selling, providing a strong signal for short-term performance turnarounds. *Matthew Ross*

Graphic Language | Xiaomi (Buy) - We expect Xiaomi's revenue growth ex. EV, AI and other new initiatives to resume positive yoy growth from 3Q26E



Source: Company data, Goldman Sachs Global Investment Research



GS Events (Home Page here)

- **Asia Financials Corporate Day | Virtual |** 1-26 Jun
- **China Healthcare Corporate Day | Hong Kong |** 24-26 Jun
- **APAC Consumer & Leisure Corporate Day | Hong Kong |** 29 Jun-3 Jul
- **Asia Leaders Conference | Hong Kong** | 31 Aug-2 Sep