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Greater China Technology Hardware | Asia Pacific

TFT-LCD Panel Prices Outlook for Aug-26: TVs -1%, Monitors and NBs Flat MoM

Narrower declines in benchmark TV panel prices might come with more rebates. We retain our view that it is still premature to value panel stocks based on the potential glass opportunities in advanced packaging.

Key Takeaways

- While TV panel price decline looks to be narrowing in Aug-26, panel makers might need to offer rebates, which could be a factor to monitor for their margins.
- IT panel prices to stay flat MoM in August and likely in the coming quarters.
- For panel makers, buying from the angle of glass adoption in advanced packaging does not seem attractive on risk-reward, in our view.

TV panel prices to fall 1% MoM in August: Mainstream 32", 43", 55", 65" and 75" TV panel prices are expected to drop 3%, 2%, 1%, 0.5% and 0.4%, respectively, for the month of August. This is consistent with our view that TV panel prices should trend down modestly in 3Q26. On the demand side, we maintain our view that order momentum should be lackluster in 2H26 post the restocking in 1H26, but the seasonal panel demand has picked up a bit recently to prepare for year-end promotions. This seems to help narrow the average price declines in August, though we note that panel makers might need to offer rebates to keep the benchmark prices relatively stable. This could be a factor to monitor for panel maker's margins in 3Q26. On the supply side, output control discipline is still in place, which could prevent significant pricing downside. On a quarterly average basis, we expect TV panel prices to decline by low-single-digit % QoQ in 3Q26.

IT panel prices to stay flat in August: Monitor and notebook panel prices are expected to be flat MoM during the month. Both segments are experiencing slower demand in 2H26 as brand customers pulled forward restocking into 1H26. However, as panel makers continue to face significant margin pressure amid elevated component costs, they remain unwilling to concede on pricing in the near term. On a quarterly average basis, we expect IT panel prices to remain flat QoQ in 3Q26.

Risk/reward less attractive: We view valuations as fair post-recent correction, particularly for Taiwan names AUO (2409.TW; 1.2x P/B) and Innolux (3481.TW; 1.6x P/B), as incremental contributions from advanced packaging are likely to take longer to materialize and competition could intensify as the industry moves toward mass production. In China, we prefer BOE (000725.SZ; 1.6x P/B) over TCL (000100.SZ; 1.8x P/B) on its scale advantage and faster progress in glass core substrates.

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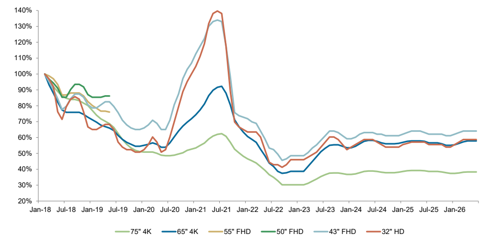
Industry View	**In-Line**
S. KOREA TECHNOLOGY	
Asia Pacific	
Industry View	**Attractive**

Exhibit 1 : TFT-LCD TV Panel Price Trends



Pricing Chart

Exhibit 2: TFT-LCD Panel Prices – August 2026

Screen Size	Format	Resolution	BLU	1/1/2025	2/1/2025	3/1/2025	4/1/2025	5/1/2025	6/1/2025	7/1/2025	8/1/2025	9/1/2025	10/1/2025	11/1/2025	12/1/2025	1/1/2026	2/1/2026	3/1/2026	4/1/2026	5/1/2026	6/1/2026	7/1/2026	Aug-26 (E)
75"	4K2K	3840x2160	Open-Cell	253	256	257	257	257	256	253	253	253	251	248	245	245	247	250	251	251	251	248	247
Change (%)				1.2%	1.2%	0.4%	0.0%	0.0%	-0.4%	-1.2%	0.0%	0.0%	-0.8%	-1.2%	-1.2%	0.0%	0.8%	1.2%	0.4%	0.0%	0.0%	-1.2%	-0.4%
65"	4K2K	3840x2160	Open-Cell	184	186	187	187	187	186	183	183	183	181	178	178	179	182	185	187	187	187	184	183
Change (%)				1.1%	1.1%	0.5%	0.0%	0.0%	-0.5%	-1.6%	0.0%	0.0%	-1.1%	-1.7%	0.0%	0.6%	1.7%	1.6%	1.1%	0.0%	0.0%	-1.6%	-0.5%
55"	4K2K	3840x2160	Open-Cell	135	136	137	137	137	136	134	134	134	133	131	131	132	134	136	136	136	136	134	133
Change (%)				0.7%	0.7%	0.7%	0.0%	0.0%	-0.7%	-1.5%	0.0%	0.0%	-0.7%	-1.5%	0.0%	0.8%	1.5%	1.5%	0.0%	0.0%	0.0%	-1.5%	-0.7%
32"	HD	1366x768	Open-Cell	35	35.5	36	36	36	36	35	35	35	35	34	34	35	36	37	37	37	37	36	35
Change (%)				2.9%	1.4%	1.4%	0.0%	0.0%	0.0%	-2.8%	0.0%	0.0%	0.0%	-2.9%	0.0%	2.9%	2.9%	2.8%	0.0%	0.0%	0.0%	-2.7%	-2.8%
23.8"	FHD	1920x1080	Edge-LED	49.2	49.2	49.4	49.7	49.9	49.9	49.9	49.9	49.9	49.9	49.9	49.9	49.9	50.1	50.4	50.7	50.9	51	51	51
Change (%)				0.0%	0.0%	0.4%	0.6%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.6%	0.6%	0.4%	0.2%	0.0%	0.0%
14.0"	WUXGA	1920x1200	Flat-LED	42.10	42.10	42.10	42.10	42.10	42.10	42.10	42.10	42.10	42.10	42.00	41.90	41.70	41.50	41.50	41.50	41.50	41.50	41.50	41.50
Change (%)				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.2%	-0.2%	-0.5%	-0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11.6"	HD	1366x768	Flat-LED	25.05	25.05	25.05	25.05	25.05	25.05	25.05	25.05	25.05	25.05	25.05	25.05	24.95	24.85	24.85	24.85	24.85	24.85	24.85	24.85
Change (%)				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.4%	-0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Note: To be more consistent with the industry practice, WitsView changed the way it publishes panel price quotes in January 2025. It now only provides expectations of the full-month panel price outlook on the 5th of every month, instead of specific quotes for the first half of the month. It will then provide finalized prices for the month on the 20th of every month, which will be similar to the original 2H panel pricing quotes.

TV Panel Prices Start Trending Down from 3Q26

TV panel prices started to edge up at the beginning of this year, rising 1% MoM in January, 2% MoM in February and 2% MoM in March. April, May and June were largely flat, while July was down 2% MoM, in line with our expectation that TV panel prices would start trending down from 3Q26 onward. That said, we do not expect a significant decline as supply-side discipline should provide downside support.

Exhibit 3: TV Panel Price Trend (QoQ)

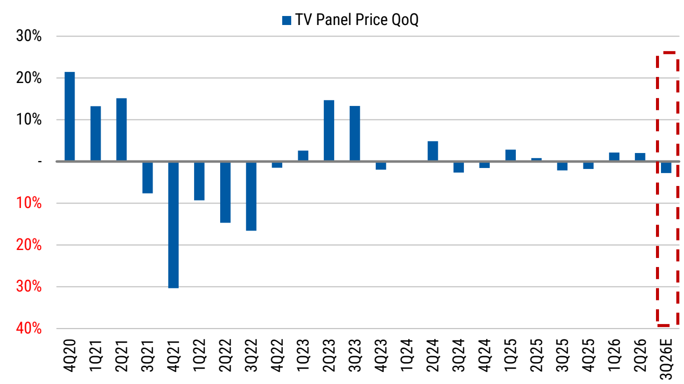
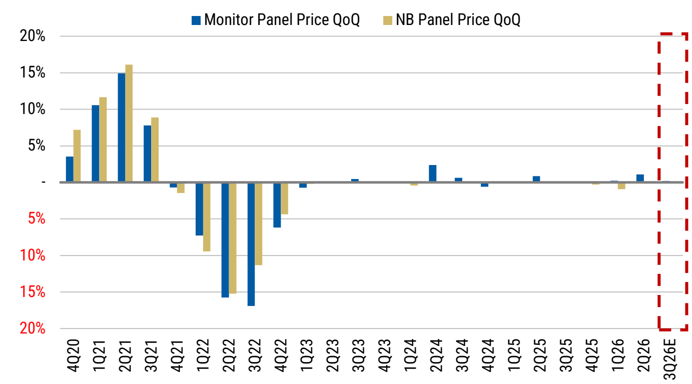


Exhibit 4: IT Panel Price (QoQ)



Below-Seasonal Panel Shipments in 2H26

Over the past decade, TV panel shipments have typically been split 49%:51% between 1H and 2H. In 2026, we expect the mix to skew toward 1H, as TV brands restocked ahead of major promotional events, including the Winter Olympics in February, the FIFA World Cup in June-July, and China's 618 shopping festival. We see no clear evidence that these events will materially boost global TV demand, but they have historically shifted shipment timing across quarters. As a result, we expect the restocking momentum seen since the start of the year to fade, with panel order momentum slowing in 2H26.

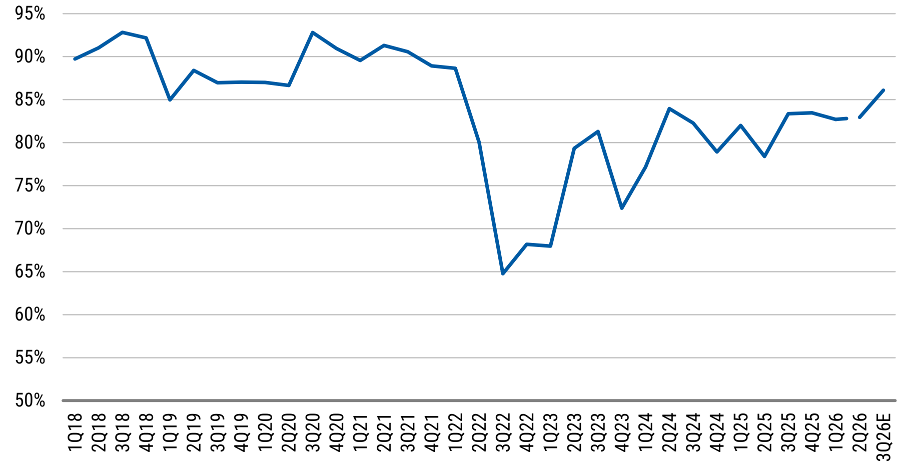
Display Fab Utilization To Be at ~85% in 3Q26

Stronger TV panel shipments supported display fab utilization of ~80% in 4Q24 and 82% in 1Q25. Utilization declined to 78% in 2Q25 as brands adopted a more cautious stance following earlier pull-ins and as the impact of China's trade-in program moderated. Utilization rebounded to 80-85% in 3Q25 as brands restocked for year-end promotions and remained at similar levels in 4Q25 despite seasonal softness as well as in 1Q26. Industry utilization stayed broadly flat QoQ at 80-85% in 2Q26, reflecting continued supply discipline, while we expect a slight uptick in 3Q26.

Over the medium to long term, we continue to believe the display industry is undergoing structural change. Chinese panel makers have shifted their focus from top-line growth to profitability, while lower government subsidies have reinforced supply discipline. We believe investors increasingly recognize that the industry's production-to-order model can remain sustainable, particularly as panel price cycles shortened to quarters in 2023-24 vs. multiyear cycles in the previous decade. Consolidation actions, including LG Display's sale of its Gen 8.5 Guangzhou fab to TCL and Sharp's closure of its Gen 10 Sakai fab, also support a healthier supply backdrop (for more information, see Display – Structural

Changes on Supply Side Not Fairly Priced In, June 17, 2021).

Exhibit 5: Industry Average Utilization at Display Fabs



Risk/Reward Fair After Recent Correction

We view risk-reward as broadly balanced following the recent correction in panel stocks. Below are our current views:

- **AUO (2409.TW, Derrick Yang):** We rate AUO Equal-weight with a PT of NT $27.00, based on a 1.4x 2026e P/B multiple. While we believe the current round of TV panel price increases is nearing an end, major panel makers should continue to demonstrate solid supply discipline, providing downside support. We appreciate AUO's efforts to diversify its business, but meaningful earnings contributions are likely to take time.
- **BOE (000725.SZ, Derrick Yang):** We prefer BOE due to its scale advantage, higher exposure to display, and faster progress in glass core substrates. Our PT of Rmb9.30 is based on 2.5x 2026e P/B, which we view as reasonable given our estimated ROE of 5-8% over 2026-28 compared with BOE's average P/B of 1.1x and ROE of 2-4% during 2023-25.
- **Innolux (3481.TW, Derrick Yang):** In semiconductors, we believe Innolux is participating in a foundry customer's glass core substrate project. However, we do not expect meaningful contributions before 2028, and additional competitors could enter as the industry moves toward mass production. We maintain our Equal-weight rating and PT of NT$60.00, based on a 2.1x 2026e P/B multiple.
- **LG Display (034220.KS, Shawn Kim):** Meaningful OLED revenue contribution should increasingly improve earnings from 2H25, but potentially weaker end-markets keep us from turning bullish on LGD. The stock trades at 0.7x 2026e P/B vs. a historical mid-cycle level of 0.5x.
- **TCL (000100.SZ, Derrick Yang):** We are EW with a price target of Rmb4.70 (1.7x 2026e P/B). The stock is trading at 1.8x 2026e P/B vs. its mid-cycle average of 1.4x since 2022.

- **Corning (GLW.N, Meta Marshall):** Corning's display business continues to operate efficiently and should benefit from further margin support through additional currency-related price increases. Its optical communications business is also returning to growth as carrier fiber deployments accelerate. Corning's display business remains closely correlated with panel maker utilization rates and is the company's largest earnings contributor.
- **Greater China DDIC supply chain implications – Novatek (3034.TW, Daniel Yen):** Daniel's Underweight thesis reflects weaker PC, smartphone and automotive demand, gross margin pressure, and a lack of new growth drivers. That said, Novatek's OLED DDI roadmap appears more competitive than those of its key Korean peers in terms of both performance and cost, helping it gain share in Apple's iPhone supply chain.

Exhibit 6: AUO Share Price vs. Panel Price

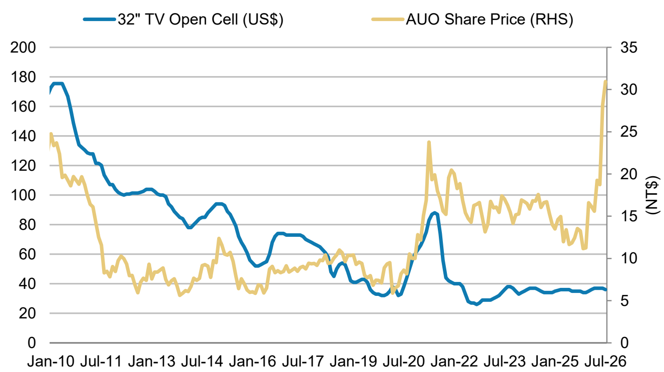


Exhibit 7: Innolux Share Price vs. Panel Price

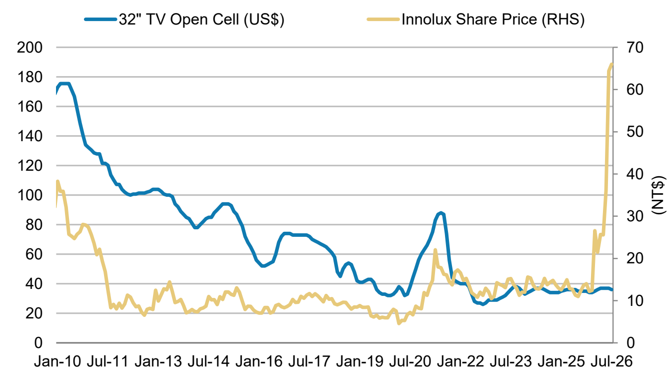


Exhibit 8: BOE Share Price vs. Panel Price

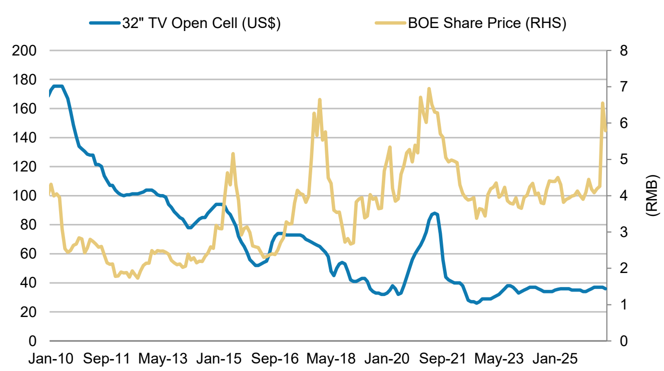
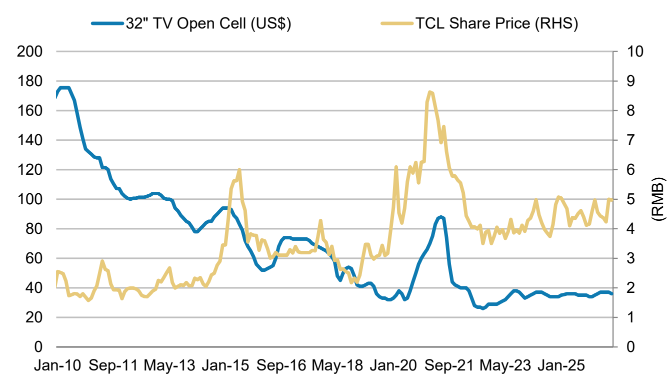


Exhibit 9: TCL Share Price vs. Panel Price



Past performance is no guarantee of future results. Results shown do not include transaction costs.

Exhibit 10: GLW Display Volumes vs. Utilization

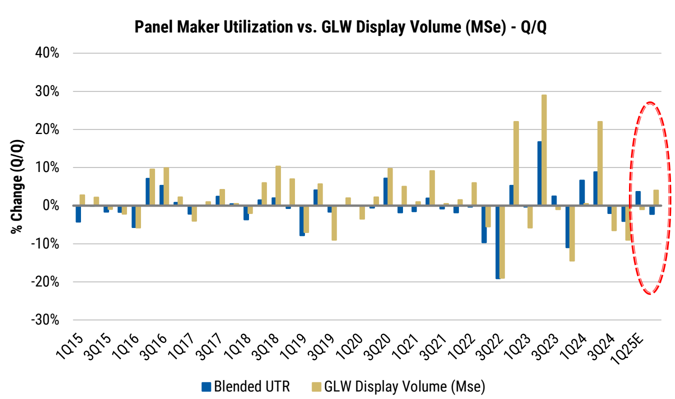
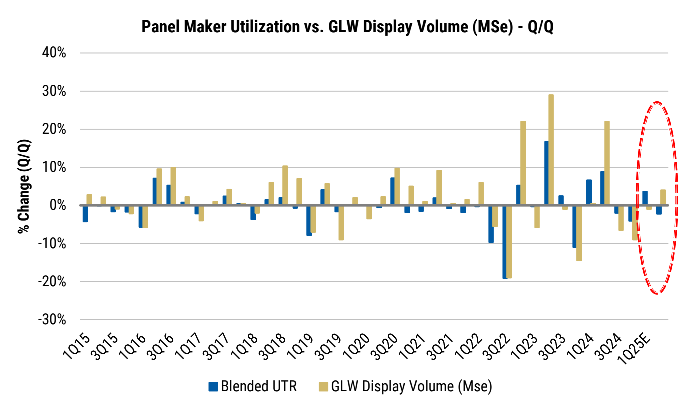


Exhibit 11: GLW Display Revenue vs. Utilization



Where Could We Be Wrong?

- **Stronger end-demand:** If end-demand for major applications turns out to be better than expected, there could be stronger panel shipments and less panel price pressure.
- **More stringent output control:** If major panel makers collectively adjust utilization to an extreme extent, they could mitigate pricing pressure in the case of softer demand.
- **Non-commodity display business:** If the non-commodity business progresses faster than expected, panel makers could show better financial results.