

August 12, 2026 12:01 AM GMT

Greater China Technology Semiconductors | Asia Pacific

Catalyst Preview: What's Ahead for AI Accelerators

Where relevant and meaningful, we have identified and previewed catalysts for key Chinese AI accelerator companies (Cambricon, Hygon, Iluvatar, and MetaX) that could affect share prices in the near future.

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GREATER CHINA TECHNOLOGY SEMICONDUCTORS	
Asia Pacific	
Industry View	Attractive

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AlphaSignals Catalyst Event Preview

Company / Catalyst	Date	Importance	Surprise
Cambricon Technology Corporation 688256.SS			
MLU690 shipments	3Q26	High	In-line
Takeaways:			
• Key new product shipment ramp			
MetaX Integrated Circuits 688802.SS			
2Q26 earnings results	30 Aug 2026	Very High	↑ Modest upside surprise
Takeaways:			
• We expect Meta's 2Q26 revenue to be Rmb775mn, up 38% Q/Q and 30% Y/Y, with GM of 59%.			
Iluvatar CoreX Semiconductor Co., Ltd. 9903.HK			
1H26 earnings release	28 Aug 2026	Very High	↑ Modest upside surprise
Takeaways:			
• We expect the company's 1H26 revenue will reach Rmb976mn, up 201% Y/Y, with GM to be 49% for 1H.			
Tiangai 300 test results and orders	3Q26	High	↑ Modest upside surprise
Takeaways:			
• Test results of Tiangai 300, order-related negotiations, as well as specific order volume and chip pricing			
Hygon Information Technology Co., Ltd. 688041.SS			
Tencent 2Q26 results	12 Aug 2026	High	↑ Modest upside surprise
Takeaways:			
• During its 1Q26 earnings call, Tencent commented that it has secured a good supply of CPU chips.			
• Based on our supply chain check, we noted increasing adoption of AMD, Nvidia, and Hygon solutions.			
• If Tencent comments that CPU supply is becoming tighter, we expect Hygon to be one of the beneficiaries from tight supply of server CPU.			
1H26 earnings release	13 Aug 2026	High	In-line
Takeaways:			
• The company already reported preliminary results in mid-July.			
• The key focus area is its prepayment and inventory trends. If prepayment and inventory go up, it could indicate shipment stability in 2027.			

Source: Company data, Morgan Stanley Research

Valuation Methodology and Risks

Hygon Information Technology Co., Ltd. (688041.SS)

We assume an 8.0% cost of equity (beta 1.05, risk-free rate 2.0% and risk premium 5.8%), a payout ratio of 50%, a medium-term growth rate of 25.0%, and a terminal growth rate of 5.0%, all of which are in line with other China AI chip companies under our coverage.

Risks to Upside

- Hygon further differentiates itself from local CPU and GPU competitors and gains significant market share in China's CPU and GPU markets
- China AI demand is stronger than expected
- Faster ramp-up of leading node capacity

Risks to Downside

- Intensified pricing competition among local GPU companies
- China AI demand is weaker than expected
- Slower yield improvement and capacity buildout at local leading node foundries

Cambricon Technology Corporation (688256.SS)

Key valuation assumptions underpinning our model include: an 8.4% cost of equity (derived from a beta of 1.06, risk-free rate of 2.0%, and equity risk premium of 6.0%), a long-term payout ratio of 40%, a medium-term growth rate of 16%, and a terminal growth rate of 6.0%.

Risks to Upside

- Stronger-than-expected AI demand
- CSP order ramp-up
- Accelerating localization

Risks to Downside

- Capacity and yield constraints
- Customer concentration risk
- Slower technology iteration

MetaX Integrated Circuits (688802.SS)

Key valuation assumptions include: an 6.5% cost of equity (derived from a beta of 0.75, risk-free rate of 2.0%, and equity risk premium of 6.5%), a long-term target payout ratio of 51% (was 50%), a medium-term CAGR of 18% through 2038e, and a perpetual terminal growth rate of 6%.

Risks to Upside

- Faster CUDA migration
- Stronger government and CSP orders
- Better-than-expected C600 ramp

Risks to Downside



- Product concentration risk
- Weaker-than-expected demand
- Intensifying competition

Iluvatar CoreX Semiconductor Co., Ltd. (9903.HK)

Key valuation assumptions include:

- An 8.3% cost of equity (derived from a beta of 1.05, risk-free rate of 2.0%, and equity risk premium of 6.0%)
- A long-term payout ratio of 34% (was 33%)
- A medium-term growth rate of 16%
- A perpetual terminal growth rate of 6%

Risks to Upside

- Stronger-than-expected CSP orders
- Faster CUDA replacement with Iluvatar's software
- Expansion of overseas and domestic capacity

Risks to Downside

- Order ramp below expectations
- Escalation of sanctions
- Intensifying competition

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(as of July 31, 2026)

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Stock Rating Category	Coverage Universe		Investment Banking Clients (IBC)			Other Material Investment Services Clients (MISC)	
	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1529	42%	442	47%	29%	750	43%
Equal-weight/Hold	1582	43%	396	42%	25%	773	44%
Not-Rated/Hold	3	0%	1	0%	33%	1	0%
Underweight/Sell	560	15%	97	10%	17%	217	12%
Total	3,674		936			1741	

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

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Unless otherwise specified, the time frame for price targets included in Morgan Stanley Research is 12 to 18 months.

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Attractive (A): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark, as indicated below.

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Stock Price, Price Target and Rating History (See Rating Definitions)

Cambricon Technology Corporation (688256.SS) - As of 08/11/26 GMT in CNY
Industry : Greater China Technology Semiconductors



Stock Rating History: 4/27/26 : 0/A

Price Target History: 4/27/26 : 1065.77; 5/5/26 : 1342.28; 6/22/26 : 1528; 7/30/26 : 1408

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target --- No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst) — Stock Price (Covered by Current Analyst) —
Stock and Industry Ratings (abbreviations below) appear as ♦ Stock Rating/Industry View
Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) No Rating Available (NA)
Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

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Effective January 13, 2014, the industry view benchmarks for Morgan Stanley Asia Pacific are as follows: relevant MSCI country index or MSCI sub-regional index or MSCI AC Asia Pacific ex Japan Index.

Hygon Information Technology Co., Ltd. (688041.SS) - As of 08/11/26 GMT in CNY
Industry : Greater China Technology Semiconductors



Stock Rating History: 7/3/26 : 0/A

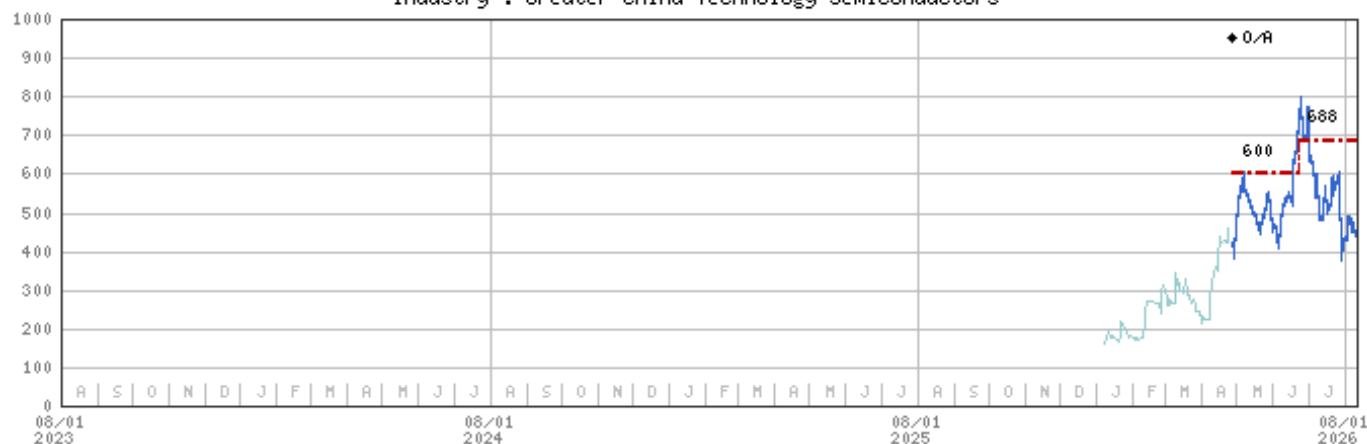
Price Target History: 7/3/26 : 480

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target --- No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst) — Stock Price (Covered by Current Analyst) —
Stock and Industry Ratings (abbreviations below) appear as ♦ Stock Rating/Industry View
Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) No Rating Available (NA)
Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

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Iluvatar CoreX Semiconductor Co., Ltd. (9903.HK) - As of 08/11/26 GMT in HKD
Industry : Greater China Technology Semiconductors



Stock Rating History: 4/27/26 : O/A

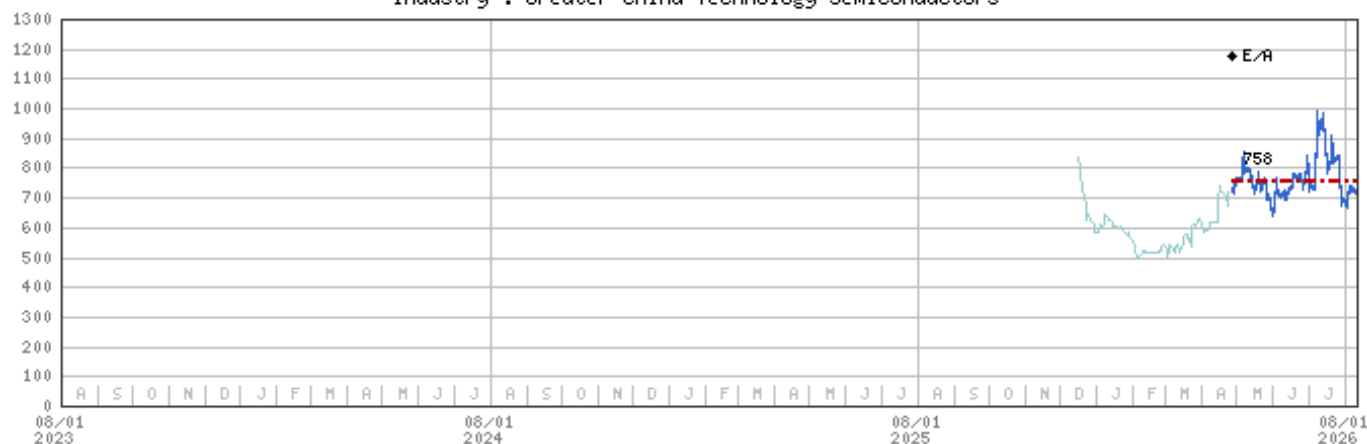
Price Target History: 4/27/26 : 600; 6/22/26 : 688

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target -- No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst) — Stock Price (Covered by Current Analyst) —
Stock and Industry Ratings (abbreviations below) appear as ♦ Stock Rating/Industry View
Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) No Rating Available (NA)
Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

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MetaX Integrated Circuits (688802.SS) - As of 08/11/26 GMT in CNY
Industry : Greater China Technology Semiconductors



Stock Rating History: 4/27/26 : E/A

Price Target History: 4/27/26 : 758

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target -- No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst) — Stock Price (Covered by Current Analyst) —
Stock and Industry Ratings (abbreviations below) appear as ♦ Stock Rating/Industry View
Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) No Rating Available (NA)
Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

Effective January 13, 2014, the stocks covered by Morgan Stanley Asia Pacific will be rated relative to the analyst's industry (or industry team's) coverage.

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COMPANY (TICKER)	RATING (AS OF)	PRICE* (08/11/2026)
Charlie Chan		
ACM Research Inc (ACMR.O)	O (03/07/2023)	US\$79.92
Advanced Micro-Fabrication Equipment Inc (688012.SS)	O (11/06/2023)	Rmb363.10
Advanced Wireless Semiconductor Co (8086.TWO)	U (07/14/2025)	NT\$116.50

Alchip Technologies Ltd (3661.TW)	O (05/14/2021)	NT\$3,955.00
ASE Technology Holding Co. Ltd. (3711.TW)	O (09/15/2024)	NT\$629.00
Cambricon Technology Corporation (688256.SS)	O (04/27/2026)	Rmb1,090.64
Global Unichip Corp (3443.TW)	O (06/24/2026)	NT\$4,955.00
GlobalWafers Co Ltd (6488.TWO)	E (05/19/2026)	NT\$849.00
Gudeng Precision (3680.TWO)	O (11/25/2025)	NT\$445.00
Hua Hong Semiconductor Ltd (1347.HK)	E (03/12/2026)	HK\$133.30
Iluvatar CoreX Semiconductor Co., Ltd. (9903.HK)	O (04/27/2026)	HK\$414.80
King Yuan Electronics Co Ltd (2449.TW)	O (03/03/2023)	NT\$246.00
Maxscend Microelectronics Co Ltd (300782.SZ)	U (01/11/2021)	Rmb77.55
MediaTek (2454.TW)	O (11/28/2025)	NT\$4,020.00
MetaX Integrated Circuits (688802.SS)	E (04/27/2026)	Rmb702.88
Nanya Technology Corp. (2408.TW)	O (05/28/2026)	NT\$489.00
NAURA Technology Group Co Ltd (002371.SZ)	O (11/06/2023)	Rmb746.10
OmniVision Integrated Circuits Group Inc (603501.SS)	E (11/17/2025)	Rmb93.26
Phison Electronics Corp (8299.TWO)	E (02/25/2026)	NT\$2,090.00
SG Micro Corp. (300661.SZ)	E (11/03/2025)	Rmb115.49
Silergy Corp. (6415.TW)	U (05/19/2026)	NT\$466.50
SMIC (0981.HK)	O (10/21/2025)	HK\$65.30
TSMC (2330.TW)	O (02/07/2022)	NT\$2,395.00
UMC (2303.TW)	O (05/19/2026)	NT\$123.00
Vanguard International Semiconductor (5347.TWO)	E (01/14/2026)	NT\$158.00
WIN Semiconductors Corp (3105.TWO)	U (07/14/2025)	NT\$371.00
Daisy Dai, CFA		
ASMP Ltd (0522.HK)	O (07/24/2025)	HK\$166.20
China Resources Microelectronics Limited (688396.SS)	U (03/02/2026)	Rmb59.72
Empyrean Technology Co Ltd (301269.SZ)	E (01/17/2025)	Rmb97.96
Hangzhou Silan Microelectronics Co. Ltd. (600460.SS)	U (08/25/2025)	Rmb32.05
Hygon Information Technology Co., Ltd. (688041.SS)	O (07/03/2026)	Rmb287.01
Innoscence (2577.HK)	E (10/13/2025)	HK\$43.22
JCET Group Co Ltd (600584.SS)	E (01/16/2026)	Rmb77.67
Shanghai Fudan Microelectronics (1385.HK)	O (03/07/2025)	HK\$26.50
SICC Co Ltd (688234.SS)	O (03/20/2026)	Rmb102.08
StarPower Semiconductor Ltd (603290.SS)	E (05/14/2026)	Rmb87.13
Unigroup Guoxin Microelectronics Co Ltd (002049.SZ)	U (01/10/2023)	Rmb67.30
Universal Scientific Ind. (Shanghai) (601231.SS)	O (11/05/2025)	Rmb27.22
Yangjie Technology (300373.SZ)	O (06/10/2022)	Rmb96.20
Daniel Yen, CFA		
AP Memory Technology Corp (6531.TW)	O (07/11/2025)	NT\$831.00
ASMedia Technology Inc (5269.TW)	U (10/03/2025)	NT\$1,435.00
Aspeed Technology (5274.TWO)	O (06/09/2025)	NT\$16,440.00
Egis Technology Inc (6462.TWO)	E (01/28/2026)	NT\$102.50
Elan Microelectronics Corp (2458.TW)	O (10/03/2025)	NT\$145.50
Espressif Systems (688018.SS)	O (05/15/2023)	Rmb114.47
GigaDevice Semiconductor Beijing Inc (603986.SS)	O (05/15/2025)	Rmb402.29
Macronix International Co Ltd (2337.TW)	O (09/18/2025)	NT\$132.50
Montage Technology Co Ltd (6809.HK)	O (03/18/2026)	HK\$263.00
Montage Technology Co Ltd (688008.SS)	O (03/18/2026)	Rmb206.70
Novatek (3034.TW)	U (02/04/2026)	NT\$538.00
Nuvoton Technology Corporation (4919.TW)	U (11/10/2025)	NT\$125.00
Parade Technologies Ltd (4966.TWO)	O (05/27/2026)	NT\$595.00
Powerchip Semiconductor Manufacturing Co (6770.TW)	O (10/27/2025)	NT\$67.00
Realtek Semiconductor (2379.TW)	E (01/30/2026)	NT\$772.00
Shenzhen Goodix Technology Co Ltd (603160.SS)	U (07/14/2025)	Rmb52.11
Winbond Electronics Corp (2344.TW)	O (05/28/2026)	NT\$178.00

WPG Holdings (3702.TW)	O (03/16/2026)	NT\$125.50
WT Microelectronics Co. Ltd. (3036.TW)	O (01/27/2026)	NT\$220.00
Duan Liu		
Dosilicon Co Ltd (688110.SS)	U (09/06/2024)	Rmb112.21
Shenzhen Longsys Electronics Co Ltd (301308.SZ)	E (02/25/2026)	Rmb417.50
Tiffany Yeh		
AllRing Tech Co. (6187.TWO)	O (09/23/2025)	NT\$1,050.00
FOCI Fiber Optic Communications Inc (3363.TWO)	O (01/15/2025)	NT\$606.00
Himax Technologies Inc (HIMX.O)	E (02/04/2026)	US\$14.98
Hon Precision (7769.TW)	O (04/17/2026)	NT\$6,350.00
MPI Corporation (6223.TWO)	O (04/17/2026)	NT\$6,315.00
Silicon Motion (SIMO.O)	O (05/06/2024)	US\$224.00
WinWay Technology Co Ltd (6515.TW)	O (04/17/2026)	NT\$6,920.00

Stock Ratings are subject to change. Please see latest research for each company.

* Historical prices are not split adjusted.