The 720: Asia Leaders Conference Takeaways, Financials, Data Centers, HK Property, Bank of China, IGO upgrade, Broadcom, Energy, Yen

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Asia Leaders Conference Takeaways

Financials

Hong Kong Exchanges – ALC Takeaways: Strong ADT Momentum and Record IPO Pipeline – Buy (on CL). We hosted HKEX management at our Asia Leaders Conference, where discussions highlighted continued average daily turnover (ADT) momentum supported by a record IPO pipeline and structural growth in derivatives. Management sees further upside in Stock Connect, noting less than 5% of A-share retail accounts are currently active, while the 2026 IPO pipeline is on track to exceed last year's 119 listings and is already contributing double-digit ADT. To further expand the derivatives business, HKEX is exploring zero-day options, investing in the Orion platform for a 2027 rollout, and looking to extend trading hours to cover the US market close. 12m TP of HK$540. *Thomas Wang*

Hong Kong Real Estate – Positioning for the Inflection. We hosted management from Hongkong Land, Henderson Land, and Link REIT at our Asia Leaders Conference, noting an upbeat outlook for Central commercial properties as negative office rental reversions are expected to narrow and neutralize by FY27 or early FY28. While non-Central districts face pressure from elevated vacancies, developers are actively adjusting tenant mixes and leveraging improved cross-border infrastructure to mitigate retail spending leakage to Shenzhen. Furthermore, developers see accelerated momentum in the Northern Metropolis, where lower land premiums help discount the risks of longer development cycles. Both Hongkong Land and Link REIT continue to execute capital recycling programs to divest non-core assets and fund share repurchases. *Simon Cheung*

Taiwan Financial Services – Positive FY26 Growth and Dividend Outlook. We hosted Fubon, Cathay, ESUN, Mega, and Chailease at our Asia Leaders Conference, where managements expressed a constructive FY26 growth outlook driven by corporate loan demand, strong life insurance sales, and favorable equity market performance. Banks expect NIM expansion through balance sheet optimization and anticipate double-digit fee income growth supported by elevated wealth management demand. Life insurers benefited from strong investment-linked product demand in 1H26, leading to significant book value growth and improved capital positions. While awaiting regulatory clarity on life dividend upstreams, managements remain broadly positive on shareholder returns and the potential for progressive dividend policies. *Thomas Wang*

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Hongkong Land – Strong Rental Momentum and Project Progress – Buy. We see steadily improving leasing demand at Hongkong Land's Central office portfolio, with vacancy remaining relatively low at roughly 5% and rental reversions expected to turn positive by FY27E. The company is making healthy progress on its strategic initiatives, boosting SCPREF's AUM to S$9.4bn following the Wheelock Place acquisition, and securing strong tenant commitments for its Westbund Central Phase 2 project in Shanghai. We model gross rental revenue from the China portfolio to double to US$0.6bn by FY29E. With the stock trading at a 51% NAV discount and offering a 3.8% dividend yield, we reiterate our Buy rating and 12m TP of US$11.3. *Simon Cheung*

Industrial Technology

China Humanoid Robot – ALC Takeaways: Full-Stack Embodied AI & Commercialization Roadmap. We hosted a panel discussion with Robin Han, Co-Founder and CEO of Sudo, Cewu Lu, Co-Founder and CEO of NoeMatrix.ai, and Tianqi Luo, Co-Founder and CFO of Galaxea, focused on Full-Stack Embodied AI & Commercialization Roadmap. Panelists broadly see that embodied AI is moving beyond pure research into early commercialization, with the primary bottleneck shifting toward simultaneous improvements in reliability, generalization, and deployment economics. The panelists believe data strategy should focus on "intelligence efficiency per dollar" rather than a binary choice between real-world and simulated data, maximizing model capability per unit of compute and capital. While debating the dominance of world models versus VLA architectures, the experts expect initial commercial deployment to prioritize narrower applications and reusable skills in logistics, select retail, and industrial sub-tasks. *Jacqueline Du*

Data Centers

VNET – ALC Takeaways: Strong Order Outlook and Disciplined Financing – Buy. Management expects full-year wholesale orders to reach 1.0-1.1GW on strong hyperscaler demand, though second-half volumes may moderate versus the first half. The pending CATL partnership is expected to secure low-cost, sustainable electricity for future gigawatt-scale facilities, while overseas expansion in Southeast Asia targets 100MW delivery by the second half of 2027 with attractive returns. With domestic capital expenditures largely funded by low-cost project loans and asset recycling, management anticipates no equity issuance this year. 12m TP of US$14. *Timothy Zhao*

GDS Holdings – ALC Takeaways: Robust order wins and 2027 move-in acceleration – Buy. Management expects revenue growth to accelerate to over 20% year-over-year in 2028, driven by a heavy concentration of customer move-ins in the second half of 2027 from a balanced mix of GPU and non-GPU orders. While project-level pricing remains stable, contract renewals and lower unit prices in western China are expected to weigh on EBITDA per MW, with the most significant impact occurring across 2026 and 2027. The company maintains a disciplined growth strategy supported by diverse financing channels, including upcoming C-REIT asset injections, and plans to avoid asset-heavy GPU rental ventures. 12m TPs of US$49/HK$48. *Timothy Zhao*

Results | Australia Consumer

Australian Consumer – FY26 Reporting Season Key Takeaways. We note discretionary retail sales slowed through May and June to drive a 2H26 July and August trading improved modestly, leaving FY27 consensus sal



looking reasonable. Despite softer discretionary sales, 2H26 EBIT margins held up well outside of electronics, though unusually warm weather created swing factors that aided Bunnings but hindered winter apparel and delayed the flu season for SIG. We see downside risk to consensus estimates for WES, driven by lower Bunnings sales growth expectations amid declining house prices and higher net interest expenses, placing our FY27-29E EPS estimates 2-3% below the Street. Additionally, we are 5% below consensus for EDV's FY27 NPAT due to underestimated cost pressures and lower margins in its Hotels division. *Peter Marks*

New | IGO - Upgrade to Buy

IGO – Greenbushes Optimisation Adds Value – upgrade to Buy. We upgrade IGO to Buy and raise our 12m TP 17% to A$9.50, driven by significant potential value uplift from lowering product grades and increasing recoveries at Greenbushes. We expect a reduction in average product grades to 5.6% could deliver a 10% uplift in annual site-wide spodumene production, adding approximately A$1bn to IGO's NAV alongside broader site optimisations. Consequently, we revise our FY27-29 EBITDA estimates by 0%, +6%, and +14%, respectively, and see scope for returning dividends from the TLEA JV as Greenbushes generates strong cashflow. *Hugo Nicolaci*

Themes in Play | RoboTechnik, Robotis, China Property, Godrej

RoboTechnik – Photonics IC Scaling Drives Tool Demand – Buy. We identify RoboTechnik as a major beneficiary of the photonics IC scaling trend, driven by strong demand for automated production and testing tools. Following a strong 2Q26 earnings beat, management highlighted that targeted tool shipments over the next year will exceed 50% of their total shipments from the past 25 years. The company's comprehensive tool coverage and strong automation capabilities position it well to capitalize on growing trends across CPO, NPO, OCS, and optical modules. We maintain our Buy rating and 12m TP of Rmb796. *Allen Chang*

Robotis – Microduck Takeoff Highlights Physical AI Demand – Buy. We view Robotis as a direct beneficiary of accelerating developer interest in low-cost hardware for real-world robot training, highlighted by over 10,000 pre-orders for Pollen Robotics' Microduck bipedal robot. Each Microduck unit features 15 Robotis XL330 actuators, and fulfilling initial production volumes for Microduck and Reachy Mini implies incremental demand for roughly 330k actuators, equivalent to 80% of the company's 2025 annual order intake. This emerging physical AI demand extends Robotis' presence within the open robotics ecosystem and adds to its growing portfolio of global references. We maintain our Buy rating and 12m TP of W630,000. *Do Hyoung Kim*

China Real Estate – Quantifying Impacts From Completed Sales Model. We assess the potential impacts of the new 828 policy, noting that strict implementation could significantly hurt new project internal rates of return from mid-to-high teen levels to mid-single digits and substantially reduce cash available for land banking. We estimate that developers with higher saleable resources, greater exposure to top-tier cities, and shorter construction cycles will see a smaller near-term earnings and growth impact, with COLI's development property portfolio likely the least impacted among our coverage. While the return and growth outlook remain to be seen, we believe the long-term industry consolidation outlook remains intact and retain our Buy ratings on CRL, COLI, Jinmao, and Greentown. *Yi Wang*

Godrej Consumer Products – India Growth Moderation Lowers Visibility – Buy. We lower our FY27-29 consolidated EPS estimates by 7.2-7.7% and reduce our 12m TP to INR 1,030 from INR 1,175, reflecting weaker near-term India business performance and margin pressures. While management maintained its full-year guidance, domestic growth will be impacted by a General Trade inventory reduction of INR 1.25-1.5bn and a recurring annual capability spend step-up of approximately INR 2bn across R&D and digital marketing. The company's strategic direction remains focused on scaling new home care segments, building pet care, and accelerating digital-first innovations, targeting teens EBITDA CAGR in the medium term. We maintain our Buy rating. *Arnab Mitra*

GS Events | Bank of China

Bank of China – 2Q26 Post Result NDR Takeaways – Buy. We maintain our Buy rating on Bank of China with a 12m TP of HK$5.96, following a post-result non-deal roadshow where management highlighted continued net interest margin improvement in 2Q26. We expect full-year domestic RMB loan growth of approximately 7% to 8%, primarily driven by corporate lending in technology, green finance, and other policy-supported sectors. While property-related asset quality improved in the first half, retail lending remains the key area of pressure reflecting a slower-than-expected recovery in household repayment capacity. *Shuo Yang*

Asia Strategy | Earnings Revisions

Asia Strategy – ERLI Project Upgrade Cycle Intact, but Slower Pace to Continue. We expect regional earnings upgrades to continue but at a moderating pace, as our Earnings Revisions Leading Indicator (ERLI) points to slowing momentum amid softer macroeconomic and manufacturing activity. North Asia maintains its upgrade leadership, with Korea and Taiwan seeing persistent but softer upward revisions, while China remains muted and ASEAN and India face downside risks from weak retail sales and contracting manufacturing. In terms of positioning, our long sector screens favor Industrials, Tech Hardware, Insurance, and Banks, while we remain short Consumer Staples, Utilities, New Tech, and Consumer Discretionary. *Timothy Moe*

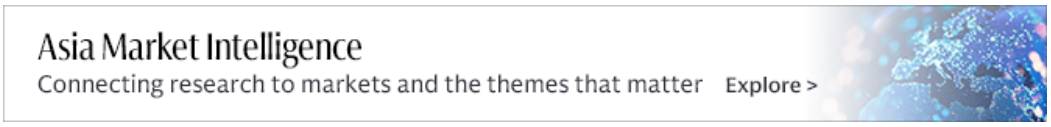
Around the World | Broadcom, Energy, Yen

Broadcom – Strong AI Revenue Outlook and Customer Diversification – Buy. We raise our 12m TP to $540 from $525 and remain buyers following management's very strong AI revenue outlook through FY28, which we expect the company to exceed. Broadcom expects AI semiconductor revenue to double in FY27 to $115bn and double again to $230bn in FY28, driven by expanding custom silicon engagements with Anthropic, OpenAI, and Meta, alongside continued growth at Google. While Q4 operating margin guidance of 66.0% came in slightly below consensus due to custom silicon and component cost dilution, we raise our average EPS estimates by 4% to reflect the higher AI revenue trajectory. *James Schneider*

Global Energy – Falling Oil Reserve Life Accelerates. We see a 60% decrease in Top Projects oil reserve life over the past decade, pointing to a new exploration and M&A cycle as the industry addresses this shortage. The 2025 organic reserve replacement came in at 93% for oil versus 134% for gas, marking the first sub-100% oil reading since Covid, a divergence we expect to continue with gas accounting for roughly 80% of Top Projects investment decisions year-to-date. Among the Majors, ENI leads 2026

year-to-date reserve replacement and stands out on reserve life improvement, joining ExxonMobil and TotalEnergies as best-placed among US and EU Big Oils. *Michele Della Vigna*

GS FX – Yen Price Action Similar But Different. We note that Yen appreciation pressures have returned this week, but the pattern of price action has been more gradual across the session compared to the intervention-driven bouts seen earlier this year. Spillovers from the Yen move to broader Dollar weakness have also been more muted, with the exception of the Swiss Franc, which we attribute mostly to firmer-than-expected Swiss inflation data. We think it is understandable to see less of a Dollar-negative readthrough from a Yen repricing driven by speculation around domestic themes of Bank of Japan policy and asset reallocations. *Stuart Jenkins*



GS Events (Home Page here)

- **Asia Healthcare CDMO Day | Singapore |** 23-25 Sep
- **Japan Conference | Tokyo |** 30 Nov - 4 Dec