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Greater China Technology Hardware | Asia Pacific

TFT-LCD Panel Price Outlook for Oct-26: TVs, Monitors and NBs Flat MoM

While panel makers plan to raise the panel prices to mitigate cost pressure, the coinciding softer seasonality in panel order momentum makes this look a bit challenging, so negotiations are undergoing. Contribution from class opportunities in advanced packaging should only come in 2028 by earliest.

Key Takeaways

- We believe current valuations of 1.5-2.0x P/B have already priced in expectations of glass in advanced packaging from 2H28 for the panel makers.
- Nonetheless, the risk in commercialization and competition remain key to watch.

TV panel prices to stay flat MoM in October: Mainstream 32", 43", 55", 65" and 75" TV panel prices are expected to stay flat for the month of October. While panel makers had previously notified their brands customers of potential price hikes from 4Q26 to mitigate elevated component costs, we believe that negotiations are ongoing, as TV panel order momentum might slow down in the coming months on seasonality and TV brands could reduce orders on higher panel prices. On the other hand, panel makers continue to demonstrate good discipline, since Chinese panel makers are committed to annual maintenance during the October holiday to control output. We think it seems more likely that we will see TV panel price hikes toward late 4Q26 when TV brands start to restock for CNY promotions. Our base-case assumption is for the TV panel prices to be flat QoQ in 4Q26, on a quarterly average basis.

IT panel prices to remain flat MoM in October: Monitor and notebook panel prices are expected to be flat MoM during the month. Both applications continue to see slower demand in 2H26 post the earlier restocking in 1H26 amid concerns about increasing component costs. That said, panel makers are under cost pressure and reluctant to given more price concessions. On a quarterly average basis, we expect IT panel prices to remain flat QoQ in 4Q26.

Risk/reward less attractive: We maintain the view that the current valuation of Taiwanese panel makers, AUO (2409.TW) at 2.0x P/B and Innolux (3481.TW) at 1.7x P/B, have already baked in the expectations of glass in advanced packaging for revenue contribution in 2028. However, some supply-chain players think this might take longer, and there seem to be more suppliers from different supply chains vying for this opportunity. In China, while expectations are also building for advanced packaging, we have a relative preference for BOE (000725.SZ; 1.4x P/B) over TCL (000100.SZ; 1.7x P/B), on its scale and faster progress in glass core substrates.

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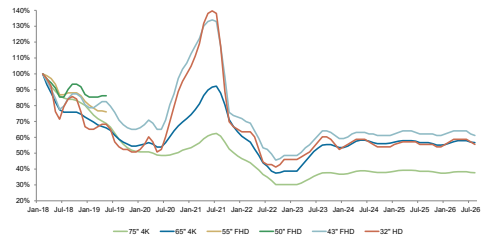
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Asia Pacific Industry View	In-Line
S. KOREA TECHNOLOGY	
Asia Pacific Industry View	Attractive

Exhibit 1 : TFT-LCD TV Panel Price Trends



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Pricing Chart

Exhibit 2: TFT-LCD Panel Prices – October 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	8/1/2026	9/1/2026	Oct-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	247	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%	0.0%	0.0%
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	183	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%	0.0%	0.0%
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	133	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%	0.0%	0.0%
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	35	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%	0.0%	0.0%
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	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%	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	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%	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	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%	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 Trended Down in 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, August was down 1% MoM, and September was flat MoM, in line with our expectation that TV panel prices would start trending down from 3Q26. That said, we do not expect a significant decline as supply-side discipline should provide downside support.

Exhibit 3: TV Panel Price Trend (QoQ)

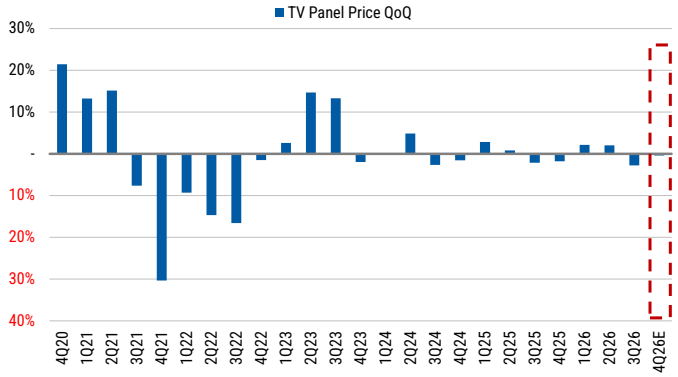
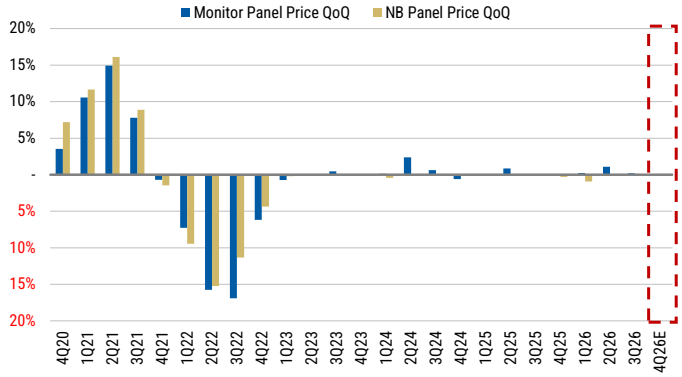


Exhibit 4: IT Panel Price (QoQ)



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 ~85% in 3Q26

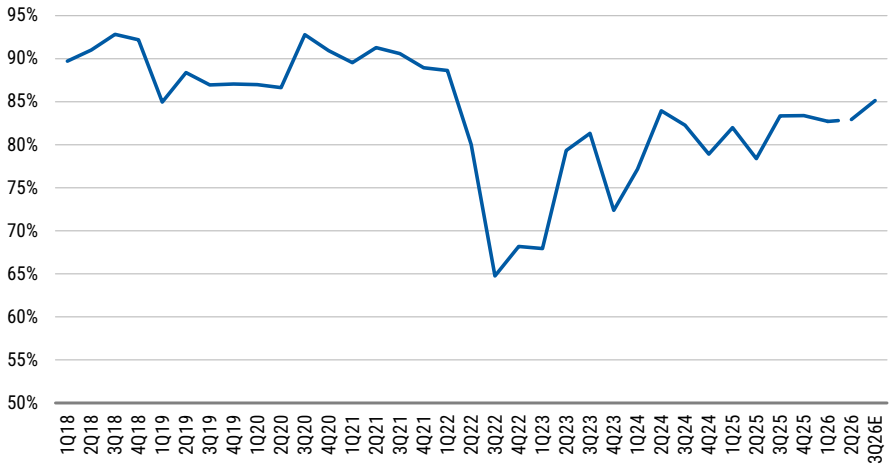
Stronger TV panel shipments supported display fab utilization of ~80% in 4Q24 and 82% in 1Q25. Utilization declined to 78% in 2Q25 as brands adopted a more cautious stance following earlier pull-ins and as the impact of China's trade-in program moderated. Utilization rebounded to 80-85% in 3Q25 as brands 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, followed by a slight uptick in 3Q26.

Over the medium to long term, we continue to believe the display in
structural change. Chinese panel makers have shifted their focus fro
profitability, while lower government subsidies have reinforced supp
believe investors increasingly recognize that the industry's productio
remain sustainable, particularly as panel price cycles shortened to q
multiyear cycles in the previous decade. Consolidation actions, inclu
of its Gen 8.5 Guangzhou fab to TCL and Sharp's closure of its Gen 1

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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 Largely Fair

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, our supply-chain checks suggest that 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, Ryan 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 0.6x 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 1.7x 2026e P/B vs. its mid-cycle average of 1.4x since 2022.

- **Greater China DDIC supply chain implications – Novatek (3034.TW, Daniel Yen):** Our 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

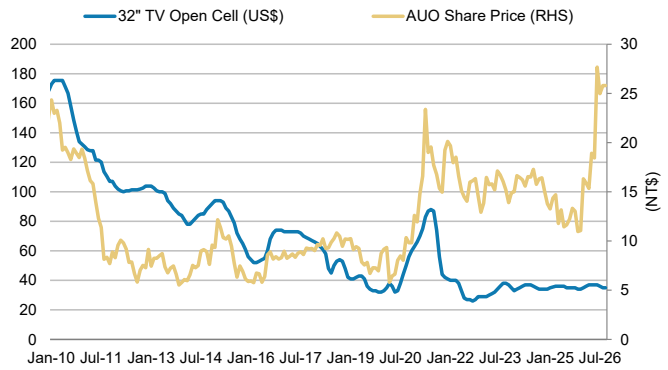


Exhibit 7: Innolux Share Price vs. Panel Price

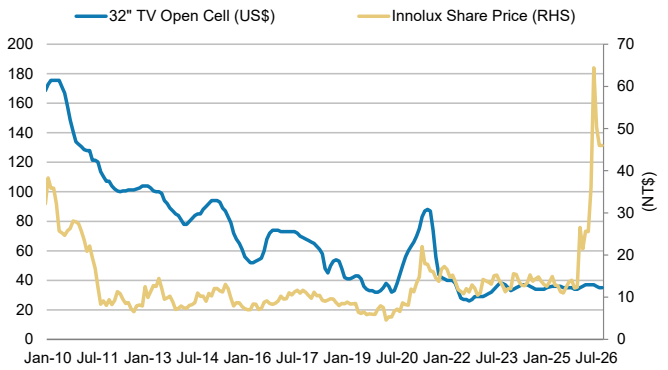


Exhibit 8: BOE Share Price vs. Panel Price

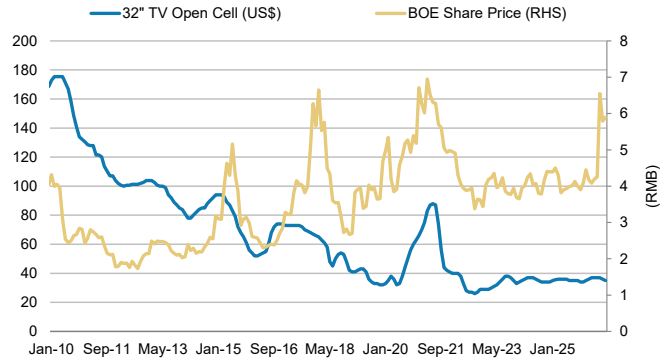
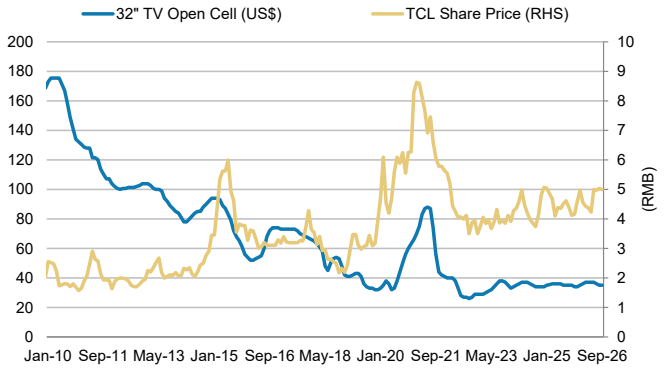


Exhibit 9: TCL Share Price vs. Panel Price



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

Exhibit 10: GLW Display Volumes vs. Utilization

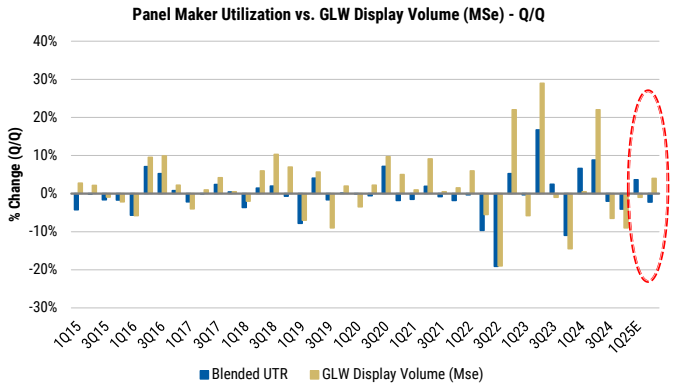
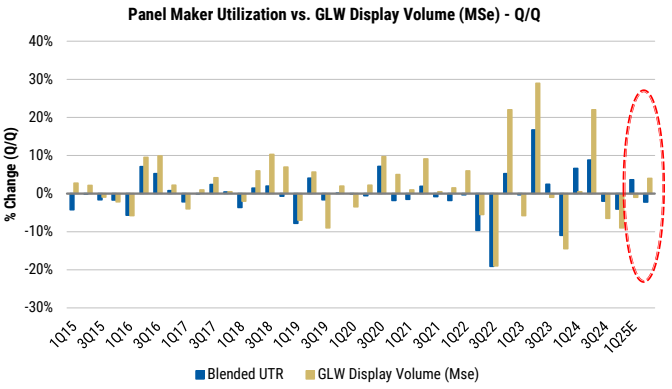


Exhibit 11: GLW Display Revenue vs. Utilization



Where We Could 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.