The 720: Panasonic, Shein initiation, Yum China, Samsung Bio, AU Mining, Keyence, PayTm, Global Shipbuilding, RBI policy

Michael Snaith
+852-2978-0455 |
michael.snaith@gs.com
Goldman Sachs (Asia) L.L.C.

Caleb Chan
+852-2978-0790 | caleb.chan@gs.com
Goldman Sachs (Asia) L.L.C.

In Focus | Panasonic

Panasonic HD – Generative AI Investments and Structural Reforms Drive Earnings Growth – Buy (on CL). Following a fireside chat with the CFO, management believes the company has entered a phase of significant earnings growth, bolstered by recent structural reforms and high-margin data center BBU/CBU contributions where it holds 70–80% market share. Management expects to sustain these benefits by embedding headcount controls into daily operations and prioritizing capital allocation toward high-ROIC generative AI-related products, including repurposing the Kansas EV battery plant to secure North American BBU supply capacity. Furthermore, the company plans proactive, margin-accretive price revisions across strong-position products and continues to pivot its portfolio toward the B2B domain to enhance long-term capital profitability. We maintain our 12m TP of ¥6,300. *Ryo Harada*

Listen Up - GS Webcasts on the Agenda

Brazilian Equities: Key Trades After the First Round | 8am HK | Access Webinar | with Nelson Armbrust, Carlos Loureiro, Dani Wojdyla

China AI Models: Monetization Path & Competition Landscape | 830am HK | Access Webinar | with Ronald Keung, Michael Snaith

New | Shein initiation

SHEIN – Compelling valuation and potential 2027 earnings recovery – Initiate at Buy. We initiate coverage with a 12m TP of HK$62, as we believe the current depressed valuation overly penalizes near-term headwinds and overlooks the company's robust free cash flow generation and structural market share upside. While we expect 2026 sales to decline 1% year over year and adjusted net income to fall to US$1.4bn due to higher oil prices, elevated shipping rates, and the removal of tariff exemptions, we view these pressures as transitory. We forecast revenue growth to rebound to 10% in 2027E and 2028E, with adjusted net income recovering to US$1.9bn and US$2.3bn, respectively, as tariff impacts normalize, freight pressures ease, and its highly efficient digitalized supply chain continues to drive long-term operating leverage. *Michelle Cheng*

Previews | Yum China, Samsung Biologics, Korea Autos, India Autos

Yum China – 3Q26 Preview: Store Expansion and License Fee Savings Support Profits

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– Buy (on CL). We expect 3Q26 sales and operating profit to grow 9.3% and 10.4% yoy respectively, and raise our 12m TPs to US$60/HK$467. While we forecast softer same-store sales growth of -1% for both KFC and Pizza Hut amid macro and weather headwinds, we expect resilient profitability driven by 470 net store additions and margin benefits from Pizza Hut license fee savings. Consequently, we increase our 2026E–28E net income forecasts by 1–2%, as a stronger RMB assumption and effective cost optimization more than offset the slower same-store sales outlook. *Michelle Cheng*

Samsung Biologics – 3Q26 Preview: Resilient Earnings - Buy. We expect resilient 3Q26 revenue of W1.37tn (+9% YoY) and a 44.7% operating margin, keeping FY26 revenue on track for the upper end of management's 15–20% growth guidance despite earlier labor disruptions. However, slower-than-expected YTD order announcements (US$1bn vs. US$4.9bn in 2025) and a second labor strike planned for late October remain near-term sentiment overhangs, making large-contract conversions and labor resolutions key re-rating catalysts. We lower our 2026E–28E EPS estimates by 2.0–2.5% to reflect less favorable FX rates and potential strike impacts, and reduce our 12m TP to W1,805,000 from W1,994,336. *Chris Pan*

Korea Autos – Weak 3Q Expected on Cost Inflation, Strikes, Deferred Demand. We expect a weak 3Q26 across the Korean Auto sector due to cost inflation, strikes, and adverse FX movements, prompting us to cut 2026E–28E EPS estimates and lower our 12m TPs for Neutral-rated HMC to W520,000 and Buy-rated Kia to W210,000. We project 3Q operating profit for both automakers will miss consensus by 7–10% on volume pressures and margin erosion from a higher BEV mix, though we believe recent stock corrections already price in much of these top-down headwinds. With value emerging ahead of a potential volume recovery into 4Q and 2027, we highlight Buy-rated Hyundai Mobis and HL Mando as our preferred names given their earnings resilience, stable after-service exposure, and long-term leverage to the robotics transition. *Do Hyoung Kim*

India 4Ws – 2Q Preview: Is a bottom in sight or is there more to go?. Heading into 2Q27E, we factor in a median 150bps of further raw material headwinds to our forecasts and cut 12m TPs by 3% to 14% across our coverage. Investor focus remains on volume growth moderation driven by elevated crude and metal prices, higher interest rate expectations, and the duration of ongoing margin drags. Compared to consensus estimates, we see more downside risk for Tata Motors PV and Hyundai India due to commodity inflation and less favorable FX moves, while noting limited downside for Mahindra & Mahindra, Maruti Suzuki, and Ashok Leyland. *Chandramouli Muthiah*

India 2Ws – 2Q Preview: Less concerning input cost headwinds vs. 4Ws; Buy TVS Motor. Heading into 2Q27, we view Indian two-wheeler (2W) manufacturers as relatively insulated from ongoing input cost challenges compared to four-wheelers, driven by more stable aluminum prices relative to steel and copper. We expect all four legacy 2W companies to deliver year-over-year EPS growth, though we incorporate higher metal and rubber prices into our forward estimates. Consequently, we cut our 12m TPs for Hero MotoCorp, Bajaj Auto, and Eicher Motors by 10%, 6%, and 9%, respectively, due to commodity headwinds and EV mix drags, while raising our 12m TP for TVS Motor by 2% on better PLI scheme incentives and pricing power. We are Buy rated on TVS Motor, forecasting 13% upside to 2Q consensus EBITDA estimates. *Chandramouli Muthiah*

Themes in Play | AU Mining, Keyence, PayTm, NAURA, Pony AI

Australia Metals & Mining – Remain positive copper, revisiting valuations and M&A landscape. We remain positive on the global mining sector and near-term copper outlook, lifting our 2027 copper price forecast to US$6.3/lb alongside upward revisions to our aluminum, zinc, coal, and freight rate estimates. Sector earnings continue to benefit from tight refined metal markets and supply disruptions, though we note rising capital intensity as miners prioritize organic growth and operational synergies via M&A over capital returns. We highlight Buy ratings on BHP and Rio Tinto as our preferred diversified miners, alongside BlueScope, Lynas, Iluka, and Champion Iron, while remaining Sell rated on Fortescue and New Hope due to free cash flow constraints and valuation headwinds. *Paul Young*

Keyence – Robust conditions to continue – Buy (on CL). We maintain our 12m TP of ¥115,000 and raise our FY3/27E–FY3/30E operating profit estimates, driven by strong monthly sales data and favorable industry trends. The company is successfully capturing rapidly expanding AI capex, delivering earnings beats that highlight the pronounced strength of its fundamentals. As market focus shifts toward potential supply constraints into the second half, we believe Keyence's proven same-day delivery system provides significant reassurance, supporting our forecast for a strong 2Q operating profit of ¥199 bn and a 53.7% margin. *Yuichiro Isayama*

One 97 Communications – Multiple Tailwinds and UPI MDR Benefits – Buy. We raise our 12m TP to Rs2,070 from Rs1,500 and increase FY27E–FY30E revenue and EBITDA estimates by up to 26% and 40%, respectively, to incorporate the recently announced UPI merchant discount rate (MDR). We expect this new monetization lever, alongside steady consumer payment market share gains and a shift toward higher-margin products, to drive a five- to six-fold expansion in FY28E EBITDA compared to FY26. For 2QFY27E, we forecast 28% year-over-year revenue growth and a 100-basis-point sequential margin improvement to 9.3%, fueled by a robust 45% expansion in financial services and sustained cost control. *Manish Adukia*

NAURA – Broader product portfolio to support long-term growth – Buy. We maintain our Buy rating and raise our 12m TP to Rmb1,201 as NAURA continues to expand its equipment coverage across etching, deposition, and advanced packaging. While keeping 2026E net income unchanged, we lower our 2027E and 2028E estimates by 12% and 4% respectively to reflect higher R&D and product-development operating expenses. However, we raise our 2029E–2031E EPS estimates as the broader equipment portfolio gradually contributes to earnings, supported by volume deliveries of tubular ALD systems and commercialization progress in high-end ICP etching tools. *Allen Chang*

Pony AI – Robotaxi and Gen-4 Robotruck Expansion – Buy. We remain positive on the company's long-term trajectory as it targets 3,500 Robotaxis by year-end 2026 and advances overseas operations, including commercial Robotaxis in Doha and driverless test rides in Zagreb. Additionally, the newly launched Gen-4 Robotruck platform with GAC reduces autonomous driving kit costs by 70%, which we expect to lower per-kilometer transportation costs and support broader commercialization. We lower our 2027E-2032E earnings estimates to reflect slower Robotaxi fleet ra regions alongside gross margin impacts from product mix changes, resu reduction to our 12m TPs to HK$202.4/US$25.8. *Allen Chang*

Global Shipbuilding | Songfa, Global Sector outlook



Guangdong Songfa Ceramics – Materially upgrading earnings on phase IV capacity expansion – Buy. We raise our 12m TP to Rmb300 as we factor in further shipbuilding capacity expansion and strong order wins from the company's primary asset, Hengli Heavy Industry. We raise our 2026E-28E net income forecasts by 9%-80% to Rmb10.3bn-Rmb30.6bn, driven by a 97% capacity addition from Phase III and IV facilities by early 2027 that we expect will drive global capacity share to 11%. We also forecast net margins to expand to 22% by 2028E, up from 12% in 2025, supported by a shift toward higher-value vessels like containerships and gas carriers, alongside increased marine engine production. *Herbert Lu*

Global Shipbuilding – 2027 Outlook: Should Capacity Expansion Be a Concern Now? We remain bullish on the global shipbuilding upcycle lasting until 2032, raising our 2026E/2027E global capacity growth forecasts to 8%/9% and new order demand by 26%/13% driven by aging fleet replacements, containership mega-vessels, and a continuing tanker super-cycle. We believe robust underlying demand and elevated shipyard orderbooks of over three years will sustain high newbuild prices and mitigate concerns over ongoing capacity expansions in China. We prefer quality capacity expansion leaders, highlighting Buy rated Songfa, Namura Shipbuilding, Mitsui E&S, Tokyo Keiki, and Wartsila, alongside Yangzijiang Shipbuilding, where we raise our 12m TP to SGD6 following upward long-term earnings revisions. *Herbert Lu*

GS Events | Data Centre Expert

Americas Communications Technology – Expert Network Series: Data center outlook with Dell'Oro. The expert believes AI infrastructure investments will remain capability-driven rather than return-driven for the next several years, forecasting global data center capacity to increase by 200GW to roughly 250GW by 2030. Power availability remains the primary gating factor for industry growth, prompting expectations that on-site generation could reach 30% of total deployments over the next five years to bypass grid expansion bottlenecks. Furthermore, the expert notes scale-up architectures represent a net-new networking TAM that initially benefits Celestica and HPE Juniper, while Arista is best positioned for power-alleviating scale-across networks and Cisco shows impressive progress in scale-out deployments. *Michael Ng*

Asia Macro | China Exports, India RBI Policy

China Macro – How Much More Can Exports Grow?. We believe Chinese real export growth has a clear runway to maintain strong momentum of roughly 8% annually in the near term, despite the current boom being largely supply-driven and coinciding with falling domestic profitability. While rising bilateral trade deficits point to emerging balance-of-payments constraints in some emerging market countries, we find this is largely mitigated by a substitution effect where higher imports from China are offset by reduced imports from other nations. Our benchmarking analysis indicates China's share of global non-mineral imports could still rise from 17.6% in 2024 to between 19.2% and 27.6%, signaling ample room for continued global market share gains before ultimately requiring stronger economic growth in importing economies. *Hui Shan*

India – RBI Policy Review: A Hawkish Hike. The RBI MPC unanimously raised the policy repo rate by 25bp to 5.50% and shifted its stance to "calibrated tightening," indicating rate cuts are off the table in the near term. Reflecting resilient domestic demand, the

central bank raised its FY27 real GDP growth forecast by 40bp to 7.1% year over year, while also lifting its FY27 inflation forecast by 20bp to 5.2% due to broadening price pressures and food inflation risks. With growth remaining robust and El Niño-related supply shocks likely to intensify, we continue to expect a further 25bp rate hike in December and 50bp of tightening in the first half of 2027, bringing the terminal rate to 6.25%. *Santanu Sengupta*

Data Connections | China Spirits

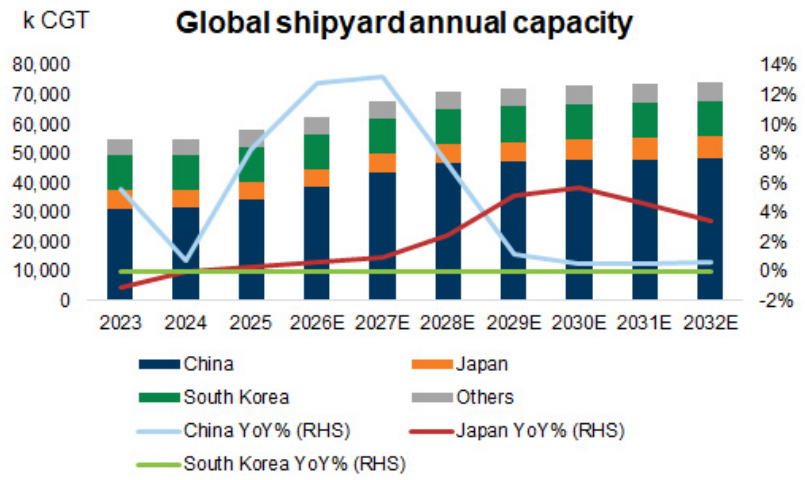
China Spirits Tracker – Golden Week Feedback. We estimate combined Mid-Autumn and National Day holiday spirits sell-through declined 10-15% year-over-year, falling short of prior expectations despite resilient broader travel and retail activity. This weakness was driven by a severe anti-graft environment and soft commercial gifting demand, which particularly pressured the East China region. Across brands, Feitian Moutai remained the clear outperformer by maintaining double-digit growth in most regions, while disciplined distributor shipment strategies helped keep overall channel inventories healthier than previous post-festival levels. *Leaf Liu*

Around the World | US eCommerce, Marvell

US eCommerce - Q3'26 Preview: Analyzing the Industry Debates & Estimates. Ahead of Q3 results, we see a resilient digital consumer prioritizing value and convenience, a trend we expect will continue to favor scaled platforms with broad selection and fast fulfillment. Furthermore, as AI-driven agentic commerce shifts the shopping journey from search toward task delegation, we believe long-term industry winners will be those that maintain direct consumer relationships or act as the preferred fulfillment layer. Across our coverage, we raise our 2026E+ revenue and EBITDA estimates for Neutral rated Wayfair (W) on strong execution but lower its 12m TP to $102 on valuation methodology changes. We also lower our 12m TPs for Sell rated Groupon (GRPN) to $16 on execution uncertainty and Buy rated Pattern (PTRN) to $27 on reduced 2027+ EBITDA margin expectations. *Eric Sheridan*

Marvell – FY31 Targets Highlight Diversifying AI Opportunities – Neutral. We raise our 12m TP to $270 following Marvell's Investor Day, where management outlined compelling FY31 financial targets including a 55%-60% revenue CAGR, 56%-59% gross margin, and approximately $30 EPS. Management expects growth to be driven by a $400bn AI TAM by 2030 and accelerating datacenter CapEx, supporting increased demand across its diversified connectivity franchise and custom silicon solutions. We raise our EPS estimates by 13% on average on higher revenue projections, though we remain sidelined pending clearer visibility into the timing and magnitude of new design wins relative to peers. *James Schneider*

Graphic language | Global shipyard annual capacity



Source: Clarksons, Company data, Goldman Sachs Global Investment Research

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GS Events (Home Page here)

- **China Next-Gen Power & Mobility Day | Shenzhen** | 2-4 Nov
- **APAC Healthcare Corporate Day 2026 - Part I | Hong Kong** | 3-6 Nov
- **Korea KRX Kosdaq Corporate Day | Hong Kong & Singapore** | 24-25 Nov
- **India Corporate Day | Hong Kong** | 30 Nov - 1 Dec
- **Japan Conference | Tokyo |** 30 Nov - 4 Dec