The 720: APAC Tech, CXMT, India Banks, Japan Games & Internet, China Financials, Hansoh Pharma, Hana FG, Mitsubishi Electric, CoreWeave

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 | Asia Pacific Tech

Japan Electronic Components/Semiconductors – Recalibrating our stock selection framework. We maintain our bullish stance on leaders in MLCCs, power semiconductors, and ABF substrates, driven by the sustainability of mix improvement and content growth from technological changes. We upgrade Nichicon to Buy from Neutral and raise our 12m TP to ¥4,200 from ¥4,100, given its undervalued share price and expanding aluminum electrolytic capacitor demand for AI servers as power supplies shift to higher voltages. We raise our FY26-FY28 operating profit estimates for our coverage universe by 1-2%, while maintaining Buy ratings on Murata (on CL), Taiyo Yuden, TDK, Renesas, Rohm, and Ibiden. *Daiki Takayama*

Japan Technology Semiconductors – Demand remains strong despite AI investment concerns. We reiterate our Buy ratings on Lasertec (on CL), Disco, Tokyo Electron, Ebara, Kioxia, and HOYA, as we see underlying demand gaining strength ahead of earnings despite broader market concerns over AI investment sustainability. Within the semiconductor production equipment sector, we favor companies showing potential for above-average sales growth, sufficient capacity, and margin expansion, while maintaining a cautious stance on Ulvac, SCREEN Holdings, and Tokyo Seimitsu. To reflect recent demand strength and currency movements, we adjust our operating profit estimates across the coverage and raise our 12m TPs for Kioxia to ¥39,000, Advantest to ¥44,000, Tokyo Seimitsu to ¥17,000, and SCREEN to ¥13,200. *Shuhei Nakamura*

Greater China Tech – Outlining growth potential and opportunities by sub-sector. We review 11 sub-sectors within China Tech and remain constructive on the fundamentals, driven by Generative AI server shipment growth, broadening AI infrastructure spending, and resilient premium consumer electronics. We expect specification upgrades and migration to new platforms to drive significant momentum, forecasting AI server rack shipments to jump 238% year-over-year in 2026 and the global AI PCB and CCL markets to reach US$38bn and US$22bn by 2027. Accordingly, we reiterate our Buy ratings on key supply chain champions across semiconductors, optical networking, AI servers, and power solutions, including TSMC, Innolight, Hon Hai, and Delta Electronics. *Allen Chang*

Global Server – Raising both AI and general servers. We raise our global servers total addressable market value by 31% and 45% in 2027 and 2028, reflecting ongoing

Goldman Sachs does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. For Reg AC certification and other important disclosures, see the Disclosure Appendix, or go to www.gs.com/research/hedge.html. Analysts employed by non-US affiliates are not registered/qualified as research analysts with FINRA in the U.S.

generative AI infrastructure investments and specification upgrades. We increase our 8-GPU AI server shipments by 10% and 29% to 2.7 million and 3.3 million for 2027 and 2028, primarily driven by rising custom-design ASIC-based demand that optimizes computation efficiency. We also raise our 2026-2028 aggregate capex estimates for leading US cloud service providers by 4% to 22% to reach US$1.4 trillion by 2028, driven by higher memory costs, better mix, and growing AI workload demands. *Allen Chang, Verena Jeng*

Listen Up - GS Webcasts on the Agenda

Global Credit Strategy: AI, Credit and a Higher Cost of Capital | 830am HK | Access Webinar | with Amanda Lynam

Japan Tech: Recalibrating our stock selection framework | 4pm HK | Access Webinar | with Daiki Takayama, Shuhei Nakamura

Results | CXMT, Shengyi Tech

CXMT – Strong 3Q26 guidance on AI-driven DRAM demand – Buy. We raise our 12m TP to Rmb130 following strong 3Q26 guidance, with the revenue midpoint tracking 30% above our prior estimates and net income coming in 17% higher. We attribute this sequential growth to robust AI-driven server and HBM demand, elevated DRAM pricing, and customer diversification, alongside the recent mass production launch of the company's more efficient Gen-5 DRAM platform. Consequently, we increase our 2026-2030 earnings estimates by up to 4%, as we expect the company to remain a key beneficiary of rising local market demand and ongoing capacity expansion. *Allen Chang*

Shengyi Tech - 3Q26 NI guidance beat with strong QoQ growth; Strong AI CCL demand with specification upgrade; Buy (on CL) . Shengyi reported 3Q26 net income guidance at 212% ~ 252% YoY (or 49% ~68% QoQ) to Rmb3.2bn ~ Rmb3.6bn, with 3Q midpoint NI guidance a 65% beat vs. our previous estimates. We attribute the higher-than-expected NI to (1) strong CCL shipment riding on both shipment and ASP growth, (2) higher-than-expected GM on product mix upgrade and better pricing, and (3) higher-than-expected non-OP. Looking into 4Q26/ 2027E, we expect the strong CCL demand to sustain, riding on the Gen-AI trend and company's client expansion. 12m TP of Rmb255. *Allen Chang*

Results | India Banks

ICICI Bank - Virtuous flywheel continues to deliver; Strongest upside potential in our coverage; Reiterate Buy. ICICI Bank's 2QFY27 results were ahead of our expectations across the board, with loan growth of 24% YoY (2% above GSe), core revenue growth of 18% YoY (2% above), NIM 5bp above GSe, core PPOP 5% above, and lower provisions. NIM delivery was particularly notable, declining just 10bp QoQ despite one of the strongest FCNR(B) deposit accretions in the system (8% of deposits). Importantly, the bank preserved liquidity at the bottom of the interest-rate cycle, with LDR at 85%, providing meaningful headroom for medium-term earnings growth as liquidity is deployed. We raise FY27E/FY28E/FY29E earnings by 4%/4%/5%, reflecting strong 2QFY27 delivery and strong outlook. We expect the bank to deliver Core PPOP / PAT CAGR of 20% / 17% over FY26-FY29E, which is attractive in our view against current valuations of 13x FY28E P/E. We reiterate our Buy rating with a revised 12m TP of Rs2,025, implying 45% upside. *Sumeet Kariwala*

HDFC Bank - Largely inline trends; Remain Buy. HDFC Bank's 2QFY27 results saw core PPOP growth improve to 13% YoY from 8% in 1Q and was 2% above GSe, aided by continued cost optimization. Core revenue growth picked up to 10% YoY vs. 7% YoY last quarter. Loan growth trends were positive, and the bank saw improved traction in business banking, unsecured loans, and autos for instance. NIMs, however, declined by 8bps QoQ, a larger-than-expected contraction vs GSe. Headline deposit growth was strong led by FCNR, but adjusted for that, the bank saw some moderation in non-retail branch banking deposits likely owing to one-time outflows in certain MSME/government buckets etc. We expect core PPoP growth recovery to pickup, with loan growth in line with the system, NIM recovery helped by rate hike cycle and continued operating leverage driving a 17% core PPOP CAGR over FY26-FY29E. Trading at an attractive 11x FY28E P/E, 12m TP of Rs861. *Sumeet Kariwala*

Axis Bank - Strong risk reward; Reiterate Buy; Raise PT to Rs1,600. Axis bank F2Q27 earnings were largely in-line with expectations, and our thesis of cyclical inflection in core PPoP growth remains on track. This is being led by improving visibility on NIMs, with retail disbursements remaining strong, the CASA growth run-rate has picked up and the rate cycle is turning. We expect loan growth will remain strong, although moderating from current elevated levels. The key challenge is around fee income, where growth remains muted, but we expect continued cost optimization to partly offset that. We expect core PPoP growth to inflect from ~10% YoY in 2QFY27 to ~15% YoY in H2-FY27 and 20% CAGR during F27-F29E. We see valuation at 10x Fy28 P/E as attractive against this backdrop. 12m TP increased to Rs1,600 (from Rs1,500), implying 24% upside. *Sumeet Kariwala*

Themes in Play | Memory, Japan Games & Internet, Hansoh Pharma

Global Technology – Semiconductors - Memory: Implications of CXMT's 4F2 Announcement. Following a recent sell-off in memory stocks triggered by Chinese DRAM maker CXMT's '4F2' architecture announcement, we believe the market has overestimated China's potential for a rapid technological breakthrough. While we acknowledge CXMT's aggressive capacity ramp-up, we anticipate significant hurdles in customer qualification, high-yield mass production, and advanced HBM base die manufacturing due to EUV export controls. Consequently, we estimate CXMT will meet only 40-50% of China's domestic memory demand by 2028, leaving substantial ongoing opportunities for Korean market leaders. With current valuations below book value pricing in a pessimistic 2028 downcycle, we see an attractive risk-reward profile and maintain our Buy ratings on Samsung Electronics (12m TP W500,000) and SK Hynix (12m TP W3,500,000). *Giuni Lee*

Japan Games & Internet – Recent Sector Themes and Data Points. We lower our Nintendo 12m TP to ¥9,800 and trim operating profit forecasts, driven by softer-than-expected Nintendo Switch 2 hardware shipments and a more gradual first-party title release cadence. Despite these near-term headwinds, we maintain our Buy rating as we expect hardware sales momentum to accelerate alongside a deeper dedicated software lineup. Across the broader Japanese entertainment space, we recommend Capcom, Sony Group, and Recruit Holdings as key Buys based on resilient consumption data and robust earnings momentum, while maintaining Sell ratings on Bandai Namco and Square Enix due to elevated valuations. *Minami Munakata*

Hansoh Pharma – Broadening ADC Collaboration with Roche – Buy. We reiterate our Buy

rating and 12m TP of HK$52.70 following Hansoh's announced strategic ADC platform collaboration with Roche covering two preclinical and multiple additional programs. Under the agreement, Hansoh receives US$400mn upfront, US$110mn on the first anniversary, and eligibility for over US$15bn in milestones, which we view as strong validation of its proprietary ADC technology and discovery capabilities. Roche will lead ex-Greater China development post-Phase Ia, though Hansoh retains an option to contribute to up to two global programs, establishing a strategic pathway to gradually build in-house global clinical expertise. Supported by resilient domestic innovative-drug sales and encouraging recent ESMO pipeline data, we remain constructive on the company's increasing visibility for global pipeline value realization. *Ziyi Chen*

Preview | Victory Giant, ALS, BOCHK, China Banks & Insurance, China Energy

Victory Giant - AI PCB toward next-generation platform; capacity expansion on strong order growth and latest technology; Buy. We remain constructive on Victory Giant's leading position in AI PCB and continuous capacity expansion to support the sustainable growth ahead. For the upcoming 3Q, we expect net income to deliver QoQ growth at 3% YoY to Rmb1.6bn, supported by gradual product migration to the new AI platform and rising contribution from AI PCB. Due to the impact from product transition, we expect to see stronger revenues QoQ growth in 4Q26E, driven by accelerated shipment ramp up and dollar content increase on the specification upgrade (high-end CCL, PCB with higher layer counts). Maintain Buy, 12m TP of Rmb540. *Allen Chang*

ALS Ltd - 1H27 preview: Commodities momentum intact while Life Sciences lagging - Buy (on CL). Commodities momentum remains intact heading into ALQ's 23-Nov print, underpinned by a broadening junior mining recovery and supportive read-throughs from Major Drilling and Imdex; we forecast FY27e cFX organic Commodities growth of 21% (18% net of an estimated 3% FX headwind) with margins up ~195bps, ahead of guidance with scope for further upgrades. Life Sciences remains the laggard near-term on Pharma softness and Americas disruption, but we see a second-half weighted recovery as Nuvisan ramps and North America certifications are reinstated. Valuation looks undemanding on a growth-adjusted basis (1.4x vs peer average 1.8x), supporting the premium multiple at this point in the cycle. We trim FY27e EBIT by 3% on AUD strength and reduce our target price 1% to A$28.05. *Niraj Shah*

BOC Hong Kong - 3Q26 Preview: Stable earnings despite softer fees – Buy. BOCHK is expected to report 3Q26 earnings in late October. We forecast net profit of HK$11.5bn, +28% yoy/+1% qoq, with PPOP +18% yoy/-1% qoq. We expect NII to rise 3% qoq to HK$14.5bn, supported by solid loan growth (+2.5% qoq), while underlying NIM remains broadly stable at 1.37%. While 1M HIBOR increased c.18bps qoq, providing some support to asset yields, we expect this to be largely offset by higher funding costs amid increased deposit competition. We forecast net fee income to decline 5% qoq to HK$2.8bn, reflecting softer wealth fee, partly offset by a recovery in insurance, while other traditional fee businesses remain relatively stable. We raise our FY26E/27E/28E net profit estimates by +1.5%/+4.5%/+0.3%, primarily reflecting a more supportive interest-rate outlook and lift our 12mTP to HK$59.70. *Melissa Kuang*

China Banks – 3Q26 Preview: Cautiously constructive; NIM and asset qu
stable. We remain cautiously constructive on sector fundamentals head
3Q26 reporting season, raising our average 2026E PPOP forecasts by 0.
NPAT forecasts by 0.2%. We expect NIM trends to remain broadly stabl



repricing normalizes, alongside resilient asset quality supported by higher provisioning. Earnings differentiation will likely be driven by unrealized bond gains, with large banks better positioned given their longer-duration portfolios. Following model revisions, we increase target prices by 3.1% on average for H-shares and 2.2% for A-shares, reiterating our Buy ratings on BOC, CCB and BONB. *Shuo Yang*

China Insurance – 3Q26 preview: Stay defensive as profit and NBV turns to yoy declines. We expect a weak set of 3Q26 results, lowering our FY26E net profit forecasts by 11-56% and reducing target prices across our coverage by 1-6%. Most insurers will likely report net losses for the quarter due to a 12% decline in the CSI300 index that wiped out 2Q gains, combined with an exceptionally high base effect. We also expect FY26 new business value (NBV) to decline for all lifers except China Life, driven by regulatory disruptions in bancassurance and deposit competition. We remain cautious and prefer insurers with resilient operations and lower leverage to equity markets, maintaining Buy ratings on CPIC H, PICC P&C, PICC Group H, and Ping An H/A. *Thomas Wang*

China Energy: Oil – 3Q26 Preview: Widening valuation discount signals Upstream re-rating potential. We see a potential re-rating transition for upstream-leveraged names toward global peers, driven by sustained commodity prices and high free cash flow yields. While we expect a moderate sequential decline in 3Q earnings for upstream companies due to softer realized crude prices, our higher 2027E oil price assumption of US$80/bbl drives estimate adjustments. We reiterate our Buy ratings on CNOOC and PetroChina, offering attractive 2027E dividend yields of 7% and 6%, respectively, while maintaining a Neutral rating on Sinopec due to persistent refining margin headwinds. We adjust our 12m TPs for CNOOC to HK$31.60, PetroChina H/A to HK$12.10/Rmb15.50, and Sinopec H/A to HK$4.50/Rmb6.00. *Amber Cai*

China Macro | 3Q GDP

China Macro - Q3 GDP slightly beat expectations. China's Q3 GDP slightly beat market expectations, thanks to a broad-based improvement in September economic activity — especially retail sales and services industry output. The imbalance between strong exports and weak domestic final demand remained significant. Industrial production (IP) growth accelerated further to 5.5% yoy in September from 5.2% yoy in August, led by faster output growth in chemicals and non-metal product manufacturing industries. On a single-month basis, the year-on-year contraction in fixed asset investment (FAI) narrowed to -7.2% in September from -10.8% in August, thanks to more favorable weather and a low base. Following the stronger-than-expected Q3 GDP outturn, we nudge down our Q4 sequential growth forecast to 4.0% qoq annualized from 4.5% qoq annualized previously, but raise our 2026 full-year real GDP growth forecast slightly to 4.6% from 4.5%. *Lisheng Wang*

GS Event | Rohm, Hana Financial

Rohm – SiC Chikugo factory tour points to FY27 earnings upside – Buy. Following a tour of the Chikugo factory, we see concurrent technology shifts and utilization rate increases driving potential upside for FY27 silicon carbide (SiC) earnings. With demand continuing to outstrip supply across both data center and EV applications, the facility is successfully transitioning to 8-inch substrates and higher-yield 5th-generation products to maximize production. Management expects the fourth-quarter ramp-up to be a key driver for FY27 sales expansion, further supported by fully installed equipment and the Kunitomi

factory commencing operations in 2027. We maintain our 12m TP of ¥7,200. *Daiki Takayama*

Hana Financial Group – Takeaways from CEO/CFO NDR – Buy. Management reiterated its medium-term 12% ROE target during our recent NDR, driven by lifting bank ROE toward 13% and non-bank earnings normalization. While management expects temporary NIM headwinds in the upcoming quarter due to corporate deposit outflows, they anticipate a resumption of NIM expansion alongside steady credit costs of 30bps. The group intends to fund future growth organically to preserve capital for shareholder returns, targeting a 10% increase in the annual cash dividend with residual payouts allocated to share buybacks. We maintain a 12m TP of W148,000. *Sinyoung Park*

Event | Mitsubishi Electric

Mitsubishi Electric – Advancing Automotive Equipment Deconsolidation – Buy. We view the planned deconsolidation of the automotive equipment business positively from a profit margin and capital efficiency perspective, increasing the likelihood of the company achieving its long-term ROE targets ahead of schedule. Management signed a legally binding agreement to transfer a 50% stake in Mitsubishi Electric Mobility to an investment arm of Hon Hai Precision Industry for ¥115 bn, with completion targeted for October 2027. While this restructuring will trigger a roughly ¥100 bn impairment loss in FY3/27, it marks a major progression in the company's broader business portfolio reform. We maintain our Buy rating and 12m TP of ¥7,900. *Ryo Harada*

Connections | China Internet

Navigating China Internet – eCommerce tracker: September online retail GMV flat year-on-year; Alibaba & JD previews. We lower our 2026 industry online GMV and parcel volume growth forecasts to 3% and 4% respectively, following broadly flat September online retail goods GMV growth. Ahead of September-quarter results, we raise Alibaba's FY27–FY29 adjusted net profit estimates by 1% driven by accelerating cloud growth and stable traditional e-commerce profitability, while cutting JD's FY26–FY28 adjusted net profit estimates by 14–15% due to higher incremental investments and R&D expenses under a soft macro backdrop. Within the sector, we maintain our preference for defensive growth in games and entertainment, alongside cloud and e-commerce where we highlight Alibaba and JD as preferred names. *Ronald Keung*

Asia Strategy | India's AI Complex, Indonesia

India Strategy - India AI Complex, Part 2: The Rise of Private AI Contenders, Widening the Opportunity Set. Part 1 of our review of the India AI complex identified a cohort of listed AI Enablers, with a combined market cap of US$670bn, which have delivered India's strongest equity returns in 2026 to date. This cohort is built primarily around AI infrastructure, spanning power generation, semiconductors, and data centers. In Part 2 of this series, we turn to India's AI complex in the private markets, where capital allocation to AI is accelerating rapidly, and where we see a maturing pipeline of companies signaling potential to widen the breadth of India's listed AI opportunity set in the coming years. *Amorita Goel*

Index Strategy - MSCI Market Classification: Indonesia Downgrade Risk Crystallizes. MSCI has proposed reclassifying Indonesia from Emerging Market to Standalone status by June 2027, which materially raises the risk of removal from composite indexes without

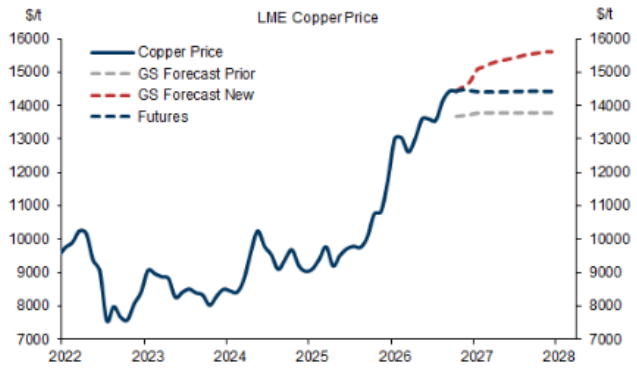
triggering immediate passive selling. We estimate full MSCI removal could drive ~$5.6bn of passive outflows, and we remain Underweight Indonesia as the prolonged index overhang, weak earnings, and macro headwinds are likely to constrain a sustained re-rating from its current post-GFC low valuation. Separately, MSCI has frozen positive index changes for Türkiye amid free-float concerns, deferring potential index inflows rather than posing a near-term risk of forced benchmark selling. *Alvin So*

Around the world | CoreWeave upgrade, Copper

CoreWeave – Contract Economics Datapoints to Outperform – Buy. We upgrade CoreWeave to Buy and lower our 12m TP to $106 following a recent correction, as we believe near-term datapoints on contract economics will materially exceed market expectations. We think investors are currently overestimating upward revisions to WACC and underestimating unlevered IRR; despite raising our blended debt cost assumption to 1,000bps, we expect the company to successfully finance its expansion through asset-backed delayed draw term loans. We forecast AI compute supply-demand constraints to persist for at least the next 24 months, which, alongside a shift toward higher-margin software and platform offerings, should allow new long-term contracts to comfortably clear a 15% unlevered IRR. Furthermore, we view the company's execution capabilities and infrastructure performance as top-quartile within the neocloud ecosystem, positioning it to build durable moats as the industry scales. *Gabriela Borges*

Base Metals – Raising Our Copper Price Forecast on US-China Competition. We raise our end-2026 copper price forecast to $14,700/t (from $13,735/t) and our 2027 average forecast to $15,400/t (from $13,800/t), driven by larger expected ex-US deficits of 950kt and 220kt, respectively. The tightening physical market reflects intensifying US-China competition for refined metal, as stricter Chinese VAT enforcement causes a scrap shortage that forces substitution to copper cathode, while US buyers continue to aggressively build inventory ahead of potential tariffs. Coupled with weaker global mine supply and sustained investor positioning tied to growing AI datacenter demand, we expect persistent ex-US market tightness and recommend going long Dec-27 LME copper. *Lavinia Forcellese*

Graphic language | Copper – We Raise Our LME Copper Price Forecast to $14,700 by Year End and $15,400 on Average in 2027



Source: Bloomberg, Goldman Sachs Global Investment Research



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