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UPDATE

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Greater China Technology Hardware | Asia Pacific

Automation – Read-across from China's October Manufacturing PMI

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In this report, we focus on China's manufacturing PMI, which we see as a potential catalyst for AirTAC's and Hiwin's share prices.

China's manufacturing PMI fell to 49.3 in October from 50.1 in September:

- This came in lower than both our estimate and consensus of 49.9.
- The production index decreased 1.9ppt while the new order index declined 1.1ppt MoM.

Our view:

- We believe the soft manufacturing PMI data could weigh on market sentiment in the near term. Nonetheless, we prefer supply players with company-specific drivers such as Airtac and Hiwin:
  - Airtac (1590.TW, OW) should continue to benefit from its own share gains and incremental contribution from linear guides. Valuation appears undemanding at 16x 2027e P/E, vs. the 25x average since 2020 (see our 30 Oct 2026 report).
  - Hiwin (2049.TW, OW) should show more margin expansion in coming quarters, supported by higher utilization and price hikes. We see potential share price upside at the current 28x 2027e P/E, vs. peak cycle valuation of 35-40x.



the 2027 Extel Asia Research Survey. Voting opens 10 November 2026.

GREATER CHINA TECHNOLOGY HARDWARE
Asia Pacific
Industry View **In-Line**

investors should be aware that the firm may have a conflict of

Research as only a single factor in making their investment decision.

For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report.

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AlphaSignals Catalyst Event Reaction

Company / Catalyst	Date	Impact to thesis	Catalyst versus expectation
AirTAC International 1590.TW			
China's October Manufacturing PMI	31 Oct 2026	Unchanged	↓ Modest downside surprise
Hiwin Technologies Corp. 2049.TW			
China's October Manufacturing PMI	31 Oct 2026	Unchanged	↓ Modest downside surprise

Source: