Morgan Stanley | RESEARCH

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Greater China Technology Hardware | Asia Pacific

Key US CPU vendor's 3Q26 earnings call – key implications for our coverage

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

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

Key Takeaways

- We view negative PC comments as more bearish for OEMs and ODMs positioned in the lower end consumer segment, like Acer and Compal.
- Strong CPU unit growth would be positive for Wiwynn, Lenovo, and Lotes.
- Tighter ABF substrate supply and stronger pricing would be positive for Unimicron and NYPCB's revenue and margins.

(-) PC OEMs and ODMs: Intel (covered by Joseph Moore) expects 2H26 PC units to fall 20%+ y/y as OEMs aggressively cut inventories amid weaker sell-through; the correction has accelerated over the past two months. This aligns with Morgan Stanley's estimate at a ~25% y/y decline (report link).

(+) Server OEMs and ODMs: Intel guides for server CPU unit growth of 30%+ in both 2026 and 2027, with upside if wafer/substrate supply improves. It sees server CPU TAM rising from US$40bn today to >US$200bn in five years, driven mainly by AI agents.

(+) ABF substrates: Most of the previously discussed ~40% capacity increase is due in 2H27; Intel expects key component purchase commitments to rise sharply over the next several quarters. Intel is also prioritizing securing substrate capacity and improving yields for the EMIB-T. Complex designs add yield risk, which could lower effective output, worsening ABF substrate shortages but adding further support for pricing.

Exhibit 1: Worldwide PC Vendor Ranking, 3Q26

Worldwide PC Vendor Ranking, 3Q26

Rank	Vendor	3Q26 Shipments	3Q26 Market share	2Q26 Shipments	2Q26 Market share	3Q25 Shipments	3Q25 Market share	QoQ	YoY
1	Lenovo	14,933	23.8%	16,659	24.2%	19,305	24.6%	-10%	-23%
2	HP	10,344	16.5%	13,016	18.9%	14,975	19.1%	-21%	-31%
3	Dell	7,581	12.1%	9,286	13.5%	10,107	12.9%	-18%	-25%
4	Apple	5,946	9.5%	7,162	10.4%	6,702	8.5%	-17%	-11%
5	ASUS	5,459	8.7%	4,995	7.2%	5,974	7.6%	9%	-9%
	Others	18,422	29.4%	17,859	25.9%	21,431	27.3%	3%	-14%
	Total	**62,685**		**68,977**		**78,495**		**-9%**	**-20%**

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Global PC shipments
Global PC shipments y/y (%)
mn units
y/y (%)
2004
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10%
15%
20%
25%