Morgan Stanley

Morgan Stanley **Asia Research**

Guide to Vote for Morgan Stanley's Asia Pacific Research Analysts



extel



Thank You.

In the 2026 Extel Asia Research poll, your recognition of our analysts' efforts earned us rankings in all 35 categories, and first place overall. We would once again welcome your support for the 2027 poll, which starts fielding on November 10.

Our research is rooted not only in stock picking, but in our ability to identify the most consequential investment themes before they become consensus and deliver them to clients through the formats and platforms they increasingly demand.

Over the last 24 months, we have led the debate on two of the most important structural investment opportunities in Asia: **China's Emerging Frontiers** and **Korea Renaissance**. China's Emerging Frontiers explores China's next industrial revolution, from AI infrastructure, data centers and humanoid robotics to biotech, power grids and next-generation manufacturing. Korea Renaissance examines how the entire Korean economy is being reshaped through investment, corporate reform, productivity gains, household income growth and higher long-term growth. We continue to highlight our long-standing preference for **Japan**, where global AI spending and a capex super cycle will drive the next leg of growth.

Beyond regional leadership, our team contributes across multiple global thematic frameworks, helping investors navigate AI, technology diffusion, energy transformation, multipolarity and other structural forces reshaping markets. Our thematic research is designed not simply to explain change, but to identify the companies, sectors and investment opportunities most likely to benefit from it.

At the same time, we are helping define the future of research itself through **AlphaSignals**, one of the industry's most differentiated proprietary datasets. AlphaSignals transforms analyst judgment into structured, machine-readable insights that can be consumed across discretionary portfolios, quantitative strategies, screening tools, data platforms and AI-enabled investment workflows. By converting our analysts' highest-conviction views into scalable signals, we are creating a unique research asset that serves current client demand while also providing a differentiated data feed for the next generation of AI-powered investment engines.

Our content reaches clients wherever they choose to consume research. Through the Morgan Stanley Research Portal, mobile app, podcasts, videos, webcasts, conferences, management access events, teach-ins and thematic collections, we deliver insight in formats that are timely, accessible and actionable. Our platform includes dedicated thematic research collections, daily webcasts in English, Mandarin, and Japanese, podcasts, investor presentations, management takeaways, actionable ideas and curated research libraries that allow clients to move seamlessly from idea generation to investment implementation.

The result is a research franchise that combines thought leadership, differentiated intellectual property, multi-channel distribution and technological innovation. Whether identifying Asia's next structural growth engines, shaping global thematic debates or creating proprietary datasets for the AI era, Morgan Stanley Research remains focused on a single objective: delivering differentiated insights that help clients generate alpha.

We look forward to our continued partnership in the years ahead.

Magdalena Stoklosa
Director of Pan Asia Research

Marcus Walsh
Deputy Director of Asian Research

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To request a ballot, type the following into your internet browser:
http://extelinsights.com/voting and select 'Asia Research & Executive Team Survey 2027 Ballot'.

In the 2027 poll, *Extel* will require you to first choose to vote for the firm, Morgan Stanley, and provide an overall star rating (5 is the highest), before you can then nominate individual analysts (up to five).

Morgan Stanley Asia Research Team

Support Morgan Stanley in the 2027 Extel Asia Research Team Survey taking place November 2026

Industry



Tim Hsiao
Autos & Auto Parts; Small & Midcap Stocks



Richard Xu
Banks & Non-bank Finance; Insurance



Richard Wiles
Banks & Non-bank Finance



Rachel Zhang
Basic Materials; Construction, Engineering & Machinery



Jack Lu
Chemicals, Oil & Gas



Lillian Lou
Consumer Discretionary / Staples



Kelly Kim
Consumer Discretionary / Staples



Praveen Choudhary
Gaming & Lodging; Property (incl. REITs)



Alexis Yan
Healthcare, Pharma & Biotech



Laurence Tam
Healthcare, Pharma & Biotech



Sheng Zhong
Construction, Engineering & Machinery; Industrial Automation & Electrical Equipment; Small & Midcap Stocks



Gary Yu
Internet; Telecommunications



Stephen Cheung
Property (incl. REITs)



Derek Chang
Property (incl. REITs)



Simon Chan
Property (incl. REITs)



Daniel Yen
Small & Midcap Stocks



Derrick Yang
Small & Midcap Stocks



Andy Meng
Technology Hardware



Yang Liu
Technology IT Services & Software



Charlie Chan
Technology Semiconductors



Shawn Kim
Technology Semiconductors



Qianlei Fan
Transportation



Eva Hou
Utilities & Alternative Energy

Country/Region



Robin Xing
China; Frontier Markets



Laura Wang
China



Richard Xu
China



Andy Meng
China



Rachel Zhang
China



Stephen Cheung
China



Derrick Yang
Taiwan; Frontier Markets



Terence Cheng
Taiwan; Frontier Markets



Praveen Choudhary
Hong Kong; Frontier Markets



Gary Yu
Hong Kong



Dustin Wei
Hong Kong



Jenny Zheng
Hong Kong

ASEAN countries: Indonesia; Malaysia; Philippines; Singapore; Thailand



Ridham Desai
India



Kelly Kim
South Korea



Charlie Chan
Taiwan



Daniel Yen
Taiwan



Tim Hsiao
Taiwan

Nick Lord
Frontier Markets

Da Wei Lee

Selvie Jusman

Divya Gangahar Kothiyal

Mayank Maheshwari

Derek Chang
Frontier Markets

Macro

Chetan Ahya
Economics

Robin Xing
Economics

Jonathan Garner
Equity Strategy

Laura Wang
Equity Strategy; Sustainability & Thematic Research

Simon Jin
Quantitative Research

Daniel Blake
Quantitative Research; Sustainability & Thematic Research

Andy Meng
Sustainability & Thematic Research

Charlie Chan
Sustainability & Thematic Research

Gary Yu
Sustainability & Thematic Research

Eddy Wang
Sustainability & Thematic Research

Vote for our China Team

Voting is allowed in as many categories as you feel appropriate.

Select “Morgan Stanley” followed by any combination of the analysts below.

COUNTRY/REGION	
China	Robin Xing / Laura Wang / Richard Xu / Andy Meng / Rachel Zhang / Stephen Cheung
Hong Kong	Gary Yu / Dustin Wei / Praveen Choudhary / Jenny Zheng
Taiwan	Charlie Chan / Daniel Yen / Derrick Yang / Tim Hsiao / Terence Cheng
Frontier Markets	Robin Xing / Derrick Yang / Terence Cheng / Nick Lord / Derek Chang / Praveen Choudhary

INDUSTRY	
Autos & Auto Parts	Tim Hsiao / Joey Xu / Shelley Wang
Banks & Non-bank Finance	Richard Xu
Basic Materials	Rachel Zhang / Hannah Yang
Chemicals, Oil & Gas	Jack Lu
Construction, Engineering & Machinery	Sheng Zhong / Rachel Zhang
Consumer Discretionary	Lillian Lou / Dustin Wei / Hildy Ling / Terence Cheng
Consumer Staples	Lillian Lou / Dustin Wei / Hildy Ling / Terence Cheng
Gaming & Lodging	Praveen Choudhary / Dan Chee
Healthcare, Pharma & Biotech	Alexis Yan / Laurence Tam
Industrial Automation & Electrical Equipment	Sheng Zhong
Insurance	Richard Xu
Internet	Gary Yu / Eddy Wang / Yang Liu / Rebecca Xu
Property (incl. REITs)	Stephen Cheung / Cara Zhu / Praveen Choudhary / Dan Chee
Small & Midcap Stocks	Daniel Yen / Sheng Zhong / Tim Hsiao / Derrick Yang
Technology Hardware	Andy Meng / Derrick Yang / Howard Kao
Technology IT Services & Software	Yang Liu / Gary Yu / Andy Meng
Technology Semiconductors	Charlie Chan / Daniel Yen / Daisy Dai / Shawn Kim
Telecommunications	Gary Yu / Yang Liu
Transportation	Qianlei Fan
Utilities & Alternative Energy	Eva Hou

MACRO	
Economics	Robin Xing / Jenny Zheng / Zhipeng Cai / Chetan Ahya / Jonathan Cheung
Equity Strategy	Laura Wang / Jonathan Garner / Kelvin Pang
Quantitative Research	Simon Jin / Daniel Blake
Sustainability & Thematic Research	Laura Wang / Andy Meng / Charlie Chan / Gary Yu / Eddy Wang / Daniel Blake

Vote for our Frontier Markets Team

Voting is allowed in as many categories as you feel appropriate.

Select “Morgan Stanley” followed by any combination of the analysts below.

COUNTRY/REGION	
Frontier Markets	Robin Xing / Derrick Yang / Terence Cheng / Nick Lord / Derek Chang / Praveen Choudhary
ASEAN: Indonesia, Malaysia, Philippines, Singapore, Thailand	Nick Lord / Da Wei Lee / Selvie Jusman / Divya Gangahar Kothiyal / Mayank Maheshwari / Derek Chang

INDUSTRY	
Autos & Auto Parts	Tim Hsiao
Banks & Non-bank Finance	Nick Lord / Selvie Jusman / Richard Xu
Basic Materials	Mayank Maheshwari / Vivek Rajamani / Rachel Zhang
Chemicals, Oil & Gas	Mayank Maheshwari / Vivek Rajamani / Jack Lu
Construction, Engineering & Machinery	Mayank Maheshwari / Sheng Zhong / Rachel Zhang
Consumer Discretionary	Divya Gangahar Kothiyal / Terence Cheng / Lillian Lou
Consumer Staples	Divya Gangahar Kothiyal / Terence Cheng / Lillian Lou
Gaming & Lodging	Praveen Choudhary
Healthcare, Pharma & Biotech	Divya Gangahar Kothiyal / Alexis Yan / Laurence Tam
Industrial Automation & Electrical Equipment	Mayank Maheshwari / Vivek Rajamani / Sheng Zhong
Insurance	Nick Lord / Selvie Jusman / Richard Xu
Internet	Divya Gangahar Kothiyal / Da Wei Lee / Gary Yu
Property (incl. REITs)	Stephen Cheung / Praveen Choudhary
Small & Midcap Stocks	Divya Gangahar Kothiyal / Mayank Maheshwari / Daniel Yen / Sheng Zhong / Tim Hsiao / Derrick Yang
Technology Hardware	Andy Meng / Derrick Yang
Technology IT Services & Software	Da Wei Lee / Yang Liu
Technology Semiconductors	Charlie Chan / Shawn Kim
Telecommunications	Da Wei Lee / Gary Yu
Transportation	Divya Gangahar Kothiyal / Mayank Maheshwari / Qianlei Fan
Utilities & Alternative Energy	Mayank Maheshwari / Vivek Rajamani / Eva Hou

MACRO	
Economics	Chetan Ahya / Robin Xing / Derrick Kam / Jonathan Cheung
Equity Strategy	Jonathan Garner / Laura Wang / Kelvin Pang
Quantitative Research	Simon Jin / Daniel Blake
Sustainability & Thematic Research	Laura Wang / Andy Meng / Charlie Chan / Gary Yu / Eddy Wang / Daniel Blake

Vote for our Hong Kong Team



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Select “Morgan Stanley” followed by any combination of the analysts below.

COUNTRY/REGION	
Hong Kong	Gary Yu / Dustin Wei / Praveen Choudhary / Jenny Zheng
China	Robin Xing / Laura Wang / Richard Xu / Andy Meng / Rachel Zhang / Stephen Cheung
Taiwan	Charlie Chan / Daniel Yen / Derrick Yang / Tim Hsiao / Terence Cheng
INDUSTRY	
Autos & Auto Parts	Tim Hsiao / Joey Xu / Shelley Wang
Banks & Non-bank Finance	Richard Xu / Nick Lord
Basic Materials	Rachel Zhang / Hannah Yang
Chemicals, Oil & Gas	Jack Lu
Construction, Engineering & Machinery	Sheng Zhong / Rachel Zhang
Consumer Discretionary	Lillian Lou / Dustin Wei / Hildy Ling / Terence Cheng
Consumer Staples	Lillian Lou / Dustin Wei / Hildy Ling / Terence Cheng
Gaming & Lodging	Praveen Choudhary / Dan Chee
Healthcare, Pharma & Biotech	Alexis Yan / Laurence Tam
Industrial Automation & Electrical Equipment	Sheng Zhong
Insurance	Richard Xu
Internet	Gary Yu / Eddy Wang / Yang Liu / Rebecca Xu
Property (incl. REITs)	Praveen Choudhary / Dan Chee / Stephen Cheung / Cara Zhu
Small & Midcap Stocks	Daniel Yen / Sheng Zhong / Tim Hsiao / Derrick Yang
Technology Hardware	Andy Meng / Derrick Yang / Howard Kao
Technology IT Services & Software	Yang Liu / Gary Yu / Andy Meng
Technology Semiconductors	Charlie Chan / Daniel Yen / Daisy Dai / Shawn Kim
Telecommunications	Gary Yu / Yang Liu
Transportation	Qianlei Fan
Utilities & Alternative Energy	Eva Hou
MACRO	
Economics	Robin Xing / Jenny Zheng / Zhipeng Cai / Chetan Ahya / Jonathan Cheung
Equity Strategy	Laura Wang / Jonathan Garner / Kelvin Pang
Quantitative Research	Simon Jin / Daniel Blake
Sustainability & Thematic Research	Laura Wang / Andy Meng / Charlie Chan / Gary Yu / Eddy Wang / Daniel Blake

Vote for our India Team

Voting is allowed in as many categories as you feel appropriate.

Select “Morgan Stanley” followed by any combination of the analysts below.

COUNTRY/REGION	
India	Ridham Desai
INDUSTRY	
Autos & Auto Parts	Binay Singh
Banks & Non-bank Finance	Subramanian Iyer
Basic Materials	Rahul Gupta
Chemicals, Oil & Gas	Mayank Maheshwari
Construction, Engineering & Machinery	Mayank Maheshwari / Vivek Rajamani / Sheng Zhong / Rachel Zhang
Consumer Discretionary	Archana Menon
Consumer Staples	Archana Menon
Gaming & Lodging	Praveen Choudhary
Healthcare, Pharma & Biotech	Binay Singh
Industrial Automation & Electrical Equipment	Mayank Maheshwari / Vivek Rajamani / Sheng Zhong
Insurance	Subramanian Iyer
Internet	Gaurav Rateria
Property (incl. REITs)	Praveen Choudhary
Small & Midcap Stocks	Binay Singh / Gaurav Rateria
Technology Hardware	Andy Meng
Technology IT Services & Software	Gaurav Rateria
Technology Semiconductors	Charlie Chan / Shawn Kim
Telecommunications	Gaurav Rateria
Transportation	Binay Singh
Utilities & Alternative Energy	Vivek Rajamani
MACRO	
Economics	Upasana Chachra / Chetan Ahya / Derrick Kam
Equity Strategy	Ridham Desai
Quantitative Research	Ridham Desai / Simon Jin / Daniel Blake
Sustainability & Thematic Research	Ridham Desai / Daniel Blake

Vote for our Indonesia Team

Voting is allowed in as many categories as you feel appropriate.

Select “Morgan Stanley” followed by any combination of the analysts below.

COUNTRY/REGION	
Indonesia	Nick Lord / Da Wei Lee / Selvie Jusman / Divya Gangahar Kothiyal / Mayank Maheshwari / Derek Chang
Rest of ASEAN: Malaysia, Philippines, Singapore, Thailand	Nick Lord / Da Wei Lee / Selvie Jusman / Divya Gangahar Kothiyal / Mayank Maheshwari / Derek Chang
Frontier Markets	Robin Xing / Derrick Yang / Terence Cheng / Nick Lord / Derek Chang / Praveen Choudhary
INDUSTRY	
Autos & Auto Parts	Divya Gangahar Kothiyal / Tim Hsiao
Banks & Non-bank Finance	Nick Lord / Selvie Jusman
Basic Materials	Mayank Maheshwari / Vivek Rajamani / Rachel Zhang
Chemicals, Oil & Gas	Mayank Maheshwari / Vivek Rajamani
Construction, Engineering & Machinery	Mayank Maheshwari / Sheng Zhong / Rachel Zhang
Consumer Discretionary	Divya Gangahar Kothiyal
Consumer Staples	Divya Gangahar Kothiyal
Gaming & Lodging	Praveen Choudhary
Healthcare, Pharma & Biotech	Divya Gangahar Kothiyal / Alexis Yan / Laurence Tam
Industrial Automation & Electrical Equipment	Mayank Maheshwari / Vivek Rajamani / Sheng Zhong
Insurance	Nick Lord / Selvie Jusman
Internet	Divya Gangahar Kothiyal / Da Wei Lee / Gary Yu
Property (incl. REITs)	Derek Chang / Stephen Cheung
Small & Midcap Stocks	Divya Gangahar Kothiyal / Mayank Maheshwari / Da Wei Lee / Selvie Jusman
Technology Hardware	Andy Meng
Technology IT Services & Software	Divya Gangahar Kothiyal / Da Wei Lee / Yang Liu
Technology Semiconductors	Charlie Chan / Shawn Kim
Telecommunications	Da Wei Lee / Gary Yu
Transportation	Divya Gangahar Kothiyal / Mayank Maheshwari / Qianlei Fan
Utilities & Alternative Energy	Mayank Maheshwari / Vivek Rajamani
MACRO	
Economics	Chetan Ahya / Derrick Kam / Jonathan Cheung
Equity Strategy	Jonathan Garner / Daniel Blake / Kelvin Pang
Quantitative Research	Simon Jin / Daniel Blake
Sustainability & Thematic Research	Nick Lord / Jonathan Garner / Daniel Blake

Vote for our Malaysia Team

Voting is allowed in as many categories as you feel appropriate.

Select “Morgan Stanley” followed by any combination of the analysts below.

COUNTRY/REGION	
Malaysia	Nick Lord / Da Wei Lee / Selvie Jusman / Divya Gangahar Kothiyal / Mayank Maheshwari / Derek Chang
Rest of ASEAN: Indonesia, Philippines, Singapore, Thailand	Nick Lord / Da Wei Lee / Selvie Jusman / Divya Gangahar Kothiyal / Mayank Maheshwari / Derek Chang
Frontier Markets	Robin Xing / Derrick Yang / Terence Cheng / Nick Lord / Derek Chang / Praveen Choudhary

INDUSTRY	
Autos & Auto Parts	Tim Hsiao
Banks & Non-bank Finance	Nick Lord / Selvie Jusman
Basic Materials	Mayank Maheshwari / Vivek Rajamani / Rachel Zhang
Chemicals, Oil & Gas	Mayank Maheshwari / Vivek Rajamani
Construction, Engineering & Machinery	Mayank Maheshwari / Sheng Zhong / Rachel Zhang
Consumer Discretionary	Divya Gangahar Kothiyal
Consumer Staples	Divya Gangahar Kothiyal
Gaming & Lodging	Praveen Choudhary
Healthcare, Pharma & Biotech	Divya Gangahar Kothiyal / Alexis Yan / Laurence Tam
Industrial Automation & Electrical Equipment	Mayank Maheshwari / Vivek Rajamani / Sheng Zhong
Insurance	Nick Lord / Selvie Jusman
Internet	Divya Gangahar Kothiyal / Da Wei Lee / Gary Yu
Property (incl. REITs)	Derek Chang / Stephen Cheung
Small & Midcap Stocks	Divya Gangahar Kothiyal / Mayank Maheshwari / Da Wei Lee / Selvie Jusman
Technology Hardware	Andy Meng
Technology IT Services & Software	Divya Gangahar Kothiyal / Da Wei Lee / Yang Liu
Technology Semiconductors	Charlie Chan / Shawn Kim
Telecommunications	Da Wei Lee / Gary Yu
Transportation	Divya Gangahar Kothiyal / Mayank Maheshwari / Qianlei Fan
Utilities & Alternative Energy	Mayank Maheshwari / Vivek Rajamani

MACRO	
Economics	Chetan Ahya / Derrick Kam / Jonathan Cheung
Equity Strategy	Jonathan Garner / Daniel Blake / Kelvin Pang
Quantitative Research	Simon Jin / Daniel Blake
Sustainability & Thematic Research	Nick Lord / Jonathan Garner / Daniel Blake

Vote for our Philippines Team

Voting is allowed in as many categories as you feel appropriate.

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COUNTRY/REGION	
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Rest of ASEAN: Indonesia, Malaysia, Singapore, Thailand	Nick Lord / Da Wei Lee / Selvie Jusman / Divya Gangahar Kothiyal / Mayank Maheshwari / Derek Chang
Frontier Markets	Robin Xing / Derrick Yang / Terence Cheng / Nick Lord / Derek Chang / Praveen Choudhary
INDUSTRY	
Autos & Auto Parts	Tim Hsiao
Banks & Non-bank Finance	Nick Lord / Selvie Jusman
Basic Materials	Mayank Maheshwari / Vivek Rajamani / Rachel Zhang
Chemicals, Oil & Gas	Mayank Maheshwari / Vivek Rajamani
Construction, Engineering & Machinery	Mayank Maheshwari / Sheng Zhong / Rachel Zhang
Consumer Discretionary	Divya Gangahar Kothiyal
Consumer Staples	Divya Gangahar Kothiyal
Gaming & Lodging	Praveen Choudhary
Healthcare, Pharma & Biotech	Divya Gangahar Kothiyal / Alexis Yan / Laurence Tam
Industrial Automation & Electrical Equipment	Mayank Maheshwari / Vivek Rajamani / Sheng Zhong
Insurance	Nick Lord / Selvie Jusman
Internet	Divya Gangahar Kothiyal / Da Wei Lee / Gary Yu
Property (incl. REITs)	Derek Chang / Stephen Cheung
Small & Midcap Stocks	Divya Gangahar Kothiyal / Mayank Maheshwari / Da Wei Lee / Selvie Jusman
Technology Hardware	Andy Meng
Technology IT Services & Software	Divya Gangahar Kothiyal / Da Wei Lee / Yang Liu
Technology Semiconductors	Charlie Chan / Shawn Kim
Telecommunications	Da Wei Lee / Gary Yu
Transportation	Divya Gangahar Kothiyal / Mayank Maheshwari / Vivek Rajamani / Qianlei Fan
Utilities & Alternative Energy	Mayank Maheshwari / Vivek Rajamani
MACRO	
Economics	Chetan Ahya / Derrick Kam / Jonathan Cheung
Equity Strategy	Jonathan Garner / Daniel Blake / Kelvin Pang
Quantitative Research	Simon Jin / Daniel Blake
Sustainability & Thematic Research	Nick Lord / Jonathan Garner / Daniel Blake

Vote for our Singapore Team

Voting is allowed in as many categories as you feel appropriate.

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COUNTRY/REGION	
Singapore	Nick Lord / Da Wei Lee / Selvie Jusman / Divya Gangahar Kothiyal / Mayank Maheshwari / Derek Chang
Rest of ASEAN: Indonesia, Malaysia, Philippines, Thailand	Nick Lord / Da Wei Lee / Selvie Jusman / Divya Gangahar Kothiyal / Mayank Maheshwari / Derek Chang
Frontier Markets	Robin Xing / Derrick Yang / Terence Cheng / Nick Lord / Derek Chang / Praveen Choudhary

INDUSTRY	
Autos & Auto Parts	Tim Hsiao
Banks & Non-bank Finance	Nick Lord / Selvie Jusman
Basic Materials	Mayank Maheshwari / Vivek Rajamani / Rachel Zhang
Chemicals, Oil & Gas	Mayank Maheshwari / Vivek Rajamani
Construction, Engineering & Machinery	Mayank Maheshwari / Sheng Zhong / Rachel Zhang
Consumer Discretionary	Divya Gangahar Kothiyal
Consumer Staples	Divya Gangahar Kothiyal
Gaming & Lodging	Derek Chang / Praveen Choudhary
Healthcare, Pharma & Biotech	Divya Gangahar Kothiyal / Alexis Yan / Laurence Tam
Industrial Automation & Electrical Equipment	Mayank Maheshwari / Vivek Rajamani
Insurance	Nick Lord / Selvie Jusman
Internet	Divya Gangahar Kothiyal / Gary Yu
Property (incl. REITs)	Derek Chang / Stephen Cheung
Small & Midcap Stocks	Divya Gangahar Kothiyal / Mayank Maheshwari / Da Wei Lee / Selvie Jusman
Technology Hardware	Andy Meng
Technology IT Services & Software	Divya Gangahar Kothiyal / Da Wei Lee / Yang Liu
Technology Semiconductors	Charlie Chan / Shawn Kim
Telecommunications	Da Wei Lee / Gary Yu
Transportation	Divya Gangahar Kothiyal / Mayank Maheshwari / Qianlei Fan
Utilities & Alternative Energy	Mayank Maheshwari / Vivek Rajamani

MACRO	
Economics	Chetan Ahya / Derrick Kam / Jonathan Cheung
Equity Strategy	Jonathan Garner / Daniel Blake / Kelvin Pang
Quantitative Research	Simon Jin / Daniel Blake
Sustainability & Thematic Research	Nick Lord / Jonathan Garner / Daniel Blake

Vote for our South Korea Team

Voting is allowed in as many categories as you feel appropriate.

Select “Morgan Stanley” followed by any combination of the analysts below.

COUNTRY/REGION	
South Korea	Kelly Kim
INDUSTRY	
Autos & Auto Parts	Young Suk Shin / Tim Hsiao
Banks & Non-bank Finance	Joon Seok
Basic Materials	Young Suk Shin / Rachel Zhang
Chemicals, Oil & Gas	Young Suk Shin / Jack Lu
Construction, Engineering & Machinery	Sheng Zhong / Rachel Zhang / Joon Seok / Young Suk Shin
Consumer Discretionary	Kelly Kim
Consumer Staples	Kelly Kim
Gaming & Lodging	Kelly Kim
Healthcare, Pharma & Biotech	Mi Hyun Kim
Industrial Automation & Electrical Equipment	Joon Seok / Young Suk Shin / Sheng Zhong
Insurance	Joon Seok / Heewon Choi
Internet	Seyon Park / Gary Yu
Property (incl. REITs)	Joon Seok / Stephen Cheung / Praveen Choudhary
Small & Midcap Stocks	Kelly Kim / Young Suk Shin / Ryan Kim
Technology Hardware	Shawn Kim / Ryan Kim
Technology IT Services & Software	Seyon Park / Yang Liu
Technology Semiconductors	Shawn Kim / Ryan Kim
Telecommunications	Seyon Park / Gary Yu
Transportation	Young Suk Shin
Utilities & Alternative Energy	Young Suk Shin
MACRO	
Economics	Kathleen Oh / Chetan Ahya / Derrick Kam
Equity Strategy	Joon Seok / Kelvin Pang
Quantitative Research	Simon Jin / Daniel Blake
Sustainability & Thematic Research	Kelly Kim / Shawn Kim / Joon Seok / Daniel Blake

Vote for our Taiwan Team

Voting is allowed in as many categories as you feel appropriate.

Select “Morgan Stanley” followed by any combination of the analysts below.

COUNTRY/REGION	
Taiwan	Charlie Chan / Daniel Yen / Derrick Yang / Tim Hsiao / Terence Cheng
Hong Kong	Gary Yu / Dustin Wei / Praveen Choudhary / Jenny Zheng
China	Robin Xing / Laura Wang / Richard Xu / Andy Meng / Rachel Zhang / Stephen Cheung

INDUSTRY	
Autos & Auto Parts	Tim Hsiao / Joey Xu / Shelley Wang
Banks & Non-bank Finance	Richard Xu
Basic Materials	Rachel Zhang / Hannah Yang
Chemicals, Oil & Gas	Jack Lu
Construction, Engineering & Machinery	Sheng Zhong / Rachel Zhang
Consumer Discretionary	Terence Cheng / Lillian Lou
Consumer Staples	Terence Cheng / Lillian Lou
Gaming & Lodging	Praveen Choudhary
Healthcare, Pharma & Biotech	Alexis Yan / Laurence Tam
Industrial Automation & Electrical Equipment	Terence Cheng / Sheng Zhong
Insurance	Richard Xu
Internet	Gary Yu / Eddy Wang / Rebecca Xu
Property (incl. REITs)	Stephen Cheung / Praveen Choudhary
Small & Midcap Stocks	Daniel Yen / Sheng Zhong / Tim Hsiao / Derrick Yang
Technology Hardware	Andy Meng / Derrick Yang / Howard Kao
Technology IT Services & Software	Yang Liu
Technology Semiconductors	Charlie Chan / Daniel Yen / Daisy Dai / Shawn Kim
Telecommunications	Gary Yu
Transportation	Qianlei Fan
Utilities & Alternative Energy	Eva Hou

MACRO	
Economics	Kathleen Oh / Chetan Ahya / Derrick Kam
Equity Strategy	Terence Cheng / Jonathan Garner / Kelvin Pang
Quantitative Research	Simon Jin / Daniel Blake
Sustainability & Thematic Research	Laura Wang / Andy Meng / Charlie Chan / Gary Yu / Eddy Wang / Daniel Blake

Vote for our Thailand Team

Voting is allowed in as many categories as you feel appropriate.

Select “Morgan Stanley” followed by any combination of the analysts below.

COUNTRY/REGION	
Thailand	Nick Lord / Da Wei Lee / Selvie Jusman / Divya Gangahar Kothiyal / Mayank Maheshwari / Derek Chang
Rest of ASEAN: Indonesia, Malaysia, Philippines, Singapore	Nick Lord / Da Wei Lee / Selvie Jusman / Divya Gangahar Kothiyal / Mayank Maheshwari / Derek Chang
Frontier Markets	Robin Xing / Derrick Yang / Terence Cheng / Nick Lord / Derek Chang / Praveen Choudhary
INDUSTRY	
Autos & Auto Parts	Tim Hsiao
Banks & Non-bank Finance	Nick Lord / Selvie Jusman
Basic Materials	Mayank Maheshwari / Vivek Rajamani / Rachel Zhang
Chemicals, Oil & Gas	Mayank Maheshwari / Vivek Rajamani
Construction, Engineering & Machinery	Mayank Maheshwari / Sheng Zhong / Rachel Zhang
Consumer Discretionary	Divya Gangahar Kothiyal
Consumer Staples	Divya Gangahar Kothiyal
Gaming & Lodging	Praveen Choudhary
Healthcare, Pharma & Biotech	Divya Gangahar Kothiyal / Laurence Tam / Alexis Yan
Industrial Automation & Electrical Equipment	Mayank Maheshwari / Vivek Rajamani / Sheng Zhong
Insurance	Nick Lord / Selvie Jusman
Internet	Divya Gangahar Kothiyal / Da Wei Lee / Gary Yu
Property (incl. REITs)	Derek Chang / Stephen Cheung
Small & Midcap Stocks	Divya Gangahar Kothiyal / Mayank Maheshwari / Da Wei Lee / Selvie Jusman
Technology Hardware	Andy Meng
Technology IT Services & Software	Divya Gangahar Kothiyal / Da Wei Lee / Yang Liu
Technology Semiconductors	Shawn Kim / Charlie Chan
Telecommunications	Da Wei Lee / Gary Yu
Transportation	Divya Gangahar Kothiyal / Mayank Maheshwari / Vivek Rajamani / Qianlei Fan
Utilities & Alternative Energy	Mayank Maheshwari / Vivek Rajamani
MACRO	
Economics	Chetan Ahya / Derrick Kam / Jonathan Cheung
Equity Strategy	Jonathan Garner / Daniel Blake / Kelvin Pang
Quantitative Research	Simon Jin / Daniel Blake
Sustainability & Thematic Research	Nick Lord / Jonathan Garner / Daniel Blake

VOTE FOR **ALEXIS YAN**

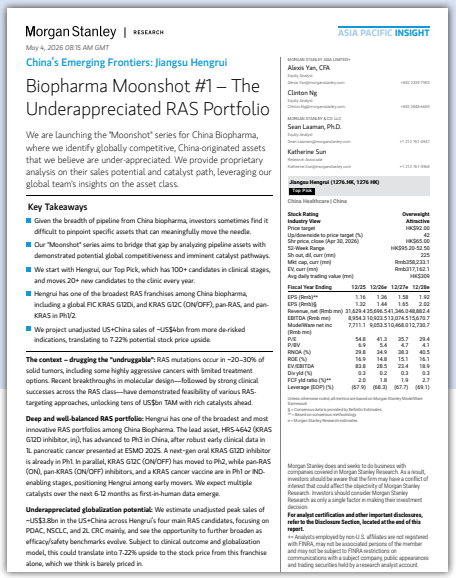


- ☑ Healthcare, Pharma and Biotech
- ☑ Small & Midcap Stocks
- ☑ China
- ☑ Hong Kong
- ☑ Taiwan

KEY REPORT

China's Emerging Frontiers:
Jiangsu Hengrui: Biopharma Moonshot
#1 – The Underappreciated RAS Portfolio

May 04, 2026



Morgan Stanley | RESEARCH

ASIA PACIFIC INSIGHT

May 4, 2026 08:15 AM GMT

China's Emerging Frontiers: Jiangsu Hengrui

Biopharma Moonshot #1 – The Underappreciated RAS Portfolio

We are launching the "Moonshot" series for China Biopharma, where we identify globally competitive, China-originated assets that we believe are under-appreciated. We provide proprietary analysis on their sales potential and catalyst path, leveraging our global team's insights on the asset class.

Key Takeaways

- Given the breadth of pipeline from China biopharma, investors sometimes find it difficult to pinpoint specific assets that can meaningfully move the needle.
- Our "Moonshot" series aims to bridge that gap by analyzing pipeline assets with demonstrated potential global competitiveness and imminent catalyst pathways.
- We start with Hengrui, our Top Pick, which has 100+ candidates in clinical stages, and moves 20+ new candidates to the clinic every year.
- Hengrui has one of the broadest RAS franchises among China biopharma, including a global FIC KRAS G12Di, and KRAS G12C (ON/OFF), pan-RAS, and pan-KRAS in Ph1/2.
- We project unadjusted US+China sales of ~US$4bn from more de-risked indications, translating to 7-22% potential stock price upside.

The context – drugging the "undruggable": RAS mutations occur in ~20–30% of solid tumors, including some highly aggressive cancers with limited treatment options. Recent breakthroughs in molecular design—followed by strong clinical successes across the RAS class—have demonstrated feasibility of various RAS-targeting approaches, unlocking tens of US$bn TAM with rich catalysts ahead.

Deep and well-balanced RAS portfolio: Hengrui has one of the broadest and most innovative RAS portfolios among China Biopharma. The lead asset, HRS-4642 (KRAS G12D inhibitor, inj), has advanced to Ph3 in China, after robust early clinical data in 1L pancreatic cancer presented at ESMO 2025. A next-gen oral KRAS G12D inhibitor is already in Ph1. In parallel, KRAS G12C (ON/OFF) has moved to Ph2, while pan-RAS (ON), pan-KRAS (ON/OFF) inhibitors, and a KRAS cancer vaccine are in Ph1 or IND-enabling stages, positioning Hengrui among early movers. We expect multiple catalysts over the next 6-12 months as first-in-human data emerge.

Underappreciated globalization potential: We estimate unadjusted peak sales of ~US$3.8bn in the US+China across Hengrui's four main RAS candidates, focusing on PDAC, NSCLC, and 2L CRC mainly, and see the opportunity to further broaden as efficacy/safety benchmarks evolve. Subject to clinical outcome and globalization model, this could translate into 7-22% upside to the stock price from this franchise alone, which we think is barely priced in.

Jiangsu Hengrui (1276.HK, 1276 HK)

Top Pick

China Healthcare | China

Stock Rating	Overweight
Industry View	Attractive
Price target	HK$92.00
Up/downside to price target (%)	42
Shr price, close (Apr 30, 2026)	HK$65.00
52-Week Range	HK$35.20-52.50
Sh out, dil, curr (mn)	225
Mkt cap, curr (mn)	Rmb358,233.1
EV, curr (mn)	Rmb317,162.1
Avg daily trading value (mn)	HK$269

Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS (Rmb)**	1.14	1.36	1.68	1.92
EPS (Rmb)§	1.30	1.44	1.85	2.02
Revenue, net (Rmb mn)	31,629.4	35,866.5	41,346.0	48,682.4
EBITDA (Rmb mn)	8,954.3	10,923.5	13,074.5	15,679.7
ModerWare net inc (Rmb mn)	7,711.1	9,053.5	11,468.0	12,730.7
P/E	56.8	47.2	35.2	31.4
P/BV	6.0	5.4	4.7	4.1
RNOA (%)	29.8	34.9	38.3	40.5
ROE (%)	16.9	14.8	15.1	16.1
EV/EBITDA	83.8	38.5	22.4	18.9
Div yld (%)	0.3	0.2	0.3	0.3
FCF yld ratio (%)**	2.0	1.9	1.9	2.7
Leverage (EOP) (%)	(67.9)	(68.3)	(67.7)	(69.1)

Unless otherwise noted, all metrics are based on Morgan Stanley ModelWare framework.
§ = Consensus data is provided by Refinitiv Estimates.
** = Based on consensus methodology
e = Morgan Stanley Research estimates.

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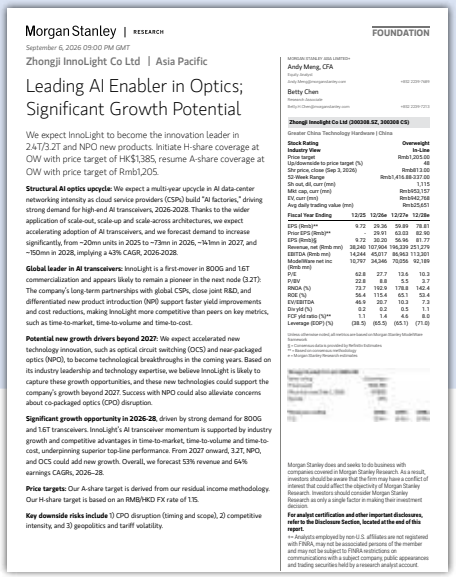


- ☑ Technology Hardware
- ☑ Technology IT Services & Software
- ☑ Technology Semiconductors
- ☑ Sustainability & Thematic Research
- ☑ China
- ☑ Hong Kong
- ☑ Taiwan

KEY REPORT

Zhongji InnoLight Co Ltd:
Leading AI Enabler in Optics; Significant Growth Potential

September 06, 2026



Morgan Stanley | RESEARCH

FOUNDATION

September 6, 2026 09:00 PM GMT

Zhongji InnoLight Co Ltd | Asia Pacific

Leading AI Enabler in Optics; Significant Growth Potential

We expect InnoLight to become the innovation leader in 2.4T/3.2T and NPO new products. Initiate H-share coverage at OW with price target of HK$1,385, resume A-share coverage at OW with price target of Rmb1,205.

Structural AI optics upcycle: We expect a multi-year upcycle in AI data-center networking intensity as cloud service providers (CSPs) build "AI factories," driving strong demand for high-end AI transceivers, 2026-2028. Thanks to the wider application of scale-out, scale-up and scale-across architectures, we expect accelerating adoption of AI transceivers, and we forecast demand to increase significantly, from ~20mn units in 2025 to ~73mn in 2026, ~141mn in 2027, and ~150mn in 2028, implying a 43% CAGR, 2026-2028.

Global leader in AI transceivers: InnoLight is a first-mover in 800G and 1.6T commercialization and appears likely to remain a pioneer in the next node (3.2T). The company's long-term partnerships with global CSPs, close joint R&D, and differentiated new product introduction (NPI) support faster yield improvements and cost reductions, making InnoLight more competitive than peers on key metrics, such as time-to-market, time-to-volume and time-to-cost.

Potential new growth drivers beyond 2027: We expect accelerated new technology innovation, such as optical circuit switching (OCS) and near-packaged optics (NPO), to become technological breakthroughs in the coming years. Based on its industry leadership and technology expertise, we believe InnoLight is likely to capture these growth opportunities, and these new technologies could support the company's growth beyond 2027. Success with NPO could also alleviate concerns about co-packaged optics (CPO) disruption.

Significant growth opportunity in 2026-28, driven by strong demand for 800G and 1.6T transceivers. InnoLight's AI transceiver momentum is supported by industry growth and competitive advantages in time-to-market, time-to-volume and time-to-cost, underpinning superior top-line performance. From 2027 onward, 3.2T, NPO, and OCS could add new growth. Overall, we forecast 53% revenue and 64% earnings CAGRs, 2026–28.

Price targets: Our A-share target is derived from our residual income methodology. Our H-share target is based on an RMB/HKD FX rate of 1.15.

Key downside risks include 1) CPO disruption (timing and scope), 2) competitive intensity, and 3) geopolitics and tariff volatility.

Zhongji InnoLight Co Ltd (300308.SZ, 300308 CS)

Greater China Technology Hardware | China

Stock Rating	Overweight
Industry View	In-Line
Price target	Rmb1,205.00
Up/downside to price target (%)	48
Shr price, close (Sep 3, 2026)	Rmb813.00
52-Week Range	Rmb1,416.88-227.00
Sh out, dil, curr (mn)	1,115
Mkt cap, curr (mn)	Rmb903,157
EV, curr (mn)	Rmb942,768
Avg daily trading value (mn)	Rmb325,651

Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS (Rmb)**	9.72	29.36	59.89	78.81
Prior EPS (Rmb)**	-	29.91	63.03	82.90
EPS (Rmb)§	9.72	30.20	56.96	81.77
Revenue, net (Rmb mn)	38,240	107,904	196,329	257,279
EBITDA (Rmb mn)	14,244	45,017	86,963	113,301
ModerWare net inc (Rmb mn)	10,797	34,346	70,056	92,189
P/E	62.8	27.7	13.6	10.3
P/BV	22.8	8.8	5.5	3.7
RNOA (%)	73.7	192.9	179.8	142.4
ROE (%)	56.4	115.4	65.1	53.4
EV/EBITDA	46.9	20.7	10.3	7.3
Div yld (%)	0.2	0.2	0.5	1.1
FCF yld ratio (%)**	1.1	1.4	4.6	8.0
Leverage (EOP) (%)	(38.5)	(65.5)	(65.1)	(71.0)

Unless otherwise noted, all metrics are based on Morgan Stanley ModelWare framework.
§ = Consensus data is provided by Refinitiv Estimates.
** = Based on consensus methodology
e = Morgan Stanley Research estimates.

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VOTE FOR **CHARLIE CHAN**

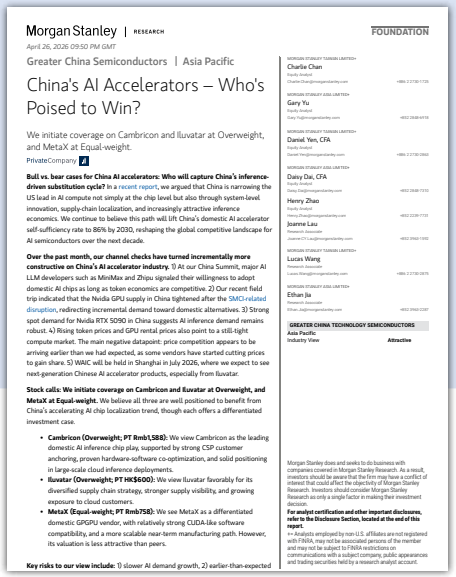


- ☑ Technology Semiconductors
- ☑ Technology Hardware
- ☑ Technology IT Services & Software
- ☑ Sustainability & Thematic Research
- ☑ China
- ☑ Hong Kong
- ☑ South Korea
- ☑ Taiwan

KEY REPORT

Greater China Semiconductors:
China's AI Accelerators – Who's Poised to Win?

April 26, 2026



Morgan Stanley | RESEARCH

FOUNDATION

April 26, 2026 09:50 PM GMT

Greater China Semiconductors | Asia Pacific

China's AI Accelerators – Who's Poised to Win?

We initiate coverage on Cambricon and Iluvatar at Overweight, and MetaX at Equal-weight.

PrivateCompany

Bull vs. bear cases for China AI accelerators: Who will capture China's inference-driven substitution cycle? In a recent report, we argued that China is narrowing the US lead in AI compute not simply at the chip level but also through system-level innovation, supply-chain localization, and increasingly attractive inference economics. We continue to believe this path will lift China's domestic AI accelerator self-sufficiency rate to 86% by 2030, reshaping the global competitive landscape for AI semiconductors over the next decade.

Over the past month, our channel checks have turned incrementally more constructive on China's AI accelerator industry. 1) At our China Summit, major AI LLM developers such as MiniMax and Zhipu signaled their willingness to adopt domestic AI chips as long as token economics are competitive. 2) Our recent field trip indicated that the Nvidia GPU supply in China tightened after the SMIC-related disruption, redirecting incremental demand toward domestic alternatives. 3) Strong spot demand for Nvidia RTX 5090 in China suggests AI inference demand remains robust. 4) Rising token prices and GPU rental prices also point to a still-tight compute market. The main negative datapoint: price competition appears to be arriving earlier than we had expected, as some vendors have started cutting prices to gain share. 5) WAIC will be held in Shanghai in July 2026, where we expect to see next-generation Chinese AI accelerator products, especially from Iluvatar.

Stock calls: We initiate coverage on Cambricon and Iluvatar at Overweight, and MetaX at Equal-weight. We believe all three are well positioned to benefit from China's accelerating AI chip localization trend, though each offers a differentiated investment case.

- **Cambricon (Overweight; PT Rmb1,588):** We view Cambricon as the leading domestic AI inference chip play, supported by strong CSP customer anchoring, proven hardware-software co-optimization, and solid positioning in large-scale cloud inference deployments.
- **Iluvatar (Overweight; PT HK$600):** We view Iluvatar favorably for its diversified supply chain strategy, stronger supply visibility, and growing exposure to cloud customers.
- **MetaX (Equal-weight; PT Rmb758):** We see MetaX as a differentiated domestic GPGPU vendor, with relatively strong CUDA-like software compatibility, and a more scalable near-term manufacturing path. However, its valuation is less attractive than peers.

Key risks to our view include: 1) slower AI demand growth, 2) earlier-than-expected

GREATER CHINA TECHNOLOGY SEMICONDUCTORS

Asia Pacific
Industry View: Attractive

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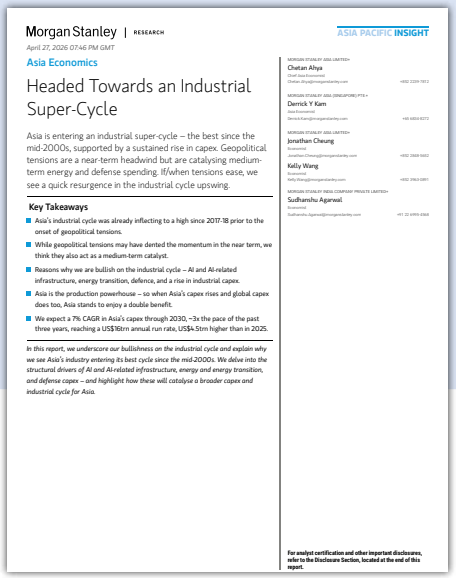


- ☑ Economics
- ☑ China
- ☑ Frontier Markets
- ☑ Hong Kong
- ☑ India
- ☑ Indonesia
- ☑ Malaysia
- ☑ Philippines
- ☑ Singapore
- ☑ Thailand

KEY REPORT

Asia Economics:
Headed Towards an Industrial Super-Cycle

April 27, 2026



Morgan Stanley | RESEARCH

ASIA PACIFIC INSIGHT

April 27, 2026 07:46 PM GMT

Asia Economics

Headed Towards an Industrial Super-Cycle

Asia is entering an industrial super-cycle – the best since the mid-2000s, supported by a sustained rise in capex. Geopolitical tensions are a near-term headwind but are catalysing medium-term energy and defense spending. If/when tensions ease, we see a quick resurgence in the industrial cycle upswing.

Key Takeaways

- Asia's industrial cycle was already inflecting to a high since 2017-18 prior to the onset of geopolitical tensions.
- While geopolitical tensions may have dented the momentum in the near term, we think they also act as a medium-term catalyst.
- Reasons why we are bullish on the industrial cycle – AI and AI-related infrastructure, energy transition, defence, and a rise in industrial capex.
- Asia is the production powerhouse – so when Asia's capex rises and global capex does too, Asia stands to enjoy a double benefit.
- We expect a 7% CAGR in Asia's capex through 2030, ~3x the pace of the past three years, reaching a US$16trn annual run rate, US$4.5trn higher than in 2025.

In this report, we underscore our bullishness on the industrial cycle and explain why we see Asia's industry entering its best cycle since the mid-2000s. We delve into the structural drivers of AI and AI-related infrastructure, energy and energy transition, and defense capex – and highlight how these will catalyse a broader capex and industrial cycle for Asia.

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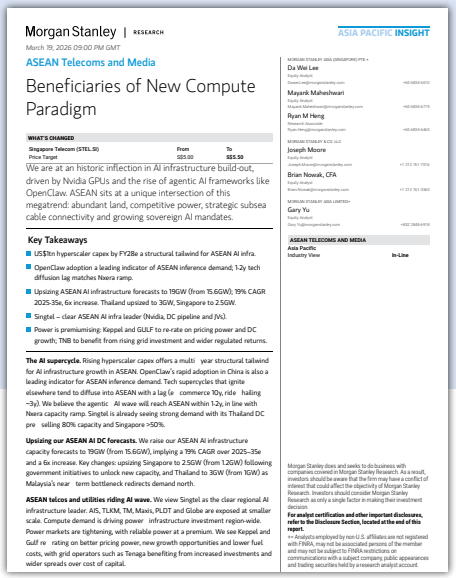


- ☑ Indonesia
- ☑ Malaysia
- ☑ Philippines
- ☑ Singapore
- ☑ Thailand
- ☑ Frontier Markets
- ☑ Telecommunications
- ☑ Technology IT Services & Software

KEY REPORT

ASEAN Telecoms and Media:
Beneficiaries of New Compute Paradigm

March 19, 2026



Morgan Stanley | RESEARCH

ASIA PACIFIC INSIGHT

March 19, 2026 09:00 PM GMT

ASEAN Telecoms and Media

Beneficiaries of New Compute Paradigm

WHAT'S CHANGED		
Singapore Telecom (STEL.SI)	From	To
Price Target	S$5.00	S$5.30

We are at an historic inflection in AI infrastructure build-out, driven by Nvidia GPUs and the rise of agentic AI frameworks like OpenClaw. ASEAN sits at a unique intersection of this megatrend: abundant land, competitive power, strategic subsea cable connectivity and growing sovereign AI mandates.

Key Takeaways

- US$1tn hyperscaler capex by FY28e a structural tailwind for ASEAN AI infra.
- OpenClaw adoption a leading indicator of ASEAN inference demand; 1-2y tech diffusion lag matches Nvera ramp.
- Upsizing ASEAN AI infrastructure forecasts to 19GW (from 15.6GW); 19% CAGR 2025-35e, 6x increase. Thailand upsized to 3GW, Singapore to 2.5GW.
- Singtel – clear ASEAN AI infra leader (Nvidia, DC pipeline and JVs).
- Power is premiumising: Keppel and GULF to re-rate on pricing power and DC growth; TNB to benefit from rising grid investment and wider regulated returns.

The AI supercycle. Rising hyperscaler capex offers a multi year structural tailwind for AI infrastructure growth in ASEAN. OpenClaw's rapid adoption in China is also a leading indicator for ASEAN inference demand. Tech supercycles that ignite elsewhere tend to diffuse into ASEAN with a lag (e commerce 10y, ride hailing ~3y). We believe the agentic AI wave will reach ASEAN within 1-2y, in line with Nvera capacity ramp. Singtel is already seeing strong demand with its Thailand DC pre selling 80% capacity and Singapore >50%.

Upsizing our ASEAN AI DC forecasts. We raise our ASEAN AI infrastructure capacity forecasts to 19GW (from 15.6GW), implying a 19% CAGR over 2025-35e and a 6x increase. Key changes: upsizing Singapore to 2.5GW (from 1.2GW) following government initiatives to unlock new capacity, and Thailand to 3GW (from 1GW) as Malaysia's near term bottleneck redirects demand north.

ASEAN telcos and utilities riding AI wave. We view Singtel as the clear regional AI infrastructure leader. AIS, TLKM, TM, Maxis, PLDT and Globe are exposed at smaller scale. Compute demand is driving power infrastructure investment region-wide. Power markets are tightening, with reliable power at a premium. We see Keppel and Gulf re rating on better pricing power, new growth opportunities and lower fuel costs, with grid operators such as Tenaga benefiting from increased investments and wider spreads over cost of capital.

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ASEAN TELECOMS AND MEDIA
Asia Pacific
Industry View In-Line

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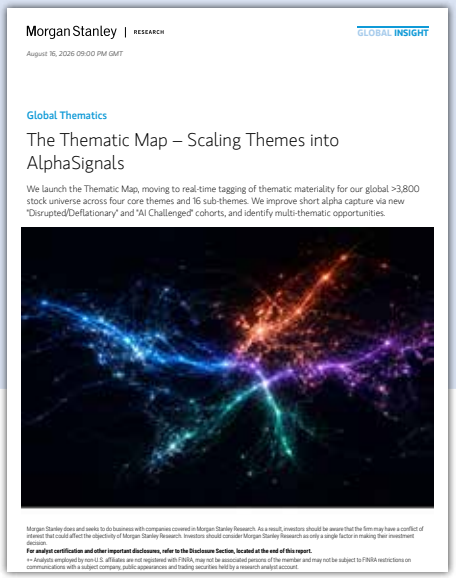


- ☑ Sustainability & Thematic Research
- ☑ Quantitative Research
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- ☑ Malaysia
- ☑ Philippines
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- ☑ Taiwan
- ☑ Thailand

KEY REPORT

Global Thematics:
The Thematic Map – Scaling Themes into AlphaSignals

August 16, 2026



Morgan Stanley | RESEARCH

GLOBAL INSIGHT

August 16, 2026 09:00 PM GMT

Global Thematics

The Thematic Map – Scaling Themes into AlphaSignals

We launch the Thematic Map, moving to real-time tagging of thematic materiality for our global >3,800 stock universe across four core themes and 16 sub-themes. We improve short alpha capture via new "Disrupted/Deflationary" and "AI Challenged" cohorts, and identify multi-thematic opportunities.

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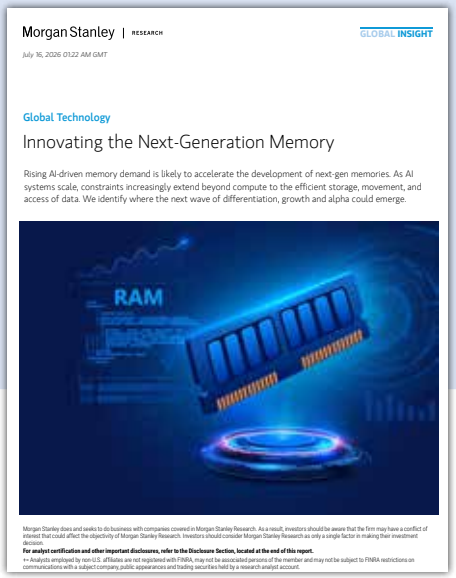


- ☑ Technology Semiconductors
- ☑ Small & Midcap Stocks
- ☑ Technology Hardware
- ☑ Technology IT Services & Software
- ☑ China
- ☑ Hong Kong
- ☑ South Korea
- ☑ Taiwan

KEY REPORT

Global Technology:
Innovating the Next-Generation Memory

July 16, 2026



Morgan Stanley | RESEARCH

GLOBAL INSIGHT

July 16, 2026 01:22 AM GMT

Global Technology

Innovating the Next-Generation Memory

Rising AI-driven memory demand is likely to accelerate the development of next-gen memories. As AI systems scale, constraints increasingly extend beyond compute to the efficient storage, movement, and access of data. We identify where the next wave of differentiation, growth and alpha could emerge.

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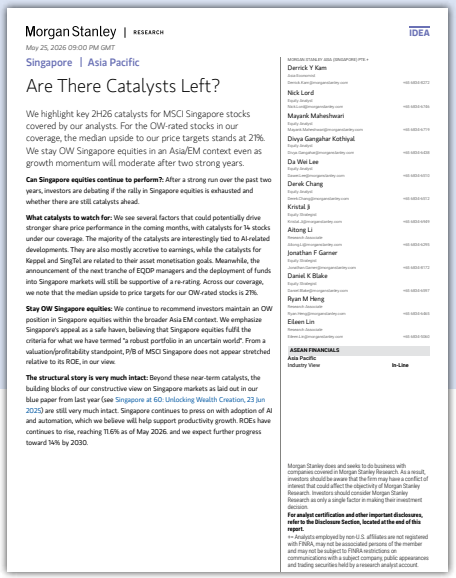


- ☑ Indonesia
- ☑ Malaysia
- ☑ Philippines
- ☑ Singapore
- ☑ Thailand
- ☑ Frontier Markets
- ☑ Property
- ☑ Gaming & Lodging

KEY REPORT

Singapore:
Are There Catalysts Left?

May 25, 2026



Morgan Stanley | RESEARCH

IDEA

May 25, 2026 09:00 PM GMT

Singapore | Asia Pacific

Are There Catalysts Left?

We highlight key 2H26 catalysts for MSCI Singapore stocks covered by our analysts. For the OW-rated stocks in our coverage, the median upside to our price targets stands at 21%. We stay OW Singapore equities in an Asia/EM context even as growth momentum will moderate after two strong years.

Can Singapore equities continue to perform?: After a strong run over the past two years, investors are debating if the rally in Singapore equities is exhausted and whether there are still catalysts ahead.

What catalysts to watch for: We see several factors that could potentially drive stronger share price performance in the coming months, with catalysts for 14 stocks under our coverage. The majority of the catalysts are interestingly tied to AI-related developments. They are also mostly accretive to earnings, while the catalysts for Keppel and SingTel are related to their asset monetisation goals. Meanwhile, the announcement of the next tranche of EQDP managers and the deployment of funds into Singapore markets will still be supportive of a re-rating. Across our coverage, we note that the median upside to price targets for our OW-rated stocks is 21%.

Stay OW Singapore equities: We continue to recommend investors maintain an OW position in Singapore equities within the broader Asia EM context. We emphasize Singapore's appeal as a safe haven, believing that Singapore equities fulfil the criteria for what we have termed "a robust portfolio in an uncertain world". From a valuation/profitability standpoint, P/B of MSCI Singapore does not appear stretched relative to its ROE, in our view.

The structural story is very much intact: Beyond these near-term catalysts, the building blocks of our constructive view on Singapore markets as laid out in our blue paper from last year (see Singapore at 60: Unlocking Wealth Creation, 23 Jun 2025) are still very much intact. Singapore continues to press on with adoption of AI and automation, which we believe will help support productivity growth. ROEs have continues to rise, reaching 11.6% as of May 2026, and we expect further progress toward 14% by 2030.

Derrick Y Kam
Nick Lord
Mayank Maheshwari
Divya Gangahar Kothiyal
Da Wei Lee
Derek Chang
Kristal Ji
Aitong Li
Jonathan F Garner
Daniel K Blake
Ryan M Heng
Eileen Lin

ASEAN FINANCIALS
Asia Pacific
Industry View In-Line

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VOTE FOR **DERRICK YANG**

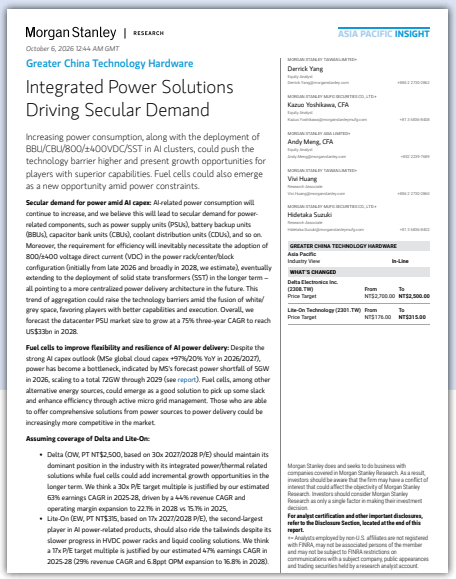


- ☑ Technology Hardware
- ☑ Technology IT Services & Software
- ☑ Technology Semiconductors
- ☑ Small & Midcap Stocks
- ☑ Sustainability & Thematic Research
- ☑ China
- ☑ Frontier Markets
- ☑ Hong Kong
- ☑ Taiwan

KEY REPORT

Greater China Technology Hardware:
Integrated Power Solutions Driving Secular Demand

October 06, 2026



Morgan Stanley | RESEARCH

ASIA PACIFIC INSIGHT

October 6, 2026 12:44 AM GMT

Greater China Technology Hardware

Integrated Power Solutions Driving Secular Demand

Increasing power consumption, along with the deployment of BBU/CBU/800/±400VDC/SST in AI clusters, could push the technology barrier higher and present growth opportunities for players with superior capabilities. Fuel cells could also emerge as a new opportunity amid power constraints.

Secular demand for power amid AI capex: AI-related power consumption will continue to increase, and we believe this will lead to secular demand for power-related components, such as power supply units (PSUs), battery backup units (BBUs), capacitor bank units (CBUs), coolant distribution units (CDUs), and so on. Moreover, the requirement for efficiency will inevitably necessitate the adoption of 800/±400 voltage direct current (VDC) in the power rack/center/block configuration (initially from late 2026 and broadly in 2028, we estimate), eventually extending to the deployment of solid state transformers (SST) in the longer term – all pointing to a more centralized power delivery architecture in the future. This trend of aggregation could raise the technology barriers amid the fusion of white/grey space, favoring players with better capabilities and execution. Overall, we forecast the datacenter PSU market size to grow at a 75% three-year CAGR to reach US$38bn in 2028.

Fuel cells to improve flexibility and resilience of AI power delivery: Despite the strong AI capex outlook (MSe global cloud capex +97%/20% YoY in 2026/2027), power has become a bottleneck, indicated by MS's forecast power shortfall of 5GW in 2026, scaling to a total 72GW through 2029 (see report). Fuel cells, among other alternative energy sources, could emerge as a good solution to pick up some slack and enhance efficiency through active micro grid management. Those who are able to offer comprehensive solutions from power sources to power delivery could be increasingly more competitive in the market.

Assuming coverage of Delta and Lite-On:

- Delta (OW, PT NT$2,500, based on 30x 2027/2028 P/E) should maintain its dominant position in the industry with its integrated power/thermal related solutions while fuel cells could add incremental growth opportunities in the longer term. We think a 30x P/E target multiple is justified by our estimated 63% earnings CAGR in 2025-28, driven by a 44% revenue CAGR and operating margin expansion to 22.1% in 2028 vs. 15.1% in 2025,
- Lite-On (EW, PT NT$315, based on 17x 2027/2028 P/E), the second-largest player in AI power-related products, should also ride the tailwinds despite its slower progress in HVDC power racks and liquid cooling solutions. We think a 17x P/E target multiple is justified by our estimated 47% earnings CAGR in 2025-28 (29% revenue CAGR and 6.8ppt OPM expansion to 16.8% in 2028).

Derrick Yang
Kazuo Yoshikawa, CFA
Andy Meng, CFA
Vivi Huang
Hidetaka Suzuki

GREATER CHINA TECHNOLOGY HARDWARE
Asia Pacific
Industry View In-Line

WHAT'S CHANGED

Delta Electronics Inc. (2308.TW) Price Target	From NT$2,700.00	To NT$2,500.00
Lite-On Technology (2301.TW) Price Target	From NT$176.00	To NT$315.00

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VOTE FOR **DIVYA GANGAHAR KOTHIYAL**

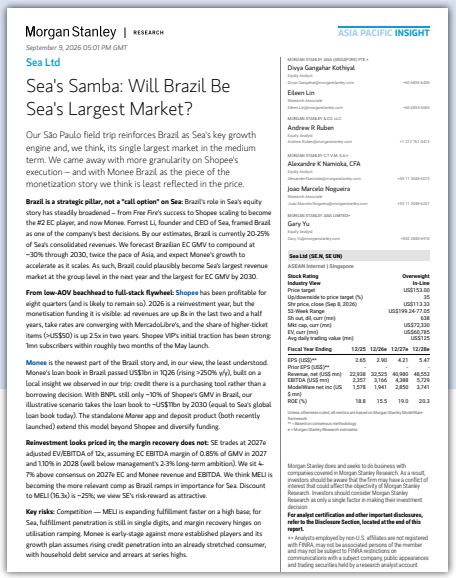


- ☑ Indonesia
- ☑ Malaysia
- ☑ Philippines
- ☑ Singapore
- ☑ Thailand
- ☑ Frontier Markets
- ☑ Consumer Discretionary
- ☑ Consumer Staples
- ☑ Healthcare, Pharma and Biotech
- ☑ Internet
- ☑ Transportation

KEY REPORT

Sea Ltd:
Sea's Samba: Will Brazil Be Sea's Largest Market?

September 09, 2026



Morgan Stanley | RESEARCH

ASIA PACIFIC INSIGHT

September 9, 2026 05:01 PM GMT

Sea Ltd

Sea's Samba: Will Brazil Be Sea's Largest Market?

Our São Paulo field trip reinforces Brazil as Sea's key growth engine and, we think, its single largest market in the medium term. We came away with more granularity on Shopee's execution – and with Monee Brazil as the piece of the monetization story we think is least reflected in the price.

Brazil is a strategic pillar, not a "call option" on Sea: Brazil's role in Sea's equity story has steadily broadened – from Free Fire's success to Shopee scaling to become the #2 EC player, and now Monee. Forrest Li, founder and CEO of Sea, framed Brazil as one of the company's best decisions. By our estimates, Brazil is currently 20-25% of Sea's consolidated revenues. We forecast Brazilian EC GMV to compound at ~30% through 2030, twice the pace of Asia, and expect Monee's growth to accelerate as it scales. As such, Brazil could plausibly become Sea's largest revenue market at the group level in the next year and the largest for EC GMV by 2030.

From low-AOV beachhead to full-stack flywheel: Shopee has been profitable for eight quarters (and is likely to remain so). 2026 is a reinvestment year, but the monetisation funding it is visible: ad revenues are up 8x in the last two and a half years, take rates are converging with MercadoLibre's, and the share of higher-ticket items (>US$50) is up 2.5x in two years. Shopee VIP's initial traction has been strong: 1mn subscribers within roughly two months of the May launch.

Monee is the newest part of the Brazil story and, in our view, the least understood. Monee's loan book in Brazil passed US$1bn in 1Q26 (rising >250% y/y), built on a local insight we observed in our trip: credit there is a purchasing tool rather than a borrowing decision. With BNPL still only ~10% of Shopee's GMV in Brazil, our illustrative scenario takes the loan book to ~US$11bn by 2030 (equal to Sea's global loan book today). The standalone Monee app and deposit product (both recently launched) extend this model beyond Shopee and diversify funding.

Reinvestment looks priced in; the margin recovery does not: SE trades at 2027e adjusted EV/EBITDA of 12x, assuming EC EBITDA margin of 0.85% of GMV in 2027 and 1.10% in 2028 (well below management's 2-3% long-term ambition). We sit 4-7% above consensus on 2027e EC and Monee revenue and EBITDA. We think MELI is becoming the more relevant comp as Brazil ramps in importance for Sea. Discount to MELI (16.3x) is ~25%; we view SE's risk-reward as attractive.

Key risks: Competition — MELI is expanding fulfillment faster on a high base; for Sea, fulfillment penetration is still in single digits, and margin recovery hinges on utilisation ramping. Monee is early-stage against more established players and its growth plan assumes rising credit penetration into an already stretched consumer, with household debt service and arrears at series highs.

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VOTE FOR **DUSTIN WEI**

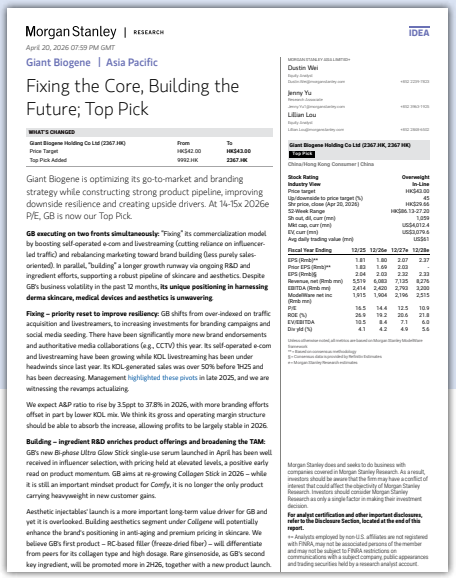


- ☑ Consumer Discretionary
- ☑ Consumer Staples
- ☑ China
- ☑ Frontier Markets
- ☑ Hong Kong
- ☑ Taiwan

KEY REPORT

Giant Biogene:
Fixing the Core, Building the Future; Top Pick

April 20, 2026



Morgan Stanley | RESEARCH

IDEA

April 20, 2026 07:59 PM GMT

Giant Biogene | Asia Pacific

Fixing the Core, Building the Future; Top Pick

WHAT'S CHANGED

	From	To
Giant Biogene Holding Co Ltd (2367.HK)		
Price Target	HK$42.00	HK$43.00
Top Pick Added	9992.HK	2367.HK

Giant Biogene is optimizing its go-to-market and branding strategy while constructing strong product pipeline, improving downside resilience and creating upside drivers. At 14-15x 2026e P/E, GB is now our Top Pick.

GB executing on two fronts simultaneously: "Fixing" its commercialization model by boosting self-operated e-com and livestreaming (cutting reliance on influencer-led traffic) and rebalancing marketing toward brand building (less purely sales-oriented). In parallel, "building" a longer growth runway via ongoing R&D and ingredient efforts, supporting a robust pipeline of skincare and aesthetics. Despite GB's business volatility in the past 12 months, **its unique positioning in harnessing derma skincare, medical devices and aesthetics is unwavering**.

Fixing – priority reset to improve resiliency: GB shifts from over-indexed on traffic acquisition and livestreamers, to increasing investments for branding campaigns and social media seeding. There have been significantly more new brand endorsements and authoritative media collaborations (e.g., CCTV) this year. Its self-operated e-com and livestreaming have been growing while KOL livestreaming has been under headwinds since last year. Its KOL-generated sales was over 50% before 1H25 and has been decreasing. Management highlighted these pivots in late 2025, and we are witnessing the revamps actualizing.

We expect A&P ratio to rise by 3.5ppt to 37.8% in 2026, with more branding efforts offset in part by lower KOL mix. We think its gross and operating margin structure should be able to absorb the increase, allowing profits to be largely stable in 2026.

Building – ingredient R&D enriches product offerings and broadening the TAM: GB's new *Bi-phase Ultra Glow Stick* single-use serum launched in April has been well received in influencer selection, with pricing held at elevated levels, a positive early read on product momentum. GB aims at re-growing Collagen Stick in 2026 – while it is still an important mindset product for *Comfy*, it is no longer the only product carrying heavyweight in new customer gains.

Aesthetic injectables' launch is a more important long-term value driver for GB and yet it is overlooked. Building aesthetics segment under *Collagene* will potentially enhance the brand's positioning in anti-aging and premium pricing in skincare. We believe GB's first product – RC-based filler (freeze-dried fiber) – will differentiate from peers for its collagen type and high dosage. Rare ginsenoside, as GB's second key ingredient, will be promoted more in 2H26, together with a new product launch.

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VOTE FOR **EDDY WANG**

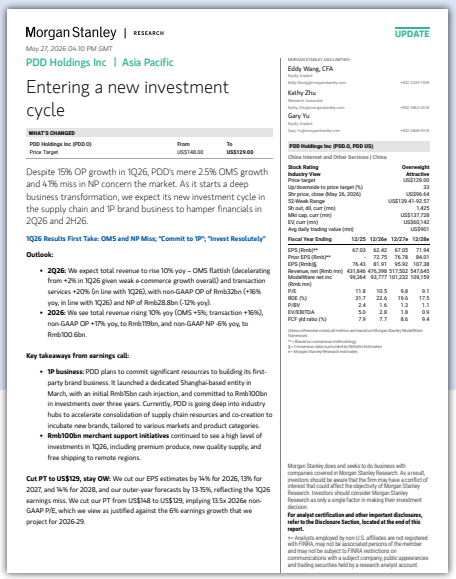


- ☑ Internet
- ☑ Technology IT Services & Software
- ☑ Telecommunications
- ☑ Sustainability & Thematic Research
- ☑ China
- ☑ Hong Kong
- ☑ Taiwan

KEY REPORT

PDD Holdings Inc:
Entering a new investment cycle

May 27, 2026



Morgan Stanley | RESEARCH

UPDATE

May 27, 2026 04:10 PM GMT

PDD Holdings Inc | Asia Pacific

Entering a new investment cycle

WHAT'S CHANGED

	From	To
PDD Holdings Inc (PDD.O)		
Price Target	US$148.00	US$129.00

Despite 15% OP growth in 1Q26, PDD's mere 2.5% OMS growth and 4.1% miss in NP concern the market. As it starts a deep business transformation, we expect its new investment cycle in the supply chain and 1P brand business to hamper financials in 2Q26 and 2H26.

1Q26 Results First Take: OMS and NP Miss; "Commit to 1P"; "Invest Resolutely"

Outlook:

- **2Q26:** We expect total revenue to rise 10% yoy – OMS flattish (decelerating from +2% in 1Q26 given weak e-commerce growth overall) and transaction services +20% (in line with 1Q26), with non-GAAP OP of Rmb32bn (+16% yoy, in line with 1Q26) and NP of Rmb28.8bn (-12% yoy).
- **2H26:** We see total revenue rising 10% yoy (OMS +5%, transaction +16%), non-GAAP OP +17% yoy, to Rmb179bn, and non-GAAP NP -6% yoy, to Rmb100.6bn.

Key takeaways from earnings call:

- **1P business:** PDD plans to commit significant resources to building its first-party brand business. It launched a dedicated Shanghai-based entity in March, with an initial Rmb15bn cash injection, and committed to Rmb100bn in investments over three years. Currently, PDD is going deep into industry hubs to accelerate consolidation of supply chain resources and co-creation to incubate new brands, tailored to various markets and product categories.
- **Rmb100bn merchant support initiatives** continued to see a high level of investments in 1Q26, including premium produce, new quality supply, and free shipping to remote regions.

Cut PT to US$129, stay OW: We cut our EPS estimates by 14% for 2026, 13% for 2027, and 14% for 2028, and our outer-year forecasts by 13-15%, reflecting the 1Q26 earnings miss. We cut our PT from US$148 to US$129, implying 13.5x 2026e non-GAAP P/E, which we view as justified against the 6% earnings growth that we project for 2026-29.

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VOTE FOR **EVA HOU**

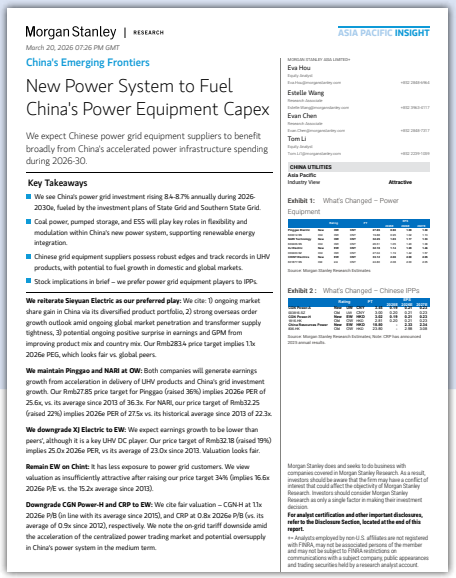


- ☑ Utilities & Alternative Energy
- ☑ China
- ☑ Hong Kong
- ☑ Taiwan

KEY REPORT

China's Emerging Frontiers:
New Power System to Fuel China's Power Equipment Capex

March 20, 2026



Morgan Stanley | RESEARCH

ASIA PACIFIC INSIGHT

March 20, 2026 07:26 PM GMT

China's Emerging Frontiers

New Power System to Fuel China's Power Equipment Capex

We expect Chinese power grid equipment suppliers to benefit broadly from China's accelerated power infrastructure spending during 2026-30.

Key Takeaways

- We see China's power grid investment rising 8.4-8.7% annually during 2026-2030e, fueled by the investment plans of State Grid and Southern State Grid.
- Coal power, pumped storage, and ESS will play key roles in flexibility and modulation within China's new power system, supporting renewable energy integration.
- Chinese grid equipment suppliers possess robust edges and track records in UHV products, with potential to fuel growth in domestic and global markets.
- Stock implications in brief – we prefer power grid equipment players to IPPs.

We reiterate Sieyuan Electric as our preferred play: We cite: 1) ongoing market share gain in China via its diversified product portfolio, 2) strong overseas order growth outlook amid ongoing global market penetration and transformer supply tightness, 3) potential ongoing positive surprise in earnings and GPM from improving product mix and country mix. Our Rmb283.4 price target implies 1.1x 2026e PEG, which looks fair vs. global peers.

We maintain Pinggao and NARI at OW: Both companies will generate earnings growth from acceleration in delivery of UHV products and China's grid investment growth. Our Rmb27.85 price target for Pinggao (raised 36%) implies 2026e PER of 25.6x, vs. its average since 2013 of 36.3x. For NARI, our price target of Rmb32.25 (raised 22%) implies 2026e PER of 27.5x vs. its historical average since 2013 of 22.3x.

We downgrade XJ Electric to EW: We expect earnings growth to be lower than peers', although it is a key UHV DC player. Our price target of Rmb32.18 (raised 19%) implies 25.0x 2026e PER, vs its average of 23.0x since 2013. Valuation looks fair.

Remain EW on Chint: It has less exposure to power grid customers. We view valuation as insufficiently attractive after raising our price target 34% (implies 16.6x 2026e P/E vs. the 15.2x average since 2013).

Downgrade CGN Power-H and CRP to EW: We cite fair valuation – CGN-H at 1.1x 2026e P/B (in line with its average since 2015), and CRP at 0.8x 2026e P/B (vs. its average of 0.9x since 2012), respectively. We note the on-grid tariff downside amid the acceleration of the centralized power trading market and potential oversupply in China's power system in the medium term.

Eva Hou
Equity Analyst
Estelle Wang
Research Associate
Evan Chen
Research Associate
Tom Li
Equity Analyst

CHINA UTILITIES
Asia Pacific
Industry View: Attractive

Exhibit 1: What's Changed – Power Equipment

Exhibit 2: What's Changed – Chinese IPPs

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VOTE FOR **GARY YU**

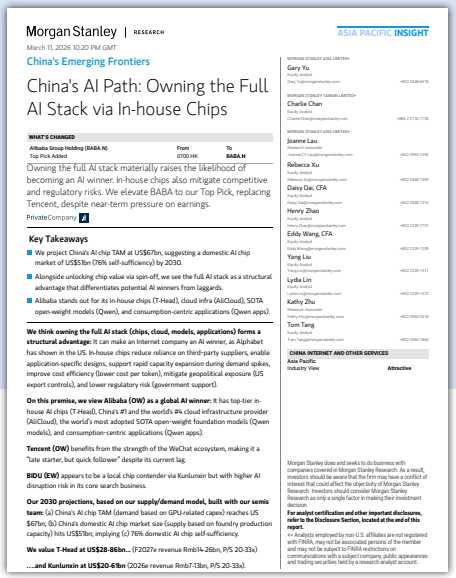


- ☑ Telecommunications
- ☑ Internet
- ☑ Technology IT Services & Software
- ☑ Sustainability & Thematic Research
- ☑ China
- ☑ Hong Kong
- ☑ Taiwan

KEY REPORT

China's Emerging Frontiers:
China's AI Path: Owning the Full AI Stack via In-house Chips

March 11, 2026



Morgan Stanley | RESEARCH

ASIA PACIFIC INSIGHT

March 11, 2026 10:20 PM GMT

China's Emerging Frontiers

China's AI Path: Owning the Full AI Stack via In-house Chips

WHAT'S CHANGED

	From	To
Alibaba Group Holding (BABA.N) Top Pick Added	6700.HK	BABA.N

Owning the full AI stack materially raises the likelihood of becoming an AI winner. In-house chips also mitigate competitive and regulatory risks. We elevate BABA to our Top Pick, replacing Tencent, despite near-term pressure on earnings.

PrivateCompany

Key Takeaways

- We project China's AI chip TAM at US$671bn, suggesting a domestic AI chip market of US$51bn (76% self-sufficiency) by 2030.
- Alongside unlocking chip value via spin-off, we see the full AI stack as a structural advantage that differentiates potential AI winners from laggards.
- Alibaba stands out for its in-house chips (T-Head), cloud infra (AliCloud), SOTA open-weight models (Qwen), and consumption-centric applications (Qwen apps).

We think owning the full AI stack (chips, cloud, models, applications) forms a structural advantage: It can make an Internet company an AI winner, as Alphabet has shown in the US. In-house chips reduce reliance on third-party suppliers, enable application-specific designs, support rapid capacity expansion during demand spikes, improve cost efficiency (lower cost per token), mitigate geopolitical exposure (US export controls), and lower regulatory risk (government support).

On this premise, we view Alibaba (OW) as a global AI winner: It has top-tier in-house AI chips (T-Head), China's #1 and the world's #4 cloud infrastructure provider (AliCloud), the world's most adopted SOTA open-weight foundation models (Qwen models), and consumption-centric applications (Qwen apps).

Tencent (OW) benefits from the strength of the WeChat ecosystem, making it a "late starter, but quick follower" despite its current lag.

BIDU (EW) appears to be a local chip contender via Kunlunxin but with higher AI disruption risk in its core search business.

Our 2030 projections, based on our supply/demand model, built with our semis team: (a) China's AI chip TAM (demand based on GPU-related capex) reaches US $671bn; (b) China's domestic AI chip market size (supply based on foundry production capacity) hits US$51bn, implying (c) 76% domestic AI chip self-sufficiency.

We value T-Head at US$28-86bn... (FY2027e revenue Rmb14-26bn, P/S 20-33x)

...and Kunlunxin at US$20-61bn (2026e revenue Rmb7-13bn, P/S 20-33x).

Gary Yu
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Joanne Lau
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Rebecca Xu
Equity Analyst
Daisy Dai, CFA
Equity Analyst
Henry Zhao
Equity Analyst
Eddy Wang, CFA
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Yang Liu
Equity Analyst
Lydia Lin
Equity Analyst
Kathy Zhu
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Tom Tang
Equity Analyst

CHINA INTERNET AND OTHER SERVICES
Asia Pacific
Industry View: Attractive

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VOTE FOR **JACK LU**



- ☑ Chemicals, Oil & Gas
- ☑ China
- ☑ Hong Kong
- ☑ Taiwan

KEY REPORT

Power for AI:
Flexible Power – The Next Wave of Growth in AI

March 17, 2026



Morgan Stanley | RESEARCH

GLOBAL INSIGHT

March 17, 2026 09:53 PM GMT

Power for AI

Flexible Power – The Next Wave of Growth in AI

Power for AI has emerged as a US$1.5tr theme. We see energy storage as the next wave of growth, with the focus shifting from power availability to power flexibility. Compelling LCOE and infrastructure deferral value enhance the economic case for ESS. Data centers could double demand in five years.

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VOTE FOR **JENNY ZHENG**



- ☑ Economics
- ☑ China
- ☑ Frontier Markets
- ☑ Hong Kong
- ☑ Taiwan

KEY REPORT

China's Emerging Frontiers:
China's Next Industrial Revolution

September 09, 2026



Morgan Stanley | RESEARCH

BLUEPAPER

September 9, 2026 09:00 PM GMT

China's Emerging Frontiers

China's Next Industrial Revolution

China is entering a new phase of industrial development, moving beyond its historical advantages of low-cost and manufacturing scale towards ecosystem and innovation leadership. We see profound implications for China's industrial supercycle, manufacturing profit migration, and its position in global manufacturing value chains.

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VOTE FOR **JONATHAN GARNER**

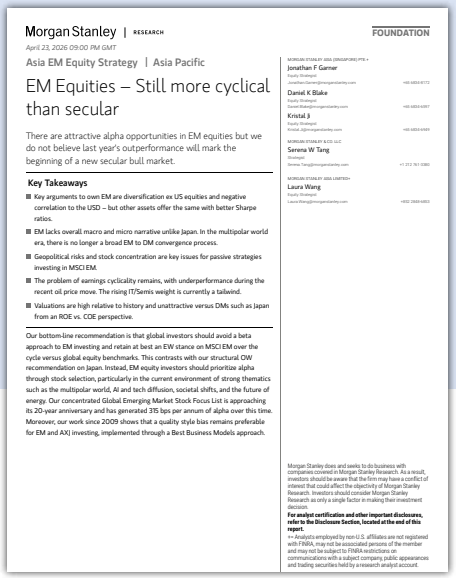


- ☑ Equity Strategy
- ☑ Sustainability & Thematic Research
- ☑ Quantitative Research
- ☑ China
- ☑ Frontier Markets
- ☑ Hong Kong
- ☑ Indonesia
- ☑ Malaysia
- ☑ Philippines
- ☑ Singapore
- ☑ Taiwan
- ☑ Thailand

KEY REPORT

Asia EM Equity Strategy:
EM Equities – Still more cyclical than secular

April 23, 2026



Morgan Stanley | RESEARCH

FOUNDATION

April 23, 2026 09:00 PM GMT

Asia EM Equity Strategy | Asia Pacific

EM Equities – Still more cyclical than secular

There are attractive alpha opportunities in EM equities but we do not believe last year's outperformance will mark the beginning of a new secular bull market.

Key Takeaways

- Key arguments to own EM are diversification ex US equities and negative correlation to the USD – but other assets offer the same with better Sharpe ratios.
- EM lacks overall macro and micro narrative unlike Japan. In the multipolar world era, there is no longer a broad EM to DM convergence process.
- Geopolitical risks and stock concentration are key issues for passive strategies investing in MSCI EM.
- The problem of earnings cyclicality remains, with underperformance during the recent oil price move. The rising IT/Semis weight is currently a tailwind.
- Valuations are high relative to history and unattractive versus DMs such as Japan from an ROE vs. COE perspective.

Our bottom-line recommendation is that global investors should avoid a beta approach to EM investing and retain at best an EW stance on MSCI EM over the cycle versus global equity benchmarks. This contrasts with our structural OW recommendation on Japan. Instead, EM equity investors should prioritize alpha through stock selection, particularly in the current environment of strong thematics such as the multipolar world, AI and tech diffusion, societal shifts, and the future of energy. Our concentrated Global Emerging Market Stock Focus List is approaching its 20-year anniversary and has generated 375 bps per annum of alpha over this time. Moreover, our work since 2009 shows that a quality style bias remains preferable for EM and AXJ investing, implemented through a Best Business Models approach.

Jonathan F Garner
Daniel K Blake
Kristal J
Serena W Tang
Laura Wang

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VOTE FOR **KELLY KIM**

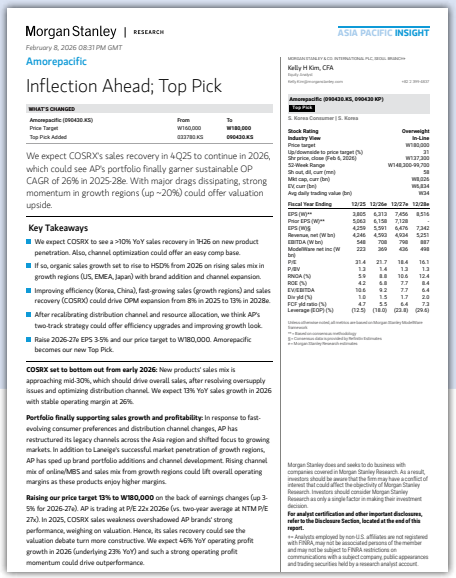


- ☑ Consumer Discretionary
- ☑ Consumer Staples
- ☑ Gaming & Lodging
- ☑ South Korea

KEY REPORT

Amorepacific:
Inflection Ahead; Top Pick

February 08, 2026



Morgan Stanley | RESEARCH

ASIA PACIFIC INSIGHT

February 8, 2026 08:31 PM GMT

Amorepacific

Inflection Ahead; Top Pick

WHAT'S CHANGED		
Amorepacific (090430.KS)	From	To
Price Target	W160,000	**W180,000**
Top Pick Added	033780.KS	**090430.KS**

We expect COSRX's sales recovery in 4Q25 to continue in 2026, which could see AP's portfolio finally garner sustainable OP CAGR of 26% in 2025-28e. With major drags dissipating, strong momentum in growth regions (up ~20%) could offer valuation upside.

Key Takeaways

- We expect COSRX to see a >10% YoY sales recovery in 1H26 on new product penetration. Also, channel optimization could offer an easy comp base.
- If so, organic sales growth set to rise to HSD% from 2026 on rising sales mix in growth regions (US, EMEA, Japan) with brand addition and channel expansion.
- Improving efficiency (Korea, China), fast-growing sales (growth regions) and sales recovery (COSRX) could drive OPM expansion from 8% in 2025 to 13% in 2028e.
- After recalibrating distribution channel and resource allocation, we think AP's two-track strategy could offer efficiency upgrades and improving growth look.
- Raise 2026-27e EPS 3-5% and our price target to W180,000. Amorepacific becomes our new Top Pick.

COSRX set to bottom out from early 2026: New products' sales mix is approaching mid-30%, which should drive overall sales, after resolving oversupply issues and optimizing distribution channel. We expect 13% YoY sales growth in 2026 with stable operating margin at 26%.

Portfolio finally supporting sales growth and profitability: In response to fast-evolving consumer preferences and distribution channel changes, AP has restructured its legacy channels across the Asia region and shifted focus to growing markets. In addition to Laneige's successful market penetration of growth regions, AP has sped up brand portfolio additions and channel development. Rising channel mix of online/MBS and sales mix from growth regions could lift overall operating margins as these products enjoy higher margins.

Raising our price target 13% to W180,000 on the back of earnings changes (up 3-5% for 2026-27e). AP is trading at P/E 22x 2026e (vs. two-year average at NTM P/E 27x). In 2025, COSRX sales weakness overshadowed AP brands' strong performance, weighing on valuation. Hence, its sales recovery could see the valuation debate turn more constructive. We expect >6% YoY operating profit growth in 2026 (underlying 23% YoY) and such a strong operating profit momentum could drive outperformance.

Kelly H Kim, CFA

Amorepacific (090430.KS, 090430 KP)

Top Pick

S. Korea Consumer | S. Korea

Stock Rating	Overweight
Industry View	In-Line
Price target	W180,000
Up/downside to price target (%)	31
Shr price, close (Feb 6, 2026)	W137,300
52-Week Range	W140,200-99,700
Sh out, dil, curr (mn)	58
Mkt cap, curr (bn)	W8,026
EV, curr (bn)	W6,834
Avg daily trading value (bn)	W34

Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS (W)**	3,805	6,313	7,456	8,516
Prior EPS (W)**	5,663	6,159	7,128	-
EPS (W)§	4,259	5,591	6,476	7,342
Revenue, net (W bn)	4,246	4,593	4,924	5,251
EBITDA (W bn)	548	708	798	887
Modelware net inc (W bn)	223	369	436	498
P/E	31.4	21.7	18.4	16.1
P/BV	1.3	1.4	1.3	1.3
RNOA (%)	5.9	8.8	10.6	12.4
ROE (%)	4.2	6.8	7.7	8.4
EV/EBITDA	10.6	9.2	7.7	6.4
Div yld (%)	1.0	1.5	1.7	2.0
FCF yld ratio (%)	4.7	5.5	6.4	7.3
Leverage (EOP) (%)	(12.5)	(18.0)	(23.8)	(29.6)

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VOTE FOR **LAURA WANG**



- ☑ Equity Strategy
- ☑ Quantitative Research
- ☑ Sustainability & Thematic Research
- ☑ China
- ☑ Frontier Markets
- ☑ Hong Kong
- ☑ Indonesia
- ☑ Malaysia
- ☑ Philippines
- ☑ Singapore
- ☑ Taiwan
- ☑ Thailand

KEY REPORT

China Equity Strategy Mid-year Outlook:
Forging New Horizons

May 13, 2026



Morgan Stanley | RESEARCH

ASIA PACIFIC INSIGHT

May 13, 2026 03:12 AM GMT

China Equity Strategy Mid-year Outlook | Asia Pacific

Forging New Horizons

We see moderate upside by 2Q27 on improved earnings, growing dominance in global upstream supply chains, and a stronger USDCNY. The US-China summit could trigger moderate index upside if the truce extends. We prefer A over offshore and recommend thematic stock picking vs. passive index investing.

YTD – a thematic growth market masked by index compilation rules: Upstream focused sectors (Energy, Materials, and high-end manufacturing concentrated industrials) and technology localization (Semi, Healthcare) have delivered 2-30% YTD absolute returns vs. the index. However, MSCI China index's performance has been significantly hindered by an index composition overly skewed towards large-cap platform companies (45% of index weight) while heavily discounting A-share listings due to the existing inclusion rule (<20% for the aforementioned outperforming sectors combined, most of which are listed in the A-share market).

We see the earnings outlook improving moderately: 1) stronger export growth amid accelerating AI/Energy capex cycle; 2) CNY appreciation vs. USD; 3) earnings damage peaking from large-cap platform companies' intense price competition, with strict government regulation having started in April. Valuation could also see a marginal re-rating as earnings growth improves, the US/China truce extends, and Chinese companies gain more dominance in global high-end supply chains.

Our new 2Q2027 price targets are 28,400 for Hang Seng, 91 for MSCI China, 9,900 for HSCEI and 5,400 for CSI300, implying upsides of 8%, 12%, 11% and 11%, respectively. Near-term volatility swings could still happen given: 1) another quarter of misses in 1Q, 2) sizeable HK IPO share unlocking in July; 3) liquidity uncertainty if Fed rate cut prospects disappear and/or turn into hikes; 4) global growth risk amid lofty energy prices. As a result, we expect market dynamics to turn clearer and smoother more likely around/after summer.

We continue to prefer A-share market over offshore given: 1) higher concentration of high-end upstream manufacturing and hard-core tech companies; 2) highly anticipated potential A-share IPOs to trigger greater domestic investor participation; and 3) national Team standing by.

Sector preference: We strongly prefer upstream asset-focused sectors that are less disruptable by the AI supercycle, compounded by their growing global market share against a backdrop of energy efficiency re-prioritization – selected Materials, Industrials, and Energy. We also like the tech localization theme (semis) and maintain moderate exposure to Financials (Insurance and Exchanges), as well as yield plays. We stay UW on Real Estate and Consumer Staples.

Key trades recommended: 1) A-shares > offshore; 2) China Best Business Model.

VOTE FOR **LAURENCE TAM**



- ☑ Healthcare, Pharma and Biotech
- ☑ China
- ☑ Hong Kong
- ☑ Taiwan

KEY REPORT

WuXi AppTec Co Ltd:
Powering the Global Supply Chain for Novel Small Molecule Drugs; Reiterate as Top Pick

June 29, 2026



Morgan Stanley | RESEARCH

ASIA PACIFIC INSIGHT

June 29, 2026 10:35 AM GMT

WuXi AppTec Co Ltd

Powering the Global Supply Chain for Novel Small Molecule Drugs; Reiterate as Top Pick

WHAT'S CHANGED		
WuXi AppTec Co Ltd (603259.SS)	From	To
Price Target	Rmb145.00	Rmb152.00
WuXi AppTec Co Ltd (2359.HK)		
Price Target	HK$155.00	HK$168.00

Small molecule approvals (including TIDES) have been gathering pace throughout 2025 and 2026. With multiple blockbuster launches scheduled, MNCs' propensity to outsource development and manufacturing is on the rise, leveraging China's technology, efficiency, and cost advantages.

Key Takeaways

- Our deep dive on WuXi AppTec centers on our four new analyses – supporting a rise in price targets and earnings estimates.
- As the year progresses, leading indicators for China's CDMOs are seeing no signs of slowing down (orders/backlog, capacity, global supply chain build-out).
- Momentum is especially strong in the later stages of development with a high manufacturing component, and in small molecule APIs and complex modalities.
- WuXi AppTec is positioned at the epicenter of this upswing. Its 89 commercial contracts (94 in Phase 3) offer a durable and predictable revenue profile.
- We raise our 2026-28 adjusted earnings outlook 4-6% – translating to a 16% CAGR (2025-28e). Our new PT implies re-rating from 17x to 22x (next-year P/E).

We expect WuXi AppTec's outperformance to be sustained throughout 2026 and 2027, at the very least: Aside from a potential guidance raise for 2026, four trends support an accelerating and durable revenue profile: **1)** small molecule approvals are accelerating, contributing three-quarters of novel drug approvals by the US FDA in 2025 (including TIDES). For the past 7 years (a typical market exclusivity window), we estimate WuXi's commercial contracts *"win rate" to be close to 30%*. Compared to its current market share of ~10% (small molecule CRAM), this is indicative of a market share gain in future. **2)** capacity shortage for small molecules and new modalities is becoming more evident, not only from industry commentary but also based on WuXi's running book-to-bill ratio (>1.20 for the past five quarters). **3)** GLP-1 meds are seeing no signs of a slowdown, and the next generation of blockbusters are around the corner, e.g., orals and triple agonists. **4)** WuXi has leading share in the next frontiers of therapeutic strategies – oligos, protein degraders, gene editing, cell and gene therapies, and antibody-drug conjugates.

VOTE FOR **LILLIAN LOU**

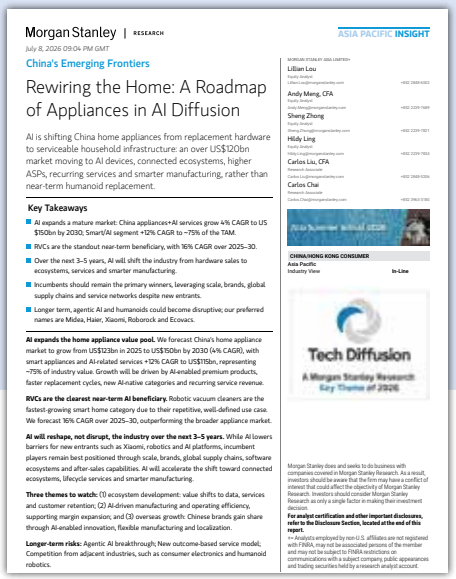


- ☑ Consumer Discretionary
- ☑ Consumer Staples
- ☑ China
- ☑ Frontier Markets
- ☑ Hong Kong
- ☑ Taiwan

KEY REPORT

China's Emerging Frontiers:
Rewiring the Home: A Roadmap of Appliances in AI Diffusion

July 08, 2026



Morgan Stanley | RESEARCH

ASIA PACIFIC INSIGHT

July 8, 2026 09:04 PM GMT

China's Emerging Frontiers

Rewiring the Home: A Roadmap of Appliances in AI Diffusion

AI is shifting China home appliances from replacement hardware to serviceable household infrastructure: an over US$120bn market moving to AI devices, connected ecosystems, higher ASPs, recurring services and smarter manufacturing, rather than near-term humanoid replacement.

Key Takeaways

- AI expands a mature market: China appliances+AI services grow 4% CAGR to US $150bn by 2030; Smart/AI segment +12% CAGR to ~75% of the TAM.
- RVCs are the standout near-term beneficiary, with 16% CAGR over 2025–30.
- Over the next 3–5 years, AI will shift the industry from hardware sales to ecosystems, services and smarter manufacturing.
- Incumbents should remain the primary winners, leveraging scale, brands, global supply chains and service networks despite new entrants.
- Longer term, agentic AI and humanoids could become disruptive; our preferred names are Midea, Haier, Xiaomi, Roborock and Ecovacs.

AI expands the home appliance value pool. We forecast China's home appliance market to grow from US$323bn in 2025 to US$150bn by 2030 (4% CAGR), with smart appliances and AI-related services +12% CAGR to US$115bn, representing ~75% of industry value. Growth will be driven by AI-enabled premium products, faster replacement cycles, new AI-native categories and recurring service revenue.

RVCs are the clearest near-term AI beneficiary. Robotic vacuum cleaners are the fastest-growing smart home category due to their repetitive, well-defined use case. We forecast 16% CAGR over 2025–30, outperforming the broader appliance market.

AI will reshape, not disrupt, the industry over the next 3–5 years. While AI lowers barriers for new entrants such as Xiaomi, robotics and AI platforms, incumbent players remain best positioned through scale, brands, global supply chains, software ecosystems and after-sales capabilities. AI will accelerate the shift toward connected ecosystems, lifecycle services and smarter manufacturing.

Three themes to watch: (1) ecosystem development: value shifts to data, services and customer retention; (2) AI-driven manufacturing and operating efficiency, supporting margin expansion; and (3) overseas growth: Chinese brands gain share through AI-enabled innovation, flexible manufacturing and localization.

Longer-term risks: Agentic AI breakthrough; New outcome-based service model; Competition from adjacent industries, such as consumer electronics and humanoid robotics.

VOTE FOR **MAYANK MAHESHWARI**

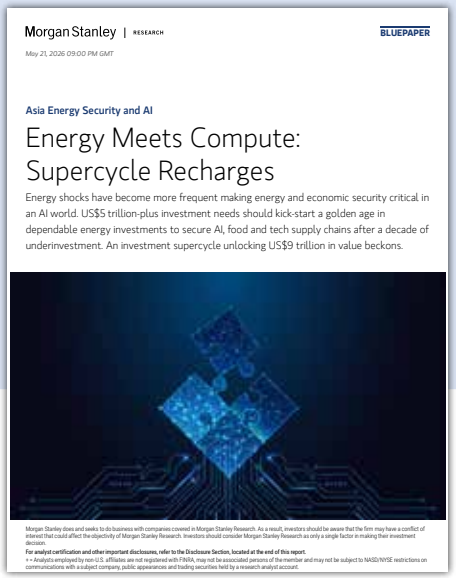


- ☑ India
- ☑ Indonesia
- ☑ Malaysia
- ☑ Philippines
- ☑ Singapore
- ☑ Thailand
- ☑ Frontier Markets
- ☑ Chemicals, Oil & Gas
- ☑ Basic Materials
- ☑ Transportation
- ☑ Utilities & Alternative Energy

KEY REPORT

Asia Energy Security and AI:
Energy Meets Compute: Supercycle Recharges

May 21, 2026



Morgan Stanley | RESEARCH BLUEPAPER

May 21, 2026 09:00 PM GMT

Asia Energy Security and AI

Energy Meets Compute: Supercycle Recharges

Energy shocks have become more frequent making energy and economic security critical in an AI world. US$5 trillion-plus investment needs should kick-start a golden age in dependable energy investments to secure AI, food and tech supply chains after a decade of underinvestment. An investment supercycle unlocking US$9 trillion in value beckons.

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VOTE FOR **NICK LORD**



- ☑ Indonesia
- ☑ Malaysia
- ☑ Philippines
- ☑ Singapore
- ☑ Thailand
- ☑ Frontier Markets
- ☑ Banks & Non-bank Finance
- ☑ Insurance

KEY REPORT

Global Banks & Exchanges:
Digital Rails, Real Economics: Digital Assets & the Future of Wholesale Banking

June 02, 2026



Morgan Stanley | RESEARCH OLIVER WYMAN BLUEPAPER

June 2, 2026 02:40 PM GMT

Global Banks & Exchanges

Digital Rails, Real Economics: Digital Assets & the Future of Wholesale Banking

Digital Assets are unlikely to disrupt Wholesale Banking, but digital rails could reshape the economics of several major business lines by 2030. Banks can defend and even grow share by investing now in trusted client gateways, tokenized rails, and ecosystems to support the future model.

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VOTE FOR **PRAVEEN CHOUDHARY**

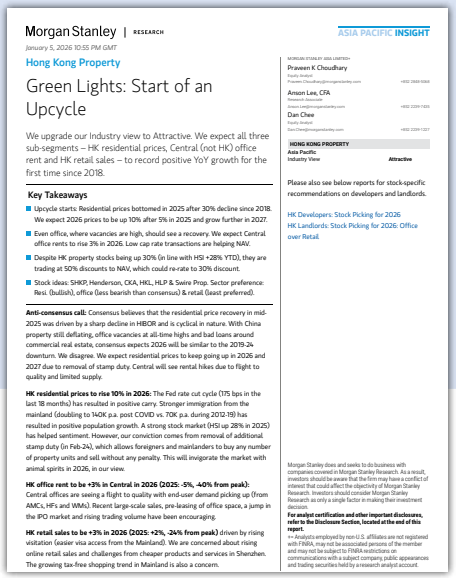


- ☑ Gaming & Lodging
- ☑ Property
- ☑ China
- ☑ Frontier Markets
- ☑ Hong Kong
- ☑ India
- ☑ Philippines
- ☑ Taiwan

KEY REPORT

Hong Kong Property:
Green Lights: Start of an Upcycle

January 05, 2026



Morgan Stanley | RESEARCH ASIA PACIFIC INSIGHT

January 5, 2026 10:55 PM GMT

Hong Kong Property

Green Lights: Start of an Upcycle

We upgrade our Industry view to Attractive. We expect all three sub-segments – HK residential prices, Central (not HK) office rent and HK retail sales – to record positive YoY growth for the first time since 2018.

Key Takeaways

- Upcycle starts: Residential prices bottomed in 2025 after 30% decline since 2018. We expect 2026 prices to be up 10% after 5% in 2025 and grow further in 2027.
- Even office, where vacancies are high, should see a recovery. We expect Central office rents to rise 3% in 2026. Low cap rate transactions are helping NAV.
- Despite HK property stocks being up 30% (in line with HSI +28% YTD), they are trading at 50% discounts to NAV, which could re-rate to 30% discount.
- Stock ideas: SHKP, Henderson, CKA, HKL, HLP & Swire Prop. Sector preference: Resi. (bullish), office (less bearish than consensus) & retail (least preferred).

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HONG KONG PROPERTY
Asia Pacific
Industry View Attractive

Please also see below reports for stock-specific recommendations on developers and landlords.

HK Developers: Stock Picking for 2026
HK Landlords: Stock Picking for 2026: Office over Retail.

Anti-consensus call: Consensus believes that the residential price recovery in mid-2025 was driven by a sharp decline in HIBOR and is cyclical in nature. With China property still deflating, office vacancies at all-time highs and bad loans around commercial real estate, consensus expects 2026 will be similar to the 2019-24 downturn. We disagree. We expect residential prices to keep going up in 2026 and 2027 due to removal of stamp duty. Central will see rental hikes due to flight to quality and limited supply.

HK residential prices to rise 10% in 2026: The Fed rate cut cycle (175 bps in the last 18 months) has resulted in positive carry. Stronger immigration from the mainland (doubling to 140K p.a. post COVID vs. 70K p.a. during 2012-19) has resulted in positive population growth. A strong stock market (HSI up 28% in 2025) has helped sentiment. However, our conviction comes from removal of additional stamp duty (in Feb-24), which allows foreigners and mainlanders to buy any number of property units and sell without any penalty. This will invigorate the market with animal spirits in 2026, in our view.

HK office rent to be +3% in Central in 2026 (2025: -5%, -40% from peak): Central offices are seeing a flight to quality with end-user demand picking up (from AMCs, HFs and WMs). Recent large-scale sales, pre-leasing of office space, a jump in the IPO market and rising trading volume have been encouraging.

HK retail sales to be +3% in 2026 (2025: +2%, -24% from peak) driven by rising visitation (easier visa access from the Mainland). We are concerned about rising online retail sales and challenges from cheaper products and services in Shenzhen. The growing tax-free shopping trend in Mainland is also a concern.

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VOTE FOR **QIANLEI FAN**

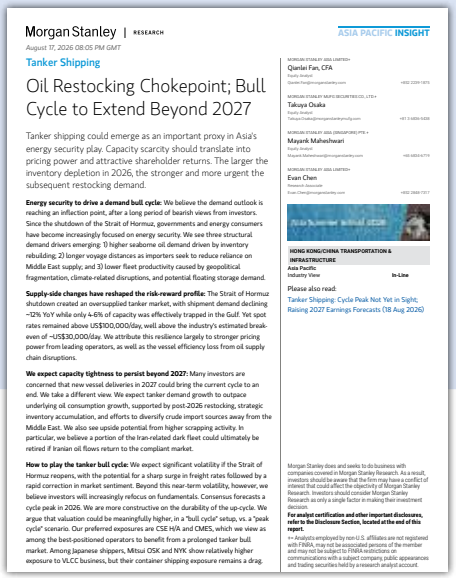


- ☑ Transportation
- ☑ Autos & Auto Parts
- ☑ Construction, Engineering & Machinery
- ☑ Industrial Automation & Electrical Equipment
- ☑ China
- ☑ Hong Kong
- ☑ Taiwan

KEY REPORT

Tanker Shipping:
Oil Restocking Chokepoint; Bull Cycle to Extend Beyond 2027

August 17, 2026



Morgan Stanley | RESEARCH

ASIA PACIFIC INSIGHT

August 17, 2026 08:05 PM GMT

Tanker Shipping

Oil Restocking Chokepoint; Bull Cycle to Extend Beyond 2027

Tanker shipping could emerge as an important proxy in Asia's energy security play. Capacity scarcity should translate into pricing power and attractive shareholder returns. The larger the inventory depletion in 2026, the stronger and more urgent the subsequent restocking demand.

Energy security to drive a demand bull cycle: We believe the demand outlook is reaching an inflection point, after a long period of bearish views from investors. Since the shutdown of the Strait of Hormuz, governments and energy consumers have become increasingly focused on energy security. We see three structural demand drivers emerging: 1) higher seaborne oil demand driven by inventory rebuilding; 2) longer voyage distances as importers seek to reduce reliance on Middle East supply; and 3) lower fleet productivity caused by geopolitical fragmentation, climate-related disruptions, and potential floating storage demand.

Supply-side changes have reshaped the risk-reward profile: The Strait of Hormuz shutdown created an oversupplied tanker market, with shipment demand declining ~12% YoY while only 4-6% of capacity was effectively trapped in the Gulf. Yet spot rates remained above US$100,000/day, well above the industry's estimated break-even of ~US$30,000/day. We attribute this resilience largely to stronger pricing power from leading operators, as well as the vessel efficiency loss from oil supply chain disruptions.

We expect capacity tightness to persist beyond 2027: Many investors are concerned that new vessel deliveries in 2027 could bring the current cycle to an end. We take a different view. We expect tanker demand growth to outpace underlying oil consumption growth, supported by post-2026 restocking, strategic inventory accumulation, and efforts to diversify crude import sources away from the Middle East. We also see upside potential from higher scrapping activity. In particular, we believe a portion of the Iran-related dark fleet could ultimately be retired if Iranian oil flows return to the compliant market.

How to play the tanker bull cycle: We expect significant volatility if the Strait of Hormuz reopens, with the potential for a sharp surge in freight rates followed by a rapid correction in market sentiment. Beyond this near-term volatility, however, we believe investors will increasingly refocus on fundamentals. Consensus forecasts a cycle peak in 2026. We are more constructive on the durability of the up-cycle. We argue that valuation could be meaningfully higher, in a "bull cycle" setup, vs. a "peak cycle" scenario. Our preferred exposures are CSE H/A and CMES, which we view as among the best-positioned operators to benefit from a prolonged tanker bull market. Among Japanese shippers, Mitsui OSK and NYK show relatively higher exposure to VLCC business, but their container shipping exposure remains a drag.

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HONG KONG/CHINA TRANSPORTATION & INFRASTRUCTURE
Asia Pacific
Industry View: In-Line

Please also read:
Tanker Shipping: Cycle Peak Not Yet in Sight; Raising 2027 Earnings Forecasts (18 Aug 2026)

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VOTE FOR **RACHEL ZHANG**

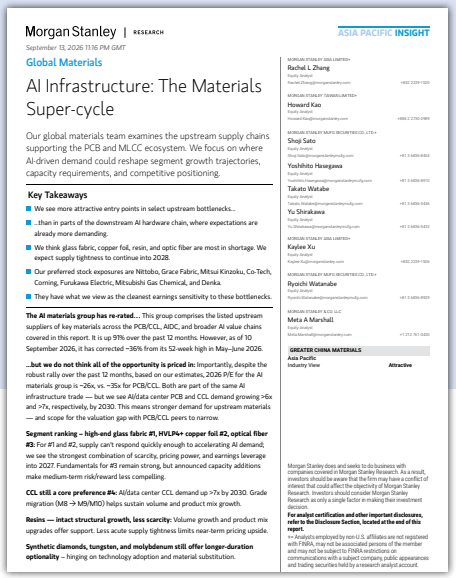


- ☑ Basic Materials
- ☑ Construction, Engineering & Machinery
- ☑ China
- ☑ Hong Kong
- ☑ Taiwan

KEY REPORT

Global Materials:
AI Infrastructure: The Materials Super-cycle

September 13, 2026



Morgan Stanley | RESEARCH

ASIA PACIFIC INSIGHT

September 13, 2026 11:16 PM GMT

Global Materials

AI Infrastructure: The Materials Super-cycle

Our global materials team examines the upstream supply chains supporting the PCB and MLCC ecosystem. We focus on where AI-driven demand could reshape segment growth trajectories, capacity requirements, and competitive positioning.

Key Takeaways

- We see more attractive entry points in select upstream bottlenecks…
- …than in parts of the downstream AI hardware chain, where expectations are already more demanding.
- We think glass fabric, copper foil, resin, and optic fiber are most in shortage. We expect supply tightness to continue into 2028.
- Our preferred stock exposures are Nittobo, Grace Fabric, Mitsui Kinzoku, Co-Tech, Corning, Furukawa Electric, Mitsubishi Gas Chemical, and Denka.
- They have what we view as the cleanest earnings sensitivity to these bottlenecks.

The AI materials group has re-rated… This group comprises the listed upstream suppliers of key materials across the PCB/CCL, AIDC, and broader AI value chains covered in this report. It is up 91% over the past 12 months. However, as of 10 September 2026, it has corrected ~36% from its 52-week high in May–June 2026.

…but we do not think all of the opportunity is priced in: Importantly, despite the robust rally over the past 12 months, based on our estimates, 2026 P/E for the AI materials group is ~26x, vs. ~35x for PCB/CCL. Both are part of the same AI infrastructure trade — but we see AI/data center PCB and CCL demand growing >6x and >7x, respectively, by 2030. This means stronger demand for upstream materials — and scope for the valuation gap with PCB/CCL peers to narrow.

Segment ranking – high-end glass fabric #1, HVLP4+ copper foil #2, optical fiber #3: For #1 and #2, supply can't respond quickly enough to accelerating AI demand; we see the strongest combination of scarcity, pricing power, and earnings leverage into 2027. Fundamentals for #3 remain strong, but announced capacity additions make medium-term risk/reward less compelling.

CCL still a core preference #4: AI/data center CCL demand up >7x by 2030. Grade migration (M8 → M9/M10) helps sustain volume and product mix growth.

Resins — intact structural growth, less scarcity: Volume growth and product mix upgrades offer support. Less acute supply tightness limits near-term pricing upside.

Synthetic diamonds, tungsten, and molybdenum still offer longer-duration optionality – hinging on technology adoption and material substitution.

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GREATER CHINA MATERIALS
Asia Pacific
Industry View: Attractive

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VOTE FOR **RICHARD WILES**

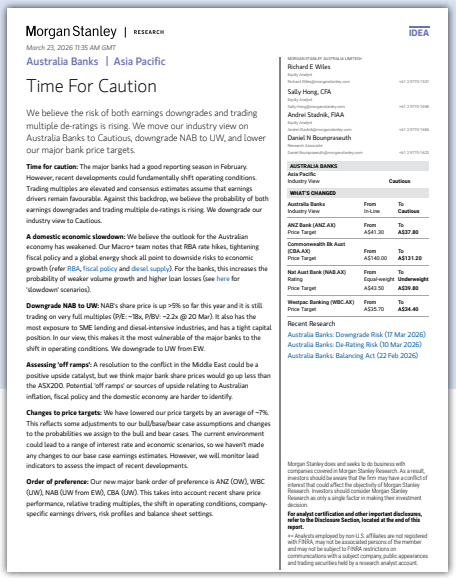


- ☑ Banks & Non-bank Finance
- ☑ Insurance

KEY REPORT

Australia Banks:
Time For Caution

March 23, 2026



Morgan Stanley | RESEARCH

IDEA

March 23, 2026 11:35 AM GMT

Australia Banks | Asia Pacific

Time For Caution

We believe the risk of both earnings downgrades and trading multiple de-ratings is rising. We move our industry view on Australia Banks to Cautious, downgrade NAB to UW, and lower our major bank price targets.

Time for caution: The major banks had a good reporting season in February. However, recent developments could fundamentally shift operating conditions. Trading multiples are elevated and consensus estimates assume that earnings drivers remain favourable. Against this backdrop, we believe the probability of both earnings downgrades and trading multiple de-ratings is rising. We downgrade our industry view to Cautious.

A domestic economic slowdown: We believe the outlook for the Australian economy has weakened. Our Macro+ team notes that RBA rate hikes, tightening fiscal policy and a global energy shock all point to downside risks to economic growth (refer RBA, fiscal policy and diesel supply). For the banks, this increases the probability of weaker volume growth and higher loan losses (see here for 'slowdown' scenarios).

Downgrade NAB to UW: NAB's share price is up >5% so far this year and it is still trading on very full multiples (P/E: ~18x, P/BV: ~2.2x @ 20 Mar). It also has the most exposure to SME lending and diesel-intensive industries, and has a tight capital position. In our view, this makes it the most vulnerable of the major banks to the shift in operating conditions. We downgrade to UW from EW.

Assessing 'off ramps': A resolution to the conflict in the Middle East could be a positive upside catalyst, but we think major bank share prices would go up less than the ASX200. Potential 'off ramps' or sources of upside relating to Australian inflation, fiscal policy and the domestic economy are harder to identify.

Changes to price targets: We have lowered our price targets by an average of ~7%. This reflects some adjustments to our bull/base/bear case assumptions and changes to the probabilities we assign to the bull and bear cases. The current environment could lead to a range of interest rate and economic scenarios, so we haven't made any changes to our base case earnings estimates. However, we will monitor lead indicators to assess the impact of recent developments.

Order of preference: Our new major bank order of preference is ANZ (OW), WBC (UW), NAB (UW from EW), CBA (UW). This takes into account recent share price performance, relative trading multiples, the shift in operating conditions, company-specific earnings drivers, risk profiles and balance sheet settings.

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AUSTRALIA BANKS
Asia Pacific
Industry View: Cautious

WHAT'S CHANGED

Australia Banks Industry View	From In-Line	To Cautious
ANZ Bank (ANZ.AX) Price Target	From A$41.30	To A$37.80
Commonwealth Bk Aust (CBA.AX) Price Target	From A$140.00	To A$131.20
Nat Aust Bank (NAB.AX) Rating	From Equal-weight	To Underweight
Price Target	A$43.50	A$39.80
Westpac Banking (WBC.AX) Price Target	From A$35.70	To A$34.40

Recent Research
Australia Banks: Downgrade Risk (17 Mar 2026)
Australia Banks: De-Rating Risk (10 Mar 2026)
Australia Banks: Balancing Act (22 Feb 2026)

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VOTE FOR **RICHARD XU**



- ☑ Banks & Non-bank Finance
- ☑ Insurance
- ☑ China
- ☑ Hong Kong
- ☑ Taiwan

KEY REPORT

China Financials:
Further de-leveraging or positive development loop? How to invest?

July 09, 2026



Morgan Stanley | RESEARCH

IDEA

July 9, 2026 10:00 PM GMT

China Financials | Asia Pacific

Further de-leveraging or positive development loop? How to invest?

We believe the exit of certain stimulus policies will not derail growth but help build a stronger foundation for a positive financial development loop. After China banks' outperformance, we shift our preference to brokers, then insurance firms, as we expect a prolonged active market this cycle.

While financial risks are much better controlled, we see ongoing need for de-leveraging towards a more sustainable positive development path. After better-than-expected 1Q26 growth and strong exports, policymakers in 2Q26 focused on rationalizing effective stimulus: removing the inclusive financing loan target, tightening LGFV credit, auditing artificial loan and deposit growth rather than promoting loan growth, and strengthening enforcement of social security contribution requirements. We believe ongoing de-leveraging amid strong external demand will support sustainable financial system growth over time, and we view TSF growth of ~6% as a more desirable and sustainable medium-term level.

We see another two years of household de-leveraging, which should prove positive over the long term despite some near-term drag on consumption growth. Following years of rising household leverage, we see continued de-leveraging in 2026, particularly after policymakers required proper NPL recognition for credit card loans, further tightened high-yield consumer lending, and removed growth targets for inclusive financing (roughly 50% comprises personal business loans). Positively, healthy savings supported 1–2% growth in total household assets in recent years despite falling housing prices. **We believe total household assets and retail credit growth could rebound to 4–5% from 2028 onward after two years of de-leveraging.** Strong household financial asset growth of 10%+ should support active capital markets and healthy earnings growth for financial firms.

The positive financial development loop remains intact despite the continued rationalization of stimulus measures in China, with further room to support aggregate demand through infrastructure investment. We believe technology and industrial upgrades have supported export growth and overall industrial demand, while more back-end-loaded fiscal policy should support growth in the event of global uncertainty. We remain positive on financials and are shifting our preference to brokers following banks' outperformance in 1H26, with insurers next in our order of preference. We expect a prolonged active capital market to support ROE expansion among leading brokers, while high savings levels and low deposit costs should sustain healthy growth for insurers despite some quarterly earnings volatility. For banks, we expect more muted performance after dividend payments through November, followed by steady performance in late 2026 and 2027.

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CHINA FINANCIALS
Asia Pacific
Industry View: Attractive

WHAT'S CHANGED

China International Capital Corp. Ltd. (3908.HK) Price Target	From HK$30.20	To HK$31.60
CITIC Securities Co. (600030.SS) Price Target	From Rmb37.30	To Rmb40.10
CITIC Securities Co. (6030.HK) Rating	From Equal-weight	To Overweight
Price Target	HK$31.50	HK$33.90

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VOTE FOR **RIDHAM DESAI**



- ☑ India
- ☑ Equity Strategy
- ☑ Quantitative Research

KEY REPORT

India Equity Strategy and Economics:
India's Transformation amid Next-gen Reforms

June 19, 2026



Morgan Stanley | RESEARCH

FOUNDATION

June 19, 2026 10:56 AM GMT

India Equity Strategy and Economics | Asia Pacific

India's Transformation amid Next-gen Reforms

With fundamental changes to the economy over the past decade and next-generation reforms in the pipeline, India is entering a strong earnings cycle, with medium-term stock market returns that could reverse its trailing underperformance.

Over the past decade, India's economy has shifted from one gripped by scarcity, an unstable macro and poor physical infrastructure to one that is larger, more domestically financed, and has strong infrastructure. Its shift to a more formalized, digitally intermediated and services-led economy has materially improved India's investability, in our view, and manifested approximately US$13tn in broad-based household wealth creation.

That said, there remains room for improvement in terms of manufacturing depth, urban capacity, judicial capacity, energy security and agricultural productivity – things that are being addressed through various measures. We see factor market reforms, deregulation, supply-chain improvements, higher state capacity and urbanization as the themes for the coming five years. These ongoing reforms promise to transform India into a global powerhouse in the coming decade.

We forecast investments to become 37.5% of GDP by F2030, which implies that corporate profit share in GDP could well exceed its previous peak of 7% and head into the 8% zone. This would mean earnings could compound at >15% in the next five years, putting the overall equity market at c.10x F2031e, we estimate.

We find India's structural premium to be justified by scale, growth, domestic capital formation, macro buffers and institution building. The investable alpha is in identifying where formal, scalable and monetizable profit pools are emerging. We believe the entrepreneurial focus on balance sheet (return on capital) will remain the secret sauce for superior equity returns. The sectors that seem to have these ingredients include:

1) Financials, including lenders, insurers, asset managers, exchanges, depositories and wealth platforms, which leverage different parts of financial deepening.

2) Consumption, especially sub-sectors undergoing premiumization.

3) Industrials: energy, defense, fertilizers, semiconductors and data centers, among others.

4) IT services, which is currently disrupted by AI, but could be resurgent when the world monetizes token spend.

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Exhibit 1: Relative U/P Could Reverse

Source: IRAMS, MSCI, Morgan Stanley Research

Exhibit 2: Inexpensive Valuations => Outperformance

Source: IRAMS, MSCI, Morgan Stanley Research

Exhibit 3: Earnings: Likely New Peak

Source: IRAMS, MSCI, Morgan Stanley Research

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VOTE FOR **ROBIN XING**



- ☑ Economics
- ☑ China
- ☑ Frontier Markets
- ☑ Hong Kong
- ☑ Taiwan

KEY REPORT

China's Emerging Frontiers:
China's Next Industrial Revolution

September 09, 2026



Morgan Stanley | RESEARCH

BLUEPAPER

September 9, 2026 09:00 PM GMT

China's Emerging Frontiers

China's Next Industrial Revolution

China is entering a new phase of industrial development, moving beyond its historical advantages of low-cost and manufacturing scale towards ecosystem and innovation leadership. We see profound implications for China's industrial supercycle, manufacturing profit migration, and its position in global manufacturing value chains.

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VOTE FOR **SELVIE JUSMAN**

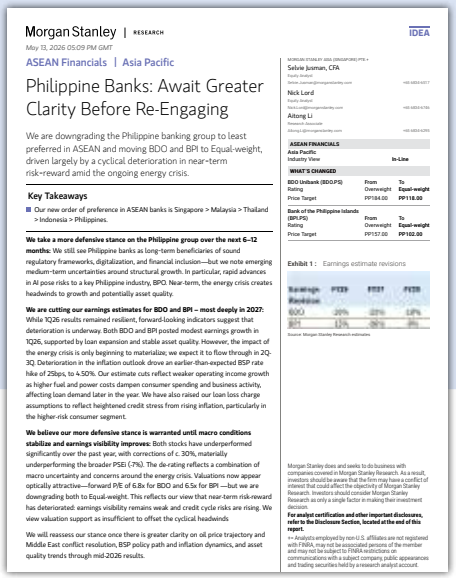


- ☑ Indonesia
- ☑ Malaysia
- ☑ Philippines
- ☑ Singapore
- ☑ Thailand
- ☑ Frontier Markets
- ☑ Banks & Non-bank Finance
- ☑ Insurance

KEY REPORT

ASEAN Financials:
Philippine Banks: Await Greater Clarity Before Re-Engaging

May 13, 2026



Morgan Stanley | RESEARCH

IDEA

May 13, 2026 05:09 PM GMT

ASEAN Financials | Asia Pacific

Philippine Banks: Await Greater Clarity Before Re-Engaging

We are downgrading the Philippine banking group to least preferred in ASEAN and moving BDO and BPI to Equal-weight, driven largely by a cyclical deterioration in near-term risk-reward amid the ongoing energy crisis.

Key Takeaways

- Our new order of preference in ASEAN banks is Singapore > Malaysia > Thailand > Indonesia > Philippines.

We take a more defensive stance on the Philippine group over the next 6–12 months: We still see Philippine banks as long-term beneficiaries of sound regulatory frameworks, digitalization, and financial inclusion—but we note emerging medium-term uncertainties around structural growth. In particular, rapid advances in AI pose risks to a key Philippine industry, BPO. Near-term, the energy crisis creates headwinds to growth and potentially asset quality.

We are cutting our earnings estimates for BDO and BPI – most deeply in 2027: While 1Q26 results remained resilient, forward-looking indicators suggest that deterioration is underway. Both BDO and BPI posted modest earnings growth in 1Q26, supported by loan expansion and stable asset quality. However, the impact of the energy crisis is only beginning to materialize; we expect it to flow through in 2Q-3Q. Deterioration in the inflation outlook drove an earlier-than-expected BSP rate hike of 25bps, to 4.50%. Our estimate cuts reflect weaker operating income growth as higher fuel and power costs dampen consumer spending and business activity, affecting loan demand later in the year. We have also raised our loan loss charge assumptions to reflect heightened credit stress from rising inflation, particularly in the higher-risk consumer segment.

We believe our more defensive stance is warranted until macro conditions stabilize and earnings visibility improves: Both stocks have underperformed significantly over the past year, with corrections of c. 30%, materially underperforming the broader PSEi (-7%). The de-rating reflects a combination of macro uncertainty and concerns around the energy crisis. Valuations now appear optically attractive—forward P/E of 6.8x for BDO and 6.5x for BPI —but we are downgrading both to Equal-weight. This reflects our view that near-term risk-reward has deteriorated: earnings visibility remains weak and credit cycle risks are rising. We view valuation support as insufficient to offset the cyclical headwinds

We will reassess our stance once there is greater clarity on oil price trajectory and Middle East conflict resolution, BSP policy path and inflation dynamics, and asset quality trends through mid-2026 results.

Selvie Jusman, CFA

Nick Lord

Aitong Li

ASEAN FINANCIALS

Asia Pacific Industry View: In-Line

WHAT'S CHANGED

	From	To
BDO Unibank (BDO PS) Rating	Overweight	Equal-weight
Price Target	PP184.00	PP118.00
Bank of the Philippine Islands (BPI PS) Rating	Overweight	Equal-weight
Price Target	PP157.00	PP102.00

Exhibit 1 : Earnings estimate revisions

Source: Morgan Stanley Research estimates

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VOTE FOR **SHAWN KIM**

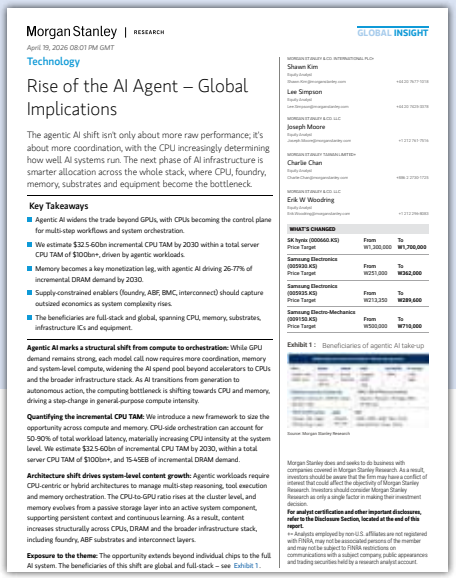


- ☑ Technology Semiconductors
- ☑ Technology Hardware
- ☑ Sustainability & Thematic Research
- ☑ China
- ☑ Frontier Markets
- ☑ Hong Kong
- ☑ South Korea
- ☑ Taiwan

KEY REPORT

Technology:
Rise of the AI Agent – Global Implications

April 19, 2026



Morgan Stanley | RESEARCH

GLOBAL INSIGHT

April 19, 2026 08:01 PM GMT

Technology

Rise of the AI Agent – Global Implications

The agentic AI shift isn't only about more raw performance; it's about more coordination, with the CPU increasingly determining how well AI systems run. The next phase of AI infrastructure is smarter allocation across the whole stack, where CPU, foundry, memory, substrates and equipment become the bottleneck.

Key Takeaways

- Agentic AI widens the trade beyond GPUs, with CPUs becoming the control plane for multi-step workflows and system orchestration.
- We estimate $32.5-60bn incremental CPU TAM by 2030 within a total server CPU TAM of $100bn+, driven by agentic workloads.
- Memory becomes a key monetization lag, with agentic AI driving 26-77% of incremental DRAM demand by 2030.
- Supply-constrained enablers (foundry, ABF, BMC, interconnect) should capture outsized economics as system complexity rises.
- The beneficiaries are full-stack and global, spanning CPU, memory, substrates, infrastructure ICs and equipment.

Agentic AI marks a structural shift from compute to orchestration: While GPU demand remains strong, each model call now requires more coordination, memory and system-level compute, widening the AI spend pool beyond accelerators to CPUs and the broader infrastructure stack. As AI transitions from generation to autonomous action, the computing bottleneck is shifting towards CPU and memory, driving a step-change in general-purpose compute intensity.

Quantifying the incremental CPU TAM: We introduce a new framework to size the opportunity across compute and memory. CPU-side orchestration can account for 50-90% of total workload latency, materially increasing CPU intensity at the system level. We estimate $32.5-60bn of incremental CPU TAM by 2030, within a total server CPU TAM of $100bn+, and 15-45EB of incremental DRAM demand.

Architecture shift drives system-level content growth: Agentic workloads require CPU-centric or hybrid architectures to manage multi-step reasoning, tool execution and memory orchestration. The CPU-to-GPU ratio rises at the cluster level, and memory evolves from a passive storage layer into an active system component, supporting persistent context and continuous learning. As a result, content increases structurally across CPUs, DRAM and the broader infrastructure stack, including foundry, ABF substrates and interconnect layers.

Exposure to the theme: The opportunity extends beyond individual chips to the full AI system. The beneficiaries of this shift are global and full-stack – see Exhibit 1.

Shawn Kim

Lee Simpson

Joseph Moore

Charlie Chan

Erik W Woodring

WHAT'S CHANGED

	From	To
SK hynix (000660.KS) Price Target	W1,300,000	W1,700,000
Samsung Electronics (005930.KS) Price Target	W251,000	W362,000
Samsung Electronics (005935.KS) Price Target	W213,350	W289,600
Samsung Electro-Mechanics (009150.KS) Price Target	W500,000	W710,000

Exhibit 1 : Beneficiaries of agentic AI take-up

Source: Morgan Stanley Research

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VOTE FOR **SHENG ZHONG**



- ☑ Industrial Automation & Electrical Equipment
- ☑ Construction, Engineering & Machinery
- ☑ Small & Midcap Stocks
- ☑ Transportation
- ☑ China
- ☑ Frontier Markets
- ☑ Hong Kong
- ☑ Taiwan

KEY REPORT

China's Emerging Frontiers:
China's Next Industrial Revolution

September 09, 2026



Morgan Stanley | RESEARCH

BLUEPAPER

September 9, 2026 09:00 PM GMT

China's Emerging Frontiers

China's Next Industrial Revolution

China is entering a new phase of industrial development, moving beyond its historical advantages of low-cost and manufacturing scale towards ecosystem and innovation leadership. We see profound implications for China's industrial supercycle, manufacturing profit migration, and its position in global manufacturing value chains.

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VOTE FOR **SIMON CHAN**

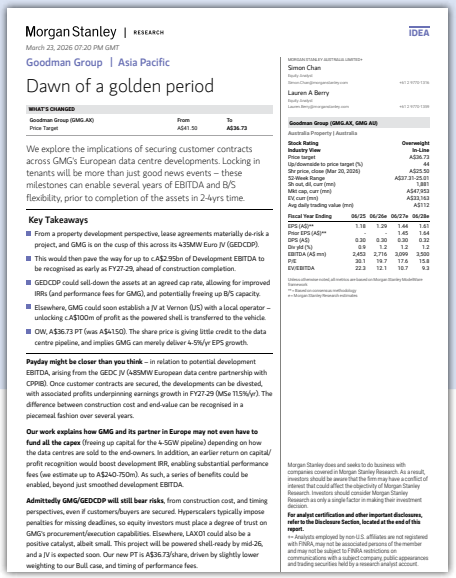


- ☑ Property

KEY REPORT

Goodman Group:
Dawn of a golden period

March 23, 2026



Morgan Stanley | RESEARCH

March 23, 2026 07:20 PM GMT

Goodman Group | Asia Pacific

Dawn of a golden period

WHAT'S CHANGED		
Goodman Group (GMG.AX)	From	To
Price Target	A$41.50	**A$36.73**

We explore the implications of securing customer contracts across GMG's European data centre developments. Locking in tenants will be more than just good news events – these milestones can enable several years of EBITDA and B/S flexibility, prior to completion of the assets in 2-4yrs time.

Key Takeaways

- From a property development perspective, lease agreements materially de-risk a project, and GMG is on the cusp of this across its 439MW Euro JV (GEDCDP).
- This would then pave the way for up to c.A$2.95bn of Development EBITDA to be recognised as early as FY27-29, ahead of construction completion.
- GEDCDP could sell-down the assets at an agreed cap rate, allowing for improved IRRs (and performance fees for GMG), and potentially freeing up B/S capacity.
- Elsewhere, GMG could soon establish a JV at Vernon (US) with a local operator – unlocking c.A$100m of profit as the powered shell is transferred to the vehicle.
- OW, A$36.73 PT (was A$41.50). The share price is giving little credit to the data centre pipeline, and implies GMG can merely deliver 4-5%/yr EPS growth.

Payday might be closer than you think – in relation to potential development EBITDA, arising from the GEDC JV (485MW European data centre partnership with CPPIB). Once customer contracts are secured, the developments can be divested, with associated profits underpinning earnings growth in FY27-29 (M5x 11.5%/yr). The difference between construction cost and end-value can be recognised in a piecemeal fashion over several years.

Our work explains how GMG and its partner in Europe may not even have to fund all the capex (freeing up capital for the 4-5GW pipeline) depending on how the data centres are sold to the end-owners. In addition, an earlier return on capital/profit recognition would boost development IRR, enabling substantial performance fees (we estimate up to A$240-750m). As such, a series of benefits could be enabled, beyond just smoothed development EBITDA.

Admittedly GMG/GEDCDP will still bear risks, from construction cost, and timing perspectives, even if customers/buyers are secured. Hyperscalers typically impose penalties for missing deadlines, so equity investors must place a degree of trust on GMG's procurement/execution capabilities. Elsewhere, LAX01 could also be a positive catalyst, albeit small. This project will be powered shell-ready by mid-26, and a JV is expected soon. Our new PT is A$36.73/share, driven by slightly lower weighting to our Bull case, and timing of performance fees.

IDEA

MORGAN STANLEY AUSTRALIA LIMITED+

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Goodman Group (GMG.AX, GMG AU)

Australia Property | Australia

Stock Rating	**Overweight**
Industry View	**In-Line**
Price target	A$36.73
Up/downside to price target (%)	-11.5%
Shr price, close (Mar 20, 2026)	A$41.50
52-wk range	A$37.31-25.01
Sh out, dil, curr (mn)	1,881
Mkt cap, curr (mn)	A$47,953
EV, curr (mn)	A$53,163
Avg daily trading value (mn)	A$112

Fiscal Year Ending	06/25	06/26e	06/27e	06/28e
EPS (A$)**	1.18	1.29	1.44	1.61
Prior EPS (A$)**	-	-	1.45	1.64
DPS (A$)	0.30	0.30	0.30	0.32
Div yld (%)	0.9	1.2	1.2	1.2
EBITDA (A$ mn)	2,453	2,716	3,099	3,580
P/E	30.1	19.7	17.6	15.8
EV/EBITDA	22.3	12.1	10.7	9.3

Unless otherwise noted, all metrics are based on Morgan Stanley ModelWare framework
+ = Morgan Stanley Research estimates.

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VOTE FOR **SIMON JIN**



- ☑ Quantitative Research
- ☑ Equity Strategy
- ☑ China
- ☑ Frontier Markets
- ☑ Hong Kong
- ☑ Indonesia
- ☑ Malaysia
- ☑ Philippines
- ☑ Singapore
- ☑ South Korea
- ☑ Taiwan
- ☑ Thailand

KEY REPORT

Asia Quantitative Strategy:
QAML Asia: Quant + Analyst + Machine Learning for Stock Selection

September 06, 2026



Morgan Stanley | RESEARCH

September 6, 2026 10:00 PM GMT

Asia Quantitative Strategy

QAML Asia: Quant + Analyst + Machine Learning for Stock Selection

We extend QAML – Quant + Analyst + Machine Learning – to Asia Pacific ex Japan, combining Quant factors and Analyst insights with ML across fundamental and technical signals, evaluated across multiple historical windows, macro regimes, and seasonality within a transparent stock selection framework.

QuantWise

QAML combines complementary investment perspectives within a systematic and transparent framework. Core Metrics provide the fundamental Quant anchor, while the Dynamic Metric Pool formalises sector analysts' industry-specific insights. Machine Learning broadens the information set through fundamental and technical signals, evaluated across multiple historical windows, macro regimes, and seasonality. Together, the three pillars bring systematic Quant, fundamental analyst insight, and data-driven learning into a unified stock selection process.

QAML has recorded strong historical performance in APxJ, with leadership rotating across its underlying pillars. Implemented using sector-relative stock selection and a beta-neutral long/short portfolio, QAML generates strong long-term risk-adjusted performance. The individual pillars contribute differently across investment horizons, while Machine Learning provides a particularly differentiated return stream, reinforcing the diversification benefit of combining complementary sources of stock selection information.

Machine Learning broadens QAML's investment lens, but the amount of ML risk matters. For APxJ, we prefer a strategic Quantamental tilt relative to the original equal-weight QAML, adopting a 75% Quantamental/25% Machine Learning allocation. This provides a more attractive historical balance between return, volatility, and drawdown while retaining meaningful exposure to the broader ML information set.

Adaptive QAML dynamically manages the ML risk budget as conditions change. Rather than altering the underlying stock selection architecture, Adaptive QAML varies the ML allocation around the strategic 75/25 baseline when ML-specific risk conditions become unusually favorable or adverse. Historical results suggest broadly similar returns with lower realized risk, supporting Adaptive QAML as a promising risk management extension alongside our preferred static 75/25 strategic benchmark.

ASIA PACIFIC INSIGHT

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QuantWise highlights research that incorporates a robust quantitative approach in our investment analysis.

Related report:
Launching QAML – Stock Selection Framework: Quant + Analyst + Machine Learning

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VOTE FOR **STEPHEN CHEUNG**



- ☑ Property
- ☑ China
- ☑ Frontier Markets
- ☑ Hong Kong
- ☑ Taiwan

KEY REPORT

China Property:
An Inflection or Another False Start?

May 18, 2026



Morgan Stanley | RESEARCH

May 18, 2026 08:00 PM GMT

China Property

An Inflection or Another False Start?

A potential housing inflection has re-emerged as a debate after secondary home sales unexpectedly rebounded since March. We stay prudent and suggest waiting for more clarity, as the first-stage valuation recovery has priced in continued sales growth.

Sales durability is a concern: While the recent strong secondary sales rebound may suggest the worst has passed in select high-tier cities, limited improvement in macro and housing indicators, divergent trends between new and secondary homes, and still-fragile home-buyer sentiment lead us to doubt the sustainability of the rebound, which will hinge on replacement demand from home sellers. Cities with recent easing may stay robust in 2Q, but growth in other cities has shown signs of rapid deceleration in the past few weeks. We lift our full-year total sales volume forecast by 3-4ppt to flat y-y in 2026, due in part to a favorable base in 2H, and anticipate a LSD% decline in 2027. These forecasts will likely mean a continued, but soft, m-m home price downward trend during this period.

Signposts to watch: We see May to August as a critical observation period, and suggest investors closely monitor visitation, secondary listing volumes/prices, transaction mix, and rental rates to confirm if an inflection is in the making. Should sales stay robust in the 2H, secondary home prices could turn positive m-m, but may take longer than before (vs. 3 and 9 months in Tier 1 and Tier 2 cities after sales volume rebounded in the 2014-15 recovery cycle, respectively), given the current less favorable macro, demographic, and housing market backdrop.

Valuations at record highs: Both 2028E P/E and EV/pre-sales have exceeded the levels during the 2016-20 bull market, which could indicate over-optimism on normalized EPS, given developers' medium-term sales, margin and ROE are unlikely to recover to pre-downturn levels due to their constrained leverage, homogenous landbanking strategies, and continued drag from legacy inventory.

Be selective: With uncertainty around sales sustainability, we see industry risk-reward tilting towards the downside after the recent share price rally. We recommend investors wait for more clarity on a potential inflection, and pinpoint real beneficiaries that enjoy both industry beta and self-help alpha. We maintain **CR Land (1109.HK)** as our Top Pick, followed by **C&D (1908.HK)** - both have a solid EPS outlook, decent dividend yields and medium-term re-rating potential.

What could make us more constructive? Fiscal-backed housing stimulus, further meaningful mortgage rate cuts (we view both as unlikely), and wider wealth effect from a stronger macro on AI-related drivers may shorten the correction, leading to a faster bottoming of volume and pricing. Given the challenging long-term demographics, we see an L-shaped, uneven recovery among cities as more likely, even when the market stabilizes.

ASIA PACIFIC INSIGHT

MORGAN STANLEY ASIA LIMITED+

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CHINA PROPERTY

Asia Pacific
Industry View **In-Line**

Exhibit 1 : Changes to price targets

Company	Ticker	Currency	Prev	New	Chg	Change
C&D	1908.HK	HKD	17.8	21.38	19.79	11.2%
CRL	1109.HK	HKD	35.8	39.38	3.58	10%
Jinmao	0817.HK	HKD	2.02	1.76	-1.58	-24%

Source: Company data, Morgan Stanley Research estimates

Related reports:
1. Diverging Home Price Trends in April (3 May 2026)
2. Our Thoughts on Recent Stronger-than-Expected Sales (26 April 2026)
3. Stick with Alpha amid A Challenging Physical Market (10 April 2026)
4. Managed Housing Downcycle to Last Another Two Years (25 January 2026)

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VOTE FOR **TERENCE CHENG**



- ☑ Consumer Discretionary
- ☑ Consumer Staples
- ☑ Small & Midcap Stocks
- ☑ China
- ☑ Frontier Markets
- ☑ Hong Kong
- ☑ Taiwan

KEY REPORT

Greater China – Bike Supply Chain:
Demand Bottoming, Get Invested Early in the Up-cycle

February 01, 2026



Morgan Stanley | RESEARCH

ASIA PACIFIC INSIGHT

February 1, 2026 09:00 PM GMT

Greater China – Bike Supply Chain

Demand Bottoming, Get Invested Early in the Up-cycle

After three years of a down-cycle, we see bike demand bottoming, supported by a recovery in the European market and a narrowing revenue decline in the US and China. We view 1H26 as a tactical window, consistent with prior cycles in which bike stocks began to outperform ahead of segment recovery.

Bike demand in aggregate is early in the recovery cycle: We see green shoots of demand recovery in the European market that could help provide top-line momentum for bike makers. We also see narrowing sales declines in the US and Chinese markets, which can help bike makers' top-line trend. Fundamentally, we think bike makers' revenue may still decline YoY in 1H26 against a tougher comparison base. However, both bike makers' revenue could resume positive growth in 2H26. Based on bike makers' reported revenue in recent months, we believe the European market is early in the cycle of recovery, while the US market is at the bottom and the Chinese market is still trending toward the bottom. As of 9M25, the European and US markets represented 50% of Giant's revenue and 60% of Merida's revenue, indicating that large parts of both bike makers' revenue are early in the up-cycle.

Expect bike makers' margins to stabilize in 2026-2027: With our expectations for gradual recovery of bike demand, we forecast that Giant could reverse the downtrend in its margins and show expansion in 2026. Merida's margins may still decline in 2026 with more OEM orders, but the contribution from Specialized could support its profits. We forecast Giant's 2026 GPM and OPM at 20.8% and 4.5%, respectively, with net income growth of 127% YoY. We project Merida's 2026 GPM and OPM at 15.4% and 7.2%, respectively, with net income growth of 16% YoY.

Upgrading both Giant and Merida to OW: We think both stocks will move along with the bike segment's up-cycle. In addition, both have sharply underperformed in the past three years. Based on our revised 2026 net income estimates, Giant now trades at 15.2x P/E, while Merida trades at 13.0x, vs. the respective averages in the prior up-cycle (2020-2022) of 19x and 21x – attractive, in our view.

Also, FINI holdings (as of January 29, 2026) are now at 26.89% for Giant and 26.70% for Merida, vs. the respective peak levels of 56.68% (as of February 24, 2015) and 51.96% (as of November 14, 2017). This indicates that investors' positions in the bike stocks are very low, along with low expectations for their fundamentals.

Risks to our positive stance: 1) Slower European market recovery; 2) US market still not bottoming; 3) ongoing larger decline of Chinese market sales; 4) drastic change in FX and raw material prices, weighing on bike makers' operations; and 5) capital market fund flow remaining concentrated in tech/AI-related stocks.

Exhibit 1 : What's Changed: Giant upgraded from EW, Merida double upgraded from UW

Source: Morgan Stanley Research

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VOTE FOR **TIM HSIAO**



- ☑ Autos & Auto Parts
- ☑ Construction, Engineering & Machinery
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- ☑ Small & Midcap Stocks
- ☑ Transportation
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- ☑ Frontier Markets
- ☑ Hong Kong
- ☑ Taiwan

KEY REPORT

Global Autos & Shared Mobility:
Robotaxi Diffusion – Robots, Taxis and the Trillion-Dollar Traffic Portal

July 03, 2026



Morgan Stanley | RESEARCH

GLOBAL INSIGHT

July 3, 2026 10:23 AM GMT

Global Autos & Shared Mobility

Robotaxi Diffusion – Robots, Taxis and the Trillion-Dollar Traffic Portal

Converting the first 1% of the global taxi fleet to driverless isn't a trial but a multiplier. With the ecosystem ready, costs halved and participants doubled, leading players will accumulate competitive advantages. Robotaxis' race to scale is a race to market cap. We see US$1tn global opportunity.

PrivateCompany

Robotaxi shifting from tech pilots to commercial scale: AI advances, more ready players, falling hardware/training costs, and clearer regulation have moved robotaxis from tech pilots to commercial scale, with several driverless operators already running around the clock. The setup rhymes with early ride-hailing, handing an outsized advantage to whoever moves first.

We see a $1 trillion market opportunity by 2040 based on the global robotaxi model jointly built by MS Auto and Internet teams. We forecast unit economics to broadly reach break-even by 2028 with scaled operations by 2030. By 2035, we forecast a global robotaxi fleet of ~2.5mn-vehicles, evolving from centralized deployments into a distributed mobility network. At scale, this network could support daily passenger volumes comparable to the populations of countries such as South Korea, France, or Germany. The US and China lead today; Europe and broader Asia may emerge with increasing importance by mid-decade.

Material wealth creation/restructuring – AV gleaming, EV dim, ICEV's outlook turning grim. Autonomous mobility players that win the first 1% of land grab should see market caps multiply. A handful of EV incumbents look especially well placed for the L4 shift on technology and cost. Traditional ICEVs continue to face sales pressure across both consumer and fleet markets.

Two global bellwethers, multiple emerging regional players: We expect Waymo and Tesla to be global leaders, anchored by their installed base and tech depth, with strong regional players in four archetypes as AI-driven deflation democratizes capability - L4 start-ups with city-specific depth (Zoox, WeRide, Pony.ai), ride-sharing platforms (Uber, DiDi); EV makers with autonomy capability (XPeng), and tech heavyweights with compute and consumer reach (Baidu).

One major underappreciated accelerant is Chinese supply-chain deflation, compressing cost-prohibitive technology into a mass-market component. We see the BoM of China-made robotaxi solutions hitting US$35-40k in 2027, then falling at 3.5% CAGR through 2030.

How to play the theme? We introduce a "Robotaxi 30" framework mapping

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VOTE FOR **YANG LIU**

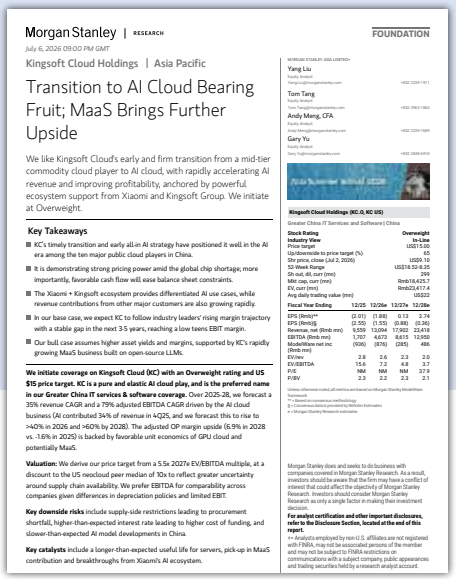


- ☑ Technology IT Services & Software
- ☑ Internet
- ☑ Telecommunications
- ☑ Sustainability & Thematic Research
- ☑ China
- ☑ Hong Kong
- ☑ Taiwan

KEY REPORT

Kingsoft Cloud Holdings:
Transition to AI Cloud Bearing Fruit; MaaS Brings Further Upside

July 06, 2026



Morgan Stanley | RESEARCH

FOUNDATION

July 6, 2026 09:00 PM GMT

Kingsoft Cloud Holdings | Asia Pacific

Transition to AI Cloud Bearing Fruit; MaaS Brings Further Upside

We like Kingsoft Cloud's early and firm transition from a mid-tier commodity cloud player to AI cloud, with rapidly accelerating AI revenue and improving profitability, anchored by powerful ecosystem support from Xiaomi and Kingsoft Group. We initiate at Overweight.

Key Takeaways

- KC's timely transition and early all-in AI strategy have positioned it well in the AI era among the ten major public cloud players in China.
- It is demonstrating strong pricing power amid the global chip shortage; more importantly, favorable cash flow will ease balance sheet constraints.
- The Xiaomi + Kingsoft ecosystem provides differentiated AI use cases, while revenue contributions from other major customers are also growing rapidly.
- In our base case, we expect KC to follow industry leaders' rising margin trajectory with a stable gap in the next 3-5 years, reaching a low teens EBIT margin.
- Our bull case assumes higher asset yields and margins, supported by KC's rapidly growing MaaS business built on open-source LLMs.

We initiate coverage on Kingsoft Cloud (KC) with an Overweight rating and US $15 price target. KC is a pure and elastic AI cloud play, and is the preferred name in our Greater China IT services & software coverage. Over 2025-28, we forecast a 35% revenue CAGR and a 79% adjusted EBITDA CAGR driven by the AI cloud business (AI contributed 34% of revenue in 4Q25, and we forecast this to rise to >40% in 2026 and >60% by 2028). The adjusted OP margin upside (6.9% in 2028 vs. -1.6% in 2025) is backed by favorable unit economics of GPU cloud and potentially MaaS.

Valuation: We derive our price target from a 5.5x 2027e EV/EBITDA multiple, at a discount to the US neocloud peer median of 10x to reflect greater uncertainty around supply chain availability. We prefer EBITDA for comparability across companies given differences in depreciation policies and limited EBIT.

Key downside risks include supply-side restrictions leading to procurement shortfall, higher-than-expected interest rate leading to higher cost of funding, and slower-than-expected AI model developments in China.

Key catalysts include a longer-than-expected useful life for servers, pick-up in MaaS contribution and breakthroughs from Xiaomi's AI ecosystem.

Kingsoft Cloud Holdings (KC.O, KC US)

Greater China IT Services and Software | China

Stock Rating	Overweight
Industry View	In-Line
Price target	US$15.00
Up/downside to price target (%)	65
Shr price, close (Jul 2, 2026)	US$9.10
52-Week Range	US$18.52-8.35
Sh out, dil, curr (mn)	299
Mkt cap, curr (mn)	Rmb18,425.7
EV, curr (mn)	Rmb23,417.4
Avg daily trading value (mn)	US$22

Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS (Rmb)**	(2.01)	(1.88)	0.13	2.74
EPS (Rmb)§	(2.55)	(1.55)	(0.88)	(0.36)
Revenue, net (Rmb mn)	9,559	13,094	17,902	23,418
EBITDA (Rmb mn)	1,707	4,673	8,615	13,950
ModelWare net inc (Rmb mn)	(926)	(876)	(285)	486
EV/rev	2.8	2.6	2.3	2.0
EV/EBITDA	15.6	7.2	4.8	3.7
P/E	NM	NM	NM	37.9
P/BV	2.3	2.2	2.3	2.1

Unless otherwise noted, all metrics are based on Morgan Stanley ModelWare framework

§ = Non-consensus methodology

‡ = Consensus data is provided by Refinitiv Estimates

+ = Morgan Stanley Research estimates.

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Offer deep, proprietary analysis on topics ranging from single stocks to macroeconomics.

IDEA

Showcase high-conviction calls with forward-looking stock/industry/asset class/macro analyses.

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Analyze news, events, and data points that are relevant to investment debates.

FOUNDATION

Distill in-depth knowledge of company, industry, asset class, and macro fundamentals.

Thematic

China's Emerging Frontiers


Morgan Stanley | RESEARCH

BLUEPAPER

September 9, 2026 09:00 PM GMT

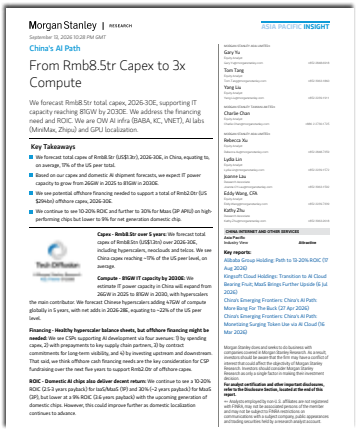
China's Emerging Frontiers

China's Next Industrial Revolution

China is entering a new phase of industrial development, moving beyond its historical advantages of low-cost and manufacturing scale towards ecosystem and innovation leadership. We see profound implications for China's industrial supercycle, manufacturing profit migration, and its position in global manufacturing value chains.

Sheng Zhong | September 09, 2026

China's AI Path


Morgan Stanley | RESEARCH

ASIA PACIFIC INSIGHT

September 13, 2026 10:28 PM GMT

China's AI Path

From Rmb8.5tr Capex to 3x Compute

We forecast Rmb8.5tr total capex, 2026-30E, supporting IT capacity reaching 81GW by 2030E. We address the financing need and ROIC. We are OW AI infra (BABA, KC, VNET), AI labs (MiniMax, Zhipu) and GPU localization.

Key Takeaways

Gary Yu | September 13, 2026

Korea Renaissance


Morgan Stanley | RESEARCH

ASIA PACIFIC INSIGHT

August 12, 2026 10:40 PM GMT

Korea Renaissance

Reaping the Economic Rewards from the Semiconductor Windfall

Korea is poised to monetize the semis super-cycle on a scale and with durability of historic proportions. We see significant upside potential to GDP growth over the next 3-5 years and beyond via transmission across fiscal capacity, capex activity, and household income.

Key Takeaways

Kathleen Oh | August 12, 2026

Future of Energy


Morgan Stanley | RESEARCH

BLUEPAPER

May 21, 2026 09:00 PM GMT

Asia Energy Security and AI

Energy Meets Compute: Supercycle Recharges

Energy shocks have become more frequent making energy and economic security critical in an AI world. US$5 trillion-plus investment needs should kick-start a golden age in dependable energy investments to secure AI, food and tech supply chains after a decade of underinvestment. An investment supercycle unlocking US$9 trillion in value beckons.

Mayank Maheshwari | May 21, 2026

Tech Diffusion


Morgan Stanley | RESEARCH

ASIA PACIFIC INSIGHT

September 13, 2026 11:16 PM GMT

Global Materials

AI Infrastructure: The Materials Super-cycle

Our global materials team examines the upstream supply chains supporting the PCB and MLCC ecosystem. We focus on where AI-driven demand could reshape segment growth trajectories, capacity requirements, and competitive positioning.

Key Takeaways

Rachel L Zhang | September 13, 2026

Multipolar World


Morgan Stanley | MUFG

FOUNDATION

June 28, 2026 08:11 PM GMT

Japan Equity Strategy | Japan

Global Exposure Guide 2026 – Japan

Against the backdrop of a multipolar world where AI/ semiconductor demand, FX movements, and regional growth disparity are increasingly affecting Japanese companies' earnings and share prices, we present the results of our annual survey on Japanese companies' revenue breakdown by region/country.

Key Takeaways

Ukyo Haraguchi | June 28, 2026

AlphaSignals and Quant Strategy

AlphaSignals


Morgan Stanley | RESEARCH

GLOBAL INSIGHT

July 20, 2026 04:30 AM GMT

Quantitative Equity Research

AlphaSignals: Analyst Insight, Measurable Alpha

AlphaSignals package MS analysts' highest-conviction calls into a globally consistent research data layer. In earnings, the long-only AlphaSignals Earnings Cycle Strategy delivers a 14.9 post-cost Sharpe ratio and 1.23 information ratio, monetizing pre-event anticipation and post-event confirmation.

Ronald Ho | July 20, 2026

Catalyst Preview


Catalyst Preview: What's Ahead?

Gary Yu | September 6, 2026

Asia Quantitative Strategy


Morgan Stanley | RESEARCH

ASIA PACIFIC INSIGHT

September 6, 2026 10:00 PM GMT

Asia Quantitative Strategy

QAML Asia: Quant + Analyst + Machine Learning for Stock Selection

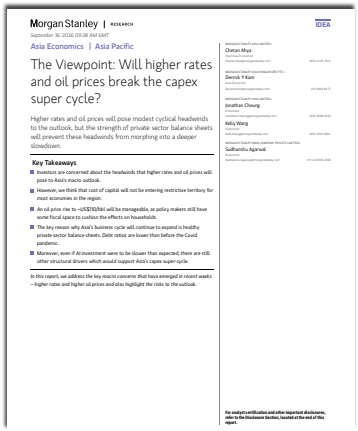
We extend QAML – Quant + Analyst + Machine Learning – to Asia Pacific ex Japan, combining Quant factors and Analyst insights with ML across fundamental and technical signals, evaluated across multiple historical windows, macro regimes, and seasonality within a transparent stock selection framework.

Simon Jin | September 06, 2026

PRODUCT

Typical Commentaries

The Viewpoint


Morgan Stanley | RESEARCH

IDEA

Asia Economics | Asia Pacific

The Viewpoint: Will higher rates and oil prices break the capex super cycle?

Higher rates and oil prices will pose modest cyclical headwinds to the outlook, but the strength of private sector balance sheets will prevent these headwinds from morphing into a deeper slowdown.

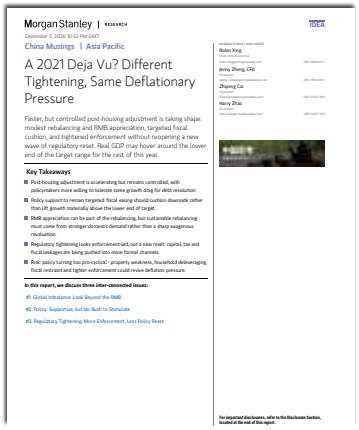
Key Takeaways

- Investors are concerned about the headwinds that higher rates and oil prices will pose to Asia's macro outlook.
- However, we think that cost of capital will not be entering restrictive territory for most economies in the region.
- An oil price rise to ~US$70/bbl will be manageable, as policy makers still have some fiscal space to cushion the effects on households.
- The key reason why Asia's business cycle will continue to expand is healthy private sector balance sheets. Debt ratios are lower than before the Covid pandemic.
- Moreover, even if AI investment were to be slower than expected, there are still other structural drivers which would support Asia's capex super-cycle.

In this report, we address the key macro concerns that have emerged in recent weeks – higher rates and higher oil prices and also highlight the risks to the outlook.

Chetan Ahya | September 16, 2026

China Musings


Morgan Stanley | RESEARCH

IDEA

China Musings | Asia Pacific

A 2021 Deja Vu? Different Tightening, Same Deflationary Pressure

Faster, but controlled post-housing adjustment is taking shape: modest rebalancing and RMB appreciation, targeted fiscal cushion, and tightened enforcement without reopening a new wave of regulatory reset. Real GDP may hover around the lower end of the target range for the rest of this year.

Key Takeaways

- Post-housing adjustment is accelerating but remains controlled, with policymakers more willing to tolerate some growth drag for debt resolution.
- Policy support to remain targeted: fiscal easing should cushion downside rather than lift growth materially above the lower end of target.
- RMB appreciation can be part of the rebalancing, but sustainable rebalancing must come from stronger domestic demand rather than a sharp exogenous revaluation.
- Regulatory tightening looks enforcement-led, not a new reset: capital, tax and fiscal leakages are being pushed into more formal channels.
- Risk: policy turning too pro-cyclical - property weakness, household deleveraging, fiscal restraint and tighter enforcement could revive deflation pressure.

In this report, we discuss three inter-connected issues:

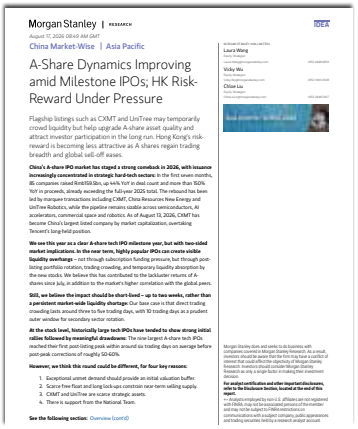
#1. Global Imbalance: Look Beyond the RMB

#2. Policy: Supportive, but No Rush to Stimulate

#3. Regulatory Tightening: More Enforcement, Less Policy Reset

Robin Xing | September 03, 2026

China Market-Wise


Morgan Stanley | RESEARCH

IDEA

China Market-Wise | Asia Pacific

A-Share Dynamics Improving amid Milestone IPOs; HK Risk-Reward Under Pressure

Flagship listings such as CXMT and UniTree may temporarily crowd liquidity but help upgrade A-share asset quality and attract investor participation in the long run. Hong Kong's risk-reward is becoming less attractive as A shares regain trading breadth and global sell-off eases.

China's A-share IPO market has staged a strong comeback in 2026, with issuance increasingly concentrated in strategic hard-tech sectors: In the first seven months, 85 companies raised Rmb159.5bn, up 44% YoY in deal count and more than 150% YoY in proceeds, already exceeding the full-year 2025 total. The rebound has been led by marquee transactions including CXMT, China Resources New Energy and UniTree Robotics, while the pipeline remains sizable across semiconductors, AI accelerators, commercial space and robotics. As of August 13, 2026, CXMT has become China's largest listed company by market capitalization, overtaking Tencent's long-held position.

We see this year as a clear A-share tech IPO milestone year, but with two-sided market implications. In the near term, highly popular IPOs can create visible liquidity overhangs – not through subscription funding pressure, but through post-listing portfolio rotation, trading crowding, and temporary liquidity absorption by the new stocks. We believe this has contributed to the lackluster returns of A-shares since July, in addition to the market's higher correlation with the global peers.

Still, we believe the impact should be short-lived – up to two weeks, rather than a persistent market-wide liquidity shortage: Our base case is that direct trading crowding lasts around three to five trading days, with 10 trading days as a prudent outer window for secondary sector rotation.

At the stock level, historically large tech IPOs have tended to show strong initial rallies followed by meaningful drawdowns: The nine largest A-share tech IPOs reached their first post-listing peak within around six trading days on average before post-peak corrections of roughly 50-60%.

However, we think this round could be different, for four key reasons:

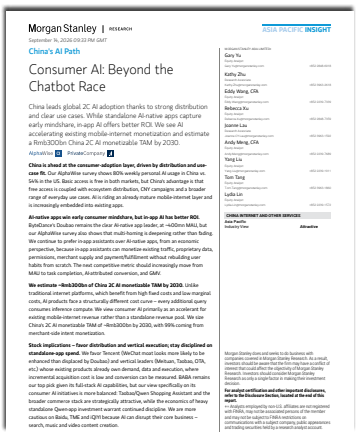
1. Exceptional unmet demand should provide an initial valuation buffer.
2. Scarce free float and long lock-up constrain near-term selling supply.
3. CXMT and UniTree are scarce strategic assets.
4. There is support from the National Team.

See the following section: Overview (cont'd)

Laura Wang | August 17, 2026

AlphaWise

AlphaWise Primary Research gathers alternative data and generates unique insights via an innovative analytical and visualization platform. Our analysts leverage this global platform to generate high-impact investment conclusions and analyze major trends.


Morgan Stanley | RESEARCH

ASIA PACIFIC INSIGHT

China's AI Path

Consumer AI: Beyond the Chatbot Race

China leads global 2C AI adoption thanks to strong distribution and clear use cases. While standalone AI-native apps capture early mindshare, in-app AI offers better ROI. We see AI accelerating existing mobile-internet monetization and estimate a Rmb300bn China 2C AI monetizable TAM by 2030.

AlphaWise | Private Company

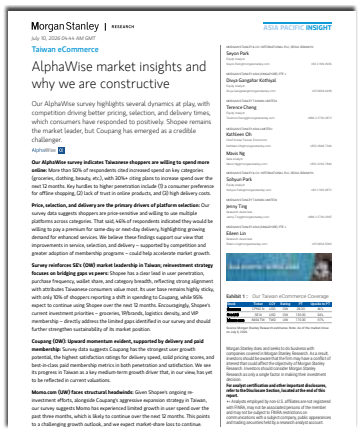
China is ahead at the consumer-adoption layer, driven by distribution and use-case fit. *Our AlphaWise survey shows* 80% weekly personal AI usage in China vs. 54% in the US. Basic access is free in both markets, but China's advantage is that free access is coupled with ecosystem distribution, CNY campaigns and a broader range of everyday use cases. AI is riding an already mature mobile-internet layer and is increasingly embedded into existing apps.

AI-native apps win early consumer mindshare, but in-app AI has better ROI. *ByteDance's Doubao* remains the clear AI-native app leader, at ~400mn MAU, but our AlphaWise survey also shows that multi-homing is deepening rather than fading. We continue to prefer in-app assistants over AI-native apps, from an economic perspective, because in-app assistants can monetize existing traffic, proprietary data, permissions, merchant supply and payment/fulfillment without rebuilding user habits from scratch. The next competitive metric should increasingly move from MAU to task completion, AI-attributed conversion, and GMV.

We estimate ~Rmb300bn of China 2C AI monetizable TAM by 2030. Unlike traditional internet platforms, which benefit from high fixed costs and low marginal costs, AI products face a structurally different cost curve – every additional query consumes inference compute. We view consumer AI primarily as an accelerant for existing mobile-internet revenue rather than a standalone revenue pool. We size China's 2C AI monetizable TAM at ~Rmb300bn by 2030, with 99% coming from merchant-side intent monetization.

Stock implications – favor distribution and vertical execution; stay disciplined on standalone-app spend. We favor Tencent (WeChat must looks more likely to be enhanced than displaced by Doubao) and vertical leaders (Meituan, Tuniu, OTA, etc.) whose existing products already own demand, data and execution, where incremental acquisition cost is low and conversion can be measured. BABA remains our top pick given its full-stack AI capabilities, but our view specifically on its consumer AI initiatives is more balanced. Taobao/Qwen Shopping Assistant and the broader commerce stack are strategically attractive, while the economics of heavy standalone Qwen-app investment warrant continued discipline. We are more cautious on Baidu, TME and iQIY because AI can disrupt their core business – search, music and video content creation.

Gary Yu | September 14, 2026


Morgan Stanley | RESEARCH

ASIA PACIFIC INSIGHT

Taiwan eCommerce

AlphaWise market insights and why we are constructive

Our AlphaWise survey highlights several dynamics at play, with competition driving better pricing, selection, and delivery times, which consumers have responded to positively. Shopee remains the market leader, but Coupang has emerged as a credible challenger

AlphaWise

Our AlphaWise survey indicates Taiwanese shoppers are willing to spend more online: More than 50% of respondents cited increased spend on key categories (groceries, clothing, beauty, etc.), with 30%+ citing plans to increase spend over the next 12 months. Key hurdles to higher penetration include (1) a consumer preference for offline shopping, (2) lack of trust in online products, and (3) high delivery costs.

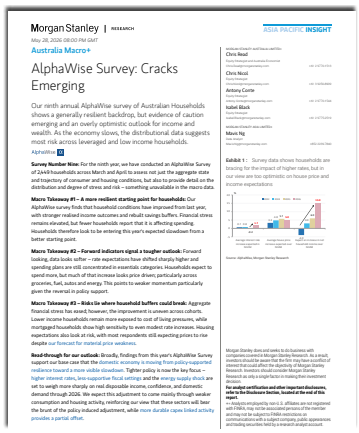
Price, selection, and delivery are the primary drivers of platform selection: Our survey data suggests shoppers are price-sensitive and willing to use multiple platforms across categories. That said, 46% of respondents indicated they would be willing to pay a premium for same-day or next-day delivery, highlighting growing demand for enhanced services. We believe these findings support our view that improvements in service, selection, and delivery – supported by competition and greater adoption of membership programs – could help accelerate market growth.

Survey reinforces SE's (OW) market leadership in Taiwan; reinvestment strategy focuses on bridging gaps vs peers: Shopee has a clear lead in user penetration, purchase frequency, wallet share, and category breadth, reflecting strong alignment with attributes Taiwanese consumers value most. Its user base remains highly sticky, with only 10% of shoppers reporting a shift in spending to Coupang, while 95% expect to continue using Shopee over the next 12 months. Encouragingly, Shopee's current investment priorities – groceries, 1P/brands, logistics density, and VIP membership – directly address the limited gaps identified in our survey and should further strengthen sustainability of its market position.

Coupang (OW): Upward momentum evident, supported by delivery and paid membership: Survey data suggests Coupang has the strongest user growth potential, the highest satisfaction ratings for delivery speed, solid pricing scores, and best-in-class paid membership metrics in both penetration and satisfaction. We see its progress in Taiwan as a key medium-term growth driver that, in our view, has yet to be reflected in current valuations.

Momo.com (UW) Faces structural headwinds: Given Shopee's ongoing re-investment efforts, alongside Coupang's aggressive expansion strategy in Taiwan, our survey suggests Momo has experienced limited growth in user spend over the past three months, which is likely to continue over the next 12 months. This points to a challenging growth outlook, and we expect market-share loss to continue.

Seyon Park | July 10, 2026


Morgan Stanley | RESEARCH

ASIA PACIFIC INSIGHT

Australia Macro+

AlphaWise Survey: Cracks Emerging

Our ninth annual AlphaWise survey of Australian Households shows a generally resilient backdrop, but evidence of caution emerging and an overly optimistic outlook for income and wealth. As the economy slows, the distributional data suggests most risk across leveraged and low income households.

AlphaWise

Survey Number Nine: For the ninth year, we have conducted an AlphaWise Survey of 2,449 households across March and April to assess not just the aggregate state and trajectory of consumer and housing conditions, but also to provide detail on the distribution and degree of stress and risk – something unavailable in the macro data.

Macro Takeaway #1 – A more resilient starting point for households: Our AlphaWise survey finds that household conditions have improved from last year, with stronger realised income outcomes and rebuilt savings buffers. Financial stress remains elevated, but fewer households report that it is affecting spending. Households therefore look to be entering this year's expected slowdown from a better starting point.

Macro Takeaway #2 – Forward indicators signal a tougher outlook: Forward looking, data looks softer – rate expectations have shifted sharply higher and spending plans are still concentrated in essentials categories. Households expect to spend more, but much of that increase looks price-driven; particularly across groceries, fuel, autos and energy. This points to weaker momentum particularly given the reversal in policy support.

Macro Takeaway #3 – Risks lie where household buffers could break: Aggregate financial stress has eased; however, the improvement is uneven across cohorts. Lower income households remain more exposed to cost of living pressures, while mortgaged households show high sensitivity to even modest rate increases. Housing expectations also look at risk, with most respondents still expecting prices to rise despite our forecast for material price weakness.

Read-through for our outlook: Broadly, findings from this year's AlphaWise Survey support our base case that the domestic economy is moving from policy-supported resilience toward a more visible slowdown. Tighter policy is now the key focus – higher interest rates, less-supportive fiscal settings and the energy supply shock are set to weigh more sharply on real disposable income, confidence, and domestic demand through 2026. We expect this adjustment to come mainly through weaker consumption and housing activity, reinforcing our view that these sectors will bear the brunt of the policy-induced adjustment, while more durable capex linked activity provides a partial offset.

Chris Read | May 28, 2026

PRODUCT

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