A WEEKLY PUBLICATION FROM THE FUND MANAGERS AND ANALYSTS OF PHILEQUITY MANAGEMENT, INC.



EQUITY OUTLOOK

Market Outlook:

Index heavyweights. Consumer and property stocks trading at depressed valuations
Support at 6200 followed by 6000, Resistance at 6500 followed by 6700
All eyes are on April 2 - will Trump finally pull the trigger on tariffs or not? We expect derisking ahead of that, with major portfolio decisions being made after

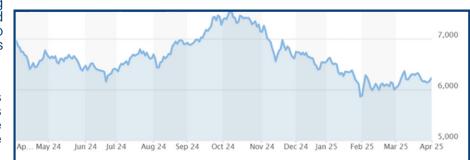
the events of April 2

With April 2 coming up soon, foreign funds decided to reduce risk in theor portfolios. This caused the PSEi to fall 19% on the week on the back of PhP 2 billion in net foreign selling. For those who are unaware, April 2 is the new start date for US President Donald Trump's tariffs. Though he has flip flopped on these many times investors are concerned that he might finally push through with implementation this time around.

News has been light, with volume on Friday coming in at only PhP 3.2 billion - the lowest daily traded value in 2025 so far. We expect fund managers to make major movements after April 2, once there is more clarity on US tariff action.

Despite this weekly drop, the Philippines remains ahead of Indonesia, Thailand and Malaysia in terms of YTD performance. It remains to be seen if the 6000 support level will hold. Still, we are encouraged by the limited amount of foreign selling.

Philippine Stock Exchange Index (PSEi) 1-year chart





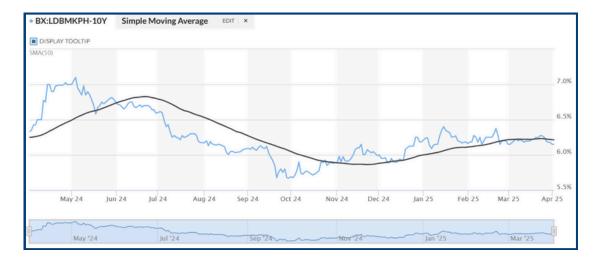
BOND OUTLOOK

Market Outlook

As the world braces for Trump tariffs and global retaliation, markets are on the defensive. US equity markets have shed around 2% while safe Trading Strategy: haven USTs are gaining. Gold is also at record highs as markets are betting an all out trade war will raise prices worldwide. For now, we would like to stay on the sidelines as BSP is still supportive but the economic outlook globally seems volatile.

For now we are on the wait and see mode. Countries around the world are preparing countermeasures to deal with Trump's tariffs and this could escalate to a global trade war. If this really happens, inflation would move higher globally but economic growth would be dented. USTs and gold have seen gains already, and local bonds have shown good support at 6%. For now, we would remain neutral and look for better levels higher than 6% to reenter.

PHILIPPINES 10 YEAR GOVERNMENT BOND



PHP BVAL Reference Rates **Benchmark Tenors**

| Tenor | BVAL Rate as of March 28, 2025 |
|-------|-----------------------------------|
| 1M | 5.1064 |
| 3M | 5.2978 |
| 6M | 5.6163 |
| 1Y | 5.7763 |
| 3Y | 5.7831 |
| 5Y | 5.9001 |
| 10Y | 6.2190 |

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