

VANTAGE POINT

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



EQUITY OUTLOOK

Market Outlook :
Technicals :
Trading Strategy :

Neutral

Support at 6000 followed by 5700 , Resistance at 6500 followed by 6700

Local institutions were heavy sellers of a few names which dragged down our index. With sentiment having quite soured as of late, it may be best to remain on the sidelines for now.

The PSEi is on its 5th straight red week as it lost 0.65%. Though foreign selling was a mere PHP 150M, certain index stocks cratered during the week, dragging down an otherwise flat market.

July unemployment figures came in at 5.3% – an acceleration on both a YoY and MoM basis. Labor participation also dropped to 60.7%. While this is likely due to typhoons in July, a continuation of this trend in the coming months would be a very worrying sign. We also note that the DOH is calling for higher taxes on junk food, which will be inflationary. Combined with higher unemployment, this may put more stress on domestic consumption which has just started to recover recently.

Fortunately, the Philippine peso remains stable at the 57 handle as the US dollar remains weak. However, headlines regarding the flood control project corruption scandal are giving investors pause. There are concerns that government spending and luxury consumption will be negatively impacted by the ongoing investigation.

Philippine Stock Exchange Index (PSEi) 1-year chart



BOND OUTLOOK

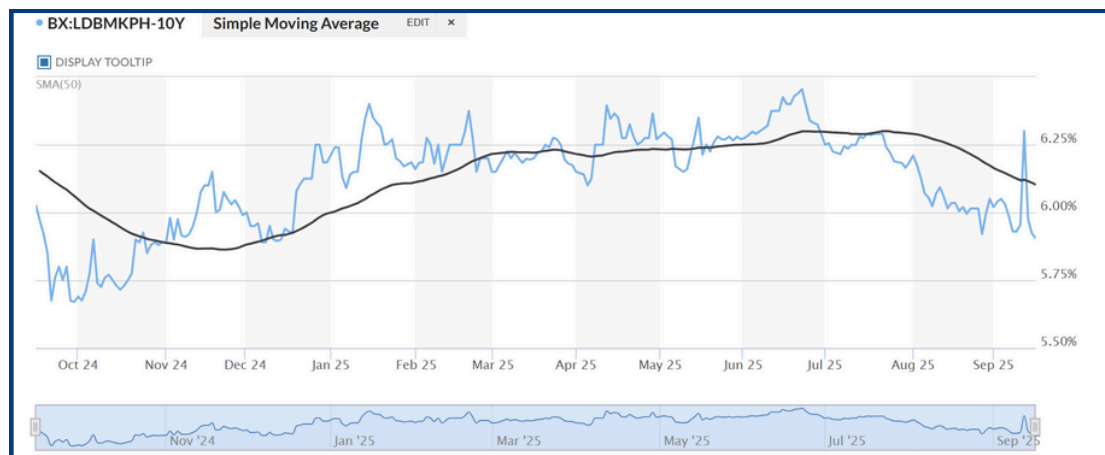
Market Outlook :
Trading Strategy :

Positive

Yields this week will most likely stay in a tight range as we finally get to the Fed meeting where it is anticipated that they will finally cut rates by 25bp with more to follow. All signs are pointing to a cut, with some worry that the Fed may be behind the curve already. We would also be on the sidelines for now as the 25bp has been fully priced in but if rates return towards 6% we would be a buyer there.

As we get closer to the Fed meeting, most will probably want to stay on the sidelines. A 25bp cut may even be a sell on news event since it has been fully priced in. There is the outside chance of a 50bp cut, since the jobs data that came out last week and the large downward revisions paint a worrisome picture on the economy. Ultimately the message after the cut would provide more direction on where the Fed sees rates going forward, and this may be the catalyst for rates to finally move lower.

PHILIPPINES 10 YEAR GOVERNMENT BOND



PHP BVAL Reference Rates Benchmark Tenors

Tenor	BVAL Rate as of September 12, 2025
1M	4.9501
3M	5.0896
6M	5.2143
1Y	5.3531
3Y	5.6802
5Y	5.8131
10Y	5.9702

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