

EQUITY OUTLOOK

Market Outlook: Technicals: Trading Strategy:

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

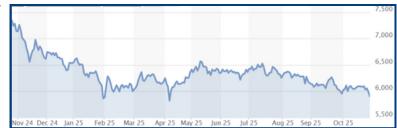
Technicals are pointing to further weakness. With both prices and liquidity on a downtrend, staying defensive may be the

most optimal decision.

The 6000 level failed to hold as some major index stocks went into free fall. Net foreign selling was just about \$11 million for the week, but the lack of liquidity sent the market lower by 1.67%, ending at 5988.

Some corporates have begun lowering their guidance as the economic outlook grows dimmer amidst the ongoing corruption investigations. GDP growth forecasts are also being lowered as government spending is expected to contract. At the same time, the Philippine peso is also depreciating - as of this writing, it is at 58.64/\$. A weaker peso does not bode well for the stock market. The recent weakness of the Philippine stock market does not reflect the strength seen in other major equity indices.

With a shortened trading week coming up as well Philippine Stock Exchange Index (PSEi) 1-year chart as Maynilad's IPO, liquidity may continue to suffer. This may lead to exaggerated price movements.





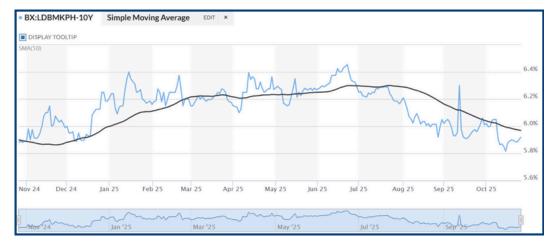
BOND OUTLOOK

/larket Outlook: Frading Strategy:

US CPI came out last week slightly lower than expected but this was a non event as UST yields hardly moved. For this week, market will most likely stay on the sidelines, waiting for the Fed meeting where we shall see if the Fed decides to cut rates as many expect. A pause would most likely cause yields to move higher as a cut is already widely

We would remain defensive this week as we think that an October Fed rate cut is largely priced in already, but there are some conflicting signs from the Fed if there is enough consensus for another cut. Meanwhile locally equities have been hammered while USDPHP continues to rise closer to 59 level, though local bonds have stayed relatively supported, due to the dovish comments by the BSP lately. We would be cautious and wait for any pullback before reentering here.

PHILIPPINES 10 YEAR GOVERNMENT BOND



PHP BVAL Reference Rates Benchmark Tenors

20	
Tenor	BVAL Rate as of October 24, 2025
1M	4.7048
3M	4.9263
6M	5.0977
1Y	5.1626
3Y	5.5142
5Y	5.7002
10Y	5.9794

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