

VANTAGE POINT

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



EQUITY OUTLOOK

Market Outlook : Cautiously Bullish

Technicals :

Trading Strategy :

Support at 5700 followed by 5400 , Resistance at 6000 followed by 6200

Locals continue to aggressively buy index stocks. As long as this level of interest continues, buying on dips may be a profitable strategy. However, if foreign flows turn positive, then even breakouts are opportunities to buy.

The PSEi managed to fight its way to end the week above the 6000 level as local institutions once again bought heavily. Despite net foreign selling of Php 4.5 billion, the benchmark index still gained 1.48% as it closed at 6036.72.

During the week, both the BSP and the US Federal Reserve delivered what analysts considered to be "hawkish cuts". While the 25 bps cut from both central banks was widely expected, both central bank governors indicated that the easing cycle has reached its conclusion. BSP Governor Eli Remolona Jr. said that "depending on the data, this may be the last cut." As for the Fed, its monetary policy statement stated that "considering the extent and timing of additional adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks." This was the exact same sentence they used in December 2024. This marked the start of the long pause which ended with a rate cut on September 2025.

Philippine Stock Exchange Index (PSEi) 1-year chart



A pause from both central banks should help the Philippine peso find its footing. While economic growth is expected to be soft in the next few quarters, it will take time for the effects of rate cuts to feed into the economy. Hopefully, the 59/\$ level holds and the peso appreciates from there. We note that both the PSEi and PHP are trading at crucial support levels.



BOND OUTLOOK

Market Outlook : Neutral

Trading Strategy :

With Fed and BSP cuts out of the way, market will most likely stay sideways for the rest of the year with an upward bias as dealers look to take profits and close their books. Not much also in the way of data for the rest of the year so we would advise to also stay on the sidelines and wait for direction in the coming year.

The Fed indeed cut, though it was deemed a "hawkish cut" with Jerome Powell saying that he is optimistic about the strength of the economy. Meanwhile the BSP cut as well, but BSP Gov Remolona mentioned that this could be one of the last cuts, also shifting to a hawkish stance. With not much more data to come out for the rest of the year, we see yields moving sideways to higher for now until the end of the year.

PHILIPPINES 10 YEAR GOVERNMENT BOND



PHP BVAL Reference Rates
Benchmark Tenors

Tenor	BVAL Rate as of December 12, 2025
1M	4.6673
3M	4.8683
6M	4.9989
1Y	5.0583
3Y	5.3899
5Y	5.6397
10Y	6.0266

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