

VANTAGE POINT

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



EQUITY OUTLOOK

Market Outlook: Neutral

Technicals: Support at 6200 followed by 6000, Resistance at 6500 followed by 6800

Trading Strategy: The PSEi is currently in a consolidation phase. Given weakness in global markets, especially in the tech space, it may be best to remain on the sidelines for now.

The PSEi bounced back and closed at 6391, +1% week-on-week. This was supported by foreign buying with net foreign inflows amounting to PHP 1.34 billion for the week. Meanwhile, the Philippine peso continued to appreciate on the back of dollar weakness as it closed at 58.585/\$.

The Philippines' headline inflation in January rose to 2.0% from 1.8% in December, its highest since February 2025, although still within the BSP's target range of 2-4% for 2026. This was due to higher prices in housing, water, electricity and fuel.

With inflation at the bottom end of the range, the BSP signaled yet again that its easing cycle is approaching its conclusion, with the last rate cut expected in the upcoming Monetary Board meeting on February 19.

Philippine Stock Exchange Index (PSEi) 1-year chart



Meanwhile, US software stocks continued their descent which spread across the board, exacerbated by concerns over Anthropic's newly launched AI tool that could be disruptive for a myriad of industries, especially software companies. Gold and silver continued to plunge on high volatility and are currently down 12% and 40% respectively from their all-time highs.



BOND OUTLOOK

Market Outlook: Positive

Trading Strategy: Last week saw a temporary blip in yields as a tech meltdown occurred, even with most of the big tech names beating earnings. The selloff in US equities also coincided with a plunge in gold and silver and then the 10y UST going higher to 4.29. However this only lasted a few days before buying came back. We remain bullish on yields at these levels.

A quick plunge in risk assets like US equities, commodities and crypto saw some panic selling, and yields also getting hit. However this turned out to be temporary, with money flowing back and US stock markets hitting new highs again. Meanwhile the 10y UST went from 4.29 back down to 4.22 on some weaker data, and in the Philippines news of a new jumbo 10y issue caused some kneejerk selling. Overall though, market seems to be caught underweight and the new 10y jumbo bond would be a good way to lengthen duration at a good yield around 6%.

PHILIPPINES 10 YEAR GOVERNMENT BOND



PHP BVAL Reference Rates
Benchmark Tenors

Tenor	BVAL Rate as of February 06, 2026
1M	4.4415
3M	4.5705
6M	4.6827
1Y	4.7374
3Y	5.3419
5Y	5.6129
10Y	5.9598

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