

WANTAGE POINT

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



EQUITY OUTLOOK

Market Outlook: Neutral
Technicals: Support at 6000 followed by 5700, Resistance at 6200 followed by 6500
Trading Strategy: Optimism over a potential deal between the US and Iran may fall short of lifting the local market as quickly as it did abroad, especially US equities. However, once a credible ceasefire is implemented and there is a clear path to the normalization of oil supply, the recovery in Philippine stocks will gain traction.

The easing tensions in the Middle East amid on-going peacetalks and a ceasefire between Lebanon and Israel renewed optimism in global markets. However, negative sentiment toward the Philippines has left the PSEi in the red, down 1.62% WoW at 5,999.13. Net foreign selling even widened to PhP4.74 billion as funds flowed back into the US markets. The Philippine peso also remained weak at PhP60.07/\$ which was flat WoW.

President Donald Trump once again made an extraordinary decision to initiate a blockade of the Strait of Hormuz after its failed negotiations with Iran over the weekend. However, this has quickly reversed following positive developments after just a few days, if not hours. These included another round of peace talks with Iran and a 10-day ceasefire between Lebanon and Israel. Investors focused on the bright side of events, with the S&P 500 and Nasdaq reached their all-time highs.

Philippine Stock Exchange Index (PSEi) 1-year chart



Moreover, both Brent and WTI crude oil fell by 17% from their peak with both closing below \$100/bbl. As global oil prices eased, local fuel prices saw their first rollback after 6 weeks of consecutive hikes since the war broke out. Before the rollback, diesel prices rose to over PhP150/L, up 153% from February while gasoline prices increased to PhP96.50/L, up 77%. This week, diesel and gasoline fell by PhP20.89/L and PhP4.43/L, respectively.

Meanwhile, the domestic economy still reels from inflation woes as consumers were battered by the worsening impact of high fuel prices. On top of other efforts and support by the government, President Ferdinand Marcos Jr. has finally suspended the excise taxes on kerosene and LPG. However, taxes on diesel and gasoline were retained. The BSP also granted regulatory relief to banks and their clients such as 6 months of grace periods for standard loans and up to 1 year for the agricultural sector.



BOND OUTLOOK

Market Outlook: Neutral
Trading Strategy: Markets seem to be moving past the Iran crisis, though oil prices are sticky at the 90 level. Equities are at all time highs in the US and were unaffected by the news that the US fired upon an Iranian ship trying to cross the Strait of Hormuz. For now, the situation is quite fluid, but there looks to be very good demand in the shorter end 3-5yr tenors at 6% or better. If taking a long term view, we see this level as a good entry point.

We prefer to stay on the sidelines for now, even though markets are looking past the Iran tensions. However the PH cannot afford to look past it as oil prices definitely are affecting inflation, with the BSP already signaling a hike soon, as second round effects are taking hold. We also got news that we received a Fitch outlook downgrade to negative, citing slowing investment spending due to the flood control scandal could negatively affect growth. With all this country specific negatives, we would like to be neutral to defensive though agree that shorter end at 6% is already very attractive.

PHILIPPINES 10 YEAR GOVERNMENT BOND

PHP BVAL Reference Rates Benchmark Tenors



Tenor	BVAL Rate as of April 17, 2026
1M	4.3611
3M	4.6183
6M	4.7080
1Y	5.0969
3Y	6.0079
5Y	6.3552
10Y	6.6604

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