

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: Escalated tensions remain even after the extended ceasefire between the US and Iran. As a result, investors flock into safe haven assets that are dollar-backed and crisis-resilient markets such as the US.

The PSEi closed lower by 0.93% WoW to 5,943.49 as the Philippine Peso depreciated by 1.10% WoW to 60.73 against the dollar. Net foreign flows this week continue to be negative as well with total outflows of Php2.48 billion. Domestically, sentiment was soured by Fitch's negative outlook on our sovereign credit rating and project cancellations by a major property developer.

Philippine Stock Exchange Index (PSEi) 1-year chart



Upon the expiration of the 2-week US-Iran ceasefire, President Donald Trump has decided to extend it indefinitely to allow further negotiations. However, the situation in the Strait of Hormuz remains tenuous as US naval blockade stays in place, with Iran firing upon some ships trying to cross the Strait. Despite these, US equity indices reached new all-time highs.

Meanwhile, the BSP has decided to raise the interest rate by 25 bps, bringing it to 4.50%. This was its first hike after continuous cuts since August 2024. We note that the decision is mainly anchored on the inflation rate. In its statement, the BSP projects a higher inflation path as elevated fuel and food price pressures persist. Average headline inflation expectations are also now higher than the 4.0% ceiling for both 2026 and 2027. We also note that some economists have started to aggressively reduce 2026 growth estimates.



BOND OUTLOOK

Market Outlook: Defensive
Trading Strategy: BSP raises rates by 25bp as announced, but BSP Governor Remolona is extremely hawkish, saying that more hikes are possibly coming to guard against rising inflation. With oil prices continuing to stay at around \$100/bbl, PH inflation is likely to stay high. With this backdrop we would be wary to add to positions.

The Iran war and Strait of Hormuz situation is no closer to being resolved, and oil prices are rising again. BSP decides to hike rates to protect against inflation, and we will get the first CPI print since the war next week. But with GDP possibly coming out weak, we will see if BSP will be able to hike further. For now, with all the uncertainty, we would look to stay on the sidelines and avoid adding to positions. Yields are already back up, erasing any improvement since the ceasefire, with 10y UST up at 4.35 and local 10y at 6.875

PHILIPPINES 10 YEAR GOVERNMENT BOND



PHP BVAL Reference Rates Benchmark Tenors

Tenor	BVAL Rate as of April 24, 2026
1M	4.4148
3M	4.5469
6M	4.6632
1Y	5.0583
3Y	6.1360
5Y	6.5137
10Y	6.7956

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