

# WANTAGE POINT

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



## EQUITY OUTLOOK

**Market Outlook:** Cautious  
**Technicals:** Support at 5700 followed by 5580, Resistance at 6000 followed by 6200  
**Trading Strategy:** With a potential escalation afoot amidst Trump's threats, oil prices have broken previous highs. This prompted foreign investors to once again flock to safe havens such as the US, at the expense of emerging markets like the Philippines.

After stalling for a few days, President Donald Trump decided to extend the blockade by the US Navy in the Strait of Hormuz while also indicating in social media posts that a resumption in military strikes is likely. This is after Iran refused to engage in direct negotiations and lift its own blockade of the Strait. As of this writing, Brent crude oil prices are at \$124/barrel, eclipsing the previous high. We note that domestic fuel prices were already averaging below PHP 90/L this week after 3 consecutive rollbacks. However, we can expect fuel price hikes in the coming weeks.

Thus, net oil importing countries were sold down by foreign funds, pushing the PSEi lower to 5,833.64, a 1.85% loss during the shortened trading week. This was exacerbated by the weak peso which depreciated by 1% WoW to PhP 61.32/\$, after hitting its new all-time low. Net foreign selling also ensued with total outflows of PhP 1.81 billion.

Meanwhile, global tech stocks are once again making waves after big tech names such as Google and Amazon beat market expectations for the quarter. Google, particularly, decided to increase its capex plans for the year, and even significantly for next year. This shows that investors are discriminating between hyperscalers instead of trading them as a group. As long as the Strait of Hormuz remains closed, foreign investors are likely to flock to US equities as a safe haven.

Philippine Stock Exchange Index (PSEi) 1-year chart



## BOND OUTLOOK

**Market Outlook:** Defensive  
**Trading Strategy:** Whereas the rest of the world seems to be recovering from the oil crisis, the Philippines is in a tough spot with decelerating growth and accelerating inflation. Tuesday saw CPI hit 7.2%, above 5.5% estimates and a 4.1% print in March. Clearly oil prices have a huge effect and this will cause even more bearishness in bonds. We see further downside from here so prefer to stay defensive.

With 10y UST hovering at 4.4 and with the inflation picture in the Philippines not looking good, we think there is still room for yields to rise as market players are not willing to take in any more risk. GDP growth looks like it will remain weak and there is no relief in sight on oil prices. BSP has already turned hawkish while a rapidly depreciating Peso makes owning local bonds even more painful if you are a foreign fund. For now, all signs are pointing to further pain on yields.

### PHILIPPINES 10 YEAR GOVERNMENT BOND



PHP BVAL Reference Rates Benchmark Tenors

Tenor	BVAL Rate as of April 30, 2026
1M	4.3266
3M	4.6217
6M	4.7602
1Y	5.2143
3Y	6.4460
5Y	6.8708
10Y	6.9591

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