

# VANTAGE POINT

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



## EQUITY OUTLOOK

**Market Outlook :** Neutral

**Technicals :**

**Trading Strategy :**

Support at 6000 followed by 5700, Resistance at 6500 followed by 6700

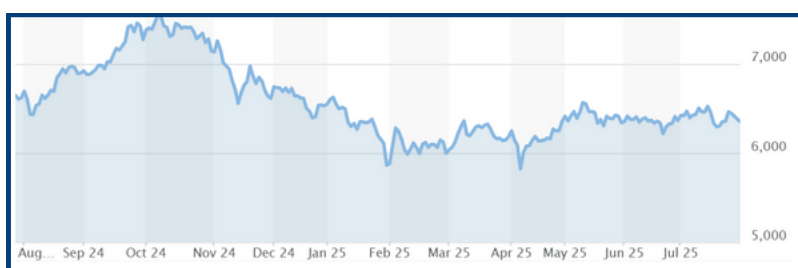
With volatility expected to pick up due to global and domestic reasons, it may be best to wait for clear catalysts before making significant moves in the market. While trading names with wild swings can be exciting, investors who want to sleep well at night should just accumulate high-quality stocks on dips.

After the stock market digested last week's placement of SM and SMPH, it managed to bounce back this week by 1.7%, even as foreign fund flows were practically flat. Online gaming stocks also bounced back as they reached oversold levels. We expect volatility in this space to continue until the effectivity of the PSEi rebalancing, which has been widely expected by many market participants.

On the tariff front, the Philippine trade delegation made concessions to the US in exchange for a reduction in our tariff rate from 20% to 19%. The net effect is hard to estimate as details are scant, but a significantly larger cut in tariffs could have been bullish for Philippine stocks.

With corporate earnings season starting, we expect portfolio reallocation based on which side actual numbers land relative to forecasts. So far, we are seeing early signs of NPL formation both from the consumer book, which has grown significantly in the past years, and selectively on the corporate side.

### Philippine Stock Exchange Index (PSEi) 1-year chart



## BOND OUTLOOK

**Market Outlook :**

Neutral

**Trading Strategy :**

As Trump's August 1 deadline for tariffs draws closer, most dealers are opting to stay on the sidelines. We prefer to keep our powder dry as well, as we await any news of the new RTB, which we think will be announced sometime this week or next.

We are getting news that more and more countries are getting deals done with Trump ahead of the August 1 deadline, where most tariffs will rise to 20%. This has allowed 10y UST to drift steadily lower to 4.35 area. Meanwhile local rates are mostly on hold as we await any details on the upcoming RTB. We also have BBM SONA on deck but this should mostly be a non event for markets.

### PHILIPPINES 10 YEAR GOVERNMENT BOND



PHP BVAL Reference Rates  
Benchmark Tenors

Tenor	BVAL Rate as of July 25, 2025
1M	5.1936
3M	5.4104
6M	5.5817
1Y	5.6800
3Y	5.8027
5Y	5.9685
10Y	6.2432

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