

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

The PSEi managed to stay afloat as bargain hunters helped the market bounce off 6000. Given that foreign selling remains heavy, local institutions have to buy in force in order to protect this key support level.

With Republicans and Democrats unable to come to an agreement on prospective funding, the US government experienced its first shutdown since 2018. While these are usually short-lived, a prolonged shutdown is expected to impact government jobs, potentially reducing US economic growth significantly.

Fortunately, in its current form, we do not expect the US government shutdown to negatively impact Philippine equities. We will be monitoring developments on this front.

The PSEi ended slightly higher at 6,108.86 vs. last Friday's levels after it momentarily broke the 6000 support level. We note that foreign selling remains heavy, which amounted to P4.3 billion this week, and is concentrated in index heavyweights.

All eyes are still on the flood control corruption scandal, with many analysts expecting weaker GDP growth figures in the near term as government spending slows.

Meanwhile, the province of Cebu was declared under a state of calamity after a magnitude 6.9 earthquake struck the region. At least 69 people have reportedly died, while hundreds were injured, mostly in Bogo City, the epicenter. This may temporarily affect operations of retailers in the area.

Philippine Stock Exchange Index (PSEi) 1-year chart



BOND OUTLOOK

Market Outlook : Neutral

Trading Strategy :

For now we are neutral to defensive as we await what happens in the US with the government shutdown. Market is expecting it to not be a prolonged shutdown, so markets are not reacting much for now. However we have already seen the NFP jobs report skipped because of this so we have fewer leads to go with.

With the US government shutdown, data points will not be coming out of the US, as we have already skipped the NFP jobs report. Market is still treating this as business as usual, hoping for a quick resolution to the stalemate, but if this becomes a prolonged and drawn out fight, market may reassess and we might see treasury yields rise. For now market is caught in a range but local bonds are slightly higher as players are sitting on the sidelines and have become more defensive.

PHILIPPINES 10 YEAR GOVERNMENT BOND



PHP BVAL Reference Rates Benchmark Tenors

Tenor	BVAL Rate as of October 03, 2025
1M	4.7081
3M	4.9153
6M	5.1765
1Y	5.3262
3Y	5.6936
5Y	5.8611
10Y	6.0223

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