

VANTAGE POINT

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



EQUITY OUTLOOK

Market Outlook :

Bearish

Technicals :

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

Trading Strategy :

The PSEi is set to retest the 6000 support as the Philippine peso remains above the 58/₱ level. Technicals are pointing to weakness, so defensive positioning may be the best option in the near term.

The start of October proved to be a bloody one for Philippine assets. The PSEi lost 1.2% this week and is dangerously close to the 6000 major support level. This comes on the back of multiple earthquakes in different parts of the country.

On top of that, the BSP announced a surprise rate cut, bringing the benchmark rate to 4.75%. In its statement, the BSP said "the outlook for domestic economic growth has weakened" due to lower government spending amidst the flood control corruption scandal investigation. Moreover, the BSP said they are leaning towards "more accommodative monetary policy", a sharp contrast from BSP Governor Eli Remolona's previous statement when he said we are at the Goldilocks rate already.

All these point to further rate cuts moving forward which will cause the interest rate differential to narrow further. This is bearish for the Philippine peso which is already reeling from negative sentiment.

Given that the stock market is highly correlated to the currency, performance is likely to be mediocre until such point that the corruption investigations bear fruit.

Philippine Stock Exchange Index (PSEi) 1-year chart



BOND OUTLOOK

Market Outlook :

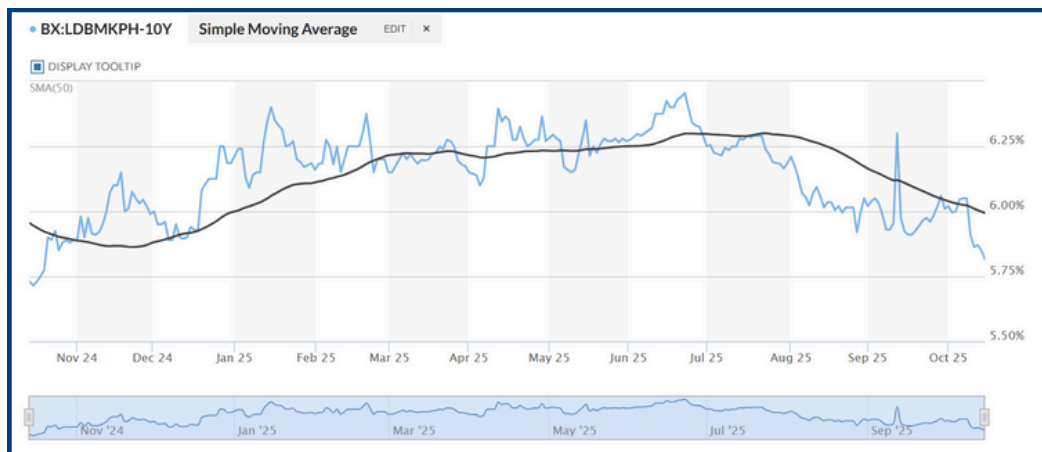
Neutral

Trading Strategy :

We remain neutral to defensive after a surprise tariff message from Trump against China, adding to an already wary market due to the US government shutdown. Trading will most likely remain sideways but will be supported as market sees good chance of continuing cuts by BSP.

Risk assets got a shock late Friday night in the US as Trump announced that he would put another 100% tariff on China goods in retaliation on China's rare earth exports tax. US equities were lower by 3% and 10y UST fell briefly below 4%. For this week traders will most likely be defensive as the US government shutdown also remains unresolved. Here locally however the BSP is sounding more dovish as they say they need to do more to support the economy.

PHILIPPINES 10 YEAR GOVERNMENT BOND



PHP BVAL Reference Rates
Benchmark Tenors

Tenor	BVAL Rate as of October 10, 2025
1M	4.7615
3M	4.9706
6M	5.1980
1Y	5.2786
3Y	5.6009
5Y	5.7536
10Y	5.9556

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