

VANTAGE POINT

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



EQUITY OUTLOOK

Market Outlook :
Technicals :
Trading Strategy :

Bearish

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

Recent price movement confirms our call in previous weeks – that the stock market is in a downtrend and headed for further weakness. In times like this, prudence is the better part of valor. Earnings results in the coming weeks will provide inputs as one assesses their portfolio.

Net foreign selling resumed despite the shortened trading week to the tune of Php 1.7 billion. This put the PSEi firmly below the crucial 6000 support level. If the market continues to weaken, technical analysis points to this support becoming a resistance level.

We note that the PSEi is alone in its weakness as many global markets continue to touch new record highs. This indicates that risks are primarily domestic, such as the flood control scandal with the resulting negative outlook and guidance downgrades by various companies. Thus, instead of attracting passive flows, foreign investors are reducing their Philippine exposure.

Philippine Stock Exchange Index (PSEi) 1-year chart



Moreover, with the Maynilad IPO coming up on November 7, local funds are strapped for cash. This is on top of redemptions and a shift from equities to fixed income. It is best to stay defensive until earnings season, which should be used as an opportunity to recalibrate one's portfolio.



BOND OUTLOOK

Market Outlook :
Trading Strategy :

Neutral

Coming back from the long Undas break, most players will be wary to make any moves. We also get CPI and GDP this week so it would be best to stay on the sidelines and wait for these data points first. All signs are for another cut by BSP in December, which should be supportive of current rates now.

With the BSP still dovish, and if we get a good CPI and GDP reading this week, we should see yields continue to trend lower. There is a risk that we get a pullback though as there has been some divergence with local rates and UST yields. Fed governors were extremely divided on the last Fed cut, and recent comments have shown just how divided they were, so a December rate cut would also be very contentious. This may make UST rise further, which eventually would cause local yields to follow higher. For now, local yields should be supported.

PHILIPPINES 10 YEAR GOVERNMENT BOND



PHP BVAL Reference Rates Benchmark Tenors

Tenor	BVAL Rate as of October 30, 2025
1M	4.6528
3M	4.8951
6M	5.0966
1Y	5.1781
3Y	5.5055
5Y	5.7025
10Y	5.9382

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