

WANTAGE POINT

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



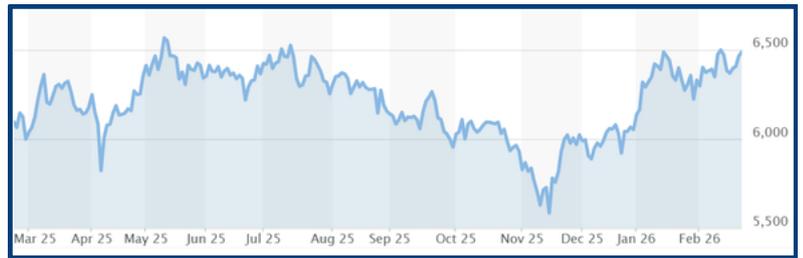
EQUITY OUTLOOK

Market Outlook: Neutral
Technicals: Support at 6200 followed by 6000, Resistance at 6500 followed by 6800
Trading Strategy: The PSEi is still unable to break resistance of 6500 but is carving out higher lows despite volatility in US markets, especially in the tech space. The surprising resilience of the index is a bullish signal.

The PSEi remains within its consolidation pattern as it closed stronger by 1.26% WoW at 6,465.12. Net foreign flows are positive for the 7th consecutive week YTD amounting to PhP632 million. The Philippine peso also slightly depreciated by 0.22% WoW to 58.16/\$.

On February 19, the BSP cut its policy rate by another 25 bps . The policy rate is now down to 4.25% for a cumulative drop of 225 bps from its cycle peak of 6.5% in 2Q24. The decision was anchored on a manageable inflation and softer-than-expected GDP growth which should help boost economic recovery. However, this caused the interest rate differential to narrow further to 50 bps which could weigh on the peso. Meanwhile, the Fed raised concerns over inflation rate remaining above-target levels. This should help ease the narrowing interest rate differential.

Philippine Stock Exchange Index (PSEi) 1-year chart



So far, earnings results are mixed but point to a prevailing theme of weak consumer confidence and dampened investor sentiment in 4Q25. However, we also note that expectations are so low that a slight beat can be taken as a positive signal. Despite weakness in 4Q25 earnings, companies are providing optimistic guidance for the year ahead.



BOND OUTLOOK

Market Outlook: Positive
Trading Strategy: With the new 10y jumbo bond out of the way, market now looks for new catalysts to move the market. In the US, USTs are higher with uncertainty over Trump tariffs. For now, we are positive on bonds but would like to use auctions to get a higher yield than purchasing through the market.

10y jumbo bond has finally traded, with sideways movement for now at 5.925. The issue came out at the low end of the range, so the sideways movement was to be expected. After the market digests this supply, yields should continue to float lower especially as BSP has cut rates further to support the economy and inflation remains benign. Key risks would be inflation ticking up or geopolitical events such as a flare up in Iran which would cause oil prices to spike.

PHILIPPINES 10 YEAR GOVERNMENT BOND



PHP BVAL Reference Rates Benchmark Tenors

Tenor	BVAL Rate as of February 20, 2026
1M	4.3281
3M	4.4319
6M	4.5437
1Y	4.5946
3Y	5.3463
5Y	5.5985
10Y	5.9679

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