

WANTAGE POINT

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



EQUITY OUTLOOK

Market Outlook: Neutral
Technicals: Support at 6500 followed by 6200, Resistance at 6800 followed by 7000
Trading Strategy: The PSEi finally staged a meaningful breakout on the back of PhP 5 billion worth of net foreign inflows. Given that there is a rotation out of the US into Europe and Asia, the PSEi's strength is likely to continue in the near term. Buy strength and companies with solid catalysts.

The PSEi finally managed to break the 6500 resistance level as foreign funds increased exposure to emerging markets. This week alone, we saw PhP 5.07 billion in net foreign inflows, concentrated primarily in the largest listed companies. Minor resistance of 6800 should not be difficult to hurdle. However, breaking 7000 is a different matter.

Helping the cause of the bulls is the Philippine peso's ascent as it appreciated by another 0.5% this week to 57.66/\$. From fears of reaching 60, the peso is now firmly at the 57 level. This is indicative of foreign inflows and will likewise lead to more foreign inflows.

Philippine Stock Exchange Index (PSEi) 1-year chart



We note that the PSEi's strength comes amidst volatility in the US stock market and significant weakness in software stocks. We note that strategies calling for diversification out of the US then into Europe and Asia are gaining steam. If this trend continues, foreign inflows will persist and drive our stock market higher.

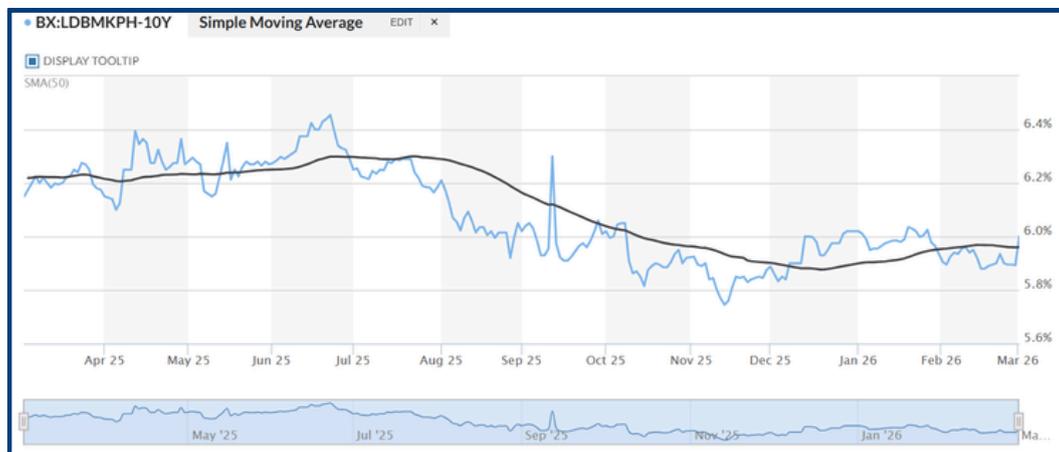


BOND OUTLOOK

Market Outlook: Neutral
Trading Strategy: The big news surrounding the market is that the US and Israel bombed Iran, killing Supreme Leader Khamenei, which may lead to instability in the region. Already oil is up 7% to above 70/bbl. Add to this Trump announcement on higher worldwide tariffs and market is on edge. We would actually like to stay on the sidelines and let this blow off first before reengaging.

With all eyes on the escalating conflict in the Middle East, we will most likely have a risk off move globally, which will have an effect on our local bond market. Already we see the USD strengthen again, and the new 10y 1074 giving back all its gains and is now trading lower than issue. This could create an opportunity to buy again closer to the 6% handle, so we wait on the sidelines for now and monitor developments in the war.

PHILIPPINES 10 YEAR GOVERNMENT BOND



PHP BVAL Reference Rates
Benchmark Tenors

| Tenor | BVAL Rate as of February 27, 2026 |
|-------|-----------------------------------|
| 1M | 4.2966 |
| 3M | 4.4312 |
| 6M | 4.5242 |
| 1Y | 4.6208 |
| 3Y | 5.3151 |
| 5Y | 5.5515 |
| 10Y | 5.9238 |

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