

WANTAGE POINT

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



EQUITY OUTLOOK

Market Outlook: Cautious
Technicals: Support at 6000 followed by 5700, Resistance at 6200 followed by 6500
Trading Strategy: After a brief downmove, escalation in the Middle East conflict has sent oil prices sharply higher once again. With all of the PSEi's YTD gains wiped out, the event-driven nature of the market indicates that prudence may be the better part of valor.

After seemingly quieting down, the US/Israel-Iran conflict escalated as the US and Israel attacked energy-related infrastructure, prompting Iran to do the same against its neighbors. Thus, oil prices spiked once more. As of this writing, Dubai crude is up 9% from closing levels seen last March 12. We note that more than 25% increase in local pump prices this week does not include this move yet.

On top of that, the Philippine peso plunged to a new record low of 60.35/\$ before ending the day at 60.10/\$. With safe haven trades and the prospect of interest rate hikes sending the US dollar higher, it will be very difficult for our currency to buck the trend. That said, the BSP's defense very likely slowed down the depreciation.

As a result of this, emerging markets as a group continued to see net outflows, with the Philippines seeing net foreign selling of PHP 2.1 billion this week. Thus, instead of breaking out, the PSEi is barely holding on to support as it ended the week at 6,018, slightly lower by 0.67% WoW. All considered, the PSEi showed relative resilience in the past 4 trading days.

Philippine Stock Exchange Index (PSEi) 1-year chart



With the impact on growth, inflation and consumer spending expected to be felt in March and into 2Q26, the government took measures to put inflation under control. These include attempts to secure gasoline supply, implementing WFH for government employees and suspending an increase in fare hikes. However, both consumer and business sentiment have taken a sharp turn for the worse.



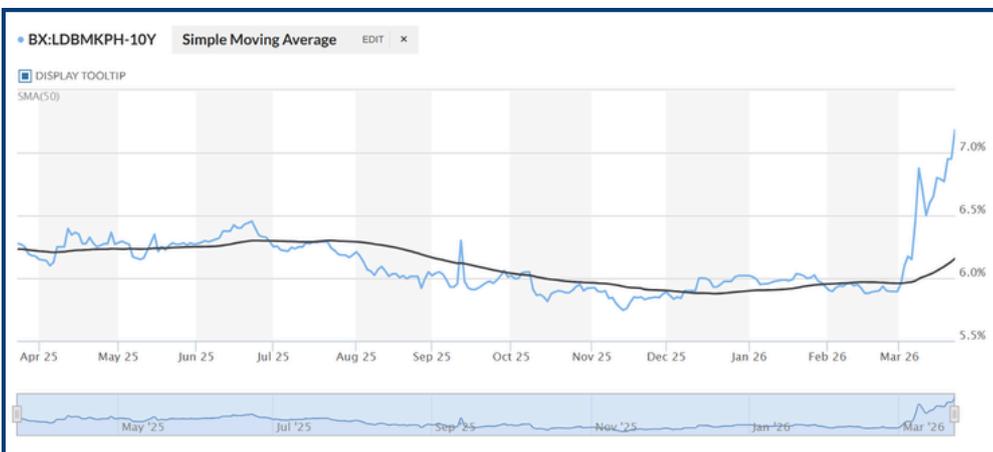
BOND OUTLOOK

Market Outlook: Defensive
Trading Strategy: As the clash between the US and Iran intensifies over the weekend, look for the same bearish sentiment to continue this week. Bids will be hard to come by and rally would likely be met by sellers. For now wait and see if tensions will calm down.

The Fed already turned hawkish when they paused its rate cutting last week, indicating that the situation remains fluid due to the conflict in the Middle East. A prolonged war would have many negative consequences for the Philippines, as we will already see in the March inflation numbers, likely to hit 4-5%. With UST yields also rising, there is no catalyst yet to reenter the bond markets. Yield on the new 10y is already close to 7% but we think a wait and see approach would be best for now.

PHILIPPINES 10 YEAR GOVERNMENT BOND

PHP BVAL Reference Rates
Benchmark Tenors



Tenor	BVAL Rate as of March 19, 2026
1M	4.7438
3M	4.9813
6M	4.9581
1Y	5.0886
3Y	6.2660
5Y	6.5913
10Y	6.9072

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