

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: The event-driven nature of the market coupled with oil prices staying stubbornly high leads us to recommend that investors tread with caution.

The PSEi is down for its 4th straight week as a 0.76% drop led to a break of the 6000 level. Net foreign selling was just PhP 2 billion, a slower pace from previous weeks hence the marginal drop of the index. However, the Philippine peso reached a new record low of 60.55/US\$. This will contribute to the acceleration of inflation.

Domestic gasoline and diesel prices hit new record highs as the Strait of Hormuz remains functionally closed. News of negotiations followed by subsequent denials and assassinations of ranking Iranian officials caused oil prices to whipsaw along with asset prices. Though US President Donald Trump extended his deadline for negotiations to April 6, markets seem to have lost hope in a quick resolution to this war as a US strike on Iran's power infrastructure is still on the table.

As President Ferdinand Marcos Jr. declared a state of emergency, private companies have started to respond to the ongoing crisis in various ways, from airlines cancelling flights to corporates allowing WFH setups once again.

Meanwhile, the BSP held an offcycle meeting on March 26 as it said it is keeping rates on hold for now as it monitors the situation. They also upgraded their inflation forecasts while trimming 2026 GDP growth estimates. Note that the next BSP meeting is on April 23.

Philippine Stock Exchange Index (PSEi) 1-year chart



BOND OUTLOOK

Market Outlook: Defensive
Trading Strategy: Iran continues its attacks on neighboring countries, and Trump threatens anew to destroy Iran's oil facilities. With the upcoming shortened trading week due to the Holy Week, we remain defensive though we are starting to see some demand already on the shorter end of the curve.

There does not seem to be a quick fix coming to the Middle East crisis, with tensions remaining high and oil prices continuing to rise. The Strait of Hormuz remains closed and missile attacks happen daily. The Fed came out to say that they do not see the need to hike rates yet in response to higher oil prices. The BSP also met in an off cycle meeting to eventually keep rates the same, as a signal that they also don't see the need to hike but are remaining vigilant. For now, the best bet would be to remain defensive.

PHILIPPINES 10 YEAR GOVERNMENT BOND



PHP BVAL Reference Rates
Benchmark Tenors

| Tenor | BVAL Rate as of March 27, 2026 |
|-------|--------------------------------|
| 1M | 4.8315 |
| 3M | 4.9854 |
| 6M | 5.0695 |
| 1Y | 5.1905 |
| 3Y | 6.3277 |
| 5Y | 6.7081 |
| 10Y | 7.0194 |

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