

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: Despite explosive rhetoric to start the week, a ceasefire came to be. This led to relief rallies the world over, but uncertainty remains high. While the worst of the conflict is likely to be over, the ceasefire coming undone cannot be ruled out. The safest move may be to watch.

The two-week ceasefire between the US and Iran sparked a relief rally that helped the PSEi gain 1.7% for the week and go back above the crucial 6000 support level. Still, foreign institutions remain net sellers, though at a slower pace of PhP 2.48 billion.

The first inflation print during the conflict has also been released with March figures coming in at 4.1%. The coming months are likely to show even worse price increases as the full impact of high oil prices is felt, along with the depletion of low cost inventory and the lifting of price freezes. While the magnitude and duration of demand destruction is unclear at this point, we expect more growth downgrades in the near term.

Philippine Stock Exchange Index (PSEi) 1-year chart



Still, the ceasefire is a step in the right direction. Oil prices are down at least 20% from their highs so we expect gasoline and diesel price rollbacks in the coming weeks. The Philippine peso also went back to the 59 handle as long dollar safe haven trades were partially unwound. That said, this is a fragile truce which can easily come undone. The level of uncertainty remains high.

Locally, the government has implemented other policies to ease the burden of high oil prices. The Department of Energy also secured a 50-day fuel inventory, providing enough time for replenishment. On top of price freezes and securing additional fuel supply, sector-specific assistance, loan moratoriums, collateral-free loans for MSMEs and relaxation of WFH policies have been implemented. So far, 4,241 OFWs out of over 2.4 million who live in the Middle East were brought home.



BOND OUTLOOK

Market Outlook: **Neutral**
Trading Strategy: All eyes on the Iran war as US VP Vance comes back from Iran empty handed and Iran rejects peace deal. However, unlike before, markets are not affected as much and US equities are actually now at higher levels than when the Iran crisis started. 10y UST is steady at 4.28 and we see local bonds stabilizing as well. This could now be a good entry point, but we remain cautious as the situation is fluid.

We have seen markets swing back and forth because of Iran and Trump comments. This time, we receive news that Iran rejects a peace deal delivered by US VP Vance. However markets seem to be taking it in stride and pricing in the crisis. If markets are already looking ahead, then local yield levels are now very enticing and could provide a good entry level. But the situation could turn at any moment, as usual with Trump. Inflation will most likely remain high especially as oil prices will settle at higher prices.

PHILIPPINES 10 YEAR GOVERNMENT BOND

PHP BVAL Reference Rates
Benchmark Tenors



Tenor	BVAL Rate as of April 10, 2026
1M	4.5397
3M	4.7599
6M	4.9141
1Y	5.1591
3Y	6.0260
5Y	6.3837
10Y	6.5980

Disclaimer: The information contained herein is the property of Philequity Management Inc. and may not be copied or distributed without the prior consent of Philequity Management, Inc. The information and views expressed herein is not warranted to be accurate, complete or timely and may change without prior notice. Neither Philequity nor its content provider is responsible for any damages and losses arising from any use of this information. Past performance is not a guarantee of future results. Investments in mutual funds are not guaranteed by the Philippine Deposit Insurance Corporation. Investing in mutual funds involves risk and possible losses of principal. Consult a professional before investing. For inquiries, please contact Philequity Management, Inc.

