

WANTAGE POINT

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



EQUITY OUTLOOK

Market Outlook: Cautious
Technicals: Support at 5700 followed by 5580, Resistance at 6000 followed by 6200
Trading Strategy: The Philippine market has finally rebounded after a month-long drop. A few names reported strong results in the first quarter which helped lift the market. An imminent peace agreement will be bullish for Philippine stocks. Buyers may begin positioning in companies with significant catalysts or relatively resilient earnings streams.

After its continuous descent for a month, the PSEi finally bounced and closed at 5,960.97, up 2.18% WoW. Oil prices pulled back, prompting the resumption of net foreign buying offset by a heavy net foreign selling on the last day of the week. Total net foreign inflows amounted to PhP 60 million. The Philippine Peso also appreciated to 60.62¢, stronger by 1.40% WoW.

Two main economic indicators were released this week - April CPI and 1Q26 GDP growth. April inflation soared to 7.2% vs. 4.1% in March, higher than the BSP's forecast range of 5.6-6.4% and consensus of 5.5%. YTD inflation is now at 4%. This was due to higher food, utilities, and transport prices. 1Q26 GDP growth, on the other hand, came in lower at 2.8% vs the 3.3% consensus. Drag came from gross capital formation and consumption. On local fuel prices, a hike for both diesel and gas was implemented this week, after 2 consecutive rollbacks. Prices still stood below PhP 90/L. It is important to note that despite all these, stock prices remained firm.

Company earnings results in the first quarter so far were mixed. Banks and property companies had subdued results as they already took preemptive measures in preparation for demand destruction due to factors such as high inflation. The consumer sector was resilient, if not strong, as full impact of the crisis will only be felt in the following quarters. Some names stood out with very strong earnings and outlook which helped lift the market. Most stocks were at oversold levels by the end of April - another reason for the technical rebound this week.

Meanwhile, global tech stocks are once again making waves after big tech names such as Google and Amazon beat market expectations for the quarter. Google, particularly, decided to increase its capex plans for the year, and even significantly for next year. This shows that investors are discriminating between hyperscalers instead of trading them as a group. As long as the Strait of Hormuz remains closed, foreign investors are likely to flock to US equities as a safe haven.

Philippine Stock Exchange Index (PSEi) 1-year chart



BOND OUTLOOK

Market Outlook: Defensive
Trading Strategy: World still hostage to Iran US war with Trump saying the proposed deal Iran sent was unacceptable and that the ceasefire is now on life support. Oil is higher again while 10y UST is also back up to 4.45. Meanwhile US CPI surprises to the upside and its not just oil prices going up. With slowing growth and rising inflation and the uncertainty in the Middle East, we suggest just staying on the sidelines.

Risk off sentiment abounds again as tensions escalate in the Middle East. With all the uncertainty and not to mention the local political noise going on in our Senate, yields are much higher again, erasing any rally that occurred last week. For now, we suggest staying on the sidelines as fundamentals are negative, and with all the risk globally, there is no point in adding to positions for now.

PHILIPPINES 10 YEAR GOVERNMENT BOND

PHP BVAL Reference Rates
Benchmark Tenors



Tenor	BVAL Rate as of May 08, 2026
1M	4.7273
3M	4.7998
6M	5.2372
1Y	5.4295
3Y	6.6873
5Y	6.9547
10Y	7.2366

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