

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 PSEi is holding just a tad below 6000 support. However, MSCI rebalancing next week may result in a selling crescendo. Investors looking to buy on dips may do so next week.

The PSEi descended and dipped at a higher low before rebounding to 5,961.40, down by 0.26% WoW. Foreign selling goes on with PhP1.38 billion net selling this week. We expect net foreign outflows to peak next week due to MSCI rebalancing. Hawkish comments from BSP Governor Eli Remolona Jr. also kept the Philippine Peso in check as it appreciated ever so slightly for the week.

Remolona said that an off-cycle hike is possible before their June 18 meeting if May inflation figures are well beyond what the BSP is willing to accept. He also said that a 63.50/\$ exchange rate might be "okay" as long as the decline is gradual.

Meanwhile, US 30-yr treasury yields rose to 5.197%, its highest since July 2007 as high inflation caused central banks to pivot to a hawkish stance. However, sentiment shifted quickly as the narrative on Iran-US negotiations turned positively. Oil prices also pulled back. This also caused a turnaround in stock markets globally, with the US' Dow Jones reaching an all-time high.

Philippine Stock Exchange Index (PSEi) 1-year chart



Unfortunately, 1Q26 corporate earnings were uninspiring, with many blue chip property and consumer stocks missing already downgraded estimates. With only a handful of stocks beating estimates, the PSEi is likely to meander until the Strait of Hormuz is reopened.



BOND OUTLOOK

Market Outlook: Defensive
Trading Strategy: Our stance is still defensive as uncertainty remains over the war in Iran, though for now things look to be more positive that a deal may occur. If that happens, we may get a relief rally though fundamentals for PH bonds still remain weak.

Sentiment is somewhat improving that a deal may get done sooner rather than later between the US and Iran, though it's anyone's guess. Regardless, we look to remain defensive as growth still shows further weakness in the economy, and oil prices are likely to stabilize at much higher levels than before, keeping inflation risk to the upside.

PHILIPPINES 10 YEAR GOVERNMENT BOND



PHP BVAL Reference Rates Benchmark Tenors

Tenor	BVAL Rate as of May 22, 2026
1M	4.8125
3M	5.0563
6M	5.4593
1Y	5.9534
3Y	7.2020
5Y	7.4540
10Y	7.7461

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