

# 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:** Oil markets are indicating that we may be very close to a deal. If and when this comes to fruition, buyers who took advantage of MSCI rebalancing may be rewarded handsomely.

The PSEi got battered this week, closing at 5,768.76, down 3.2% WoW, breaking its previous low. This was due to the implementation of MSCI rebalancing on May 29. Net foreign outflows further widened to PhP8.22 bn, inspite a shortened trading week due to the Eid'l Adha holiday. Meanwhile, the Philippine Peso closed at 61.60/\$ as the US dollar's ascent took a pause.

On the geopolitical front, it looks like the US and Iran are at the closest they have ever been in reaching a deal. News outlets indicate a longer ceasefire is in the works, along with the reopening of the Strait of Hormuz. Management of seaborne traffic is said to be jointly managed by Iran and Oman. While there have been many false starts, oil markets are indicating optimism in a final conclusion as crude oil prices fell by up to 9.3% WoW to settle at around \$90/bbl. This is a significant catalyst for the Philippine economy and stock market.

Philippine Stock Exchange Index (PSEi) 1-year chart



Unfortunately, inflation is expected to worsen and even reach double-digit in the coming months as price increases kick in along with a potentially severe El Nino phenomenon. Reports show that there is a high chance for El Nino to occur in the months of June up to August and may even continue until 2027. The government has already been rolling out necessary measures to mitigate impact including cloud seeding, deployment of solar-powered irrigation systems, and strategic planting schedule by the Department of Agriculture.



## BOND OUTLOOK

**Market Outlook:** Defensive  
**Trading Strategy:** Remaining defensive for now as oil prices are rising again as the ceasefire between the US and Iran is on thin ice. Both countries have been airstriking each other and Iran has announced that it will halt all talks with the US. Though markets have been orderly, this is definitely not a positive development.

The recent hostility between the US and Iran and Israel and Lebanon this week has pushed oil prices higher again though we have not breached 100. This week we also get May CPI, which is forecasted as high as 7.8% which will most likely force the BSP to hike the key rate again. Add in that rice prices are also rising globally and we could get inflation running extremely hot for longer than anticipated, which would keep any rallies in yields lower capped.

### PHILIPPINES 10 YEAR GOVERNMENT BOND



PHP BVAL Reference Rates Benchmark Tenors

Tenor	BVAL Rate as of May 29, 2026
1M	4.5892
3M	4.9893
6M	5.4041
1Y	6.1067
3Y	7.0665
5Y	7.3377
10Y	7.5208

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.

