

# 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 stayed afloat after bouncing from the MSCI dip as sour sentiment reversed following lower May inflation and USDPHP strengthening. However, market volatility persists as the Iran conflict is on the verge of escalating once more.

The PSEi consolidated below the 6,000 resistance level, closing at 5,910.06, slightly down by 0.48% WoW. The better-than-expected May inflation print helped put a floor on stock prices and the currency, with the Philippine peso also halted from further depreciating and closing stronger by 0.65% WoW at 61.32/\$. As a result, net foreign flows for the week turned positive to PhP113 million.

On Monday, a magnitude 7.8 earthquake struck southern Mindanao, with its epicenter in Sarangani province. This caused massive destruction in the surrounding provinces, with South Cotabato and Davao Occidental along with Sarangani as the worst affected. The highest reported intensity was 8, classified as destructive, out of 10 being completely devastating. This was felt in General Santos City which was placed under state of calamity. The death toll reached 45 while 630 were reportedly injured. Initial damage to roads and bridges reportedly amounted to PhP900 million. Damage to commercial structures, schools, government buildings, infrastructure, and houses have yet to be assessed. Business operations were disrupted including telcos, tuna canneries, malls, banks, airports, and power.

### Philippine Stock Exchange Index (PSEi) 1-year chart



Meanwhile, US markets descended further after its initial dip last Friday. A shift in Fed rate expectations to a higher-for-longer stance caused global markets, specifically AI and tech-related stocks, to pull back. This was following a stonger-than-expected job data which called for a reprioritization of the Fed to manage inflation. The sell-off was further exacerbated by Iran's recent announcement of a total closure of the Strait of Hormuz - a sign that not only is a deal far away but the conflict may be reignited.



## BOND OUTLOOK

**Market Outlook:** Defensive  
**Trading Strategy:** Remain defensive as inflation still pointing up, though there is hope of a deal between the US and Iran to finally end the war.

We still take a defensive stance on local bond yields as the likely path of the BSP is for them to raise rates to keep inflation in check, though comments from BSP have said that the market may be pricing in too much bad news. There is also hope that a deal could be struck between the US and Iran to end the war and finally let oil through the Strait of Hormuz. If this happens, watch for markets to rally immediately. This will also be beneficial for the Philippines especially on oil prices, but we are still wary that oil prices will eventually settle much higher than before the war and this may be the new normal, which would still keep inflation higher for longer locally.

### PHILIPPINES 10 YEAR GOVERNMENT BOND



PHP BVAL Reference Rates  
Benchmark Tenors

Tenor	BVAL Rate as of June 11, 2026
1M	4.6129
3M	5.0110
6M	5.4506
1Y	6.1070
3Y	6.9977
5Y	7.2874
10Y	7.4934

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