

VANTAGE POINT



OCTOBER 19, 2026
MONDAY

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

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LOCAL EQUITY OUTLOOK

Market Outlook : Cautious

Technicals : Support at 5700 followed by 5580, Resistance at 6000 followed by 6200

Trading Strategy : Support of 5,580 remains unbroken despite foreign selling and a new record low for the Philippine Peso. We remain selective in our stock picks while awaiting the highly anticipated IPO of Mynt next week.

The PSEi bounced back to 5,782.70, up 1.43% WoW, hitting a 2-week high. Bargain hunting provided strong support for the index at the 5,600 level despite persistent inflationary concerns and a subdued economic growth outlook. This was also amid the Philippine Peso depreciating to a new all-time low beyond 63/\$. Net foreign outflows slightly increased to PhP1.42 billion, marking the 11th consecutive week of net foreign selling. This foreign selling streak is likely to end next week with the much awaited IPO of Mynt, the parent company of Gcash.

On the political front, the House prosecution decided on Tuesday to drop 3 of the 4 impeachment charges against Vice President Sara Duterte. Article I on the alleged misuse of confidential funds, Article III on bribery at the Department of Education and Article IV on grave threats will no longer be pursued. The prosecution believed that focusing solely on Article II on unexplained wealth would expedite the impeachment process. Meanwhile, VP Sara's defense team is scheduled to present its evidence on November 9. Still, PulseAsia's latest survey showed VP Sara's strong lead in the 2028 presidential race despite her ongoing impeachment trial.

The Philippine Peso hit an intraday low of 63.15/\$ on Thursday before ending the week at 62.985/\$. Historically, peso depreciation has weighed on the stock market. However, the PSEi's immediate support at the 5,600 level held firm as the index managed to rebound. The BSP is expected to raise rates this October while investors anticipate the Fed to keep rates unchanged at its October meeting following Fed Chair Kevin Warsh's statement during a briefing on Friday.

Philippine Stock Exchange Index (PSEi) 1-year chart



According to Warsh, US economic conditions in the US have broadly conformed to the Fed's expectations, including the 3.7% US inflation print in September. Meanwhile, bond yields fell as investors flocked into safe haven asset following the selloff in AI and technology stocks.

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GLOBAL EQUITY OUTLOOK

Global markets were in the red as major indices revisited their immediate support levels. The MSCI All-Country World Index (MXWD) declined by 1.58% WoW to 1,129.1. The US S&P 500 fell by 1.95% WoW while the Nasdaq dropped by 5.49% WoW. The Dow Jones managed to increase by 0.68% WoW. Major Asian indices were battered due to exposure to semiconductor and chip stocks. South Korea's KOSPI plunged by 14.46% WoW while Taiwan's TAIEX and Japan's Nikkei 225 declined by 4.47% and 5.37%, respectively. European markets, on the other hand, closed higher WoW.

Semiconductor and memory chip sectors fell last week after China's ChangXin Memory Technologies (CXMT) reported significant developments in a new server memory product that it intends to launch by the end of 2026. The chip's new design is expected to provide 30% to 50% higher memory density. This put downward pressure on leading memory chipmakers such as Samsung, SK Hynix and Micron.

CXMT's breakthrough caused a massive selloff across the global AI and technology sectors. As a result, investors sought safety in bonds, pushing treasury yields lower. However, investors remained firm that the Fed would keep interest rates unchanged at its October meeting. This was after Fed Chair Kevin Warsh mentioned in a briefing that US economic conditions have turned out as expected by the Fed. This was also despite the US' September inflation reaching 3.7%, higher than economists' expectations.

Meanwhile, unrest in the Middle East continued as Yemen's Iran-backed Houthis struck the headquarters of Saudi Arabia's national oil company. Ships transiting the Strait of Hormuz also continued to face attacks by Iran as it reportedly intends to put upward pressure on oil prices ahead of the US midterm elections.

MSCI All Country World Index (MXWD) 1-year chart



<http://ph.investing.com/indices/msci-world-stock-chart>



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BOND OUTLOOK

Market Outlook : Defensive

Trading Strategy : We remain defensive for now as yields are stuck on the high side, tracking UST where the 10y is at 5.14 levels, though an improvement after hitting as high as 5.30. Inflation remains a concern while depreciating peso past 63 adds fuel to the fire. We also await BSP rate hike decision this week.

Market will most likely stay on the sidelines this week as we get direction from the BSP which meets this week, but almost all are in consensus that the BSP will deliver another 25bp rate hike to bring the key rate to 5.25, with hawkish language that will forecast additional hikes down the road in anticipation of rising inflation. For now, we are very much defensive, as headwinds locally and globally show a path for higher yields into the yearend.

Philippines 10 Year Government Bond



https://www.marketwatch.com/investing/bond/ldbmkph-10y/charts?countrycode=bx&mod=mw_quote_tab

PHP BVAL Reference Rates Benchmark Tenors

Tenor	BVAL Rate as of October 16, 2026
1M	5.3198
3M	5.6764
6M	6.0671
1Y	6.3193
3Y	7.3261
5Y	7.6738
10Y	8.0184

<https://www.pds.com.ph/government-securities/>



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