VANTAGE POINT

NOVEMBER 09, 2026
MONDAY

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

1 LOCAL EQUITY OUTLOOK

Market Outlook : **Bullish**
Technicals : Support at 5700 followed by 5580, Resistance at 6000 followed by 6200
Trading Strategy : The Philippine market benefited from the weakening of the dollar which pushed other currencies higher, including the peso. The sharp decline in oil prices following the Democrats' win in the US midterm elections was also positive for net oil-importing countries like the Philippines. This could serve as a positive catalyst for the economy. Moreover, we are expecting a rotation out of tech to benefit economies like the Philippines.

The PSEi rebounded to 5,761.95, higher by 1.44% WoW. The index held strongly as the Philippine Peso also strengthened to 63.06/$, appreciating by 1.07% from last week. Net foreign flows turned positive amounting to PhP1.77 billion even with the shortened trading week.

Despite the recent sharp decline in oil prices, markets remain vigilant of inflationary pressures coming from the impact of El Nino, especially on agriculture. S&P Global also reported that the country's manufacturing Purchasing Managers' Index (PMI) declined further to 49.1 in October from 49.6 in September. Output and new orders tempered as extreme hot weather linked to El Nino affected operations. New export orders also contracted. Meanwhile, October inflation went as high as 7.8%, although remained within the BSP's forecast range of 7.1% to 8.1%. This is the fastest in almost 4 years, driven primarily by higher transport and utility prices.

Philippine Stock Exchange Index (PSEi) 1-year chart



www.marketwatch.com

The US midterm elections ended with a Blue sweep as Democrats secured majorities in both the House of Representatives and the Senate. Equities, bonds and gold all turned bullish as the election outcome eased political uncertainty concerns and boosted risk appetite. Meanwhile, the US dollar fell to its lowest level since end September. Oil prices declined sharply as well on expectations that the US-Iran war would come to an end. Furthermore, the US 10-yr Treasury yield slid as investors anticipated less upward pressure on inflation and interest rates. We noted that there seems to be a rotation out of US tech into other sectors, as well as regions more exposed to non-tech sectors. This should benefit the Philippines.

2 GLOBAL EQUITY OUTLOOK

Global markets turned highly volatile last week as investors digested the results of the US midterm elections. Technology-heavy markets bore the brunt of the selloff following a Democratic sweep of Congress. Investors turned cautious on expectations of tighter regulations on AI and technology industries, particularly data center development. The MSCI All-Country World Index or MXWD declined by 2.70% WoW.

The November 5 tech wreck was led by the Nasdaq's 5.5% plunge. All told, the 3 major US equity indices suffered their largest single-day drop since April 2025 – the peak of tariff panic. The Magnificent 7 lost more than $ 1 trillion in market cap in one day, with Nvidia accounting for $440 billion of that. The US tech sector lost 7.3%, logging its worst daily performance since the COVID lockdowns in March 2020. This dragged down other tech-heavy indices while old economy countries were more resilient.

Democrats secured majorities in both the House and the Senate, taking over the US Congress. Results showed a strong shift in sentiment among voters as even Republican strongholds like Texas and Kansas turned blue. This reflected voter dissatisfaction with the incumbent administration's handling of the economy amid worsening affordability and rising cost of living. The blue sweep initially lifted global markets on hopes of an end to the US-Iran war. As a result, oil prices plunged to 2-month lows, easing inflationary pressures. Bond yields also declined, the dollar weakened while gold rose after. However, investors grew increasingly concerned on Democrats leaning towards stricter regulations on AI and tech, posing risk on massive capital spending. The 6 states which Democrats flipped to Blue accounted for 50% of incremental data center capacity.

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



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

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3 BOND OUTLOOK

Market Outlook : **Defensive**

Trading Strategy : Our defensive stance remains as inflation is still running hot and still likely to peak in December at 8%, though the effects of El Nino may keep agricultural prices high into next year. Some good news on oil prices though could alleviate that, if a deal is struck in the Middle East. For now we would still be wary of reentering the market.

Market still expects BSP to hike another 25bp next month. This week we got another dismal print in 3Q GDP which came in at only 2.1%, showing weakness in agriculture and consumer spending. Clearly the average filipino is hurt by rising prices. We think that this could persist as El Nino will soon be in full effect. We also await some data out of the US which will guide the Fed interest rates. For now we are on the sidelines.

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 November 06, 2026
1M	5.4915
3M	5.9247
6M	6.3889
1Y	6.6706
3Y	7.5151
5Y	7.7957
10Y	7.9126

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