VANTAGE POINT

NOVEMBER 16, 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 : Even as the dollar strengthened, oil prices remained subdued which should help ease inflationary pressures moving forward. For now, we expect heightened volatility as the market weighs the potential impact of a possible 50-bps hike by the Fed and volatility in US tech stocks. Buyers have to be very selective in this environment.

The PSEi ended at 5,593.49 on Thursday, down 2.92% WoW, as weakness in top index component ICT offsets strength in other blue chips. The domestic market remained under pressure amid sluggish GDP growth and lackluster 3Q corporate earnings. The Philippine peso also depreciated to 63.72/$ on Thursday, weaker by 1.1% WoW, on the back of a stronger dollar. Net foreign flows were roughly flat for the week.

The Philippine GDP growth in 3Q slid further to 2.1%, marking its weakest performance in over 16 years excluding the pandemic period. Slower household consumption growth and less government spending contributed to the decline. This was way below the government's target of 3.5% to 4.5% for 2026. An economist noted that the 2 consecutive quarters of unusually weak growth and high inflation have put our economy in stagflation.

Moreover, corporate earnings results in 3Q were weaker than expected as net income growth for most companies slowed down. The real estate and banking sectors struggled due to weak demand which was exacerbated by rising interest rates. On the other hand, the consumer and retail sectors remained relatively resilient as consumers downtraded.

Meanwhile, the US 10-yr Treasury yield surged above 5.0% while the dollar rose to its highest since April last year following expectations of a jumbo hike by the Fed in December. Fed Governor Chris Waller commented on Tuesday that a 50-bps rate hike should be on the table next month if core CPI inflation for October settles at 0.3% or higher. The US October core inflation report, released hours later, confirmed to be at 0.3% while headline inflation rose 0.4% YoY. Waller also indicated that regardless of an improvement in inflation, he would still support a 25-bps rate increase at the December meeting.

Philippine Stock Exchange Index (PSEi) 1-year chart



www.marketwatch.com

2 GLOBAL EQUITY OUTLOOK

Global markets staged a technical bounce from previous week's sharp dip with all major indices closing higher WoW. The MSCI All-Country World Index (MXWD) increased by 2.45% WoW.

Technology-heavy Asian markets, which significantly declined in the previous week, saw the highest gains this week.Taiwan's TAIEX went up by 10.01%, Japan's Nikkei 225 grew by 6.46% WoW and South Korea's KOSPI increased by 4.56% WoW. Major US indices- the S&P 500, Nasdaq and Dow Jones- ended higher WoW. European markets- Germany's DAX, the UK's FTSE 100 and broader Europe's STOXX 600- were also in the green.

Volatility in global markets continued with the US' hotter-than-expected inflation report. The US October core inflation YoY was at 0.3% while headline inflation rose 0.4% YoY. The report came shortly after Fed Governor Chris Waller suggested that a 50-bps rate hike would be likely at the December policy meeting if core CPI inflation for October settled at 0.3% or higher. He also added that a 25-bps rate increase at the December meeting would be necessary regardless of an improvement in inflation. This drove US 10-yr Treasury yield beyond 5.0% and the dollar to its highest since April 2025. Gold prices, on the other hand, declined following a stronger dollar. Meanwhile, oil prices remained subdued below $90/bbl.

Moreover, controversies linked to CEO Jensen Huang rattled NVDA's share price. Nvidia is the world leader in accelerated computing and AI which supplies 80% of the world's AI chips. Earlier in the week, reports revealed Huang's extramarital affair with a businesswoman alleged to be a Chinese spy, leading to his resignation later in the week. Nvidia's share price plunged by 14% following the news, losing more than $2 trillion in market value. CFO Colette Kress will serve as interim CEO as the company searches for a successor to Huang. This caused panic across the entire AI complex, with many stocks plunging deep into bear market territory.

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



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

Global Indices Weekly Closing Prices

Country/ Region	Index	6-Nov	13-Nov	WOW Variance 6-Nov	WOW Variance 13-Nov
Benchmark	MXWD	1,085.5	1,112.1	-2.70%	2.45%
US	S&P 500	7,376.9	7,561.7	-2.68%	2.51%
US	Nasdaq	26,990.0	27,943.7	-4.91%	3.53%
US	Dow Jones	51,285.7	52,347.6	-0.94%	2.07%
South Korea	KOSPI	5,059.7	5,290.5	-11.71%	4.56%
Taiwan	TAIEX	39,701.6	43,675.1	-12.19%	10.01%
Japan	Nikkei 225	57,434.8	61,142.4	-9.25%	6.46%
Germany	DAX	25,820.4	26,750.0	0.01%	3.60%
UK	FTSE 100	10,673.9	10,902.6	-0.52%	2.14%
Europe	STOXX 600	648.3	664.1	0.24%	2.44%

Source: LSEG

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3 BOND OUTLOOK

Market Outlook : **Defensive**

Trading Strategy : Local bonds are finding some demand especially in the belly of the curve as rates in the US stabilize and oil prices decline slowly. We think that inflation is still a concern going forward especially as we get into the peak of el Nino. Thus we would prefer to stay defensive for now.

BSP surprised markets by hiking 50bp in a bid to get out ahead of inflation concerns. However market is still highly dependent on the outcome of oil prices and Iran vs US. Heightened rhetoric by Trump is keeping markets nervous. However there is already some real money demand coming in especially for the 4y and 5y tenors. For now, look to stay defensive as geopolitics are keeping markets hostage.

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 13, 2026
1M	5.7783
3M	6.1926
6M	6.5536
1Y	6.7769
3Y	7.4952
5Y	7.7082
10Y	7.7300

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