The Morning View

February 11, 2026

Philippine Stock Exchange Index

+1.98% DoD; Net foreign buying: $17.26mn

Total Net Foreign Flows (USD mn) — PSEi (RHS)
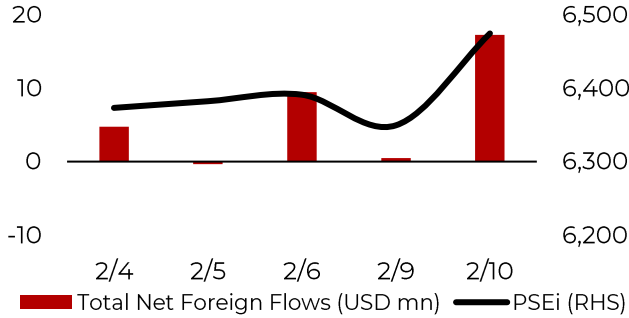
	Level	DoD
PSEi	6,474.60	+1.98%
3-mo bond yield	4.56%	-0.65 bps
2-yr bond yield	5.18%	-0.32 bps
5-yr bond yield	5.62%	+0.77 bps
10-yr bond yield	5.97%	+0.36 bps
USDPHP	58.53	+0.13%
Oil (Brent, $ / barrel)	68.80	-0.35%

The Bangko Sentral ng Pilipinas (BSP) reported that the Philippine banking sector's lending activity expanded at its slowest pace in nearly two years as of end-2025. As of end-December, total outstanding loans of universal and commercial banks, net of reverse repurchase agreements, grew by 9.2% YoY to Php14.349 trillion.

Manila Electric Company (PSE Ticker: MER) announced a Php0.2226 per kilowatt-hour (kWh) hike, bringing the overall household electricity rate to Php13.1734 kWh in February. The rise was attributed to higher transmission and subsidy costs which outweighed a drop in generation charges. This implies residential customers may likely see higher electricity bills in February.

Local equities climbed, supported by higher net foreign buying, and the recent strengthening of the Philippine peso. The PSEi closed at 6,474.60 (+1.98% DoD).

Local fixed income yields inched down on average following the Bureau of the Treasury's full award of the reissued 7.5-year bonds at rates mostly in line with the secondary market. On average, yields fell by 0.21 bps, with the 2Y closing at 5.18% (-0.32 bps) and the 10Y closing at 5.97% (+0.36 bps).

The **Philippine peso** ended relatively flat as markets stayed on the sidelines ahead of key US economic data releases. The USD/PHP pair closed at 58.53 (+0.13% DoD).

Dallas Fed President Lorie Logan, said that she is "cautiously optimistic" that the current policy rate will continue to bring inflation back to the target while keeping the job market stable. She added that the current policy stance is appropriate and no further rate cuts are needed. However, if the labor market cools significantly, she is open to further rate cuts. Logan is currently a voter in the Federal Open Market Committee.

US retail sales were unexpectedly flat in December (Nov.: +0.6% MoM; Consensus: +0.4% MoM). This was attributed to households reducing spending on motor vehicles and other big-ticket items. Meanwhile, core retail sales also moderated by 0.1% MoM in December (Revised Nov.: +0.2% MoM; Consensus: +0.4% MoM).

US equities ended mixed as investors weighed the implications of Artificial Intelligence (AI) on the financial sector after the launch of an AI-powered tax planning tool. The S&P 500 closed at 6,941.81 (-0.33% DoD), while the DJIA ended at 50,188.14 (+0.10% DoD).

US Treasury yields slipped, and the **US dollar** closed flat after the US retail sales missed market's expectations in December. The market also looked ahead to the January nonfarm payrolls and inflation report releases this week.

On average, yields fell by 3.89 bps, with the 2Y closing at 3.46% (-3.30 bps) and the 10Y closing at 4.15% (-5.70 bps).

The DXY closed at 96.80 (-0.02% DoD).

Global Stock Indices

MSCI APxJ	0.70%
DJIA	0.10%
MSCI World	-0.01%
MSCI Europe	-0.01%
S&P500	-0.33%
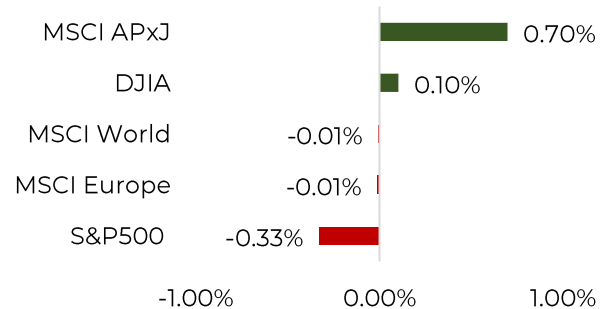
	Level	DoD
S&P 500	6,941.81	-0.33%
DJIA	50,188.14	+0.10%
3-mo US Treasury yield	3.68%	0.00 bps
2-yr US Treasury yield	3.46%	-3.30 bps
5-yr US Treasury yield	3.70%	-4.30 bps
10-yr US Treasury yield	4.15%	-5.70 bps
DXY	96.80	-0.02%