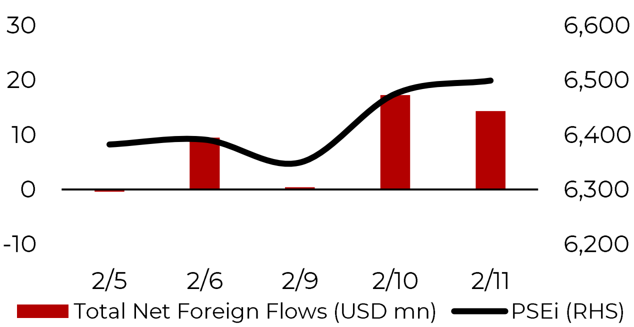
The Morning View

February 12, 2026

Philippine Stock Exchange Index

+0.37% DoD; Net foreign buying: $14.32mn



	Level	DoD
PSEi	6,498.82	+0.37%
3-mo bond yield	4.55%	-0.97 bps
2-yr bond yield	5.19%	+0.82 bps
5-yr bond yield	5.61%	-0.97 bps
10-yr bond yield	5.96%	-0.47 bps
USDPHP	58.29	-0.41%
Oil (Brent, $ / barrel)	69.40	+0.87%

Bangko Sentral ng Pilipinas (BSP) Governor Eli M. Remolona, Jr. said that the Philippine economy is on track to rebound by 2H as business confidence begins to improve. He noted that the loss of confidence amid the corruption controversy stalled economic growth in 2H25 but is expected to normalize in the latter part of this year.

Manila Electric Company (PSE Ticker: MER) proposed a capital expenditure program worth Php272 billion for the 2027-2030 regulatory period, as part of its rate reset application with the Energy Regulatory Commission. MER is applying for a new total distribution rate of Php2.34 per kilowatt-hour (kWh) from the current rate of Php1.35 kWh.

Local equities rose amid a stronger peso and expectations of a February rate cut from the BSP. This was also after the MSCI rebalancing results showed no deletions of Philippine names. Meanwhile, **local fixed income yields** were mixed, and the **Philippine peso** strengthened to a near four-month high following the weaker-than-expected December US retail sales.

The PSEi closed at 6,498.82 (+0.37% DoD).

On average, yields fell by 0.55 bps, with the 2Y closing at 5.19% (+0.82 bps) and the 10Y closing at 5.96% (-0.47 bps).

The USD/PHP pair closed at 58.29 (-0.41% DoD).

US nonfarm payrolls rose more than expected by 130,000 in January (Revised Dec.: 48k, Consensus: 65k) amid gains in health care, social assistance, and construction. Meanwhile, the unemployment rate fell to 4.3% in January (Dec.: 4.4%, Consensus: 4.4%). Moreover, the Bureau of Labor and Statistics released final benchmark revisions for nonfarm payrolls, showing 862,000 fewer jobs during 12 months through March 2025.

The Congressional Budget Office (CBO) estimated that the US budget deficit will grow to $1.853 trillion in fiscal year 2026 (2025: $1.775 trillion), approximately 5.8% of Gross Domestic Product (GDP). This was attributed to extended tax cuts and slower projected economic growth. The CBO also expects the deficit-to-GDP ratio to average 6.1% over the next decade, above the US Treasury's 3% target.

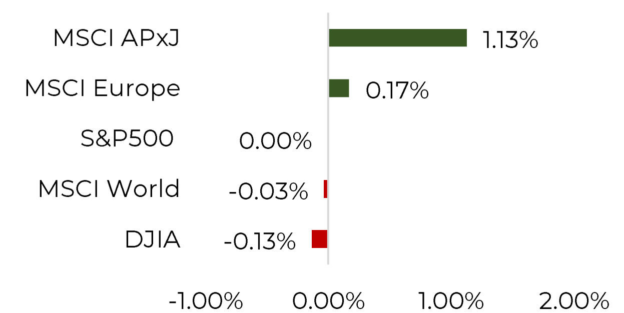
US equities slipped, **US Treasury yields** jumped, and the **US dollar** closed flat after the release of the higher-than-expected January nonfarm payroll additions and the significant downward revision to previous labor data.

The S&P 500 closed at 6,941.47 (-0.00% DoD), while the DJIA ended at 50,121.40 (-0.13% DoD).

On average, yields rose by 2.70 bps, with the 2Y closing at 3.51% (+5.80 bps) and the 10Y closing at 4.17% (+2.70 bps).

The DXY closed at 96.83 (+0.04% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,941.47	-0.00%
DJIA	50,121.40	-0.13%
3-mo US Treasury yield	3.70%	+1.20 bps
2-yr US Treasury yield	3.51%	+5.80 bps
5-yr US Treasury yield	3.75%	+4.20 bps
10-yr US Treasury yield	4.17%	+2.70 bps
DXY	96.83	+0.04%