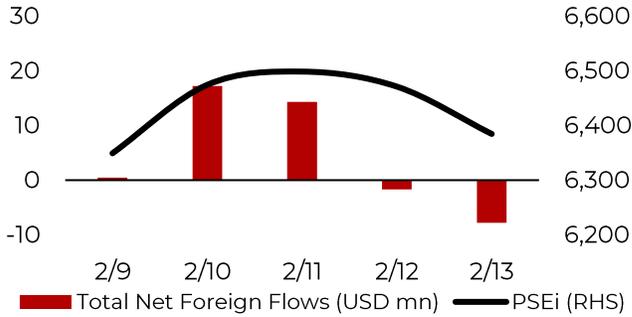


The Morning View

February 16, 2026

Philippine Stock Exchange Index

-1.34% DoD; Net foreign selling: \$7.80mn



| | Level | DoD |
|--------------------------|----------|-----------|
| PSEi | 6,384.58 | -1.34% |
| 3-mo bond yield | 4.55% | -0.86 bps |
| 2-yr bond yield | 5.18% | -0.49 bps |
| 5-yr bond yield | 5.59% | -2.80 bps |
| 10-yr bond yield | 5.97% | +0.94 bps |
| USDPHP | 58.02 | -0.16% |
| Oil (Brent, \$ / barrel) | 67.75 | +0.34% |

Based on a BusinessWorld poll, analysts expect the Bangko Sentral ng Pilipinas (BSP) to cut its policy rate by 25 bps to 4.25% in the upcoming February 19 Monetary Board policy meeting. Analysts noted that the sluggish economic growth and still relatively benign inflation will provide the BSP ample room to deliver a six straight policy rate cut.

The Government is planning to bid Semirara Mining and Power Corp.'s (PSE Ticker: SCC) mining rights contract on Semirara Island after it rejected the company's request for a renewal. The contract is set to expire in 2027 and is slated for public auction later this year.

Local equities ended lower on continued profit-taking. Investors also turned cautious ahead of the BSP's policy rate decision later this week. The PSEi closed at 6,384.58 (-1.34% DoD).

Local fixed income yields ended mixed as investors awaited key US inflation data and weighed expectations that the BSP will cut its policy rate at its February policy meeting amid growth concerns. On average, yields fell by 0.93 bps, with the 2Y closing at 5.18% (-0.49 bps) and the 10Y closing at 5.97% (+0.94 bps).

The **Philippine peso** slightly strengthened ahead of the release of the US inflation data. The USD/PHP pair closed at 58.02 (-0.16% DoD).

US headline Consumer Price Index (CPI) rose by 2.4% YoY in January (December: 2.7%, Consensus: 2.5%). The softer inflation print was attributable to cheaper gasoline and a moderation in rental inflation. Core CPI rose by 2.5% (December: 2.6%, Consensus: 2.5%), the smallest gain in five years, amid a decline in prices of used cars and trucks.

The European Union's (EU) trade surplus narrowed to €12.9 billion in December 2025, 9% lower from €14.2 billion in 2024. Exports to the US, the EU's largest trade partner, fell 13% YoY, largely due to higher US tariffs. Meanwhile, the trade deficit with China widened to €26.8 billion, 16% YoY, driven by rising imports of Chinese technology, which are competing with European firms.

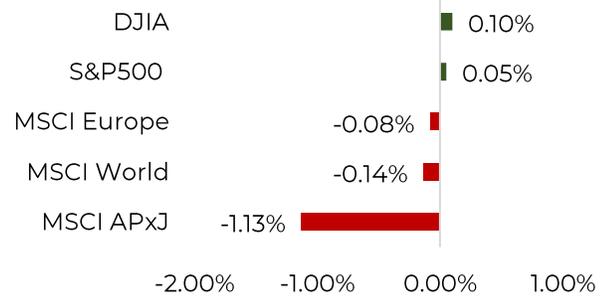
US equities inched up, the **US Treasury yields** dropped, and the **US dollar** closed flat after the US CPI inflation slowed in January and fell below consensus estimates. Moreover, equity gains were capped by the lingering concerns over the potential artificial intelligence-driven disruption in several sectors.

The S&P 500 closed at 6,836.17 (+0.05% DoD), while the DJIA ended at 49,500.93 (+0.10% DoD).

On average, yields fell by 3.24 bps, with the 2Y closing at 3.41% (-4.80 bps) and the 10Y closing at 4.05% (-5.20 bps).

The DXY closed at 96.92 (-0.01% DoD).

Global Stock Indices



| | Level | DoD |
|-------------------------|-----------|-----------|
| S&P 500 | 6,836.17 | +0.05% |
| DJIA | 49,500.93 | +0.10% |
| 3-mo US Treasury yield | 3.68% | -0.90 bps |
| 2-yr US Treasury yield | 3.41% | -4.80 bps |
| 5-yr US Treasury yield | 3.61% | -5.40 bps |
| 10-yr US Treasury yield | 4.05% | -5.20 bps |
| DXY | 96.92 | -0.01% |

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