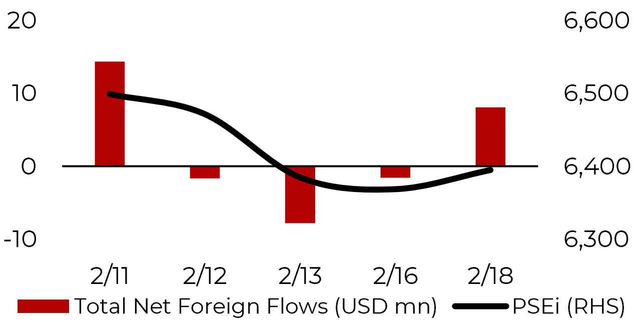
The Morning View

BPI WEALTH

February 19, 2026

Philippine Stock Exchange Index

+0.41% DoD; Net foreign buying: $8.08mn



	Level	DoD
PSEi	6,394.77	+0.41%
3-mo bond yield	4.49%	-3.81 bps
2-yr bond yield	5.15%	-0.99 bps
5-yr bond yield	5.58%	-0.61 bps
10-yr bond yield	5.93%	-0.58 bps
USDPHP	57.86	-0.22%
Oil (Brent, $ / barrel)	70.35	+4.35%

The Department of Energy (DoE) is set to open a bid round on Feb. 27 for coal areas with verified reserves. Three coal areas will be offered covering 18 coal blocks. The auction will include the blocks covered under the coal operating contract that is currently held by Semirara Mining and Power Corp. The auction is part of the DoE's efforts to support broader energy security.

Aboitiz Power Corporation (PSE Ticker: AP) has entered a 30 megawatts (MW) power supply agreement with Northern Negros Electric Cooperative, Inc. (NONECO). AP will provide a 10-MW mid-merit supply from Aboitiz Solar Power, Inc., and 20-MW baseload requirement from GNPower Mariveles Energy Center.

Local equities rose on bargain hunting after a three-day market decline, and ahead of the Bangko Sentral ng Pilipinas' (BSP) policy rate decision. Analysts widely expect the BSP to cut its policy rate by 25 bps to 4.25%. The PSEi closed at 6,394.77 (+0.41% DoD).

Local fixed income yields declined after strong investor demand for the Bureau of the Treasury's 10-year fixed-rate treasury notes, through which the government raised Php107.07 billion. On average, yields fell by 1.26 bps, with the 2Y closing at 5.15% (-0.99 bps) and the 10Y closing at 5.93% (-0.58 bps).

The **Philippine Peso** strengthened after cash remittances from overseas Filipino workers reached a record high in FY25. The USD/PHP pair closed at 57.86 (-0.22% DoD).

The Federal Open Market Committee January meeting minutes showed that Fed policymakers were in near-unanimous agreement to keep interest rates on hold. However, they remain split on the policy path ahead, with several open to rate hikes if inflation remains elevated while others supported further cuts if inflation continues to decline.

US manufacturing output rose by 0.6% MoM in January (December: +0.2%, Consensus: +0.4%), posting biggest gain in 11 months. Production at factories expanded 2.4% YoY, driven by durable goods, alongside strong gains in nonmetallic mineral products, machinery, computer and electronic products.

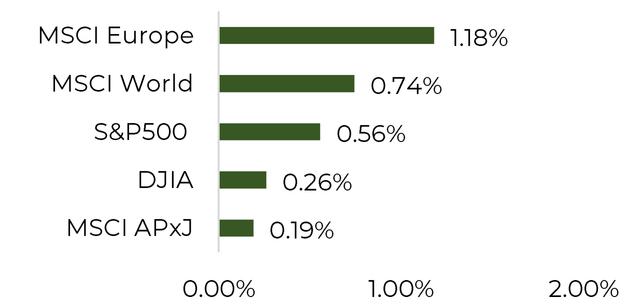
US equities rose, led by large tech names such as Nvidia, following reports that it signed a multi-billion deal to supply chips for Meta's artificial intelligence data centers. The S&P 500 closed at 6,881.31 (+0.56% DoD), while the DJIA ended at 49,662.66 (+0.26% DoD).

US Treasury yields climbed, and the **US dollar** strengthened after the Fed minutes revealed divisions among policymakers on the timing of the next rate cut, with some members noting that policy can remain steady for some time as the committee assesses incoming data.

On average, yields rose by 1.82 bps, with the 2Y closing at 3.47% (+2.70 bps) and the 10Y closing at 4.09% (+2.30 bps).

The DXY closed at 97.70 (+0.56% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,881.31	+0.56%
DJIA	49,662.66	+0.26%
3-mo US Treasury yield	3.70%	+1.20 bps
2-yr US Treasury yield	3.47%	+2.70 bps
5-yr US Treasury yield	3.65%	+2.90 bps
10-yr US Treasury yield	4.09%	+2.30 bps
DXY	97.70	+0.56%