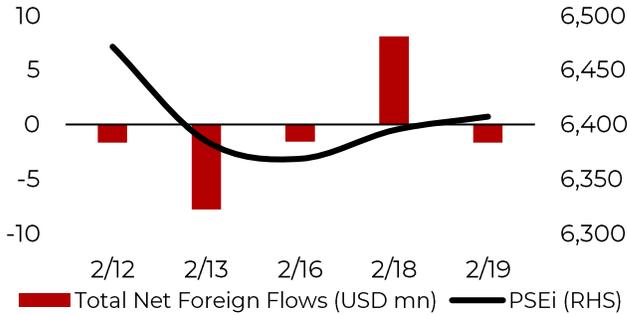


The Morning View

February 20, 2026

Philippine Stock Exchange Index

+0.19% DoD; Net foreign selling: \$1.67mn



	Level	DoD
PSEi	6,407.15	+0.19%
3-mo bond yield	4.47%	-2.11 bps
2-yr bond yield	5.14%	-0.27 bps
5-yr bond yield	5.60%	+2.16 bps
10-yr bond yield	5.97%	+3.98 bps
USDPHP	58.00	+0.23%
Oil (Brent, \$ / barrel)	71.66	+1.86%

The Bangko Sentral ng Pilipinas (BSP) cut its key policy rate by 25 bps to 4.25%. BSP Governor Remolona acknowledged that economic growth has been softer than expected amid weaker confidence following the flood control controversy. The BSP also shared that it lowered its economic growth forecasts to 4.6% in FY2026 (from 5.4%) and 5.9% in FY2027 (from 6.3%). Meanwhile, inflation is expected to remain manageable at 3.6% in FY2026 and 3.2% in FY2027.

AREIT, Inc. (PSE Ticker: AREIT) reported a FY25 net income of Php9.4 billion (+28% YoY), driven by income contributions from its 2025 mall and hotel acquisitions. AREIT's Board of Directors also approved a cash dividend of Php0.62 per share for 4Q25, bringing its total dividend per share to Php2.41 for 2025 (+6% YoY).

Local equities inched up, **local fixed income yields** ended mixed, and the **Philippine Peso** weakened as investors weighed the BSP's decision to reduce its policy rate to 4.25% and guidance that further cuts will depend on what happens to confidence and growth.

The PSEi closed at 6,407.15 (+0.19% DoD).

On average, yields rose by 0.11 bps, with the 2Y closing at 5.14% (-0.27 bps) and the 10Y closing at 5.97% (+3.98 bps).

The USD/PHP pair closed at 58.00 (+0.23% DoD).

The US trade deficit widened 32.6% MoM to a five-month high of \$70.3 billion in December. Imports rose 3.6% MoM, largely driven by higher capital-goods shipments likely tied to data-center construction. Meanwhile, exports fell 1.7% MoM amid lower shipments of industrial supplies and materials. Nonetheless, FY25 trade deficit narrowed slightly by 0.2% YoY to \$901.5 billion.

US President Donald Trump threatened Iran to make a deal over its nuclear program within the next 10-15 days. US Secretary of State Marco Rubio is scheduled to meet with Israel Prime Minister Benjamin Netanyahu on February 28 to discuss Iran. Tehran stated that it would not start any war but would respond proportionately.

US equities fell and **US Treasury yields** inched down amid risk-off sentiment driven by rising tensions between the US and Iran. Meanwhile, the **US dollar** strengthened as investors digested the lower-than-anticipated weekly jobless claims of 206,000 for the week ended February 14. This was also ahead of the release of the December personal consumption expenditures (PCE) inflation and 4Q25 US gross domestic product data later today.

The S&P 500 closed at 6,861.89 (-0.28% DoD), while the DJIA ended at 49,395.16 (-0.54% DoD).

On average, yields fell by 0.97 bps, with the 2Y closing at 3.46% (-0.20 bps) and the 10Y closing at 4.07% (-1.60 bps).

The DXY closed at 97.93 (+0.23% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,861.89	-0.28%
DJIA	49,395.16	-0.54%
3-mo US Treasury yield	3.69%	-1.00 bps
2-yr US Treasury yield	3.46%	-0.20 bps
5-yr US Treasury yield	3.64%	-1.20 bps
10-yr US Treasury yield	4.07%	-1.60 bps
DXY	97.93	+0.23%

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