

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEi FEBRUARY 19, 2026 OPEN: 6,412.35 HIGH: 6,427.90 LOW: 6,387.73 CLOSE: 6,407.15 VOL.: 0.928 B VAL(P): 5.261 B 12.38 pts. 0.19% 30 DAYS TO FEBRUARY 19, 2026	FEBRUARY 19, 2026 JAPAN (Nikkei 225) 57,467.83 ▲ 323.99 0.57 HONG KONG (HANG SENG) ** 26,705.94 ▲ 138.82 0.52 TAIWAN (WEIGHTED) * 33,605.71 ▲ 532.74 1.61 THAILAND (SET INDEX) 1,492.92 ▲ 26.25 1.79 S. KOREA (KSE COMPOSITE) 5,677.25 ▲ 170.24 3.09 SINGAPORE (STRAITS TIMES) 5,002.48 ▲ 63.90 1.29 SYDNEY (ALL ORDINARIES) 9,086.20 ▲ 79.20 0.88 MALAYSIA (KLESE COMPOSITE) 1,752.11 ▲ 10.85 0.62 <small>CLOSING PRICES AS OF: FEB. 11, 2026 *FEB. 16, 2026</small>	FEBRUARY 18, 2026 DOW JONES 49,662.660 ▲ 129.470 NASDAQ 22,753.635 ▲ 175.251 S&P 500 6,881.310 ▲ 38.090 FTSE 100 10,686.180 ▲ 130.010 Euro Stoxx50 5,243.870 ▲ 64.090	FX 57.70 58.14 58.58 59.02 59.46 59.90 13.50 cts 30 DAYS TO FEBRUARY 19, 2026 SOURCE: BAP	FEBRUARY 19, 2026 LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 154.9000 ▼ 153.6500 HONG KONG (HK DOLLAR) 7.8148 ▼ 7.8156 TAIWAN (NT DOLLAR) 31.5340 ▼ 31.3780 THAILAND (BAHT) 31.1400 ▼ 31.2900 S. KOREA (WON) 1,446.1000 ▼ 1,444.3500 SINGAPORE (DOLLAR) 1.2664 ▼ 1.2640 INDONESIA (RUPIAH) 16,870.000 ▼ 16,875.000 MALAYSIA (RINGGIT) 3.9060 ▼ 3.8980	FEBRUARY 19, 2026 US\$/UK POUND 1.3505 ▼ 1.3572 US\$/EURO 1.1802 ▼ 1.1836 US\$/AUSTRALIAN DOLLAR 0.7070 ▼ 0.7078 CANADA DOLLAR/US\$ 1.3671 ▲ 1.3658 SWISS FRANC/US\$ 0.7725 ▲ 0.7712	FEBRUARY 19, 2026 FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$67.05/BBL 70.00 67.20 64.40 61.60 58.80 56.00 \$0.19 30 DAYS TO FEBRUARY 16, 2026

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • FEBRUARY 19, 2026 (PSEi snapshot on S1/2; article on S2/2)

ICT	P670.000	SCC	P25.600	PLUS	P14.180	ALI	P20.700	MBT	P73.300	SMHP	P21.000	JGS	P29.000	BDO	P136.200	DMC	P9.300	SM	P691.500
Value	P547,825,050	Value	P394,847,830	Value	P294,045,596	Value	P289,033,500	Value	P255,572,241	Value	P237,111,700	Value	P216,524,670	Value	P209,371,541	Value	P204,958,851	Value	P162,459,540
	-P1.500 ▼ -0.223%		P3.050 ▲ 13.525%		-P0.240 ▼ -1.664%		-P0.250 ▼ -1.193%		-P0.850 ▼ -1.146%		-P0.300 ▼ -1.408%		P0.550 ▲ 1.933%		-P0.200 ▼ -0.147%		P0.800 ▲ 9.412%		P1.000 ▲ 0.145%

BSP cuts key rate amid growth slump

By Katherine K. Chan
Reporter

THE BANGKO SENTRAL ng Pilipinas (BSP) lowered its key policy rate by 25 basis points (bps) for a sixth straight meeting, a move seen to help the economy regain its momentum following a slowdown last year.

On Thursday, the Monetary Board lowered the target reverse

repurchase rate (RRP) by 25 bps to 4.25%, the lowest in over three years or since the 3.75% in August 2022. This matched the benchmark rate set in September 2022.

Rates on the overnight deposit and lending facilities were also trimmed by 25 bps each to 3.75% and 4.75%, respectively.

The Monetary Board's latest move met market expectations, as all 16 analysts polled by *BusinessWorld* anticipated a 25-bp cut.

This brought the BSP's total reductions to 225 bps since it began its series of monetary policy easing in August 2024.

The sixth straight rate cut came after weaker-than-expected economic growth, triggered by the flood control corruption scandal that broke out last year.

"Growth has been softer than expected. Investments slowed," BSP Governor Eli M. Remolona, Jr. said during a briefing. "We attributed this to a lack of accuracy.

But soft data on sentiment showed tentative signs of recovery."

"Our decision today may actually help to restore confidence, boosting investment and consumption. The pace of economic recovery will depend on how quickly confidence returns," he added.

In the fourth quarter of 2025, the Philippine economy grew by 3%, its worst performance in 16 years (excluding the pandemic period). This brought the full-year gross domestic product

(GDP) growth to a post-pandemic low of 4.4%.

The BSP had expected growth to settle at 3.8% in the final quarter of last year to bring the full-year print to 4.6%.

In 2025, the BSP delivered a 25-bp cut at each of its meetings in April, June, August, October, and December, with the last two prompted by a clouded growth outlook as governance issues weakened consumer and business sentiment.

"Economic growth has under-shot the BSP's expectations due to weaker domestic demand. Latest indicators point to a recovery in the second half of the year, but growth will depend largely on how quickly confidence recovers," Mr. Remolona said.

However, the central bank slashed its GDP growth forecast for this year to 4.6% from 5.4% previously. If realized, this would undershoot the government's 5%-6% target.

Key rate, S1/3

BoP deficit sharply narrows in January

THE PHILIPPINES' balance of payments (BoP) deficit sharply narrowed to \$373 million in the first month of 2026, the Bangko Sentral ng Pilipinas (BSP) reported.

Based on central bank data released on Thursday, the country's BoP position stood at a \$373-million shortfall in January, sharply narrowing from the \$4.078-billion gap recorded in the same month last year.

It was likewise smaller than the \$827-million deficit posted in December 2025.

January also marked the third straight month that the country's BoP position stood at a deficit.

BoP refers to the country's economic transactions with other nations. A surplus indicates more funds entered into the country, while a deficit shows that the country spent more than it received.

"[The] deficit largely reflects seasonally strong import payments and profit remittances at the start of the year, alongside some portfolio repositioning amid global rate uncertainty," SM Investments Corp. Group

Economist Robert Dan J. Roces said in a Viber message.

Easing external pressures at the start of the year as well as steady inflows of remittances and services may have also driven the narrower deficit, he added.

Jonathan L. Ravelas, a senior adviser at Reyes Tacandong & Co., said the BoP deficit came on the back of the country's persistent trade deficit.

"The BoP is still in deficit mainly because imports are outpacing exports," he said via Viber. "That reflects strong domestic demand and infrastructure spending, while global demand for our exports — and services like BPO (business process outsourcing) and tourism — has been softer."

Latest data showed that the country's trade-in-goods deficit ended 2025 at its narrowest level in four years at \$49.17 billion, down by 9.5% from the \$54.33-billion shortfall logged in 2024.

However, Mr. Ravelas noted that the BoP deficit is "not a crisis signal," noting that the Philippines' external buffers are still solid.

BoP, S1/5

Gov't raises P235B in new money from FXTNs

By Aaron Michael C. Sy
Reporter

THE GOVERNMENT has raised P235 billion in fresh funds from its offering of new fixed rate Treasury notes (FXTNs), closing the public offer period a day after the rate-setting auction due to strong demand.

"Apart from supporting the National Government's financing requirements, this 10-year FXTN issuance underscores our commitment to establishing liquid benchmark securities that strengthen secondary market activity," National Treasurer Sharon P. Almanza said in a statement on Thursday.

"The pricing of the FXTN, which came in close to the 10-year Bloomberg Valuation (BVAL) rate, reflects our disciplined and prudent approach to fiscal management."

The BTr's offer period was cut short from the original three-day window of Feb. 18 to 20 after reaching the funding target.

The government had raised an additional P127.93 billion from the tap facility it opened on

Wednesday from the P107.07 billion earlier raised from the rate-setting auction.

"Please be informed that the BTr will no longer accept bids for the new money component of the FXTN 10-74 amidst the strong demand received during the first day of the public offer period," the Treasury said in a separate memo.

Total tenders at the tap facility reached P135.8 billion, underscoring enduring robust demand as the offering was timed a day ahead of the anticipated policy rate cut by the Bangko Sentral ng Pilipinas (BSP).

The BSP on Thursday lowered its benchmark policy rate by 25 basis points (bps) to 4.25% as widely expected.

At the rate-setting auction, total tenders for the paper reached P328.467 billion. The new Treasury bonds (T-bonds) fetched a coupon rate of 5.925%, resulting in an average rate of 5.893%. Accepted bid yields ranged from 5.75% to 5.928%.

In April last year, the government raised P300 billion via new 10-year benchmark notes, above the P30-billion program, with P135 billion initially raised from the rate-setting auction.

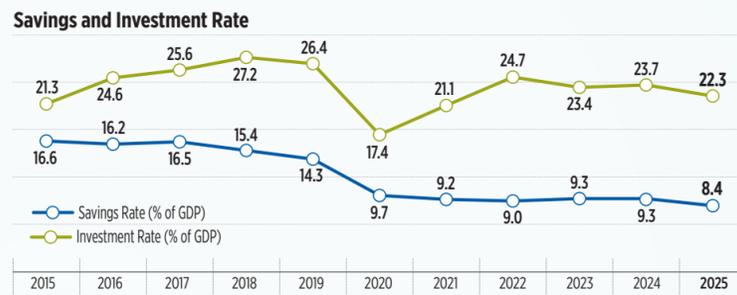
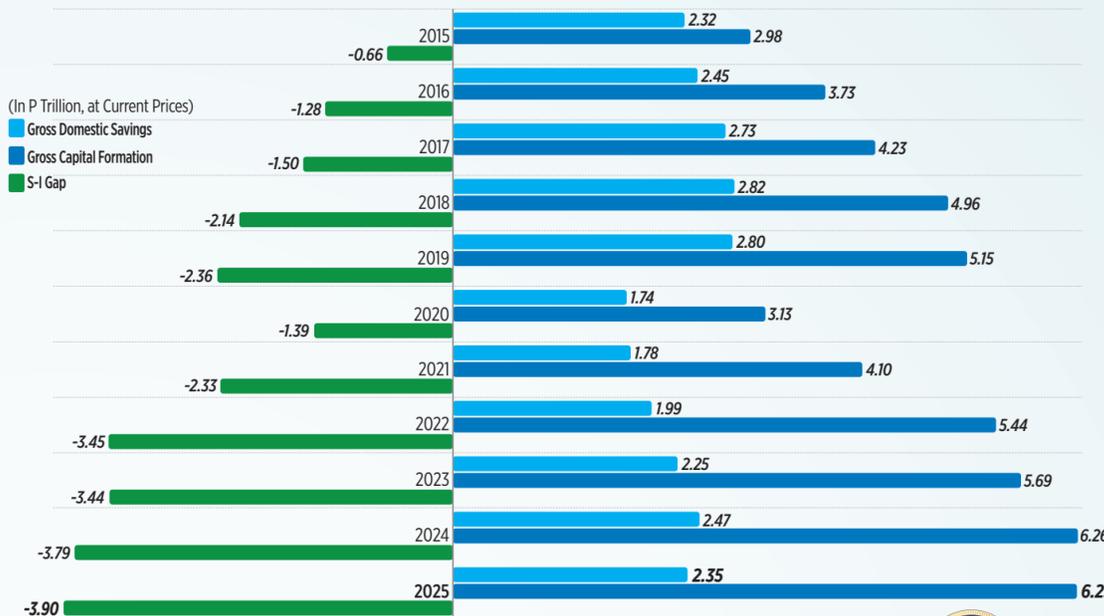
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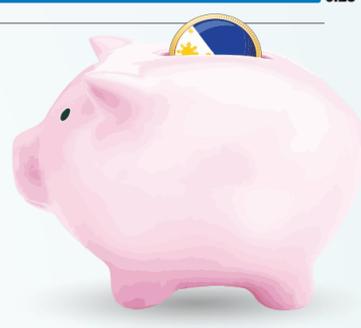
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Can domestic savings cover the country's increasing investment needs?

The country's savings rate — defined as gross domestic savings as a percentage of gross domestic product (GDP) — grew to 8.4% in 2025, reaching P2.35 trillion. Meanwhile, the investment rate was 22.3% of GDP, or P6.25 trillion, resulting in a P3.90-trillion gap. The savings-investment (S-I) gap — the difference between gross domestic savings and gross capital formation — shows a country's ability to finance its overall investment needs. An S-I deficit occurs when a country's investment expenditures exceed its savings, forcing a country to borrow money to fund the gap.



Source: Philippine Statistics Authority (Preliminary data as of January 2026) BusinessWorld Research: Lourdes O. Pilar and Heather Caitlin P. Mañago BusinessWorld Graphics: Bong R. Fortin



DoF to review OECD call to phase out VAT exemptions for senior citizens, private schools

By Beatriz Marie D. Cruz
Reporter

THE DEPARTMENT of Finance (DoF) is reviewing the Organisation for Economic Co-operation and Development's (OECD) suggestion for the Philippines to remove the value-added tax (VAT) exemptions for senior citizens, private education and healthcare providers.

"OECD has a lot of good suggestions, but we have to study them. We'll see which ones we can do, which ones we cannot do," Finance Secretary Frederick D. Go told reporters on Feb. 18.

The OECD in a report last week recommended that the Philippines phase out VAT exemptions for senior citizens, private healthcare and educa-

tion, as part of efforts to reduce public debt and narrow its budget deficit.

The Philippines imposes a 12% VAT on sales, leases, barter, and imports of goods and services. However, senior citizens are granted a 12% VAT exemption under Republic Act No. 9994 or the Expanded Senior Citizens Act.

Private healthcare and educational institutions also benefit from tax breaks.

At the same time, business groups said the government should focus on plugging tax leakages and addressing corruption and smuggling, instead of removing VAT exemptions and tax incentives.

"If you look at our VAT system, there's still a lot of inefficiencies. While the VAT exemption is being seen as a leakage, I would say that

there are many more leakages in terms of execution," Makati Business Club Chairman Edgar O. Chua told *BusinessWorld* on the sidelines of the Philippine Business for Education (PBEd) Leadership Forum on Feb. 18.

Management Association of the Philippines President Donald Patrick L. Lim said the OECD's proposal should be assessed for its social and inflationary impacts.

"While broadening the VAT base and modernizing corporate incentives can strengthen fiscal sustainability and transparency, reforms must not undermine our regional position in attracting investments or weaken protections for vulnerable sectors," he said in a Viber message.

Mr. Chua said the government should focus on curbing loopholes in its tax collection system,

citing rampant smuggling in the country.

LEAKAGES

The Philippines' VAT collection efficiency is just about 35% to 40%, significantly lower than the Southeast Asian average of 57%, Asian Consulting Group Chairman and Chief Executive Officer Raymond A. Abrea told a forum on Feb. 17.

In comparison, Thailand has the highest VAT collection efficiency of 71% to 79% despite having the lowest VAT in the region of 7%.

"I guess our VAT system should be better managed to make sure there are no leakages. If it's not managed properly, I'm sure people are finding their ways around it," PBEd President and Co-founder Chito B. Salazar told *BusinessWorld*.

VAT exemptions, S1/5