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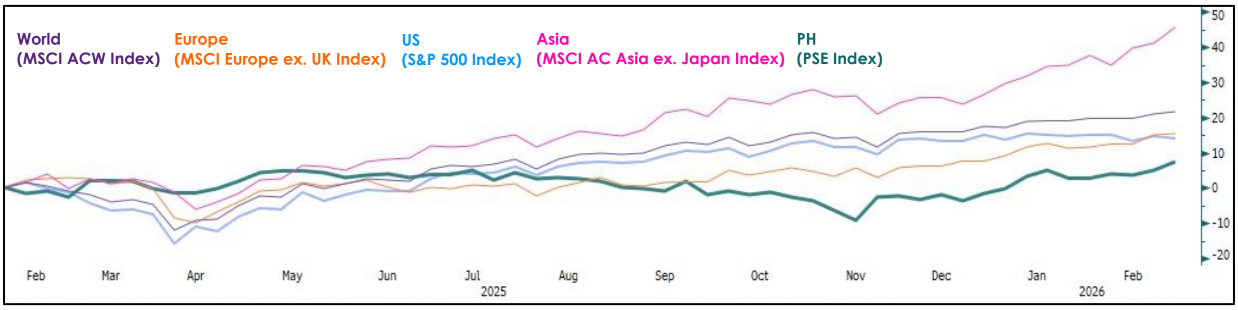
Global equities diverge amid U.S. tech rotation; Philippine stocks gain, led by Mining and Services

Figure 1. ***Selected Equity Indices Weekly Movement, February 2025 – February 2026 (normalized % change)***



Basic Source: Bloomberg Finance L.P., 2026 Prepared by: ERTD-ERAD

1. Global equity markets recorded modest gains in February 2026, with the United States (U.S.) market underperforming amid a rotation away from mega-cap technology stocks, particularly those linked to artificial intelligence (AI) investments. The S&P 500 declined by 0.8%, reflecting investors' heightened concerns over the returns on large AI capital expenditures. While the information technology sector lagged, utilities, materials, and consumer staples ranked among the top-performing sectors.

2. European equity markets outperformed the U.S., supported by improving economic indicators and stable monetary policy conditions. Eurozone equities posted gains during the month, with the MSCI Europe ex-UK index rising 2.8%, as investors continued rotating away from U.S. technology stocks. Inflation in the region eased to 1.7% in January, enabling the European Central Bank to keep its policy rate unchanged at 2.0%, while the eurozone composite PMI remained above the expansion threshold, indicating modest but sustained economic growth.

3. In Asia, equity markets delivered strong performance, particularly in Japan and emerging Asian economies. Japanese equities were among the best performers globally, with the TOPIX and Nikkei 225 rising by 10.5% and 10.4%, respectively. These gains were supported by political stability following the election victory of Prime Minister Sanae Takaichi and strong domestic demand. Meanwhile, Asia ex-Japan equities also advanced significantly, with the MSCI AC Asia ex-Japan Index rising 5.9%, driven mainly by technology hardware exporters in Korea and Taiwan benefiting from sustained demand for semiconductors and AI-related infrastructure.

4. The Philippine stock market posted gains as of end-February 2026, with the PSEi rising 4.46% month-on-month (m-o-m) to 6,611.24 and 9.22% year-to-date (YTD). Sectoral performance was broadly positive, led by Services and Mining and Oil, with Industrials and Holding Firms also recorded solid gains.

Table 1. ***PSEi Performance as of End of February 2026***

Sectors	Feb 2026	Comparative Change (%)	
	Close	m-o-m	YTD
PSEi	6,611.24	4.46	9.22
All Shares	3,641.24	1.62	4.84
Financials	2,168.20	0.78	5.84
Industrials	9,449.09	5.07	9.61
Holding Firms	5,219.57	3.97	9.02
Property	2,194.72	(0.16)	(3.58)
Services	2,850.06	10.28	19.82
Mining and Oil	19,923.15	5.13	32.29

Basic Sources: PSE, 2026a Prepared by: ERTD-ERAD

5. Market capitalization increased 1.8% m-o-m, rising to PHP19.83 trillion in February from PHP19.48 trillion in January. Meanwhile, trading activity moderated during the month, with total value declining by 5.8% to PHP147.17 billion from PHP156.24 billion, while trading volume decreased by 19.6% to 23.31 billion shares from 28.83 billion shares. These figures reflect cautious market sentiment. Capital-raising activity was limited to private placements, amounting to PHP6.00 billion in February compared with PHP6.88 billion in January, reflecting relatively softer fundraising activity during the period.

Sources: Bloomberg Finance L.P., 2026, GSB, 2026; JP Morgan, 2026; Schroders, 2026; PSE, 2025; PSE, 2026a; PSE, 2026b

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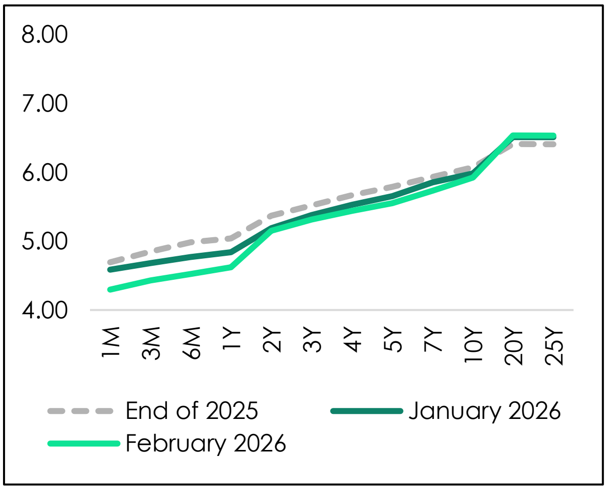
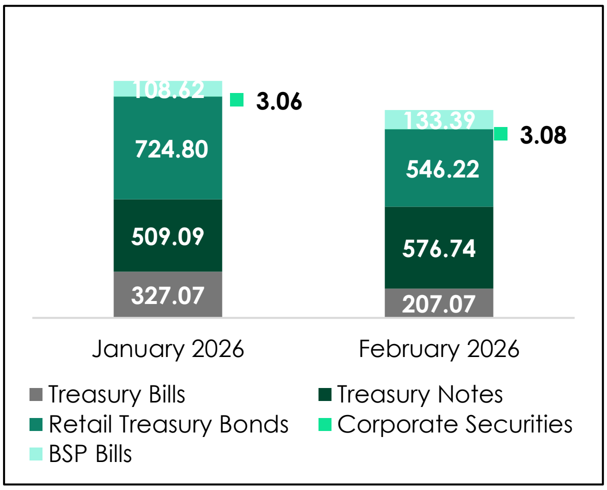
Domestic yields ease across most tenors; February corporate debt listings reach PHP208.4B

Figure 2. ***End of Period Yields across Benchmark Tenors (%, BVAL Yield)***



Basic Sources: PDS, 2025; PDS, 2026a PDS, 2026b   Prepared by: ERTD-ERAD

Figure 3. ***PDEx Fixed Income Trade Volume Trends (in PHP Billion)***



Basic Source: PDS, 2026c   Prepared by: ERTD-ERAD

6. In February 2026, the local yield curve (**Figure 2**) was lower in almost all maturities, except for the long-term yields (20 and 25Y), compared to January 2026. This movement followed the Bangko Sentral ng Pilipinas' (BSP) policy rate cut from 4.50% down to 4.25%. Philippine short (30-days to 365-days) and medium-term (2Y – 5Y) fixed income yields were declining mainly due to BSP's 25-basis-point policy rate cut to boost domestic demand, supported by strong market liquidity and manageable inflation. The long-term (7Y – 25Y) yields showed mixed performance resulted from strong domestic demand and rising global risk premiums.

7. Total domestic fixed income trade volume (**Figure 3**) declined by -12.32% to PHP1.47 trillion from PHP1.67 trillion in January. The decline was mainly due to the trade contraction of the Treasury Bills and Retail Treasury Bonds, as both reduced by -36.69% and -24.64%, respectively. Higher demand for the recent new issuance of the 10-year Treasury Notes resulted in a shift of funds from short-term to long-term government bonds. Cautious investor sentiment, such as anticipation of inflation data, also affected the trade volume. Treasury Notes, Corporate Securities, and BSP Bills, on the contrary, increased by 13.29%, 0.65%, and 22.81%, respectively. This was attributed to the BSP's reduced target reverse repurchase rate by 25 bps for the sixth straight meeting to 4.25%.

8. Bank of the Philippine Islands (BPI) and Century Properties Group, Inc. (CPG) return to the capital market with PHP50 billion and PHP5 billion issuances, respectively. BPI's Supporting Individuals Grow, Lead, and Achieve (SIGLA) bonds, with a two-year tenor and an interest rate of 5.4050% per annum to be paid quarterly, will finance or refinance eligible social projects that promote inclusive growth and support underserved sectors in the Philippines. CPG's dual-tenor retail bonds will be allocated to fund capital expenditures for the company's residential project developments. The Series D and E Bonds have tenors of four and seven years, respectively, with interest rates of 6.508% and 7.628% payable per annum due in 2030 and 2033.

9. Meanwhile, DoubleDragon Corporation enrolled its PHP2.359 billion Series 3B Notes Due 2030 on 23 February 2026 to support the company's international expansion and general corporate requirements. To date, the Philippine Dealing System Holdings Corp. (PDS Group) has a total of six admissions in 2026 with a total record of PHP208.4 billion in new listings and enrollments. The total level of tradable corporate debt instruments reached PHP1.4 trillion issued by 42 companies, comprised of 167 securities.

Sources: BSP, 2026a; Century Properties, 2026; PDS, 2025; PDS, 2026a; PDS, 2026b; PDS, 2026c; PDS, 2026d; PDS, 2026e; PDS, 2026f; The Asset 2026

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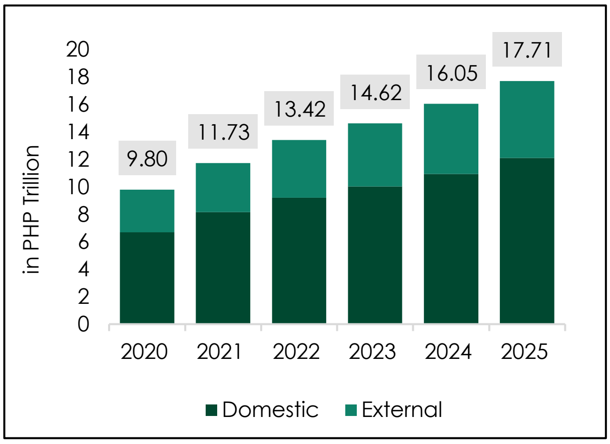
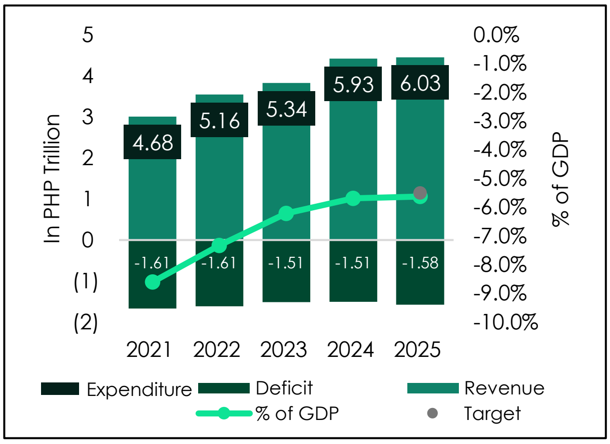
NG outstanding debt reaches PHP17.71T at end-2025; Moody's retains PH's Baa2 investment-grade rating

Figure 4. ***PH National Government-Issued Debt Securities in 2025 (in PHP trillion)***



Basic Source: BTR, 2026a Prepared by: ERTD-ERAD

Figure 5. ***Philippine National Revenue, Expenditure, & Budget Deficit vis-a-vis Share to GDP (in PHP trillion)***



Basic Sources: BTR, 2026a; BTR, 2026b Prepared by: ERTD-ERAD

10. The Philippines' outstanding debt increased by 10.34% from PHP16.05 trillion in 2024 to PHP17.71 trillion by end of 2025 (**Figure 4**). This corresponds to a debt-to-GDP ratio of 63.2% as of December 2025. Nevertheless, it is seen as resilient and sustainable over the long run, since the increment is largely due to the timely release of debt instrument securities to finance government programs. In particular, the Retail Treasury Bond Tranche 31 (RTB-31) was launched in August 2025 to raise funds for priority projects nationwide and provide access to affordable government securities for retail investors. Furthermore, the weakening of the peso against the U.S. dollar (USD) also influenced the magnitude of external debt.

11. The majority, or 68%, of the country's liabilities are sourced from domestic lenders. This is equivalent to PHP12.12 trillion. Of this amount, PHP11.20 trillion, or 92.5%, are treasury bonds or notes, while the rest are treasury bills. In terms of maturity, 75.3% are long-term, while 17.2% and 7.5% are medium-term and short-term, respectively. Meanwhile, the country's external debt of PHP5.59 trillion constitutes 32% of the country's total outstanding debt, with the majority (49.5%), equivalent to PHP2.22 trillion or USD47.10 billion, comprised of loans. This is followed by USD bonds or notes, which account for 42.7%, or USD40.65 billion, while the rest are Eurobonds, yen bonds, Chinese yuan bonds, peso-denominated bonds, and Islamic certificates. By type of creditor, external debts are considered liabilities predominantly to commercial and multilateral creditors.

12. Government programs and services entail a total expenditure of PHP6.03 trillion for 2025, an increase from PHP5.93 trillion in the prior year (**Figure 5**). Of which, the total government's debt service is at PHP2.10 trillion, also an increase from PHP2.02 trillion in 2024. With a revenue of PHP4.45 trillion, the country's budget deficit is PHP1.58 trillion, or equivalent to -5.6% of the GDP. Nonetheless, the debt statistics does not fall far from the Development Budget Coordination Committee (DBCC) targets, which are at PHP4.52 trillion for revenue, PHP6.08 trillion for government disbursements, and PHP1.56 trillion for deficit. For 2026, the Medium-Term Fiscal Program anticipates PHP4.82 trillion for government revenue, PHP6.43 trillion for disbursements, and PHP1.61 trillion for deficit.

13. Moody's released an assessment report affirming its Baa2 credit rating for the country, indicating stable macroeconomic position, conducive policy framework, and strong financial system. The agency also noted that the country is expected to sustain its growth momentum, supported by ongoing structural reforms, including fiscal consolidation under the government's Medium-Term Fiscal Framework aimed at stabilizing debt and improving revenue collection and expenditure management. Growth is further underpinned by strong household consumption, steady overseas workers' remittances, and accelerated public investment.

Sources: BTr, 2025; BTr, 2026a; BTr, 2026b; BTr, 2026c; DBM, 2025; DBM, 2026; DOF; 2026; Fitch, 2026; S&P Global, 2026

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PH trade deficit narrows by 17.8% in January 2026; Exports grow by 7.9%

Figure 6. ***PH External Trade in Goods Performance, January 2025 & January 2026 (in USD billion)***

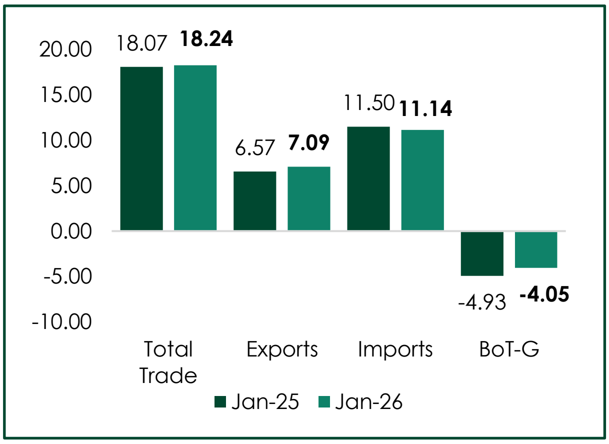
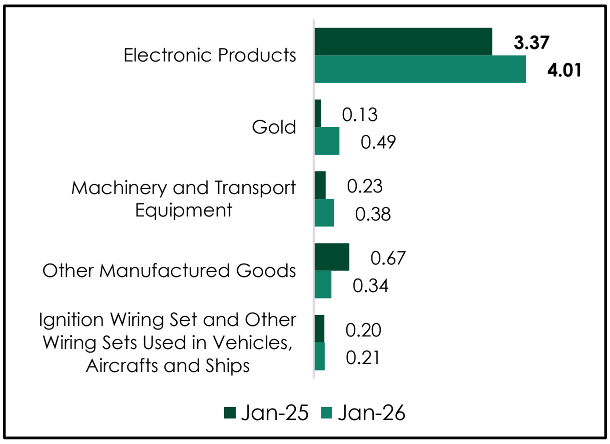


Figure 7. ***Top Exports by Commodity Group, January 2025 & January 2026 (in USD billion)***



Basic Source: PSA, 2026 Prepared by: ERTD-ERAD

14. The country's total external trade in goods rose by 0.9% year-on-year (y-o-y) to USD18.24 billion in January 2026, from USD18.07 billion in the same period of the previous year. This was the highest monthly trade level since October 2025 (USD19.09 billion). Of the total trade in January 2026, imports accounted for 61.1%, while exports comprised 38.9% (**Figure 6**). Consequently, the trade deficit narrowed by 17.8% y-o-y to -USD4.05 billion in January 2026 on the back of stronger export growth and a contraction in imports.

15. Exports for the month stood at USD7.09 billion, up 7.9% from the USD6.57 billion of the same month last year. By value, export receipts in January were the largest in three months, or since the USD7.45 billion logged in October last year. On the other hand, imports fell by 3.1% y-o-y to USD11.14 billion in January. In January 2026, the commodity group with the highest annual decrement in the value of imported goods was mineral fuels, lubricants, and related materials with USD403.97 million.

16. By major type of goods, manufactured products accounted for the largest share of total exports, amounting to USD5.63 billion or 79.3% of the total. Mineral products followed at USD732.32 million (10.3%), while agro-based products contributed USD573.84 million (8.1%). By commodity group, electronic products remained the country's top export in January 2026, generating USD4.01 billion, or 56.5% of total exports, followed by gold (USD488.84 million) and machinery and transport equipment (USD383.18 million) (**Figure 7**).

17. In terms of major trading partners, the U.S. was the country's top export destination in January 2026, with shipments valued at USD1.16 billion, or 16.4% of total exports. On the import side, the People's Republic of China remained the country's largest supplier, accounting for USD3.26 billion, or 29.2%, of total imports during the period.

18. Relatedly, the country's balance of payments (BoP) recorded a USD373 million deficit in January 2026, significantly lower than the USD4.078 billion shortfall in January 2025. The narrower deficit reflected stronger export receipts and lower import payments compared with the previous year, alongside seasonal import-related payments and profit remittances at the start of the year. Despite the y-o-y improvement, the BoP remained in deficit as the level of imports continued to exceed exports, indicating that while external trade conditions improved, sustained domestic demand and infrastructure spending continue to support import requirements amid softer global demand for selected goods and services exports.

Sources: BSP, 2026b; PSA, 2026

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SEC implements public float rule to boost stock listings; Issues rules to expedite case resolution and streamline processes

SEC drives sustainable finance agenda at key ASEAN meetings

Photo Courtesy of the Bangko Sentral ng Pilipinas

19. The Securities and Exchange Commission (SEC) reaffirmed its commitment to advancing sustainable finance in the region through its participation in key ASEAN meetings. On 9 February 2026, the Working Committee on Capital Market Development (WC-CMD) and the ASEAN Capital Markets Forum (ACMF) convened in Panglao, Bohol, to advance regional initiatives, including the ASEAN Economic Community Strategic Plan 2026–2030, the ASEAN Taxonomy, and sustainability disclosures. The following day, the SEC with BSP hosted the ASEAN Taxonomy Conference, highlighting climate risks and promoting credible green and transition financing tools for sustainability-aligned investments in climate-vulnerable economies.

20. To encourage more companies to list in the Philippine stock market while ensuring adequate liquidity and investor participation, the SEC recalibrated the tiered Minimum Public Ownership (MPO) framework through Memorandum Circular (MC) No. 11, Series of 2026, issued on 24 February 2026. Under the framework, companies are required to maintain varying MPO thresholds depending on their expected market capitalization at the time of listing, as provided below:

Expected Market Capitalization at the time of listing	Minimum Public Ownership (MPO) Requirement
≤ PHP500 million	33%
> PHP500 million – ≤ PHP 1 billion	25% (subject to a minimum offer size of PHP 165 million)
> PHP1 billion – ≤ PHP 50 billion	20% (subject to a minimum offer size of PHP 165 million)
> PHP 50 billion	15%
> PHP 200 billion *(exceptional case)*	12% (subject to exchange approval)

21. On 11 February 2026, the Commission issued MC No. 8, Series of 2026 to expedite case resolution. Parties may now file appeals directly with the Commission En Banc for reversal of department-level decisions. Motions for extension of time and motions to declare default are prohibited; instead, the SEC office may set a conference prior to judgment to explore amicable settlement once an answer is filed. Email is established as the primary mode for service and submission of pleadings. Initial filings may be via courier, email, or registered mail, while subsequent submissions must be electronic. Orders become final if no appeal or motion for reconsideration is filed within the prescribed period. Decisions, final orders, and resolutions shall be executed unless restrained by the Commission En Banc, the Court of Appeals, or the Supreme Court.

22. Aimed at enhancing and streamlining the compliance among One-Person Corporations (OPCs), SEC has issued on 16 February 2026 the MC No. 10, Series of 2026, which consolidates reportorial requirements and sets proportionate penalties for violations. Under the guidelines, an OPC must appoint its treasurer, corporate secretary, and other officers and submit a form for appointment of officers (FAO) within 20 days from the approval of its certificate of incorporation. Annual Financial Statements must also be filed within the deadline set by SEC or within 120 calendar days from the end of their respective fiscal year.

Sources: SEC, 2026a; SEC, 2026b; SEC, 2026c; SEC, 2026d

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