

MPR SNAPSHOTS

A visual summary of the February 2026 Monetary Policy Report

What did the BSP do?



Reduced key monetary policy rate—the target reverse repurchase (RRP) rate—by 25 basis points to **4.25 percent**. Lower interest rates, which make it cheaper to borrow, will boost consumption, investments, and economic growth. Prospects of faster growth, in turn, will help restore investor confidence.

What to expect for prices?

BSP's inflation forecast ¹



2026 - 3.6% ✓

2027 - 3.2% ✓

Private-sector economists' forecast

2026 - 2.9% ✓

2027 - 3.1% ✓



This shows broad confidence that inflation will remain manageable over the next few years.

What could affect prices?

Factors that could push prices higher than expected



electricity rate hikes



higher global oil and non-oil prices



higher rice tariff

Factors that could bring prices lower than expected



subdued consumer spending



weaker investment



removal of US tariff on wheat and soy products

How is the economy doing?

Economic growth is expected to remain modest in the near term before gradually recovering in 2027.

Challenges include:

- weak business confidence and investment
- slower public construction
- slower household spending

Growth is supported by:

- stronger exports
- stable global commodity prices
- BSP policy rate cuts

What is the BSP's next move?

With inflation projected to stay close to the 3.0 percent target, the BSP sees room to further ease the policy rate to support domestic demand and boost confidence, while remaining vigilant and data-dependent in its policy decisions to ensure price stability conducive to balanced and sustainable economic growth and employment.



¹ The BSP estimates are based on the Multi-equation Model (MEM).

