JMP WEEKLY REPORT

16-20 FEB 2026

Weekly Trade Commentary

- Last week saw 4 stocks traded on the local market with a total trading value of K1,637,734.05.

- BSP traded 43,073 shares high by 5t at K25.05.

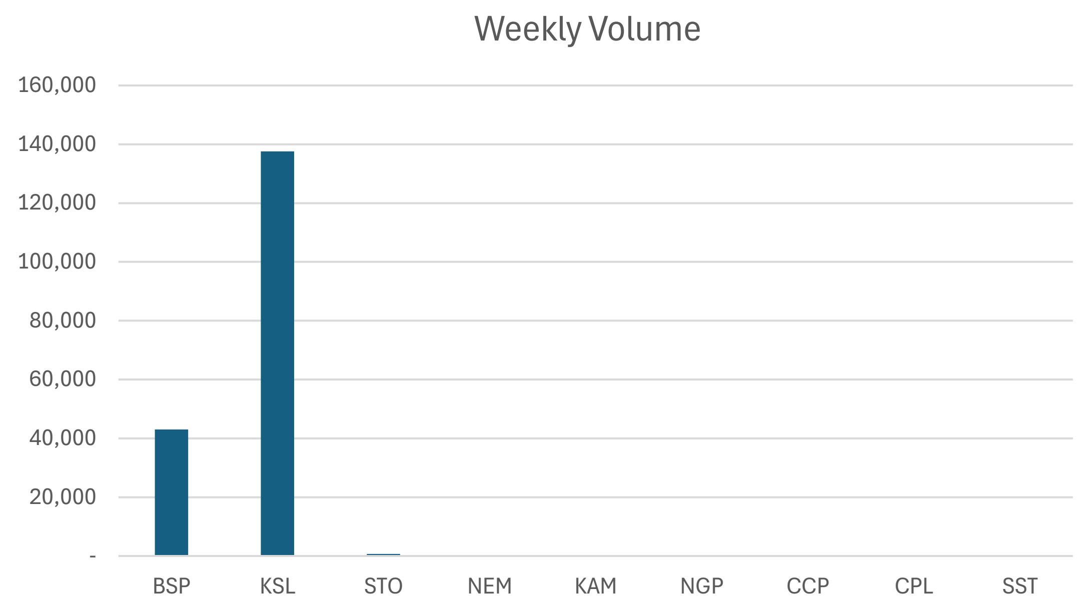
- KSL traded 137,604 shares steady at K3.85.

- STO only traded 753 shares steady also at K20.00.

- Lastly NEM, traded 27 PDIs (PETS Depository Interests) down by K10.00 closing at K480.00.

* *1 PDI = 1 Fully paid Ordinary Share (FPO)*

STOCK	WEEKLY VOLUME	CLOSING PRICE	VALUE	BID	OFFER	CHANGE K	CHANGE %
BSP	43,073	25.05	1,078,978.65	25.05	-	0.05	0.20%
KSL	137,604	3.85	529,775.40	-	-	-	-
STO	753	20.00	15,060.00	20.00	-	-	-
NEM	29	480.00	13,920.00	500.00	590.00	(10.00)	(2.04%)
KAM	-	1.96	-	1.98	-	-	-
NGP	-	1.35	-	-	-	-	-
CCP	-	4.66	-	4.66	-	-	-
CPL	-	0.64	-	-	0.64	-	-
SST	-	50.00	-	-	50.00	-	-
Total	**181,459**		**1,637,734.05**				(1.74%)



Key Takeaways

- Market Announcement: PLC - Cornerstone Quicklime Offtake with Newmont

https://www.pngx.com.pg/wp-content/uploads/2026/02/2026-02-16-PLC-Cornerstone-Quicklime-Offtake-with-Newmont.pdf
PLC – Application for quotation of securities
https://www.pngx.com.pg/wp-content/uploads/2026/02/2026-02-20-PLC-Application-for-quotation-of-securities.pdf

- Market Announcement: CGA - Appointment of Non-Executive Director

https://www.pngx.com.pg/wp-content/uploads/2026/02/2026-02-17-CGA-Appointment-of-Non-Executive-Director.pdf
https://www.pngx.com.pg/wp-content/uploads/2026/02/2026-02-18-CGA-Updated-Appointment-of-Non-Executive-Director.pdf

- Market Announcement: STO

https://www.pngx.com.pg/wp-content/uploads/2026/02/2026-02-18-STO-2025-Full-year-results.pdf
https://www.pngx.com.pg/sto-appendix-4g-4/
https://www.pngx.com.pg/sto-dividend-distribution/
https://www.pngx.com.pg/sto-director-appointment-resignation-2/
https://www.pngx.com.pg/sto-climate-strategy-update-2025/
https://www.pngx.com.pg/sto-appendix-4e-and-2025-annual-report/
https://www.pngx.com.pg/sto-santos-agrees-gas-sale-terms-with-sa-gov/

- Market Announcement: NEM

https://www.pngx.com.pg/nem-2025-reserves-and-resources-release/
https://www.pngx.com.pg/nem-q4-and-full-year-2025-results-8-k/
https://www.pngx.com.pg/nem-dividend-distribution/
https://www.pngx.com.pg/nem-2025-annual-report-10-k/

- Market Announcement: BSP

https://www.pngx.com.pg/bsp-fy25-results-announcement/
https://www.pngx.com.pg/bsp-appendix-form-5c-final-signed/
https://www.pngx.com.pg/bsp-appendix-3a-1-notification-of-dividend-distribution/
https://www.pngx.com.pg/wp-content/uploads/2026/02/BSP-Annual-Report-2025.pdf

Weekly Yield Chart

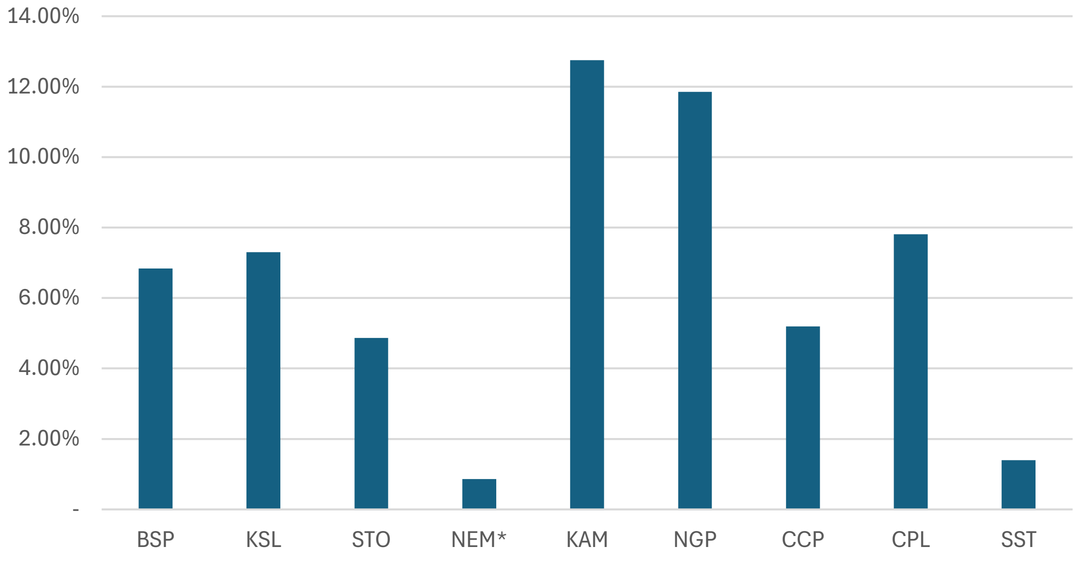
STOCK	NUMBER OF ISSUED SHARES	MARKET CAP	2023 INTERIM DIV	2023 FINAL DIV	2024 INTERIM DIV	2024 FINAL DIV	2025 INTERIM DIV	2026 FINAL DIV	Yield % LTM[a]
BSP	467,317,665	11,706,307,508	K0.370	K1.060	K0.450	K1.210	K0.500	K1.380	7.50%
KSL	292,965,754	1,127,918,153	K0.100	K0.160	K0.106	K0.155	K0.126	-	7.30%
STO	3,261,616,703	65,232,334,060	K0.310	K0.660	K0.506	K0.414	K0.559	(USD)$0.103	4.87%
NEM*	1,097,000,000	526,560,000,000	-	-	-	K2.110	K2.110	(USD)$0.26	0.88%
KAM	53,259,588	104,388,792	K0.120	-	K0.200	-	K0.250	-	12.76%
NGP	45,890,700	61,952,445	K0.030	-	K0.040	K0.120	K0.040	-	11.85%
CCP	307,931,332	1,434,960,007	K0.110	K0.130	K0.120	K0.121	K0.121	-	5.19%
CPL	206,277,911	132,017,863	K0.050	-	-	-	K0.050	-	7.81%
SST	31,008,237	1,550,411,850	K0.350	K0.600	K0.400	K0.300	K0.400	-	1.40%
Total		**607,910,290,679**							6.02%

** aLTM = Last Twelve Months. We have calculated yields based on most recently declared interim and final dividends.*

** NEM pays quarterly dividends. We have added last 4 payments at current FX rates.*

** NEM & STO dividends in $USD until PGK rate is announced.*

Yield % LTMª



The Dividend Yield Formula

$$\text{Dividend Yield} = \frac{\text{Annual Dividends Per Share}}{\text{Current Share Price}} \times 100$$

Dividend yield - is calculated by dividing a company's annual dividends per share by its current share price and expressing the result as a percentage.

BANK OF PAPUA NEW GUINEA

Domestic Markets Department - Money Markets Operations Unit

Auction Number: **18 FEB-26 / GOI / Government Treasury Bill**

Settlement Date: **20-FEB-26**

Amount on Offer: K270.000 million

TERMS	ISSUE ID 2025 / 63	ISSUE ID 2025 / 91	ISSUE ID 2025 / 4741 182	ISSUE ID 2025 /4700 273	ISSUE ID 2025 / 4743 364	TOTAL
Weighted Average Yield	0.000	0.00%	5.19%	5.30%	5.58%	
Amount on offer Kina Million	0.000	0.000	20.00	50.00	200.000	270.000
Bids Received Kina Million	0.00	0.000	52.270	73.240	524.970	650.480
Successful Bids Kina Million	0.00	0.000	31.870	73.240	174.970	280.080
Overall Auction OVER-SUBSCRIBED by	0.00	0.000	32.270	23.240	324.970	280.480

BANK OF PAPUA NEW GUINEA

Domestic Markets Department - Money Markets Operations Unit

Auction Number: **17-FEB-26/GOB/Government Bond**

Settlement Date: **20-FEB-26**

Amount on Offer: K380.000 million

Series	Amount on Offer (K'million)	Bids Received (K'million)	Successful Bids (K'million)	Successful Bids Yield	Weighted Average Rate (WAR)	Coupon Rate	Overall Auction Net Subscription
Issue ID 2026/5057 (3 years)	60.000	118.000	58.000	6.30%-6.38	6.37%	5.75%	58.000
Issue ID 2026/5058 (5 years)	90.000	210.000	110.000	6.50%-6.83%	6.72%	6.00%	K120.000
Issue ID 2026/5059 (7 years)	70.000	148.000	78.000	6.70%-6.80%	6.76%	6.25%	K78.00
Issue ID 2026/5060 (10 years)	100.000	195.80	95.80	6.00%-7.06%	7.05%	6.50%	K95.80
Issue ID 2026/5061 (15 years)	60.00	122.000	52.00	7.46%-7.46%	7.46%	6.75%	K62.00
TOTAL	380.00	793.800	393.000				K413.800

What we have been reading

Stock-Bond Diversification Offers Less Protection From Market Selloffs

IMF

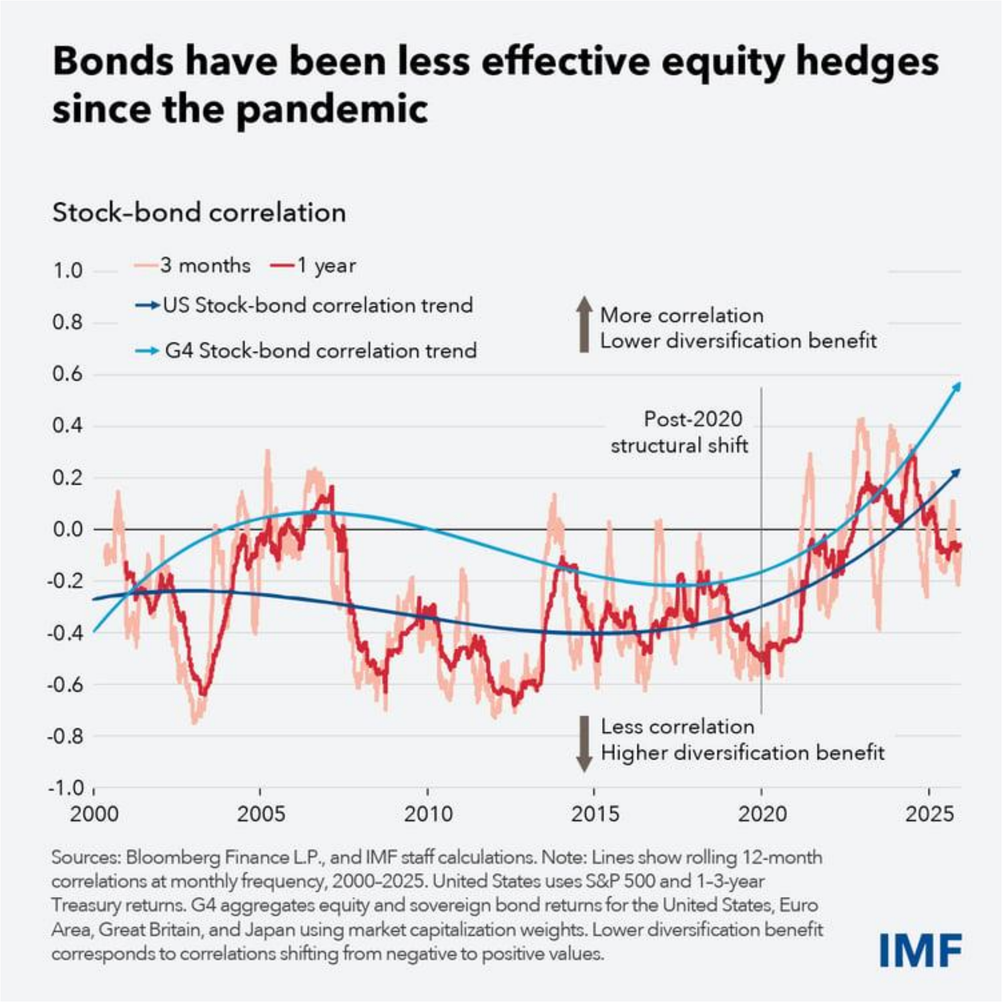
Tobias Adrian, Johannes Kramer, Sheheryar Malik

Feb 18, 2026

Diversification has become harder since 2020 as stocks and bonds tend to move in tandem during sharp selloffs, adding to financial stability concerns

Spreading investments across asset classes can reduce risk and smooth returns. The classic diversification between stocks and bonds worked historically because they moved in opposite directions. When stocks fell, investors sought safety in bonds. Bonds rallied, cushioning losses and stabilizing portfolios.

Since the start of the pandemic period—with supply shocks that fueled inflation—bonds have become less effective in cushioning volatility in stocks. Instead of offsetting equity risk, bonds are increasingly moving in tandem with stocks. This shift is particularly pronounced during sharp market selloffs, with profound implications for investors and policymakers alike.



The breakdown of this historical relationship makes diversification—such as the classic portfolio, of 60 percent stocks and 40 percent bonds, or risk parity strategies—vulnerable to shocks. Hedge fund and risk parity investment strategies that employ leverage based on the historical relationship are now increasingly moving in tandem with Treasury returns, which could make them vulnerable to forced deleveraging. Even conservative institutional investors like pension funds and insurers could be exposed to greater portfolio volatility during market corrections.

Corrections tend to be sharp, accompanied by a surge in stock market volatility. This amplifies systemic vulnerabilities as volatility can feed into selloff dynamics by worsening investors' funding constraints and forcing deleveraging.

Since 2020, Hedge fund and risk parity factors have moved more closely with Treasury returns

Overlapping 12-month holding-period returns, percent

Sources: Bloomberg Finance L.P., and IMF staff calculations. Note: Hedge fund and risk parity series are common factors extracted from 50 fund and ETF return series with daily valuations, using a dynamic factor model allowing for staggered starts and missing observations. For comparability with Treasury returns, these factors are rescaled to match the cross-sectional average of fund-level means and standard deviations.

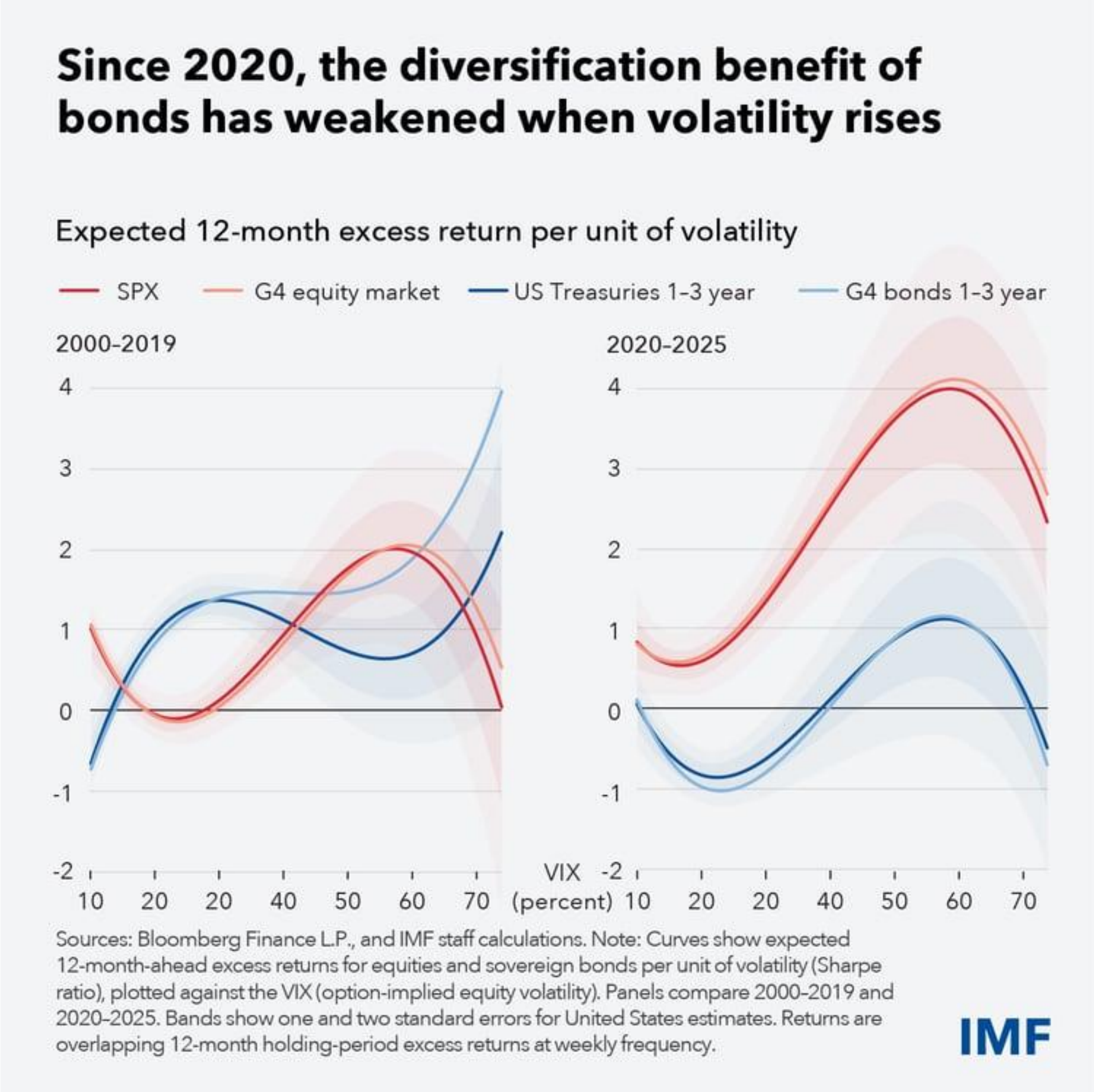
IMF

Looking back, our analysis shows that the turning point for correlations came around the end of 2019. With the onset of the pandemic the following year, the historical relationship changed significantly, resulting in sharp selloffs of both stocks and bonds to occur more frequently together.
From 2000 to 2019, the inverse relationship between expected stock and bond returns helped investors effectively manage risk. Tracing standardized expected returns for stocks and bonds against the VIX shows a clear divergence: As volatility rises, expected returns for equities increase as stock prices fall, while expected returns for bonds decline as bond prices rise. This was the foundation of diversification strategies.

The changed relationship since 2020—with both asset classes tending to sell off concurrently in response to rising market stress—reinforces equity risk in the United States as well as, to varying degrees, Germany, Japan, and the United Kingdom.

This breakdown may explain the severity of recent market selloffs: losses compound when both assets fall together.

The diminished hedging properties are increasingly evident in the sharp rallies in gold, silver, platinum and palladium, as well as currencies such as the Swiss franc. Gold, for example, has more than doubled since the start of 2024 as investors sought alternative safe havens in recent months. Platinum and palladium jumped in the final quarter of last year, reflecting diversification shifting toward non-sovereign stores of value.



Diminished protection

Amid the hedging breakdown, higher volatility coincides with higher expected bond returns, with prices declining steeply in the current period as investors reprice term premiums. Over the past few years, expanding bond supply to finance widening fiscal deficits across most advanced economies, which we also explored in the October 2025 Global Financial Stability Report, has heightened investor concerns. At the same time, gross issuance of bonds has outpaced central bank balance-sheet runoff, that is, bonds maturing without reinvestment. With central banks reducing holdings via runoff, a larger share of bond supply must be absorbed by price sensitive private investors. This gap has become more evident since late 2023 as central banks' balance sheet runoff slowed while issuance stayed elevated. Overall, the supply absorbed is many times larger than the reduction in central bank holdings over the past few years in the four largest advanced economies. With inflation still above target in many economies, fiscal concerns increasingly raise term premiums as investors see bonds as riskier, eroding their suitability for hedging. Investors may demand higher compensation for holding longer maturities, reinforcing upward pressure on term premiums and further eroding hedges. With fiscal expansion expected to continue, this upward pressure may be reinforced if corporate capital investment is increasingly financed by debt issuance. These effects could be reduced by greater productivity growth, bringing down inflation and allowing government to issue bonds with shorter maturities.

Policy challenges

Central banks will undoubtedly intervene to stabilize bond markets during periods of extreme stress, but this has limits. Relying on emergency measures can lead to excessive risk-taking and undermine market discipline. A more durable solution, restoring the hedging properties of sovereign bonds, requires fiscal discipline. High debt levels globally and uncertain fiscal trajectories weaken the safe-haven status of government securities. Without credible fiscal frameworks, bonds cannot serve as reliable anchors in turbulent markets. Central banks also must commit to ensuring price stability. The unexpected rise of inflation since 2020 has been a key contributor to the reversal in stock-bond correlations. Regulators should also incorporate correlation breakdown scenarios into stress tests. Financial institutions need to prepare for traditional diversification to fail, as models calibrated on historical correlations may underestimate new risks.

Rethinking risk

With diminished diversification, investors must build portfolios that account for the shift in correlations. Alternative strategies—such as incorporating commodities or private assets—may offer partial solutions, but they come with their own complexities and risks.

Policymakers face even greater challenges. Maintaining financial stability amid high correlation risk requires credible fiscal and monetary policy frameworks, robust stress testing, and clear communication to anchor expectations. If diversification fails, volatility can cascade into broader financial instability. Investors and policymakers must rethink risk management for a new era where traditional hedges fail.

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