

The Next Era in Global Liquidity

An Architecture

The architecture of liquidity is changing. Major developed economies are shifting away from bank and central bank dominance over liquidity conditions, and toward greater market influence.

This shift is reshaping market structure, investor risk and the nature of liquidity backstops, with implications for long-term asset allocation.



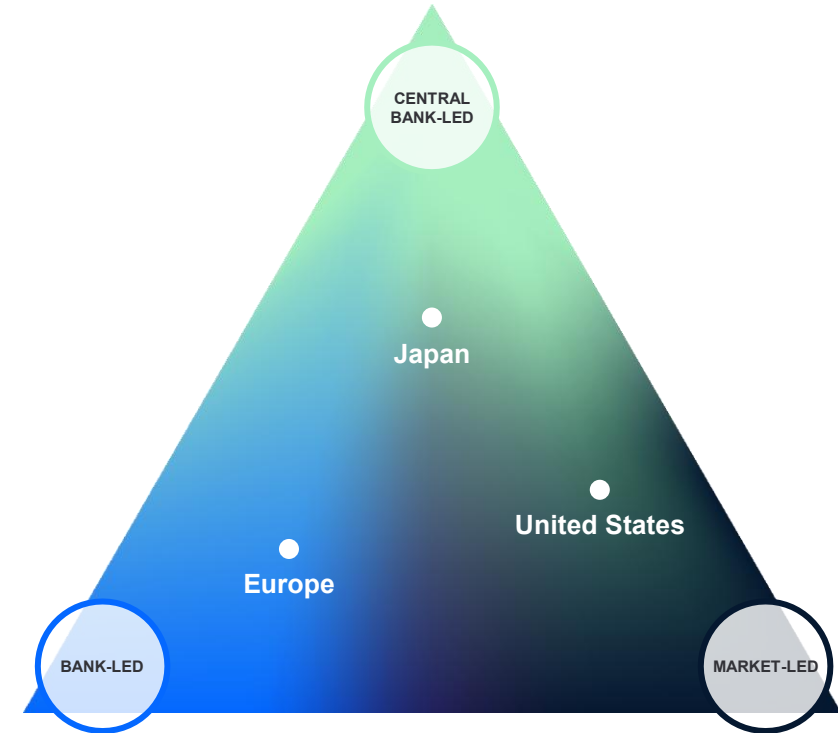
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Who provides liquidity?

A framework for liquidity regimes

The entities that supply liquidity matter. As the dominant provider of liquidity evolves, so do market conditions, and the mechanisms available to stabilize markets during stress.

WHERE KEY REGIONS SIT WITHIN THE LIQUIDITY REGIME CONTINUUM



Source: New York Life Investment Management Global Market Strategy. October 2026. For illustrative purposes only.

A broader set of liquidity providers can strengthen market resilience to shocks, but may make the ultimate liquidity backstop less certain in periods of stress.

An investor blueprint for a new global liquidity regime

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A more fragmented liquidity architecture, and a more ambiguous central bank backstop, may raise required returns across asset classes and increase the importance of managing liquidity risk across portfolios, rather than in asset class silos.

01

Private markets are adapting to a liquidity reset

Longer holding periods and slower realizations are increasing demand for secondaries, continuation vehicles, and semi-liquid structures.

Portfolio implications

- Liquidity solutions can help investors transfer exposures or access capital as needs change.
- Semi-liquid vehicles may allow investors to establish target private market exposure more quickly than traditional drawdown structures.
- When considering investment wrappers, greater periodic liquidity does not eliminate the illiquidity of the underlying investments.

02

Mobility ≠ liquidity

Digital infrastructure can make assets easier to move, but greater capital mobility alone does not create liquidity.

Portfolio implications

- Tokenization may improve settlement, collateral mobility, and market efficiency.
- Liquidity still requires buyers, sellers, and effective price discovery.
- Stablecoins increasingly connect digital market liquidity with that of traditional assets, particularly U.S. Treasuries.
- The regulatory backstop for stress originating on-chain remains uncertain.

03

Taking a total-portfolio approach to liquidity management

Liquidity needs increasingly cut across traditional asset class and public/private boundaries.

Portfolio implications

- Risk exposures, and liquidity needs with them, now more frequently transcend traditional asset classes.
- Portfolio construction may increasingly incorporate fund-level objectives and liquidity needs rather than relying solely on asset class allocation sleeves.
- As institutional investors play a larger role in liquidity provision, they may increasingly need to manage both their internal liquidity needs and their systemic role as capital providers.

Investors can increasingly benefit from assessing not just an individual investment's liquidity profile, but its place within broader portfolio liquidity and the backstop it can rely on in periods of stress.

Global Market Strategy

At New York Life Investment Management

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Julia Hermann, CFA
Global Market Strategist
[LinkedIn](#)



Sarah Hirsch
Global Market Strategist
[LinkedIn](#)



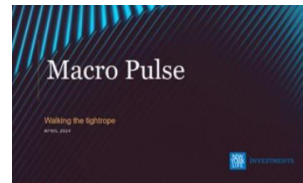
Michael LoGalbo, CFA
Global Market Strategist
[LinkedIn](#)

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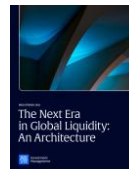


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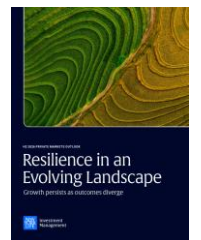
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