

OCTOBER 2026

Macro Pulse

Resilience meets tighter policy

The Fed has delivered its first rate hike in three years, with another expected before year-end, while rising real yields have pushed long-end rates further into multi-decade-high territory. We expect the U.S. to continue leading global returns, supported by stronger trend growth, resilient earnings, energy independence, and AI-driven investment. But this is not a clean risk-on environment. Inflation has kept the global policy outlook significantly tighter than expected at the start of the year. Risks to peace between the U.S. and Iran, along with oil supply and pricing uncertainty, add to inflation and rate pressures.

Download
Macro Pulse:



Our outlook remains constructive, but tighter policy is testing that view. We expect both asset and rates volatility to remain in the forefront, financing costs to remain elevated across global curves, and a premium to persist in segments of the market offering high-quality fundamentals.

	Our view	Portfolio positioning
Equity	- U.S. equities remain supported by resilient earnings, AI-driven investment, and strong fundamentals, even as a cautious Fed keeps policy restrictive. - AI remains a key market driver; leadership has stayed concentrated in semiconductors, keeping the case for quality and diversification intact. - Concentration risk is rising again, reinforcing the case for selective diversification through U.S. large cap value and high-quality small caps. Investors can consider satellite exposures to diversifying, high-quality sectors such as financials. - Non-U.S. equities remain more vulnerable to elevated energy costs and restrictive monetary policy, with geopolitical risk still a live headwind rather than a fading one.	- Market weight U.S. large cap equities, prioritizing companies with strong earnings quality. - Neutral U.S. small cap and ex-U.S. developed equities, with a quality bias and exposure to AI and policy tailwinds. - For new equity exposure, favor AI infrastructure, materials, digital infrastructure, and high-quality small caps.
Fixed income	- The U.S. public and private credit cycle is maturing. Credit fundamentals remain strong, and we expect overall quality to stay resilient, but lower-quality segments, such as CCC-rated high yield and more concentrated areas of private credit, appear increasingly vulnerable. - Higher all-in yields have improved the income opportunity, though recent rate volatility reinforces the need for more active duration management. - We continue to favor high-quality credit and short-duration corporates, while using longer-duration exposure selectively where yields are more attractive, though Treasury's direct intervention in the long end adds a new variable to that timing.	- Keeping credit exposure (IG / HY) shorter duration to manage rate volatility and credit risk. Volatility in long rates creates buying opportunities for duration above a ~4.7% 10Y Treasury yield. - Balancing short duration credit exposure with longer duration in infrastructure debt, leaning into the steeper municipal curves - Maintain market weight exposure to floating-rate bank loans, biasing toward the highest-quality selection.
Private markets	- Private market allocations continue to grow, but increased competition and signs of credit stress make selectivity more important. - Deal activity has improved, but macro uncertainty and private credit stress may temper opportunities.	Using resilient mid-market private credit and equity for qualified investor portfolios
Alternatives	- Historically, commodities and gold have served as effective diversifiers in eras of upside inflation surprise; recent geopolitical events reinforce this role. - Geopolitical shocks have become more frequent, influencing even traditionally "safe haven" U.S. assets.	- Considering gold and commodities as potential diversifiers during periods of inflation and geopolitical uncertainty. - Considering gold/precious metals/industrial metals as a 5-20% satellite sourced from equity.

Global Market Strategy

At New York Life Investment Management



Julia Hermann, CFA

Global Market Strategist
[LinkedIn](#)



Sarah Hirsch

Global Market Strategist
[LinkedIn](#)



Michael LoGalbo, CFA

Global Market Strategist
[LinkedIn](#)



Investment
Management

Insights and content offerings

Public-approved resources

MACRO PULSE: *Economic & market commentary, high conviction ideas*

In an ever-changing landscape, understanding the trajectory of macrotrends and economic forecasts is critical to making informed investment decisions.



Comprehensive outlook
(& quarterly webinars)



Weekly market update



From the desk...
(timely response to market movement)

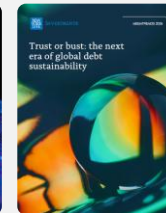


Weekly podcast &
bi-weekly video series

THOUGHT LEADERSHIP: *Thematic reports, portfolio construction, etc.*

Megatrends

- Trust or Bust: The Next Era of Global Debt Sustainability
- Artificial intelligence: From imagination to investment
- (re)globalization



Politics and geopolitics

- Geopolitical risk in a shifting world order
- Swan Lake: The risks that would most disrupt consensus in 2026



Private markets

- Global market outlook



Important disclosures

The commodities industry can be significantly affected by commodity prices, world events, import controls, worldwide competition, government regulations, and economic conditions. The precious metals market can be significantly affected by international monetary and political developments such as currency devaluations or revaluations, central bank movements, economic and social conditions within a country, trade imbalances, or trade or currency restrictions between countries. Fluctuations in the price of precious metals often dramatically affect the profitability of companies in the precious metals sector. The precious metals market is extremely volatile, and investing directly in physical precious metals may not be appropriate for most investors.

Prospective investors should be aware that investments in private funds or alternative investment strategies are suitable only qualified investors who do not require liquidity and who can bear the economic risk, including the potential for a complete loss, of their investment. A Qualified Investor, also known as an accredited investor, is an individual or entity that is legally permitted to invest in hedge funds, venture capital funds, private equity offerings, and other private placements. This qualification is typically based on the investor's income and net worth.

All investments are subject to market risk, including possible loss of principal. Diversification cannot assure a profit or protect against loss in a declining market. Active management typically involves higher fees than passive management.

This material contains the opinions of its authors but not necessarily those of New York Life Investment Management or its affiliates. It is distributed for informational purposes only and is not intended to constitute the giving of advice or the making of any recommendation to purchase a product.

The opinions expressed herein are subject to change without notice. The investments or strategies presented are not appropriate for every investor and do not take into account the investment objectives or financial needs of particular investors.

This material is not intended to be a forecast of future events or a guarantee of future results. This information should not be relied upon by the reader as research or investment advice regarding the funds or any particular issuer/security. The strategies discussed are strictly for illustrative and educational purposes and are not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. There is no guarantee that any strategies discussed will be effective.

This material contains general information only and does not take into account an individual's financial circumstances. This information should not be relied upon as a primary basis for an investment decision. Rather, an assessment should be made as to whether the information is appropriate in individual circumstances and consideration should be given to talking to a financial professional before making an investment decision.

New York Life Investment Management" is the brand name and service mark used to represent a group of affiliated investment advisors of New York Life Insurance Company, including New York Life Investment Management LLC, a registered investment advisor.

8797260