

Macro Pulse for September 13

- Sovereign yields rose sharply across developed markets this week, with yields in several major economies, including the U.S. 10-year Treasury and the German 10-year Bund, reaching multi-decade highs. The move came alongside a 25bp rate hike from the ECB, raising the deposit rate from 2.25% to 2.50%. Persistent inflation, higher oil prices, and fiscal concerns have contributed to higher rates, reinforcing our expectation for an elevated and more volatile long-rate environment going forward.
- August headline CPI rose 0.4% MoM and 3.4% YoY, with the monthly pace of inflation reaccelerating. A slight upside surprise to core inflation added to concerns about the path of inflation from here, as oil prices in September remain above their August levels. [We offer our views here.](#)
- Next week, the FOMC will meet. Markets responded to the CPI report by raising the probability of a Fed hike next week to roughly 90%, with two hikes now priced in by year-end. While a hike looks increasingly likely, we continue to see fundamental reasons for the Fed to remain on hold, including a balanced labor market and well-anchored inflation expectations.

Private Markets Outlook: Resilience in an Evolving Landscape

Throughout the first half of 2026, private markets have shown resilience amid rising macroeconomic crosscurrents. In this week's note, we review the key takeaways from our semi-annual private markets outlook [Resilience in an Evolving Landscape](#).

Private markets' strength continues, underpinned by structural forces

Several structural forces support private markets. Companies are staying private for longer, public markets have become more concentrated, and investor access to private assets is broadening. At the same time, technological innovation is driving significant capital needs across areas such as digital infrastructure and power.

The path to outperformance is narrowing. Supportive financial conditions and healthy corporate fundamentals continue to underpin investment activity across the U.S. and Europe. At the same time, elevated rates and geopolitical uncertainty make selectivity increasingly important. We remain focused on manager selection, markets where long-term demand and liquidity are robust, and exposure to durable secular growth themes.

Crosscurrents reinforce the need for selectivity

In **private equity**, the recovery in deal and exit activity is progressing, but the path remains uneven amid elevated rates and geopolitical uncertainty. The growth of secondaries is expanding the liquidity toolkit, providing investors and sponsors with greater flexibility as holding periods remain elevated. We believe the next phase of the cycle will favor disciplined managers with a focus on operational value creation. We favor the middle and lower middle market, where less competition and more attractive entry points can create compelling opportunities.

In **private credit**, strong corporate fundamentals and credit demand support the asset class. Elevated base rates support income generation, but higher rates increase pressure on more leveraged and lower-quality borrowers. As such, we favor more resilient segments of the market, including the middle and lower middle market, and experienced managers with a track record across economic cycles.



Across **real estate**, the recovery is progressing across the U.S. and Europe, but performance is differentiated across sectors and regions. Uneven performance reinforces the importance of selectivity. We favor sectors with durable tenant demand and cash-flow growth, supported by long-term structural trends and favorable demographics.

In **infrastructure**, structural trends including artificial intelligence, electrification, energy security, and digitalization are driving substantial demand for physical infrastructure. Long-term investment demand is strong as governments and businesses increase spending to ensure economic resilience. These capital-intensive investments are creating opportunities across infrastructure equity and debt.

Portfolio strategy

As private markets enter a more differentiated phase of the cycle, **we see selectivity, liquidity, and structural demand as three key considerations for portfolio strategy**. Greater dispersion across private markets is raising the importance of manager selection and disciplined underwriting. Liquidity also warrants greater attention as holding periods remain extended and distributions uneven, particularly in private equity. Within this environment, we favor opportunities backed by durable cash flows and long-term demand.

Private markets can continue to play an important role in long-term portfolios for qualified investors, although implementation matters. We believe experienced managers with deep sector expertise, strong sourcing capabilities, and a disciplined approach to underwriting will be best positioned to navigate a more differentiated market.

Private markets have shown resilience amid rising crosscurrents, but the path to outperformance is narrowing



Selectivity matters
more as dispersion
widens



Liquidity is
becoming a more
important portfolio
consideration



Structural demand
and durable cash
flow remain key

We believe success will depend increasingly on selectivity, thoughtful liquidity management, and disciplined execution.

Opinions of New York Life Investment Management Global Market Strategy, September 2026. For illustrative purposes only.



Investment
Management

New York Life Investment Management
Global Market Strategy team

Julia Hermann · Sarah Hirsch · Michael LoGalbo

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