

Macro Pulse for September 27

- Global yields moved higher this week, the with 30-year U.S. Treasury yield reaching 3.5%: its highest level since 2004. Stronger economic data, including an upside surprise in global PMIs, prompted markets to reassess the path of monetary policy across major developed economies, while higher oil prices and reports that the U.S. is considering a diesel export ban added to inflation concerns. We expect long-term yields to remain elevated and volatile as investors balance resilient growth and persistent inflation pressures against a balanced labor market.
- The September employment report on Friday will be an important input to the Fed's decision making ahead of its October meeting. The labor market has remained resilient, a trend we expect to continue in September. We continue to see the labor market as broadly in balance, leaving the Fed room for one additional rate hike this year, though higher oil prices and tighter financial conditions could weigh on hiring in the months ahead.

Key Takeaways from the 2026 NYLIM Global Investor Summit

On September 22, the 2026 NYLIM Global Investor Summit brought together senior investors from across the NYLIM platform to discuss the forces shaping the economy and markets today. Conversations spanned the macroeconomic outlook, artificial intelligence, evolving financing needs, origination, and emerging risks, drawing on perspectives across asset classes, geographies, and investment disciplines.

Several themes emerged:

- 1. AI is expected to remain a defining force across economies and markets.** AI investment is influencing everything: from economic growth to corporate borrowing to power demand and real estate. Financing needs are spreading across markets from hyperscaler bonds and data center financing to utilities, equipment finance, and private capital. However, AI may be advancing faster than the systems around it can adapt. Physical infrastructure, organizational structures, and labor markets may ultimately determine how quickly technological gains translate into economic value.
- 2. Higher yields are creating income opportunities while reshaping investment decisions across markets.** Higher starting yields have made income generation in fixed income more attractive than it was during much of the lower-for-longer period. Rates are expected to remain elevated, as rising fiscal deficits, growing corporate financing needs, and persistent inflation pressures push investors to demand additional compensation for duration. Across asset classes, that environment puts a greater premium on selectivity and underwriting discipline.

Real yields are pushing long rates higher as investors demand more compensation for duration



Sources: New York Life Investment Management, Global Market Strategy, U.S. Department of Treasury, Federal Reserve, Macrobond Financial AB, September 2026.

3. **Growing debt supply is colliding with a changing buyer base.** Government borrowing needs remain elevated, while corporate issuance continues to grow, with roughly \$2 trillion of investment-grade issuance year to date driven, in part, by AI-related investment. At the same time, the buyer base for sovereign debt is changing as central bank balance sheets decline and private investors play a larger role. Markets have absorbed the additional supply so far. As issuance continues to grow, selectivity across markets and issuers will become increasingly important.
4. **Origination and underwriting discipline are becoming more important, as financing needs become larger and more complex.** Across public and private markets, the opportunity set is expanding as borrowers seek capital that does not fit neatly within a single financing channel. Digital infrastructure is a clear example, where the scale of investment requires access to multiple sources of liquidity. This creates opportunities for investors with differentiated sourcing, relationships, and structural capabilities.
5. **Some of the biggest risks are not “black swans” at all; they are visible risks where consequences sit outside consensus expectations.** Discussion of emerging risks repeatedly returned to events investors can already identify, including further tariff escalation, renewed geopolitical conflict, fiscal pressures, political uncertainty in both the U.S. and Europe, and the possibility that the scale or economics of AI disappoint investor expectations. The events themselves may be familiar, but their potential economic and market effects remain difficult to anticipate.
6. **Market resilience has been notable, but dispersion may increase.** Equity markets, corporate earnings, and credit have remained resilient despite higher rates and repeated economic and geopolitical shocks. As the cycle evolves, greater dispersion across companies, sectors, and markets could place more emphasis on underwriting and investment selection.

Taken together, the discussions pointed to an investment environment where opportunity remains abundant, but outcomes are likely to become more differentiated. Selectivity, disciplined underwriting, and differentiated access will matter, as will the flexibility to deploy capital when market dislocations create opportunity.

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