AUGUST 6, 2025

Macro Pulse

Dog days, data shifts

Capital markets have been eager to price out the worst-case scenarios presented by U.S. policy uncertainty and global geopolitical risk. But these risks have not disappeared, and we are wary of their potential to accelerate late-cycle-dynamics. We believe this is a critical moment for investors to rethink portfolios in light of shifting business, consumer, and geopolitical realities. **The goal isn't to avoid risk, but to take it deliberately**

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How to invest our macro views: high conviction ideas

OUR VIEW		HOW TO INVEST
EQUITY		
• Recent data suggests a slowing economy, and policy changes may spark new volatility. Earnings quality is key. • Rising risks to U.S. growth and policy stability have led global investors to reassess U.S. asset exposure. Traditional relationships among gold, oil, USD, and Treasuries are changing. • Diversification may be beneficial, particularly in European infrastructure and defense. • Smaller firms face greater challenges absorbing cost pressures or adjusting supply chains. • The AI trend remains strong. Digital and energy infrastructure are already benefiting from diversified investment and offer attractive AI entry points.	1	Stay invested, with an emphasis on earnings quality.
	3	Consider allocating equity-like risk to high-yield credit, where fundamentals remain favorable.
	4	Geographic diversification remains prudent, even if ex-U.S. outperformance slows.
	5	Maintain a preference for large caps; we believe small caps likely lag until growth broadens, which seems unlikely near-term.
	6	Broaden AI exposure to include energy, materials, and infrastructure equities.
FIXED INCOME		
• We expect the Fed to hold rates, with only one possible cut this year, as inflation and labor market risks remain. • Despite tight spreads and persistent rate volatility, we believe the current income opportunity is attractive. • U.S. and European credit fundamentals remain strong. Uncertainty around growth and inflation supports a short-duration, buy-and-hold approach.	6	Staying short in duration may help manage both rate volatility and longer-term credit quality risks.
	7	Given Treasury curve volatility, we prefer a neutral-to-short duration stance. Consider short-dated IG, HY, and munis, balanced with taxable munis for quality infrastructure exposure.
	8	Structured credit and convertibles may offer compelling fundamentals. Within floating-rate loans, we favor the strongest credit quality.
ALTERNATIVES		
• Geopolitical risk near U.S. assets is increasing. Inflation surprise risk is also elevated. We believe diversification and inflation-aware assets can help mitigate both. • Global shifts toward re-globalization, AI, and energy independence may lead to higher capital intensity, infrastructure investment, and stickier inflation. • Access to private markets is expanding and democratizing.	9	A geopolitical hedge may include a mix of oil, gold, and bitcoin sourced from equity allocations.
	10	Inflation-aware exposures such as commodities, materials, and real estate may benefit.
	11	Qualified investors may consider diversifying into private markets, particularly the less correlated lower middle market.

For the full story visit newyorklifeinvestments.com/global-markets/macro-pulse.

Global Market Strategy

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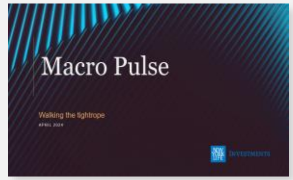
Insights and content offerings

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

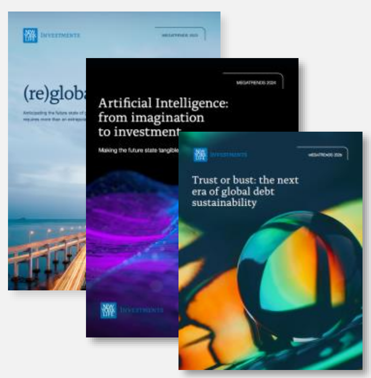
From the desk... (timely response to market movement)

Weekly podcast & bi-weekly video series

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

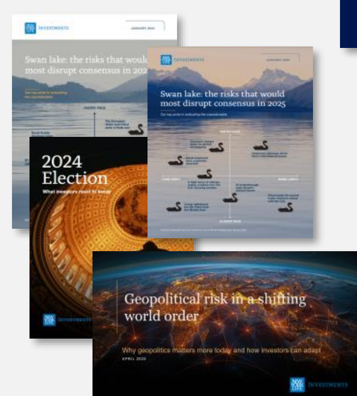
Megatrends

- 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 2025



Private markets

- Global market outlook

For more information visit newyorklifeinvestments.com/global-markets.

Important Disclosures

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The commodities industry can be significantly affected by commodity prices, world events, import controls, worldwide competition, government regulations, and economic conditions.

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