JULY 8, 2025

Macro Pulse

Macro in the midyear sun

Capital markets have been eager to price out the worst-case scenarios as the range of global economic and policy outcomes has narrowed. But key risks have not disappeared, and we are wary of their potential to accelerate late-cycle dynamics. 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**

Download Macro Pulse:

NEW YORK LIFE INVESTMENTS

How to invest our macro views: high conviction ideas

OUR VIEW	HOW TO INVEST
EQUITY	
• Recent macro data suggests a "Goldilocks" backdrop (moderate inflation, balanced employment), but risks like tariffs and valuation volatility remain. • Global investors are rethinking U.S. assets amid rising geopolitical risks; traditional relationships between asset classes are shifting. • Small companies are less resilient to input price rises and supply chain issues. • Digital and energy infrastructure, including AI, continue to attract diversified investment interest.	1 Stay invested, with an emphasis on earnings quality. 3 Consider equity-like risk in high yield corporate credit where fundamentals and yields are attractive. 4 Pursue prudent global and geographic diversification; expect investors to rebalance U.S./non-U.S. exposures. 5 Consider large caps versus small caps due to better historical resilience. 6 Consider equity exposure and broader AI themes: energy, materials, digital infrastructure.
FIXED INCOME	
• The Fed is likely to stay on hold due to balanced upside/downside inflation risks; reinvestment risk should be managed through cash deployment. • Growth/inflation uncertainty increases volatility; short duration is strategically preferred over long duration. Duration can be a tactical source of risk. • U.S. public credit quality remains strong by historical standards and is supported by resilient economic activity.	6 Short duration in credit can address both volatility and long-term credit concerns. 7 Maintain a neutral-to-short Treasury duration view. Blend short duration credit (IG, HY, munis) with high-quality infrastructure plays. 8 Strong fundamentals favor structured credit and convertibles; floating rate loans may underperform unless top quality.
ALTERNATIVES	
• Geopolitical risk has grown since COVID-19 and is nearing Cold War-era levels; investors may hedge using diversification and inflation-aware strategies. • Global trade uncertainty and themes like AI, re-globalization, and energy independence support investment in capital-intensive, inflation-resilient areas. • Private market investing is becoming more democratized and accessible.	9 Hedge geopolitical risk via oil, gold, bitcoin as alternative store of value. 10 Inflation-aware assets like commodities, materials, and real estate may benefit from the macro backdrop.

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

Global Market Strategy

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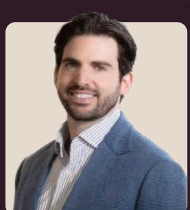

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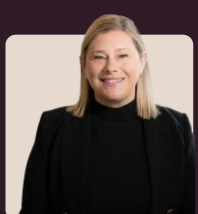

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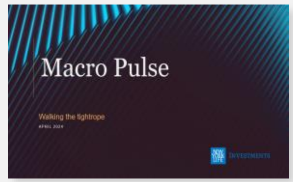
Insights and content offerings

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

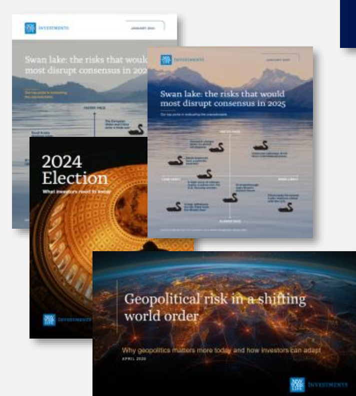
THOUGHT LEADERSHIP: *Thematic reports, portfolio construction, etc.*

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 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

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