New York Life Investments'
Global Market Strategy team
Lauren Goodwin · Julia Hermann · Sarah Hirsch · Michael LoGalbo

Macro Pulse for February 2

- On January 30, President Trump announced his nominee to replace Powell as Fed Chair: Kevin Warsh. As we wrote recently, any Fed Chair's control over policy comes down to influence, not authority. Depending on the influence he can achieve, a Warsh-led Fed could usher in another wave of balance sheet contraction (QT) but also lower policy rates. In his past tenure as a governor in Bernanke's Fed, Warsh was a decided policy hawk, focused on the Fed's inflation mandate and staunchly against QE. But recently, Warsh has argued that productivity improvements from AI could allow for lower policy rates.
- The Chair has broad discretion of how the Fed communicates. Warsh has been a harsh critic of the market's dependence on Fedspeak; we may see a degree of rollback in the Fed's transparency.
- This week's tech selloff saw lofty expectations for cloud revenues – now a proxy for how well AI is being monetized – disappointed. We are in the earliest days of AI, and monetization of these capabilities is a moving target. Instead of near-term AI revenues, we are looking for ongoing capex commitments from AI hyperscalers to assess the resilience of the AI boom, and we continue to see physical investment plans expand.
- The dollar has leveled off after a bout of pressure stemming from Japanese bond market disruption and a geopolitically-driven debasement narrative. A common misconception is that a dollar selloff implies outflows from broader U.S. assets; instead, we see the dollar behaving more as a release valve, allowing foreign investors to trim risk without exiting U.S. exposure. Read more in our January 28th From the Desk.

Swan lake: the risks that would most disrupt consensus in 2026

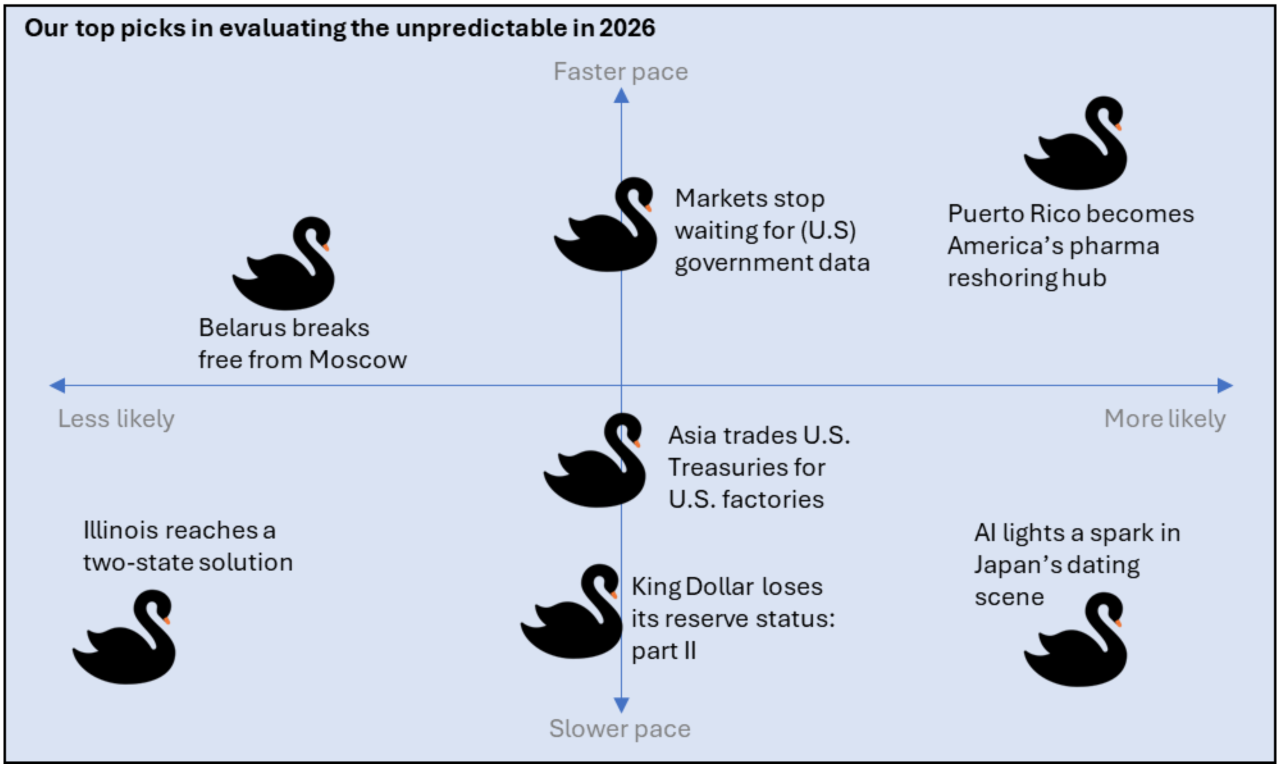
Will the U.S. end 2026 with 50 states? What happens if investors lose faith in U.S. government data releases? Will central bank digital currencies allow countries to transact without the U.S. dollar?

Those are just a few of the scenarios we examine in our annual Black Swans report, now available. Geopolitical risk is already making headlines in 2026, and our annual Black Swans report is one of our most popular conversations of the year. We're back with fresh ideas designed to pressure-test consensus and highlight events that, while unlikely, could reshape the investment backdrop.

Let me be clear – these aren't predictions, but scenarios worth considering. Dive into the full piece today!

- **Swan Lake: the risks that would most disrupt consensus in 2026** – Online now!
- Tune into The Market Matters podcast suite **next week** where Lauren and *Macro Mike* walk through select risks from this year's report — Listen **here** or wherever you get your podcasts (Spotify, Apple, etc.).

New York Life Investments'
Global Market Strategy team
Lauren Goodwin · Julia Hermann · Sarah Hirsch · Michael LoGalbo



Source: Opinions of the New York Life Investments Global Market Strategy team, "Swan Lake: the risks that would most disrupt consensus in 2026", January 2026.