



Macro Pulse for February 15

- Japan's snap election, which roiled Japanese assets, Treasuries, and the dollar in past weeks, resulted in Prime Minister Takaichi securing a supermajority. Greater policy certainty and the PM's signaling of a prudent fiscal approach helped strengthen the yen, though we are mindful that future spending plans may renew upward pressure on Japanese bond yields, in line with broader concerns about [debt sustainability](#).
- January's jobs and inflation figures reveal the U.S. economy is in a sweet spot, with 130,000 jobs created, exceeding expectations, and core inflation coming in in line with expectations at 2.5% YOY, with an uptrend forming in core prices. We continue to expect 1-2 further Fed cuts in 2026. Importantly, we believe benign inflation lowers the near-term stakes of [Fed independence](#) discussions by allowing for a large range of legitimate debate around the policy path.
- Q4 2025 earnings season in the U.S. coincides with investors' shift in focus to the winners and losers of AI. Amid the uptrend in both equity and bond market volatility, we are focused on fundamental AI hyperscaler earnings, which remain robust – including for key software players. These earnings enable the virtuous cycle of core profitability and AI capex to continue, and we maintain our conviction that AI will remain a key market driver for the year.

Extending the cycle: growth and opportunity in private markets

From shifting interest rate dynamics to evolving policy support, the private markets entered 2026 on firmer footing. This week, we published our latest Global Private Markets Outlook, which examines the macroeconomic conditions shaping private markets and outlines our key takeaways across private equity, private credit, real estate, and real assets.

Key macroeconomic forces impacting private markets

Private markets enter 2026 on firmer footing, supported by improving financial conditions, a constructive global policy backdrop, and powerful structural megatrends. Throughout this year, we expect private markets resilience, underpinned by strong credit quality, enhanced liquidity, and expanding investor access.

We highlight three macroeconomic forces shaping the private markets environment:

- 1. Financial conditions support activity.** Lower short-end rates and improving liquidity support confidence and deal flow across private markets. At the same time, elevated long-end rates reflect longer-term policy and debt considerations, reinforcing the importance of underwriting and manager selection. This supports activity without eroding income potential.
- 2. The global policy backdrop is constructive.** We expect a supportive global backdrop, led by resilient U.S. growth and aided by stable to improving conditions across Europe, Japan, and China. Policy support – fiscal, deregulatory, and industrial initiatives – is likely to drive investment and economic momentum, supporting dealmaking activity into 2026.
- 3. Global megatrends are driving capital-intensive investment.** Structural transitions related to digitization and AI, electrification, and supply-chain re-globalization are accelerating demand for capital. We expect private markets to play a central role, providing long-term capital and strategic partnerships, with growing







investment across venture, private equity, private credit, infrastructure, and real assets, reflecting the scale and capital intensity of the opportunity.

Our asset class views

Private markets remain a core and growing component of multi-asset portfolios, with opportunity increasingly defined by selectivity, diversification, and transition-oriented exposure. As the cycle extends, investors are leaning into greater complexity and control to unlock differentiated sources of return.

Private markets: we favor selectivity, diversification, and transition-oriented themes

	Our views	Investable takeaway
 Private equity	Momentum in private equity is building as deal activity and exits rebound.	We favor the middle and lower middle market, which offers more choice and compelling pricing.
 Private credit	With defensive structures, private credit is well-positioned as the credit cycle extends.	Focus on resilient segments like the middle and lower middle market.
 Real estate	Differing rate cycles have driven uneven price discovery across the U.S. and Europe.	Capture cyclical opportunities across regions and long-term demand from demographics and megatrends.
 Real assets & infrastructure	Geopolitics reinforce our view that megatrends will boost demand for real assets and infrastructure.	Megatrends inputs offer attractive relative value and diversification potential.

Opinions of New York Life Investments, February 2026.

Against this backdrop, we outline our views across private equity, private credit, real estate, and real assets:

Private equity: Momentum in private equity is building as deal activity and exits rebound. We continue to favor the middle and lower middle market, where competition is lower, valuation entry points are more attractive, and fundamentals remain resilient. These segments also benefit from improved exit optionality as liquidity conditions continue to improve.

Private credit: As the credit cycle matures, private credit fundamentals remain solid, supported by strong corporate liquidity, defensive structures, and long-term borrower-lender relationships. We favor disciplined underwriting and selectivity, particularly in the middle and lower middle market, where relative value remains compelling in our view.

Real estate: Diverging rate dynamics create regional dispersion. In Europe, earlier rate normalization has supported price discovery and the early stages of a cash-flow-led recovery. In the U.S., elevated rates have slowed price discovery, though further easing and growing refinancing pressure are creating selective equity and credit



opportunities. Structural factors, including demographics and global megatrends, are increasingly driving capital formation and may provide durable demand growth.

Real assets and infrastructure: Global transitions continue to underpin the investment case for real assets and infrastructure. Digitization and AI, electrification, and supply-chain re-globalization are driving sustained demand for energy, materials, and infrastructure. Inputs to these transitions remain attractively valued in our view, offering diversification benefits.

Please find links to our previous weekly notes below for your reference:

- [*Reading the signals: a noisy start to 2026*](#)
- [*Swan lake: the risks that could most disrupt consensus in 2026*](#)
- [*Two economies, one headline: the implications of a K-shaped economy*](#)
- [*A full guide to Fed independence*](#)

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