

# FEDERAL RESERVE BANK *of* NEW YORK

33 LIBERTY STREET, NEW YORK, NY 10045-0001

## Minutes of the Investor Advisory Committee on Financial Markets

July 16, 2025

Federal Reserve Bank of New York

### Committee Attendees:

Dmitry Balyasny, Balyasny Asset Management  
Leda Braga, Systematica  
Greg Davis, Vanguard  
Stan Druckenmiller, Duquesne  
Hari Hariharan, NWI  
Kim Lew, Columbia Investment Management  
Holly MacDonald, Bessemer Trust

Belita Ong, Dalton Investments  
Chris Rokos, Rokos Capital Management  
Jeffrey Talpins, Element Capital  
Anastasia Titarchuk, New York State Common Retirement Fund  
Anne Walsh, Guggenheim Partners Investment Management

### Federal Reserve Attendees:

John C. Williams  
Kartik Athreya  
Suzanne Elio  
Tiffany Hewlin  
Henry Kopesky  
Eric B. Lewin  
Matthew Lieber

Rebecca McCaughrin  
Anna Nordstrom  
Roberto Perli  
Suraj Prasanna  
Julie Remache  
Maneesha Shrivastava  
Ben Wensley

## Discussion of the U.S. Economic and Monetary Policy Outlook

Committee members agreed that economic data continued to reflect a resilient U.S. economy. Members noted tailwinds to corporate spending from changes to tax policy but also recognized potential headwinds from changes in immigration and trade policies. Members generally expected inflation data to reflect impacts from tariffs in coming months, while noting general uncertainty around the trajectory of trade policy. Members expected the Federal Reserve to keep rates steady until policymakers gained more information about the impact of tariffs on the path of inflation while remaining sensitive to any signs of meaningful deterioration in the labor market. Some members noted the Federal Reserve could cut the policy rate later this year, depending on the evolution of economic data, though others thought that the resiliency of the U.S. economy could delay the resumption of rate cuts to next year.

Committee members expected that the U.S. would continue to build its AI capacity and lead innovation globally, as U.S. firms across industries noted expectations to boost AI-related spending. Members noted that continued development and adoption of AI could boost longer-term economic productivity but also highlighted potentially nearer-term risks to different segments of the labor market.

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## **Discussion of the International Economic and Monetary Policy Outlook**

Committee members noted the ongoing uncertainty related to the trajectory of U.S. tariff policies and the associated impacts on other jurisdictions. Members also noted the relative advantage of the U.S., with respect to tailwinds from AI usage and development, over other jurisdictions where members perceived higher AI-related investment and regulatory barriers. Committee members noted the depreciation of the U.S. dollar relative to other major currencies since the initial April tariff announcements, linking it in part to increased currency hedging by international investors in U.S. assets. Members remarked that international investors have been large owners of U.S. assets on an un-hedged basis and were likely paring back some of their net U.S. dollar exposures through increased currency risk hedging.

## **Discussion of Developments in U.S. Treasury Markets**

Committee members noted the steepening of the Treasury yield curve in the U.S. over recent months was consistent with dynamics in other jurisdictions, where reduced investor demand for longer-duration securities led to increases in longer-term government bond yields. Members noted that the recent passage of the tax and spending bill and the expected increase in government funding needs may have contributed to this. Members highlighted some risks around debt sustainability, particularly that the expansion of the deficits was occurring during a period of relatively strong economic growth. Committee members expected that the administration's focus on financial sector de-regulation could drive somewhat increased demand for Treasuries from the banking sector. Members also discussed the implications for Treasury markets of legislation under lawmaker consideration at the time regarding the regulation of stablecoins, though expected that demand from stablecoin issuers would primarily impact the front end of the Treasury curve.