

FEDERAL RESERVE BANK *of* NEW YORK

33 LIBERTY STREET, NEW YORK, NY 10045-0001

Minutes of the Investor Advisory Committee on Financial Markets

April 16, 2026

Federal Reserve Bank of New York

Committee Attendees:

Naïm Abou-Jaoudé, New York Life Investment
Management

Dmitry Balyasny, Balyasny Asset Management

Greg Davis, Vanguard

Stanley Druckenmiller, Duquesne

Hari Hariharan, NWI Management

Holly H. 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

Henry Kopesky

Eric LeSueur

Matthew Lieber

Rebecca McCaughrin

Timothy C. Nash, Jr.

Roberto Perli

Suraj Prasanna

Julie Remache

Navya Sharma

Maneesha Shrivastava

Ben Wensley

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

Committee members viewed the outlook for U.S. macroeconomy as highly dependent on the timeline for reopening transit channels in the Strait of Hormuz and the outlook for energy prices. Prior to the U.S.-Iran conflict, members had anticipated real GDP growth above 2 percent reflecting tailwinds from prior changes to tax policy, receding effects from tariffs, and ongoing investment related to artificial intelligence (AI). However, members viewed the conflict as exerting upward pressure on inflation and weighing slightly on growth, though they noted increased uncertainty about the economic outlook—particularly if the duration of the conflict were to be prolonged. Amid this uncertainty, members pushed out the expected timing of Federal Reserve policy rate cuts, and some anticipated fewer rate cuts, if any.

Members viewed financial markets as pricing in a short-lived conflict, specifically highlighting the steep downward slope of the oil futures curve and rapid recovery in equity prices since the start of the conflict. Some members viewed markets as reflecting some complacency, as they perceived greater risks that restoring production and supply could take longer than some anticipate.

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Discussion of the International Economic and Monetary Policy Outlook

Committee members viewed the energy supply shock as posing downside risks for global growth this year but noted that the ultimate impacts on economic growth and inflation would vary by jurisdiction, based on reliance on imported energy as well as their stockpiles of energy reserves. Members expected economies dependent on imports of energy and refined products to face the strongest headwinds to economic growth, highlighting greater perceived risks to Asia and the euro area.

Members noted elevated uncertainty for monetary policy abroad. Members interpreted communications from advanced economy central banks as placing more weight on the upside risks to inflation, which contributed to the upward shift in market-implied policy rate expectations. Some Committee members expressed concern that persistently above-target inflation in recent years could push some central banks to tighten monetary policy perhaps more than needed.

Discussion of Developments in Risk Asset Markets

Committee members noted that a relatively resilient U.S. macroeconomic backdrop was underpinning expectations for strong corporate earnings growth. In addition, perceived risks around AI disruption were influencing price action in public and private equity and credit markets. Members discussed a couple of factors driving the resilience of risk asset prices despite geopolitical uncertainty, including a perceived expectation among some market participants for a near-term reopening of the Strait of Hormuz and investor rotation toward certain sectors expected to benefit from AI-related tailwinds.

Committee members also noted increased investor concern around private credit, reflected by increased investor requests for redemptions. Members acknowledged risks around private credit that included manager selection, future credit performance (particularly for software portfolio companies), and excessive leverage among some funds. Still, members noted that the U.S. banking system had limited aggregate exposures to business development companies and other private credit firms.