



The New Macro Playbook: Positioning Capital in an Era of Global Change

Institutional investors are entering a macro environment where many assumptions that shaped portfolio construction for decades are being re-examined. For years, allocators benefited from a broadly supportive backdrop: falling inflation, declining interest rates, deepening globalization, abundant liquidity, strong U.S. dollar dominance, and central banks that could often respond aggressively when risk assets came under stress.

That world has not disappeared entirely. But it is no longer the only plausible regime. The new macro playbook must account for persistent inflation risk, higher long-term rates, fiscal deficits, geopolitical fragmentation, trade realignment, currency volatility, payment-system innovation, private-market growth, and the need for more resilient capital allocation. At Opal Group's Alternative Investing Summit in Dana Point, the panel **"The New Macro Playbook: Positioning Capital in an Era of Global Change"** will examine how CIOs, plan sponsors, family offices, foundations, endowments, consultants, asset managers, private-equity managers, insurers, and mutual fund leaders should think about this changed landscape.

The Rate Regime Has Changed

The first macro question is whether the current interest-rate environment is cyclical or structural.

The Federal Reserve's June 2026 FOMC statement kept the federal funds target range at 3.50%–3.75% and noted that inflation remained elevated relative to the Fed's 2% goal, partly reflecting supply shocks in sectors including energy. FOMC minutes from June also noted that the nominal 10-year Treasury yield had risen about 20 basis points since the April meeting and about 50 basis points since the start of conflict in the Middle East.ⁱ

For institutional investors, this matters because rates are not merely a macro variable. They are the discount rate for nearly every asset class. Higher long-term rates affect equity valuations, real estate cap rates, infrastructure pricing, private-equity exit assumptions, pension discount rates, liability-driven investing, credit spreads, and leverage.

Apollo's January 2026 Treasury-demand presentation frames the issue clearly: the yield curve is steepening because Fed policy, inflation expectations, and growing Treasury issuance all influence long rates. It also cites CBO projections showing federal debt held by the public rising materially over coming decades.ⁱⁱ The practical implication: investors should not build portfolios that only work if rates fall quickly. They need portfolios that can operate under higher-for-longer rates, curve steepening, fiscal pressure, and renewed inflation volatility.

Inflation Is More Episodic and Less Predictable

The inflation challenge is not simply whether CPI returns to target. The larger issue is whether inflation has become more episodic, sector-specific, and policy-sensitive. Energy shocks, tariffs, AI-driven power and infrastructure demand, labor shortages, defense spending, supply-chain restructuring, and climate-related insurance costs can all create inflation pressure without looking like a classic demand-driven cycle. BIS research on AI and the global economy notes that AI can simultaneously affect demand and supply, blurring cyclical signals and complicating central-bank assessment of underlying economic conditions and policy calibration. The BIS 2026 *Annual Economic Report* also identifies shifting inflation dynamics and the fiscal-financial stability nexus as central risks in the current environment.ⁱⁱⁱ

That creates a problem for boards and investment committees. If inflation is unstable, the old 60/40 framework may not provide the same protection. Fixed income can once again provide income, but duration can still be vulnerable. Equities can hedge inflation only if companies have pricing power. Private assets may appear stable because marks lag public markets, but that does not eliminate economic exposure. A modern institutional portfolio should therefore include explicit inflation analysis across TIPS, commodities, infrastructure, real estate, private credit, floating-rate instruments, operating margins, benefit liabilities, and spending policies.

Geopolitics Is Now a Portfolio Variable

Geopolitical fragmentation is no longer a quarterly macro footnote. It is increasingly embedded in trade policy, capital flows, sanctions, supply chains, technology access, currency settlement, and cross-border investment. The IMF's July 2026 *World Economic Outlook Update* projects global growth of 3.0% in 2026 and 3.4% in 2027, below the 2024–2025 average, and frames the global economy as operating in the crosscurrents of war and technology.^{iv}

For allocators, geopolitical risk should be translated into exposure maps. Which managers are exposed to sanctions? Which companies depend on restricted technologies? Which supply chains are vulnerable to tariffs or chokepoints? Which currencies support revenues, liabilities, and financing? Which counterparties become weaker if capital markets segment by region? The U.S. dollar transition as a “grey rhino” risk — slow-moving but potentially systemically disruptive. It emphasized that currency fragmentation affects cash flows, cost of

capital, valuation, payment systems, liquidity, and board oversight. That is exactly the governance challenge facing institutional investors today.

The Dollar Is Not Disappearing — But the System Is Diversifying

One of the most important topics in the new macro playbook is the future of the U.S. dollar. The wrong question is whether the dollar will “collapse.” The better question is how portfolios should adapt if the dollar remains dominant but the system around it becomes more multipolar. The dollar remains dominant across foreign-exchange reserves, export invoicing, FX transactions, SWIFT payments, and foreign-currency debt issuance and use – but there is a gradual diversification away from the high levels of dollar dominance seen around the turn of the century. This not as sudden de-dollarization, but a structural rebalancing: the global monetary system is not collapsing; it is gradually moving from a dollar-centric, fiat-based system toward a more multipolar, diversified, and increasingly digital reserve landscape.

That points to a nuanced conclusion: not de-dollarization as a sudden rupture, but diversification as a long structural process. The dollar still benefits from deep capital markets, rule of law, liquidity, safe-haven behavior, and the lack of a single credible replacement. But investors should still stress-test currency concentration, non-dollar liabilities, hedging policy, local funding, reserve buffers, and cross-border settlement.

Digital Money Is Infrastructure Before It Is an Asset Class

CBDCs, stablecoins, and tokenized assets should not be evaluated only through the lens of crypto speculation. CBDCs are digital liabilities of central banks, potentially wholesale or retail, account-based or token-based, and often designed to preserve a two-tier banking structure. Their benefits include payment resilience, efficiency, financial inclusion, and competition with private digital money; risks include bank disintermediation, liquidity stress, cyber vulnerability, data privacy, operational errors, and financial-stability concerns. The BIS 2026 Annual Economic Report emphasizes trust in money and the next-generation monetary and financial system as central questions for policymakers and market participants.^v

For institutional investors, the immediate issue is operational readiness. How will tokenized cash, stablecoins, CBDCs, and new payment rails affect settlement, collateral, custody, liquidity, and counterparty risk? The new macro playbook should treat digital money as market infrastructure, not merely a speculative allocation.

Where Capital Is Moving

Institutional investors are responding to this macro environment by reallocating toward income, resilience, diversification, and control. Natixis reported that institutional investors were sharpening their focus on private markets in 2026, with 45% increasing allocations to private debt and 34% to private equity, while 78% were applying greater deal scrutiny because of overcrowding concerns. BlackRock’s 2026 private-markets outlook frames private markets as increasingly central to infrastructure development, corporate financing, and diversified portfolio construction. Private credit remains a major beneficiary of this search for yield and control, but it must be underwritten with discipline. Higher floating-rate coupons can help lenders, but only

until borrower stress, refinancing risk, valuation uncertainty, or weak documentation overwhelms return expectations.^{vi}

Infrastructure and real assets are also becoming more important. They offer potential inflation linkage, essential-service exposure, and long-duration cash flows. But they are not automatically safe. Investors must underwrite regulation, capital intensity, leverage, technology change, political risk, and exit liquidity. Mercer's 2026 investment themes argue that many of the norms guiding portfolio construction, risk management, and strategic allocation for decades are now being reconsidered, re-examined, or overturned, what they term the "post-consensus era". This era is defined by "a landscape in which the norms that guided portfolio construction, risk management, and strategic allocation for decades are being reconsidered, re-examined, and in many cases overturned." That is the core reason the macro playbook needs to change.^{vii}

The New Governance Standard

The new macro playbook is ultimately a governance framework, not a forecast. Investment committees and boards should ask:

- What macro regimes would most damage the portfolio?
- Where are we exposed to higher long-term rates?
- What happens if inflation remains above target?
- How much liquidity do we truly have under stress?
- Where are our currency, counterparty, and settlement risks?
- How are private-market valuations being tested?
- Are we being paid for illiquidity, leverage, and complexity?
- What rebalancing actions are pre-approved before volatility arrives?

A reserve-resilient portfolio framework should emphasize dynamic regime awareness, currency-shock stress testing, sanctions and capital-control scenarios, digital-asset liquidity freezes, and pre-approved rebalancing triggers. Funds should also build resilience through a core diversified portfolio, a multipolar fixed-income sleeve, digital-money readiness, and a real-asset and commodity anchor.

The goal is not to abandon long-term policy portfolios. The goal is to make them more adaptive, more transparent, and more resilient. In the old playbook, investors could often rely on stable globalization, falling rates, and central-bank support. In the new playbook, capital must be positioned for fragmentation, policy divergence, inflation volatility, currency shifts, and a higher premium on liquidity and governance. The institutions that succeed will not be those that predict every macro turn correctly. They will be those that build portfolios — and governance systems — resilient enough to survive being wrong.

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- ⁱ <https://www.federalreserve.gov/monetarypolicy/fomcminutes20260617.htm> and <https://www.federalreserve.gov/newsevents/pressreleases/monetary20260617a.htm>
- ⁱⁱ <https://www.apolloacademy.com/understanding-demand-for-treasuries-and-why-the-yield-curve-is-steepening/>
- ⁱⁱⁱ <https://www.bis.org/publ/bisbull130.htm>
- ^{iv} <https://www.imf.org/en/publications/weo/issues/2026/07/08/world-economic-outlook-update-july-2026?cid=ca-com-homepage-WEOET2026004>
- ^v <https://www.bis.org/publ/arpdf/ar2026e.htm>
- ^{vi} <https://www.im.natixis.com/en-us/about/newsroom/press-releases/2025/institutional-investors-gird-their-portfolios-in-anticipation-of-turbulence-in-2026> and <https://www.blackrock.com/institutions/en-global/institutional-insights/thought-leadership/private-markets-outlook>
- ^{vii} <https://www.mercer.com/insights/investments/market-outlook-and-trends/themes-and-opportunities/>