

# Financial Sector Advisory Council

## Meeting Minutes



Federal Reserve  
Bank of Dallas

2:00 pm, February 18, 2026

### **Council Attendees:**

Dawn Fitzpatrick, Soros Fund Management (Council Chair)

Hayley Boesky, BofA Securities

Jake Carney, Castle Hook Partners

Gabriel Casillas, Barclays Capital

David Finkelstein, Annaly Capital Management

Josh Friedman, Canyon Partners

Karen Karniol-Tambour, Bridgewater Associates

Paul Hamill, ICE Clear Credit

Aasem Khalil, Goldman Sachs

Travis Machen, The Bank of Nova Scotia

Drew McKnight, Fortress Investment Group

Henry McVey, KKR

Daleep Singh, PGIM

Mike Verdeschi, Charles Schwab

Matthew Zames, Zames Group

### **External Attendees:**

Alesia Haas, Coinbase

Max Neukirchen, JP Morgan

### **Federal Reserve Bank of Dallas Attendees:**

Lorie Logan, Seth Searls, Karel Mertens, Emily Greenwald, David Teeples, Rebecca Zarutskie, Mark Wynne, Daron Peschel, Jim Dolmas, Amy Chapel, Enrique Martinez-Garcia, Pia Orrenius, Alessio Saretto, Donald Bowers, Guhan Venkatu, Anthony Murphy, Christine Docherty, Deborah Kilroe, Lorenzo Garza, Selena Munoz, Alejandro Dieguez, Ali Ozdagli, Seth Dunbar, Kimberly Brown, Rosie Levy, Hugo De Vere

### **Antitrust Guidelines**

Council members received a presentation on the antitrust guidelines established by the Federal Reserve Bank of Dallas.

## **Discussion of U.S. and Global Economic Outlook**

Council members first discussed the outlook for the U.S. and global economy, including important global trends and their potential impact on the U.S. economy and financial markets. Members generally agreed that economic growth in the U.S. would likely remain strong in 2026, supported by artificial intelligence (AI) investment and consumption among wealthier households. Some members noted that the AI investment boom, alongside supply-side constraints, could prolong the period of elevated inflation in the near term, but that the prospect of rising AI-driven productivity could exert disinflationary pressure over a longer period. In the context of sticky inflation, members discussed the trajectory of long-dated Treasury yields, noting various policies that the official sector could choose to pursue if lower yields were a priority. A few members observed that AI adoption could result in meaningful structural changes to the U.S. labor market and highlighted the potential asymmetric effect on employment across age groups and job families.

Members also discussed global developments and trends, including the outlook for major advanced and emerging market economies. Some members highlighted expectations for resilient growth in China to continue and the potential for fiscal developments to provide a tailwind to the Eurozone economy and support stabilization in Japan. Members also discussed the outlook for interest rate differentials between the US and key foreign jurisdictions and the implications for the dollar. The outlook for US trade policy was also discussed, with some members noting that if the Supreme Court deemed the recent use of IEEPA tariffs illegal, new tariffs under different statutes were likely to be implemented.

## **Discussion of Digital Assets**

Members next discussed the development of digital assets, with particular focus on tokenized deposits and stablecoins. After a short presentation by a guest speaker, members debated the implications of broad tokenized deposit adoption on bank balance sheets and liquidity management. Some members highlighted potential concerns at community banks, observing elevated risk of further customer migration to large depository institutions, against the backdrop of lower resource capacity at smaller banks to explore tokenization. Members also observed the potential for tokenization to impact the stability of deposits, especially of corporate clients, with possible implications for liquidity risk management and ultimately the cost of credit. Some members discussed the further potential impact of AI adoption, highlighting that AI agents could amplify flightiness of retail deposits.

## **Discussion of Other Risks in the Financial System**

Members cited a range of domestic and global risks. A few members observed elevated geopolitical risks and uncertainty around the impact of these risks on financial markets. Several members raised

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risks associated with AI, including cybersecurity, limited regulation around use, and the inflationary impact of capital expenditures. Several members discussed risks in private credit, vulnerabilities from elevated leverage in some segments of the financial system, and expectations for increased market volatility, from recent low levels. A few members viewed repatriation efforts by overseas investors as likely to accelerate, with implications for the dollar. Members also highlighted risks associated with uncertainty around the trajectory of the Fed's balance sheet and potential changes to the mechanisms of monetary policy transmission amid structural changes to the U.S. economy.