Economic Outlook

Your monthly digest on economic trends.

Global Outlook

The global economy is expected to remain resilient, with the IMF projecting global GDP growth at 3.3%. Expansion is expected to be supported by technology-related investment and easing financial conditions. Disinflation is ongoing across many economies, though progress towards central bank targets remain uneven. Trade and investment may also show modest improvements, if policy uncertainty declines. However, downside risks remain, with a potential re-escalation of tariffs pressures, rising geopolitical tensions —particularly as U.S.–Iran relations worsen, increasing the likelihood of energy-market and shipping disruptions—and weaker-than-expected productivity posing threats to the outlook. Nonetheless, some upside potential remains if conditions stabilize. We will continue to monitor global developments and adjust as conditions evolve.

United States

The U.S. growth outlook remains positive, supported by improving economic and financial conditions. Among these, inflation is expected to continue moderating, though price pressures may remain above the Federal Reserve's target, and monetary policy appears to be on a path of gradual easing. A recent U.S. Supreme Court ruling against the U.S. administration's tariffs could potentially reduce policy uncertainty and ease pressures, while heightened tensions in the Middle East could increase the risk of energy-driven inflation. Given these dynamics the U.S. outlook may be sensitive to geopolitical shocks and policy uncertainty. We will continue to track developments closely, as these will shape the overall risk environment for diversified portfolios.

Latin America, the Caribbean, and Trinidad and Tobago

Latin America and the Caribbean are expected to deliver modest growth, supported by tourism, remittance flows and stable financing conditions. However, structural challenges and exposure to external shocks remain key constraints. For T&T, growth prospects remain tied to the energy sector. Oil prices remain sensitive to supply and demand conditions; softer demand could weigh on them, while higher geopolitical tensions could temporarily boost prices and revenues. Persistent forex pressures, limited diversification and higher public debt also weigh on the outlook. We will monitor energy-related developments and fiscal measures closely, as these will influence regional investment opportunities.

Asset Class	Average Maturity (Yrs)	Yield (%)	1M Return (%)	1 Year Return (%)
U.S. Treasuries	4.08	3.47	1.24	1.25
Investment Grade	4.02	4.22	0.89	1.21
High Yield	3.95	7.13	-0.09	0.43
EM Sovereign (USD)	4.09	5.07	0.89	1.49
S&P 500	-	1.17	-0.87	0.49

Data as at 02/27/2026
Unless otherwise specified, returns are index returns

SHEPPARD

Sheppard Securities Limited
5-7 Sweet Briar Road, St. Clair, Trinidad, WI
Tel: 868.222.5192
Website: www.sheppard.tt