



US Rate Watch

January 2026

SHEPPARD



What's Going On In The Market

On Jan 28, 2026, the Federal Open Market Committee (FOMC) voted to maintain the target range for the federal funds rate at **3.50% - 3.75%**. This decision was in line with expectations and was supported by steady growth, signs of stabilization in the unemployment rate, and persistent inflation.

The Committee reaffirmed its commitment to achieving maximum employment and returning inflation to 2% over the longer run, while noting that economic uncertainty remains elevated. Policymakers have therefore signaled a cautious approach, emphasizing that any future policy moves will depend on incoming data and the balance of risks.



The next scheduled meeting of the Federal Open Market Committee (FOMC) is set for: **March 17-18**



2.7%

Inflation



4.4%

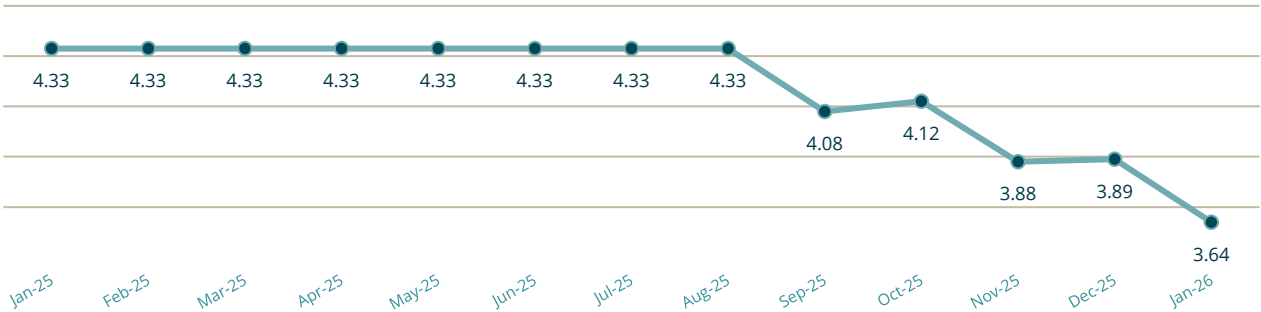
Unemployment



47.9%

Manufacturing PMI

Effective Federal Funds Rate (Last 12 Months)



HOW DOES THIS AFFECT YOU?

At Sheppard, we offer our clients the option to sweep any excess USD cash into money market mutual funds as well as bank deposit products. If elected, any free credit balance in your brokerage account will be automatically invested into the sweep product selected. These accounts are **currently yielding around 2.92%** as displayed in the table below.

We have also provided the average yield on various United States Treasury bills as well as indicative bond levels given the current interest rate environment for your reference.

Current Returns	
Fund Name	Average Yield
Federated Hermes Short-Term Daily U.S. Dollar Fund	2.92%
3-month US Treasury Bill (approx.)	3.66%
6-month US Treasury Bill (approx.)	3.64%
12-month US Treasury Bill (approx.)	3.49%

Indicative Bond Levels

Description	Industry	S&P Rating	Coupon %	Maturity	Tenor	Indicative Price	Indicative Yield to Worst %
U.S. Treasuries							
TREASURY BILL	Government	AA+	0.00%	4/28/2026	0.25	99.13	3.65%
TREASURY BILL	Government	AA+	0.00%	8/6/2026	0.53	98.17	3.62%
US TREASURY N/B	Government	AA+	4.13%	2/15/2027	1.06	100.59	3.55%
US TREASURY N/B	Government	AA+	4.25%	2/15/2028	2.08	101.30	3.58%
US TREASURY N/B	Government	AA+	5.38%	2/15/2031	5.12	107.12	3.81%
US TREASURY N/B	Government	AA+	4.50%	2/15/2036	10.19	102.47	4.20%
Investment Grade							
GENERAL MILLS INC	Consumer, Non-cyclical	BBB	4.70%	1/30/2027	1.02	100.72	3.87%
SAGICOR FINANCIAL CO	Financial	BBB	5.30%	5/13/2028	2.32	100.11	4.86%
ROYAL BANK OF CANADA	Financial	A	4.95%	2/1/2029	3.05	102.76	3.97%
TRINIDAD & TOBAGO	Government	BBB-	4.50%	6/26/2030	4.47	96.50	5.40%
CVS HEALTH CORP	Consumer, Non-cyclical	BBB	1.88%	2/28/2031	5.16	88.02	4.54%
TORONTO-DOMINION BANK	Financial	A-	3.20%	3/10/2032	6.20	93.29	4.47%
UNITED PARCEL SERVICE	Industrial	A	4.88%	3/3/2033	7.19	103.06	4.35%
COCA-COLA CO/THE	Consumer, Non-cyclical	A+	5.00%	5/13/2034	8.41	104.06	4.39%
VERIZON COMMUNICATIONS	Communications	BBB+	4.78%	2/15/2035	9.18	98.34	5.01%
TRINIDAD & TOBAGO	Government	BBB-	6.50%	1/28/2036	10.14	99.34	6.59%
Non-Investment Grade							
NAVIENT CORP	Financial	BB-	5.00%	3/15/2027	1.14	99.85	5.13%
TEVA PHARMACEUTICALS NE	Consumer, Non-cyclical	BB+	6.75%	3/1/2028	2.12	104.00	4.46%
TELECOM OF TRIN & TOBAGO	Communications	BB-	8.88%	10/18/2029	3.77	102.66	7.65%
DOMINICAN REPUBLIC	Government	BB	4.50%	1/30/2030	4.06	97.70	5.14%
TRINIDAD GEN UNLTD	Utilities	BB+	7.75%	6/16/2033	7.49	105.40	6.66%

Please note all pricing should be treated indicatively and are intended for illustrative purposes only. This should not replace or substitute any investment advice. If you have any questions, feel free to reach out to your advisor.

About Sheppard

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Sheppard serves over 3,000 clients with over \$8 billion in assets under management with securities in 14 currencies, in 65 countries, operating on 60 exchanges. We maintain professional relationships with most major financial institutions in Trinidad and Tobago, throughout the Caribbean and Internationally. We employ one of the most advanced financial trading platforms available worldwide: Pershing LLC (rated AA- by S&P) – a wholly owned subsidiary of The Bank of New York Mellon. 60% of our assets under management are held outside of Trinidad and Tobago. Sheppard Securities currently has over 50 employees of which includes more than 20 investment professionals. Information on members of staff can also be viewed on our website: <https://sheppard.tt/who-we-are/>

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