US Rate Watch

July 2026

SHEPPARD

What's Going On In The Market

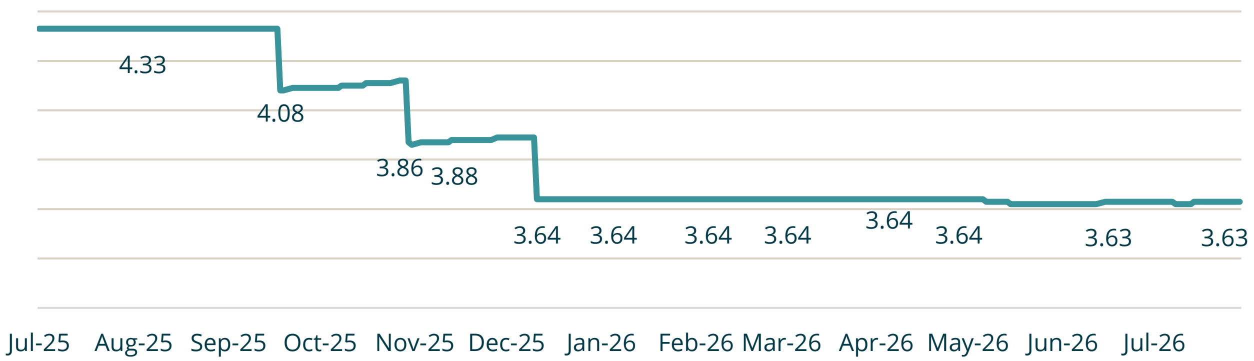
On July 29, 2026, the Federal Open Market Committee (FOMC) kept the federal funds rate unchanged at a target range of **3.50% - 3.75%,** a decision that was largely anticipated by markets. The move reflected a solid pace of economic activity despite heightened uncertainty, supported by strong productivity growth, capital investment, and a relatively stable labor market.

The Committee noted that inflation remains above its 2% target, partly reflecting ongoing challenges, including higher energy prices. Nevertheless, it reaffirmed its commitment to deliver price stability over the longer run, with future policy decisions remaining dependent on incoming economic data and the evolving balance of risks.

The next scheduled meeting of the Federal Open Market Committee (FOMC) is set for: ***September 15-16***

3.50-3.75%	3.5%	4.2%	53.3%
Fed Target Range	Inflation	Unemployment	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 2.86%** 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	**2.86%**
Trinidad and Tobago UTC U.S. Dollar Income Fund	**3.80%**
3-month US Treasury Bill (approx.)	**3.77%**
6-month US Treasury Bill (approx.)	**3.96%**
12-month US Treasury Bill (approx.)	**4.05%**

Indicative Bond Levels

Description	Industry	S&P Rating	Coupon %	Maturity	Tenor	Indicative Price	Indicative Yield to Worst %
U.S. Treasuries							
TREASURY BILL	Government	AA+	0.000%	11/3/2026	0.26	99.05	3.790%
US TREASURY N/B	Government	AA+	4.125%	1/31/2027	0.51	100.07	3.978%
US TREASURY N/B	Government	AA+	3.750%	8/15/2027	1.06	99.58	4.166%
US TREASURY N/B	Government	AA+	4.125%	7/31/2028	2.03	99.68	4.292%
US TREASURY N/B	Government	AA+	1.250%	8/15/2031	5.11	85.66	4.461%
US TREASURY N/B	Government	AA+	4.375%	5/15/2036	9.93	97.25	4.729%
Investment Grade							
ROYAL BANK OF CANADA	Financial	A	4.240%	8/3/2027	1.02	99.92	4.321%
SAGICOR FINANCIAL CO	Financial	BBB	5.300%	5/13/2028	1.81	99.97	5.315%
MCDONALD'S CORP	Consumer, Cyclical	BBB+	2.625%	9/1/2029	3.13	94.33	4.621%
CVS HEALTH CORP	Consumer, Non-cyclical	BBB	1.750%	8/21/2030	4.12	88.28	4.983%
SALESFORCE INC	Technology	A+	1.950%	7/15/2031	5.03	86.34	5.107%
FORD MOTOR COMPANY	Consumer, Cyclical	BBB-	6.100%	8/19/2032	6.14	101.33	5.827%
MARRIOTT INTERNATIONAL	Consumer, Cyclical	BBB	2.750%	10/15/2033	7.31	85.59	5.172%
TRINIDAD & TOBAGO	Government	BBB-	6.400%	6/26/2034	8.02	101.49	6.155%
AT&T INC	Communications	BBB	5.375%	8/15/2035	9.17	98.05	5.653%
TRINIDAD & TOBAGO	Government	BBB-	6.500%	1/28/2036	9.63	101.32	6.311%
Non-Investment Grade							
UNITED AIRLINES HOLDINGS	Consumer, Cyclical	BB+	4.875%	3/1/2029	2.62	98.65	5.442%
TELECOM OF TRIN & TOBAGO	Communications	BB-	8.875%	10/18/2029	3.26	101.99	7.735%
PARAMOUNT GLOBAL	Communications	BB+	4.950%	1/15/2031	4.53	92.10	7.048%
TRINIDAD GEN UNLTD	Utilities	BB+	7.750%	6/16/2033	6.98	105.11	6.642%

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

Founded in 2009, Sheppard Securities Limited is a full-service independent securities brokerage and investment advisory firm. Our focus is on helping private and institutional clients manage their wealth through comprehensive financial planning as well as efficient portfolio optimization and management. Our Head Office is located at 5-7 Sweet Briar Road, St. Clair, Trinidad.

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