



US Rate Watch

October 2025

SHEPPARD



What's Going On In The Market

On October 29, 2025, the Federal Open Market Committee (FOMC) decided to lower the target range for the federal funds rate to **3.75% - 4.00%** from **4.00% - 4.25%**. This decision was supported by a moderation in economic activity, a softer labor market, and elevated inflation.

The Committee recognizes that uncertainty surrounding the economic outlook is heightened, partly due to the lack of federal government data during the ongoing shutdown. This lack of timely information may affect future policy decisions, but the Committee remains prepared to adjust policy if the balance of risks shifts.



The next scheduled meeting of the Federal Open Market Committee (FOMC) is set for: **December 9-10**



3%

Inflation



4.3%

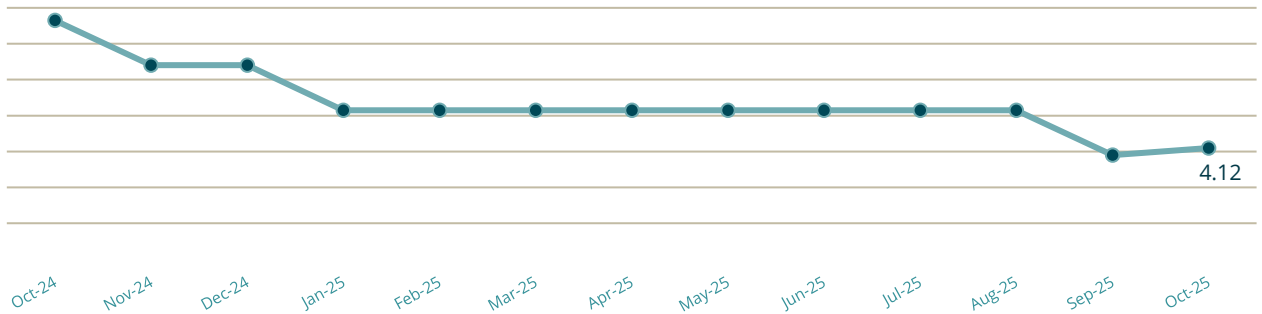
Unemployment



49.1%

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 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 3.32%** 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	3.32%
3-month US Treasury Bill (approx.)	3.83%
6-month US Treasury Bill (approx.)	3.80%
12-month US Treasury Bill (approx.)	3.68%

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%	2/3/2026	0.27	99.02	3.8039%
TREASURY BILL	Government	AA+	0.000%	5/14/2026	0.54	98.05	3.7234%
US TREASURY N/B	Government	AA+	1.625%	10/31/2026	1.02	97.96	3.7252%
US TREASURY N/B	Government	AA+	2.250%	11/15/2027	2.07	97.38	3.5911%
US TREASURY N/B	Government	AA+	4.000%	1/31/2031	5.33	101.24	3.7363%
US TREASURY N/B	Government	AA+	4.250%	8/15/2035	9.93	101.39	4.0757%
Investment Grade							
IBM CORP	Technology	A-	1.700%	5/15/2027	1.56	96.71	3.9270%
SAGICOR FINANCIAL CO	Financial	BBB	5.300%	5/13/2028	2.57	99.63	5.4567%
AMAZON.COM INC	Communications	AA	3.450%	4/13/2029	3.50	98.68	3.8628%
STARBUCKS CORP	Consumer, Cyclical	BBB+	4.800%	5/15/2030	4.61	102.22	4.2476%
TRINIDAD & TOBAGO	Government	BBB-	5.950%	1/14/2031	5.28	100.43	5.8506%
CHARLES SCHWAB CORP	Financial	A-	2.900%	3/3/2032	6.43	91.74	4.4077%
CVS HEALTH CORP	Consumer, Non-cyclical	BBB	5.250%	2/21/2033	7.42	103.03	4.7403%
ROYAL BANK OF CANADA	Financial	A	5.150%	2/1/2034	8.38	104.72	4.4596%
T-MOBILE USA INC	Communications	BBB	4.700%	1/15/2035	9.34	98.91	4.8474%
SHELL FINANCE US INC	Energy	A+	4.125%	5/11/2035	9.67	96.83	4.5381%
Non-Investment Grade							
ICAHN ENTERPRISES/FIN	Financial	BB-	5.250%	5/15/2027	1.56	98.46	6.3124%
TEVA PHARMACEUTICALS NE	Consumer, Non-cyclical	BB	6.750%	3/1/2028	2.37	104.20	4.6152%
TELECOM OF TRIN & TOBAGO	Communications	BB-	8.875%	10/18/2029	4.03	102.24	7.9328%
TENET HEALTHCARE CORP	Consumer, Non-cyclical	BB	4.375%	1/15/2030	4.27	97.83	4.9523%
TRINIDAD GEN UNLTD	Utilities	BB+	7.750%	6/16/2033	7.74	105.62	6.6486%

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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