US Rate Watch

September 2026

SHEPPARD

What's Going On In The Market

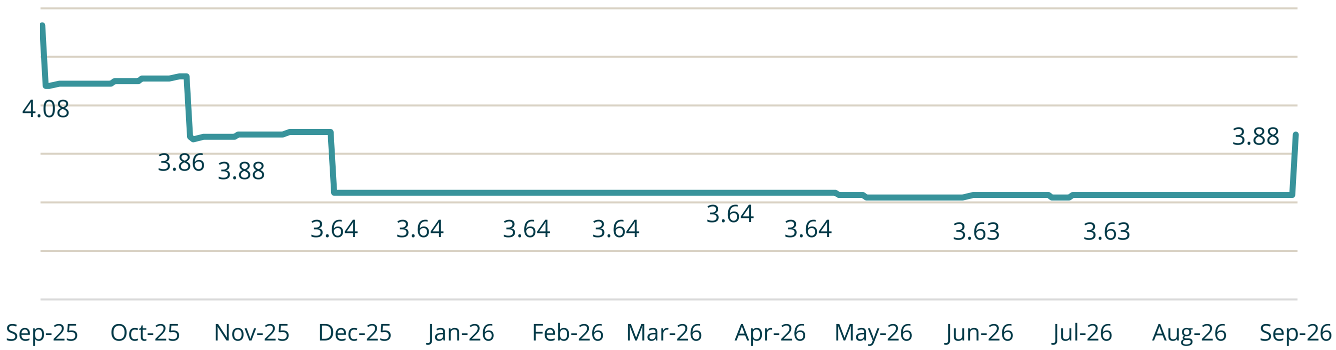
On September 16, 2026, the Federal Open Market Committee (FOMC) raised the federal funds target range by 25 basis points to **3.75% - 4.00%.** This decision was aligned with the Federal Reserve's dual mandate of achieving maximum employment and price stability. The rate increase reflected solid economic activity, resilient consumer spending, a relatively stable labor market, and strong productivity growth amid heightened uncertainty due to geopolitical developments.

The Committee noted that inflation remains above its target and expressed that the action is intended to support a timelier return to 2%. While economic conditions remain generally favorable, elevated energy prices could pose a threat to the outlook. As such, future policy decisions will continue to depend on incoming data and the evolving balance of risks.

The next scheduled meeting of the Federal Open Market Committee (FOMC) is set for: ***October 27-28***

3.75%-4.00%	3.4%	4.1%	54.6%
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 2.90%** 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	**2.90%**
Trinidad and Tobago UTC U.S. Dollar Income Fund	**3.85%**
3-month US Treasury Bill (approx.)	**4.06%**
6-month US Treasury Bill (approx.)	**4.23%**
12-month US Treasury Bill (approx.)	**4.41%**

Indicative Bond Levels

Description	Industry	S&P Rating	Coupon %	Maturity	Tenor	Indicative Price	Indicative Yield to Worst %
U.S. Treasuries							
US TREASURY N/B	Government	AA+	4.375%	12/15/2026	0.24	100.11	3.871%
US TREASURY N/B	Government	AA+	2.500%	3/31/2027	0.54	99.13	4.195%
US TREASURY N/B	Government	AA+	2.250%	11/15/2027	1.18	97.43	4.572%
US TREASURY N/B	Government	AA+	3.500%	11/15/2028	2.19	97.45	4.762%
US TREASURY N/B	Government	AA+	4.125%	11/30/2031	5.28	96.62	4.869%
US TREASURY N/B	Government	AA+	4.625%	8/15/2036	10.05	97.16	4.992%
Investment Grade							
TORONTO-DOMINION BANK	Financial	A-	4.693%	9/15/2027	1.01	99.97	4.719%
SAGICOR FINANCIAL CO	Financial	BBB	5.300%	5/13/2028	1.68	99.59	5.563%
COCA-COLA CO/THE	Consumer, Non-cyclical	A+	2.125%	9/6/2029	3.01	92.31	4.952%
SHELL FINANCE US INC	Energy	A+	4.125%	11/6/2030	4.19	96.12	5.181%
WALMART INC	Consumer, Cyclical	AA	1.800%	9/22/2031	5.08	85.98	5.002%
GOVT OF BERMUDA	Government	A+	5.000%	7/15/2032	5.91	97.65	5.476%
GENERAL MOTORS FINL CO	Consumer, Cyclical	BBB	6.100%	1/7/2034	7.41	101.00	5.923%
COMCAST CORP	Communications	A- *-	4.200%	8/15/2034	8.02	89.24	5.924%
VISA INC	Financial	AA-	4.150%	12/14/2035	9.37	91.53	5.323%
TRINIDAD & TOBAGO	Government	BBB-	6.500%	1/28/2036	9.50	100.37	6.445%
Non-Investment Grade							
METHANEX CORP	Basic Materials	BB	5.125%	10/15/2027	1.09	99.64	5.474%
ONEMAIN FINANCE CORP	Financial	BB	3.875%	9/15/2028	2.02	96.31	5.874%
DOMINICAN REPUBLIC	Government	BB	4.500%	1/30/2030	3.42	95.46	6.011%
YUM! BRANDS INC	Consumer, Cyclical	BB	3.625%	3/15/2031	4.55	91.13	5.906%
TRINIDAD GEN UNLTD	Utilities	BB+	7.750%	6/16/2033	6.84	105.14	6.610%

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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