



Spotlight On US FEDERAL FUNDS TARGET RATE

WHAT'S GOING ON IN THE MARKET?

On January 29th, 2025, the decision was made by the Federal Open Market Committee (FOMC) to maintain its target range for the federal funds rate at **4.25%-4.50%**. This interest rate decision was informed by the Fed's dual mandate to foster full employment and keep prices low and stable.

The annual inflation rate in the US rose for a 3rd consecutive month to 2.9% in December 2024 from 2.7% in November, in line with market expectations. This year-end rise is partly driven by low base effects from last year, particularly for energy.



The next scheduled meeting of the Federal Open Market Committee (FOMC) is set for: **March 18-19* 2025**



2.9%

Inflation



4.1%

Unemployment



49.3%

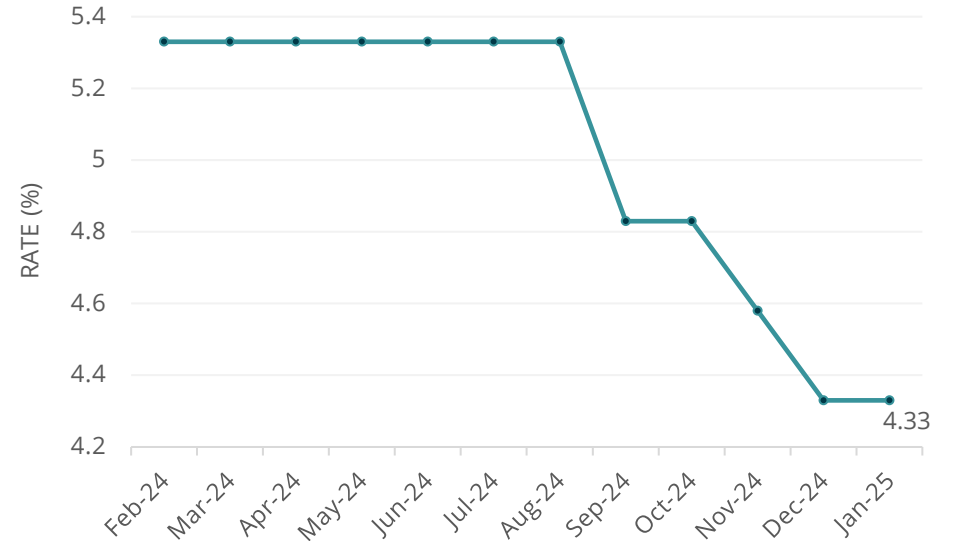
Manufacturing PMI

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 3.6%** as displayed in the table to the right.

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.

Effective Federal Funds Rate (Last 12 Months)



Current Returns	
Fund Name	Average Yield
Federated Hermes Short-Term Daily U.S. Dollar Fund	3.63%
3-month US Treasury Bill (approx.)	4.29%
6-month US Treasury Bill (approx.)	4.26%
12-month US Treasury Bill (approx.)	4.15%

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%	5/1/2025	0.25	95.82	4.285%
TREASURY BILL	Government	AA+	0.000%	8/7/2025	0.53	95.88	4.266%
US TREASURY N/B	Government	AA+	0.750%	3/31/2026	1.18	96.11	4.219%
US TREASURY N/B	Government	AA+	1.875%	2/28/2027	2.11	95.41	4.207%
US TREASURY N/B	Government	AA+	3.500%	1/31/2030	5.08	96.35	4.319%
US TREASURY N/B	Government	AA+	4.250%	11/15/2034	9.93	97.94	4.512%
Investment Grade							
IBM CORP	Technology	A-	3.300%	5/15/2026	1.31	98.42	4.570%
GENERAL MOTORS FINL CO	Consumer, Cyclical	BBB	4.350%	1/17/2027	1.99	99.08	4.844%
SAGICOR FINANCIAL CO	Financial	BBB	5.300%	5/13/2028	3.33	97.91	6.006%
HOME DEPOT INC	Consumer, Cyclical	A	4.750%	6/25/2029	4.46	100.35	4.659%
KENVUE INC	Consumer, Non-cyclical	A	5.000%	3/22/2030	5.21	100.99	4.773%
T-MOBILE USA INC	Communications	BBB	2.875%	2/15/2031	6.13	88.35	5.144%
TORONTO-DOMINION BANK	Financial	A-	3.200%	3/10/2032	7.21	88.03	5.238%
BLACKROCK INC	Financial	AA-	4.750%	5/25/2033	8.44	98.54	4.965%
JEFFERIES FIN GROUP INC	Financial	BBB	6.200%	4/14/2034	9.34	103.22	5.735%
AMAZON.COM INC	Communications	AA	4.800%	12/5/2034	9.99	99.46	4.869%
Non-Investment Grade							
NAVIENT CORP	Financial	BB-	6.750%	6/15/2026	1.39	101.72	5.428%
ICAHN ENTERPRISES/FIN	Financial	BB-	5.250%	5/15/2027	2.32	97.07	6.647%
TEVA PHARMACEUTICALS NE	Consumer, Non-cyclical	BB	6.750%	3/1/2028	3.13	103.08	5.563%
TELECOM OF TRIN & TOBAGO	Communications	BB-	8.875%	10/18/2029	4.78	102.69	7.958%
TENET HEALTHCARE CORP	Consumer, Non-cyclical	BB-	4.375%	1/15/2030	5.03	94.18	5.741%

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.