



# Spotlight On US FEDERAL FUNDS TARGET RATE

## WHAT'S GOING ON IN THE MARKET?

On March 19, 2025, the Federal Open Market Committee (FOMC) announced its decision to keep the target range for the federal funds rate at **4.25% to 4.50%**. However, officials at the central bank still anticipate cutting the fed funds rate 0.5%, to a range of 3.75% to 4%, by the end of 2025.

The U.S. annual inflation rate was recorded at 2.8% in February 2025, up from the 2.5% projections in December. Chair Powell stated that, "inflation has started to move up now, we think, partly in response to tariffs, and there may be a delay in further progress over the course of the year." The Committee still aims to support maximum employment and return inflation to its 2% objective



The next scheduled meeting of the Federal Open Market Committee (FOMC) is set for: **May 6 - 7\***



**2.8%**

Inflation



**4.1%**

Unemployment



**50.3%**

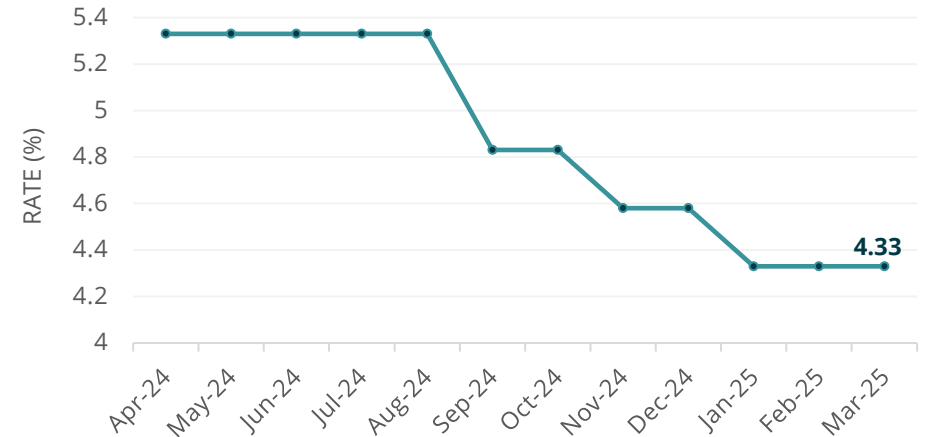
Manufacturing PMI

## 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	<b>3.55%</b>
3-month US Treasury Bill (approx.)	<b>4.26%</b>
6-month US Treasury Bill (approx.)	<b>4.13%</b>
12-month US Treasury Bill (approx.)	<b>4.05%</b>

# 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%	6/17/2025	0.25	95.83	4.269%
US TREASURY N/B	Government	AA+	0.250%	9/30/2025	0.54	97.96	4.199%
US TREASURY N/B	Government	AA+	4.500%	3/31/2026	1.04	100.43	4.071%
US TREASURY N/B	Government	AA+	4.500%	4/15/2027	2.10	101.09	3.943%
US TREASURY N/B	Government	AA+	3.500%	4/30/2030	5.19	97.57	4.030%
US TREASURY N/B	Government	AA+	4.625%	2/15/2035	10.05	103.16	4.231%
Investment Grade							
ORACLE CORP	Technology	BBB	1.650%	3/25/2026	1.03	97.27	4.437%
LOWE'S COS INC	Consumer, Cyclical	BBB+	3.100%	5/3/2027	2.15	97.28	4.460%
SAGICOR FINANCIAL CO	Financial	BBB	5.300%	5/13/2028	3.19	99.07	5.624%
GENERAL MOTORS FINL CO	Consumer, Cyclical	BBB	4.300%	4/6/2029	4.11	96.78	5.193%
JEFFERIES FIN GROUP INC	Financial	BBB	4.150%	1/23/2030	4.92	95.76	5.150%
AT&T INC	Communications	BBB	2.750%	6/1/2031	6.29	89.10	4.805%
ROYAL BANK OF CANADA	Financial	A	3.875%	5/4/2032	7.23	93.93	4.895%
BHP BILLITON FIN USA LTD	Basic Materials	A-	4.900%	2/28/2033	8.06	99.43	4.988%
HONEYWELL INTERNATIONAL	Industrial	A *-	4.500%	1/15/2034	8.95	96.69	4.967%
DEERE & COMPANY	Industrial	A	5.450%	1/16/2035	9.97	103.85	4.940%
Non-Investment Grade							
NAVIENT CORP	Financial	BB-	6.750%	6/15/2026	1.26	101.25	5.676%
TRINIDAD GEN UNLTD	Utilities	BB+	5.250%	11/4/2027	2.66	97.79	6.993%
TENET HEALTHCARE CORP	Consumer, Non-cyclical	BB-	4.625%	6/15/2028	3.29	97.24	5.566%
TELECOM OF TRIN & TOBAGO	Communications	BB-	8.875%	10/18/2029	4.65	102.17	8.109%
UNITED RENTALS NORTH AM	Consumer, Non-cyclical	BB+	4.000%	7/15/2030	5.40	93.38	5.449%

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.