



# Spotlight On US FEDERAL FUNDS TARGET RATE

## WHAT'S GOING ON IN THE MARKET?

On May 07, 2025, the Federal Open Market Committee (FOMC) decided to maintain the target range for the federal funds rate at **4.25% to 4.50%**. The annual inflation rate in the US eased for a second consecutive month to 2.4% in March 2025, the lowest since September, down from 2.8% in February.

Chair Jerome Powell warned that lasting tariffs could raise inflation, slow growth, and increase unemployment. However, he emphasized the Fed's role in keeping long-term inflation under control, even if tariff effects are temporary or long-lasting.



*The next scheduled meeting of the Federal Open Market Committee (FOMC) is set for: **June 17-18\****



**2.4%**

Inflation



**4.2%**

Unemployment



**48.7%**

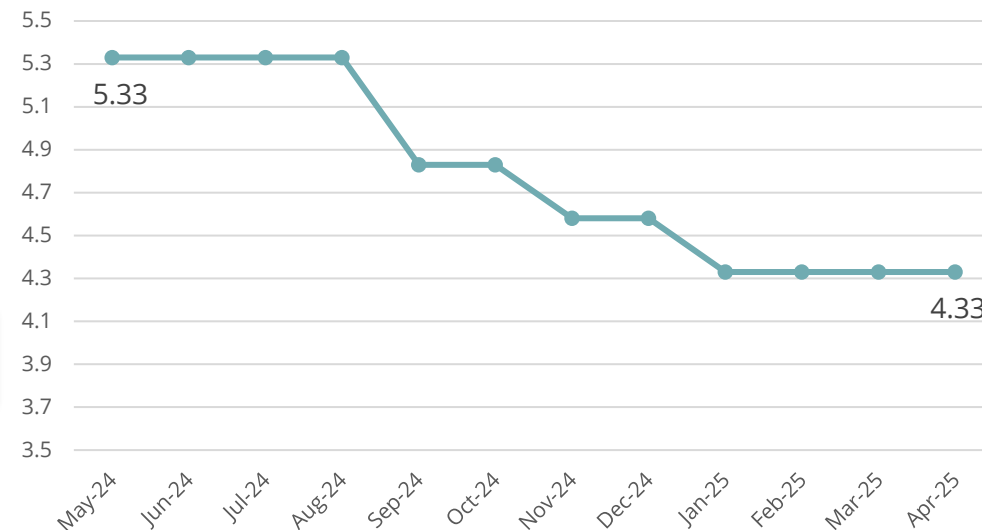
Manufacturing PMI

## 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 3.5%** 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>3.50%</b>
3-month US Treasury Bill (approx.)	<b>4.32%</b>
6-month US Treasury Bill (approx.)	<b>4.23%</b>
12-month US Treasury Bill (approx.)	<b>4.02%</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%	8/19/2025	0.28	95.80	4.313%
TREASURY BILL	Government	AA+	0.000%	10/30/2025	0.48	95.90	4.240%
US TREASURY N/B	Government	AA+	0.750%	5/31/2026	1.08	96.65	4.035%
US TREASURY N/B	Government	AA+	2.375%	5/15/2027	2.04	97.16	3.858%
US TREASURY N/B	Government	AA+	0.625%	8/15/2030	5.34	84.10	4.006%
US TREASURY N/B	Government	AA+	4.250%	11/15/2034	9.66	99.16	4.359%
Investment Grade							
3M COMPANY	Industrial	BBB+	2.250%	9/19/2026	1.38	97.10	4.484%
BANK OF MONTREAL	Financial	A-	5.370%	6/4/2027	2.10	101.75	4.471%
SAGICOR FINANCIAL CO	Financial	BBB	5.300%	5/13/2028	3.06	98.52	5.846%
SHERWIN-WILLIAMS CO	Basic Materials	BBB	2.950%	8/15/2029	4.33	93.09	4.761%
TRINIDAD & TOBAGO	Government	BBB-	4.500%	6/26/2030	5.21	91.03	6.591%
GENERAL MOTORS FINL CO	Consumer, Cyclical	BBB	2.700%	6/10/2031	6.18	84.79	5.695%
T-MOBILE USA INC	Communications	BBB	5.125%	5/15/2032	7.12	100.55	5.031%
CANADIAN IMPERIAL BANK	Financial	A-	6.092%	10/3/2033	8.53	105.50	5.253%
TRINIDAD & TOBAGO	Government	BBB-	6.400%	6/26/2034	9.26	95.13	7.133%
CHEVRON USA INC	Energy	AA-	4.980%	4/15/2035	10.08	99.33	5.064%
Non-Investment Grade							
CELANESE US HOLDINGS LLC	Basic Materials	BB+	1.400%	8/5/2026	1.26	96.16	4.649%
TEVA PHARMACEUTICAL INDU	Consumer, Non-cyclical	BB	4.750%	5/9/2027	2.03	99.11	5.226%
COMMONWEALTH OF BAHAMAS	Government	B+	6.000%	11/21/2028	3.59	96.07	7.757%
TELECOM OF TRIN & TOBAGO	Communications	BB-	8.875%	10/18/2029	4.51	100.53	8.675%
TENET HEALTHCARE CORP	Consumer, Non-cyclical	BB-	4.375%	1/15/2030	4.76	95.84	5.392%

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.