

Why Did the Fed Keep Rates Unchanged?

The US Federal Reserve has kept its benchmark interest rate unchanged at **3.5%–3.75%** for the fifth consecutive policy meeting. However, the decision wasn't unanimous—**three policymakers voted in favour of raising rates**, marking the biggest policy split within the Fed since 2016. The dissent reflects growing concerns that inflation is still above the Fed's 2% target and may require tighter monetary policy. For India, the Fed's decision matters because US interest rates influence foreign investment, currency movements, and global borrowing costs. If the Fed eventually raises rates, emerging markets like India could witness capital outflows and increased pressure on the rupee.

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