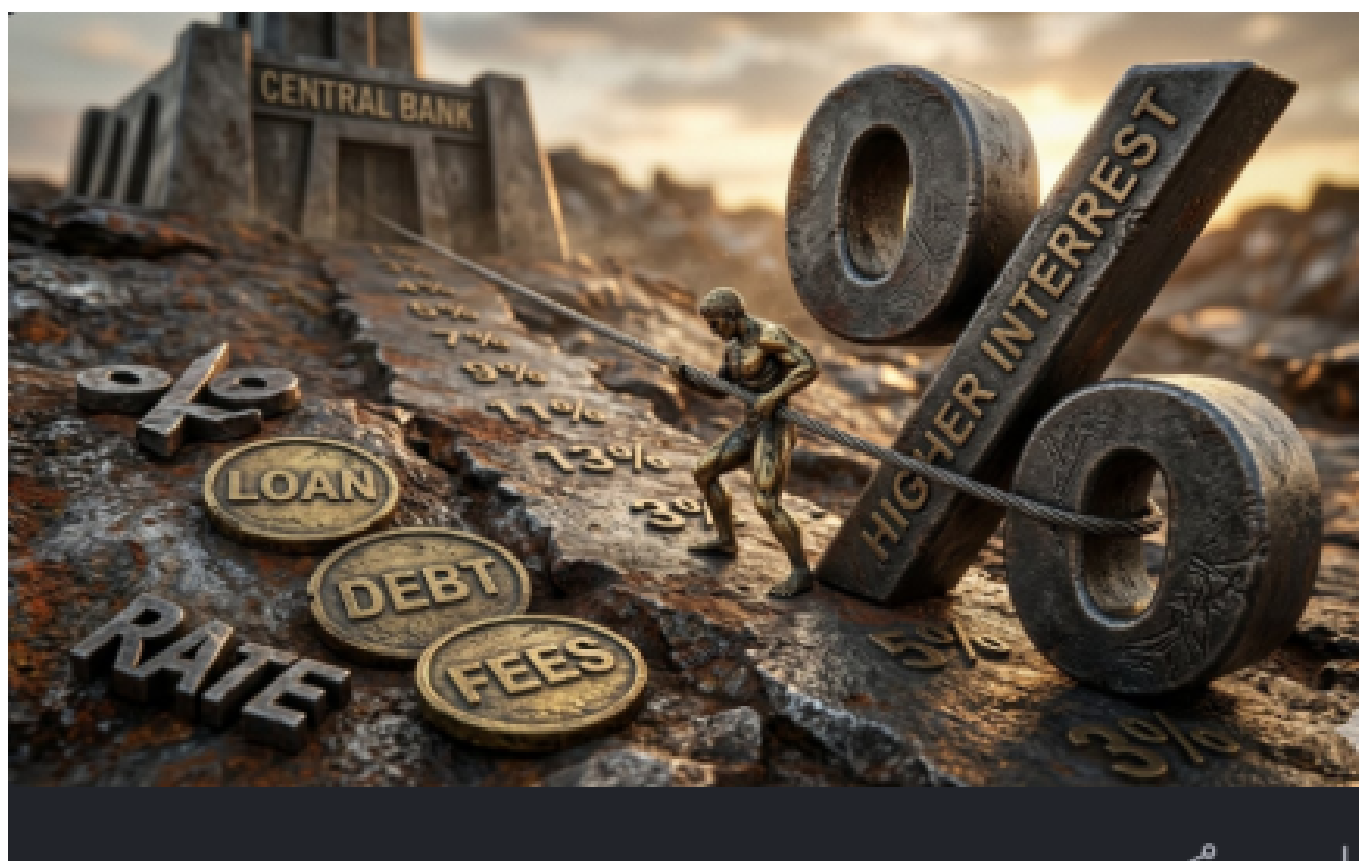


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RBI hikes repo to 5.5% — first rate rise since 2023

Latest in the wave of tightening, India's central bank raised rates and signaled it is moving into a tightening cycle, ending hopes of near-term relief for borrowers.

By **Manasee Kurlekar** | October 8, 2026



The RBI is the latest in a wave of tightening. The Fed made its first hike since 2023 on 16 Sep, to a 3.75–4.00% range, and the ECB delivered its second war-driven hike on 10 Sep, taking the

deposit rate to 2.5%. The Bank of England held at 3.75% but split 6–3, with three members voting to hike.

India's central bank raised rates and signalled it is moving into a tightening cycle, ending hopes of near-term relief for borrowers.

The MPC voted unanimously to raise the repo rate by 25 bps to 5.5% from 5.25%, and Governor Sanjay Malhotra said further cuts are off the table in the near term. The stance moved to "calibrated tightening" at the 5–7 October meeting. It is the first hike since February 2023, and rate-sensitive auto and real-estate stocks fell. The RBI projects FY27 real GDP growth at 7.1%.

Read online: <https://worldbusinesswatch.com/news/17/229/rbi-hikes-repo-to-5-5-first-rate-rise-since-2023.html>

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