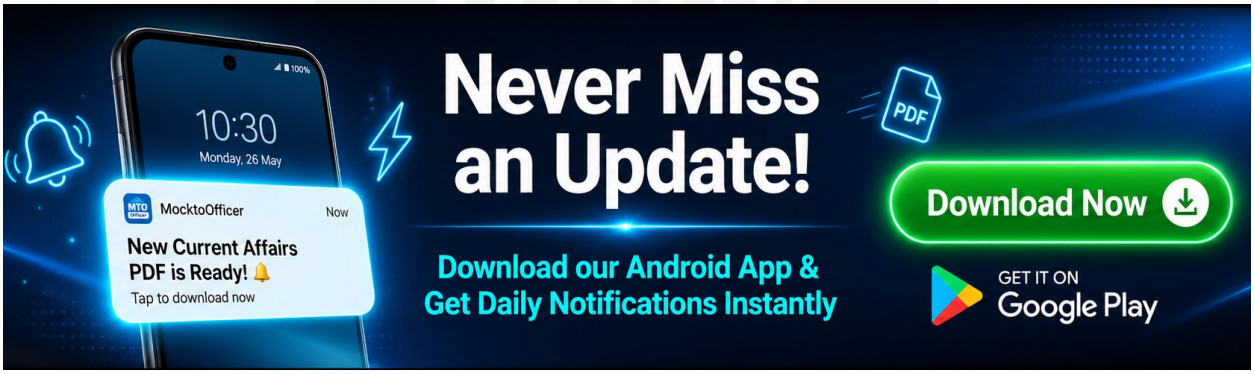
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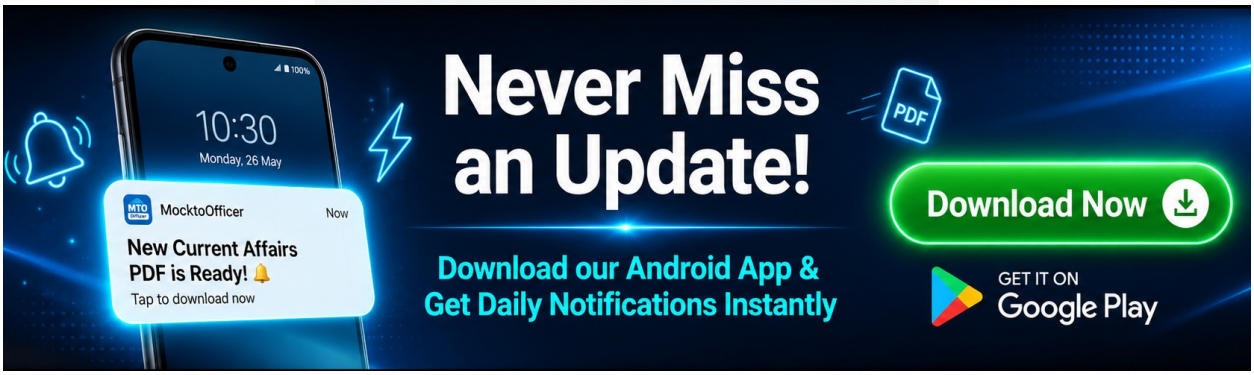
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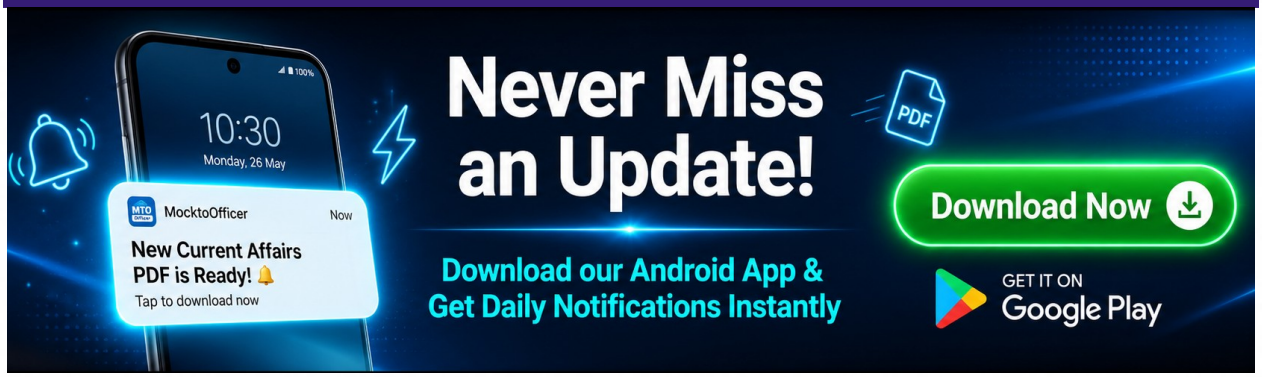
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Dear Aspirants,

Please note that our editorials are now being published with a one-day delay.

For example, if today's date is 9th July 2026, the editorial you read will be from 8th July 2026 (from The Hindu and Indian Express).

This delay is due to a process upgrade on our end. We are working to improve our system, and this change will help us serve you better in the long run.

Thank you for your patience and understanding.

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Daily Vocabulary PDF

Date: 21-Sep-2026

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EDITORIAL 1: COMPLEX PRIORITIES: ON UPI TRANSACTIONS, MDR CHARGES

Source: The Hindu

[GS3/Economy] | [Banking Awareness] | [SSC GK]

Core Issue

The Merchant Discount Rate structure announced for UPI transactions shows how political considerations can dilute the economic logic of a payments policy, producing a needlessly complex rate structure.

Context

From October 15, the new MDR rates will apply only to UPI payments of ₹2,000 or more made at merchants, limiting the charge to about 2.5% of all UPI transactions -- a welcome limitation, but one layered with further gradations. UPI payments at small merchants earning less than ₹1 lakh a month are exempt; merchants in certain essential sectors attract a flat MDR instead of the usual 0.4%; and capital market payments above ₹2,000 attract yet another rate. These carve-outs are clearly designed with political backlash in mind, but they raise doubts among merchants -- it is unclear who will monitor a small merchant's income once it crosses the ₹1 lakh threshold, which will either raise the compliance burden on merchants or require a new real-time transaction-checking mechanism for banks. The government has also told banks to ensure merchants do not pass the charge on to customers, without specifying how banks are meant to check whether merchants tweak their prices to absorb it. A back-of-the-envelope calculation suggests the MDR will yield an upper limit of ₹2,400 crore of monthly revenue, though the sector-wise carve-outs will likely lower this; the government denies any U.S. pressure behind the rates, but the benefit will largely accrue to private banks and U.S.-owned UPI apps. There is a case for the RBI to foot this bill from the vast surpluses it generates every year instead. If the government persists with the charge, it should simplify the structure before rollout -- the GST experience shows rate complexity hits small businesses the hardest.

UPSC Mains Lane

Also useful for: Banking/SSC reading comprehension & vocabulary-in-context practice

• Intro: The MDR structure for UPI transactions, meant to fund payment infrastructure without burdening small merchants, has instead become so layered with politically defensive carve-outs that its economic logic is obscured.

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• Body 1: By limiting the charge to transactions above ₹2,000 and exempting merchants earning under ₹1 lakh a month, the government has tried to insulate small businesses, but this creates fresh compliance headaches -- banks now need real-time mechanisms to track when a 'small' merchant crosses the exemption threshold.

• Body 2: Sector-specific flat rates for 'essential' categories and a separate rate for capital-market payments above ₹2,000 add further complexity, and the government's inability to specify how banks will verify merchants aren't passing the charge on to customers weakens enforcement.

• Counter/way forward: Since the estimated revenue (up to ₹2,400 crore a month) is a fraction of the surpluses the RBI transfers to the government each year, the RBI could absorb this cost directly rather than layering a politically defensive fee structure onto UPI.

• Conclusion: Drawing a lesson from the GST rollout, the editorial cautions that unless the structure is simplified before its 15 October rollout, rate complexity will end up hurting small businesses the most -- the very group the carve-outs were meant to protect.

Syllabus Anchor: GS3 — Indian Economy: mobilisation of resources, financial inclusion, government policies on digital payments

UPSC Prelims Lane

Also counts as: Banking Awareness / SSC GK — same fact, same format

Q1. As per the editorial, the new MDR rates on UPI transactions will apply from which date?

(A) 1 October 2026

(B) 15 October 2026

(C) 1 November 2026

(D) 15 November 2026

Answer: B

Q2. As per the editorial, UPI payments made at merchants earning less than how much a month are exempt from the MDR?

(A) ₹50,000

(B) ₹75,000

(C) ₹1 lakh

(D) ₹2 lakh

Answer: C

Q3. As per the editorial, the MDR is estimated to yield an upper limit of how much monthly revenue for the payments ecosystem?

(A) ₹1,200 crore

(B) ₹1,800 crore

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(C) ₹2,400 crore

(D) ₹3,000 crore

Answer: C

Vocabulary

Vocabs	Simple Meaning	Synonym	Antonym
Dilute	To make weaker by adding something else; reduce the strength or effectiveness of something	Weaken	Strengthen
Simple Example: *The MDR charges show how political considerations can dilute economic benefits, the editorial notes.*			
Preempt	To take action to prevent something before it happens	Forestall	Provoke
Simple Example: *In a quest to preempt political attacks, the rate structure was made overly complex.*			
Gradations	A series of small, successive stages or degrees of change	Levels	Uniformity
Simple Example: *Within this limitation, the rules have created different gradations of charge.*			
Exempt	Free from an obligation or liability imposed on others	Excused	Liable
Simple Example: *UPI payments made at small merchants earning less than ₹1 lakh a month are exempt.*			
Compliance	The action of conforming to a rule, policy or set of standards	Conformity	Violation
Simple Example: *Tracking the threshold will either increase the compliance burden on small merchants or need a new mechanism.*			
Accrue	To be added over time; to accumulate as a benefit or advantage	Accumulate	Diminish
Simple Example: *The data suggest that the benefit will largely accrue to private banks and U.S.-owned UPI apps.*			
Surpluses	Amounts of money or resources left over after all requirements have been met	Excesses	Deficits

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Simple Example: The RBI could foot this bill from the vast surpluses it generates every year.			
Persists	Continues firmly or obstinately in a course of action despite difficulty	Continues	Abandons
Simple Example: If the government persists in implementing this charge, it should certainly simplify the structure.			
Complexity	The state of being intricate or complicated	Intricacy	Simplicity
Simple Example: The Goods and Services Tax experience shows that rate complexity hits small businesses the hardest.			
Tweak	To make a small adjustment to something, especially to improve or correct it	Adjust	Overhaul
Simple Example: It is unclear how banks will check whether merchants tweak their prices to absorb this additional charge.			

Idioms

Idiom	Actual Meaning	Simple Meaning
Foot the bill	To pay the cost of something, especially a large or unwelcome expense	To pay for something

Quick Recall: UPI MDR · Payment Infrastructure · Rate Complexity

EDITORIAL 2: NEW FAULT LINES: ON MANIPUR'S KUKI-ZO-NAGA CONFLICT

Source: The Hindu

[GS3/Internal Security] | [GS2/Polity] | [Banking Awareness] | [SSC GK]

Core Issue

Even as Manipur edges toward a fragile peace between the Meitei and Kuki-Zo communities, a new ethnic fault line between the Naga and Kuki-Zo communities has emerged, demanding firm and even-handed State action.

Context

Three years after the conflagration of May 2023 hardened into a fault line between the Meitei and Kuki-Zo communities, Manipur has traversed a slow path towards peace. After President's Rule gave way in

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February 2026 to a BJP-led government under Chief Minister Yumnam Khemchand Singh, the everyday violence between the communities has been abating; an RTI reply puts deaths in relief camps at over 700 since 2023, many due to inadequate healthcare and nutrition. Even so, on September 2, two Kuki-Zo MLAs attended the Assembly session for the first time since the conflict began, defying a boycott directive from the Kuki Inpi Manipur. Yet these openings have coincided with a new fault line: since February, violence between the Naga and Kuki-Zo communities has spread across the hill districts, killing at least 15 Kuki-Zo people, 11 Nagas, three security personnel and a truck driver by July, with more deaths since. Houses have been burnt, the displaced have moved into camps, and blockades imposed by partisans of the communities against each other have held up essentials and medicines, leaving health centres dysfunctional and hurting the smaller Kuki-Zo community the most. This echoes the Naga-Kuki violence of the 1990s, revived by armed groups resurrecting arguments over who controls the hills and whose customary laws prevail. With its tenure ending soon and Assembly elections due next year, the State government must move quickly to contain this outbreak, working with civil society to lower the rhetoric while acting against the armed groups; those imposing blockades must be deterred by the force of law, and criminal law must apply equally, guaranteeing civilian safety irrespective of ethnicity.

UPSC Mains Lane

Also useful for: Banking/SSC reading comprehension & vocabulary-in-context practice

• Intro: Even as three years of slow reconciliation between Manipur's Meitei and Kuki-Zo communities show tentative signs of progress, a fresh ethnic fault line between the Naga and Kuki-Zo communities now demands urgent, even-handed State intervention.

• Body 1: Encouraging signals -- abating everyday violence and two Kuki-Zo MLAs defying a boycott directive to attend the Assembly -- coexist with a harder reality: over 700 people have died in relief camps since 2023 from inadequate healthcare and nutrition, showing how incomplete the recovery still is.

• Body 2: Since February, Naga-Kuki-Zo violence originating in localised disputes has spread across the hill districts, killing at least 29 people (15 Kuki-Zo, 11 Naga, three security personnel and a truck driver) as of July, with blockades cutting off essentials and medicines and leaving health centres dysfunctional, hurting the smaller Kuki-Zo community the most.

• Counter/way forward: With its own tenure ending soon and Assembly elections due next year, the State government must act now -- working with civil society to lower divisive rhetoric while using security forces against armed groups reviving 1990s-style disputes over control of the hills and whose customary laws prevail.

• Conclusion: The law must be applied equally across communities in the hills, with blockades deterred and civilian safety guaranteed irrespective of ethnicity, so that one reconciliation process does not give way to a second cycle of ethnic violence.

Syllabus Anchor: GS3 — Internal security challenges in border/hill areas; also GS2 — Federalism and State government functioning in conflict situations

UPSC Prelims Lane

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Also counts as: Banking Awareness / SSC GK — same fact, same format

Q1. As per the editorial, Manipur's BJP-led government under a new Chief Minister took charge after President's Rule ended in which month/year?

(A) December 2025

(B) February 2026

(C) April 2026

(D) August 2025

Answer: B

Q2. As per the editorial, an RTI reply cited in the piece puts the number of deaths in Manipur's relief camps since 2023 at over how many?

(A) 300

(B) 500

(C) 700

(D) 1,000

Answer: C

Q3. As per the editorial, till July, the Naga-Kuki-Zo violence had killed how many Kuki-Zo people?

(A) 11

(B) 15

(C) 21

(D) 29

Answer: B

Vocabulary

Vocabs	Simple Meaning	Synonym	Antonym
Conflagration	A large and violent fire, or figuratively a destructive conflict	Upheaval	Calm
Simple Example: *The conflagration of May 2023 hardened into a fault line between the Meitei and Kuki-Zo communities.*			
Traversed	Travelled across or through	Crossed	Stalled
Simple Example: *Manipur has traversed a slow path towards peace between the two communities.*			
Abating	Becoming less intense or severe	Subsiding	Intensifying
Simple Example: *Attempts to engineer a thaw gathered pace with the everyday violence between the communities abating.*			

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Tentative	Not fully worked out or confirmed; hesitant	Uncertain	Definite
Simple Example: *There have been tentative and encouraging openings towards rebuilding normalcy.*			
Boycotting	Refusing to take part in something as a form of protest	Shunning	Participating
Simple Example: *Legislators from the community began boycotting the Assembly following the attacks in Imphal.*			
Defied	Openly resisted or refused to obey	Disobeyed	Complied
Simple Example: *In attending the Assembly, the two MLAs defied a directive from the Kuki-Zo civil society organisation.*			
Blockades	Obstructions set up to prevent the movement of people or goods	Barricades	Passages
Simple Example: *Blockades imposed by partisans of the communities against the other have held up essentials and medicines.*			
Partisans	Strong and often uncritical supporters of a party, cause or side	Loyalists	Neutrals
Simple Example: *Blockades imposed by partisans of the communities against the other have held up essentials and medicines.*			
Dysfunctional	Not operating normally or properly	Impaired	Functional
Simple Example: *Health centres in the hills have been left dysfunctional, the editorial notes.*			
Deterred	Discouraged from acting through fear of the consequences	Discouraged	Encouraged
Simple Example: *Those imposing blockades must be deterred by the force of law, the editorial argues.*			

Idioms

No idioms found in the editorial.

Quick Recall: Manipur Conflict • Naga-Kuki-Zo • Ethnic Fault Lines

EDITORIAL 3: AT THE PARTHENON, A REALITY CHECK FOR AN ANCIENT MYTH

Source: The Indian Express

[Banking Awareness] | [SSC GK]

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Core Issue

A new study by Oxford mathematician Alain Goriely debunks the 2,500-year-old myth that the Parthenon's architects engineered optical-illusion corrections into its design, tracing the story to hearsay rather than evidence.

Context

For two-and-a-half millennia, the Parthenon has been credited with an architectural sleight of hand -- a curved base and gently bulging columns said to correct optical illusions that would otherwise make the temple appear to sag, like a deep-bellied hammock. Goriely's new paper finds the illusions either unsupported by evidence or too microscopic to have been engineered. The myth's genesis was not with Ictinus and Callicrates, the Parthenon's actual architects, but with Vitruvius, a Roman writer four centuries later, whose hearsay was mistaken by Renaissance scholars for eyewitness knowledge. Goriely calls this the 'supreme knowledge fallacy' -- the flattering assumption that a civilisation capable of extraordinary art must also have possessed a modern scientist's grasp of optics, when in truth the Greeks were still arguing over whether sight worked by rays shooting out of the eye (extramission, as Plato believed) or into it (intramission, as Democritus argued). Beyond the mathematics, Goriely's most subversive invitation, in a post-truth age with its own penchant for optical illusions that bend reality, is not to admire the Parthenon less but to look at it more carefully -- the ability to discern when our certainties need a reality check is one of the things that makes a civilisation great.

UPSC Mains Lane

Mains use: intro anecdote only -- open an essay on scientific temper, intellectual humility, or myth versus evidence with the Parthenon's 2,500-year-old 'optical illusion' myth, debunked only now by a modern mathematician's reality check.

UPSC Prelims Lane

Also counts as: Banking Awareness / SSC GK — same fact, same format

Q1. As per the editorial, the new paper debunking the Parthenon 'optical illusion' myth was authored by a mathematician at which university?

(A) Cambridge

(B) Oxford

(C) Harvard

(D) MIT

Answer: B

Q2. As per the editorial, the myth of the Parthenon's engineered optical-illusion corrections was traced not to its actual architects but to a Roman writer, writing four centuries later, named:

(A) Vitruvius

(B) Pliny

(C) Livy

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(D) Plutarch

Answer: A

Q3. As per the editorial, Alain Goriely terms the flattering assumption that an artistically great civilisation must also possess modern scientific knowledge of optics as:

(A) The Renaissance fallacy

(B) The supreme knowledge fallacy

(C) The optical fallacy

(D) The Vitruvian fallacy

Answer: B

Vocabulary

Vocabs	Simple Meaning	Synonym	Antonym
Debunks	Exposes the falseness of a widely held belief	Disproves	Validates
Simple Example: *The mathematician's new paper debunks the myth, the editorial reports.*			
Genesis	The origin or beginning of something	Origin	End
Simple Example: *The myth's genesis, it turns out, was not with the Parthenon's own architects.*			
Hearsay	Information heard from others that cannot be substantiated as true	Rumour	Fact
Simple Example: *Vitruvius's hearsay was mistaken by Renaissance scholars for eyewitness knowledge.*			
Flattering	Excessively or unduly complimentary	Complimentary	Unflattering
Simple Example: *Goriely calls this the flattering assumption that a great civilisation must also possess modern scientific knowledge.*			
Subversive	Seeking to undermine an established system or belief	Disruptive	Conformist
Simple Example: *Goriely's most subversive invitation is to look at the Parthenon more carefully, not admire it less.*			
Penchant	A strong or habitual liking for something	Inclination	Aversion
Simple Example: *In a post-truth age, with its penchant for optical illusions that bend reality, the finding invites caution.*			
Discern	To perceive or recognise something clearly	Perceive	Overlook

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Simple Example: *The ability to discern when our certainties need a reality check is one of the things that makes a civilisation great.*			
Microscopic	Extremely small; too tiny to be significant	Minute	Enormous
Simple Example: *The optical illusions were found either unsupported by evidence or too microscopic to have been engineered.*			
Fallacy	A mistaken belief, especially one based on unsound reasoning	Misconception	Truth
Simple Example: *Goriely calls this the 'supreme knowledge fallacy.'*			
Legacy	Something handed down from the past, especially a valued cultural inheritance	Heritage	Erasure
Simple Example: *It is a wonderful story about the intellectual legacy of the ancient Greeks, the editorial notes.*			

Idioms

Idiom	Actual Meaning	Simple Meaning
Sleight of hand	Skill in using one's hands to perform a trick, or a deceptively clever manoeuvre	A clever trick

Quick Recall: Parthenon Myth · Optical Illusion · Scientific Temper

EDITORIAL 4: IN WEST BENGAL, AN IPS OFFICER, AN INSHALLAH, AND THE NEED TO RISE ABOVE THE POLITICS OF GREETINGS

Source: The Indian Express

[GS2/Polity] | [GS2/Governance] | [Banking Awareness] | [SSC GK]

Core Issue

The transfer of IPS officer Bushara Bano, after a complaint over her use of religious greetings in a personal video, shows how identity-based grievances continue to override neutral, rule-based governance in West Bengal.

Context

Officially a 'routine transfer' for 'public interest,' the transfer of Additional SP Bushara Bano from Kharagpur followed a complaint lodged by a group called the Hindu Legal Fund with the West Bengal Home Secretary. Her alleged offence was the greetings she used while speaking on video about her alma mater, Aligarh Muslim University, and its Residential Coaching Academy, which helped her clear the UPSC

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exam -- she began with 'assalamu alaikum,' used 'Inshallah,' and did not use 'Vande Mataram' or 'Jai Hind.' The government's opacity regarding the transfer strengthens the impression that it gave in to the demand. Yet nothing in the All-India Service Rules prevents an officer from using religious or cultural greetings, especially in a private capacity, and the inclusive secularism envisaged in the Constitution, which officials are meant to uphold, allows space for such expression. For five decades, state capacity in West Bengal has been eroded by a politics that let 'the party' -- whether CPI(M) or Trinamool Congress -- exercise a veto over governance, overbearing where it did not need to be and absent where it was needed, with laws selectively applied. Rather than correcting this lopsided deficit, the Suvendu Adhikari government seems to be deepening it: in a state that needs conversations on jobs, education and industry, the focus instead falls on diet, 'gerua yatras' and how a young officer says hello and goodbye. This sends a message not of 'minimum government, maximum governance' but of government high-handedness, and the government needs to be responsive to a more expansive and inclusive idea of 'public interest,' not to social media trolls and fringe outfits.

UPSC Mains Lane

Also useful for: Banking/SSC reading comprehension & vocabulary-in-context practice

• Intro: The transfer of IPS officer Bushara Bano, following a complaint over the religious greetings she used in a personal video, shows how identity politics continues to override the norm of neutral, rule-based governance in West Bengal.

• Body 1: Nothing in the All-India Service Rules bars an officer from using religious or cultural greetings in a private capacity, and the inclusive secularism envisaged in the Constitution explicitly makes room for such expression by officials.

• Body 2: The government's refusal to explain the 'routine transfer' strengthens the impression that it gave in to a fringe complaint, repeating a pattern seen for decades in West Bengal where ruling parties have applied rules selectively and let political considerations override even-handed governance.

• Counter/way forward: Rather than deepening this lopsided approach -- overbearing on symbolic matters like greetings while remaining absent on governance priorities such as jobs, education and industry -- the state government should be responsive to a more expansive and inclusive idea of 'public interest.'

• Conclusion: A government is meant to project 'minimum government, maximum governance,' not high-handedness driven by social media outrage and fringe complaints against an officer's private expression of faith.

Syllabus Anchor: GS2 — Role of civil services in a democracy; Secularism and Fundamental Rights under the Indian Constitution

UPSC Prelims Lane

Also counts as: Banking Awareness / SSC GK — same fact, same format

Q1. As per the editorial, IPS officer Bushara Bano was, until her transfer, serving as Additional SP of which town?

(A) Kharagpur

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(B) Asansol

(C) Siliguri

(D) Durgapur

Answer: A

Q2. As per the editorial, the complaint against Officer Bano was lodged by a group called:

(A) Hindu Legal Fund

(B) Hindu Sena

(C) Bharatiya Vidhi Parishad

(D) Hindu Rights Forum

Answer: A

Q3. As per the editorial, Officer Bano is an alumna of which university, whose Residential Coaching Academy she credited with helping her clear the UPSC exam?

(A) Jamia Millia Islamia

(B) Aligarh Muslim University

(C) Jawaharlal Nehru University

(D) Delhi University

Answer: B

Vocabulary

Vocabs	Simple Meaning	Synonym	Antonym
Alleged	Said to have happened or to be true, without proof	Claimed	Proven
Simple Example: *The officer's alleged offence was the greetings she used while speaking on video about her alma mater.*			
Opacity	The quality of being difficult to see through or understand; lack of transparency	Secrecy	Transparency
Simple Example: *The government's opacity regarding the transfer strengthens the impression that it gave in to the demand.*			
Envisaged	Imagined or planned as a future possibility	Conceived	Disregarded
Simple Example: *The inclusive secularism envisaged in the Indian Constitution allows space for religious and cultural expression.*			

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Uphold	To support, maintain or defend a principle or decision	Maintain	Abandon
Simple Example: *Officials and governments are meant to uphold the inclusive secularism envisaged in the Constitution.*			
Eroded	Gradually worn away or weakened over time	Weakened	Strengthened
Simple Example: *State capacity in West Bengal has been eroded by a politics that let 'the party' exercise a veto over governance.*			
Overbearing	Domineering and imposing one's will on others in an unwelcome way	Domineering	Deferential
Simple Example: *Much of the anger against the TMC government stemmed from it being overbearing where it did not need to be.*			
Lopsided	Unevenly balanced or weighted to one side	Unbalanced	Even
Simple Example: *The Suvendu Adhikari government, rather than correcting this lopsided deficit, seems to be deepening it.*			
Deepening	Making more intense, serious or profound	Intensifying	Easing
Simple Example: *The government seems to be deepening the lopsided deficit rather than correcting it.*			
High-handedness	The exercise of authority without regard for the feelings or rights of others	Arrogance	Fairness
Simple Example: *It sends a message not of minimum government but of government high-handedness, the editorial notes.*			
Expansive	Covering a wide scope or area; broad	Extensive	Narrow
Simple Example: *The government needs to be responsive to a more expansive and inclusive idea of 'public interest.'*			

Idioms

No idioms found in the editorial.

Quick Recall: Service Neutrality · Secularism · Governance

EDITORIAL 5: RATES MUST REFLECT INFLATION RISKS

Source: The Indian Express

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[GS3/Economy] | [Banking Awareness] | [SSC GK]

Core Issue

The US Federal Reserve's 25-basis-point rate hike, driven by persistently high inflation, illustrates the global tightening trend central banks are following even amid political pressure for looser policy.

Context

In line with expectations, the US Federal Reserve raised interest rates by 25 basis points, lifting the target range of the federal funds rate to 3.75-4%, a decision every committee member supported -- Fed chair Kevin Warsh acknowledged that 'inflation is too high and has been for too long.' In August, US consumer prices rose 0.4% on a seasonally adjusted basis, keeping the 12-month rate at 3.4%, driven in large part by energy prices, fuelling price pressures across the economy. The decision is at odds with President Trump's desire for looser monetary policy -- he has posted that high interest rates put the US at a disadvantage, and has in the past also rallied against former Fed chair Jerome Powell over rate decisions; the 10-year US bond yield is hovering around 5%. Yet the Fed's own projections -- inflation pegged at 3.7% in 2026, 2.3% in 2027 and 2.1% in 2028 -- raise the odds of further hikes, and a healthy labour market, with 1.6 lakh jobs added in August (surpassing expectations) and unemployment steady at 4.1%, gives policymakers room to tackle inflation. The Fed is not alone: the European Central Bank also hiked rates by 25 basis points last week, citing inflation remaining 'well above target for an extended period,' only weeks ahead of the RBI's own October monetary policy meeting -- considering these price pressures and projections, adjustments to India's policy rates are needed too.

UPSC Mains Lane

Also useful for: Banking/SSC reading comprehension & vocabulary-in-context practice

• Intro: The US Federal Reserve's 25-basis-point rate hike, taken even against President Trump's explicit call for looser policy, underscores a global trend of central banks tightening rates to rein in persistently high inflation.

• Body 1: With US inflation at 3.4% on a 12-month basis, driven largely by rising energy prices, and the Fed's own projections showing inflation staying above target through 2027, the case for further rate hikes remains strong despite political pressure for cuts.

• Body 2: A resilient US labour market -- 1.6 lakh jobs added in August with unemployment steady at 4.1% -- gives the Fed room to prioritise price stability over growth concerns, while the European Central Bank's own 25-basis-point hike shows this is a coordinated global tightening cycle, not a US-specific move.

• Counter/way forward: These global monetary trends carry direct implications for India, since the RBI's Monetary Policy Committee meets only weeks after the Fed and ECB decisions and must weigh the same underlying price pressures.

• Conclusion: Given persistent inflation risks at home and abroad, the editorial argues that India's policy rates, too, need to be adjusted to reflect the current inflation outlook rather than left unchanged.

Syllabus Anchor: GS3 — Indian Economy: monetary policy, inflation targeting, RBI and international central bank coordination

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UPSC Prelims Lane

Also counts as: Banking Awareness / SSC GK — same fact, same format

Q1. As per the editorial, the US Federal Reserve raised its target range for the federal funds rate to:

(A) 3.25 to 3.5%

(B) 3.5 to 3.75%

(C) 3.75 to 4%

(D) 4 to 4.25%

Answer: C

Q2. As per the editorial, US consumer prices in August rose by how much on a seasonally adjusted basis, keeping the 12-month rate at 3.4%?

(A) 0.2%

(B) 0.3%

(C) 0.4%

(D) 0.6%

Answer: C

Q3. As per the editorial, surpassing expectations, how many jobs were added in the US in August?

(A) 1.1 lakh

(B) 1.6 lakh

(C) 2.1 lakh

(D) 2.6 lakh

Answer: B

Vocabulary

Vocabs	Simple Meaning	Synonym	Antonym
Rationale	The underlying reason or set of reasons for a decision	Justification	Confusion
Simple Example: *The rationale behind the decision, which all committee members supported, is straightforward.*			
Straightforward	Simple and uncomplicated; easy to understand	Simple	Complicated
Simple Example: *The rationale behind the decision is straightforward -- inflation remains uncomfortably high.*			

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Fuelling	Intensifying or providing the driving force for something	Driving	Curbing
Simple Example: *Inflation was driven, in large part, by energy prices, fuelling price pressures across the economy.*			
Rallied	Campaigned vigorously in support of or against something	Campaigned	Acquiesced
Simple Example: *Trump has, in the past, also rallied against the previous Fed chair Jerome Powell over rate decisions.*			
Hovering	Remaining at or around a particular level without much change	Lingering	Plummeting
Simple Example: *The 10-year US bond yield is hovering around 5 per cent, the editorial notes.*			
Surpassing	Exceeding or going beyond what was expected	Exceeding	Falling short of
Simple Example: *Surpassing expectations, 1.6 lakh jobs were added in August.*			
Tightening	Making monetary or credit conditions stricter or less accommodative	Restricting	Easing
Simple Example: *Central banks across the world are also tightening rates, the editorial notes.*			
Pegged	Fixed or set at a particular level	Fixed	Unfixed
Simple Example: *Inflation has been pegged at 3.7 per cent in 2026 based on the Fed's own projections.*			
Uncomfortably	To an uncomfortable or worryingly high degree	Worryingly	Comfortably
Simple Example: *Inflation remains uncomfortably high, the Fed chair acknowledged.*			
Adjustments	Small changes made to something to improve or correct it	Modifications	Constancy
Simple Example: *Considering recent inflation projections, adjustments to the policy rates are needed, the editorial concludes.*			

Idioms

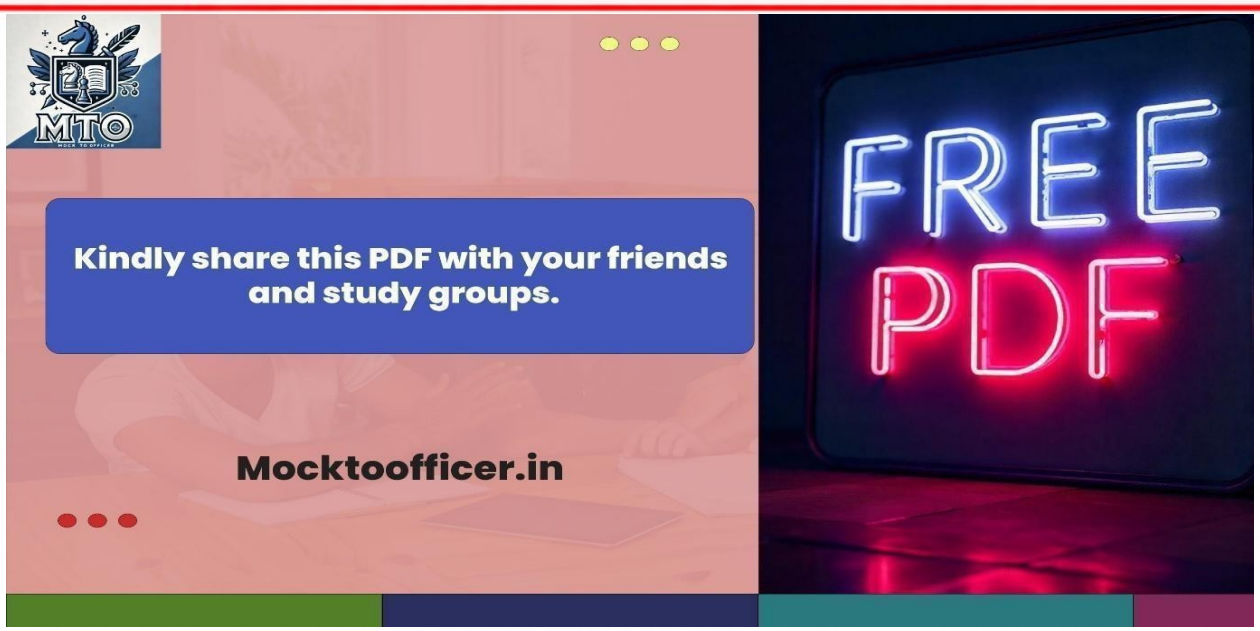
Idiom	Actual Meaning	Simple Meaning
At odds with	In conflict or disagreement with	Not matching; disagreeing with

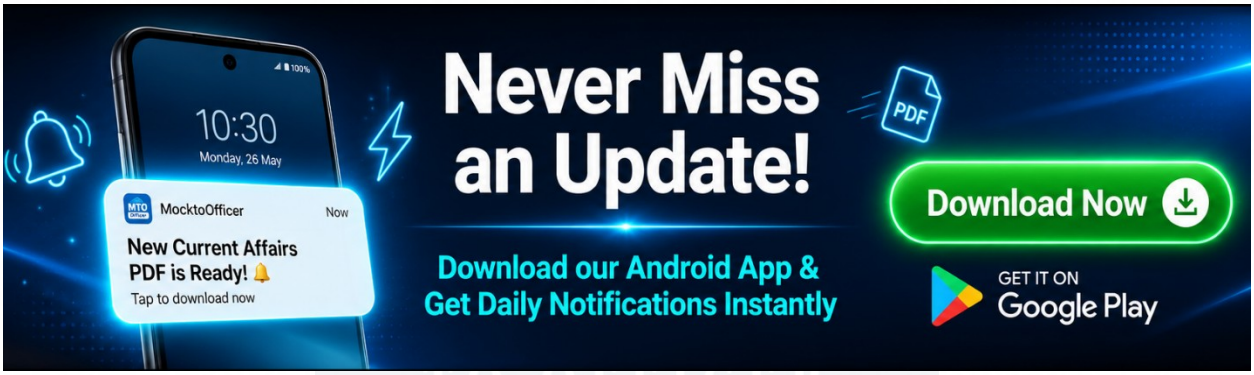
Quick Recall: Fed Rate Hike • Inflation Targeting • Monetary Tightening

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