FINANCE POLICY | ECB · INTEREST RATES · MONETARY POLICY · TREASURY

ECB raises rates again: deposit facility at 2.50% from 16 September 2026

Published 9 October 2026 · The Finance Intellect · Source-based summary

On 10 September 2026 the ECB raised its three key rates by 25 basis points, the second rise this year, citing inflation pressure from the Middle East conflict. Luxembourg, in the euro area, follows directly.

Country reference

- Country: Luxembourg (planned expansion country)
- Authorities: European Central Bank (ECB); Banque centrale du Luxembourg
- Topic: ECB monetary policy decision
- Key date: Decided 10 September 2026; effective 16 September 2026
- Law: Treaty on the Functioning of the EU; ECB Statute

What the ECB decided

- Deposit facility rate: 2.50%.
- Main refinancing operations: 2.65%.
- Marginal lending facility: 2.90%.
- Path: the deposit rate fell to 2.00% in June 2025, rose to 2.25% on 17 June 2026 and to 2.50% on 16 September 2026.

Why

The Governing Council said the conflict in the Middle East is generating inflation pressure and that inflation is set to remain well above target for an extended period. It will decide meeting by meeting, with no pre-set path.

Staff projections

- Headline inflation: 3.0% in 2026, 2.5% in 2027, 2.1% in 2028.
- Growth: 0.9% in 2026, 1.4% in 2027, 1.5% in 2028.
- The Eurosystem continues to shrink its bond portfolios by not reinvesting maturing securities.

What it means for Luxembourg

- Euribor-linked loans, including property and acquisition finance, reprice upward.
- Fund managers see higher cash returns but pressure on real estate and private credit valuations.
- Treasury centres in Luxembourg earn more on euro surplus balances.

What to do now

- Re-run interest forecasts and covenant tests for euro debt.
- Review hedging on floating-rate facilities.
- Update discount rates used for valuations and impairment tests.

Our take

Both the Fed and the ECB are now raising rates. For Gulf investors with euro debt in Luxembourg holding structures, financing costs are rising on both sides of the Atlantic.

Sources

- ECB: Monetary policy decisions (10 September 2026)
- ECB: Key ECB interest rates

Important. This summary is for general information and is not investment, legal or financial advice. It is based on public European Central Bank publications and may be incomplete or out of date. The official publications prevail; check the official source before acting.

ABOUT THE FINANCE INTELLECT

A Finance Knowledge & Resource Platform by Neocor Consultancy. Weekly tax and finance insights, Excel templates, calculators and a learning hub for finance leaders and professionals.

Platform: thefinanceintellect.com | **Owner:** neocorconsultancy.com