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RBI MPC Meeting Live: 'Cautious but steady hand amid an increasingly unsettled global backdrop'

"Today's MPC outcome reflects a cautious but steady hand amid an increasingly unsettled global backdrop. The MPC's unanimous decision to hold the repo rate at 5.25% and retain the neutral stance was in line with expectations, and a clear signal that policy continuity is the most prudent course until clearer disinflation cues emerge. Importantly, inflation remains well within the RBI's 2 to 6% tolerance band. Headline CPI has edged above the 4% central target, printing 4.4 percent in June and projected at 5% for 2026-27, with the trajectory expected to peak at 5.9% in the third quarter. The RBI has rightly characterised this as a supply-side story led by food and fuel, with core inflation, which excludes food and fuel, staying moderate at a projected 4.3%. On growth, the resilience is notable, with real GDP projected at 6.7% for the year and a strong 7.3% forecasted for the first quarter of 2027-28. The monsoon, oil prices, and trade policy remain the key variables to watch into October," says Rajeev Sharan, Head of Research, Brickwork Ratings.



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