

# Views of industry leaders on pre RBI monetary policy

August 03, 2021 12:08 IST | India Infoline News Service

**Bond yields have already moved up in the last few weeks, factoring in some hawkish tilt in this policy, Pankaj Pathak, Fund Manager-Fixed Income, Quantum Mutual Fund said.**

The RBI is meeting for three-day monetary policy will start from tomorrow. As industry expected a status quo stance on interest rate and await clues from the committee on growth and inflation projections.

Below are the views of the market leaders on RBI policy for Aug 2021

## **Dr M Govinda Rao, Chief Economic Advisor of Brickwork Ratings**

We expect the RBI MPC to hold the repo rate at 4% and continue to be accommodating to support the nascent recovery, in the upcoming MPC. We also expect it to sound a cautionary note and emphasise the need to closely monitor the situation.

The Monetary Policy Committee (MPC) of the RBI has kept key policy rates unchanged since May 2020, after having brought them down to a record low of 4% from 5.15% through two rate cuts (75 bps in March 2020 and 40 bps in May 2020), to assuage the economic consequences of the Covid-19 pandemic. Moreover, the MPC has continued with the accommodative policy stance after changing it from neutral to accommodative in June 2019. In addition, to enable the smooth functioning of financial markets, the RBI announced additional liquidity boosting measures such as OMOs, G-saps, forex swaps, TLTROs and sector-specific measures.