

RBI Monetary Policy reaction By Ms. Rajee R, Brickwork Ratings

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Below is quote on RBI Monetary Policy reaction By Ms. Rajee R, Chief Ratings Officer, Brickwork Ratings

“RBI continued its dovish stance and maintained its promised tone of accommodation to support growth, oriented to domestic circumstances. The increase in quantum of VRRR from Rs. 4 Lakh Crs. to Rs. 6 Lakh Crs, possibility of 28-day VRRR, halting the bond buying under the G-SAP and emphasising that it would be ready for such need based auctions indicates the continuity of gradual policy normalization on the liquidity front. While economic recovery and aggregate demand are gaining traction, these are still dependent on policy support. While RBI has lowered inflation projections to 5.30% for FY22, the impact of increasing global oil and gas prices on inflation would need close monitoring. Low home loan interest rates are expected to positively impact the housing sector. Introduction of the Internal Ombudsman Scheme (IOS) for certain categories of NBFCs is a welcome step.”