

RBI Monetary Policy Updates: CPI Inflation Projected at 4.5% in FY23; Real GDP Growth at 7.8%

RBI Monetary Policy LIVE Updates: RBI governor Shaktikanta will announce the decision of RBI MPC shortly. Will RBI hike repo rate as a part of liquidity normalisation? Check here for latest updates

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The Reserve Bank of India (RBI) on Thursday kept the key lending rates repo rate and reverse repo rate unchanged for the tenth time in a row. While the repo rate was maintained at 4 per cent the reverse repo rate was unchanged at 3.35 per cent. While announcing the decision, RBI governor has mentioned that the decision was taken as continued policy support was warranted to support economic growth.

“The MPC expectedly kept the key rates unchanged unanimously and reiterated its accommodative stance both on rates and liquidity. However, Prof Jayanth Varma’s dissent on continuation of accommodative stance for foreseeable future continues to keep MPC in split state,” said Madhavi Arora, lead economist, Emkay Global Financial Services.

RBI monetary policy committee (MPC) projected India’s economic growth projection for the financial year 2023 (FY23) at 7.8 per cent. RBI forecasts FY23 CPI inflation at 4.5 per cent.

The six-member monetary policy committee has started the deliberations on February 8, a day after the previously scheduled date in view of the public holiday declared by the Maharashtra government to mourn the death of legendary singer Lata Mangeshkar. This will be the first RBI MPC announcements after Budget 2022. Investors will keenly follow the decisions of RBI MPC to get a forward guidance on growth and inflation going forward.

RBI Monetary Policy Live Updates: Know What Expert Says Rajee, chief ratings officer, Brickwork Ratings

RBI continued its dovish stance and remained accommodative by reiterating that despite the economic recovery and aggregate demand gaining traction and improving inflation outlook, continued policy support is warranted to support domestic growth, which is the highest priority.