

RBI's Monetary Policy Review

April 08, 2026

RBI's Monetary Policy Review

Apr 08, 2026

On Apr 08, 2026, RBI's Monetary Policy Committee (MPC) took following policy decisions:

Key Policy Parameter	Status before today's meeting	Decision at today's MPC meeting
Repo Rate	5.25%	5.25%, unchanged
Standing Deposit Facility (SDF)	5.00%	5.00%, unchanged
Bank Rate / Marginal Standing Facility (MSF) Rate	5.50%	5.50%, unchanged
Monetary Policy Stance	Neutral	Neutral, unchanged

The RBI's MPC voted unanimously to keep the repo rate unchanged at 5.25%. The MPC also decided to continue with the neutral monetary policy stance.

Executive summary of RBI's press releases/ press conference:

Global Economy:

- Global growth is facing increasing downside risks. A sharp rise in energy prices and input shortages is adding to inflation pressure.
- Safe-haven flows are pressuring major currencies, while the US dollar has strengthened.
- Commodity prices, including metals and gold, have eased, but markets remain volatile.
- Equity markets have seen a broad-based correction.
- Sovereign bond yields have moved higher across major economies on inflation and fiscal concerns.



Domestic Growth:

- Elevated energy and commodity prices may weigh on economic growth in FY27.
- Supply disruptions could hurt input availability, though the government is working to protect critical supply chains.
- Healthy balance sheets of financial institutions and corporates should keep supporting economic activity.
- Rural demand remains robust and could improve further with better farm conditions and a healthy labor market.
- Urban consumption should strengthen, helped by GST rationalization and strong services activity.
- Real GDP growth for FY27 is projected at **6.9%**.



Source: RBI

RBI's Monetary Policy Review

Apr 08, 2026

Domestic Inflation:

- Recent spikes in energy prices from the West Asia conflict are a key inflation risk.
- Petrol and diesel retail prices have not changed so far, but higher global energy prices have started feeding into some other fuel items.
- Food inflation looks comfortable in the near term, supported by strong rabi output, adequate reservoir levels, and comfortable foodgrain stocks.
- The possible emergence of El Niño is a risk to watch for upcoming monsoon season.
- CPI inflation for FY27 is projected at **4.6%**. Core inflation (ex-food and fuel) is projected at 4.4% for FY27.
- Inflation risks are tilted to the upside.



Liquidity Conditions:

- Credit market transmission remained satisfactory.
- The RBI used both durable and temporary liquidity measures to keep banking system liquidity adequate.
- Going forward, the RBI said it will stay proactive and preemptive in liquidity management.
- RBI's aim is to ensure enough liquidity in the banking system to support productive economic activity.



Fixed Income Outlook:

- Given the uncertain environment, RBI delivered a balanced monetary policy by being cautious on the rising risk to both inflation and growth outlook.
- At the current juncture, we are not expecting any rate action. We believe that RBI is expected to remain on a pause in FY27.
- On the liquidity front, from a longer-term perspective, we continue to see space for further OMO (open market operation) purchases from RBI in FY27 to provide durable liquidity to the banking system.
- We expect India's 10yr G-sec yield to trade in a range of 6.95-7.10% in the near-term. If the ceasefire holds, we anticipate a range of 6.7-7% emerging for the bond yield over the coming weeks.



Source: RBI

Disclaimer

This communication is being sent by the Investment Advisory Group of HSL IA., registered under SEBI (Investment Advisors) Regulations, 2013 under the Registration number INA000011538.

This note has been prepared exclusively for the benefit and internal use of the recipient and does not carry any right of reproduction or disclosure. Neither this note nor any of its contents may be used for any other purpose without the prior written consent of HSL IA, Investment Advisory Group (HSL IA). In preparing this note, we have relied upon and assumed, without any independent verification, accuracy and completeness of all information available in public domain or from sources considered reliable. This note contains certain assumptions and views, which HSL IA considers reasonable at this point in time, and which are subject to change. Computations adopted in this note are indicative and are based on current market prices and general market sentiment. No representation or warranty is given by HSL IA as to the achievement or reasonableness or completeness of any idea and/or assumptions. This note does not purport to contain all the information that the recipient may require. Recipients should not construe any of the contents herein as advice relating to business, financial, legal, taxation, or other matters and they are advised to consult their own business, financial, legal, taxation and other experts / advisors concerning the company regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in this note and should understand that statements regarding future prospects may not be realized. It may be noted that investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds unless they can afford to take the risk of losing their investment. Investors are advised to undertake necessary due diligence before making an investment decision. For making an investment decision, investors must rely on their own examination of the Company including the risks involved. Investors should note that income from investment in such securities, if any, may fluctuate and that each security's price or value may rise or fall. Accordingly, investors may receive back less than originally invested. Neither HSL IA nor any of its employees shall be liable for any direct, indirect, special, incidental, consequential, punitive, or exemplary damages, including lost profits arising in any way from the information contained in this material. This note does not constitute an offer for sale, or an invitation to subscribe for, or purchase equity shares or other assets or securities of the company and the information contained herein shall not form the basis of any contract. It is also not meant to be or to constitute any offer for any transaction. HSL IA and its affiliates, officers, directors, key managerial persons and employees, including persons involved in the preparation or issuance of this material may from time to time, have long or short positions in, and buy or sell the securities thereof, of company (ies) mentioned herein. HSL IA may at any time solicit or provide commercial banking, credit, advisory or other services to the issuer of any security referred to herein. Accordingly, information may be available to HSL IA, which is not reflected in this material, and HSL IA may have acted upon or used the information prior to, or immediately following its publication.

HSL IA neither guarantees nor makes any representations or warranties, express or implied, with respect to the fairness, correctness, accuracy, adequacy, reasonableness, viability for any particular purpose or completeness of the information and opinions. Further, HSL IA disclaims all liability in relation to use of data or information used in this report which is sourced from third parties.

Please note that HDFC Securities has a proprietary trading desk. This desk maintains an arm's length distance with the HSL IA team and all its activities are segregated from HSL IA activities. The proprietary desk operates independently, potentially leading to investment decisions that may deviate from research views.

HDFC securities Limited, I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East), Mumbai 400 042 Phone: (022) 3075 3400 Fax: (022) 2496 5066

Compliance Officer: Murli V Karkera Email: complianceofficer@hdfcsec.com Phone: (022) 3045 3600. For grievance redressal contact Customer Care Team Email: customercare@hdfcsec.com Phone: (022) 3901 9400

HDFC Securities Limited, SEBI Reg. No.: NSE, BSE, MSEI, MCX: INZ000186937; AMFI Reg. No. ARN: 13549; PFRDA Reg. No. POP: 11092018; IRDA Corporate Agent License No.: CA0062; SEBI Research Analyst Reg. No.: INH000002475; SEBI Investment Adviser Reg. No.: INA000011538; CIN - U67120MH2000PLC152193

Investment in securities market is subject to market risks. Read all the related documents carefully before investing.

Mutual Fund Investments are subject to market risk. Please read the offer and scheme related documents carefully before investing.

Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

This information is for educational/information purposes only.