

TRENDS & TIDES

**RBI MPC February 2026
maintains status quo on rates
and stance**



RBI holds rates steady amid stable growth and inflation outlook

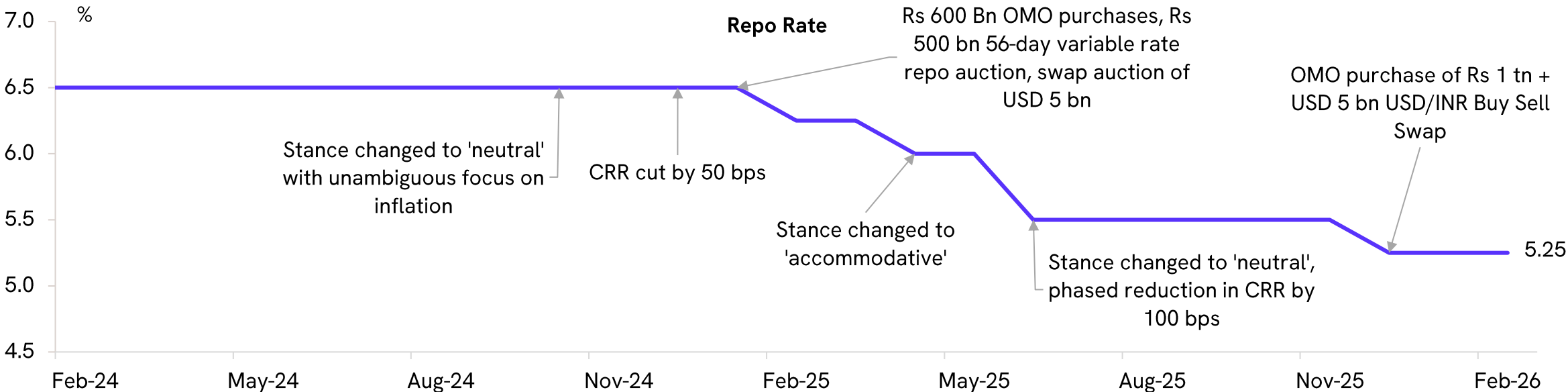
RBI refrains from providing economic projections for H2FY27, opting to wait for the new CPI and GDP series

The RBI’s Monetary Policy Committee (MPC) decides to keep the repo rate unchanged at 5.25%, as the near-term domestic inflation and growth outlook remain positive

The MPC also decided to retain the ‘neutral’ policy stance

The RBI MPC statement notes that underlying inflation remains low and the growth outlook is favourable

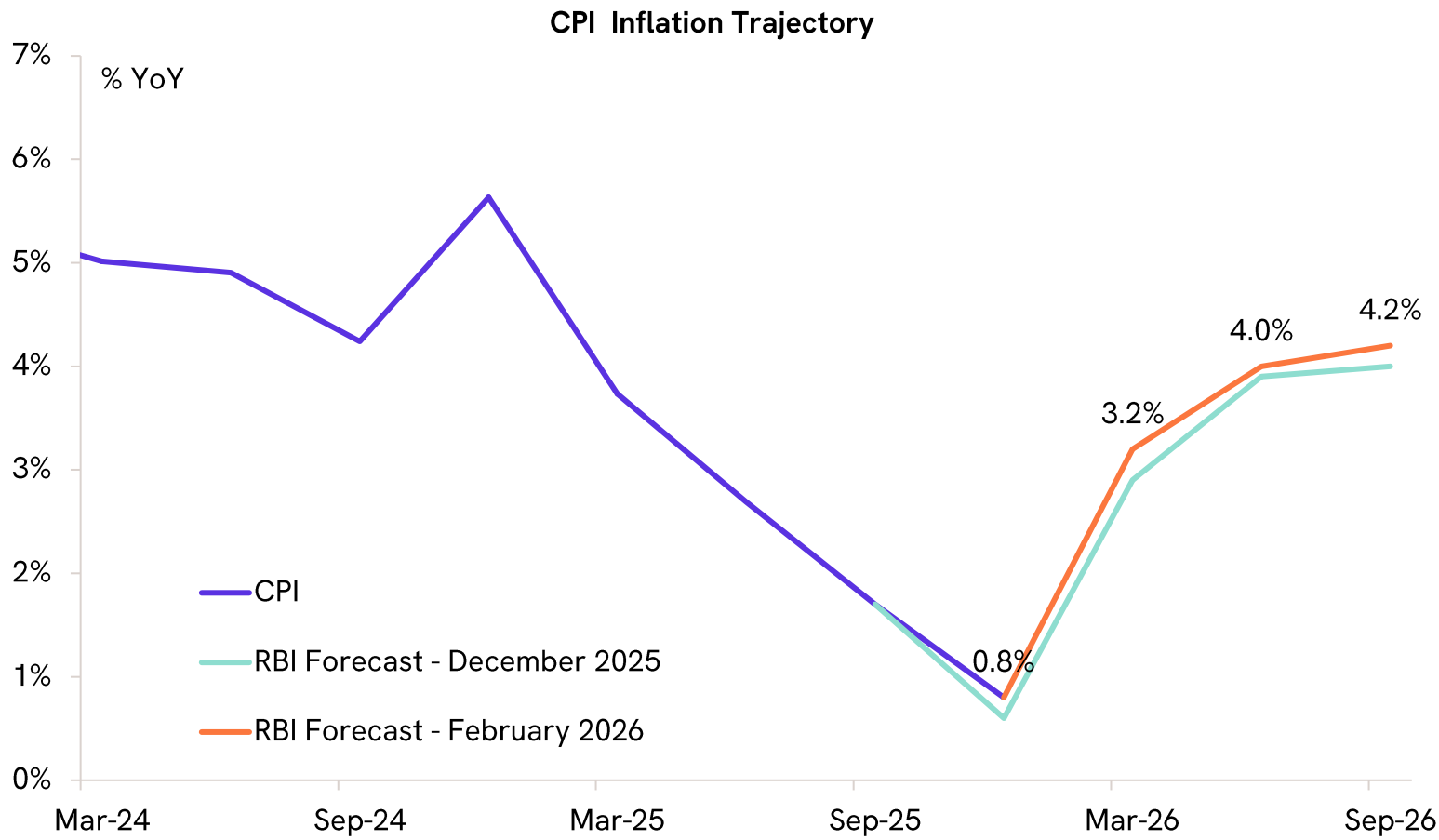
The MPC also highlights that external headwinds have intensified since the last policy meeting, although the successful completion of trade deals augurs well for the economic outlook



Source: RBI, 360 ONE Asset Research

RBI raises FY26 CPI projection to 2.1% YoY from 2.0% in the previous policy

The slight upward revision in the inflation outlook is primarily due to an increase in the prices of precious metals



RBI MPC Inflation Outlook:

Near-term outlook suggests that food supply prospects remain bright on the back of healthy kharif production, adequate buffer stocks of foodgrains and favourable rabi sowing

Core inflation, barring potential volatility induced by prices of precious metals, is expected to be range-bound

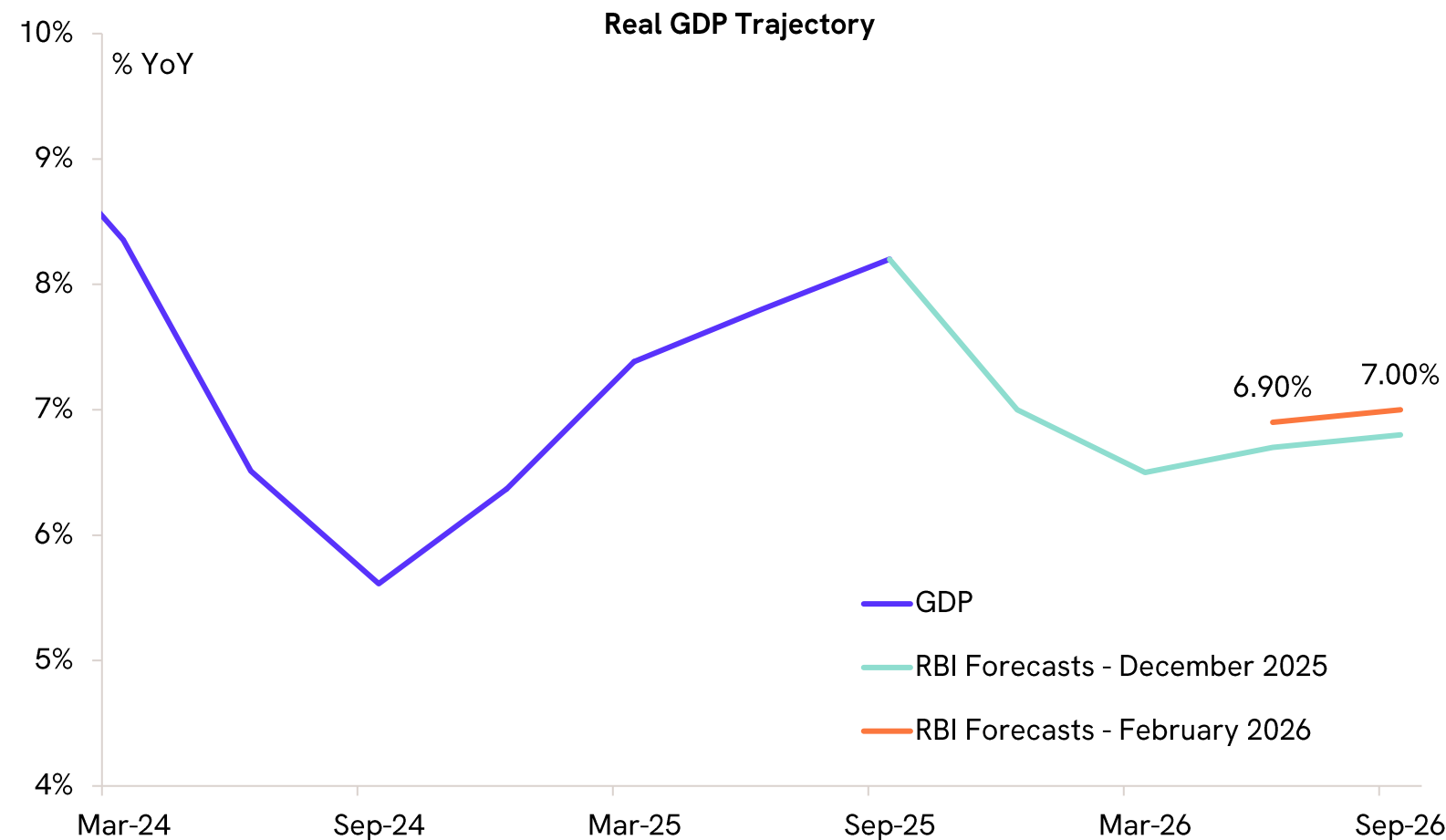
Geopolitical uncertainty, coupled with volatility in energy prices and adverse weather events, is another possible upside risk to inflation

Excluding precious metals, the underlying inflation pressures remain muted

Source: MOSPI, RBI, 360 ONE Asset Research

RBI revises H1FY27 GDP projections marginally upward

The MPC statement notes that the economic activity remains resilient



RBI MPC Growth Outlook:

GST rationalisation, healthy rabi prospects, monetary easing and a benign inflation environment should support private consumption

The landmark comprehensive trade pact with the European Union, coupled with trade deals with New Zealand and Oman, should help diversify exports and strengthen the external sector

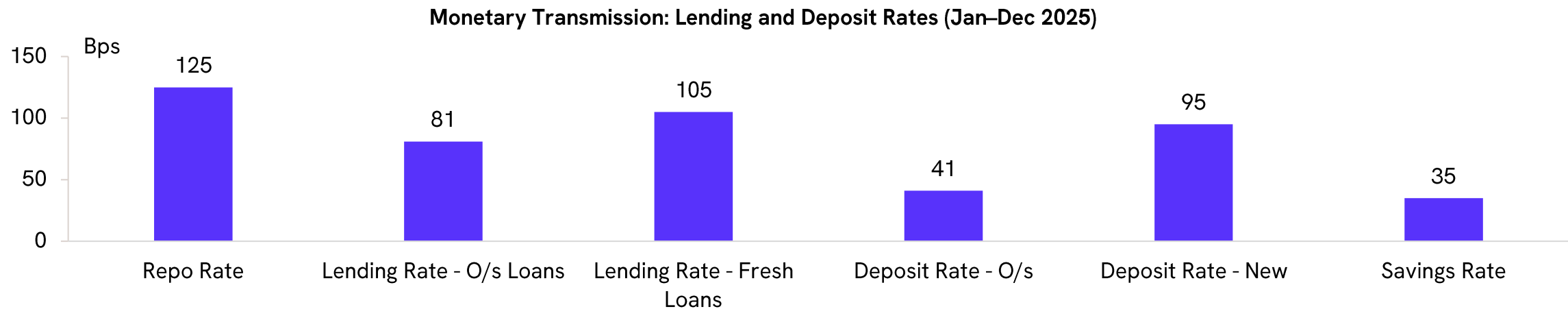
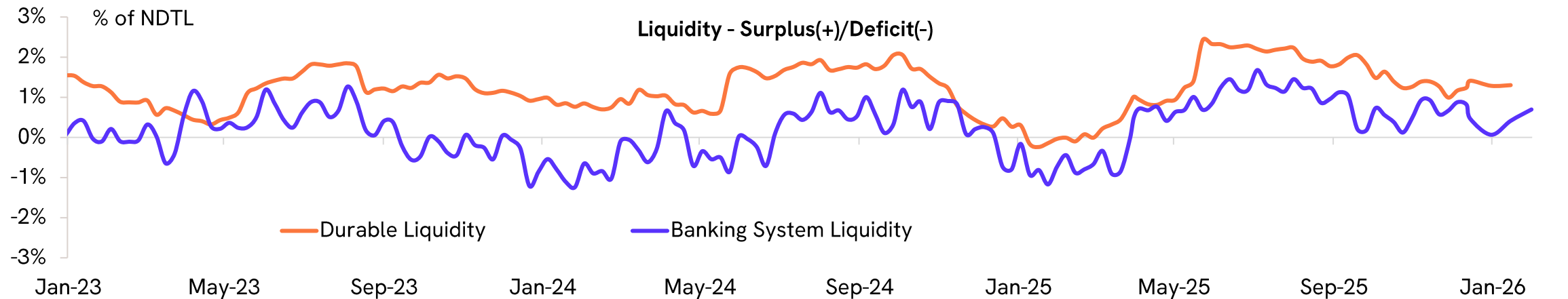
Merchandise exports will get a boost from the prospective trade deal with the US

Headwinds from geopolitical tensions, an uncertain global trade environment, volatility in global financial markets and international commodity prices continue to pose downside risks to the outlook

Source: MOSPI, RBI, 360 ONE Asset Research

We expect RBI to maintain banking liquidity is sufficient surplus

RBI may infuse additional liquidity in the coming months to facilitate smoother monetary transmission



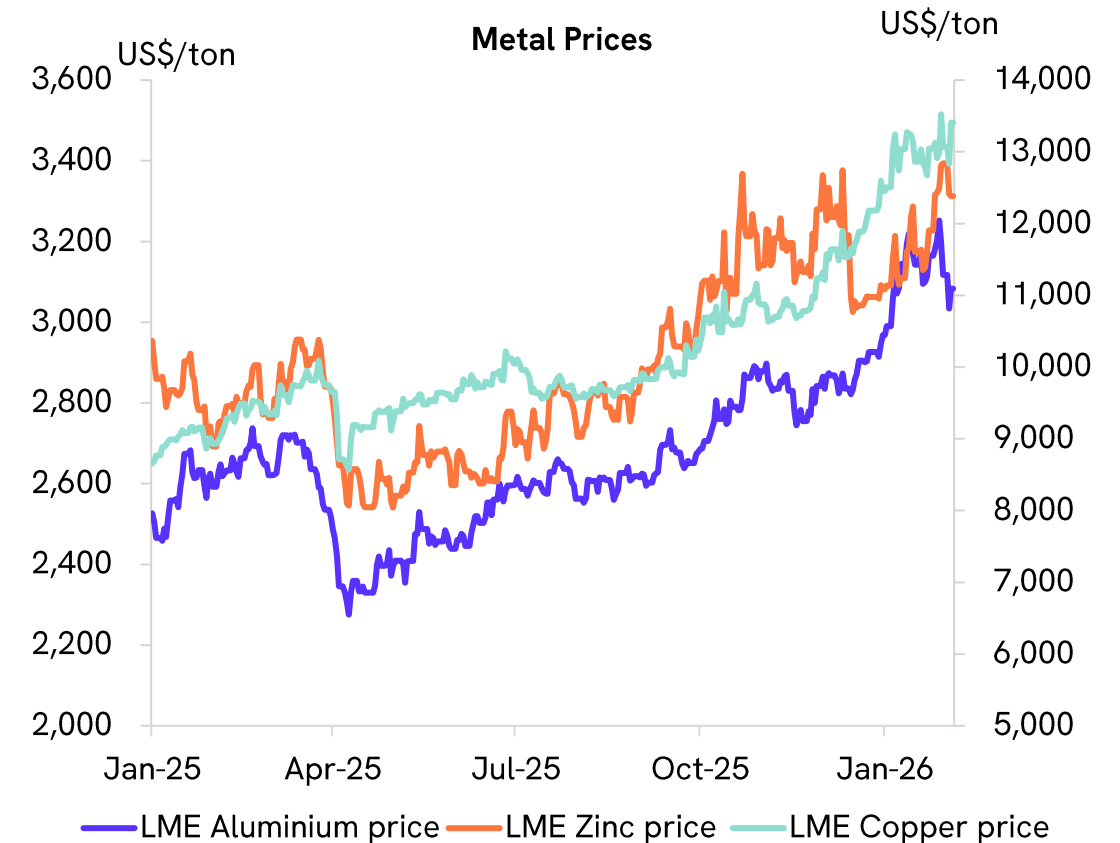
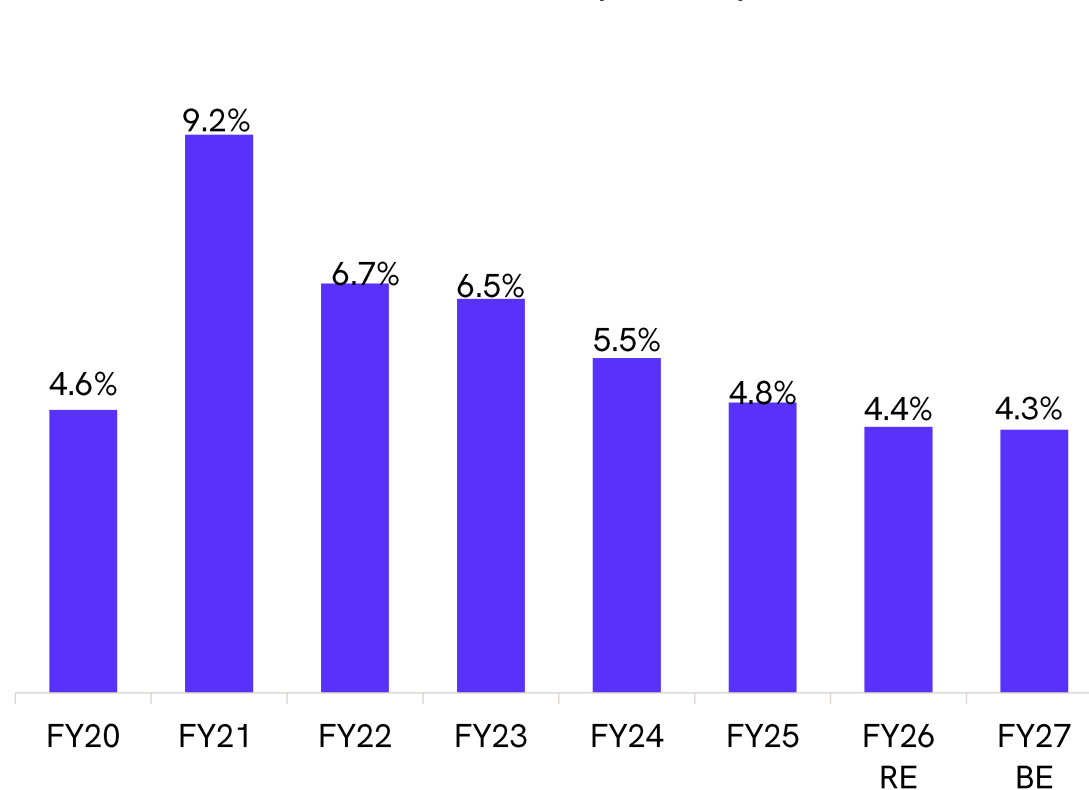
Outlook: Another 25-bps rate cut remains a possibility in this cycle

While the growth outlook remains largely stable, inflation risks have emerged amid rising commodity prices

The government's commitment to fiscal consolidation keeps the space open for further monetary easing

However, risks to inflation have increased with the rise in commodity prices

Fiscal Deficit (% of GDP)



Disclaimer

This document constitutes confidential and proprietary material and may not be reproduced or further distributed in part or full to any other person without the written permission of 360 ONE AMC. This document is the property of 360 ONE AMC and must be returned to 360 ONE AMC or its affiliates upon request. This document is provided for assistance only and is not intended to be used for taking investment decisions or otherwise. This document is not investment, legal, tax, or accounting advice. The recipients should also inform themselves, and should take appropriate advice, on the legal requirements and shall not rely on this document for any subscription, purchase, holding, exchange, redemption or disposal of any investments. The opinions expressed herein are the personal opinions of the author. Past Performance is not an indicator/guarantee of future returns. Investment in securities are subject to market risk. Whilst every care has been taken in preparing this document, 360 ONE AMC and its affiliates and agents to the fullest extent permitted by applicable law disclaim any liability or responsibility for any error or omission or inaccuracy or mistake of any nature or any consequences of the use of the material/ information displayed on this document. Notwithstanding the aforesaid, nothing set out above shall exclude liability for any undertaking, representation, warranty or other assurance made fraudulently. The information given in this document is not exhaustive and is subject to change without notice. Statements/ opinions/recommendations in this communication which contain words or phrases such as “will”, “expect”, “could”, “believe” and similar expressions or variations of such expressions are “forward – looking statements”.



asset
360
ONE

