

# TRENDS & TIDES

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



# RBI holds rates steady amid risks to growth and inflation outlook

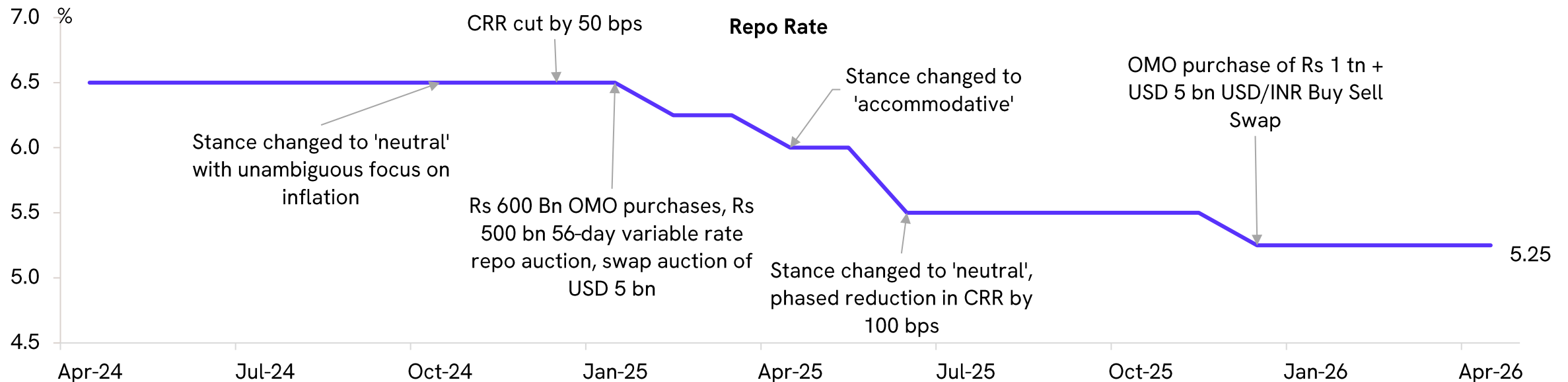
Intensity and duration of the conflict in West Asia and the resultant damage add risk to the economic outlook

The RBI's Monetary Policy Committee (MPC) decides to keep the repo rate unchanged at 5.25%, as the West Asia conflict poses upside risks to inflation and downside risks to growth

The MPC also decides to retain the 'neutral' policy stance, retaining the flexibility to respond judiciously to incoming information

The MPC statement notes that the economy is confronted with a supply shock, and it is prudent to wait and watch the changing circumstances and the evolving growth-inflation outlook

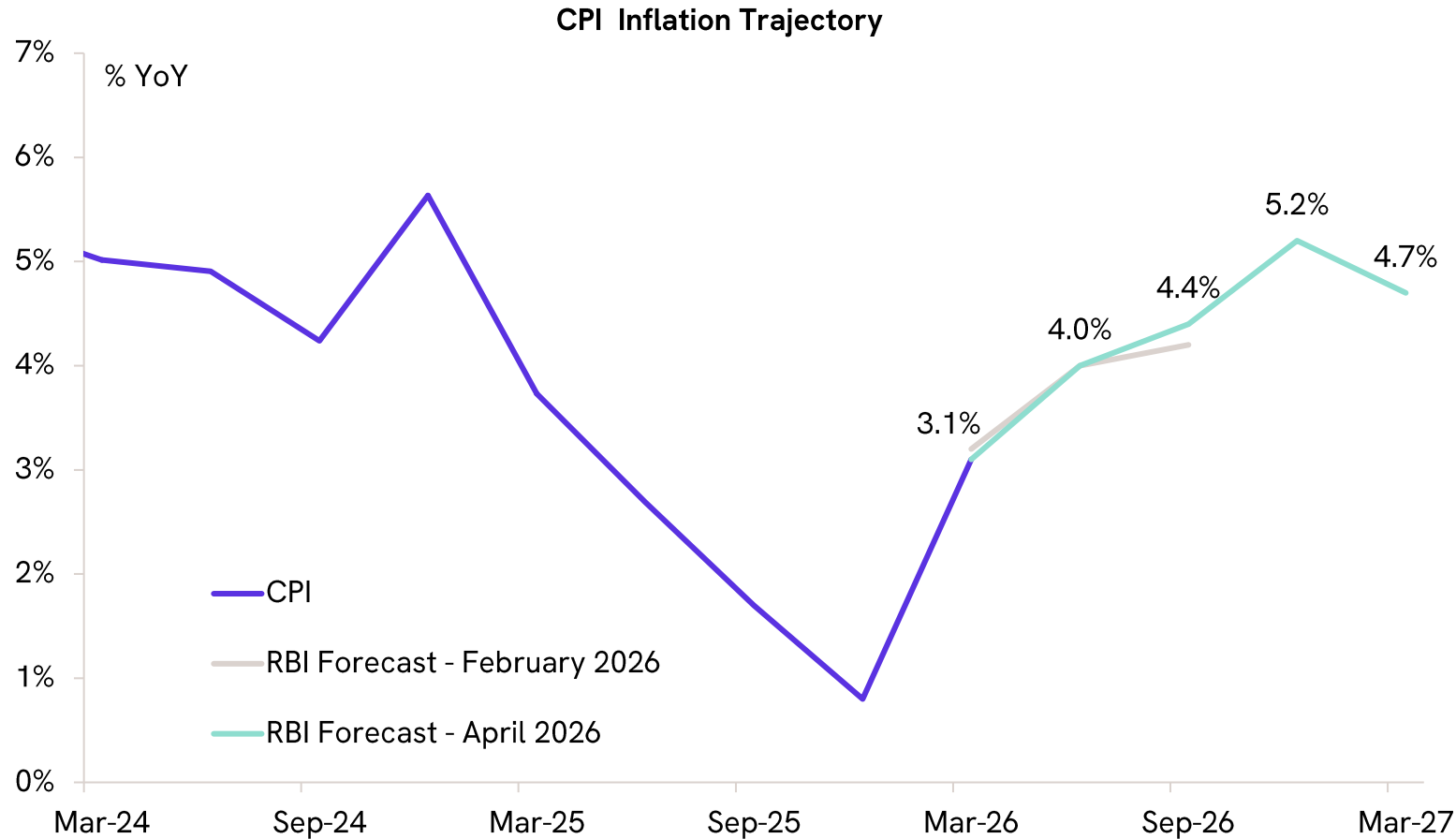
The statement also notes that supply chain dislocations and the risk of second-round effects render the future inflation trajectory uncertain



Source: RBI, 360 ONE Asset Research

# RBI projects FY27 inflation at 4.6% YoY

MPC notes that upside risks to inflation have increased, driven by energy price pressures and weather disturbances



## RBI MPC Inflation Outlook:

The ongoing conflict has led to large volatility in international energy and other commodity prices, imparting considerable uncertainty to the near-term inflation outlook

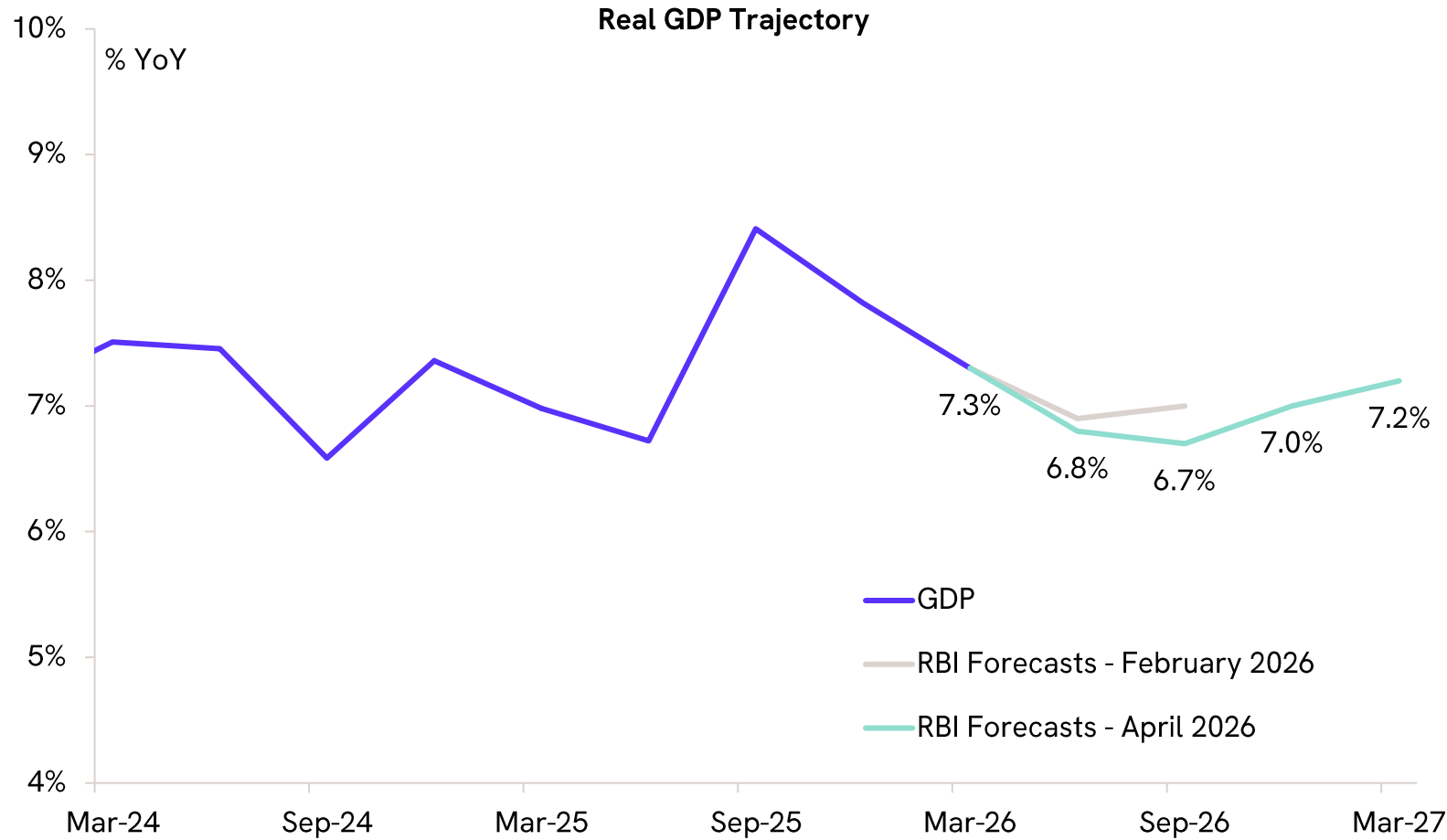
The pass-through of higher global energy prices has resulted in price increases in select fuels such as premium petrol, LPG, and diesel for industrial use

Persistently elevated energy prices due to the West Asia conflict and possible El Niño conditions (which could have a negative impact on the southwest monsoon) pose upside risks to inflation

However, the near-term food supply prospects have been boosted by a robust rabi crop, providing some comfort

# RBI projects FY27 GDP growth at 6.9% YoY

The GDP projection assumes that the adverse impact of the conflict would remain contained in the near term



## RBI MPC Growth Outlook:

Elevated energy and other commodity prices, coupled with supply shocks due to disruptions in the Strait of Hormuz, would act as a drag on domestic production

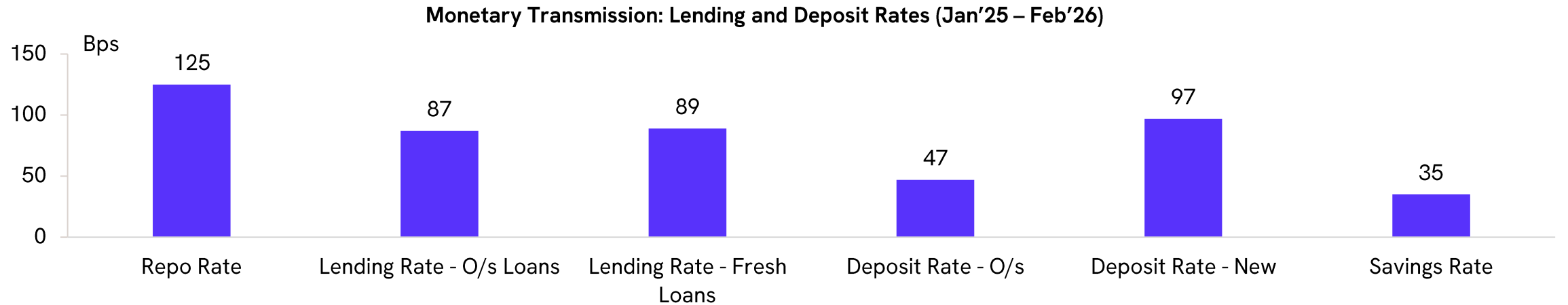
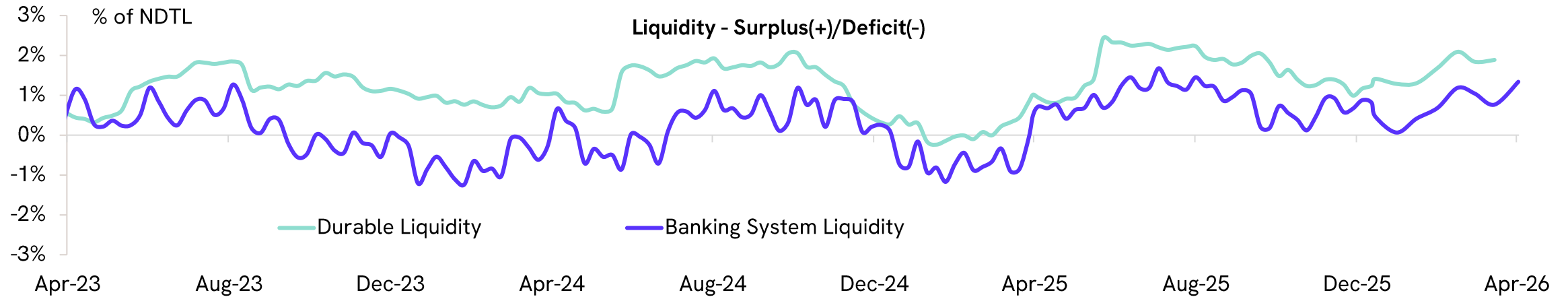
Heightened volatility in global financial markets, with its spillover on domestic financial conditions, would weigh on growth prospects

Merchandise exports may be adversely impacted by disruptions to key shipping routes and the concomitant rise in freight and insurance costs in case the conflict is long-drawn

Further escalation of the conflict, its continuation over a wider geographical spread and uncertainty regarding the damage to the energy infrastructure, apart from weather-related events, pose downside risks to the domestic growth outlook

# RBI to maintain liquidity is sufficient surplus to support credit growth

The Governor reiterates 'proactive and pre-emptive' approach to liquidity management



Source: CMIE, RBI, 360 ONE Asset Research

Note: Durable Liquidity = Banking System Liquidity + Government Balances with RBI + Excess CRR maintained

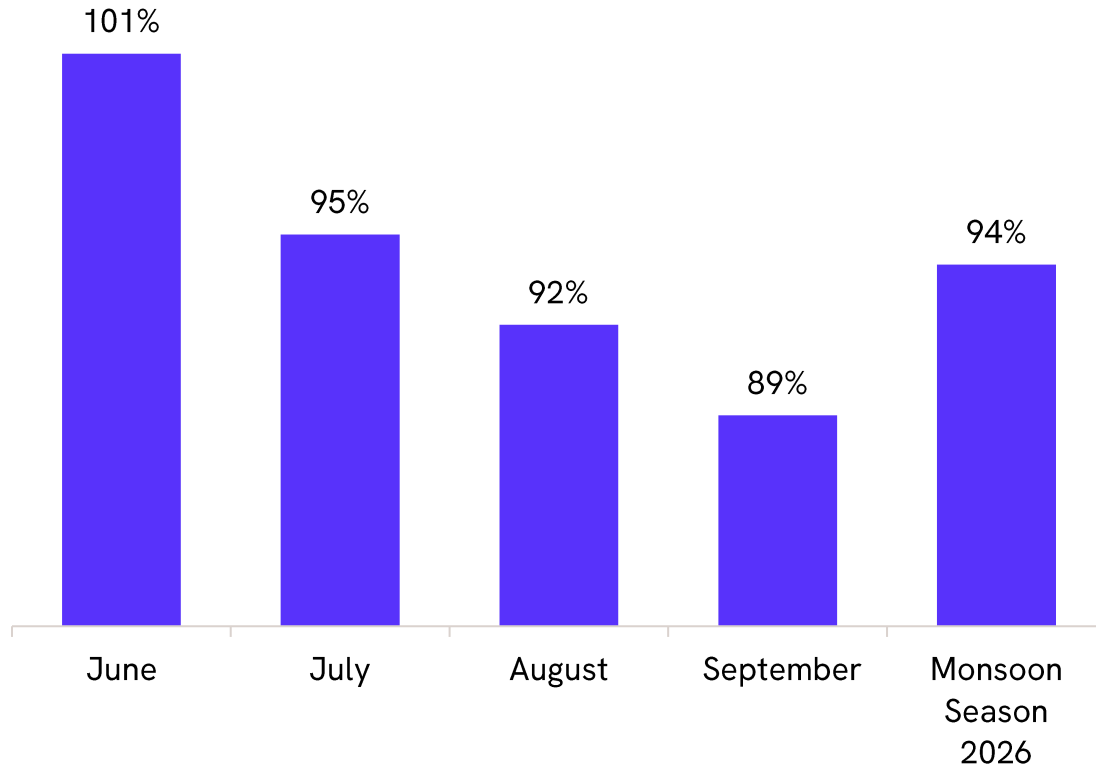
# Outlook: We expect the RBI to maintain a prolonged pause

The ceasefire in West Asia has eased tensions for now, but there are still upside risks to inflation and downside risks to growth

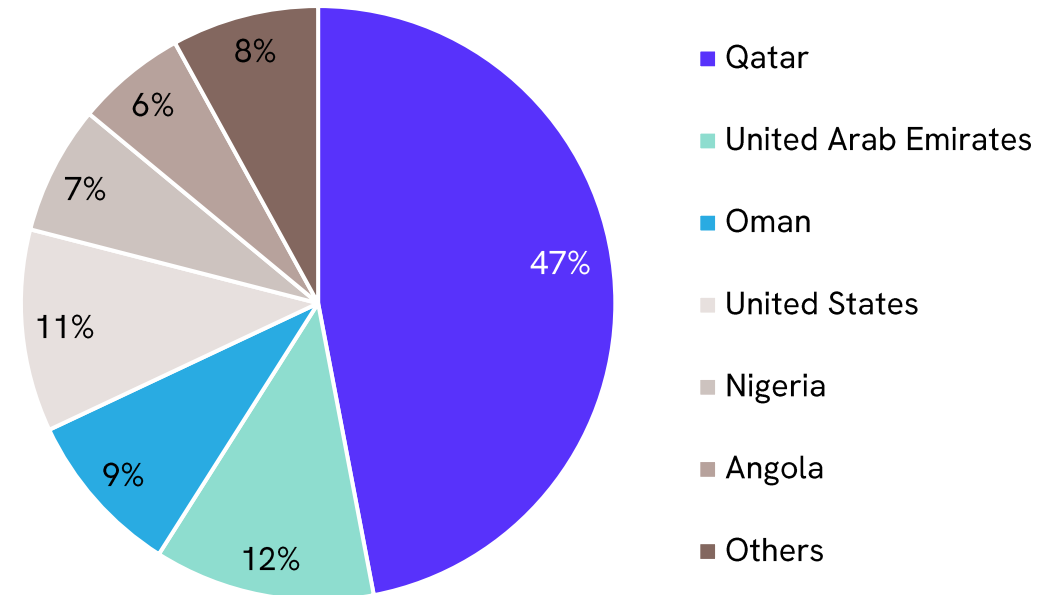
Skymet forecasts a below normal monsoon at 94% of the long period average, which could weigh on agricultural output and price stability

Limited availability of LNG is impacting various industries such as fertilizers, ceramics, and metal processing

Month-wise Monsoon Forecast (% of LPA)



India LNG imports by Country  
(50% of India's natural gas requirement is imported)



Source: Skymet, Axis Capital, 360 ONE Asset Research

---

# 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**

