

RBI UNLIKELY TO ALTER INTEREST RATES AS HIGH INFLATION REIGNS

New Delhi, Sept. 24: The Reserve Bank is likely to maintain status quo on policy rates for the fourth time in a row at its bi-monthly monetary policy review meeting early next month, as retail inflation continues to remain high and the US Federal Reserve has decided to keep a hawkish stance for some more time, according to experts.

The Reserve Bank Governor-headed six-member Monetary Policy Committee (MPC) meeting is scheduled for October 4-6. The last meeting of the MPC, the highest rating-setting panel, was in August.

“We do expect the RBI to hold on to a status quo position this time as inflation is still high and liquidity tight,” said Madan Sabnavis, chief economist, Bank of Baroda.

Aditi Nayar, chief economist, Icra, said the headline CPI inflation is expected to ease to 5.3-5.5 per cent in September from 6.8 per cent in August this year, benefiting from the halving of the average price of tomatoes as well as a favourable base.

“We expect the CPI inflation to ease to 5.6 per cent in Q3 FY2024 and further to 5.1 per cent in Q4 FY2024, amid upside risks to food inflation on account of the impact of uneven and sub-par monsoons and low reservoir levels on Kharif yields and Rabi sowing, respectively,” she said. —PTI