

## RBI's rate decision reflects favourable assessment of India's growth: Economists

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The RBI MPC, in its first monetary policy review of 2026, kept the repo rate unchanged at 5.25 per cent.

Analysts welcomed the pause on rate hikes and said they expect the RBI to maintain an extended pause, due to positive cyclical upswing and confidence from successful conclusion of multiple trade deals.

Radhika Rao, Executive Director and Senior Economist at DBS Bank, said the decision was anchored in a favourable macroeconomic outlook, and planned revision to the CPI and GDP series later this month.

Rao noted the governor's cues about factors behind the recent uptick in bond yields, adding that the central appeared ready to act pre-emptively if needed. "Looking beyond February, we expect the RBI to maintain an extended pause, supported by a positive cyclical upswing and confidence effects stemming from the successful conclusion of US trade negotiations," she said.

"The RBI's rate pause gave much-needed stability to the real estate sector at a time when growth expectations have strengthened following the Union Budget's thrust on higher government spending," added Prashant Sharma, President, NAREDCO Maharashtra.