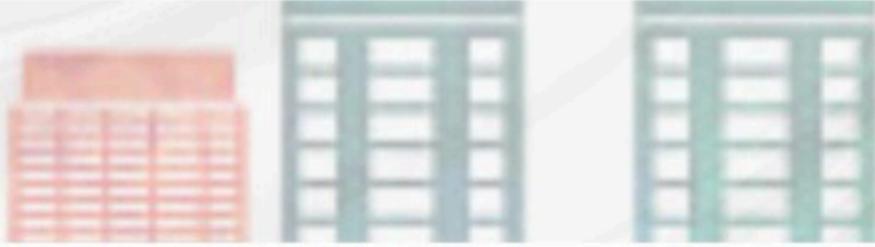




'RBI's rate decision reflects India's growth'

Mumbai: The Reserve Bank of India's (RBI) decision to keep the policy rate unchanged reflected a favourable assessment of growth and inflation dynamics, economists said on Friday. 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.



"We expect that the rate cycle has ended and 5.25 per cent repo rate will be maintained for some time, and the next move is more likely in upward direction if inflation turns out to be higher in future," Sabnavis 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. Rajani Sinha, Chief Economist, CareEdge Ratings, estimated that the recently proposed tariff reductions from the India-US trade deal could add roughly 20 basis points to GDP growth.