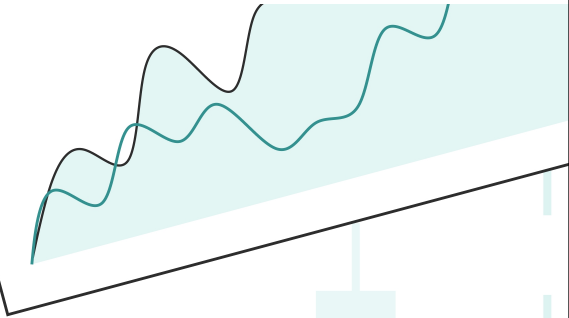
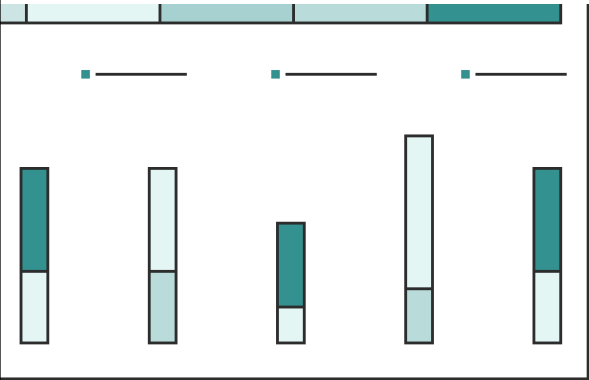




04 JUNE 2026

RBI Monetary Policy Committee Meeting

June 2026 Policy Review — Rates, Inflation & Growth Outlook



What's Inside This Report

01

Rate Decision Expectations

What markets & economists expect on June 5

03

Inflation Watch

CPI trends, crude oil risks & RBI's 4% target

02

Key Macro Risks

Crude oil, rupee, geopolitics & monsoon

04

What Investors Should Watch

Key signals from Governor Malhotra on June 5

05

Key Takeaways

Final Summary

Rate Decision Expectations

Key Figures

5.25%

Current Repo Rate

125 bps

Total cuts since Feb 2025

71%

Economists expect HOLD

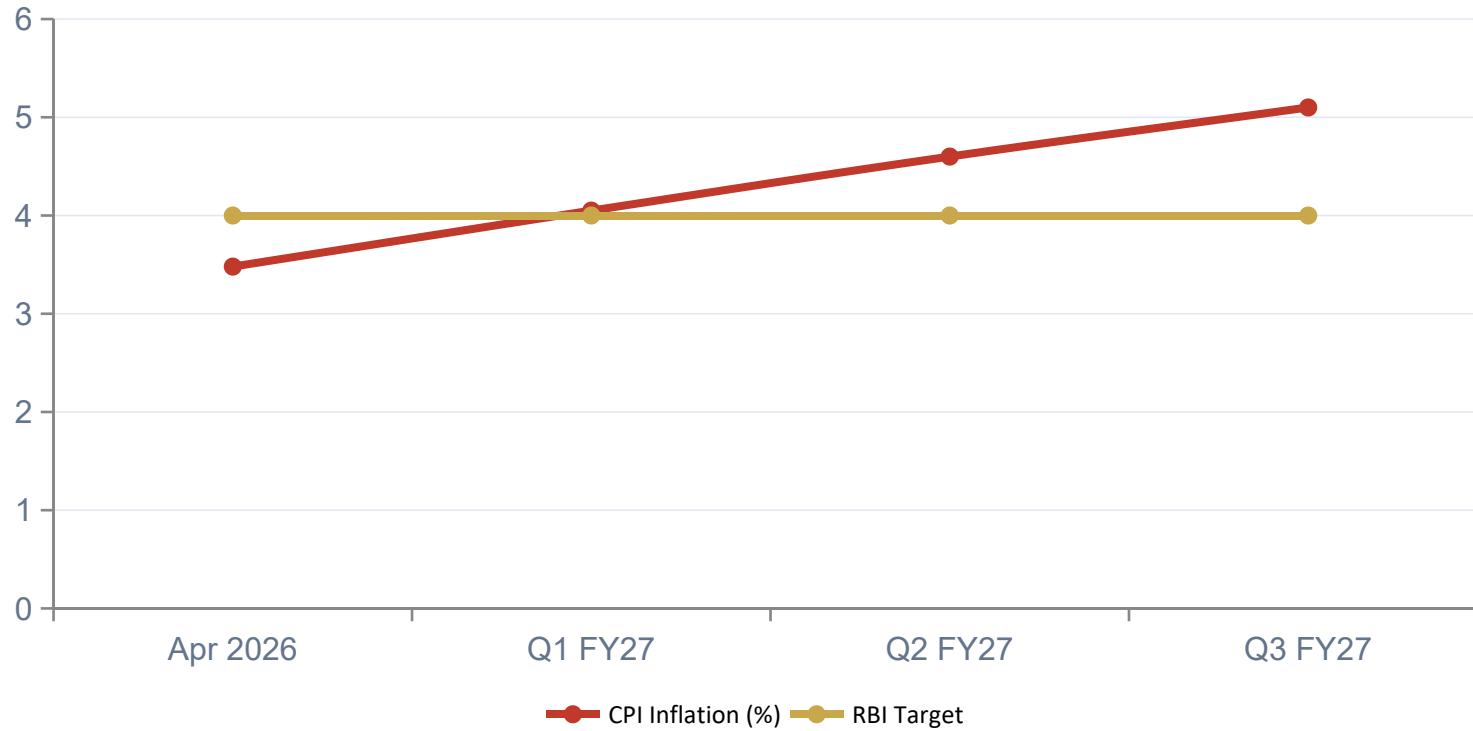
29%

See hike risk if inflation rises



Inflation Watch

CPI Inflation Trajectory (Projected)



3.48%

April 2026 CPI (Current)

4–4.1%

Q1 FY27 Forecast (RBI)

>5%

Projected in next 3 quarters

4%

RBI Medium-term Target (Band: 2–6%)

Key Macro Risks on the Radar

🔍 Crude Oil

Prices near/above \$100/bbl due to Iran-US tensions. Sustained high prices could push CPI above 5% over 3 quarters.

🔍 Rupee Pressure

Geopolitical tensions have weakened the rupee, raising import costs and adding to supply-side inflationary pressures.

🔍 Monsoon Outlook

IMD forecasts below-normal rainfall at 90% of the long-period average (June–September). Food prices at risk.

✂️ West Asia Conflict

Iran-US conflict threatens supply chain disruptions, energy prices and global trade uncertainty.

🔍 El Niño Conditions

Emerging El Niño conditions could compound monsoon deficit, driving up food inflation further.

🔍 Supply Chain

Geopolitical tensions raising concerns about global supply chain disruptions affecting India's export/import dynamics.

What Investors Should Watch — June 5

01

Repo Rate Decision

Most likely HOLD at 5.25%, but watch for any dissent in the MPC vote.

02

Inflation Forecast Revision

RBI expected to revise FY27 CPI target upward toward 5% from prior estimates.

03

GDP Growth Revision

FY27 GDP likely revised down from 6.9% — consensus around 6.5–6.6%.

04

Crude Oil Commentary

Governor's tone on \$100/bbl oil and its pass-through to domestic inflation.

05

Policy Stance Signal

Watch for any shift away from 'neutral' stance — a hawkish tilt would signal future hikes.

06

Rupee & External Sector

Assessment of currency pressure and capital flow management in the near term.

Key Takeaways

HOLD Expected

Most likely HOLD at 5.25%, but watch for any dissent in the MPC vote.

Inflation Rising

RBI expected to revise FY27 CPI target upward toward 5% from prior estimates.

Growth Revised Down

FY27 GDP likely revised down from 6.9% — consensus around 6.5–6.6%.

Watch the Tone

Governor's tone on \$100/bbl oil and its pass-through to domestic inflation.

DISCLAIMER

For Disclaimer and Disclosure please click on the following link:

https://www.jainam.in/wp-content/uploads/2024/11/Disclosure-and-Disclaimer_Research-Analyst.pdf

CONTACT US



JAINAM HOUSE

Nr. Shardayatan School, Kargil Chowk, New Passport Office Road, Piplod, Surat -7

0261-6725555 | research@jainam.in



Scan the code to Join our
whatsapp group

