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RBI Holds Repo Rate at 5.25%, Signals Cautious Approach Amid Global Uncertainty

RBI keeps repo rate at 5.25%, maintaining stability amid global risks. Real estate sector gains confidence as EMIs remain steady and demand outlook stays positive.

By **TRT Editorial** · **Save It**
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The Reserve Bank of India (RBI) has decided to keep the repo rate unchanged at 5.25% following the conclusion of its three-day Monetary Policy Committee (MPC) meeting held from April 6 to April 8, 2026. The decision reflects a continued pause in rate action after a cumulative 125 basis points cut since February 2025, highlighting the central bank's cautious stance amid evolving domestic and global economic conditions.

RBI Governor Sanjay Malhotra emphasized that the decision to maintain the status quo was driven by the need to carefully balance growth and inflation. While domestic inflation has shown signs of stability, rising global uncertainties, particularly due to elevated commodity prices and geopolitical tensions such as the Iran-US conflict, pose significant risks to the outlook.

The MPC has retained a neutral policy stance, indicating a “wait and watch” approach as it monitors incoming data. The RBI has projected consumer price inflation (CPI) for FY27 at 4.6%, with quarterly estimates ranging between 4% and 5.2%. Meanwhile, India’s real GDP growth is expected to moderate to 6.9% in FY27, supported by strong rural demand, improving urban consumption, and a sustained recovery in private sector investment.

The central bank also highlighted that system liquidity remains comfortable, with an average surplus of ₹2.3 lakh crore under the liquidity adjustment facility (LAF). It assured that it will continue to proactively manage liquidity to meet the productive needs of the economy.

For borrowers, the unchanged repo rate means that home loan EMIs are likely to remain stable in the near term, as most lending rates are linked to external benchmarks such as the repo rate. Similarly, depositors can expect fixed deposit (FD) interest rates to remain largely unchanged, as banks face no immediate pressure to revise rates.

The policy decision has been largely in line with market expectations, with analysts noting that the RBI is likely to remain data-dependent going forward. Experts also believe that liquidity conditions may continue to be accommodative, supporting economic activity without triggering inflationary pressures.

From a sectoral perspective, the real estate industry welcomed the move, stating that a stable interest rate environment helps sustain homebuyer confidence and supports ongoing demand. Industry stakeholders expressed optimism that a future rate cut could further boost affordability and investments.