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**RBI Monetary Policy:** For the first time, the six-member Monetary Policy Committee (MPC), headed by Reserve Bank of India (RBI) Governor Urjit Patel, is meeting for three days instead of the usual two days due to some administrative exigencies. “Owing to certain administrative exigencies, the Second Bi-monthly Monetary Policy meeting for 2018-19 will now be held on June 4-6, 2018 instead of on June 5-6. There is no change in the dates of all other MPC meetings for the year 2018-19,” RBI’s press release said.

On Monday, RBI began with a 3-day meet to decide on the key interest rates amid concerns of rising crude oil price and inflation. In case, the central bank comes out with a rate hike, it will be for the first time in four-and-half-years. The resolution of the three-day meet will be made public on 6 June afternoon. The last time repo rate was raised, it was in January 2014. Then, the short-term lending rate was raised to 8 percent. Since then, the rates have either been cut or maintained status quo. SAt present, repo rate stands at 6 per cent.

According to a Reuters poll, a large number of economists expect the central bank to hike interest rates on Wednesday. However, a good amount of economists also think that the central bank will stay on hold and use this week’s meeting to prepare for an August hike.

“The risk has gone up, definitely, but (we’re) not convinced enough for it to happen in June,” said Kunal Kundu, India economist at Societe Generale. “We still stick to August.” Many economists in the latest Reuters poll expect the repo rate to remain at 6.00 percent on Wednesday. There is also a sizable number of economists which forecast the RBI to raise it by 25 basis points to 6.25 percent in August.

The GDP data showed India grew at its fastest pace in nearly two years in the January-March period. That compares with 21 of 57 economists, or about 40 percent of them, in a poll taken before the GDP data was published.

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