

HDFC Bank Ltd.
HDFC Bank House,
Senapati Bapat Marg,
Lower Parel,
Mumbai - 400 013.
CIN: L65920MH1994PLC080618

Comment on RBI Credit Policy by Mr. Abheek Barua, Chief Economist, HDFC Bank

Mumbai, August 08, 2024: A no change policy with the RBI keeping the repo rate and its stance unchanged. This decision to stay on course has been clearly guided by domestic factors even as rate cut expectations have risen globally. The overall tone of the policy seemed hawkish with the RBI highlighting the risks around stickiness in food inflation. The food inflation forecast was raised by 60bps for Q2 FY25 to 4.4% and now inflation forecasts for the next four quarters all stand above 4%. With the RBI refraining from creating any space for a policy pivot, expectations of a future rate cut or change in stance will have to be pushed forward.