INDIAN ECONOMY 06 October 2026

RBI MPC to Announce Monetary Policy Decisions on October 7

The Reserve Bank of India's Monetary Policy Committee (MPC) is set to announce its latest decisions on October 7, 2026.

The Monetary Policy Committee (MPC) is a statutory body of the RBI responsible for fixing the benchmark interest rate in India.

KEY EXAM POINTS

- The **Reserve Bank of India**'s **Monetary Policy Committee** (MPC) held a 3-day meeting, with decisions expected on **October 7, 2026**.
- **RBI Governor Sanjay Malhotra** will deliver the Monetary Policy Statement at **10:00 am** on Wednesday.
- A Post-Monetary Policy **Press Conference** will be held at **12:00 noon** along with other **MPC members**.
- The central bank has kept the **repo rate** unchanged at **5.25 per cent** for **four consecutive policy meetings**.
- This meeting comes amid expectations of the first **repo rate hike** in **four years** due to **inflationary risks**.
- **Crude oil prices** remained below the **$100 per barrel** mark, currently at **USD 98.59** per barrel.

DID YOU KNOW..!?

The **Reserve Bank of India** (RBI) was established on **April 1, 1935**, under the **Reserve Bank of India Act, 1934**.

The **Monetary Policy Committee** (MPC) was constituted in **2016** and is mandated to maintain **price stability** while keeping in mind the objective of growth.

The MPC consists of **six members**: three from the **RBI** (including the **Governor** as ex-officio Chairperson) and three external members appointed by the **Central Government**.

The **repo rate** is the rate at which the **RBI** lends money to **commercial banks**, influencing **liquidity** in the economy.

Inflation targeting in India is set at **4%** with a band of +/- 2%, meaning the target range is **2% to 6%**.

Other key **monetary policy tools** include the **reverse repo rate**, **cash reserve ratio (CRR)**, and **statutory liquidity ratio (SLR)**.

The **RBI's primary objective** is to maintain **monetary stability** and ensure an adequate flow of **credit** to productive sectors.

The current **RBI Governor**, **Sanjay Malhotra**, is responsible for implementing the **monetary policy decisions**.

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Syllabus Relevance: High

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