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RBI Monetary Policy - Repo Rate Unchanged at 6.50%

The 6-member Monetary Policy Committee (MPC), headed by RBI Governor Urjit Patel, started the three-day deliberations as on 03rd October 2018 on the basis of an assessment of the current and evolving macroeconomic situation. The MPC finished its fourth bi-monthly meeting for Monetary Policy Statement for 2018-19. In this meeting, the Monetary Policy Committee (MPC) of RBI has kept the benchmark **Repo Rate unchanged at 6.50% and Reverse Repo Rate at 6.25%**. Read this article to know all about Monetary Policy & its consequences on daily life. Moreover this article will also help you prepare banking awareness for upcoming exams like IBPS RRB, IBPS PO, IBPS Clerk, SEBI, Railways RRB Group D etc.

What is RBI Monetary Policy?

Monetary policy is basically managed by the Central bank of the Country i.e Reserve Bank of India. It is also known as the '**credit policy**'.

It controls the money supply & amount of credit in the economy. Through credit policy RBI controls these rates like Bank Rates, MSF, Repo Rate, Reverse Repo rate & Statutory Liquidity Ratio in order to manage price stability in the economy. The new values are as follow:

Repo Rate - 6.50%

Reverse Repo Rate - 6.25%

Marginal Standing Facility (MSF) Rate - 6.75%

Main Objectives of RBI Monetary Policy

The Main objectives of monetary policy are:

- Price stability
- Exchange Rate Stability
- Inflation targetting
- Economic Growth





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More News on RBI Policy Change

In the recent sitting of the Monetary Policy Committee (MPC) the Repo Rate has not been changed keeping in mind the headwinds from escalating trade wars, tightening of global financial conditions with rising oil prices. This might result to substantial risks to growth and inflation outlook and hence, MPC has attributed their move as 'calibrated tightening stance'. The RBI has projected inflation to be around 4% for 2nd Quarter of next financial year with risks somewhat to the upside. The decision is consistent with the neutral stance of monetary policy with the objective of achieving the medium-term target for consumer price index (CPI) inflation of 4 percent with relaxation of +/- 2%. RBI has also kept the reverse repo rate and the Marginal Standing Facility rate unchanged at 6.25% and 6.75% respectively. The Cash Reserve Ratio (CRR) as of now is 4%. The MPC has also retained the GDP growth projection for 2018-19 at 7.4 per cent. The next meeting of the MPC is scheduled from December 3 to 5, 2018.

You can also visit the [RBI Official Site](#) to read the get all other RBI updates. You can also download the [Resolution of the Monetary Policy Committee](#) as PDF.

To know more about the implications of this RBI Monetary Policy update and share your thoughts on the news of Repo Rate kept unchanged at 6.50% in the comments section below. You can also see the following links to know more information regarding the Banking Sector.

Learn Repo Rate, Reverse Repo Rate & Other Important Terms	Weekly Banking Awareness Capsule for Bank Exams
Finance & Banking Abbreviations in PDF	Gita Gopinath – IMF's 1st Female Chief Economist
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