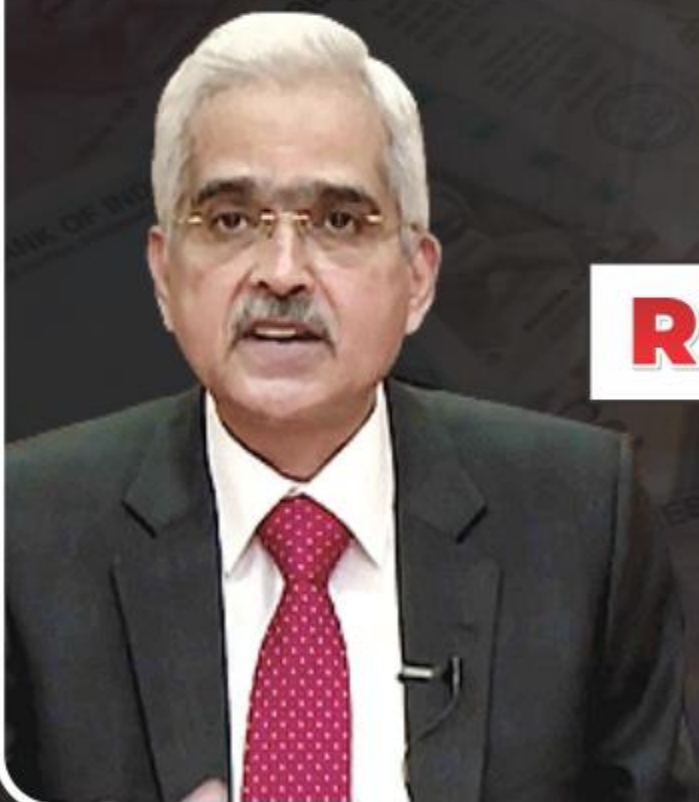




Mahendra's

MONETARY POLICY

RBI LATEST UPDATE



By Priya Mahendras

REPO RATE **HIKED 50 BPS TO 5.9%**



RBI Monetary Policy Highlights:
Repo rate hiked by 50 bps to 5.9%, FY23 inflation projection retained at 6.7%

RESERVE BANK OF INDIA

RBI raises repo rate by 50 bps to 5.9%: Buying home set to get costlier, say experts

Inflation fight RBI hikes repo rate by 50 bps to 5.9%

RBI policy highlights: EMIs to go up



Repo Rate
50 bps
5.90%

GDP Projection
FY23 - 7.00%

Inflation
FY23 - 6.70%





Important Highlights of the monetary Policy:

- Key short-term lending rate (repo) raised by 50 basis points (bps) to 5.90 per cent; fourth consecutive hike.
- The RBI has lowered the real gross domestic product (GDP) growth forecast for FY23 to 7% from 7.2%.
- RBI has maintained consumer price index (CPI) inflation forecast for FY23 at 6.7%.

Handwritten notes in red ink:
A circle with '41' inside, with an arrow pointing to '2.1' and another to '6.1'.
Below it, '1.1 = 100bp' and '50bp = 0.5%' are written.



मौद्रिक नीति की महत्वपूर्ण विशेषताएं:

प्रमुख अल्पकालिक उधार दर (रेपो) को 50 आधार अंक (बीपीएस) बढ़ाकर 5.90 प्रतिशत कर दिया गया; लगातार चौथी वृद्धि।

आरबीआई ने वित्त वर्ष 23 के लिए वास्तविक सकल घरेलू उत्पाद (जीडीपी) के विकास के अनुमान को 7.2% से घटाकर 7% कर दिया है।

आरबीआई ने वित्त वर्ष 2013 के लिए उपभोक्ता मूल्य सूचकांक (सीपीआई) मुद्रास्फीति का अनुमान 6.7% पर बनाए रखा है।



Repo Rate	5.90% ✓
Reverse Repo Rate	3.35% ✓
Marginal Standing Facility (MSF) Rate	6.15% ✓✓
Bank Rate ✓	6.15% ✓
Cash reserve Ratio (CRR)	4.50% ✓
Statutory Liquidity Ratio (SLR)	18.0% ✓
Standing Deposit Facility Rate (SDF)	5.65% ✓

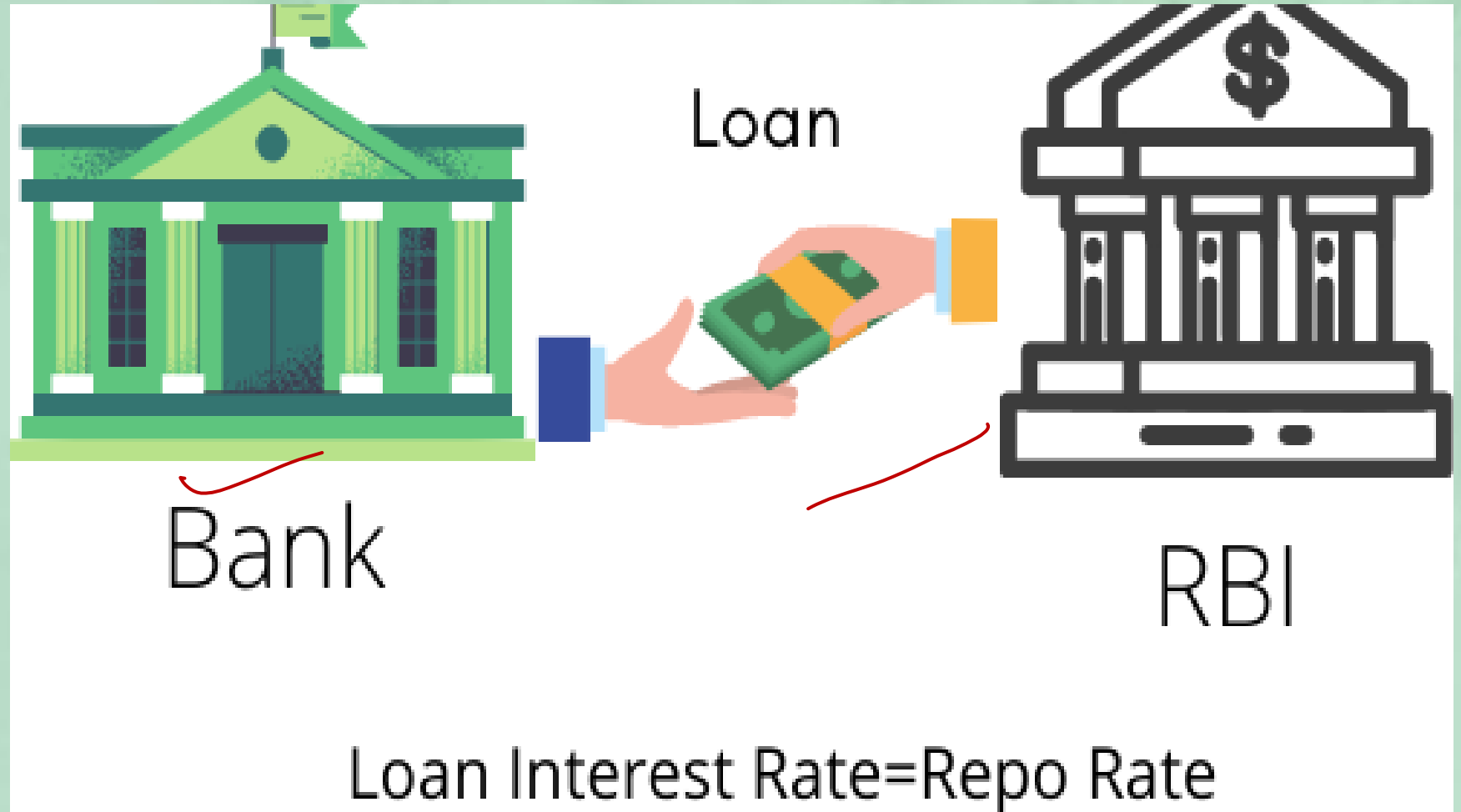


Apr^o → June → Aug
↓
Feb ← Dec ← Oct

Date	Rate	Change
30 Sept-22	5.9	0.5
5-Aug-22	5.4	0.5
8-Jun-22	4.9	0.5
May-22	4.4	0.4



REPO RATE



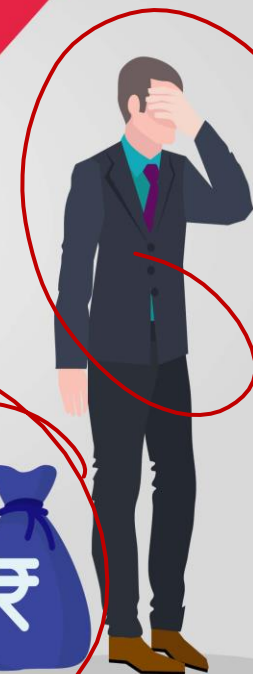
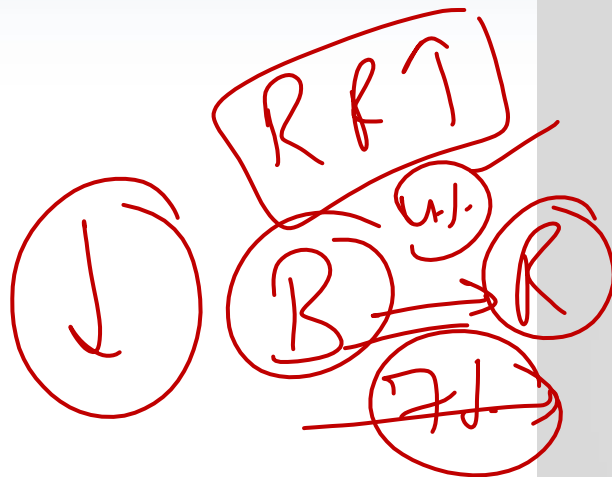


Repo Rate

- Repo rate also called repurchase rate is the rate of interest that banks pay when they borrow money from the Reserve Bank of India for a period of up to 90 days.
- रेपो दर जिसे पुनर्खरीद दर भी कहा जाता है, वह ब्याज की दर है जो बैंक तब भुगतान करते हैं जब वे भारतीय रिजर्व बैंक से 90 दिनों तक की अवधि के लिए पैसा उधार लेते हैं।

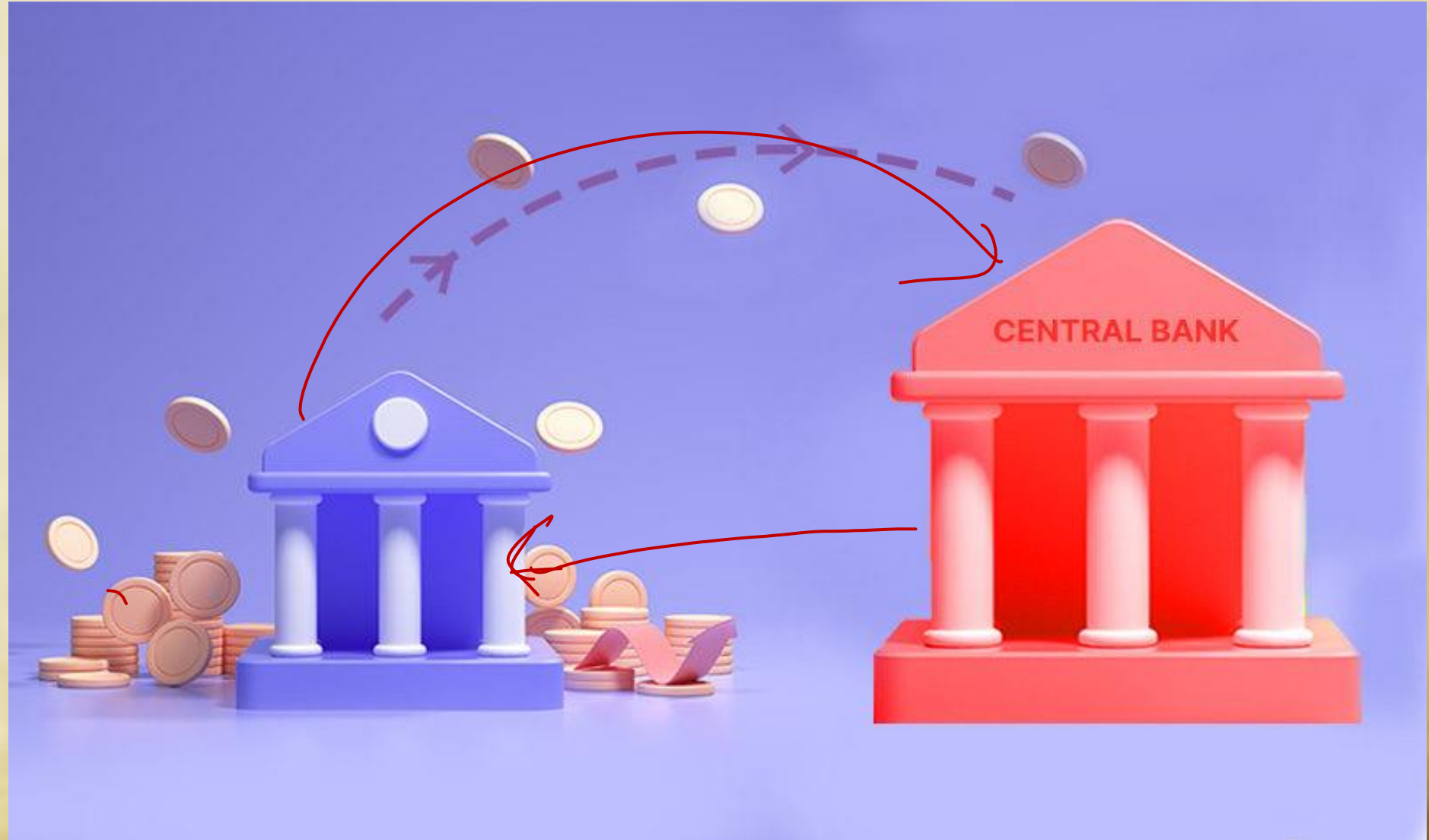


RBI INCREASED REPO RATE!



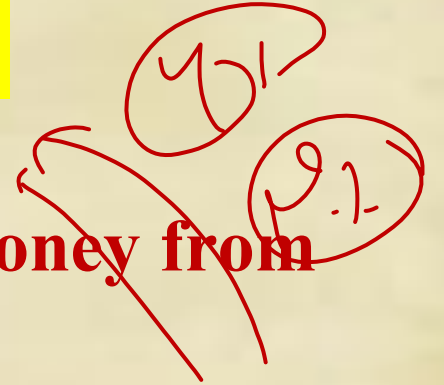
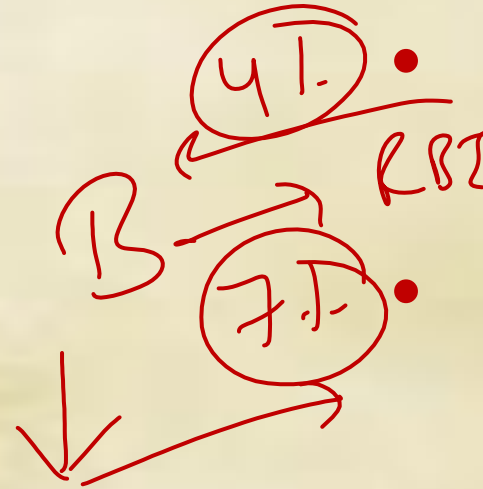


REVERSE REPO RATE





Reverse Repo Rate

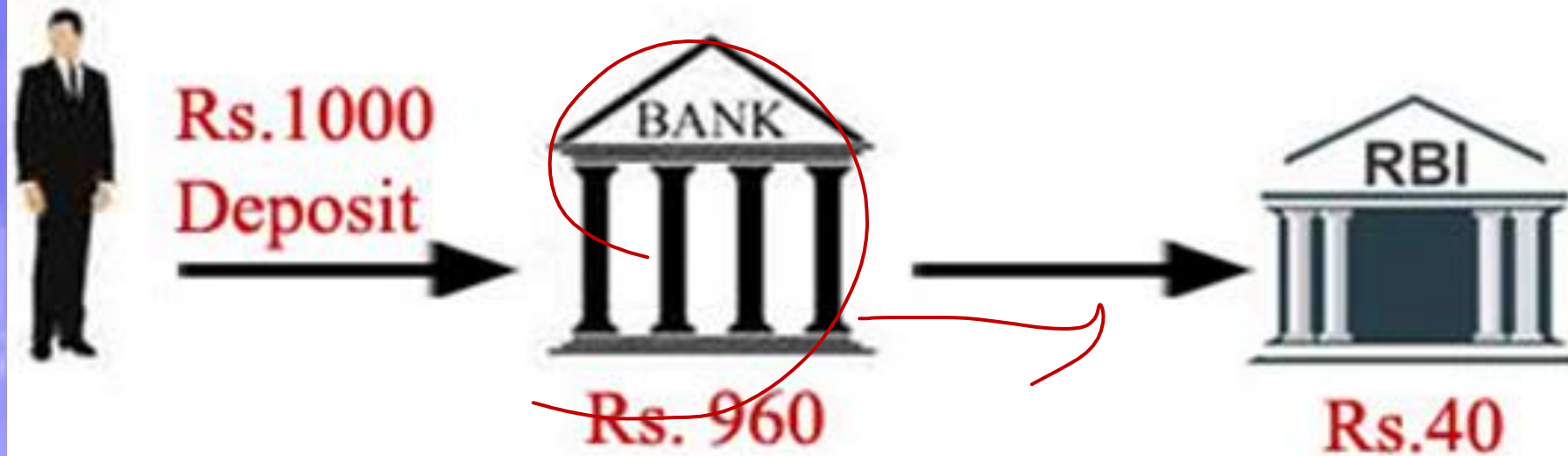


- It is the rate at which the RBI borrows money from commercial banks.
- It is the rate in which bank deposit their surplus money to RBI and in return RBI pays interest to the Bank.
- यह वह दर है जिस पर आरबीआई वाणिज्यिक बैंकों से पैसा उधार लेता है।
- यह वह दर है जिसमें बैंक अपना अधिशेष धन RBI को जमा करता है और बदले में RBI बैंक को ब्याज का भुगतान करता है।



CRR

(When CRR = 4%)



Cash Reserve Ratio



Cash Reserve Ratio (CRR)

CASA
RAFA
Net
Demand
Time
Liability

- CRR is amount of money that a bank has to keep with RBI.
- There is no minimum or maximum limit on CRR.
- No interest is paid by RBI on CRR amount.
- CRR is maintained in the form of cash only.
- CRR is maintained on daily basis. It is calculated on the basis of NDTL.
- **Section :** Section 42(1) of the RBI Act, 1934.



IMPACT ON MONEY FLOW

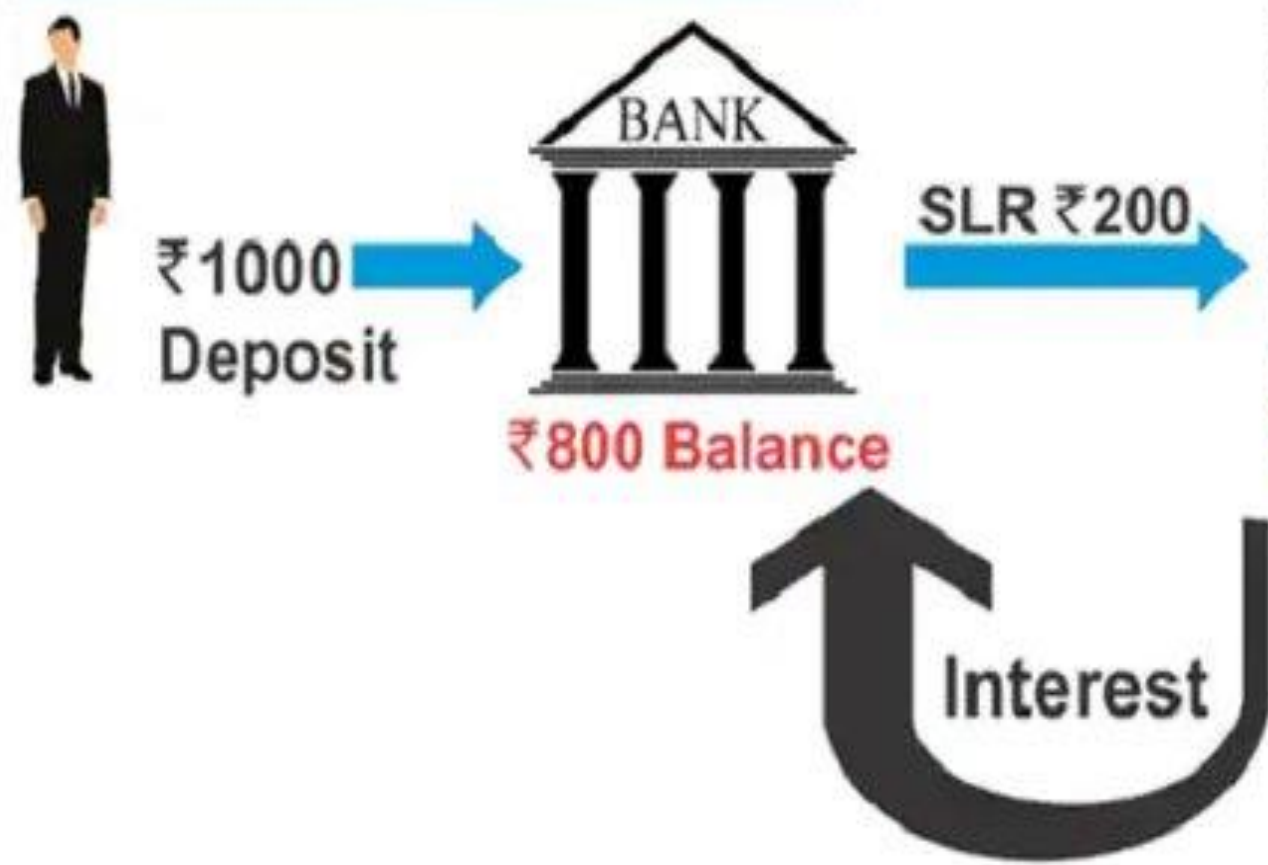
Cr





SLR

(When SLR rate is 20%)





Statutory Liquidity Ratio (SLR) / (18%)
वैधानिक तरलता अनुपात (एसएलआर)

- **SLR is amount of money that bank has to keep with itself.**
- **SLR is also calculated on the basis of NDTL.**
- **SLR is maintained on daily basis.**
- **SLR is defined in Sec 24 of Banking Regulation Act 1949.**
- **SLR has no minimum limit but maximum 40%.**
- **SLR is maintained in Cash, Gold and Government Securities.**



Marginal Standing Facility

- It is the rate at which Commercial banks borrow money from RBI for a period up to 1 day / 24 hours / overnight.
- यह वह दर है जिस पर वाणिज्यिक बैंक आरबीआई से 1 दिन / 24 घंटे / रात भर की अवधि के लिए धन उधार लेते हैं।



THANK
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