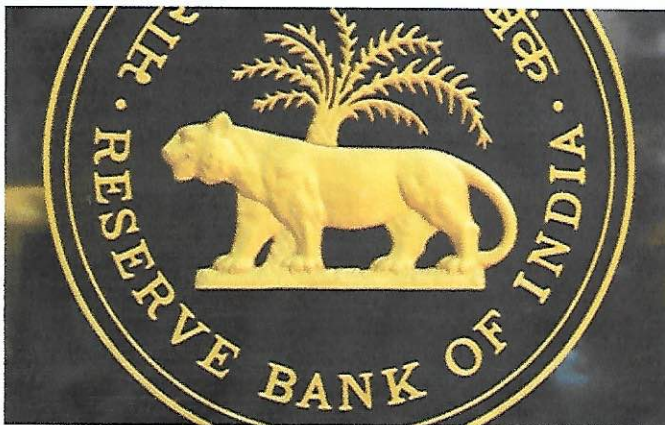

NEWS

Indian central bank told to be “more hawkish”

Apr 10, 2018 | By George Mitton



An investment firm has criticised the decision of the Indian central bank to leave the repo rate unchanged at 6%.

Vik Mehrotra, chief executive of Venus Capital, an India-focused alternative investment firm, said the Reserve Bank of India (RBI)'s decision was “the wrong one given the increased inflationary pressure we are

seeing”.

“The RBI should be adopting a much more hawkish stance,” he said. “But it has been struggling to retain its independence of late, which sets a dangerous precedent.”

Mehrotra warned that if political pressure was allowed to influence the setting of monetary policy, there could be “a serious negative effect” on the economy.

The Monetary Policy Committee at the RBI kept the repo rate steady after its two-day meeting last week. It was the fourth straight occasion that the committee elected to leave the rate unchanged.

©2018 funds global asia

LATEST NEWS