

Macroeconomic Expectations Survey Report

August 2025



NSE
Cogencis

Findings of Cogencis Macroeconomic Expectations Survey - August 2025

■ Key Highlights

- 11 economists expect status quo; 6 anticipate a 25 bps repo rate cut
- Median GDP growth forecast for FY2026 inches up to 6.4%
- Headline inflation expected to soften further in July, while core inflation remains steady at 4.4%
- Economists expect inflation to be benign despite rising to 3.3% by March 2026
- 10-year G-sec yield to vary in the range of 6.2% to 6.35% in August 2025
- USD/INR pair anticipated to trade between 86 and 87 in August 2025

■ Status quo expected

Economists anticipate the Monetary Policy Committee (MPC) to hold the policy repo rate at 5.5% and keep the policy stance at “Neutral” during the upcoming Policy Review scheduled from August 4 to 6, 2025. This follows an unexpectedly large 50 basis point cut in the repo rate announced in the June 2025 Policy Review.

From the 18 economists who took part in the current Round of NSE Cogencis’ Macro-economic Survey, 11 voted in favour of a repo rate status quo, while six predicted that the MPC would implement an additional 25 basis point cut, lowering the repo rate to 5.25%, the lowest level since August 2022. One economist did not share views on this.

Two respondents suggested that the MPC might shift its policy stance to ‘Accommodative’ after changing it to ‘Neutral’ in the last Policy Review. The remaining respondents expect a status quo on the policy stance.

■ Q1 FY26 GDP growth pegged at 6.6%

After reaching a four-quarter high of 7.4% in Q4 FY2025, participants in the NSE Cogencis Survey predict that India's real GDP growth will moderate in the range of 6.1% to 7.1% in Q1 FY2026. The median GDP growth projection for Q1 FY2026 is 6.6%. For the same quarter, the GVA growth estimate is slightly lower at 6.35%.

■ Forecasters converge on 6.4% FY26 growth for FY26

There is growing consensus among forecasters regarding the GDP growth in FY2026. In the previous round of the NSE Cogencis Survey, the GDP growth estimates for the year varied from 5.7% to 6.8% points. In the current round, the range has drastically narrowed to 6.1-6.5%.

The median growth projection for FY 2026 has also inched up to 6.4% from 6.3% in the previous round. The projection is a shade lower than the Reserve Bank of India's forecast of 6.5%.

The international credit rating agencies Moody's, Fitch, and S&P are leaning more towards the upper end of the band predicted by Indian economists, while the predictions made by the World Bank and the International Monetary Fund (IMF) are in line with the lower end of the band.

An unspoken consensus seems to be emerging that India will continue to be the fastest growing major economy in FY2026.

Indicator	Q1 FY26			FY26		
	Min	Median	Max	Min	Median	Max
GDP at constant prices (%)	6.10	6.55	7.10	6.10	6.40	6.50
GVA at constant prices (%)	6.10	6.35	6.70	NA	NA	NA

■ Inflation to stay benign

Economists expect consumer price inflation to dip further in July 2025. All nine respondents who expressed their opinions predicted that consumer price inflation would fall further in July 2025, settling below the 2.1% rate clocked in June 2025. Forecasters expect the fall to come from non-core items as median projection for core inflation remains unchanged from June 2025 at 4.4%.

Every respondent concurs that inflation will reverse course in the upcoming months. Nonetheless, they anticipate inflation to stay benign until the end of FY2026, with the highest estimate staying closer to the RBI's target of 4.2%. At 3.3% the median projection is significantly below the RBI's target.

In June 2025, wholesale price inflation entered the negative range. Regarding the course of the future, economists are still at odds. While some anticipate the deflationary trend to continue, others expect inflation to turn positive yet remain muted at or below 0.5%.

Indicator	Jul-25			Mar-26		
	Min	Median	Max	Min	Median	Max
CPI (%)	1.30	1.70	2.00	2.60	3.30	4.20
Core CPI (%)	4.00	4.50	4.50	4.20	4.40	4.80
WPI (%)	-0.96	-0.04	0.50	NA	NA	NA

Market Indicators

■ 10-year G-sec yield to inch down

Survey respondents anticipate that the 10-year G-sec yield will soften in August 2025 from its current level of 6.4%. The median estimate is 6.3%, with projections ranging from 6.2% to 6.35%.

■ Rupee to show mild appreciation

In August 2025, the USD/INR currency pair is expected to trade between 86 and 87, with the median estimate of the NSE Cogencis Survey being 86.25. This indicates a mild appreciation from its current level of 86.84. Of the 12 participants who shared their views on this, 10 expect the INR to strengthen in August 2025, one expects it to remain steady while one foresees it to depreciate against the greenback.

Indicator	Q1 FY26		
	Min	Median	Max
USD/INR	86.00	86.25	87.00
10Y G-Sec Yield (%)	6.20	6.30	6.35

■ Outlook

The RBI's MPC is expected to maintain status quo on both the repo rate and policy stance in its upcoming Policy Review scheduled from August 4-6, 2025.

The Q1 FY2026 inflation, at 2.7%, undershot the RBI's expectations (forecasted in April 2025) by 90 basis points. Inflation has been on a steady downward trajectory, falling to 2.1% in June 2025. Popular expectation is that inflation would soften further in July 2025. Inflation is expected reverse its trajectory in the subsequent months yet remain below the RBI's tolerance threshold of 4%.

The MPC having delivered a larger-than-expected rate cut of 50 basis points in its last Policy Review in June 2025, is likely to pause for more clarity on future inflation path and the severity of the growth slowdown signs seen in a few fast-frequency indicators. The MPC has already changed the policy stance from 'Accommodative' to 'Neutral' in June, raising the bar for further easing.

The yield curve has moved up since the last policy review owing to increased supply of G-secs and tracking the recent upward movement in US treasury yields.

The 10-year G-sec yield hardened from 6.26% on June 6, 2025, to 6.4% by July 29, 2025. Economists expect the yield to soften in the range of 6.2% to 6.35% by end-August 2025.

Economists unilaterally believe that India's GDP growth will moderate in Q1 FY2026 from the 4-quarter high of 7.4% in Q4 FY2025. The forecasts, however, vary in a wide range of 6.1% to 7.1%, the median being 6.6%. They expect the full year growth to be lower at 6.4%. The forecast range for FY2026 is relatively narrow from 6.1% to 6.5%.

■ Forecast for Policy Stance and Inflation

Organisation	Economist	Repo Rate Aug' 25	RBI Stances Aug' 25	CPI Jul' 25	CPI Mar' 26	Core CPI# Jul' 25	Core CPI# Mar' 26	WPI Jul' 25
ANZ Bank	Dhiraj Nim	5.25	Neutral	<1.5	3.3	4.3	4.5-4.6	--
Bank of Baroda	Madan Sabnavis	5.50	Neutral	1.7	3.5-3.7	4.3	--	-0.3
CareEdge Ratings (Care Ratings Limited)	Rajani Sinha	5.50	Neutral	2	3.5	4	4.2	-0.04
CRISIL Ltd	Dharmakirti Joshi	5.50	Neutral	--	--	--	--	--
Dam Capital	Radhika Piplani	5.50	Accommodative	1.3	3	4.5	4.8	--
Dun & Bradstreet	Dr Arun Singh	--	--	--	3.5	--	--	--
Economist Intelligence Unit	Sumedha Dasgupta	5.25	Neutral	--	--	4.5	--	--
Elara Capital	Garima Kapoor	5.25	Neutral	--	--	--	--	--
HDFC Bank Ltd	Sakshi Gupta	5.50	Neutral	1.5	2.8	4.2	4.7	--
JSW Steel Ltd	Mangesh Soman	5.50	Neutral	2	3.7	4.4	4.3	0.5
Kotak Securities	Suvodeep Rakshit	5.25	Neutral	1.4	2.6	4.3	4.5	0.036
L&T Finance	Chief Economist	5.50	Neutral	--	--	--	--	--
Corporate	Economist	5.25	Accommodative	1.8	2.7	4.4	4.3	-0.96
National Bank for Financing Infrastructure and Development	Mr. Sujit Kumar	5.50	Neutral	1.8	4.2	4.5	4.2	-0.12
QuantEco Research	Shubhada Rao	5.25	Neutral	--	3.3	--	--	--
South Indian Bank	Pranali Kshirsagar	5.50	Neutral	--	--	--	--	--
STCI Primary Dealer Limited	Aditya Vyas	5.50	Neutral	--	3.4	--	--	--
YES Bank	Indranil Pan	5.25	Neutral	1.6	3.1	4.5	4.8	0

■ Forecast for Macroeconomy

Organisation	Economist	GDP (Qtr) Q1FY26	GDP (Annual) FY 26	GVA (Qtr) Q1FY26	US\$ / INR Aug' 25	10-Year Yield Aug' 25
ANZ Bank	Dhiraj Nim	--	6.1	--	86.15	--
Bank of Baroda	Madan Sabnavis	6.1	6.4-6.6	6.3	86.5	--
CareEdge Ratings (Care Ratings Limited)	Rajani Sinha	6.4	6.4	6.6	86	6.3
CRISIL Ltd	Dharmakirti Joshi	--	6.5 with a downside bias	--	--	--
Dam Capital	Radhika Piplani	--	6.5	--	86.6	6.2
Dun & Bradstreet	Dr Arun Singh	--	6.3	--	87*	--
Economist Intelligence Unit	Sumedha Dasgupta	6.8	6.2	6.5	86.25	6.33
HDFC Bank Ltd	Sakshi Gupta	6.8	6.3	6.7	86-86.5	6.30-6.35
JSW Steel Ltd	Mangesh Soman	6.4	6.4	6.3	86	6.35
Kotak Securities	Suvodeep Rakshit	6.2	6.2	6.1	86.5	6.25
L&T Finance	Chief Economist	--	6.5	--	--	--
Corporate	Economist	6.6	6.4	6.2	86.18	6.28
National Bank for Financing Infrastructure and Development	Mr. Sujit Kumar	6.5	6.5	6.4	86.2	6.35
QuantEco Research	Shubhada Rao	--	6.4	--	--	--
South Indian Bank	Pranali Kshirsagar	--	--	--	--	--
STCI Primary Dealer Limited	Aditya Vyas	6.6	6.4	6.2	86.35	6.3
YES Bank	Indranil Pan	7.1	6.5	6.6	87	6.35

The survey was conducted between July 20-30, 2025

Core CPI excludes 'Food & Beverages and 'Fuel & Light' (base year 2012)

*Projections for CPI and INR shared by Dun & Bradstreet are for the calendar year 2025

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