



Macroeconomic Expectations Survey Report

October 2026

Findings of Cogencis Macroeconomic Expectations Survey – October 2026

KEY HIGHLIGHTS

- Repo rate expected to rise to 5.50%, 12:8 majority supports the view.
- Economists divided over policy stance: Most anticipate Neutral, while others lean towards Hawkish
- GDP growth projected at 7.20% for Q2 FY27; and 7.10% for full fiscal 2026-27
- CPI inflation to rise to 5.30% in September 2026; averaging 5.07% for FY27
- Core inflation median projection at 4.40% for September 2026 and 4.30% for FY27
- 10-year G-sec yield projected near 7.10% in October 2026
- INR expected to trade around 96.00 against USD in October 2026

Economists lean towards 25 bps hike

The latest NSE Cogencis Macroeconomic Expectations Survey indicates that the Monetary Policy Committee (MPC) to hike the repo rate by 25 basis points (bps) to 5.5% in the October 2026 monetary policy review. The views are getting increasingly divided, with 8 of the 20 respondents expecting the MPC to hold the repo rate at its current level of 5.25%.

Neutral policy views continue to dominate the survey with a 12:20 majority. At the same time, a notable hawkish cohort has emerged. This points to rising sensitivity towards inflation risks.

Q2 FY27 growth seen around 7.2%

Economists’ estimate India's real GDP growth for Q2 FY27 (July-September 2026) to hit a median of 7.20%, with projections ranging between 5.80% and 7.70%. None of the survey participant expect the Q2 growth to match the strong 7.8% growth recorded in the first quarter.

The median GVA growth projection for Q2 FY27 stands at 7.25%, with individual forecasts ranging between 6.00% and 8.20%.

Resilient demand to push FY27 growth past 7%

Economists project India's real GDP growth at a median of 7.10% for the full year FY27, with forecasts ranging between 6.20% and 7.90%. The survey reflects a broadly constructive view on the growth outlook, with 14 of the 20 respondents expecting growth to either touch or exceed 7.0% during the fiscal year.

Forecasters seem to be banking on resilient domestic demand, healthy tax collections and sustained services sector activity to underpin growth. At the same time, escalating tensions in West Asia and the risk of higher crude oil prices remain key uncertainties for the outlook.

INDICATOR	Q2 FY27			FY27		
	Min	Median	Max	Min	Median	Max
GDP at constant prices (%)	5.80	7.20	7.70	6.20	7.10	7.90
GVA at constant prices (%)	6.00	7.25	8.20	NA	NA	NA

Inflation set to jump to 5.3% in September 2026

Consumer price inflation (CPI) is expected to remain elevated in September 2026, with survey respondents projecting a range of 4.83% to 5.90%. The median estimate, at 5.30%, suggests a sharp jump in inflation from its August 2026 level of 4.82%. The median projection sits well above Reserve Bank of India's (RBI) medium term inflation target of 4.00%, underscoring upward shift in price environment.

Core inflation for September 2026 is forecast between 4.20% and 4.50% with bulk of the responses clustering around the 4.40% median.

On the wholesale front, WPI inflation is projected substantially higher at a median of 10.10% in September 2026, underscoring significant cost pressures in the pipeline. Individual forecasts range between 8.60% and 11.40%.

Elevated but manageable inflation in FY27

FY27 headline CPI inflation is projected at a median of 5.07% (ranging between 4.9% and 5.7%), while core inflation is expected to remain more anchored at a median of 4.3%. While these projections indicate that headline inflation will remain stickily above the RBI medium-term target of 4.0%, it is likely to comfortably settle below its upper tolerance threshold of 6.0%. This suggests a landscape of persistent but manageable price pressures.

INDICATOR	SEP-26			FY27		
	Min	Median	Max	Min	Median	Max
CPI (%)	4.83	5.30	5.90	4.90	5.07	5.70
Core CPI (%)	4.20	4.40	4.50	4.20	4.30	4.70
WPI (%)	8.60	10.10	11.40	NA	NA	NA



G-sec yield seen firming amid inflation concerns

The 10-year G-sec yield is projected at a median of 7.10% in October 2026, with survey responses ranging between 6.50% and 7.30%. Global bond markets have firmed up, with US 10-year treasury yield hovering above 5%. Indian basket of crude oil trading near USD 123.67 per barrel as of September 24, 2026, has elevated inflation concerns. Domestically, large bond issuances have added to supply pressure. These factors collectively are expected to keep G-sec yields elevated, with respondents expecting them to hold firm through October.

INDICATOR	OCT-26		
	Min	Median	Max
10Y G-Sec Yield (%)	6.50	7.10	7.30
USD/INR	95.10	96.00	97.50

Rupee expected to remain rangebound

The Indian rupee is expected to trade around 96 per USD in October 2026. Survey respondents expect the currency to range between 95.10 and 97.50 against the greenback. The INR has faced depreciation pressures through recent months. Foreign portfolio outflows and elevated oil import costs have weighted on it. The range of forecasts reflects broad agreement among respondent on the currency remaining weak with a mild depreciation bias. RBI’s calibrated interventions are expected to prevent any sharp movements in October, assuming no major external shocks.

Outlook

India's macroeconomic outlook is increasingly being shaped by inflation concerns. Firming inflation and elevated crude oil prices have strengthened expectations of policy tightening, with markets now tilting towards a 25-basis points rate hike in October 2026 after a prolonged pause in the repo rate at 5.25% since December 2025. This shift coincides with the US Federal Reserve's first-rate hike since 2023.

A key driver of this shift has been inflation. Price pressures, once concentrated in food and fuel, have broadened into core categories as well. Retail inflation rose from 4.45% in July 2026 to 4.82% in August 2026, its highest level in nearly 20 months. Wholesale inflation has moved higher, driven largely by fuel costs. Escalating hostilities in West Asia have brought energy markets back into focus, with Indian basket of crude oil averaging USD 116.38 per barrel in September. Cumulative southwest monsoon till September 30, 2026, being 13% below long-period average a further layer of risk to food prices in the months ahead.

Financial conditions have turned less supportive in tandem. Bond yields have hardened in line with higher global interest rates, while the rupee has remained on a weak footing against the dollar. The currency's 3-month forward premium has risen to 3.41% from 2.06% a year earlier. This suggests markets are positioning for further depreciation rather than a near-term reversal. Liquidity, however, remains ample. The RBI continues to absorb surplus funds through bond sales, including having recently concluded Rs.1 trillion open market operation in the second half of September 2026.

Growth remains the one pillar still offering comfort. Real GDP expanded 7.8% in Q1FY27, well above the RBI's 7% projection and the market expectations. The expansion was driven by robust investment, manufacturing and services activity.

High-frequency indicators hint at a continuation of a 7% plus growth performance in Q2FY27. Gross GST collections during July-August 2026 grew year-on-year by 15.1%, while e-way bills increased by 6.8%, indicating the robust economic activity. The Composite PMI remained in an expansionary phase throughout Q2FY27, ranging between 54.3 and 56.5. IIP too clocked a 6.7% growth in July 2026, while other sectoral indicators such as vehicle sales, electricity demand, commodity traffic through sea and railways route continued to demonstrate healthy growth.

Growth has shown resilience despite elevated crude prices and external headwinds. As a result, the policy challenge has shifted from supporting demand to containing emerging inflation risks while preserving the momentum in growth.

Forecast for Policy Stance and Inflation

Organisation	Economist	Repo Rate Oct' 26	Policy Stance Oct' 26	CPI Sep' 26	CPI FY27	Core CPI Sep' 26	Core CPI FY27	WPI Sep' 26
Axis Bank	Anshika Singh	5.50	Neutral	5.10	5.20	4.50	4.70	10.00
Canara Bank	Dr. Madhavankutty G	5.50	Hawkish	4.90-5.10	5.00-5.20	4.40-4.60	--	9.90-10.30
CareEdge Ratings	Rajani Sinha	5.50	Neutral	5.40	5.00	4.40	4.50	10.10
Choice Institutional Equities	Purvi Mundhra	5.25	Neutral	5.90	5.70	--	--	--
Economist Intelligence Unit	Sumedha Dasgupta	5.25	Hawkish	--	--	--	--	--
Elara Capital	Garima Kapoor	5.50	Hawkish	--	5.00	--	--	--
HDFC Bank Ltd	Sakshi Gupta	5.25	Neutral	5.50	5.10	4.30	4.30	--
ICICI Bank	--	5.50	Neutral	--	5.00	--	--	--
Indian Bank	Mithilesh Kumar	5.25	Hawkish	5.00	5.00	4.50	4.30	10.20
JSW Steel Ltd	Mangesh Soman	5.50	Neutral	5.30	5.00	--	--	10.00
Kotak Securities	Suvodeep Rakshit	5.50	Neutral	5.40	5.20	4.30	4.30	10.50
L&T Finance	Rajni Thakur	5.25	Neutral	--	--	--	--	--
Mahindra & Mahindra	Dr. Minakshi Chakraborty	5.25	Neutral	5.20	5.00	4.20	4.40	8.60
Motilal Oswal Financial Services	Radhika Piplani	5.50	Hawkish	--	5.10	--	4.50	--
NaBFID	Sujit Kumar	5.50	Hawkish	5.51	5.10	4.40	4.30	10.20
Piramal Finance Ltd	Houseview	5.25	Hawkish	4.83	5.00	--	--	--
RBL Bank	Anitha Rangan	5.50	Hawkish	5.30	5.20	--	--	11.40
Standard Chartered Bank	Anubhuti Sahay	5.50	Neutral	--	4.90	--	4.30	--
STCI Primary Dealer Ltd	Aditya Vyas	5.25	Neutral	4.90	5.20	4.40	4.70	10.50
Yes Bank Ltd	Indranil Pan	5.50	Neutral	5.40	5.04	4.40	4.20	9.20

* The survey was conducted between September 21-September 28, 2026.

Forecast for Macroeconomy

Organisation	Economist	GDP Q2FY27	GDP FY27	GVA Q2FY27	USD / INR Oct' 26	10-Year Yield Oct' 26
Axis Bank	Anshika Singh	7.40	7.30	8.20	96.00	7.20
Canara Bank	Dr. Madhavankutty G	7.5-7.8	7.8-8.0	7.8-8.1	96.00-96.25	7.05-7.15
CareEdge Ratings	Rajani Sinha	7.20	7.30	7.50	95.50	7.10
Choice Institutional Equities	Purvi Mundhra	6.60	6.80	--	96.00	7.30
Economist Intelligence Unit	Sumedha Dasgupta	7.50	7.40	7.20	96.20	7.10
Elara Capital	Garima Kapoor	--	7.10	--	--	--
HDFC Bank Ltd	Sakshi Gupta	7.20	7.10	7.10	95.50-96.50	7.05-7.20
ICICI Bank	--	--	7.10	--	--	--
Indian Bank	Mithilesh Kumar	7.00	6.80	6.00	97.50	7.10
JSW Steel Ltd	Mangesh Soman	7.00	7.00	7.20	96.00	7.05
Kotak Securities	Suvodeep Rakshit	7.70	7.20	7.80	96.00	7.20
L&T Finance	Rajni Thakur	--	--	--	--	--
Mahindra & Mahindra	Dr. Minakshi Chakraborty	5.80	6.20	6.10	95.10	6.50
Motilal Oswal Financial Services	Radhika Piplani	7.30	7.20	7.50	96.00	7.10
NaBFID	Sujit Kumar	6.70	7.10	7.30	96.00	7.10
Piramal Finance Ltd	Houseview	6.80	6.80	6.60	96.00	7.02
RBL Bank	Anitha Rangan	--	7.00	7.00	96.00	7.10
Standard Chartered Bank	Anubhuti Sahay	7.40	7.20	7.20	--	--
STCI Primary Dealer Ltd	Aditya Vyas	7.20	6.90	7.40	95.90	7.15
Yes Bank Ltd	Indranil Pan	7.60	7.10	7.90	96.25	7.15

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