

Macroeconomic Expectations Survey Report

June 2025

Findings of Cogencis Macroeconomic Expectations Survey - June 2025

Repo rate cut expected

Economists who participated in a survey conducted by NSE Cogencis unanimously believe that the Monetary Policy Committee (MPC) is set to announce its third consecutive repo rate cut during the policy review taking place from June 4-6, 2025. A large majority, specifically 16 out of the 20 participants in the survey, foresee a reduction of 25 basis points in the repo rate to 5.75%, while two others predict a more pronounced cut of around 50 basis points. Only one participant expects the MPC to maintain a status quo.

All but one participant believe that the MPC will maintain its 'Accommodative' policy stance, given that inflationary expectations remain well anchored.

Forecasters peg FY26 GDP growth at 6.3%

Economists foresee that the Indian economy will sustain a growth rate above 6% in FY26, even in the face of headwinds from trade wars and geopolitical instability. The median real GDP growth projection for FY26 from the NSE Cogencis Survey is 6.3%, which aligns with the forecasts from the International Monetary Fund (IMF) and the World Bank. The multilateral agencies estimate the growth at 6.2% and 6.3%, respectively. The Reserve Bank of India (RBI)'s Monetary Policy Committee (MPC) has a more optimistic forecast of 6.5%, released in April 2025. The MPC is scheduled to review this projection during its meeting from June 4-6, 2025.



Key Highlights

- Of the 20 economists polled, 16 expect a 25 bps repo rate cut; 2 anticipate a steeper cut
- Economists forecast a real GDP growth of 6.3% for FY26
- Inflation is anticipated to rise slightly in May 2025, but remain low - CPI is projected at 3.3% and Core CPI at 4.2%
- WPI inflation is projected to stay around 1% in May 2025
- 10-year G-sec yield is projected to range between 6.10% and 6.30%
- USD/INR pair anticipated to vary within a broader range of 84.50 to 86.75

INDICATOR	Q4 FY25			FY26		
	Min	Median	Max	Min	Median	Max
GDP at constant prices (%)	6.2	6.8	7.3	5.7	6.3	6.8
GVA at constant prices (%)	6.0	6.4	6.8	NA	NA	NA



Inflation is projected to stay low

Economists seem to have differing opinions regarding the trajectory of consumer price inflation for May 2025. Among the 17 economists that shared their views on this, 12 forecast an increase, while five predict a further softening. The forecasts vary from 2.8% to 4.5%. Nonetheless, all except one participant believe that inflation would remain well below the RBI's target of 4%. The median projection on core inflation, which excludes food and fuel items, is that it would stay benign at 4.2% in May 2025.

Wholesale price inflation is expected to range from 0.3% to 2.2% in May 2025. The median projection for May 2025 at 1.05% implies that inflation will increase mildly from the 0.85% observed in April 2025.

INDICATOR	May-25		
	Min	Median	Max
CPI%	2.8	3.3	4.5
Core CPI%	3.7	4.2	4.5
WPI%	0.3	1.1	2.2

The survey was conducted between May 20-29, 2025

Market Indicators

10-year G-sec yield to remain range-bound

The survey participants expect the 10-year G-sec yield to stay range-bound in June 2025. The projections range between 6.1-6.3%, with the median estimate at 6.21%.

Rupee to trade 84.5 to 87 in June 2025

The USD/INR currency pair is projected to be in the range of 84.50 to 87.0 for June 2025, with a median estimate of 85.50. About 6 of the 12 economists who shared their insights on this, anticipate the INR to depreciate below its May 29, 2025, closing of 85.48.

INDICATOR	Jun-25		
	Min	Median	Max
USD/INR	84.50	85.50	87.00
10Y G-Sec Yield%	6.10	6.21	6.30

Outlook

The RBI's MPC is expected to deliver its third successive rate cut and remain 'Accommodative' in its upcoming policy review scheduled from June 4-6, 2025. It is expected to cut the policy repo rate by 25 basis points to 5.75%. Inflation falling to a 6-year low of 3.16% in April 2025, along with a benign outlook pave the way for the MPC to cut the repo rate and provide a support to the economic growth amid the trade-war and other geo-political tensions. Softening global commodity prices, normal rainfall expectations and probable improvement in agricultural output can help the headline inflation remain benign.

The markets seem to have already priced in a rate cut which is reflected in the sharp downward shift in the Overnight Index Swaps (OIS) curve. Economists expect 10-year G-sec yield to remain range-bound in June 2025. The narrowing spread between the US treasury and India's G-secs may act as a deterrent for the yields to soften further significantly. The survey participants expect the 10-year G-sec yield to stay range-bound in June 2025. The projections range between 6.1-6.3%, with the median estimate at 6.21%.

The Indian economy is expected to show a strong resilience to the external headwinds and emerge as the fastest growing major economy once again in FY26. The growth this year is likely to be driven by domestic consumption. Reductions in interest rates, tax relief on income, and easing inflation are expected to boost household consumption. Additionally, a normal monsoon could positively impact farm incomes and rural spending. Economists surveyed by NSE Cogencis have a projected a median GDP growth of 6.3% for FY26. The projections range between 5.7% and 6.8%.

Forecast for Policy Stance and Inflation

Organisation	Economist	Repo Rate Jun' 25	RBI Stance Jun' 25	CPI May' 25	Core CPI May' 25	WPI May' 25
Acuite Ratings and Research	Acuite Ratings and Research	5.75	Accommodative	3.9	--	--
ANZ Bank	Dhiraj Nim	5.75	Accommodative	2.8	4.2	--
Bank of Baroda	Madan Sabnavis	5.75	Accommodative	3	4.3	1.8
Canara Bank	Madhavankutty G	6.00	Accommodative	3.4	4.2	2
CareEdge Ratings (Care Ratings Limited)	Rajani Sinha	5.75	Accommodative	3.5	4.5	--
Corporate	Economist	5.50	Neutral	3.5	3.7	2.2
Dam Capital	Radhika Piplani	5.75	Accommodative	3.3	4.4	--
Dun & Bradstreet	Dr. Arun Singh	--	--	4.5	--	--
Economist Intelligence Unit	Sumedha Dasgupta	5.75	Accommodative	3.8	4	--
Elara Capital	Garima Kapoor	5.75	Accommodative	--	--	--
HDFC Bank Ltd	Sakshi Gupta	5.75	Accommodative	3.2	3.98	--
JSW Steel Ltd	Mangesh Soman	5.75	Accommodative	3	4	0.7
Kotak Securities	Suvodeep Rakshit	5.75	Accommodative	2.8	4.3	0.9
L&T Finance	L&T Finance	5.75	Accommodative	3.58	--	--
NaBFID	Sujit Kumar	5.75	Accommodative	3.2	4.2	0.9
Piramal Enterprises Limited	Debopam Chaudhuri	5.50	Accommodative	3.5	--	--
QuantEco Research	Shubhada Rao	5.75	Accommodative	--	--	--
Standard Chartered	Saurav Anand and Anubhuti Sahay	5.75	Accommodative	--	--	--
STCI Primary Dealer Limited	Aditya Vyas	5.75	Accommodative	3.3	4.1	1.2
YES Bank	Indranil Pan	5.75	Accommodative	2.9	4.5	0.3

Forecast for Macroeconomy

Organisation	Economist	GDP (QTR) (Q4FY25)	GDP (ANNUAL) (FY25)	GVA (ANNUAL) (FY25)	USD/INR Jun'25	10-Yr Gsec Yield Jun'25
Acuite Ratings and Research	Acuite Ratings and Research	6.8	6.28	6.1	--	--
ANZ Bank	Dhiraj Nim	6.8	5.7	--	85	--
Bank of Baroda	Madan Sabnavis	6.8-7.0	6.4-6.6	6.0-6.3	85.5	6.15-6.25
Canara Bank	Madhavankutty G	6.8	6.4	6.4	85.2	6.23
CareEdge Ratings (Care Ratings Limited)	Rajani Sinha	6.8	6.2	6.5	85.5	6.25
Corporate	Economist	7.3	6.4	6.3	86	6.3
Dam Capital	Radhika Piplani	--	6.5	--	85	6.3
Dun & Bradstreet	Dr. Arun Singh	--	6.3	--	87	--
Economist Intelligence Unit	Sumedha Dasgupta	6.9	6.4	6.5	85.7	6.22
Elara Capital	Garima Kapoor	--	6.8	--	--	--
HDFC Bank Ltd	Sakshi Gupta	6.8	6.3	6.6	84.5-86.5	6.15-6.20
JSW Steel Ltd	Mangesh Soman	6.8	6.3	6.4	85	6.2
Kotak Securities	Suvodeep Rakshit	7.1	6	6.4	85.4	6.15
L&T Finance	L&T Finance	6.6	6.2	6.6	--	--
NaBFID	Sujit Kumar	6.9	6.3	6.8	85.3	6.1
Piramal Enterprises Limited	Debopam Chaudhuri	6.5	6.6	6.3	85.5	6.25
QuantEco Research	Shubhada Rao	6.9	6.4	6.7	--	--
Standard Chartered	Saurav Anand and Anubhuti Sahay	6.5	6.5	6.2	86.75	6.2
STCI Primary Dealer Limited	Aditya Vyas	6.2	6.3	6	84.5	6.2
YES Bank	Indranil Pan	7.1	6.4	6.4	85.5	6.2