

Macroeconomic Expectations Survey Report

October 2025



NSE
Cogencis

Findings of Cogencis Macroeconomic Expectations Survey — October 2025

■ MPC to continue rate pause

Even with the US Federal Reserve (Fed) cutting rates and inflation remaining relatively benign, majority of the economists surveyed by NSE Cogencis expect the Monetary Policy Committee (MPC) to hold the repo rate at 5.5% in its upcoming policy review scheduled from September 29-October 1, 2025. Of the 15 participants in the survey, only three expect the MPC to deliver a 25 basis points (bps) rate cut, while a strong majority of twelve anticipate a pause. The MPC had last altered the repo rate in June 2025, delivering a higher-than-expected cut of 50 bps.

The survey participants unanimously believe that the MPC would retain its 'Neutral' policy stance in the upcoming policy review. This allows the Committee to wait for more certainty and avoid any upside inflation surprises.



Key Highlights

- Economists expect MPC to hold repo rate with a 12:3 majority
- GDP growth expectations for FY2026 rise to 6.55%
- CPI inflation to remain steady in September 2025; FY2026 to end on a soft 2.8% note
- Core inflation to hover around the 4% threshold through FY2026
- 10-year G-sec yield projected at 6.50% in October 2025
- INR expected to depreciate further to 88.35 against USD in October 2025

■ GDP growth to slow down in Q2 FY26

Economists forecast the Indian economy to show a considerable slowdown in Gross Domestic Product (GDP) growth to 6.55% in Q2 FY2026, after a stellar performance in Q1 FY2026. The growth projections vary in the range of 5.9-7.0%. Notably, all participants in the NSE Cogencis survey expect Q2 FY2026 growth to be lower than in the past two quarters – 7.4% in Q4 FY2025 and 7.8% in Q1 FY2026.

■ GDP growth forecast for FY26 moves up to 6.55%

Economists have revised their Gross Domestic Product (GDP) growth forecasts for FY2026 upwards in the latest September 2025 round of NSE Cogencis survey, reflecting improvement in the sentiment. The median growth estimate has increased to 6.55%, compared to 6.4% in the preceding round of July 2025 and 6.3% in the round of May 2025. The range of forecasts has also moved higher to 6.4%-6.8% from 6.1%-6.5% in the previous round. A key factor driving these revisions is the stronger-than-expected GDP growth print of 7.8% for Q1 FY2026. This has strengthened the expectations for the full year growth performance.

It is noteworthy that the median projection by these economists in the latest survey round, at 6.55%, is marginally above the RBI's most recent forecast of 6.5%, issued in August 2025.

For Gross Value Added (GVA), the median growth estimate for FY2026 is 6.35%, with individual forecasts ranging between 6% and 6.9%.

INDICATOR	Q2 FY26			FY26		
	Min	Median	Max	Min	Median	Max
GDP at constant prices (%)	5.90	6.55	7.00	6.40	6.55	6.80
GVA at constant prices (%)	6.00	6.35	6.90	NA	NA	NA

■ Inflation expected to rise modestly

Economists remain divided on the near-term trajectory of consumer price inflation. Among the ten participants who shared their views, six anticipate the inflation rate to decline in September 2025 following an uptick to 2.07% in August 2025 from a 97-month low of 1.61% in July 2025. The remaining four expect inflation to rise further. Forecasts for September 2025 vary in a wide range of 1.3% to 2.8%, with the median estimate hovering around 2%, close to the August 2025 print.

Food and fuel inflation is expected to stay subdued. However, projections for core inflation (excluding food and fuel) in September 2025 range widely, from 3.7% to 4.9%. While five respondents foresee a decline from the August level of 4.1%, four predict an upward trend.

Despite short-term differences, all economists surveyed unanimously agree that the headline inflation will remain well below the RBI's 4% target through the end of FY2026. The median projection for March 2026 is 2.80%, with estimates ranging from 2% to 3.4%. Similarly, the median forecast for core inflation stands at 4%, with only one respondent expecting a level near 5%.

On the wholesale front, year-on-year increases in prices returned in August 2025 after two months of deflation. The views on the short-term direction of inflation remain mixed. While five participants anticipate further increase, three anticipate easing. The median forecast for wholesale price inflation in September 2025 is 0.66%.

INDICATOR	OCT-25			FY26		
	Min	Median	Max	Min	Median	Max
CPI (%)	1.30	2.00	2.80	2.00	2.80	3.40
Core CPI (%)	3.70	4.00	4.90	3.50	4.00	4.80
WPI (%)	0.23	0.66	0.90	NA	NA	NA

Market Indicators

10-year G-sec yield to remain steady

Survey participants expect the 10-year G-sec yield to remain rangebound in October 2025. The projections vary between 6.28% and 6.53% with the majority being aligned to the upper end of the range. The median projection of 10-year G-sec yield for October is 6.5%, only a shade higher than the prevailing yield of 6.49% as of September 24, 2025.



Rupee to depreciate

All economists who participated in the NSE Cogencis survey expect the INR to weaken against the USD in October 2025 from its mid-September level of 88.046. The median forecast for October stands at 88.35, with the projections ranging between 86.35 to 88.5. The anticipated depreciation reflects external pressures including strengthening US dollar and subdued capital flows into emerging markets. The new H-1B visa levy of USD 100,000 which may likely impact India's services exports to the US and remittances from abroad also seems to be weighing on the INR valuation.

INDICATOR	OCT-25		
	Min	Median	Max
USD/INR	86.35	88.35	88.50
10Y G-Sec Yield(%)	6.28	6.50	6.53

■ Outlook

The RBI's MPC is widely expected to maintain the policy repo rate at 5.5% in its October 2025 meeting. The policy stance is also expected to remain unchanged at "Neutral". While benign inflation and the recent 25 basis points rate cut by the Fed make a case for another round of rate cuts, sharp depreciation of the INR against the USD, external pressures arising out of new trade barriers built by the US, rising bond yields at the long end and expectations of higher government borrowings after GST revisions remain strong deterrents for further monetary easing. The MPC is likely to wait for the full effect of the CRR cut to play out and improved transmission of the 100 bps repo rate cut it delivered earlier this calendar year – 6.5% to 5.5%. In June 2025, the RBI had announced a 100-bps cut in the CRR for all banks, reducing it to 3% of their NDTL. The rate cut was to be implemented in a phased manner starting from September 6, 2025, till November 29, 2025.

In the short term, the inflation expectations remain subdued, with projections for the September 2025 CPI inflation ranging from 1.3% to 2.8%. Bond yields are anticipated to sustain at the current level, while the INR is expected to depreciate further to a fresh low of 88.35.

The macroeconomic outlook appears encouraging despite external headwinds as healthy agricultural output, income tax gains, GST revision and continued fiscal support by the government lend strength to the domestic consumption. The consensus GDP growth forecast for Economists for FY2026 is 6.55%. The expectations have been improving gradually since the beginning of the fiscal notwithstanding the global headwinds.

Inflation is also expected to stay benign through the end of FY2026, with even the highest projection in the NSE Cogencis survey being about a percentage point below the RBI's current target of 4%.

Forecast for Policy Stance and Inflation

Organisation	Economist	Repo Rate Oct' 25	Policy Stance Oct' 25	CPI Sep' 25	CPI Mar' 26	Core CPI Sep' 25	Core CPI Mar' 26	WPI Sep' 25
ANZ Banking group	Dhiraj Nim	5.50	Neutral	--	--	--	--	--
Bank of Baroda	Madan Sabnavis	5.50	Neutral	1.50	3.10	4.00	4.00	0.23
CareEdge Ratings (Care Ratings Limited)	Rajani Sinha	5.50	Neutral	2.30	2.70	3.70	3.50	0.80
Crisil Limited	Dharmakirti Joshi	5.25	Neutral	--	--	--	--	--
Dam Capital	Radhika Piplani	5.50	Neutral	1.80	2.80	4.30	4.80	--
Economic Intelligence Unit	Sumedha Dasgupta	5.50	Neutral	2.50	--	4.40	--	0.80
Elara Capital	Garima Kapoor	5.25	Neutral	--	--	--	--	--
HDFC Bank	Sakshi Gupta	5.50	Neutral	2.30	2.80	4.90	4.20	--
JSW Steel Ltd	Mangesh Soman	5.50	Neutral	2.00	2.90	--	--	0.90
Kotak Securities	Suvodeep Rakshit	5.50	Neutral	1.70	2.00	3.80	3.50	0.30
L&T Finance	Chief Economist	5.25	Neutral	--	--	--	--	--
Mahindra & Mahindra	Chakraborty Minakshi	5.50	Neutral	2.80	2.60	4.00	3.80	0.45
National Bank for Financing Infrastructure and Development	Sujit Kumar	5.50	Neutral	2.00	3.00	4.00	4.00	0.70
STCI Primary Dealer Limited	Aditya Vyas	5.50	Neutral	--	3.40	--	--	--
YES Bank Ltd	Indranil Pan	5.50	Neutral	1.30	2.30	4.30	4.30	0.62

Forecast for Macroeconomy

Organisation	Economist	GDP (Qtr) Q2FY26	GDP (Annual) FY 26	GVA (Qtr) Q2FY26	US\$ / INR Oct' 25	10-Year Yield Oct' 25
ANZ Banking group	Dhiraj Nim	--	6.50	--	88.00	--
Bank of Baroda	Madan Sabnavis	6.30	6.50	6.20	88.25-88.35	6.45-6.5
CareEdge Ratings (Care Ratings Limited)	Rajani Sinha	6.50	6.50	6.60	88.25	6.45
Crisil Limited	Dharmakirti Joshi	--	--	--	--	--
Dam Capital	Radhika Piplani	--	6.80	--	88.50	6.50
Economic Intelligence Unit	Sumedha Dasgupta	6.70	6.60	6.30	88.50	6.50
Elara Capital	Garima Kapoor	--	--	--	--	--
HDFC Bank	Sakshi Gupta	6.30	6.60	6.20	87.5-88.5	6.45-6.60
JSW Steel Ltd	Mangesh Soman	6.80	6.60	6.70	88.50	6.45
Kotak Securities	Suvodeep Rakshit	7.00	6.50	6.90	88.40	6.50
L&T Finance	Chief Economist	--	--	--	--	--
Mahindra & Mahindra	Chakraborty Minakshi	5.90	6.40	6.00	88.50	6.28
National Bank for Financing Infrastructure and Development	Sujit Kumar	6.80	6.80	6.70	88.10	6.45
STCI Primary Dealer Limited	Aditya Vyas	6.60	6.40	6.20	86.35	6.30
YES Bank Ltd	Indranil Pan	6.40	6.60	6.40	88.50	6.50

The survey was conducted between September 22-26, 2025.