

RBI MONETARY POLICY



June 2026

SEBI Registered Name - Kotak Mahindra Mutual Fund
SEBI Registered Number - MF/038/98/1

05 June 2026 | Source: RBI



RBI

WATCHFUL.
STABLE.
EFFECTIVE.

***India Navigating
Storm With Strong
Macro Economic
Fundamentals***



HIGH
CRUDE PRICE



ELEVATED
ENERGY PRICES



GLOBAL
UNCERTAINTY

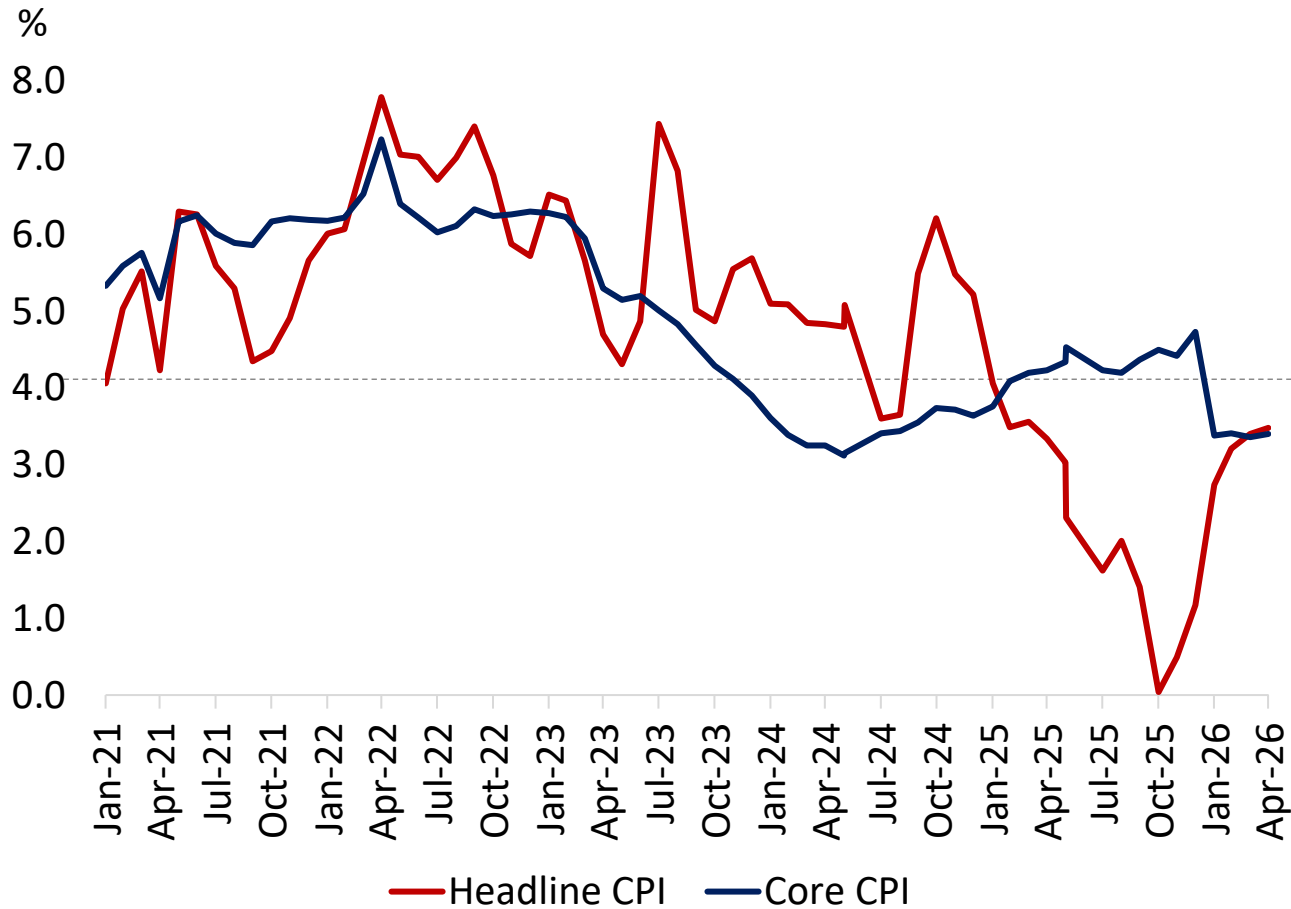


FOOD
INFLATION

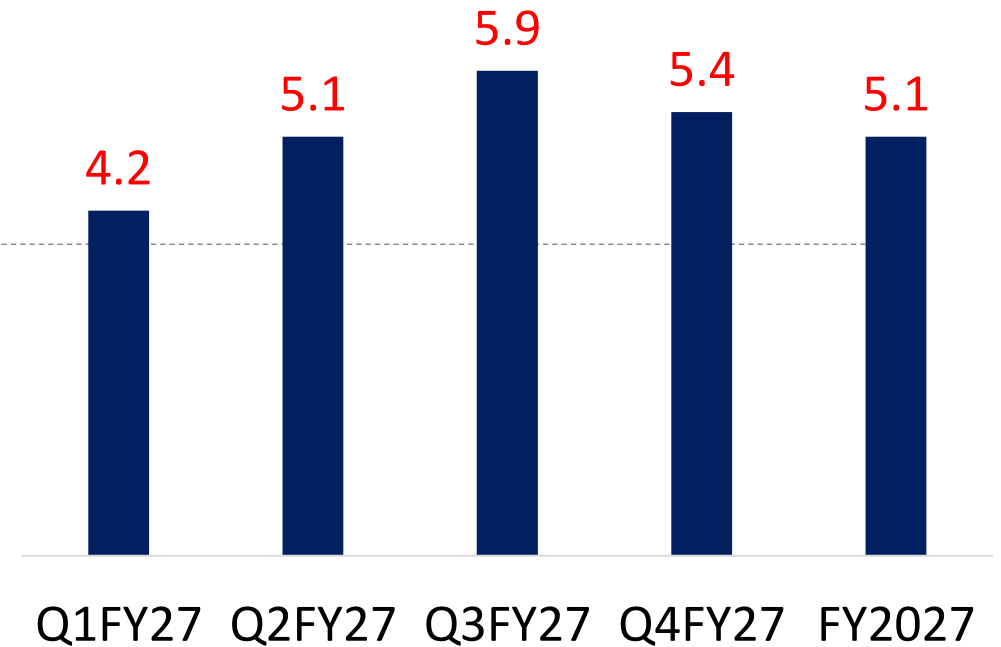
RBI Stays Put on Rates, Adopts Wait-and-Watch Approach

Key Rates	Jun'26 Policy	Action
Repo Rate	5.25%	Unchanged
Standing Deposit Facility (SDF) Rate	5.00%	Unchanged
Margin Standing Facility (MSF) Rate	5.50%	Unchanged
Bank Rate	5.50%	Unchanged
SLR	18.00%	Unchanged
CRR	3.00%	Unchanged
Stance	Neutral	Unchanged

War-led Pressures Push Inflation Projection To 5.1% From 4.6%



Inflation Projections (CPI %)

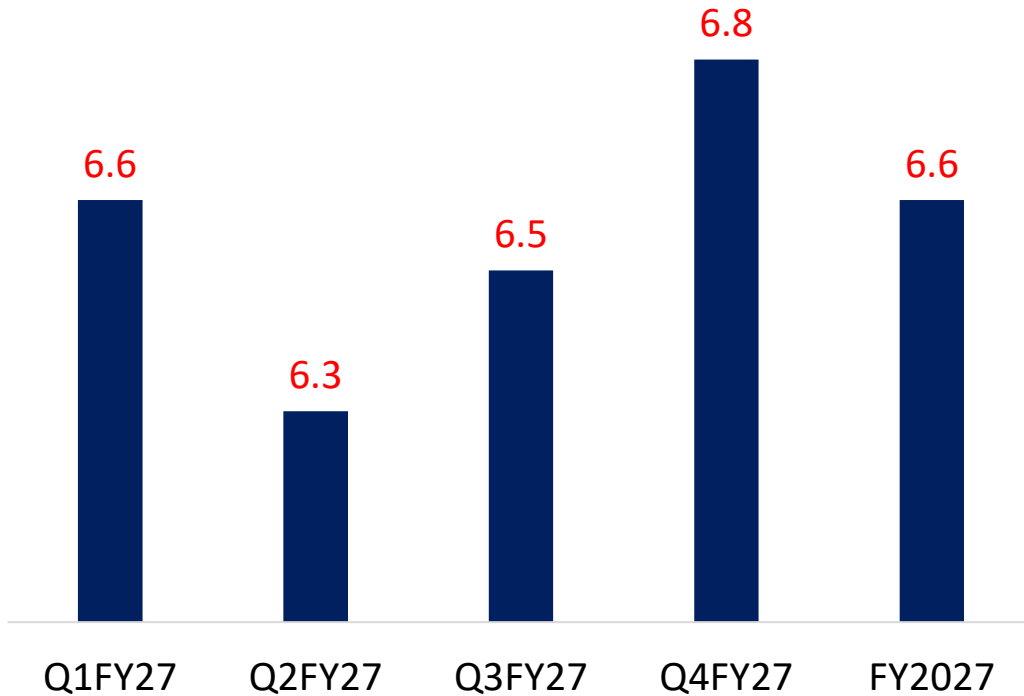


Red denotes upward revision

Rising crude adds to inflation risks with strong chance of El-Nino may impact monsoon, though strong food buffers and satisfactory reservoir levels offer some comfort.

RBI Revises Growth Down To 6.6% From 6.9%

GDP Growth Forecasts (%)



Red denotes downward revision

Real GDP Figures

Headwinds to Growth

External Uncertainties:



Prolonged Global Supply Chain Disruptions



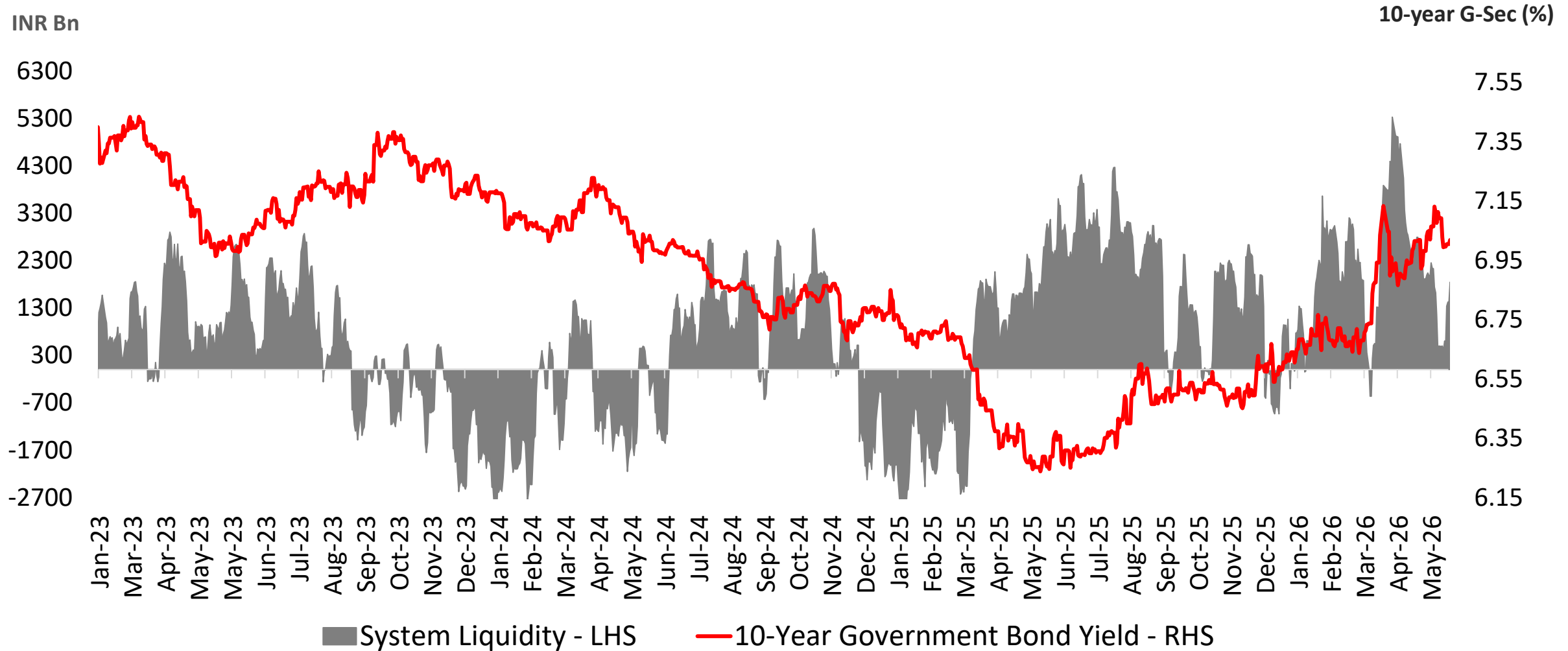
Heightened Volatility In Global Financial Markets



Weather-related Shocks

Energy markets remain volatile, crude oil inventories are declining, and global commodity prices have firmed up, posing potential headwinds to domestic growth.

RBI Emphasizes Proactive Liquidity Management



RBI is expected to continue with proactive liquidity management.

RBI Measures To Drive Capital Inflows



- ✓ **Expansion of FAR Securities Universe & Capital Gains Tax Exemption:** The RBI has expanded the Fully Accessible Route universe to include the current on-the-run 15-year, 30-year, and 40-year IGBs.
- ✓ **Liberalisation of Equity Investment Limits for Overseas Individuals:** The RBI has proposed increasing investment limits for NRIs and OCIs investing in listed Indian equities without SEBI registration. Additionally, the framework will now be extended to all individual Persons Resident Outside India (PROIs).
- ✓ **Concessional FX Swap Facility for PSU External Commercial Borrowings (ECBs):** The RBI will provide a concessional FX swap facility until 30 September 2026 for 3-5 year ECBs raised by Central Public Sector Enterprises (CPSEs).
- ✓ **Full Hedging Cost Support for Fresh FCNR(B) Deposits:** The RBI will also provide support for the full hedging cost on fresh 3-5 Year FCNR(B) deposits raised by authorised dealer banks until 30 September 2026.
- ✓ **Restoration of Export Proceeds Realisation Timeline:** RBI has restored the deadline for repatriation of export proceeds to 9 months, reversing the pandemic-era relaxation that had extended the period to 15 months.

**The Above Measures Are Likely To Bring Inflows Of \$ 50-75 Billion.
These Flows Will Also Help To Reduce Further OMOs.**

- Headline inflation of FY27 projected at 5.1% as against 4.60% projected in April policy.
- Core inflation is projected at 4.7% from 4.4% projected in April 26.
- Growth for FY27 is pegged at 6.60% down from 6.9% of April policy.
- RBI would continue to ensure appropriate liquidity in the banking system.
- Given the inflation projection, RBI is likely to hike rates by ~50 bps in FY27
- Market has already discounted 50-75 bps rate hike at current levels of rate.

- Indian Rupee has appreciated by ~50 paise post the measures taken by RBI to boost foreign inflow.
- 10 yr – 40 yr G-Sec yields are down by 4-5 bps.
- 2/3 yr Corporate Bond yields are down by 20-25 bps lower
- OIS yield curve is down by 10-15 bps

Investors may choose funds as per their risk appetite and investment horizon

Investment horizon of minimum 3 months:

Ultra Short Term, Money Market, and Low Duration Funds can be considered

Investment horizon of minimum 12 months:

Corporate Bond, Short Duration and Banking & PSU Funds can be considered

Investment horizon of more than 18 months:

Gilt, Dynamic Bond, Long Duration, Income Plus Arbitrage FoFs and Target Maturity Funds can be considered

The views expressed above are based on the “RBI Monetary Policy June-2026” announcement and the same may be subject to change. The document includes statements/opinions which contain words or phrases such as "will", "believe", "expect" and similar expressions or variations of such expressions, that are forward looking statements. Actual results may differ materially from those suggested by the forward looking statements due to risk or uncertainties associated with the statements mentioned with respect to but not limited to exposure to market risks, general and exposure to market risks, general economic and political conditions in India and other countries globally, which have an impact on our services and/or investments, the monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices etc. The information contained in this (document) is extracted from different public sources. All reasonable care has been taken to ensure that the information contained herein is not misleading or untrue at the time of publication. This is for the information of the person to whom it is provided without any liability whatsoever on the part of Kotak Mahindra Asset Management Co Ltd or any associated companies or any employee thereof. We are not soliciting any action based on this material and is for general information only. Investors should consult their financial advisors if in doubt about whether the product is suitable for them before investing These materials are not intended for distribution to or use by any person in any jurisdiction where such distribution would be contrary to local law or regulation. The distribution of this document in certain jurisdictions may be restricted or totally prohibited and accordingly, persons who come into possession of this document are required to inform themselves about, and to observe, any such restrictions. Source: www.rbi.org.in

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

Thank You 

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READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

