

RBI may not cut rates on June 2: Vikas Gupta

The Reserve Bank of India (RBI) will announce the monetary policy review on Tuesday, Jun. 2, 2015. Currently, repo and reverse repo rate stood at 7.50% and 6.50% respectively. Reserve ratios, CRR and SLR stood at 4% and 21.5% respectively.

Commenting on the monetary policy review, **Vikas Gupta, Executive Vice-President & Fund Manager, Arthveda Fund Management** said, "We believe that RBI might not cut rates tomorrow. Rupee-Dollar balance is one reason. Since RBI is in a rate cutting cycle and FED is in a rate hike cycle there might be problems on rupee depreciation. Rajan might not want to be forced to hike rates after a FED hike to keep the rupee from depreciating in near term. So he might keep the few rate cuts he can deliver before the cycle stabilizes in hand for a better timing. Also he likes to surprise."

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