



Data Taste Revealed

12.09.2025

Economic Research Vertical: Canara Bank: Head Office

Discussion

How sustainable is the rare mix of high growth, low inflation, and cautious Monetary easing in Indian Economy?

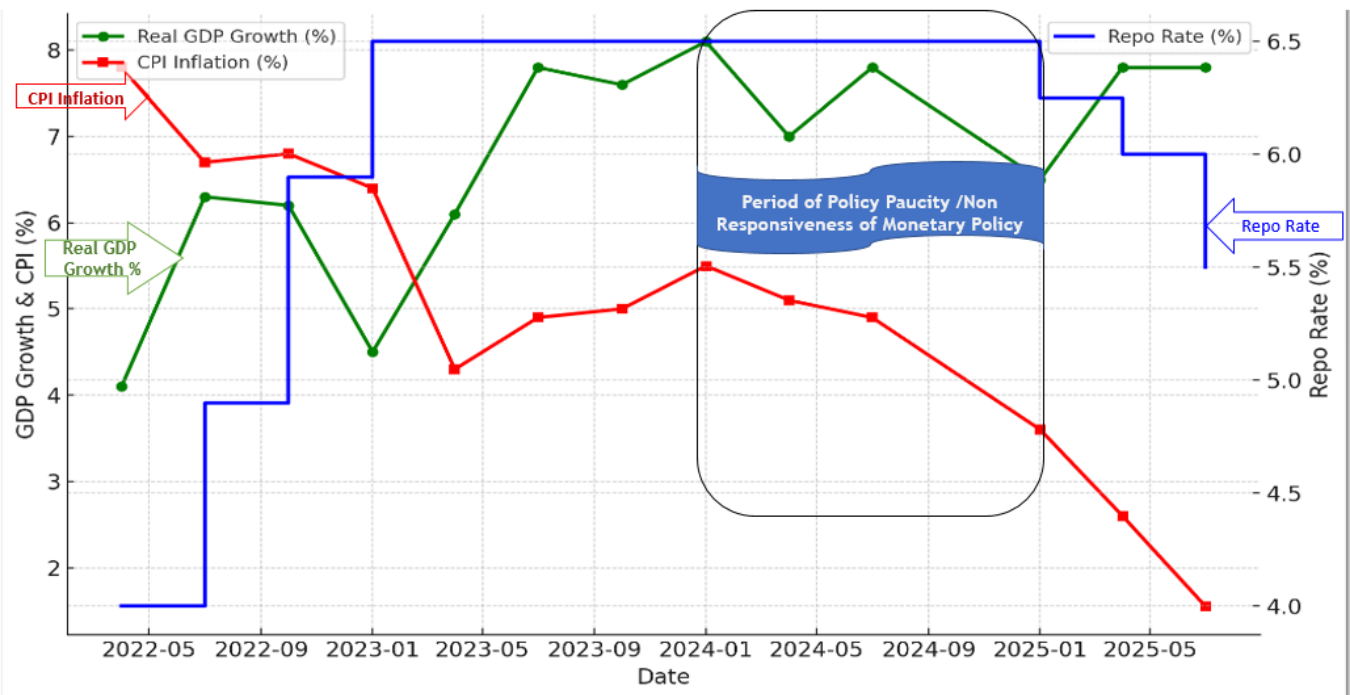
Data Source

RBI Data,2025

Reflections

- ✓ India is in a sweet spot—GDP growth at 7.8% is among the strongest globally, while CPI inflation has cooled to just 1.90%. with the repo cut to 5.5%
- ✓ RBI now faces the challenge of easing without stoking a price Rebound.
- ✓ Next to Monitor would be:
 - Food & Core Inflation: Will favorable trends continue, or could supply shocks reverse gains?
 - Growth Trajectory under external pressure i.e., Emerging risks include U.S. tariffs that may weigh on exports and investment

Trend Analysis of Real GDP Growth -Vs- CPI -Vs- Repo Rate - Indian Economy(2022-2025)



Key Takeaway:

The coexistence of high growth, low inflation, and cautious monetary easing represents a favourable phase for India. It provides policymakers with flexibility to support growth without stoking inflationary pressures. For investors, the macroeconomic environment signals stability and reduced risk. However, external uncertainties, such as oil price volatility, global interest rate trends, and geopolitical risks remain watch points.