Monetary Policy Report

Navigating Uncertainty

August 2026

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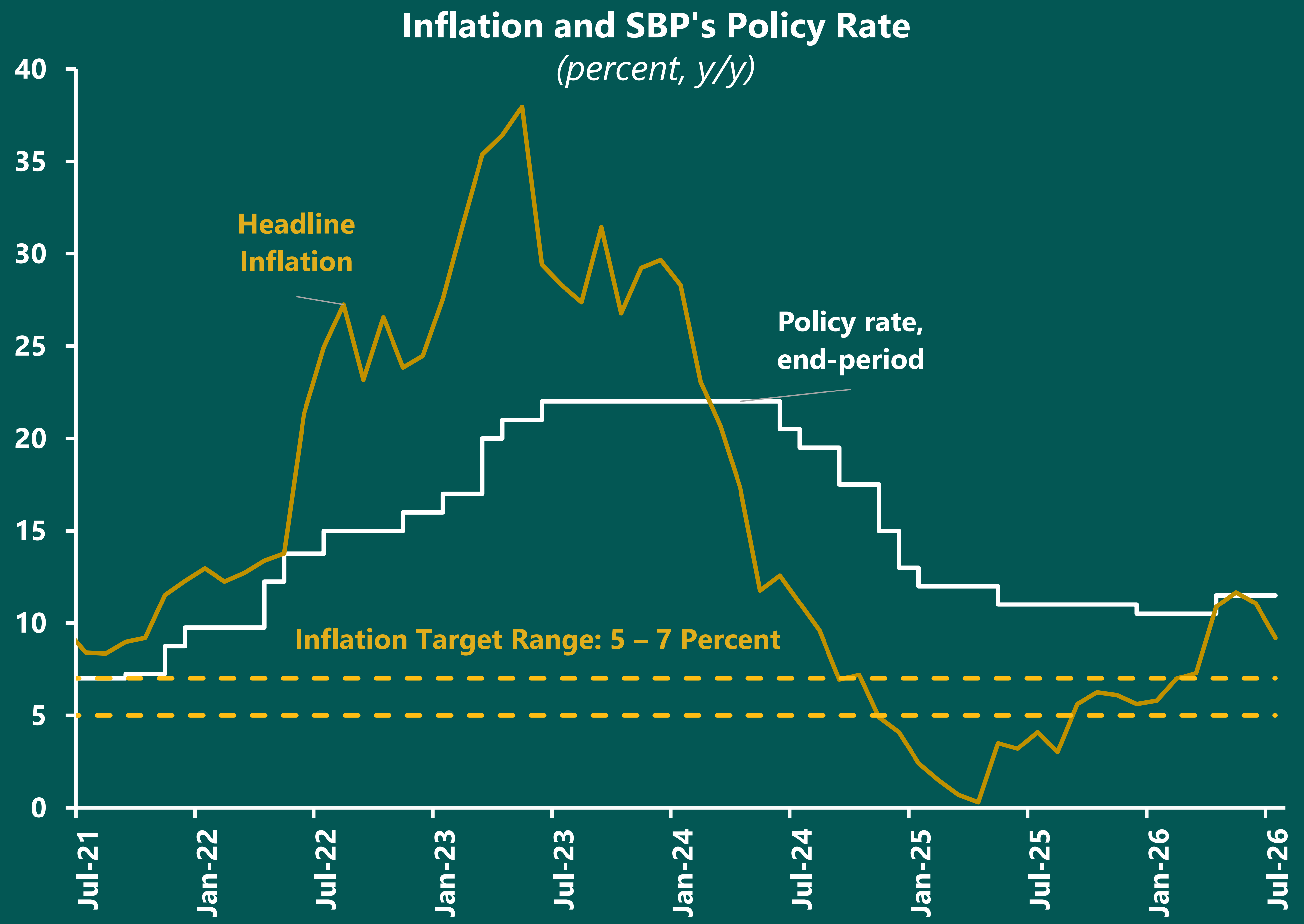

Recent Monetary Policy Considerations

- ❑ The Middle East conflict altered the macroeconomic outlook, though the impact remains lower than initially anticipated
- ❑ Prudent monetary and fiscal policy mix helped maintain macroeconomic stability amidst the significant shock
- ❑ Current monetary policy stance remains appropriate to guide inflation to the 5 – 7 percent target range

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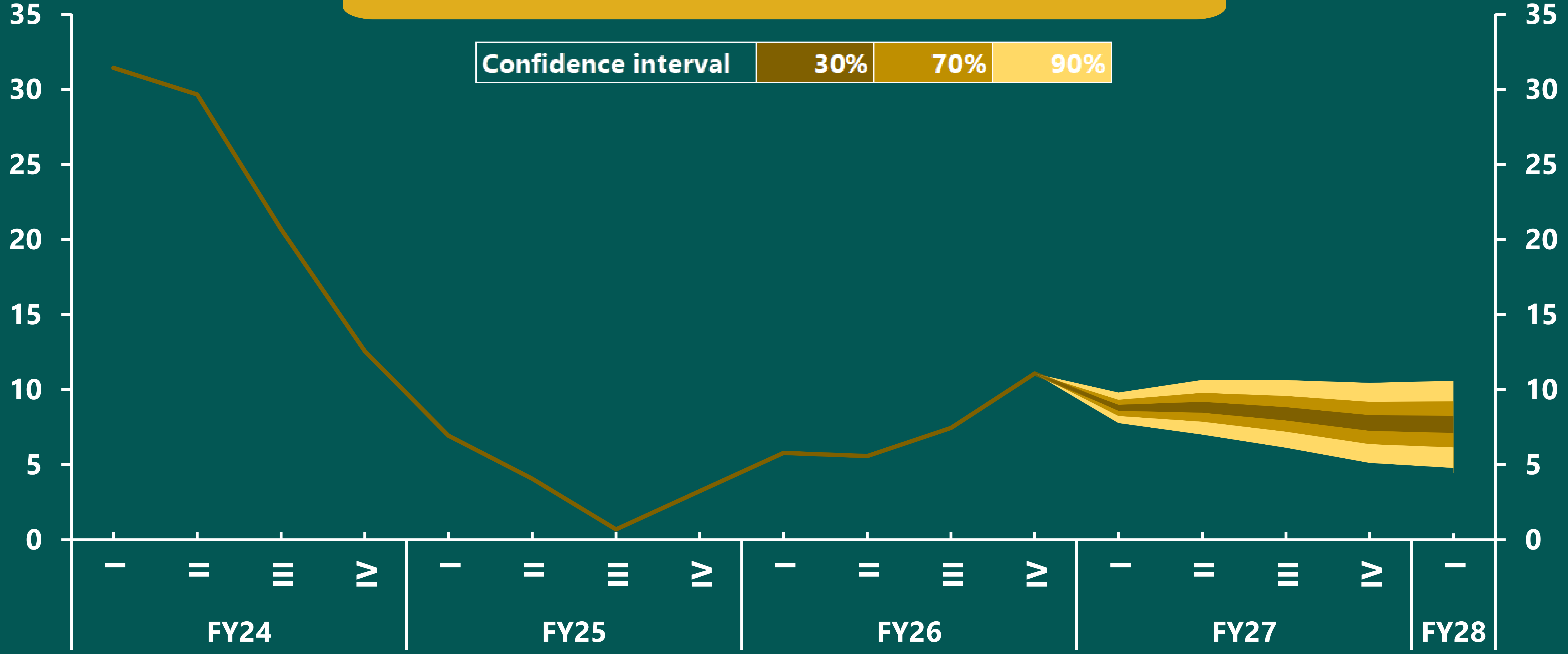
Uncertainty around inflation going forward



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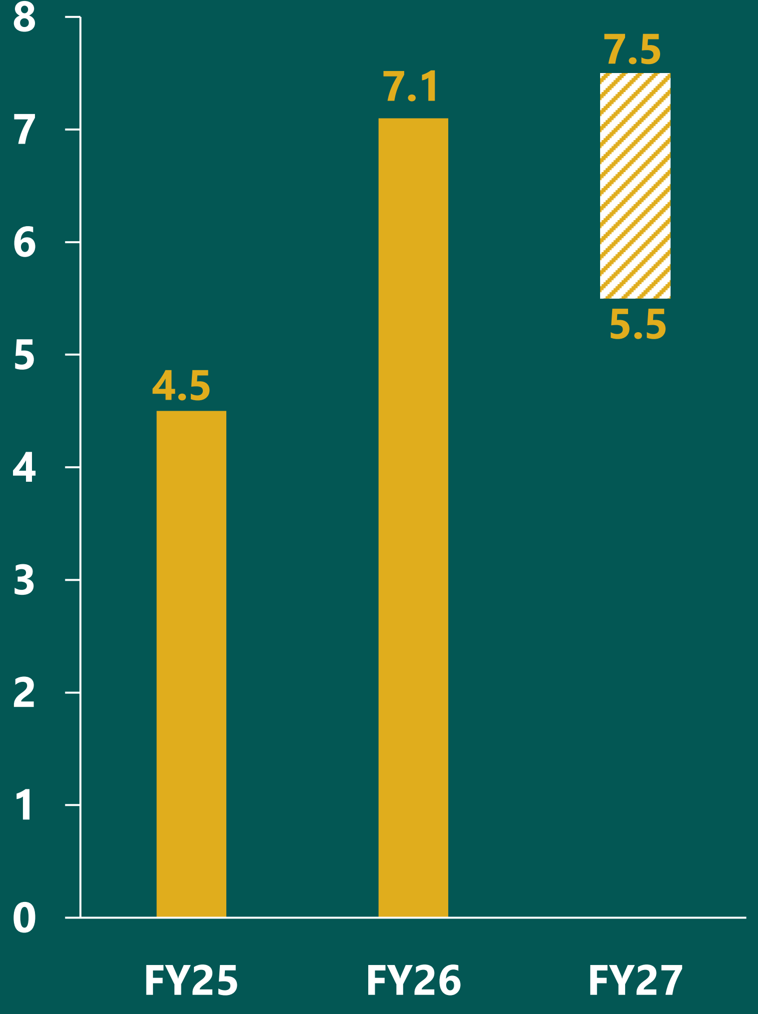
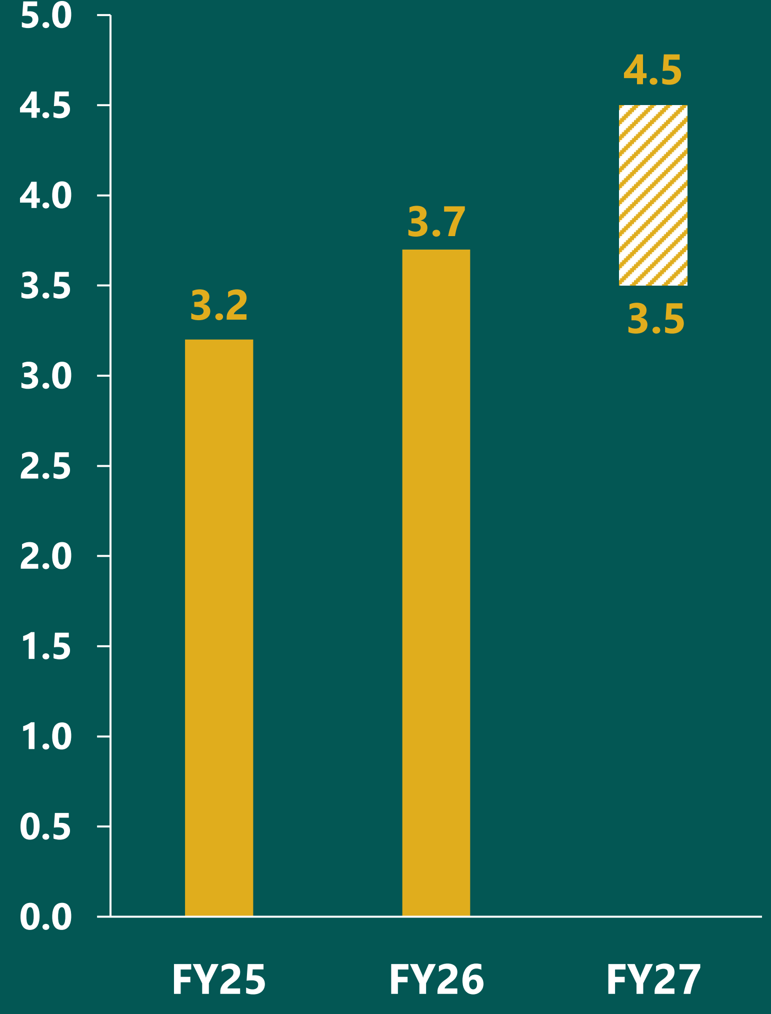
Macroeconomic Outlook for FY27

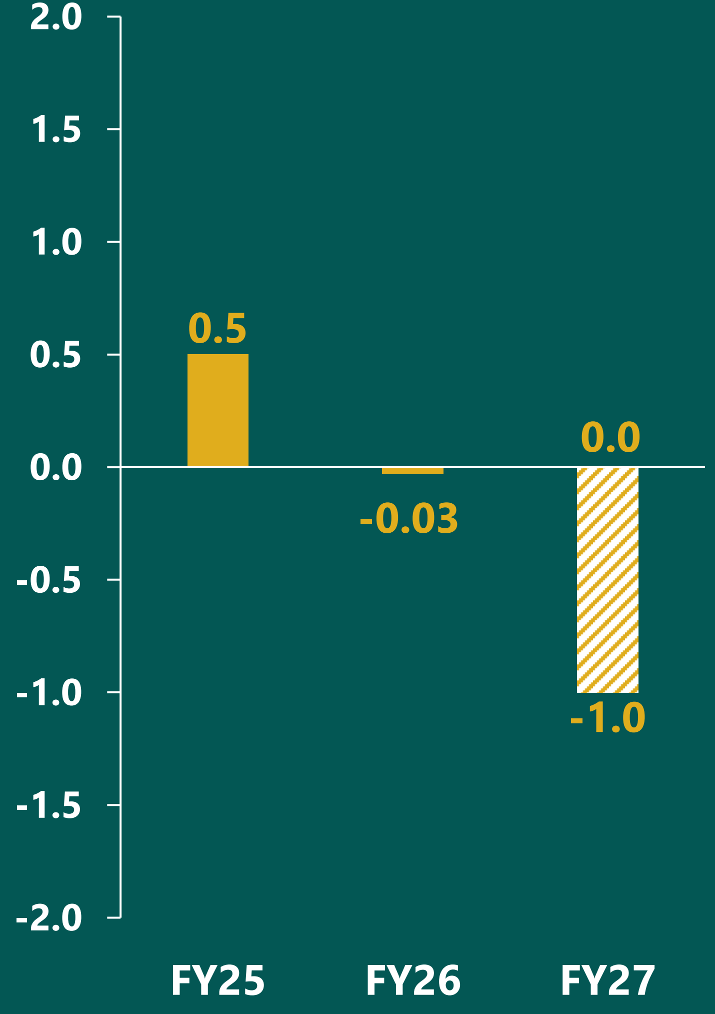
Inflation to stabilize near the upper bound of target range
(average, percent)



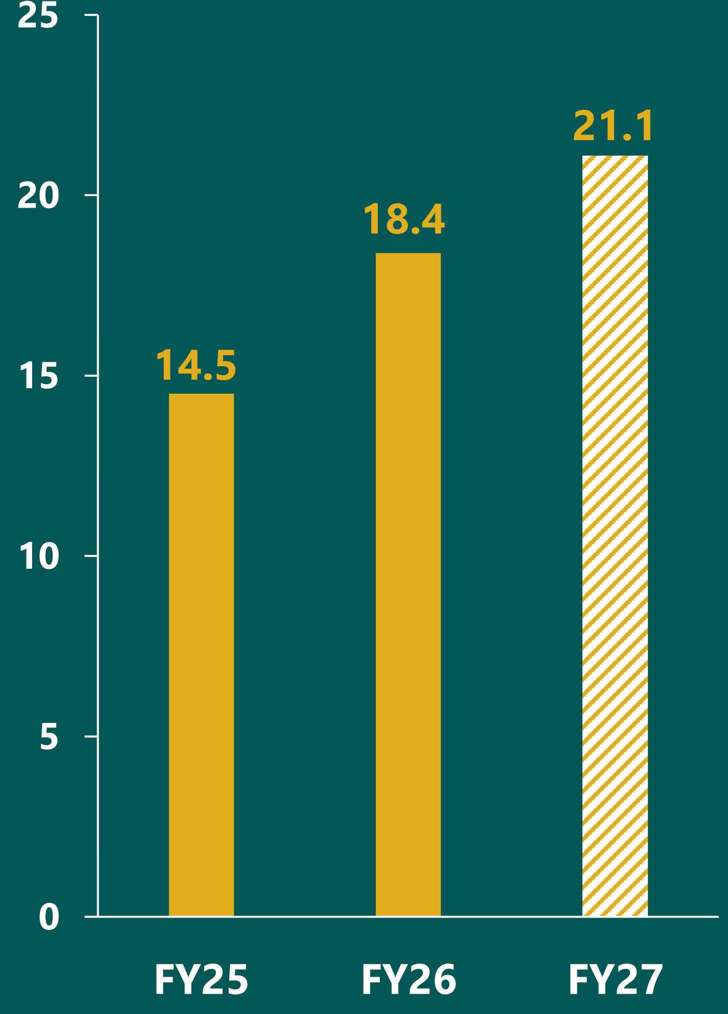
Economic growth momentum to continue
(percent)



Current account deficit to remain contained
(percent of GDP)



FX reserves to strengthen further
(billion $)



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Key Risks to the Outlook

- Volatile global commodity prices amidst evolving geopolitical situation
- Climate-related risks, particularly emanating from El Niño conditions
- Challenging environment for exports amidst global tariff uncertainty
- Delays in the implementation of structural reforms