TATA mutual fund

RBI MPC Announcements and Fixed Income House View

8th Apr 2026

RBI MPC Announcement

TATA mutual fund

Key Decisions

- At its meeting held today, RBI Monetary Policy Committee (MPC) voted unanimously to maintain the Repo Rate at 5.25%, SDF rate at 5.00% and MSF rate at 5.50%.
- The MPC decided to keep the policy stance unchanged at neutral, while retaining the flexibility to respond judiciously to incoming information.
- **As per RBI Governor, real rates continue to remain high and low rates may continue to remain for extended period.**

Rates	MPC Policy (8th Apr)	MPC Policy (6th Feb)
Repo Rate – Rate at which Banks borrow from RBI	5.25%	5.25%
MSF Rate (Marginal Standing Facility)	5.50%	5.50%
Standing Deposit Facility - New Operating Rate	5.00%	5.00%
Bank Rate	5.50%	5.50%
Policy Corridor - difference between MSF Rate and SDF	50	50
LAF Corridor - difference between Operating Rate (SDF) and repo rate	25	25

Inflation Projection (CPI)

MPC	Q1FY27	Q2FY27	Q3FY27	Q4FY27	FY27
8 - Apr	4.0%	4.4%	5.2%	4.7%	4.6%
6 - Feb	4.0%	4.2%	--	--	--

Real GDP Forecast

MPC	Q1FY27	Q2FY27	Q3FY27	Q4FY27	FY27
8 – Apr	6.8%	6.7%	7.0%	7.2%	6.9%
6 - Feb	6.9%	7.0%	--	--	--

Source: RBI, Press Release

Growth & inflation estimates

- Real GDP growth is expected to grow by 7.6 percent during the year as per new GDP Series. Private consumption and fixed investment contributed significantly to this growth while net external demand remained soft.
- Elevated energy and other commodity prices coupled with supply shock due to disruptions in the strait of Hormuz would act as a drag on domestic production in 2026-27.
- Merchandise exports may be adversely affected by disruption to key shipping routes and concomitant rise in freight and insurance costs.
- Sustained momentum in services sector, persisting impact of GST rationalisation, rising capacity utilisation in manufacturing, and healthy balance sheet of financial institutions and corporate should continue to support domestic demand.
- Taking all these factors into account, real GDP growth for 2025-26 is projected at 6.9 per cent, with Q1 at 6.8 per cent, Q2 at 6.7 per cent, Q3 at 7 per cent and Q4 at 7.2 per cent.
- Damage to energy infrastructure and chances of EL NINO poses downside risk to domestic growth outlook.
- Reversal of favourable base effect and higher food inflation led to headline inflation coming at 3.2% for the month of February 2026. However, core inflation excluding precious metals remained moderate at 2.1 per cent, suggesting subdued underlying inflation pressure.
- Pass through higher global energy prices has resulted in price increases in select fuels such as premium petrol and LPG and diesel for industrial use.
- Near term food supply prospects have boosted by robust rabi crops which should contain food inflation.
- CPI inflation for 2026-27 (check date) is projected at 4.6 percent for the current fiscal year with Q1 at 4 percent, Q2 at 4.4 percent, Q3 at 5.2 percent and Q4 at 4.7 percent.
- Persistent Elevated energy prices due to West Asia Conflict and possible El Nino Conditions pose upside risk to inflation.
- Core inflation is projected at 4.4 percent for 2026-27, excluding precious metals, it is even lower indicating underlying inflation pressures is expected to remain contained.

Effect of Iran- US- Israel War

- Geopolitical uncertainty has heightened significantly leading to severe disruption of global supply chains. Global economy faces higher prices and lower global growth.
- Monetary policy faces a difficult trade off- anchoring inflation expectations through policy tightening while minimising its impact on growth foregone.
- US dollar has rallied due to haven demand, pressuring currencies of major economies.
- Intensification of the conflict, its prolongation and widening geographical spread remain the key downside risks to the global outlook.

Fixed Income Outlook post Monetary Policy

Statement from RBI governor in press conference, of real rates being high which allows leeway to keep interest rates lower for longer are positive comments indicating no hurry to raise interest rates. RBI has assumed Indian imported crude prices to be at USD 85 for this year and 75 dollars for next year. These are conservative estimates given global geopolitical development, which means CPI inflation could be higher around 5 percent levels. This is still lower than RBI CPI inflation tolerance band of 6 percent. Higher inflation is due to geopolitical conflict affecting oil and other commodity prices. RBI may look through this supply shock as this would later convert into a demand shock for the economy.

Indian macro-economic fundamentals are strong, with low CPI inflation, higher GDP growth due to structural reforms, higher buffer stock of foodgrains, adequate forex reserves. Prevailing bond yields are already factoring 50 to 75 basis points of rate hikes which may not materialize to the extent priced by markets.

We expect RBI to support the government borrowing programme through Open Market Operations (OMO) purchases to keep the benchmark Government bond yields within a range, leading to continuation of lower interest rates in the economy. We expect the ten-year G Sec yields to trade in the band of 6.75 to 7 percent during this month.

We are running heavy positions across our funds to aim to take advantage of higher accruals present in the Government Securities, Corporate bonds, and money market space.

Fund Positioning

Tata Money Market Fund

(An open ended debt scheme investing in money market instruments. A Relatively Low Interest Rate Risk and Moderate Credit Risk).

The Fund aims to deliver consistent return while minimizing volatility. The scheme has a maturity cap of 12 months and can invest only in Money Market instruments viz. CP/CD and T-Bills etc. The fund is currently running an average maturity of about 260 days. Given the current stance, short-term yields remain attractively priced, and the Fund will continue to gradually decrease average maturity over next couple of months, while aiming to captureing trading opportunities.

Tata Ultra Short Term Fund

(An open ended ultra-short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 months and 6 months. A Relatively Low Interest Rate Risk and Moderate Credit Risk.)

The fund is currently running Macaulay duration of 0.48yrs. Given the current stance, short-term yields remain attractively priced, and the Fund will continue to remain at upper band of range (0.25-0.50yrs), while seeking to capture trading opportunities.

Tata Corporate Bond Fund(The scheme had one segregated portfolio created under Tata Medium Term Fund)

(An open-ended debt scheme predominantly investing in AA+ and above rated corporate bonds, with exibility of any Macaulay Duration and relatively high interest rate risk and moderate credit risk)

The fund has invested 13 percent in government securities and currently running an average maturity of 5.1 years. We are running around 10 percent in more than 10 years and above maturity due to steep yield curve. We will be increasing our corporate bonds exposure to add accruals to the portfolio.

Tata Short Term Bond Fund

(The scheme had 1 segregated portfolio which was created under Tata Corporate Bond Fund. Main portfolio Tata Corporate Bond Fund was merged with Tata Short Term Bond Fund w.e.f. 14th December 2019) (An open-ended short-term debt scheme investing in instruments with Macaulay duration between 1 year and 3 years (Refer to page no. 15 of SID). A Relatively High Interest Rate Risk and Moderate Credit Risk.)

The Fund will continue to remain positioned in high quality paper only within 1-3 yr duration bucket. Currently Fund is running around 2.91 macaulay duration. The Fund is pre-dominantly positioned in 2-3 year PSU/Corporate Bond. We will be running portfolio duration in 2-3 yr band to aim to take advantage of steep yield curve, while capturing potential trading opportunities.

Fund Positioning

Tata Gilt Securities Fund

(An open ended debt scheme investing predominantly in government securities across maturity. A Relatively High Interest Rate Risk and Relatively Low Credit Risk.)

We have maintained higher duration in fund with overweight allocation at longer end of yield curve as yield curve steepened significantly. Approx 90% of fund is deployed in securies above 10 years with more than 3/4th of fund deployed in 30 year and above maturity papers. The yield curve is quiet steep and largely resultant of geo-political developments. We believe RBI will continue to remain supportive and yields could drive south sharply once middle east war comes to an end.

Tata Treasury Advantage Fund (SCHEME HAD 1 SEGRGRATED PORTFOLIO)

An open ended low duration debt scheme investing in instruments such that the Macaulay duration of portfolio is between 6 months and 12 months. (Refer page 15 of the SID).A Moderate Interest Rate Risk and Moderate Credit Risk.

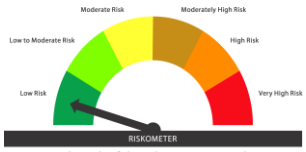
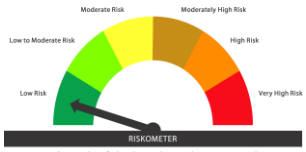
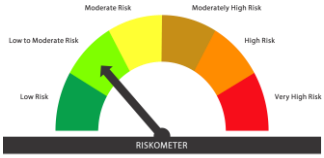
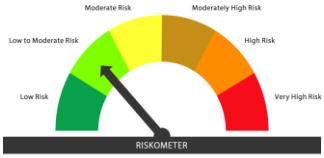
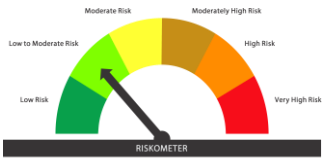
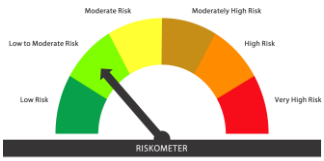
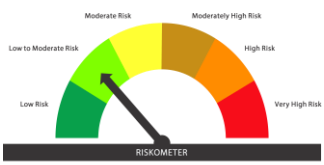
We believe accrual / carry of the portfolio shall act as a driver for returns with potential tactical capital gain opportunities possible in case of growth slowdown raising chances of easing. We intend to remain invested and maintain duration close to upper end of allowed range (0.5-1.00) as yield curve is steep and with liquidity expected to be in surplus, higher accruals could be potentially beneficial.

Tata Floating Rate Fund

An open ended debt scheme investing predominantly in floating rate instruments (including fixed rate instruments converted to floating rate exposures using swaps/ derivatives), A Relatively High Interest Rate Risk and Moderate Credit Risk.

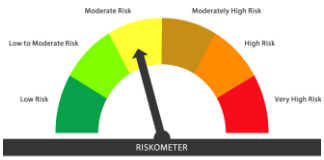
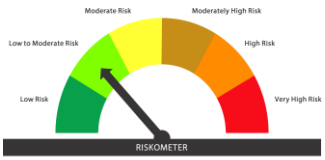
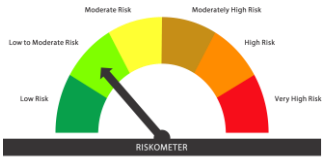
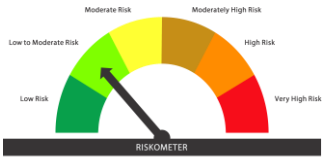
The fund is positioned to earn decent potential accruals with high quality securities in portfolio and short term duration trading opportunities for possible alpha creation on fall in yields. We intend to maintain the duration and accrual mix in the portfolio.

Disclaimer: The views expressed in this article are personal in nature and in is no way trying to predict the markets or to time them. The views expressed are for information purpose only and do not construe to be any investment, legal or taxation advice. Any action taken by you on the basis of the information contained herein is your responsibility alone and Tata Asset Management Pvt. Ltd. will not be liable in any manner for the consequences of such action taken by you. Please consult your Mutual Fund Distributor before investing. The views expressed in this article may not reflect in the scheme portfolios of Tata Mutual Fund. The view expressed are based on the current market scenario and the same is subject to change. There are no guaranteed or assured returns under any of the scheme of Tata mutual Fund.

Name of Scheme	This product is suitable for investors who are seeking*:	Scheme Risk-O-Meter	Scheme Benchmark Risk-O-Meter
Tata Overnight Fund (An open ended Debt scheme investing in Overnight Securities. A Relatively Low Interest Rate Risk and Relatively Low Credit Risk.)	•To generate reasonable returns in line with overnight rates and high liquidity over short term. •Investment in debt and money market instruments having maturity of upto 1 business day.	 *The risk of the scheme is Low Risk*	 *The risk of the benchmark is Low Risk*
Tata Short Term Bond Fund (The scheme had 1 segregated portfolio which was created under Tata Corporate Bond Fund) (An open ended short term debt scheme investing in instruments with Macaulay duration between 1 year and 3 years (Refer to page no. 15 of SID). A Relatively High Interest Rate Risk and Moderate Credit Risk.)	•Regular Fixed Income for Short Term. •Investment in Debt / Money Market instruments / Government Securities.	 *The risk of the scheme is Low to Moderate Risk*	 *The risk of the benchmark is Low to Moderate Risk*
Tata Treasury Advantage Fund (Scheme had 1 Segregrated Portfolio) (An open ended low duration debt scheme investing in instruments such that the Macaulay duration of portfolio is between 6 months and 12 months. (Refer page 15 of the SID).A Moderate Interest Rate Risk and Moderate Credit Risk.)	• Regular Fixed Income for Short Term. • Investment in Debt & Money Market Instruments.	 *The risk of the scheme is Low to Moderate Risk*	 *The risk of the benchmark is Low to Moderate Risk*
Tata Ultra Short Term Fund (An open ended ultra-short term debt scheme investing in instruments such that the Macaulay duration (Refer page 17 of SID) of the portfolio is between 3 months and 6 months. A Relatively Low Interest Rate Risk and Moderate Credit Risk.)	•Regular Income Over Short Term. •Investment in Debt & Money Market instruments such that the Macaulay Duration of the portfolio is between 3 months - 6 months.	 *The risk of the benchmark is Moderate*	 *The risk of the benchmark is Low to Moderate Risk*

*Investors should consult their financial advisors if in doubt about whether the product is suitable for them

(It may be noted that risk-o-meter specified above is based on internal assessment. The same shall be updated as per provision no. 17.4.1.i of SEBI Master Circular on Mutual Fund dated 27.06.2024, on Product labelling in mutual fund schemes on ongoing basis)

Name of Scheme	This product is suitable for investors who are seeking*:	Scheme Risk-O-Meter	Scheme Benchmark Risk-O-Meter
TATA Corporate Bond Fund (The scheme had 1 segregated portfolio which was created under Tata Medium Term Fund) (An open-ended debt scheme predominantly investing in AA+ and above rated corporate bonds, with flexibility of any Macaulay Duration and relatively high interest rate risk and moderate credit risk)	• Regular income for medium term. •Predominant investment in corporate debt securities.	 *The risk of the scheme is Moderate Risk*	 *The risk of the benchmark is Low to Moderate Risk*
Tata Floating Rate Fund (An open ended debt scheme investing predominantly in floating rate instruments (including Fixed rate instruments converted to floating rate exposures using swaps/ derivatives), A Relatively High Interest Rate Risk and Moderate Credit Risk.))	•Regular Income by investing predominantly in a portfolio of floating rate instruments (including fixed rate instruments converted for floating rate exposures using swaps / derivatives)	 *The risk of the scheme is Low to Moderate Risk*	 *The risk of the benchmark is Low to Moderate Risk*
Tata GILT Securities Fund (An open-ended debt scheme investing predominantly in government securities across maturity. A Relatively High Interest Rate Risk and Relatively Low Credit Risk.)	• Long Term Capital Appreciation & Regular Income. • Predominant investments in Government Securities.	 *The risk of the scheme is Moderate Risk*	 *The risk of the benchmark is Moderate Risk*
Tata Money Market Fund (An open ended debt scheme investing in money market instruments. A Relatively Low Interest Rate Risk and Moderate Credit Risk.)	•Regular Income Over Short Term. •Investment in Money Market Instruments.	 *The risk of the scheme is Moderate Risk*	 *The risk of the benchmark is Low to Moderate Risk*

*Investors should consult their financial advisors if in doubt about whether the product is suitable for them

Potential Risk Class

As per SEBI Circular dated, June 07, 2021; the potential risk class (PRC) matrix based on interest rate risk and credit risk, is mentioned below :

Tata Corporate Bond Fund (The scheme had 1 segregated portfolio which was created under Tata Medium Term Fund) (An open-ended debt scheme predominantly investing in AA+ and above rated corporate bonds, with flexibility of any Macaulay Duration and relatively high interest rate risk and moderate credit risk)	**Credit Risk →** / **Interest Rate Risk ↓**	**Relatively Low (Class A)**	**Moderate (Class B)**	**Relatively High (Class C)**
	Relatively Low (Class I)			
	Moderate (Class II)			
	Relatively High (Class III)		B-III	
TATA FLOATING RATE FUND (An open ended debt scheme investing predominantly in floating rate instruments (including Fixed rate instruments converted to floating rate exposures using swaps/ derivatives), A Relatively High Interest Rate Risk and Moderate Credit Risk.))	**Credit Risk →** / **Interest Rate Risk ↓**	**Relatively Low (Class A)**	**Moderate (Class B)**	**Relatively High (Class C)**
	Relatively Low (Class I)			
	Moderate (Class II)			
	Relatively High (Class III)		B-III	
TATA GILT SECURITIES FUND (An open-ended debt scheme investing predominantly in government securities across maturity. A Relatively High Interest Rate Risk and Relatively Low Credit Risk.)	**Credit Risk →** / **Interest Rate Risk ↓**	**Relatively Low (Class A)**	**Moderate (Class B)**	**Relatively High (Class C)**
	Relatively Low (Class I)			
	Moderate (Class II)			
	Relatively High (Class III)	A-III		
TATA MONEY MARKET FUND (An open ended debt scheme investing in money market instruments. A Relatively Low Interest Rate Risk and Moderate Credit Risk.)	**Credit Risk →** / **Interest Rate Risk ↓**	**Relatively Low (Class A)**	**Moderate (Class B)**	**Relatively High (Class C)**
	Relatively Low (Class I)		B-I	
	Moderate (Class II)			
	Relatively High (Class III)			
TATA OVERNIGHT FUND (An open ended Debt scheme investing in Overnight Securities. A Relatively Low Interest Rate Risk and Relatively Low Credit Risk.)	**Credit Risk →** / **Interest Rate Risk ↓**	**Relatively Low (Class A)**	**Moderate (Class B)**	**Relatively High (Class C)**
	Relatively Low (Class I)	A-I		
	Moderate (Class II)			
	Relatively High (Class III)			
TATA SHORT TERM BOND FUND(The scheme had 1 segregated portfolio which was created under Tata Corporate Bond Fund) (An open ended short term debt scheme investing in instruments with Macaulay duration between 1 year and 3 years (Refer to page no. 15 of SID). A Relatively High Interest Rate Risk and Moderate Credit Risk.)	**Credit Risk →** / **Interest Rate Risk ↓**	**Relatively Low (Class A)**	**Moderate (Class B)**	**Relatively High (Class C)**
	Relatively Low (Class I)			
	Moderate (Class II)			
	Relatively High (Class III)		B-III	
TATA TREASURY ADVANTAGE FUND (Scheme had 1 Segregrated Portfolio) (An open ended low duration debt scheme investing in instruments such that the Macaulay duration of portfolio is between 6 months and 12 months. (Refer page 15 of the SID).A Moderate Interest Rate Risk and Moderate Credit Risk.)	**Credit Risk →** / **Interest Rate Risk ↓**	**Relatively Low (Class A)**	**Moderate (Class B)**	**Relatively High (Class C)**
	Relatively Low (Class I)			
	Moderate (Class II)		B-II	
	Relatively High (Class III)			
TATA ULTRA SHORT TERM FUND (An open ended ultra-short term debt scheme investing in instruments such that the Macaulay duration (Refer page 17 of SID) of the portfolio is between 3 months and 6 months. A Relatively Low Interest Rate Risk and Moderate Credit Risk.)	**Credit Risk →** / **Interest Rate Risk ↓**	**Relatively Low (Class A)**	**Moderate (Class B)**	**Relatively High (Class C)**
	Relatively Low (Class I)		B-I	
	Moderate (Class II)			
	Relatively High (Class III)			

(It may be noted that risk-o-meter specified above is based on internal assessment. The same shall be updated as per provision no. 17.4.1.i of SEBI Master Circular on Mutual Fund dated 27.06.2024, on Product labelling in mutual fund schemes on ongoing basis)