

10 February Hindu Editorial With Vocabulary For SBI PO 2017

Prudence(प्रवृत्ति) amid(अपेक्षित) uncertainty

For the first time in six meetings this fiscal, the Reserve Bank of India has shifted its policy **poise**(प्रवृत्ति), moving to 'neutral' from an '**accommodative**(सहज)' stance. The central bank's Monetary Policy Committee has opted to sit pat on rates and choose to give itself time to "assess how the transitory effects of demonetisation on inflation and the output gap play out". The decision came just a day after Prime Minister Narendra Modi told Parliament that the government's move to withdraw high-value currency notes had been **undergirded**(सहज) by the premise that the economy was "doing well and thus our decision was taken at the right time". The RBI's emphasis on caution suggests that not only has the economy suffered short-run disruptions – as the central bank said in December – but that the long-term impact may be far more enduring and hard to predict than **anticipated**(अपेक्षित). The policy statement issued by the six-member MPC also projected the second successive downward revision in economic growth as measured by the Gross Value Added for the current year ending in March, with the pace of increase in GVA now forecast at 6.9%, from 7.1% in December and 7.6% prior to the November demonetisation.

Separately, both the outlook for inflation and international **uncertainty**(अपेक्षित) are also causes for concern, according to the RBI. Viral Acharya, the recently inducted Deputy

Governor overseeing monetary policy, flagged the risks that global inflation and a strengthening U.S. dollar pose to domestic price gains. Specifically, the central bank is worried about the “unyielding” nature of core retail inflation, which strips out food and fuel costs, and has been stuck around 4.9% since September, mainly due to stickiness in price gains for housing, health, education, personal care and household services. The MPC **reckons**(**मानता है** **संकेतित करता है**) that the “**persistence**(**निरंतरता**) of inflation excluding food and fuel could set a floor on further downward movements in headline inflation and trigger second-order effects” that, when combined with hardening international crude oil and base metal prices and exchange rate volatility. It could have the potential to threaten the RBI’s baseline inflation path of 4.5% to 5% in the second half of 2017-18. And ironically, were the effects of demonetisation to wear off quickly, vegetable prices, that had softened on the back of distress sales of **perishables**(**शीघ्र खराब हो जाने वाले** **पदार्थ**), could potentially rebound, posing another risk to the central bank’s inflation outlook. As Mr. Acharya summed it up at the post-policy briefing, the RBI has plumped for prudence and flexibility.

- 1) Prudence meaning is diligence, austeritiy, wisdom.
- 2) Amid meaning is among, between, middle.
- 3) Poise meaning is self composure, confidence, stability, self assurance.
- 4) Accommodative meaning is helpful in bringing about a harmonious adaptation.
- 5) Undergird meaning is bolster, support, hold, reinforce
- 6) Anticipated meaning is expect, predict, assume.
- 7) Uncertainty meaning is doubt, changeableness, ambiguity, ambivalence

8)Reckons meaning is calculate,evaluate,add up,suppose.

9)Persistence meaning is stubbornness, obstinacy, perseverance, insistence, importunity.

10)Perishables meaning is decaying,rot,liable to spoil,destructible.