

## Govt bond yields may rise by 20bps: ICRA

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Government bond yields are expected to move up this quarter.

The benchmark 10-year paper could see yields go up by at least 20 basis points in this quarter to around 8.1 per cent from their current range of 7.80 to 7.85, said a report from rating agency ICRA.

The report said this could happen on the back of inflation and fiscal implications of the revision in minimum support prices for various kharif

crops becoming clearer. Besides, if oil prices go up and the Indian crude oil basket rises to around \$80 per barrel, then the 10-year paper would test the 8 per cent level. The government's borrowing calendar for the second half of the fiscal would also affect trends.

The next monetary policy meeting may see an increase in repo rates, and a change in policy stance from withdrawal of accommodation, could see a hardening of yields, ICRA noted.