



## A Study on Impact of Interest Rates on Bonds

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### Abstract:

Bonds play a significant role in the global economic system. Majority of the infrastructure and huge investment projects are financed by bonds. The quantum funds generated by issuing bonds by any developing or developed nation are massive and this fund is indirectly financing the development process of economies. Interest is the single factor which can be called the vital danger for bonds. The increase in inflation and the prevailing interest rate can affect the value and marketability of bonds. This article elaborates the operations of bonds market and the critical role played by interest.

**Key words:** Bonds, Interest Rates, Inflation, LIBOR, MIBOR, MIFOR, CBLO