

## STATE GOVERNMENT FINANCES- Weekly SGS

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**Weighted average cut-off of SGS declined  
by 7 bps to three-week low 7.61% today;  
yield curve remained inverted**

**FEBRUARY 7, 2023**



11 states and 1 UT raised Rs. 203 billion in today's auction, ~42% higher than the year-ago level, while being ~23% below the indicated amount

Weighted average cut-off of SGS eased by 7 bps to 7.61% today

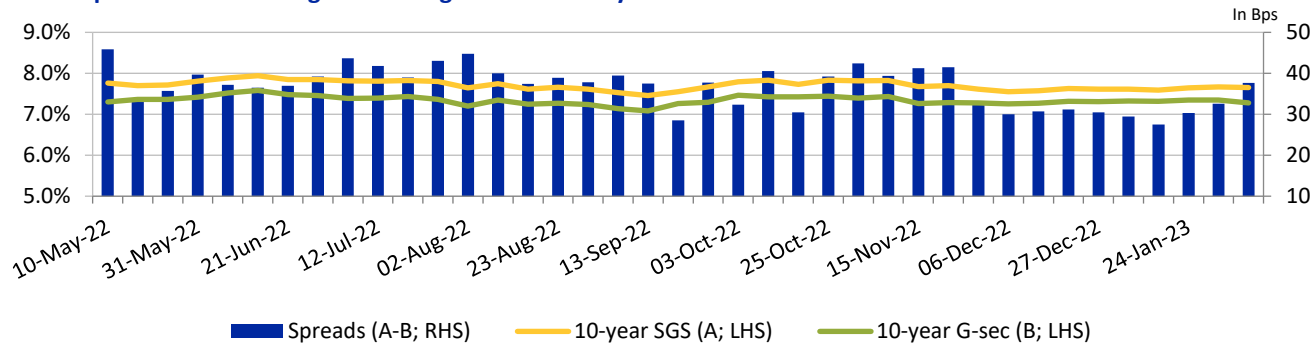
Spread between cut-off of 10-year SGS and old G-sec yield rose to 34 bps today from 33 bps last week

Eleven states and one Union Territory (UT) raised Rs. 203 billion through state government securities (SGS) on February 7, 2023, a sharp increase of ~42% on a year-on-year (YoY) basis. However, the amount raised was ~23% lower than what had been indicated for this week in the Q4 FY2023 auction calendar. The weighted average cut-off of the SGS eased considerably by 7 bps to 7.61% today from 7.68% in the last auction, despite the weighted average tenor remaining stable at 15 years. The spread between the 10-year SGS and new G-sec (7.26 GS 2033) yield stood at 38 bps today. The spread between the 10-year SGS and old G-sec yield rose to 34 bps today from 33 bps last week. The yield curve was inverted at the longer end.

Exhibit: SGS issuances during FY2023 (so far)

Amount in Rs. Billion	Indicated	Notified	Raised	Cumulative till this week
Week of February 7, 2023	263	203	203	5,554
Week of February 8, 2022	275	142	142	5,736
Growth	-4.7%	42.3%	42.3%	-3.2%

Exhibit: Spread between weighted average cut-off of 10-year State and Gol G-sec





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# Analytical Contact Details



**Aditi Nayar**

*Chief Economist  
Head – Research & Outreach*

**Neetika Shridhar**

*Assistant Vice President*

**Jaspreet Kaur**

*Analyst*



aditin@icraindia.com

neetika.shridhar@icraindia.com

jaspreet.kaur@icraindia.com



0124- 4545 385

0124 – 4545 305

0124 – 4545 853





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# Business Development/Media Contact Details



**L. Shivakumar**

*Executive Vice-President*

**Jayanta Chatterjee**

*Executive Vice-President*

**Naznin Prodhani**

*Head Media & Communications*



shivakumar@icraindia.com

jayantac@icraindia.com

communications@icraindia.com



022- 6114 3406

080 – 4332 6401

0124 – 4545 860





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