

## STATE GOVERNMENT FINANCES- Weekly SGS

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**Weighted average cost rose to 3-week high 7.46%, amid sharply higher-than-indicated SGS issuance**

**SEPTEMBER 12, 2023**



8 states and 1 UT raised Rs. 146 billion, a sharp ~80% above the amount indicated in the Q2 FY2024 auction calendar.

Weighted average cut-off of SGS rose by 2 bps at 7.46% on September 12, 2023.

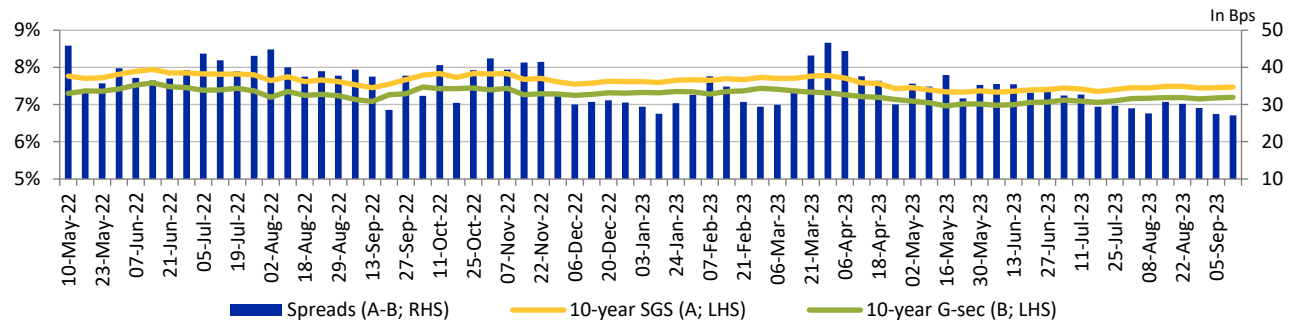
Spread between cut-off of 10-year SGS and new 10-year G-sec yield was unchanged at 27 bps on September 12, 2023, from last week.

Eight state governments and one Union Territory (UT) raised Rs. 146 billion through state government securities (SGS) in the auction held on September 12, 2023, a sharp ~80% higher than the indicated amount for this week in the Q2 FY2024 auction calendar, albeit slightly lower than last week's issuance. With a mild rise in the weighted average tenor to 14 years from 13 years, the weighted average cut-off of the SGS rose to 7.46% in the auction held on September 12, 2023, from 7.44% in the last week. The spread between the cut-off of 10-year SGS and the new 10-year G-sec (7.18 GS 2033) yield was unchanged at 27 bps on September 12, 2023, in line with the last week.

Exhibit: SGS issuances during FY2024 (so far)

Amount in Rs. Billion	Indicated	Notified	Raised	Cumulative till this week
<b>Week of September 12, 2023</b>	81	151	146	3,183
<b>Week of September 13, 2022</b>	103	105	105	2,391
<b>Growth</b>	-21.4%	44.5%	39.7%	33.1%

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





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