

## STATE GOVERNMENT FINANCES- Weekly SGS

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Cut-off of SGS rose to 7.50%, highest since Feb 2024, despite lower than indicated issuance

APRIL 23, 2024





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*Five states raised Rs. 120 billion on April 23, 2024, 37% below the indicated amount*

*Weighted average cut-off of SGS increased by 1 bp to 7.50% on April 23, 2024, from last week*

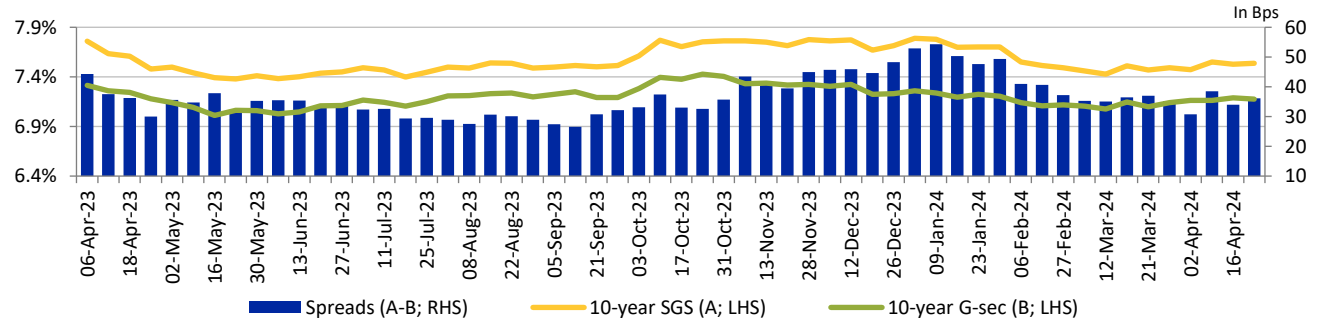
*Spread between cut-off of 10-year SGS and the new 10-year G-sec yield rose to 37 bps on April 23, 2024, from 34 bps last week*

Five states raised Rs. 120 billion through state government securities (SGS) on April 23, 2024, nearly 37% below the Rs. 190 billion indicated for this week in the Q1 FY2025 auction calendar. This was the third consecutive week of actual issuance trailing the indicated amount in Q1 FY2025 so far. Despite this, the weighted average cut-off of the SGS inched upwards to 7.50% on April 23, 2024, from 7.49% last week, with the increase in the weighted average tenor to 12 years from 8 years during the same period. The spread between the cut-off of the 10-year SGS and the new 10-year G-sec (7.10 GS 2034) yield increased to 37 bps on April 23, 2024, from 34 bps last week.

**Exhibit: SGS issuances during FY2025 (so far)**

Amount in Rs. Billion	Indicated	Notified	Raised	Cumulative till this week
<b>Week of April 23, 2024</b>	190	120	120	365
<b>Week of April 25, 2023</b>	189	60	60	223
<b>Growth</b>	0.5%	100.0%	100.0%	63.7%

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





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