STATE GOVERNMENT FINANCES- Weekly SGS

Cut-off of SGS inches up to 7.51% amid issuance trailing the indicated amount for the fourth consecutive week

APRIL 30, 2024

Highlights

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Seven states raised Rs. 147 billion on April 30, 2024, a sharp 42% below the indicated amount for this week

Weighted average cut-off of SGS rose by 1 bp to 7.51% on April 30, 2024, from last week

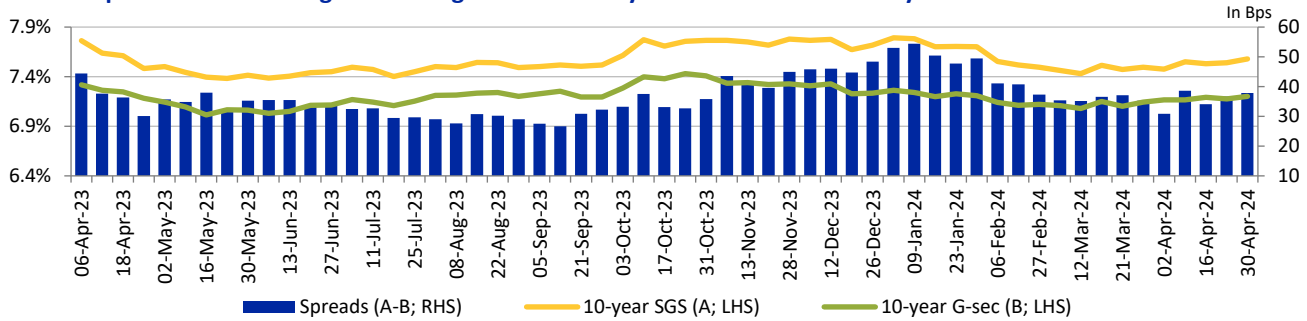
Spread between cut-off of 10-year SGS and the 10-year G-sec yield increased to 38 bps on April 30, 2024, from 37 bps last week

Seven states raised Rs. 147 billion through state government securities (SGS) on April 30, 2024, a sharp 42% below the Rs. 254 billion indicated for this week in the Q1 FY2025 auction calendar. The SGS issuance has trailed the indicated amount in four out of the five weekly auctions of April 2024. The weighted average cut-off of the SGS inched up to 7.51% on April 30, 2024, from 7.50% last week, with the increase in the weighted average tenor to 16 years from 12 years during the same period. The spread between the cut-off of the 10-year SGS and the 10-year G-sec (7.10 GS 2034) yield rose to 38 bps on April 30, 2024, from 37 bps last week.

Exhibit: SGS issuances during FY2025 (so far)

Amount in Rs. Billion	Indicated	Notified	Raised	Cumulative till this week
Week of April 30, 2024	254	147	147	512
Week of April 25, 2023	189	60	60	223
Growth	34.4%	145.0%	145.0%	129.6%

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



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