

## STATE GOVERNMENT FINANCES- Weekly SGS

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**SGS cut-off declined by 3 bps to  
7.40% today amid continued trend of  
lower-than-indicated issuance**

**MAY 21, 2024**





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4 states and one UT raised Rs. 52 billion on May 21, 2024, a sharp 65% below the indicated amount for this week

Weighted average cut-off of SGS eased by 3 bps to 7.40% on May 21, 2024, from last week

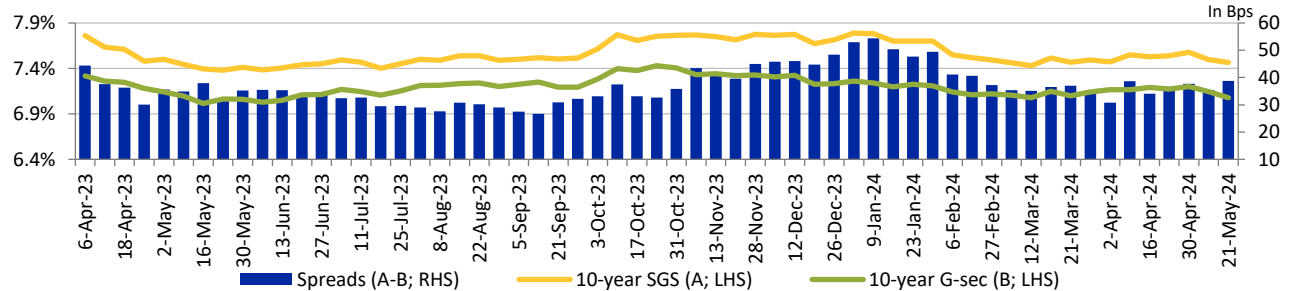
Spread between cut-off of 10-year SGS and the 10-year G-sec yield stood at 38 bps on May 21, 2024

Four states and one Union Territory (UT) raised Rs. 52 billion through state government securities (SGS) on May 21, 2024. With the seventh consecutive week of lower-than-indicated borrowings in Q1 FY2025, the actual SGS issuance in the ongoing quarter so far has trailed the indicated amount by a massive 52%. This is mainly led by lower borrowing by Maharashtra and nil issuance by Uttar Pradesh and West Bengal compared to the amounts indicated by them in the Q1 FY2025 auction calendar. In a small sized auction, the weighted average cut-off of the SGS eased to 7.40% on May 21, 2024, from 7.43% last week, amid a decline in weighted average tenor to 15 years from 19 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 stood at 38 bps on May 21, 2024, similar to 35-38 bps in the last few weeks.

Exhibit: SGS issuances during FY2025 (so far)

Amount in Rs. Billion	Indicated	Notified	Raised	Cumulative till this week
<b>Week of May 21, 2024</b>	148	52	52	728
<b>Week of May 23, 2023</b>	190	191	186	743
<b>Growth</b>	-22.4%	-72.7%	-72.0%	-2.0%

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





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# Analytical Contact Details

Name	Designation	Email	Contact Number
Aditi Nayar	Chief Economist, Head – Research & Outreach	<a href="mailto:aditin@icraindia.com">aditin@icraindia.com</a>	0124- 4545 385
Neetika Shridhar	Assistant Vice-President	<a href="mailto:neetika.shridhar@icraindia.com">neetika.shridhar@icraindia.com</a>	0124 – 4545 305
Jaspreet Kaur	Senior Analyst	<a href="mailto:jaspreet.kaur@icraindia.com">jaspreet.kaur@icraindia.com</a>	0124 – 4545 853





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# Business Development/Media Contact Details

Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	<a href="mailto:shivakumar@icraindia.com">shivakumar@icraindia.com</a>	022-61693304
Neha Agarwal	Head – Research Sales	<a href="mailto:neha.agarwal@icraindia.com">neha.agarwal@icraindia.com</a>	022-61693338
Rohit Gupta	Head Business Development – Infrastructure Sector	<a href="mailto:rohitg@icraindia.com">rohitg@icraindia.com</a>	0124-4545340
Vivek Bhalla	Head Business Development – Financial Sector	<a href="mailto:vivek.bhalla@icraindia.com">vivek.bhalla@icraindia.com</a>	022-61693372
Vinita Baid	Head Business Development – Corporate Sector - West & East	<a href="mailto:vinita.baid@icraindia.com">vinita.baid@icraindia.com</a>	033-71501131
Shivam Bhatia	Head Business Development – Corporate Sector - North & South	<a href="mailto:shivam.bhatia@icraindia.com">shivam.bhatia@icraindia.com</a>	0124-4545803
Naznin Prodhani	Head – Group Corporate Communications & Media Relations	<a href="mailto:communications@icraindia.com">communications@icraindia.com</a>	0124-4545860





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