

STATE GOVERNMENT FINANCES- Weekly SGS

**Actual issuance of Rs. 1.5 trillion in
Q1 FY2025 was 43% lower than
indicated**

JUNE 25, 2024





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Eight states and one UT raised Rs. 171 billion on June 25, 2024, ~23% below the indicated amount for this week.

The weighted average cut-off of SGS declined by 2 bps to 7.32% on June 25, 2024, from last week.

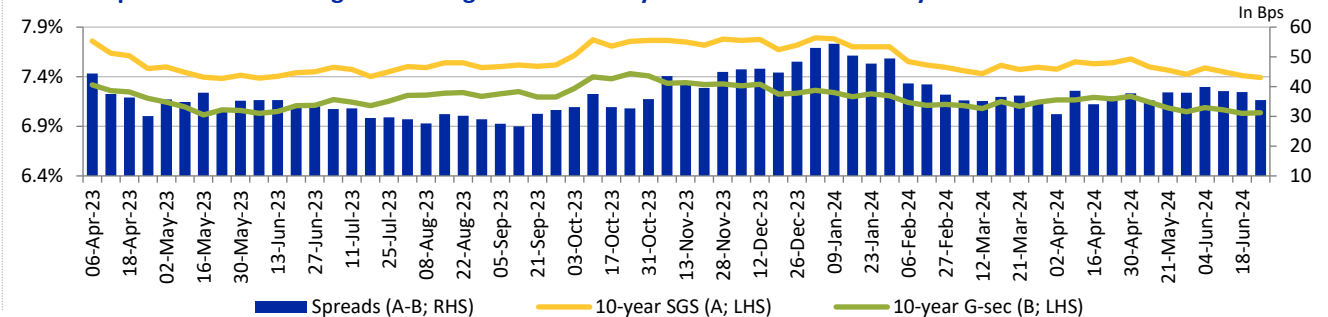
The spread between the cut-off of 10-year SGS and the 10-year G-sec yield declined to 35 bps on June 25, 2024, from 38 bps last week.

In the last weekly auction of Q1 FY2025, eight states and one Union Territory (UT) raised Rs. 171 billion through the state government securities (SGS) on June 25, 2024, nearly 23% below the indicated amount for this week. With this, the total issuances in Q1 FY2024 stood at Rs. 1.5 trillion, 43% lower than the planned Rs. 2.5 trillion, reflecting lower than indicated issuance in 11 of the 13 weekly auctions of Q1 FY2025. The weighted average cut-off of the SGS eased to 7.32% (lowest since June 2023) on June 25, 2024, from 7.34% last week, despite the increase in weighted average tenor to 19 years from 10 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 declined to 35 bps on June 25, 2024, from 38 bps last week.

Exhibit: SGS issuances during FY2025 (so far)

Amount in Rs. Billion	Indicated	Notified	Raised	Cumulative till this week
Week of June 25, 2024	223	171	171	1,458
Week of June 27, 2023	236	230	225	1,677
Growth	-5.5%	-25.6%	-24.0%	-13.0%

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





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