



STATE GOVERNMENT FINANCES- Weekly SGS

**SGS cut-off declined by 4 bps to
7.33% amidst lower-than-indicated
issuances**

JULY 9, 2024





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The weighted average cut-off of SGS declined by 4 bps to 7.33% on July 9, 2024, from last week.

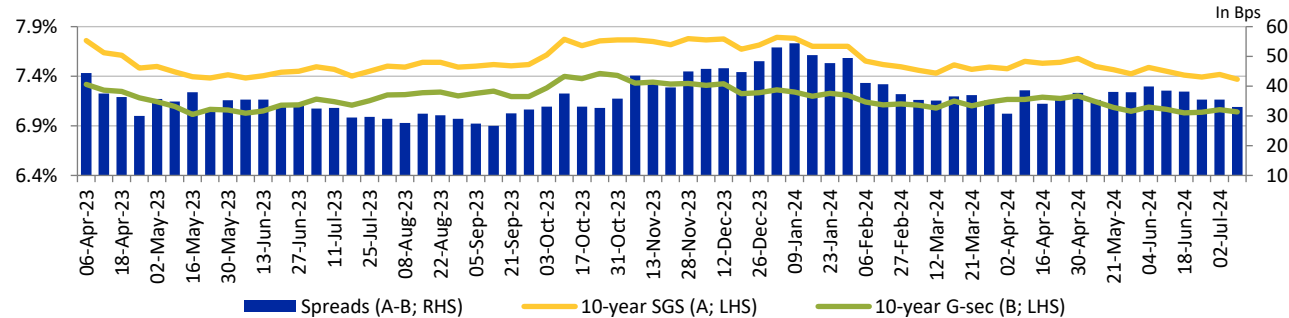
The spread between the cut-off of 10-year SGS and the 10-year G-sec yield eased to 33 bps on July 9, 2024, from 35 bps last week.

Four states and one Union Territory (UT) raised Rs. 61 billion through the state government securities (SGS) on July 9, 2024, nearly 40% below the amount indicated for this week in the Q2 FY2025 auction calendar. The weighted average cut-off of the SGS declined to 7.33% on July 9, 2024, from 7.37% last week, despite the jump in weighted average tenor to 21 years from 15 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 eased to 33 bps on July 9, 2024, compared to 35 bps last week.

Exhibit: SGS issuances during FY2025 (so far)

Amount in Rs. Billion	Indicated	Notified	Raised	Cumulative till this week
Week of July 9, 2024	102	61	61	1,660
Week of July 11, 2023	115	104	104	1,943
Growth	-11.3%	-41.3%	-41.3%	-14.6%

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





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