

STATE GOVERNMENT FINANCES- Weekly SGS

**SGS cut-off unchanged at 7.33%, in
small-sized auction**

JULY 16, 2024





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The weighted average cut-off of SGS was stable at 7.33% on July 16, 2024, in line with last week.

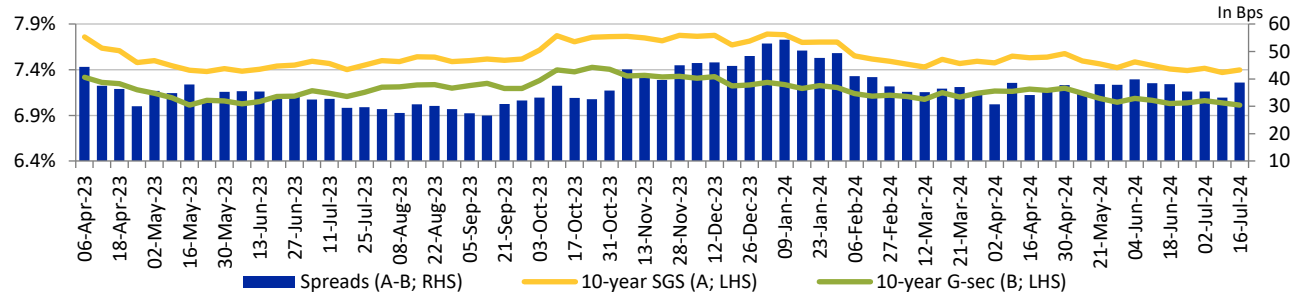
The spread between the cut-off of 10-year SGS and the 10-year G-sec yield increased to 39 bps on July 16, 2024, from 33 bps last week.

Five states and one Union Territory (UT) raised Rs. 66 billion through state government securities (SGS) on July 16, 2024, nearly 49% below the amount indicated for this week in the Q2 FY2025 auction calendar. The weighted average cut-off of the SGS was unchanged at 7.33% on July 16, 2024, in line with last week, despite the decline in the weighted average tenor to 16 years from 21 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 39 bps on July 16, 2024, compared to 33 bps last week.

Exhibit: SGS issuances during FY2025 (so far)

Amount in Rs. Billion	Indicated	Notified	Raised	Cumulative till this week
Week of July 16, 2024	130	66	66	1,726
Week of July 18, 2023	168	124	124	2,067
Growth	-22.8%	-47.0%	-47.0%	-16.5%

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





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