

STATE GOVERNMENT FINANCES- Weekly SGS

SGS cut-off eased mildly by 3 bps to 7.32%, despite higher-than-indicated issuance after a gap of seven weeks

JULY 30, 2024





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Nine states and one UT raised Rs. 295 billion on July 30, 2024, nearly 13% above the amount indicated for this week.

The weighted average cut-off of SGS declined by 3 bps to 7.32% on July 30, 2024, in line with last week.

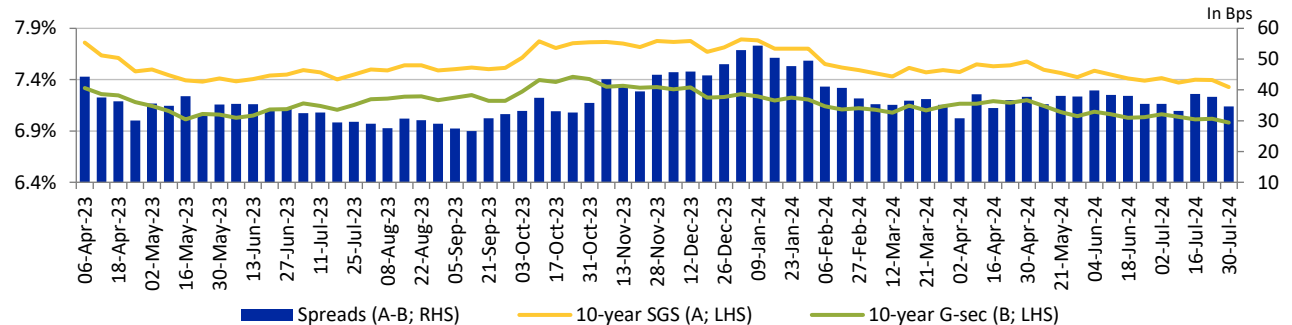
The spread between the cut-off of 10-year SGS and the 10-year G-sec yield eased to 35 bps on July 30, 2024, from 38 bps last week.

Nine states and one Union Territory (UT) raised Rs. 295 billion through state government securities (SGS) on July 30, 2024, nearly 13% higher than the amount indicated for this week in the Q2 FY2025 auction calendar. Despite this, the weighted average cut-off of the SGS declined to 7.32% on July 30, 2024, from 7.35% last week, reflecting softening in G-sec yields. The weighted average tenor of all SGS rose to 18 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 35 bps on July 30, 2024, compared to 38 bps last week.

Exhibit: SGS issuances during FY2025 (so far)

Amount in Rs. Billion	Indicated	Notified	Raised	Cumulative till this week
Week of July 30, 2024	261	295	295	2,142
Week of July 25, 2023	243	190	190	2,257
Growth	7.6%	55.3%	55.3%	-5.1%

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





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