

STATE GOVERNMENT FINANCES- Weekly SGS

**SGS cut-off rises by 3 bps to 7.09%,
despite sharply lower-than-indicated
issuances**

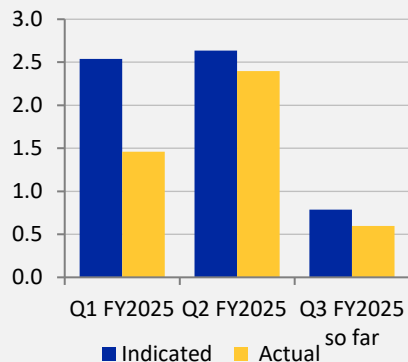
OCTOBER 22, 2024





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Exhibit: Actual and indicated SGS issuances (Rs. trillion)

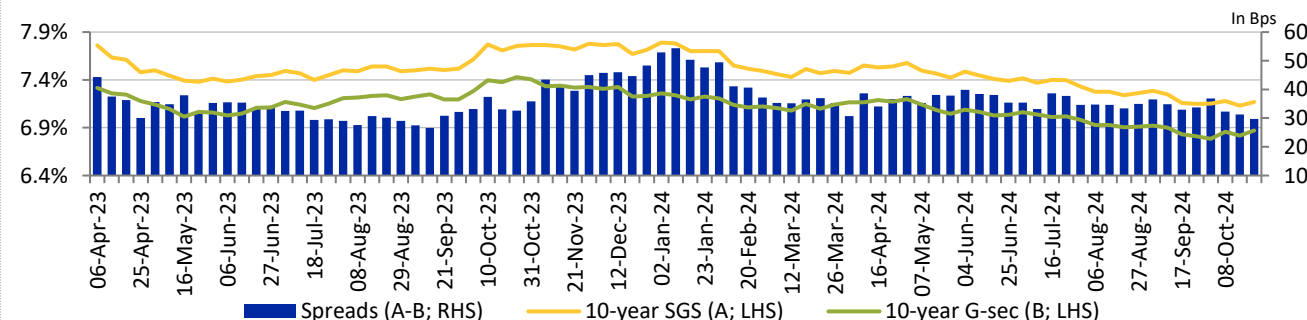


Five states raised Rs. 81 billion through state government securities (SGS) on October 22, 2024, a sharp ~73% below the amount indicated for this week in the Q3 FY2025 auction calendar. The weighted average cut-off yield for SGS increased by 3 bps to 7.09% on October 22, 2024, from 7.06% last week, despite the weighted average tenor of SGS declining to 9 years from 11 during the same period. However, the spread between the cut-off yield of the 10-year SGS and the 10-year G-sec (7.10 GS 2034) eased to 30 bps on October 22, 2024, from 31 bps last week.

Exhibit: SGS issuances during FY2025 (so far)

Amount in Rs. billion	Indicated	Notified	Raised	Cumulative till this week
Week of October 22, 2024	296	81	81	4,454
Week of October 23, 2023	110	189	189	4,254
Growth	169.1%	-57.1%	-57.1%	4.7%

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





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