



STATE GOVERNMENT FINANCES- Weekly SGS

**SGS cut-off declined by 2 bps to
7.10%, amid sharply lower-than-
indicated issuance**

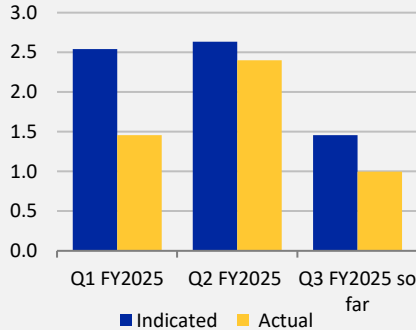
NOVEMBER 12, 2024





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



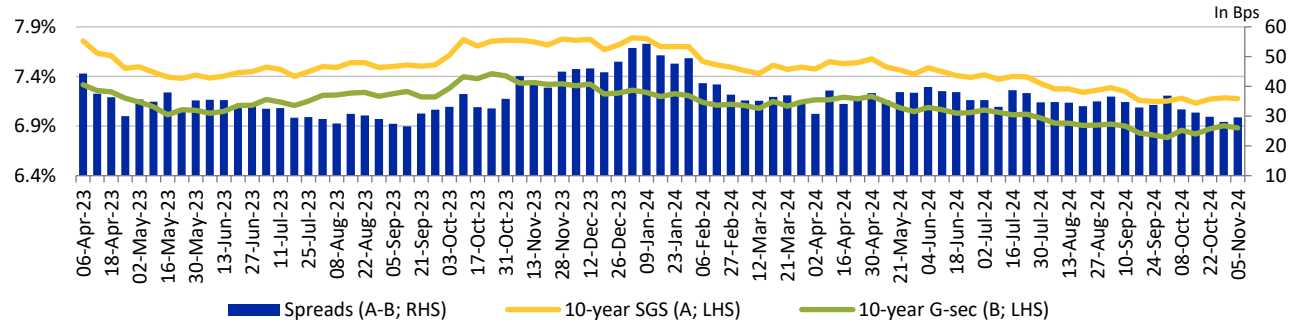
Source: Reserve Bank of India (RBI); ICRA Research

In a small-sized auction, four states and one Union Territory (UT) raised Rs. 54 billion through state government securities (SGS) on November 12, 2024, a substantial 63% lower than the amount indicated for this week in the Q3 FY2025 auction calendar. This is the fifth consecutive week of lower-than-indicated issuance, with actual issuance lagging the indicated by a sharp 32% in Q3 FY2025 till date, higher than 9% in Q2 FY2025 and lower than 43% in Q1 FY2025. The weighted average cut-off yield for SGS declined by 2 bps to 7.10% on November 12, 2024, from 7.12% last week, with the weighted average tenor of SGS declining to 11 years from 13 during the same period.

Exhibit: SGS issuances during FY2025 (so far)

Amount in Rs. Billion	Indicated	Notified	Raised	Cumulative till this week
Week of November 12, 2024	145	54	54	4,853
Week of November 13, 2023	108	125	125	4,889
Growth	34.3%	-56.8%	-56.8%	-0.7%

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





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