



STATE GOVERNMENT FINANCES - Weekly SGS

**SGS cut-off inched up to 7.15% amid
higher-than-indicated issuance**

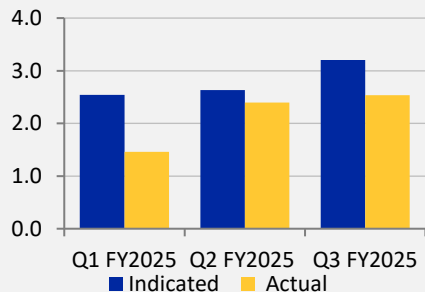
DECEMBER 31, 2024





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



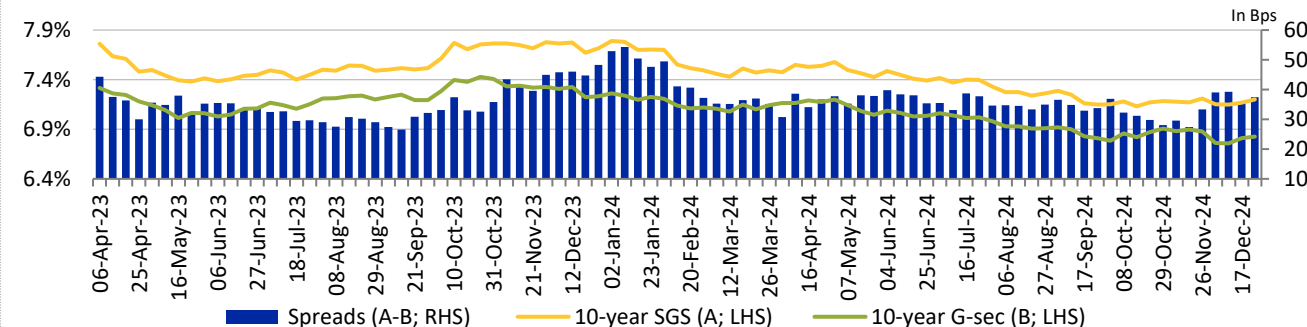
Source: Reserve Bank of India (RBI); ICRA Research

In the last weekly auction of Q3 FY2025, nine states and one Union Territory (UT) raised Rs. 247 billion through state government securities (SGS) on December 31, 2024, ~7% above the indicated amount for this week; this is only the third such instance in the 14 weekly auctions of Q3 FY2025. Overall, actual borrowings in Q3 FY2025 stood at Rs. 2.5 trillion, 21% below the indicated amount of Rs. 3.2 trillion. The weighted average cut-off yield for SGS inched up to 7.15% on December 31, 2024, from 7.14% last week. Further, the weighted average tenor of SGS increased mildly to 16 years from 15 years during the same period.

Exhibit: SGS issuances during FY2025 (so far)

Amount in Rs. Billion	Indicated	Notified	Raised	Cumulative till this week
Week of December 31, 2024	232	247	247	6,389
Week of December 26, 2023	286	253	208	6,040
Growth	-19.0%	-2.4%	19.1%	5.8%

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





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