

## STATE GOVERNMENT FINANCES - Weekly SGS

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**SGS cut-off eased to 7.12% as  
borrowing was half of indicated  
amount; spreads hit 44-week high of  
40 bps**

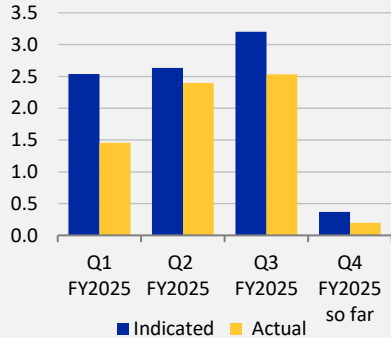
**JANUARY 7, 2025**





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



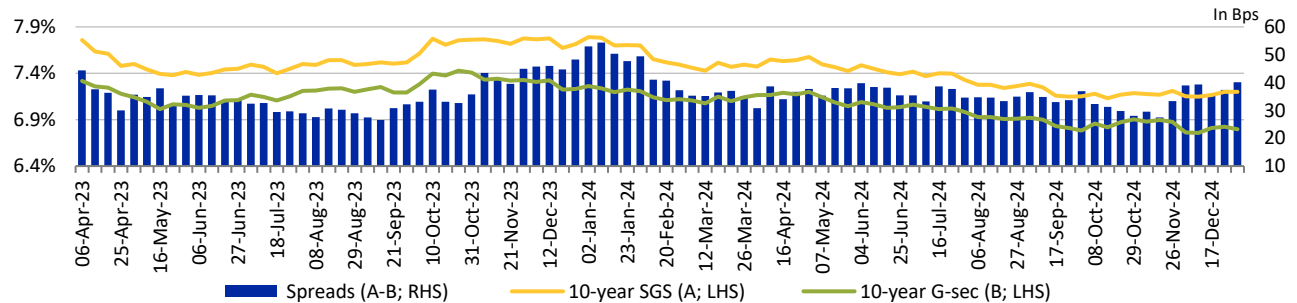
Source: Reserve Bank of India (RBI); ICRA Research

In the first weekly auction of Q4 FY2025, 10 states raised Rs. 195 billion through state government securities (SGS) on January 7, 2025, a sharp ~47% below the amount indicated for this week in the Q4 FY2025 auction calendar. While the weighted average tenor of SGS was stable at 16 years, the weighted average cut-off yield for SGS eased to 7.12% on January 7, 2025, from 7.15% last week. However, the spread between the cut-off yield of the 10-year SGS and the 10-year G-sec (6.79 GS 2034) rose to a 44-week high of 40 bps on January 7, 2025.

**Exhibit: SGS issuances during FY2025 (so far)**

Amount in Rs. billion	Indicated	Notified	Raised	Cumulative till this week
Week of January 7, 2025	370	215	195	6,584
Week of January 9, 2024	292	193	193	6,393
Growth	26.7%	11.2%	1.0%	3.0%

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





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