



STATE GOVERNMENT FINANCES - Weekly SGS

**SGS cut-off eased by 9 bps to 7.14%,
amid third consecutive week of
lower-than-indicated borrowing**

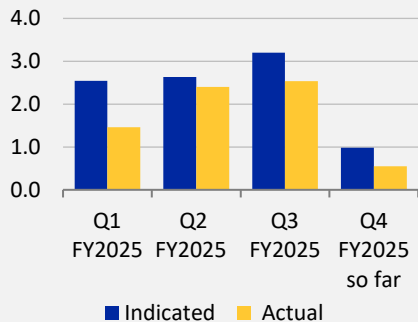
JANUARY 21, 2025





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



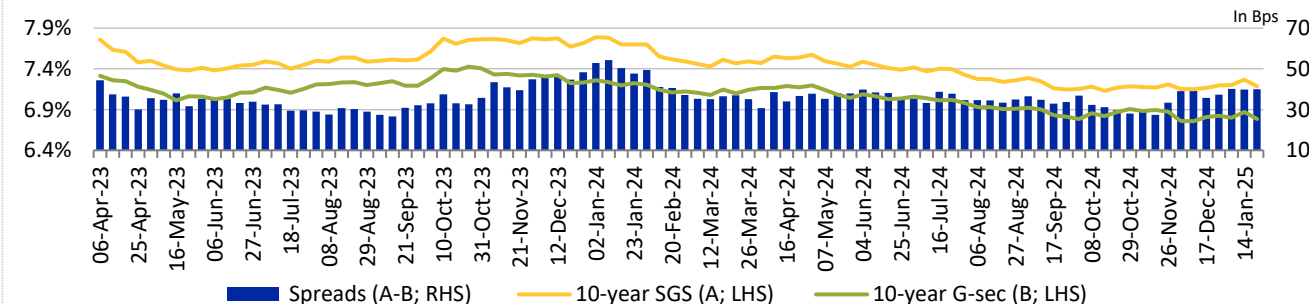
Source: Reserve Bank of India (RBI); ICRA Research

Seven states raised Rs. 175 billion through state government securities (SGS) on January 21, 2025, less than half of the amount indicated for this week in the Q4 FY2025 auction calendar. The weighted average SGS cut-off eased to 7.14% on January 21, 2025, from 7.23% last week, despite the weighted average tenor rising to 17 years from 14 years. However, the spread between the cut-off yield of the 10-year SGS and the 10-year G-sec (6.79 GS 2034) was unchanged at 40 bps on January 21, 2025, in line with the last two weeks.

Exhibit: SGS issuances during FY2025 (so far)

Amount in Rs. billion	Indicated	Notified	Raised	Cumulative till this week
Week of January 21, 2025	368	175	175	6,938
Week of January 23, 2024	230	243	233	6,818
Growth	59.8%	-27.9%	-24.8%	1.8%

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





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