



STATE GOVERNMENT FINANCES- Weekly SGS

**Weighted average cut-off of SGS rose
by 4 bps to 7.49%, despite a small-
sized auction**

APRIL 16, 2024





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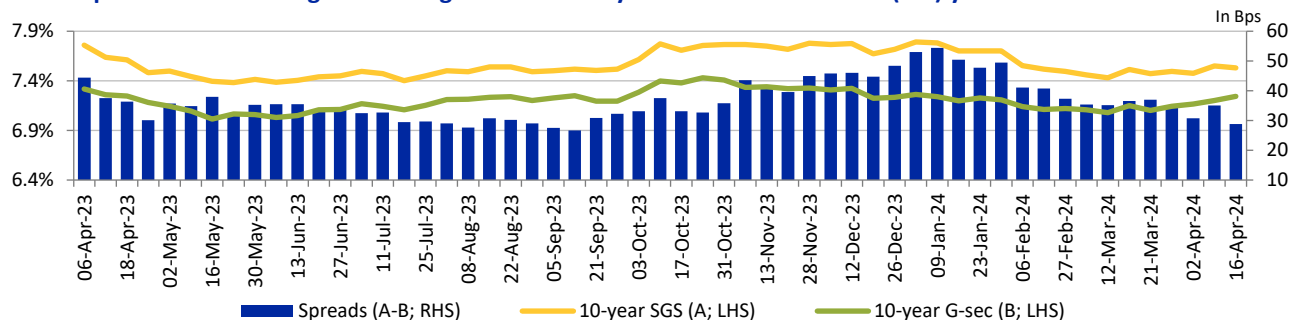
Spread between cut-off of 10-year SGS and the old 10-year G-sec yield eased to 29 bps on April 16, 2024, from 35 bps last week

In a small sized auction, Haryana and Uttarakhand raised Rs. 19 billion through state government securities (SGS) on April 16, 2024, a steep 88% below the Rs. 164 billion indicated by nine states for this week in the Q1 FY2025 auction calendar. Amidst a broader hardening of rates, the weighted average cut-off of the SGS increased to 7.49% on April 16, 2024, from 7.45% last week, despite the decline in the weighted average tenor to 8 years from 19 years during the same period. However, the spread between the cut-off of the 10-year SGS and the old 10-year G-sec (7.18 GS 2033) yield eased to 29 bps on April 16, 2024, from 35 bps last week. The spread with the new 10-year G-sec (7.10 GS 2034) declined to 34 bps from 39 bps during the same period.

Exhibit: SGS issuances during FY2025 (so far)

Amount in Rs. Billion	Indicated	Notified	Raised	Cumulative till this week
Week of April 16, 2024	164	19	19	245
Week of April 18, 2023	138	75	75	163
Growth	18.8%	-74.7%	-74.7%	50.3%

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





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Analytical Contact Details

Name	Designation	Email	Contact Number
Aditi Nayar	Chief Economist, Head – Research & Outreach	aditin@icraindia.com	0124- 4545 385
Neetika Shridhar	Assistant Vice-President	neetika.shridhar@icraindia.com	0124 – 4545 305
Jaspreet Kaur	Senior Analyst	jaspreet.kaur@icraindia.com	0124 – 4545 853





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Business Development/Media Contact Details

Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	shivakumar@icraindia.com	022-61693304
Neha Agarwal	Head – Research Sales	neha.agarwal@icraindia.com	022-61693338
Rohit Gupta	Head Business Development – Infrastructure Sector	rohitg@icraindia.com	0124-4545340
Vivek Bhalla	Head Business Development – Financial Sector	vivek.bhalla@icraindia.com	022-61693372
Vinita Baid	Head Business Development – Corporate Sector - West & East	vinita.baid@icraindia.com	033-71501131
Shivam Bhatia	Head Business Development – Corporate Sector - North & South	shivam.bhatia@icraindia.com	0124-4545803
Naznin Prodhani	Head – Group Corporate Communications & Media Relations	communications@icraindia.com	0124-4545860





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