



STATE GOVERNMENT FINANCES- Weekly SGS

Cut-off of SGS eased by 6 bps to
7.45% amid fifth consecutive week of
lower-than-indicated issuance

MAY 7, 2024





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Weighted average cut-off of SGS eased by 6 bps to 7.45% on May 7, 2024, from last week

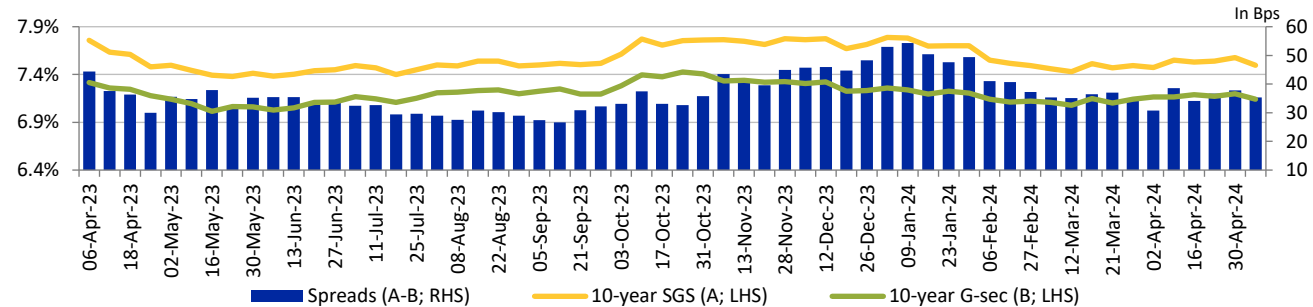
Spread between cut-off of 10-year SGS and the 10-year G-sec yield declined to 35 bps on May 7, 2024, from 38 bps last week

Six states raised Rs. 99 billion through state government securities (SGS) on May 7, 2024, a sharp 58% below the Rs. 234 billion indicated for this week in the Q1 FY2025 auction calendar. Reflecting global trends as well as the recently announced buyback of Government of India securities (G-sec), the weighted average cut-off of the SGS eased to 7.45% on May 7, 2024, from 7.51% last week, with a dip in the weighted average tenor to 15 years from 16 years during the same period. The spread between the cut-off of the 10-year SGS and the 10-year G-sec (7.10 GS 2034) yield eased to 35 bps on May 7, 2024, from 38 bps last week.

Exhibit: SGS issuances during FY2025 (so far)

Amount in Rs. Billion	Indicated	Notified	Raised	Cumulative till this week
Week of May 7, 2024	234	99	99	611
Week of May 9, 2023	77	97	97	472
Growth	203.9%	2.1%	2.1%	29.4%

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





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