

## STATE GOVERNMENT FINANCES- Weekly SGS

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**SGS issuance was a sharp 53% below the indicated amount, following additional tax devolution for June**

**JUNE 11, 2024**





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*In a small-sized auction, four states and two UTs raised Rs. 58 billion on June 11, 2024, ~53% below the indicated amount for this week.*

*The weighted average cut-off of SGS declined by 4 bps to 7.39% on June 11, 2024, from last week.*

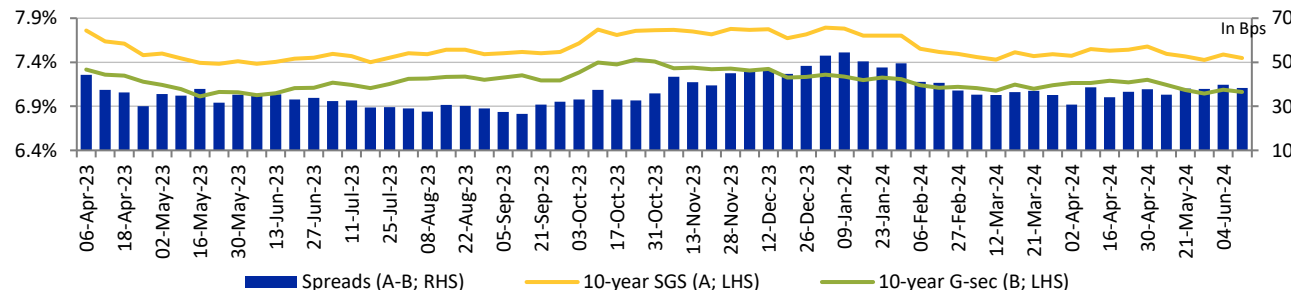
*The spread between the cut-off of 10-year SGS and the 10-year G-sec yield eased to 38 bps on June 11, 2024, from 40 bps last week.*

Four states and two Union Territories (UTs) raised Rs. 58 billion through the state government securities (SGS) on June 11, 2024, nearly 53% below the indicated amount for this week. Notably, Andhra Pradesh did not accept any bids against the notified amount of Rs. 20 billion. This could be on account of the release of enhanced tax devolution for June 2024 (to Rs. 1.4 trillion from Rs. 699 billion each in April-May 2024), which was transferred to the states on June 10, 2024. The weighted average cut-off of the SGS eased to 7.39% on June 11, 2024, from 7.43% last week, amidst the weighted average tenor declining to 12 years from 16 years. The spread between the cut-off of the 10-year SGS and the 10-year G-sec (7.10 GS 2034) yield decreased to 38 bps on June 11, 2024, from 40 bps last week.

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

Amount in Rs. Billion	Indicated	Notified	Raised	Cumulative till this week
<b>Week of June 11, 2024</b>	122	78	58	1,193
<b>Week of June 13, 2023</b>	139	231	226	1,397
<b>Growth</b>	-12.2%	-66.4%	-74.5%	-14.6%

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





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