



STATE GOVERNMENT FINANCES- Weekly SGS

**SGS cut-off eased by a sharp 10 bps
to 7.11%, the lowest since March
2022**

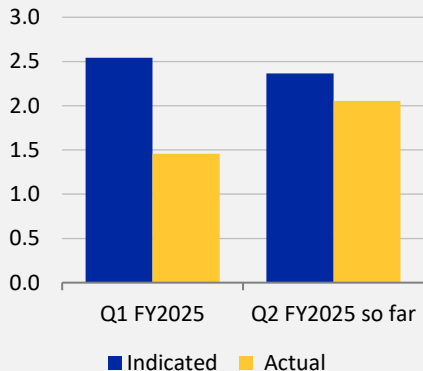
SEPTEMBER 17, 2024





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Exhibit: Actual and Indicated SGS issuances (Rs. Trillion)

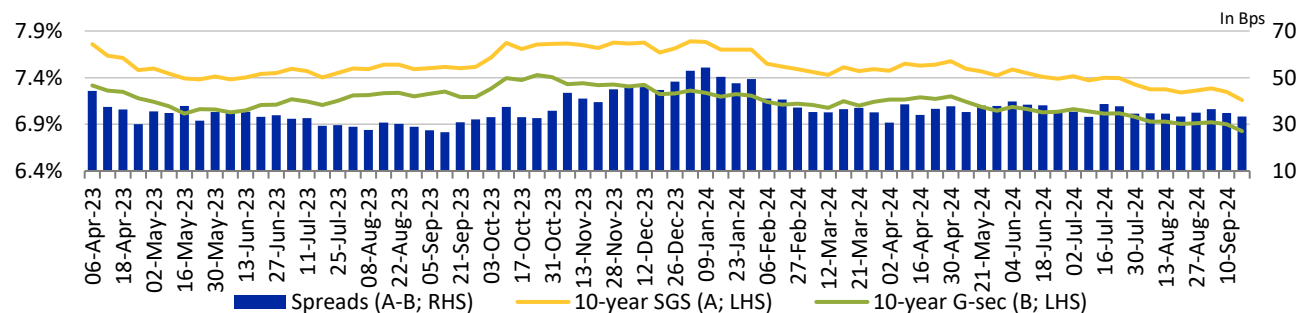


Eight states raised Rs. 135 billion through state government securities (SGS) on September 17, 2024, less than half of the amount indicated for this week in the Q2 FY2025 auction calendar. Reflecting the dip in G-sec yields on the back of expectations of a rate cut by the Federal Reserve, the weighted average cut-off of the SGS dipped to 7.11% (lowest since March 2022) on September 17, 2024, from 7.21% last week. Additionally, the weighted average tenor of SGS declined to 13 years from 16 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 compressed to 33 bps on September 17, 2024, from 35 bps in the previous week.

Exhibit: SGS issuances during FY2025 (so far)

Amount in Rs. billion	Indicated	Notified	Raised	Cumulative till this week
Week of September 17, 2024	283	135	135	3,512
Week of September 21, 2023	204	127	127	3,310
Growth	39.2%	6.1%	6.1%	6.1%

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





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