

STATE GOVERNMENT FINANCES - Weekly SGS

**SGS cut-off rises to 7.15%; spreads
harden to 33 bps from sub-30 bps in
last four auctions**

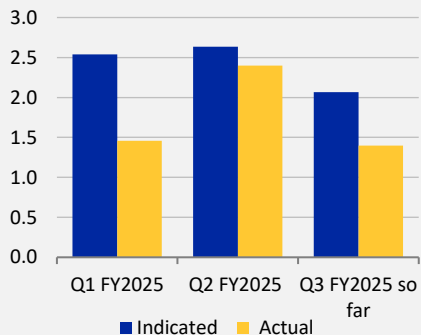
NOVEMBER 26, 2024





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



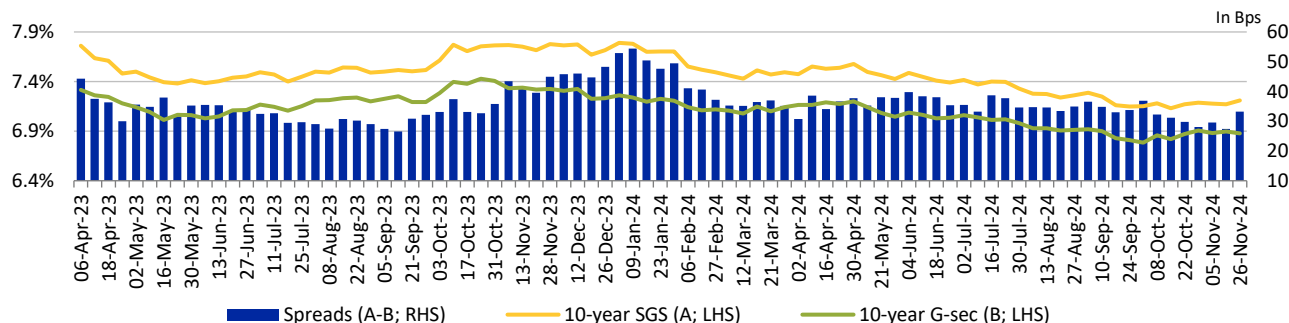
Source: Reserve Bank of India (RBI); ICRA Research

Twelve states raised a nine-week high Rs. 308 billion through state government securities (SGS) on November 26, 2024, a mild ~1% lower than the indicated amount. The weighted average cut-off yield for SGS rose by 4 bps to 7.15% on November 26, 2024, from 7.11% last week, with the weighted average tenor of SGS rising to 12 years from 9 during the same period. The spread between the cut-off yield of the 10-year SGS and the 10-year G-sec (7.10 GS 2034) rose to 33 bps on November 26, 2024, from 27 bps last week.

Exhibit: SGS issuances during FY2025 (so far)

Amount in Rs. Billion	Indicated	Notified	Raised	Cumulative till this week
Week of November 26, 2024	311	320	308	5,255
Week of November 28, 2023	295	367	358	5,363
Growth	5.3%	-12.8%	-14.0%	-2.0%

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





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