

STATE GOVERNMENT FINANCES - Weekly SGS

SGS cut-off dips to a two-year low of 6.85% in the first weekly auction of FY2026

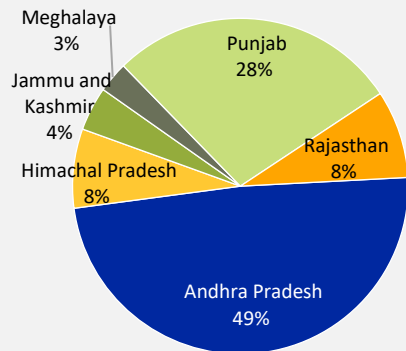
APRIL 3, 2025





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EXHIBIT: State-wise composition of SGS issuance on April 3, 2025



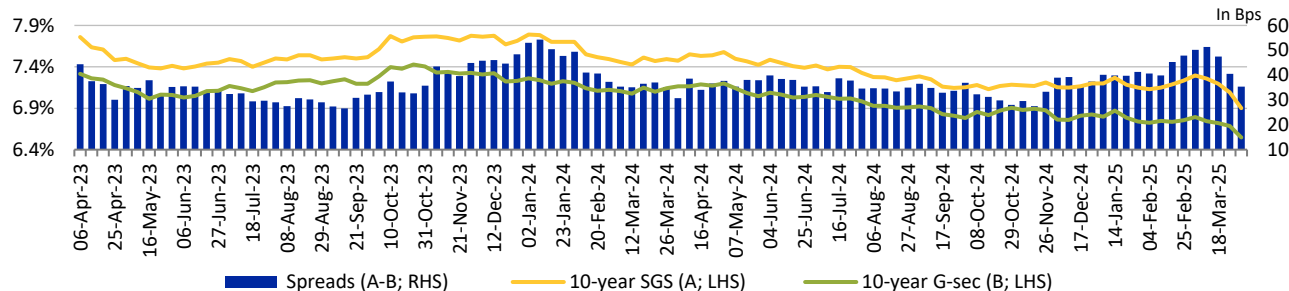
Source: Reserve Bank of India (RBI); ICRA Research

Five state governments and one Union Territory (UT) raised Rs. 118 billion through state government securities (SGS) on April 3, 2025, in line with the amount indicated for this week in the recently released Q1 FY2026 auction calendar. The softening of the G-sec yields reflects the recently announced measures to ease liquidity by the Reserve Bank of India (RBI). Consequently, the weighted average cut-off of the SGS stood at 6.85% on April 3, 2025, the lowest in the last two years. The spread between the cut-off of the 10-year SGS and the 10-year G-sec (6.79 GS 2034) yield was 35 bps on April 3, 2025, lower than 44 bps (average) in Q4 FY2025.

EXHIBIT: SGS issuances during FY2025

Amount in Rs. billion	Indicated	Notified	Raised	Cumulative till this week
Week of April 3, 2025	118	118	118	118
Week of April 2, 2024	161	161	161	161
Growth	-26.7%	-26.7%	-26.7%	-26.7%

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





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