

STATE GOVERNMENT FINANCES- Weekly SGS

Weighted average cut-off of SGS rose by 5 bps to 7.64% today, amidst an inverted yield curve

JANUARY 24, 2023



15 states raised Rs. 257 billion in today's auction, ~15% below the indicated level and ~8% above the year-ago level

Weighted average cut-off of SGS rose by 5 bps to 7.64% today

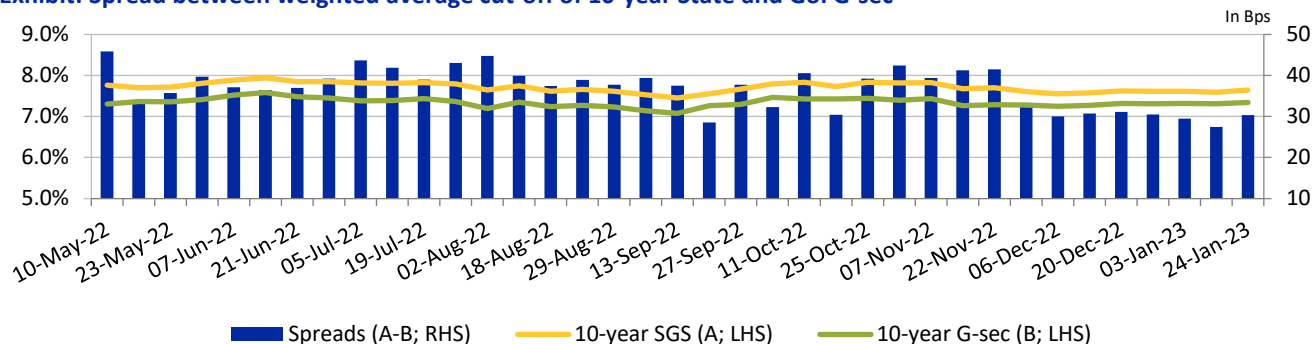
Spread between cut-off of 10-year SGS and G-sec yield stood at 30 bps today

Fifteen states raised a 13-week high Rs. 257 billion through state government securities (SGS) on January 24, 2023, a growth of ~8% on a year-on-year (YoY) basis. However, this was ~15% lower than indicated for this week in the Q4 FY2023 auction calendar. The weighted average cut-off of the SGS rose by 5 bps to 7.64% today from 7.59% in the last auction, with the weighted average tenor rising to 13 years from 11 years during the same period. The spread between the 10-year SGS and G-sec yield stood at 30 bps today, amidst an inverted yield curve.

Exhibit: SGS issuances during FY2023 (so far)

Amount in Rs. Billion	Indicated	Notified*	Raised	Cumulative till this week
Week of January 24, 2023	302	257	257	5,093
Week of January 24, 2022	303	247	237	5,458
Growth	-0.4%	3.7%	8.2%	-6.7%

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





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