

# STATE GOVERNMENT FINANCES- Weekly SGS

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**Spread between 10-year weighted  
average SGS and G-sec narrows to 32 bps**

**MAY 23, 2023**



9 states and a UT raised Rs. 191 billion in today's auction, 2.4% lower than the indicated amount, highest so far in this quarter

Weighted average cut-off of SGS declined by 3 bps to 7.29% today

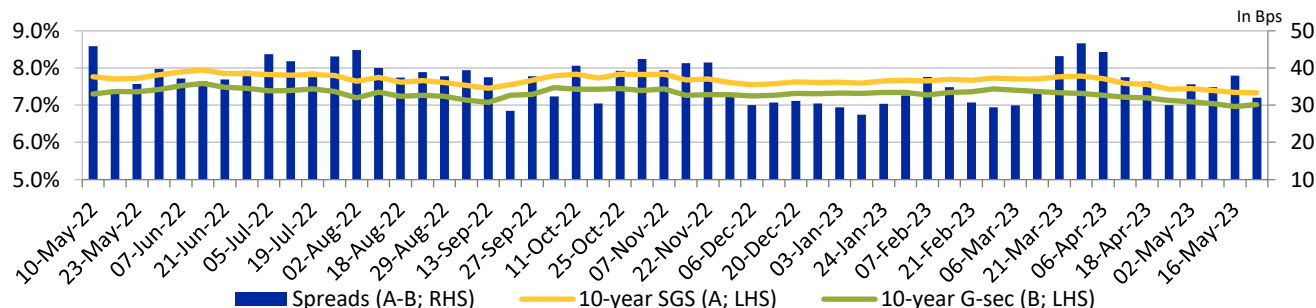
Spread between cut-off of 10-year SGS and G-sec yield narrowed to 32 bps today from 38 bps last week

Nine state governments and one Union Territory (UT) together raised Rs. 186 billion through state government securities (SGS) in the auction held on May 23, 2023, the highest in Q1 FY2024 so far, but a mild 2.4% lower than the amount indicated for this week in the Q1 FY2024 auction calendar. The weighted average cut-off of the SGS eased by only 3 bps to 7.29% today from 7.32% in the last auction, despite a sharp dip in the weighted average tenor to 9 years from 15 years. The spread between the 10-year SGS and 10-year Government of India security (G-sec; 7.26 GS 2033) yield narrowed to 32 bps today from 38 bps last week.

Exhibit: SGS issuances during FY2024 (so far)

Amount in Rs. Billion	Indicated	Notified	Raised	Cumulative till this week
Week of May 23, 2023	190	191	186	743
Week of May 24, 2022	139	139	139	448
Growth	37.2%	37.1%	33.5%	65.8%

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





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