

The long end gets the love

By Ethan Currie

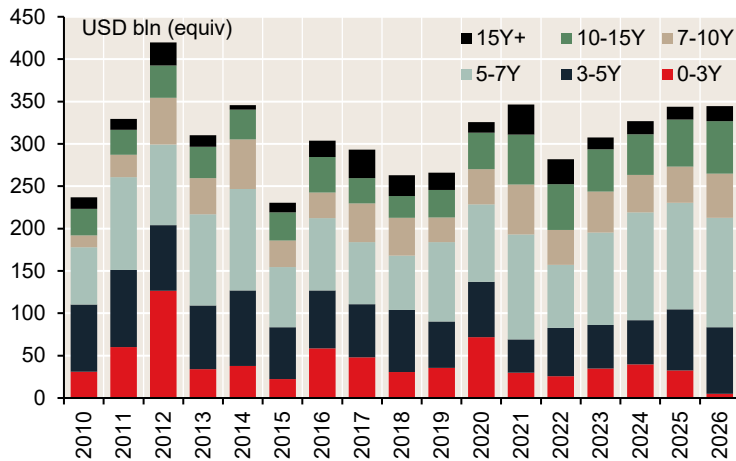
As we've noted several times this year (most recently, [here](#) and [here](#)), SSA issuance has exhibited—and continues to exhibit—pronounced seasonality. 2026's supply pacing (while elevated) isn't unprecedented, tracking broadly in line with last year. While the 2026 supply picture has not been defined by obvious gross issuance records, it has been notably uneven, with supply arriving in waves when market conditions are supportive (as seen in January, as is typical, and again in May, particularly so this year). Reflecting the efficiency and adaptability of the SSA issuer base, these issuance waves have also been strategic from a currency and tenor perspective.

As Charts 1-2 illustrate, short-end SSA supply has been relatively subdued this year. Instead, issuance has skewed longer, with a particular focus on the 5-10Y sector(s). Borrowers able to extend duration have benefited from favourable conditions and robust investor demand, supporting greater issuance in these maturities and contributing to flatter credit curves vs benchmarks. Of the limited 0-3Y supply that has come to

market, activity has largely been concentrated in smaller transactions, alongside one USD benchmark (KOMINS) and a pair of larger GBP floater deals (LBANK, KFW). These transactions were absorbed well, generated solid order books, and performed strongly post-pricing despite comparatively less liquidity.

SSA spreads have tightened (vs benchmarks and swap curves) over the past year. That performance has been broad based (Chart 3) but pronounced in longer-dated issues on a G-basis, where credit curves have flattened considerably YTD, supported by increased liquidity. There's scope here then for shorter duration credit to outperform, and while curves are steeper against SOFR, these levels are off their peak, meaning a case for steepeners can still be applied here at the margin. So, while we remain constructive of high-quality credit across tenors, we see a more pronounced RV case down the curve, where select issues at the front-end could be met with unsated demand. That would especially be the case should issuance continue to skew longer.

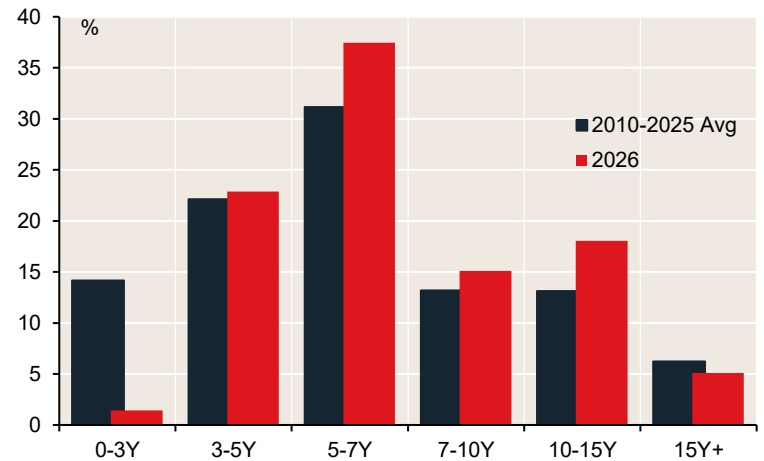
Chart 1: Visualizing where SSA supply is placed on the curve
SSA gross bond issuance by tenor



Source: NBC, Bloomberg | Note: By calendar year using a select list of 39 SSA issuers (see our SSA Monitor for more details on NBC supply tracking parameters)

Chart 2: In 2026, issuance has skewed longer than usual

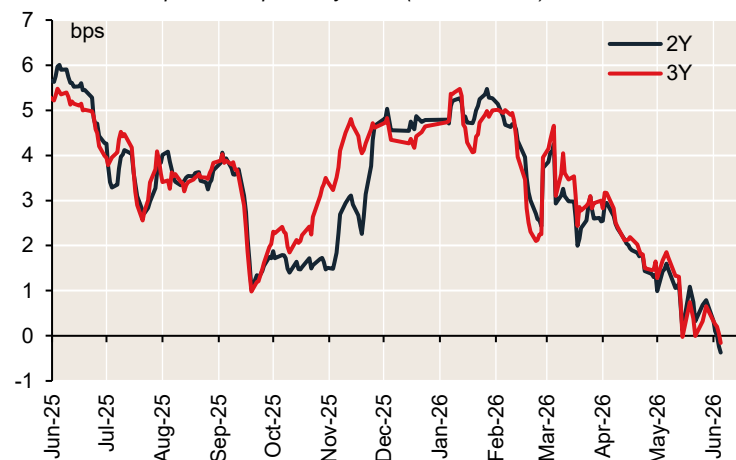
YTD share of SSA gross bond issuance by tenor: 2026 vs prior 16-year average



Source: NBC, Bloomberg | Note: All currencies on a YTD basis

Chart 3: Spreads to limbo (lower) below 0 down the curve?

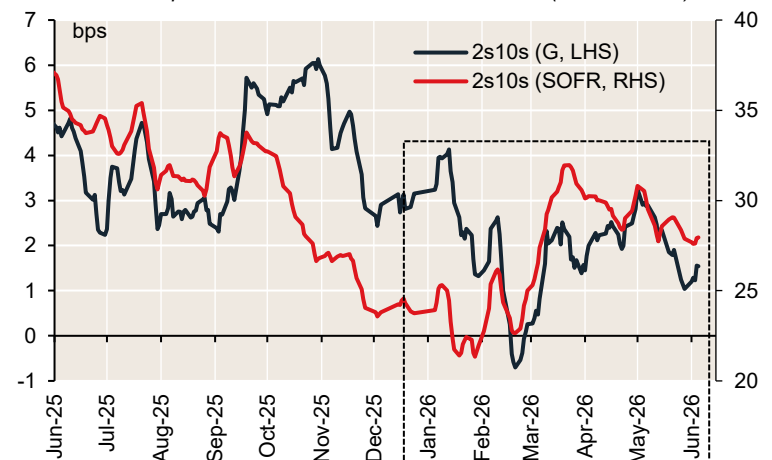
SSA 'Tier 1' composite G-spread by tenor (5D smoothed)



Source: NBC, Bloomberg | Note: NBC composite using simple average of internally sourced constant maturity spreads on large SSA issuers (see SSA Monitor for more details)

Chart 4: Curves are steeper (or flatter, depending on gauge)

SSA 'Tier 1' composite credit curves vs. UST and SOFR (5D smoothed)



Source: NBC, Bloomberg



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