NGB Spotlight

01 September 2026

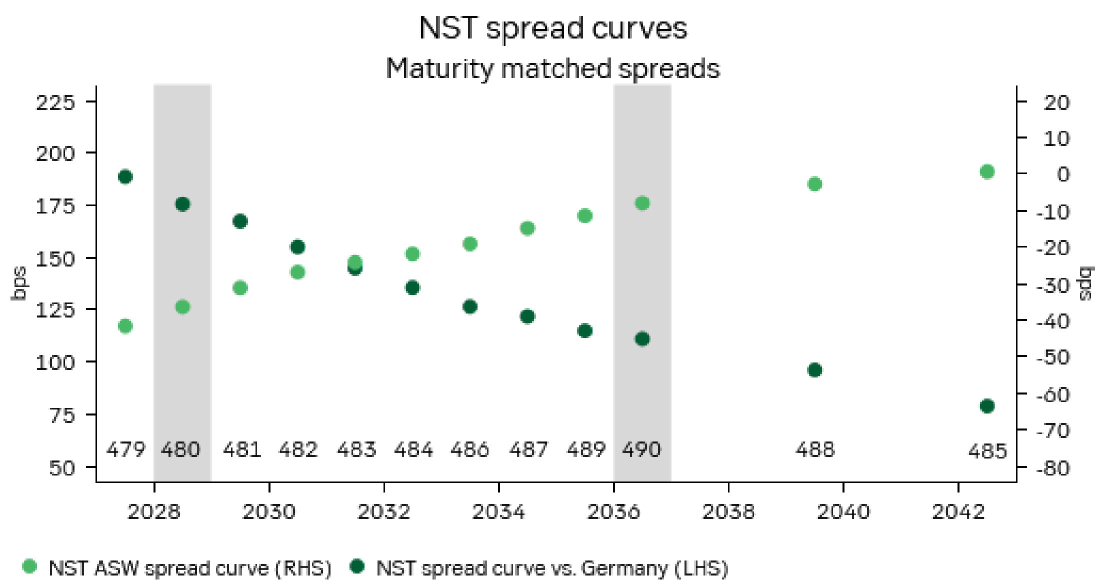
NOK 3bn in NST480 and NST490

On Wednesday Sep 2nd, Norges Bank will hold a multiple tap auction where a total of NOK 3bn will be issued, split between the NST480 (2.00%, 04/2028) and the NST490 (4.125%, 06/2036) bonds. NST490 currently trades with a yield of 4.48%, implying a maturity-matched spread vs. Germany of 112.5bps and an ASW spread of -7.25bps. NST480 trades with a yield of 4.615%, with corresponding spread levels at 174.5bps and -36bps. The auction closes at 11.00 CET, and results will be available on Norges Bank's website at 11.05 CET.

- On Wednesday, Norges Bank will auction a total of NOK 3bn split between NST480 (04/2028) and NST490 (06/2036). NST490 is the most frequently tapped bond this year, reflecting Norges Bank's aim to build size in the new 10y bond as well as solid demand. The average bid-to-cover in the previous 8 tap auctions is 3.75 with an average allotment share of 57%. Rising long yields is a challenge, but relative valuation appears attractive. The inclusion of NST480 is unsurprising given that the market still appears short this bond. In the previous tap auction (Aug 19), NST480 received a bid-to-cover of 8.2 with an allotment share of 92%. Overall, we expect the auction to run smoothly.

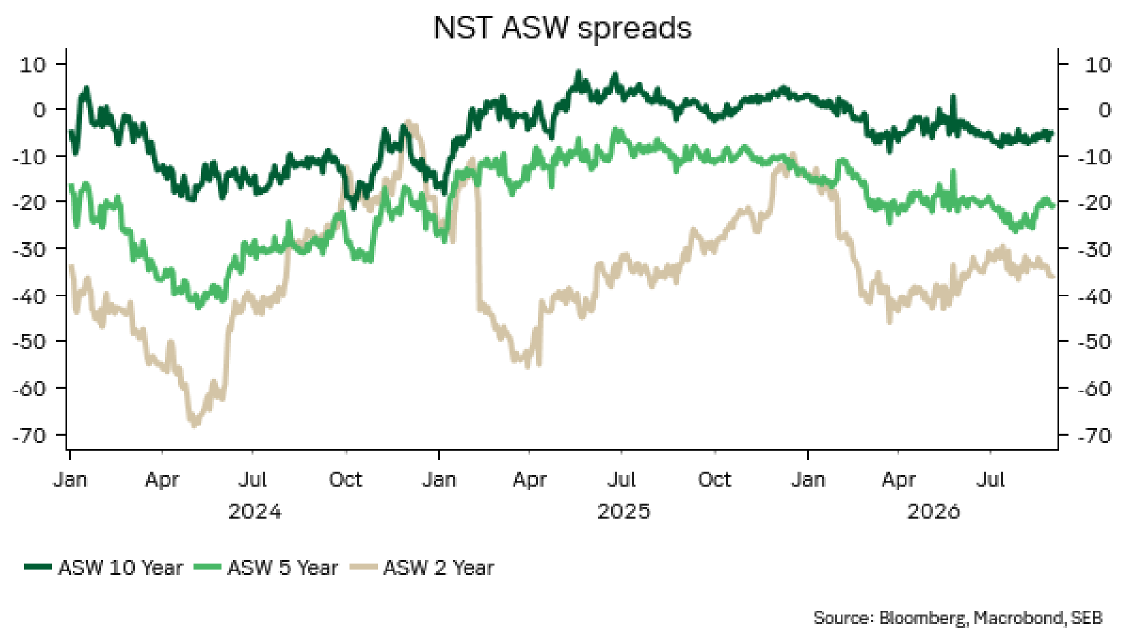
- Long international bonds are pressured by increased inflation concerns, deteriorating fiscal outlook and increased demand for capital, among others due to the AI investment boom which is increasingly debt-funded. On a relative basis, Norwegian government bonds appear attractive given the strong fiscal backdrop and limited supply. Elevated inflation remains a concern, but the market is fully aligned with Norges Bank's rate path implying one rate hike before year end and a policy rate peak of 4.55%. In total, the market discounts a total of 25bps of hikes until Jun-2027, compared to approx. 60bps for the Fed and 70bps for the ECB. Overall, NSTs have outperformed Germany across the curve in the recent sell off. We expect one final rate hike to 4.50%, most likely in September, after which focus will gradually turn to the timing of rate cuts. Combined with a favorable supply outlook and the NOK which is underpinned by high interest rates (carry) and energy prices, we see potential for further spread tightening in the long end. Meanwhile, longer swap rates have been contained by receiving interest on back of large volumes of fixed rate credit issuance. NST ASW spreads have moved broadly sideways, while sellers still dominate in the 3-6y segments.

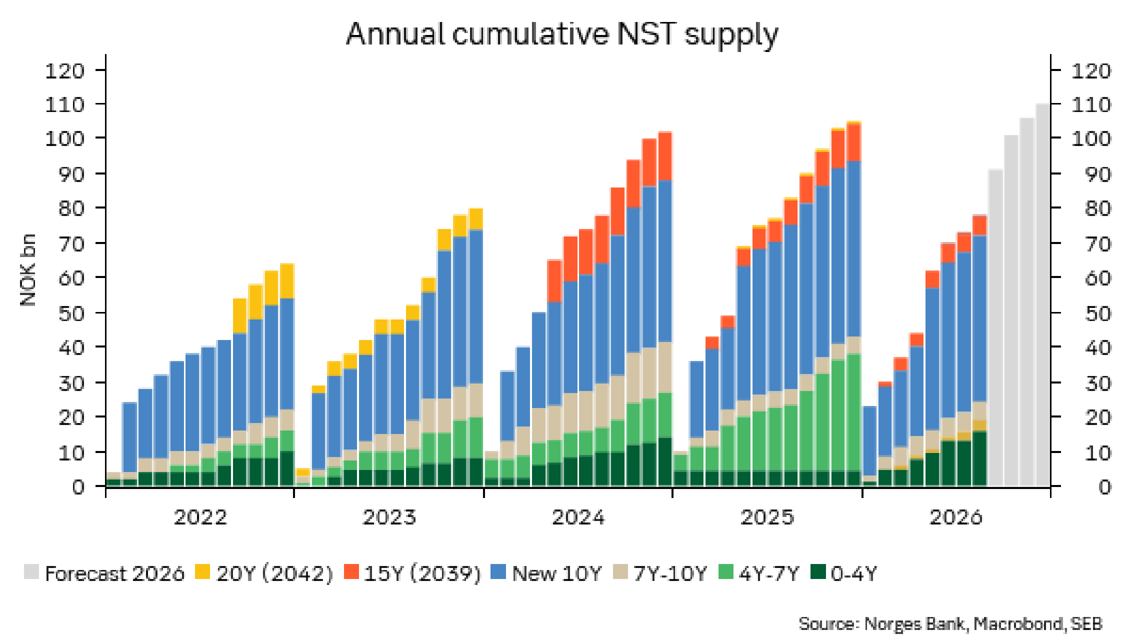
- Focus is turning to Norges Bank's planned syndication of a new 20y bond. Norges Bank has stated that it aims to issue between NOK 5-10bn in September or October. We believe the bank aims for early September due to Norges Bank's upcoming rate decision (Sep 24) and autumn school holiday in Norway (week 40/41). The bank argued in its Strategy & Borrowing report that issuing a new 20y bond will reduce the annual refinancing requirement, facilitate the participation of a wider range of investor groups (primarily domestic) and reduce supply pressure in maturities of up to ten years. We expect it to aim for the maximum amount, which has been the case in earlier syndications this year. Norges Bank has issued NOK 81bn YTD (incl. tomorrow's auction), while the annual borrowing interval is set at NOK 100-110bn. Due to the accumulated underborrowing since 2019, we expect Norges Bank to set for NOK 110bn. In such case, supply has been front-loaded as only NOK 19bn remains in regular tap auctions this year, implying an average auction size of NOK 2.4bn vs. 3.2bn in H1.

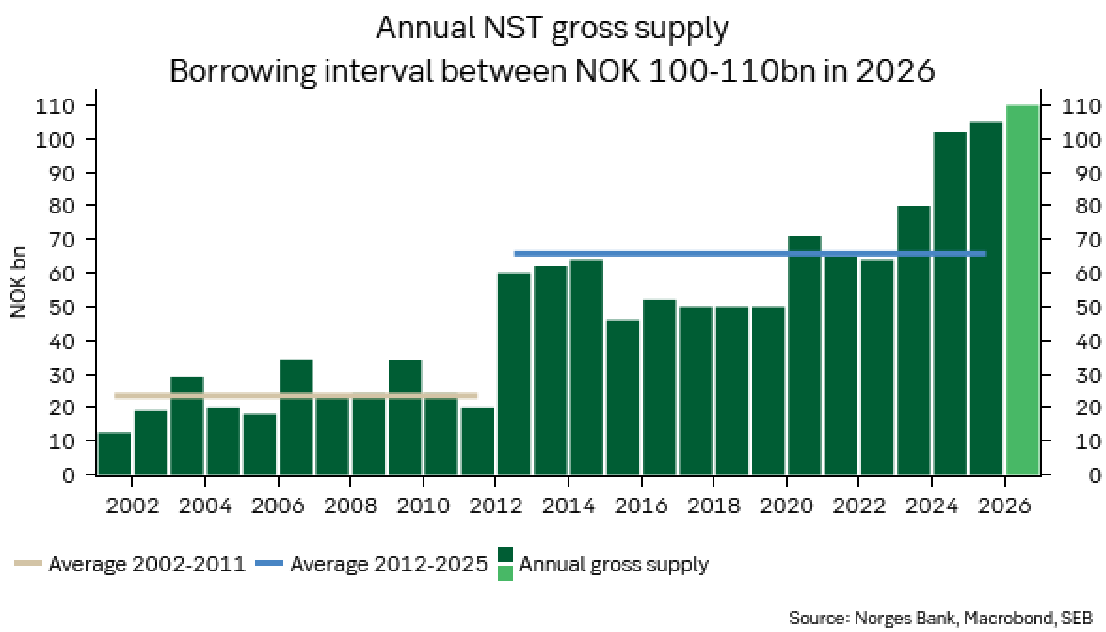


Note: Levels are of yesterday's close.

Source: Bloomberg, Macrobond, SEB


NST ASW spreads
10
0
-10
-20
-30
-40
-50
-60
-70
Jan
Apr
Jul
Oct
Jan
Apr
Jul
Oct
Jan
Apr
Jul
2024
2025
2026
ASW 10 Year
ASW 5 Year
ASW 2 Year
Source: Bloomberg, Macrobond, SEB


Annual cumulative NST supply
NOK bn
120
110
100
90
80
70
60
50
40
30
20
10
0
2022
2023
2024
2025
2026
Forecast 2026
20Y (2042)
15Y (2039)
New 10Y
7Y-10Y
4Y-7Y
0-4Y
Source: Norges Bank, Macrobond, SEB



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