NGB Spotlight

13 October 2026

NOK 3bn in NST480 and NST490

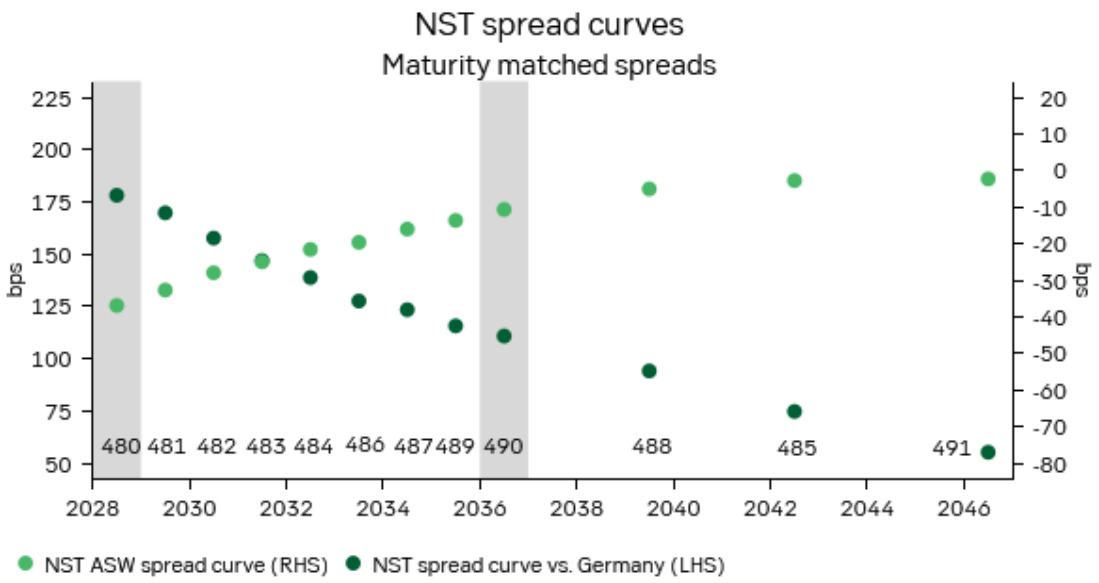
On Wednesday Oct 14th, Norges Bank will hold a multiple tap auction where a total of NOK 3bn will be issued, split between the NST480 (2.00%, 04/2028) and the NST490 (4.125%, 06/2036) bonds. NST480 currently trades with a yield of 4.8125%, implying a maturity-matched spread vs. Germany of 178bps and an ASW spread of -37.5bps. NST490 trades with a yield of 4.465%, with corresponding spread levels at 112bps and -10.5bps. 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 the NST490 (06/2036) bonds. Last week's tap auction also included the 2028 bond, though combined with the new 20y bond. Market conditions are challenging given the global selloff and high volatility. Last week's auction nonetheless went smoothly as both bonds cleared close to the offer side with decent bid-to-cover ratios. Another inclusion of NST491 would likely have been preferred, while primarily belly bonds remain offered via ASW. Outright yield level in NST480 and the cheapening of NST490 on a spread-basis vs. Germany suggest decent demand in the upcoming auction. In the previous 5 tap auctions including NST480, the bond received an average bid-to-cover of 4.49 with an allotment share of 59%. Corresponding numbers for the 9 auctions in NST490 are 3.60 and 56%.

- The auction calendar implies new supply on a weekly basis in October. Overall, market sentiment remains the same as last week although a bit more neutral. Expectations for Norges Bank have eased a bit with the market discounting an 80% likelihood for another rate hike by March 2027. We reiterate our forecast that the policy rate peak has been reached.

- Following this auction, Norges Bank has issued a total of NOK 97bn YTD, while the annual borrowing interval is set at NOK 100-110bn (107-110bn in the Q4 guidance). We expect Norges Bank to issue the maximum amount, implying another NOK 3bn in the following auction and NOK 2bn for the remaining 5 auctions.

- The government's budget proposal for 2027 showed an underlying borrowing requirement of NOK 93.6bn vs. 95.7bn in 2026. After years of under-borrowing, Norges Bank's supply estimate has exceeded the underlying borrowing requirement over the past two years, with the aim of building up the cash reserves. We expect this to be the case also in 2027, implying a minimum of NOK 110bn in gross supply. The government's borrowing mandate in long-term debt is increased by NOK 50bn to NOK 200bn, to provide greater flexibility and allowing for a potential increase in its own holdings. Risks to our supply estimate are thus skewed to the upside. Details will be provided in Norges Bank's Strategy and borrowing programme due in December.



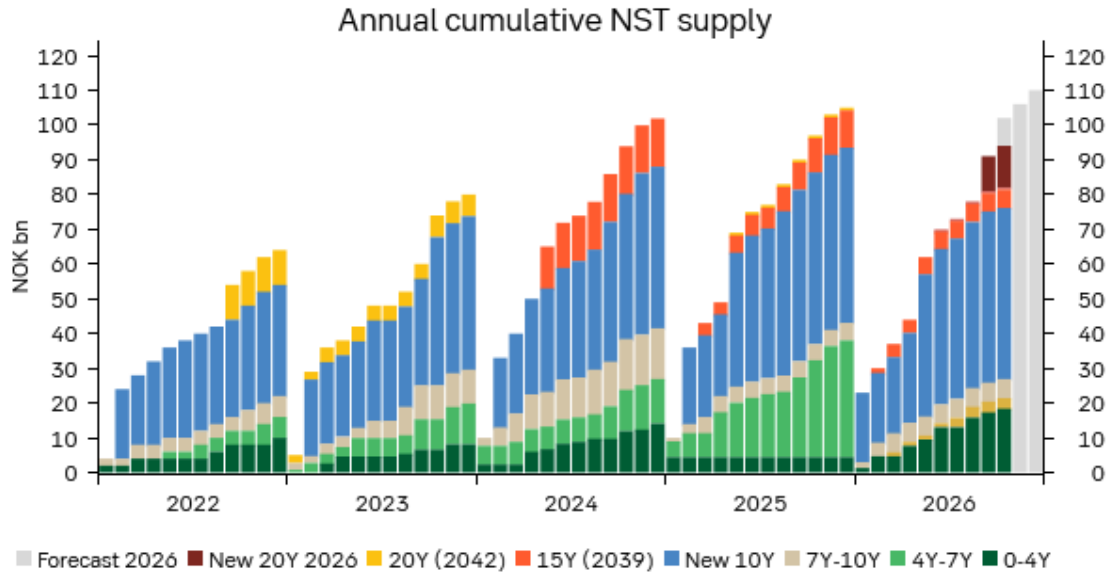
Note: Levels are of yesterday's close.



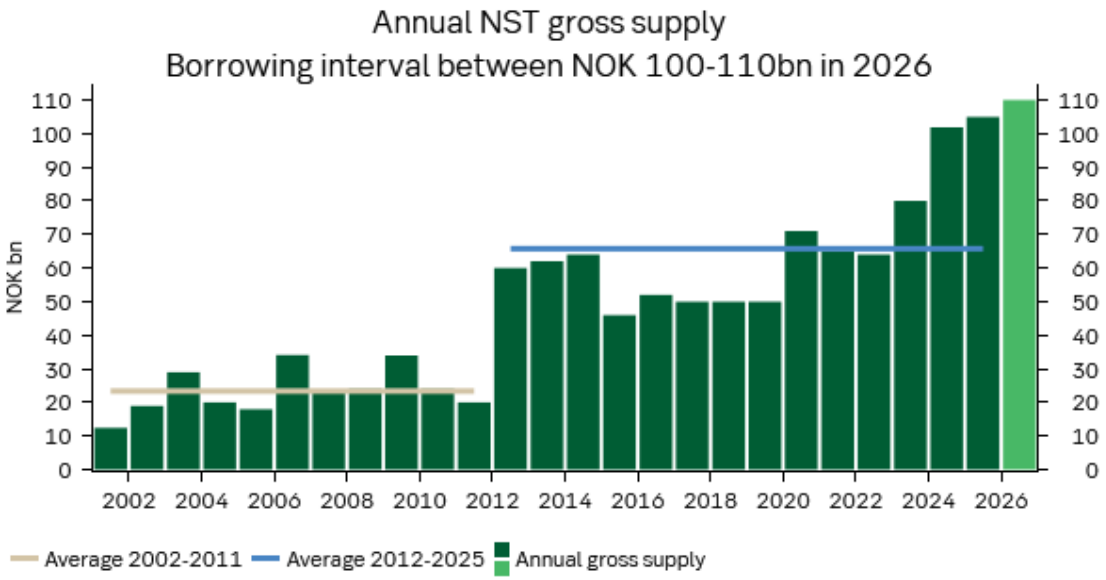
Source: Bloomberg, Macrobond, SEB



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