Market View
Economics and Strategy

NATIONAL BANK OF CANADA
CAPITAL MARKETS

July 2, 2026 – (Vol. X, No. 78)

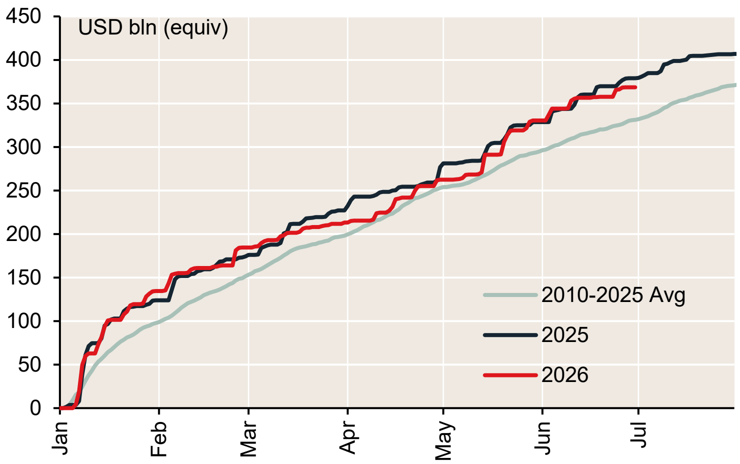
SSA supply at the half

By Ethan Currie

With the first half of the year complete, we use this chart-heavy *Market View* to examine issuance from our select universe of SSA names (constituent members are detailed on page 3), which has set a brisk pace in 2026. Similarly, we've recently highlighted first-half supply dynamics from our Canadian provincial and PSE issuers (**here** and **here**, for example). Despite one of the busiest issuance periods in the last decade—including record January and May deal volumes—spreads have continued to compress as robust investor demand has readily absorbed new bonds. With issuers well advanced on their announced funding targets, history points to a seasonal slowdown beginning this summer (with select benchmark issuance windows still likely to present themselves). Notwithstanding ongoing uncertainty in the macroeconomic / geopolitical backdrop, SSA fundamentals remain supportive of firm valuations: balance sheets are well capitalized, borrowing programs are progressing well, and investor demand continues to show signs of strength in primary and secondary (in part thanks to higher all-in yields). With demand for high quality product unlikely to be fully sated in the second half as supply moderates, we see scope for spreads to remain at notionally tighter levels.

Chart 1: Gross SSA supply tracking in line with last year

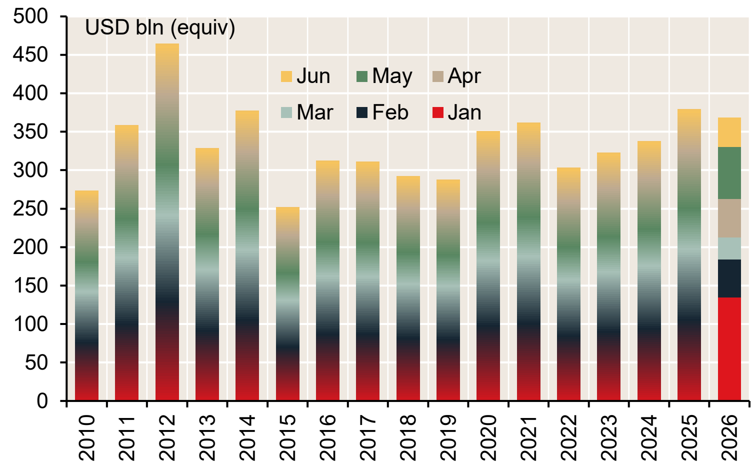
Gross SSA bond supply pacing (all currencies)



Source: NBC, Bloomberg | Note: 39 ticker aggregate (see page 3), 15Y Avg is 2011-2025

Chart 2: Biggest January and May of SSA supply on record

Gross SSA bond supply in first half of the calendar year (all currencies)

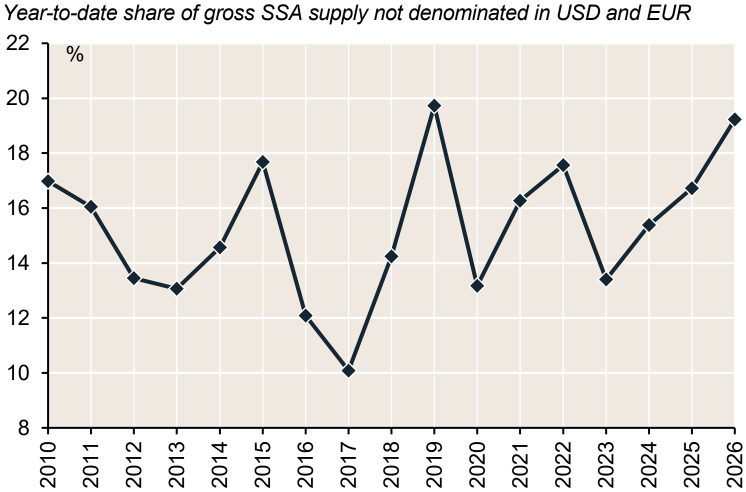


Source: NBC, Bloomberg | Note: 39 ticker aggregate; translated to USD on deal date FX

Bond supply from our select group of global SSA issuers (see contents note on page 3) maintained a brisk pace in the first half of the year, broadly in line with 2025's tally. Excluding 2025, YTD issuance is the highest since 2014. Within our post-GFC sample, January and May 2026 set record supply for their respective months, with both issuance waves accompanied by tighter spreads.

Chart 3: More issuance geared to non-core (again)

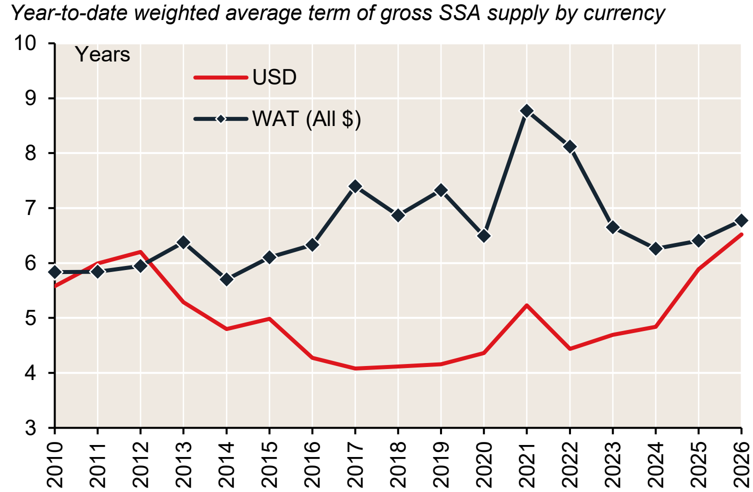
Year-to-date share of gross SSA supply not denominated in USD and EUR



Source: NBC, Bloomberg

Chart 4: Weighted term of issuance heads longer

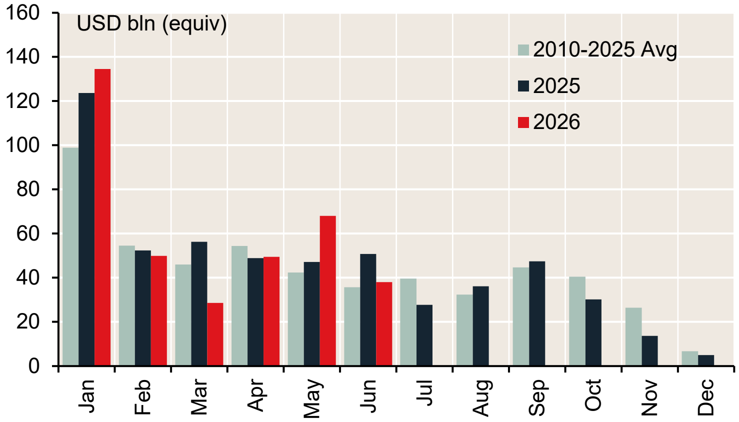
Year-to-date weighted average term of gross SSA supply by currency



Source: NBC, Bloomberg

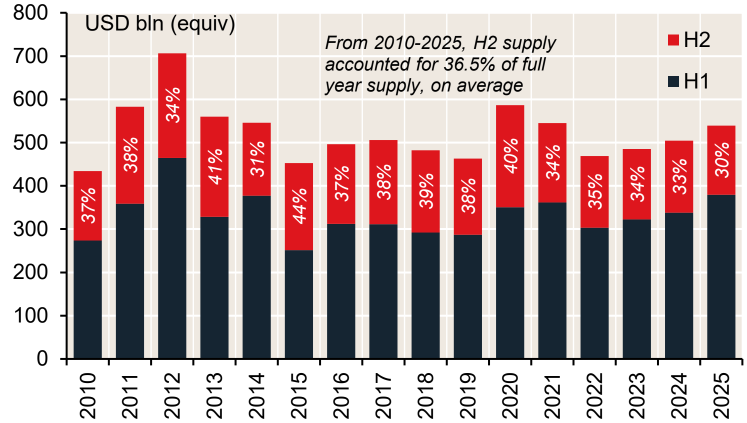
The bulk of issuance remains denominated in USD and EUR, though first-half supply has become progressively less concentrated in these core currencies (for a third consecutive year). Meantime, the YTD weighted average term of issuance has edged higher, driven by a notable extension in USD deals, where funding conditions and investor demand have continued to favour longer product.

Chart 5: Funding programs once again well advanced in H1…
Gross SSA bond supply by month: 2026, 2025, and LT average (all currencies)



Source: NBC, Bloomberg

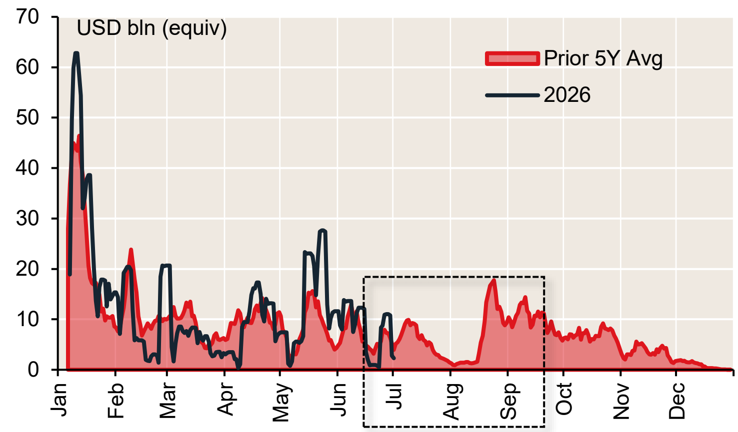
Chart 6: …with H2 supply decelerating in most (all) cases
Gross SSA bond supply by calendar year half



Source: NBC, Bloomberg | Note: Labels denote H2 supply as % of total year supply

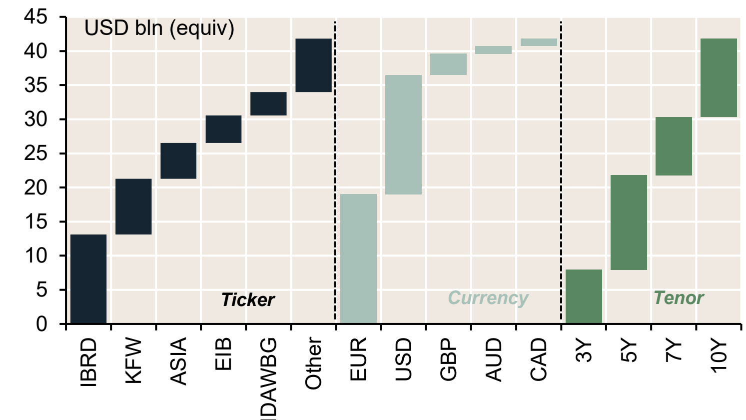
As usual, SSA issuance is front-loaded in the first half of the calendar year. Empirically, second half supply averages around 60% of January–June issuance, with recent years falling short of that share. With issuers once again well advanced on their funding targets, we expect supply to slow in H2. Core (USD, EUR) currencies remain in focus in H2, with no clear historical tendencies to note.

Chart 7: Expect summer slowdown (w/ select deal windows)
7D rolling gross SSA supply: 2026 and prior 5Y average (all currencies)



Source: NBC, Bloomberg

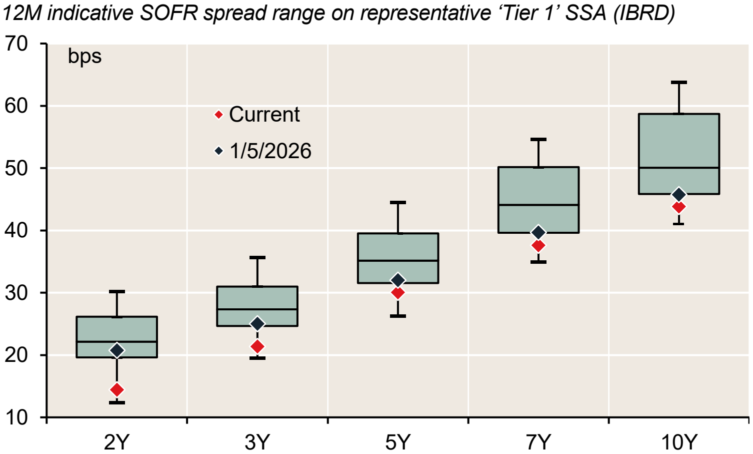
Chart 8: A reminder of last summer's benchmark supply
Gross SSA benchmark bond supply in Jul-Aug 2025 by issuer, currency, tenor



Source: NBC, Bloomberg | Note: Benchmark supply in this case are deals >=$1 bln USD equiv

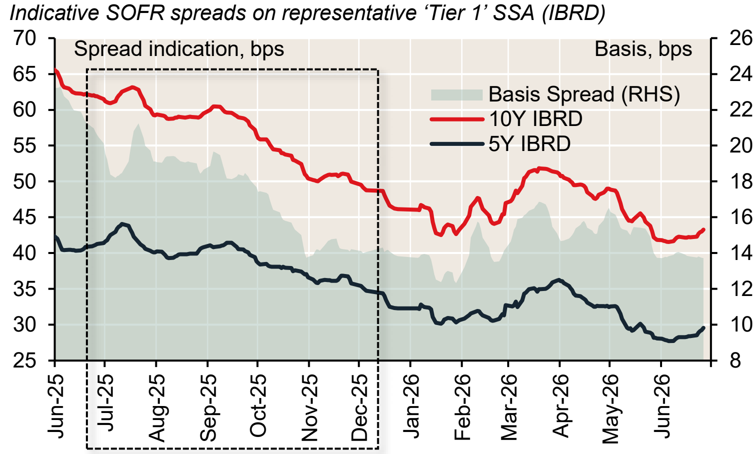
While currency trends offer little guidance, the seasonal issuance pattern is more consistent. A roughly four-week lull typically begins in mid-July before the primary market reopens through selective issuance windows, often led by larger benchmark transactions. World Bank issuance (IBRD, IDAWBG) has historically been prominent during this period as its fiscal year begins on July 1st.

Chart 9: Spreads are tighter YTD, but off their richest levels
12M indicative SOFR spread range on representative 'Tier 1' SSA (IBRD)



Source: NBC | Note: Box denotes 2nd and 3rd quartile, whiskers show full range over 12M

Chart 10: Valuations grinded tighter, flatter in H2:2025
Indicative SOFR spreads on representative 'Tier 1' SSA (IBRD)



Source: NBC | Note: 5-day smoothed indications

Spreads remain at notionally tight(er) levels and have compressed YTD despite a brisk supply pace. Last year, valuations firmed again and credit curves flattened as funding requirements closed in the second half. We see scope for a similar dynamic this year, with spreads remaining tight and potentially reaching fresh lows later this summer.

For additional SSA coverage, including mailing list access to our Market View reports, SSA Monitor, and SSA Fact Sheet, reach out to your Capital Markets representative at NBC.

Contents Note for SSA Reporting: For SSA / PSE / Provincial aggregate statistics on issuance and debt distribution, NBC Economics & Strategy uses a select list of issuers / deals, dependent on data availability and report timing. Gross supply figures are generated using Bloomberg's SRCH function (active + matured bonds), with inclusion criteria based on a list of tickers (hereafter, 'NBC's simplified defined XXX bond universe'). Deals are analyzed in the local currency and converted to USD equivalent (unless otherwise stated) using the prevailing FX conversion on the deal effective date. If / when referring to "benchmark" issuance, deals are filtered by minimum size requirements (>=$250MM in USD equivalent). If issuers are presented together in tables or visuals, they may be ordered or categorized in any or all of the following ways (which will also be noted): by Bloomberg associated ticker (alphabetical), by denomination of funding program (USD, EUR or other), by size of targeted issuance, by size of outstanding bond program, and / or by issuer classification (SSA, Canadian PSE, Canadian provincial). Unless otherwise stated, issuer classification statistics are not aggregated (i.e., 'SSA total gross bond supply' would refer to defined SSA ticker list and not include Canadian PSE / Canadian provincial issuers, nor would a filter be applied to benchmark sizes). If data presented as 'SSA + PSE + Provincial benchmark gross bond supply', the reader should interpret this as the aggregate of three defined bond universes, according to the benchmark filtering methodology outlined above). Other aggregates or parameters may be used, in which case they will be specifically defined in a note.

For questions on methodology or presentation, or more information / analysis, please contact the Economics & Strategy team at NBC.

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