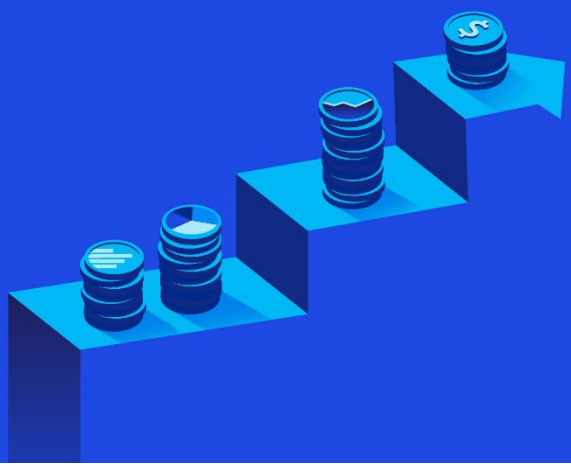
Debt market update

November 2026



OVERVIEW

The RBA Cash Rate has hit an 18-year high following the RBA increasing rates to 4.85% on 3 November 2026. The increase was largely anticipated by the market following high-than-anticipated inflation data in the weeks leading up the announcement.

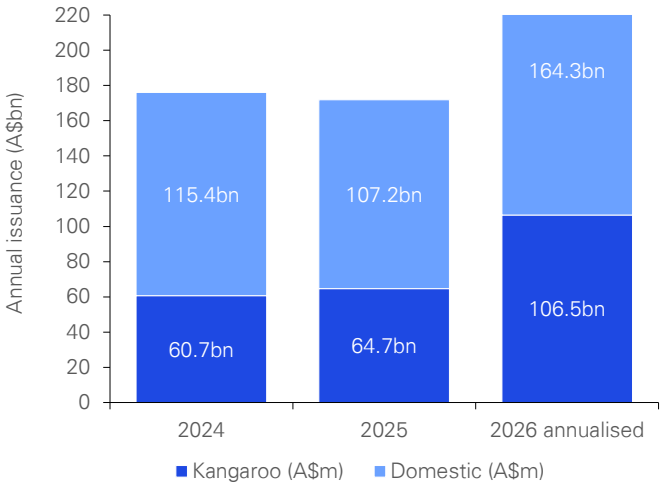
- As annual core inflation remains above target at 3.6%, the Reserve Bank of Australia raised the cash rate by a further 25 basis points in November to 4.85%, representing the fifth rate hike in 2026 and bringing the cash rate to its highest level in 18 years.
- The 10-year Australian Government Bond yield have also increased from ~5.09% at end-August to a 15-year high of 5.40% on 15 September, its highest since 2011. The move tracked a global sell-off in bonds driven by oil price volatility and the US Fed's first hike in three years with US 10-year yields now at ~5.24%.
- In the investment grade corporate market, BBB funding costs (~6.28% end-Oct-26) have recently spiked, driven by an ~15 bps increase in the cost of swaps, while BBB margins held range-bound at ~105-125 bps. Credit margins widened by ~10 bps over the month.
- Corporate issuance totaled A$28.0bn in Q3CY26, down 14% on the Q2 peak of A$32.7bn but still the second-strongest quarter of 2026 and 17% above Q1 (A$23.9bn). Year-to-date issuance reached A$84.7bn, highlighting solid market appetite despite yields hitting 15-year highs.
- Amazon is tipped to be the next tech hyperscaler to tap the Kangaroo market, with analysts pointing to a A$3-5bn deal that, at the top end, would come close to matching Alphabet's record A$5.5bn debut in August 2026.

Bathla Group Administration – Private Credit Redemption Gating

Sydney developer Bathla Group entered voluntary administration on 25 August 2026, owing ~A$3.4bn, including A$3.08bn to secured lenders. Its lender base comprised approximately 40–43 non-bank lenders, with individual positions ranging from A$1.5m to A$340m; PAG is the largest known lender at over A$300m. The collapse also triggered liquidity pressures across Australian private credit funds, including redemption limits.

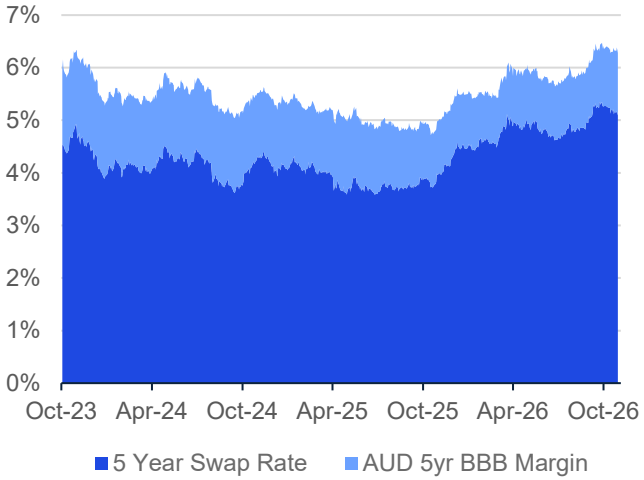
- **Centuria Bass**: paused redemptions and applications on two credit funds on 14 August.
- **CVS Lane**: suspended two funds in late August, with nine Bathla loans.
- **MA Financial**: capped monthly redemptions at 1% from 25 August, with no Bathla exposure.
- **Metrics:** (~A$40bn AUM, no Bathla exposure) suspended trading in three listed funds on 28 September and froze redemptions from underlying unlisted funds. NTA was marked down by 12.2%, 10.1% and 2.0%.

Kangaroo versus domestic bond issuance*



*Note: 2026 figures are annualised based on issuance through 8 October 2026.

5-year BBB Pricing (All-in Funding Cost) (bps)

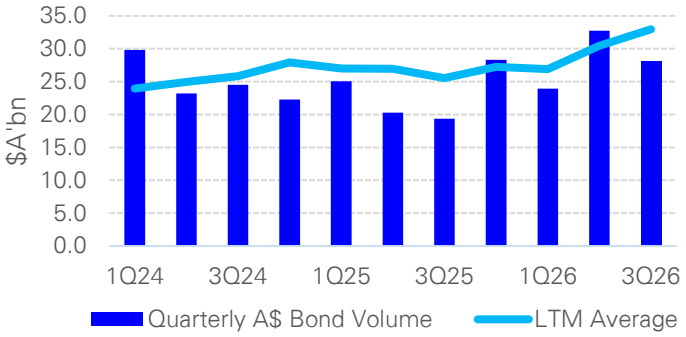


Sources: Bloomberg; Kanga News; AFR; Businesswire up to November 2026

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DEBT ISSUANCE AND COMMENTARY

Quarterly Australian Corporate Bond Issuance Volume

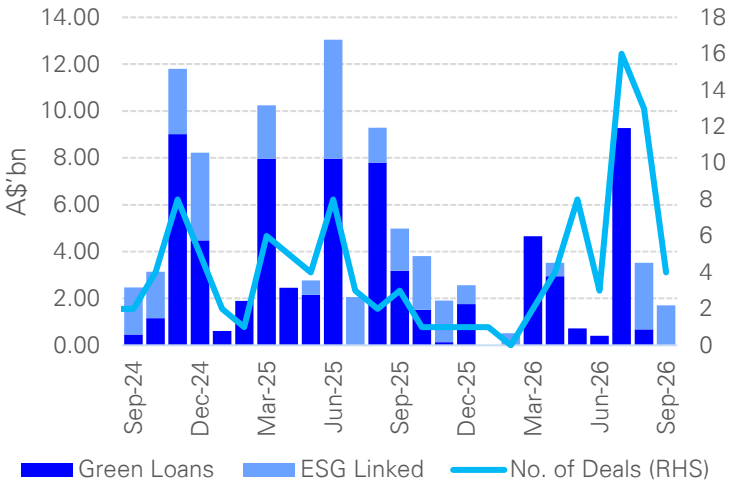


Notable Bond & Loan Issuances

Borrower	Bond / Loan	Date	Amount (A$m)	Tenor (yrs)	Margin (bps)
QPH Finance (Port of Brisbane)	B	30-Sep-26	300	7.25	138
Transgrid	B	23-Sep-26	500 450	10 30	155 180
Lottery Corp.	B	3-Sep-26	400 400	6 10	145 175

Borrower	Bond / Loan	Date	Amount (A$m)	Tenor (yrs)	Margin (bps)
Brisbane Airport Corp.	L	15-Sep-26	250 250 250 250	7 10 12 8	105 130 150 115
Ampol Ltd	L	10-Sep-26	300	7	130
oOh!media	L	24-Sep-26	100 100 420	5 5 5	325 325 325

Australian Green and ESG Linked Deal Volumes



Sources: LSEG/Loan Connector; RBA; Bloomberg; company releases up to September 2026

- 3QCY26 AUD corporate bond issuance of A$28.0bn is down 15% from a record 2QCY26 ($A32.7bn). Key transactions in 3QCY26 included:
  - **QPH Finance (BBB/stable)**: A$300m 7.25-year senior secured fixed-rate note at Semi-Quarterly Asset Swap (SQ ASW) +138bps (6.508% all-in), priced at 99.941.
  - **Transgrid (BBB/Stable):** A$950m dual-tranche deal, comprising a A$500m 10-year senior secured fixed-rate note at SQ ASW +155bps (6.704% all-in) and a A$450m 30-year non-call 5 (30NC5) subordinated floating-rate note at 3m BBSW +180bps.
  - **The Lottery Corporation (BBB+/Stable)**: A$800m dual-tranche senior unsecured fixed-rate AMTN, split into a A$400m 6-year at SQ ASW +145bps (6.326% all-in) and a A$400m 10-year at SQ ASW +175bps (6.825% all-in). Proceeds go to general corporate purposes, including funding the Victorian Public Lottery Licence extension
- September saw material syndicated loan activity, spanning infrastructure, M&A financing, and corporate refinancing.
  - **Brisbane Airport Corp** launched a A$1bn four-tranche loan (7-12 years) at 105-150bps, coming just 15 months after its previous borrowing. Proceeds go to general corporate purposes and to refinance two loans raised last year.
  - **Ampol** is in market with a A$300m 7-year loan at 130bps. Proceeds partially refinance the bank facilities that funded its A$1.1bn acquisition of EG Group Australia, following a A$400m private credit deal in July.
  - **oOh!media** secured a A$620m three-tranche 5-year loan at 325bps to fund I Squared Capital's acquisition of the outdoor advertising company. The A$1.70-per-share offer values oOh!media at ~A$898m on an equity basis (A$1.04bn including debt).
- While green loans reached new highs for 2026, sustainable loan issuances remained subdued relative to the peaks observed mid-2025. Nonetheless, some notable issuances in 3QCY26:
  - **Keyton Retirement Villages - Green Loan:** A$1.3bn debt facilities upsized with a significant green loan tranche, believed to be a first for Australian retirement living. Proceeds support all new developments meeting NatHERS 7.5 or Green Star 5-star standards, plus energy-efficiency retrofits across the existing portfolio.
  - **Frontier Energy - Project Finance:** Up to A$280m of credit-approved debt from Natixis CIB and SMBC to fund Phase 1 of the Waroona solar-plus-storage project in WA: 132MW of solar and an 81.5MW battery, the first stage of a ~1GW build.

Sources: Capital IQ – Credit Research up to September 2026

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