Government debt

Taking the ultra-long view

Economist.com

"…In some countries, such as Britain, interest rates on long-term debt are not much higher—or are even lower—than on shorter-term borrowing. For them, borrowing at ultra-long maturities is likely to be cheaper than medium-term debt, so it makes sense to replace some mid-length bonds with ultra-long ones, says Niso Abuaf of Samuel A. Ramirez & Company, a New York brokerage. This helps to explain why the WAM of British sovereign debt is unusually long, at 14.9 years (see chart)."