

Euro Rates Update

Nordea Research, 05 January 2016

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US Treasury Yields				
	2Y	5Y	10Y	30Y
	1.03	1.71	2.22	2.97
Δ 1D	-7.2	-10.4	-10.1	-9.5
Δ 1W	6.8	3.6	1.8	4.5

German Benchmark Yields				
	2Y	5Y	10Y	30Y
	-0.36	-0.08	0.57	1.41
Δ 1D	-1.6	-3.4	-5.0	-6.1
Δ 1W	0.1	1.7	1.6	9.5

German Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-28.2	-64.5	-92.8	-84.4
Δ 1D	-1.8	-1.6	-3.3	-1.1
Δ 1W	1.7	-0.1	1.6	7.9

EUR Swap Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-34.3	-64.2	-98.5	-61.6
Δ 1D	-2.3	-2.2	-4.5	0.4
Δ 1W	-2.1	-0.9	-3.0	1.3

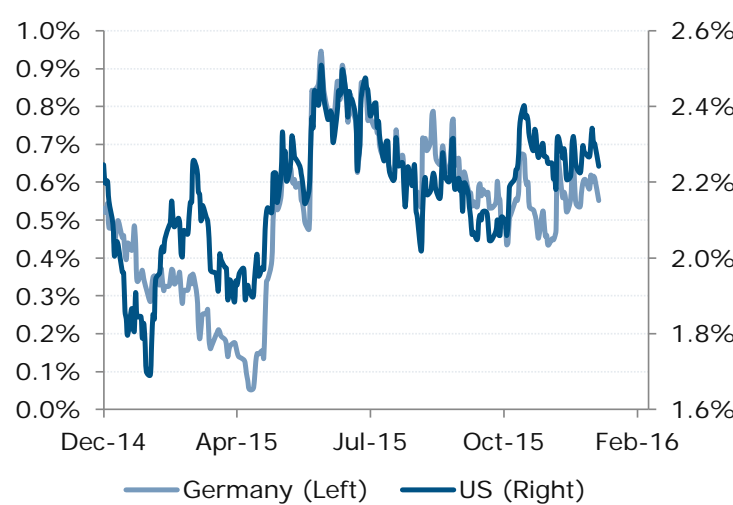
German Asset Swap Levels				
	2Y	5Y	10Y	30Y
	-30.3	-33.6	-31.6	-11.0
Δ 1D	-30.3	-33.6	-31.6	-11.0
Δ 1W	-30.3	-33.6	-31.6	-11.0

10Y Benchmark Yields				
	Yield	Δ 1D	Spread	Δ 1D
GER	0.570	-5.0	-	-
FRA	0.936	-4.3	32.9	0.8
ITA	1.547	-6.7	93.8	-1.5
ESP	1.718	-6.6	112.1	-1.4
BEL	0.912	-4.7	36.6	0.4
HOL	0.737	-4.7	18.1	0.5
AUT	0.844	-4.4	25.1	0.7
GRE	7.362	-6.0	686.1	-0.8
POR	2.523	0.5	193.2	5.6
FIN	0.861	-5.0	28.1	0.2
IRL	1.107	-3.0	60.0	2.2

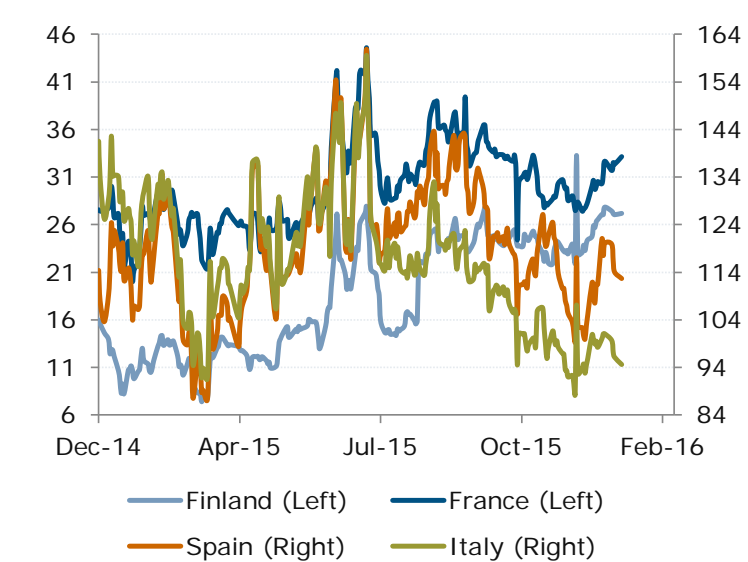
Spread = Maturity interpolated spread to German government par yield curve

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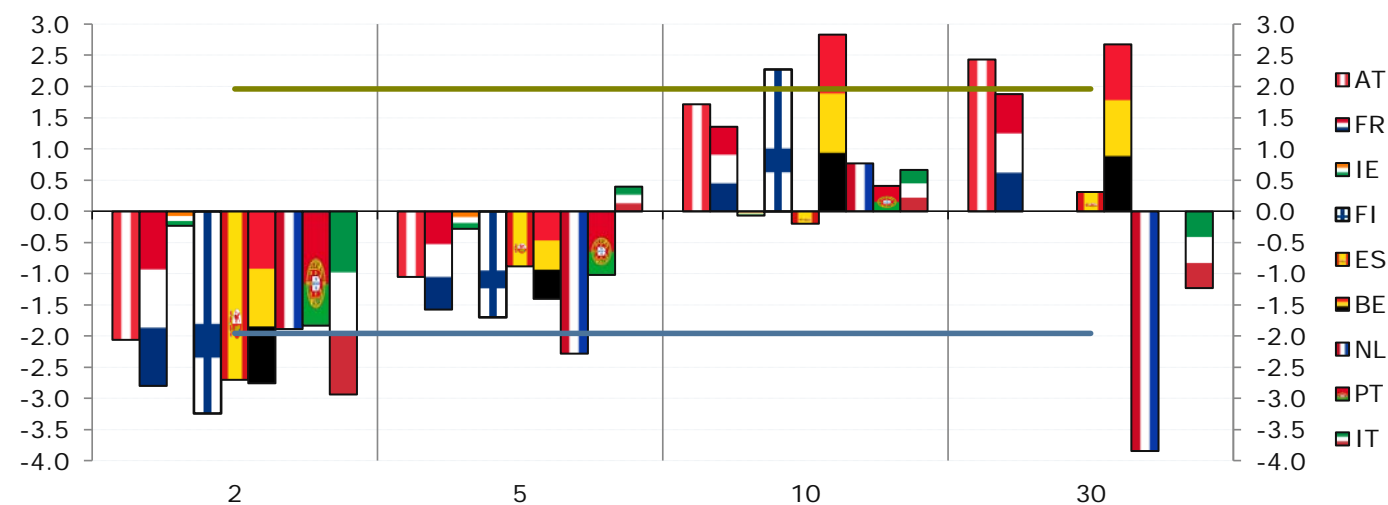
German & US 10-year benchmark yields, %



10 year spreads against Germany, bp



Z-scores of benchmark vs. Germany



Upcoming Issuance (source: Bloomberg)						
Date		Country	Coupon		Maturity	Amount (EURbn)
07 Jan		FR				
11 Jan		LN				
12 Jan		AS				
13 Jan		IT				

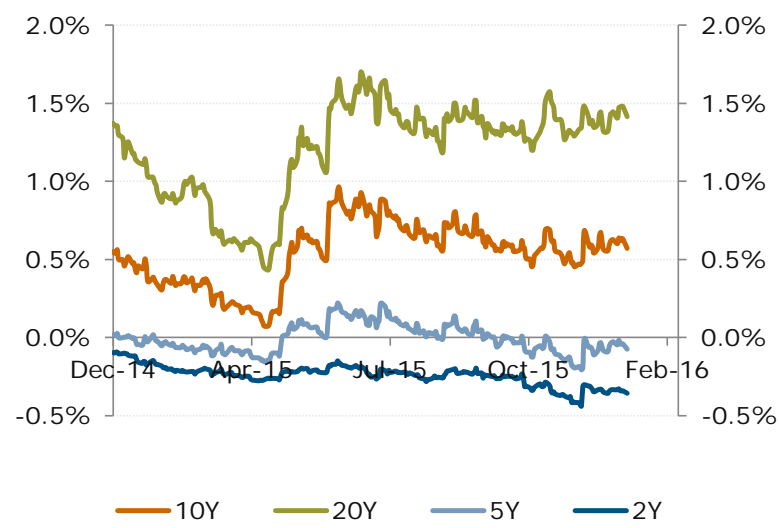
All bond quotes are taken at 16:15 CET.

Bond Yields & Curves

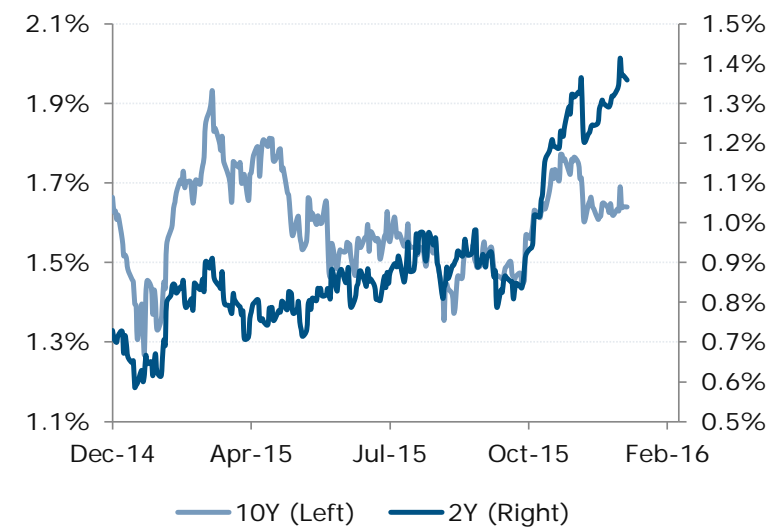
Yield Levels

German & US benchmark bonds on-the-run Nordea Analytics benchmarks.

German benchmark bond yields, %



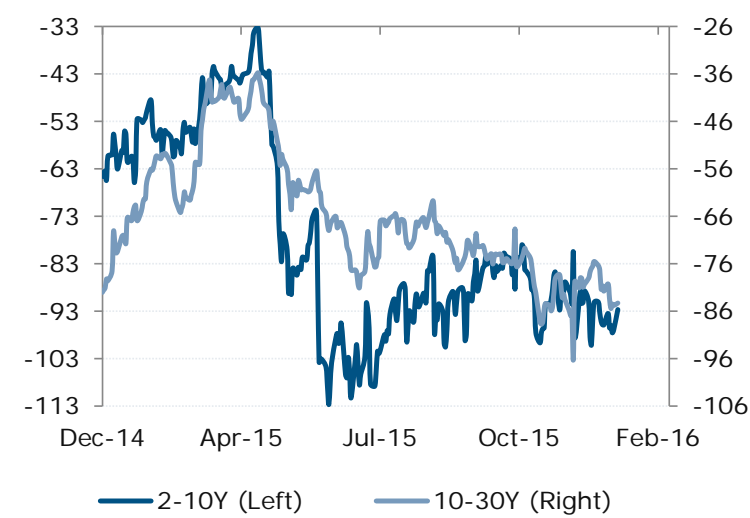
USA-Germany spreads, annualized yields, %



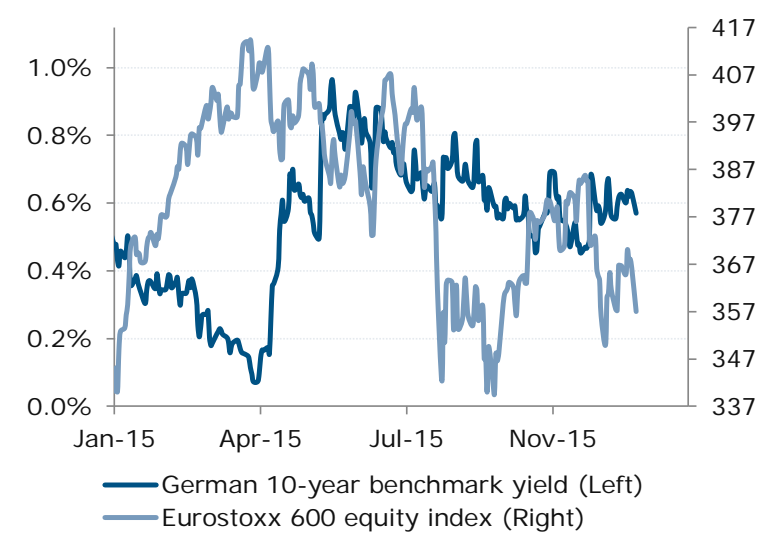
Bond Curve Shape

German curve slopes are yield spreads between Nordea Analytics benchmark bonds.

German yield curve slopes, bp



Bonds vs. equities



Swaps and Forwards

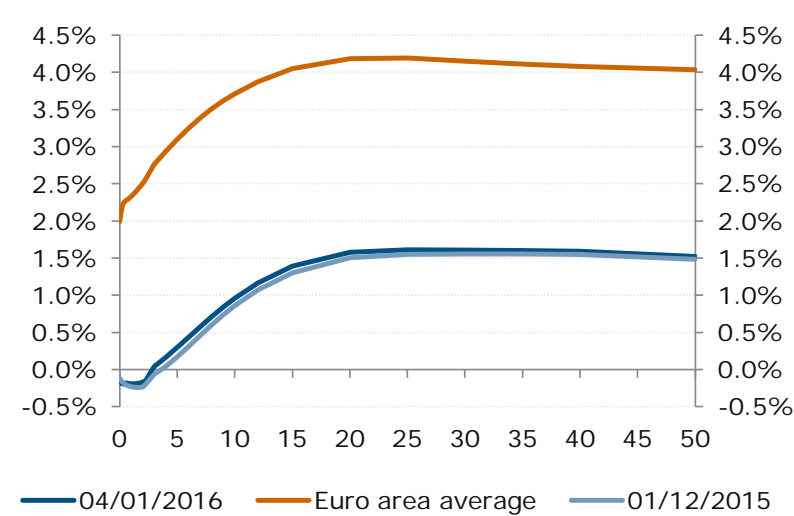
EUR swap rates and implied forwards, %



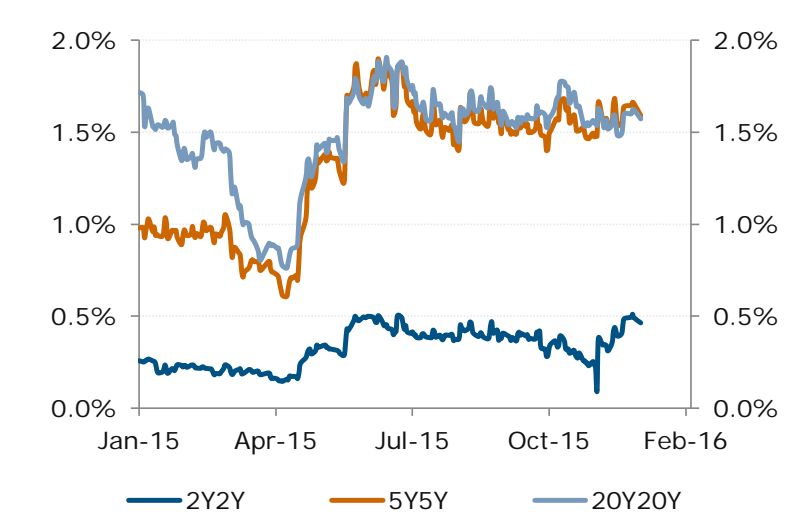
EUR-USD spreads and implied forwards, %



EUR swap curve shape vs. historical



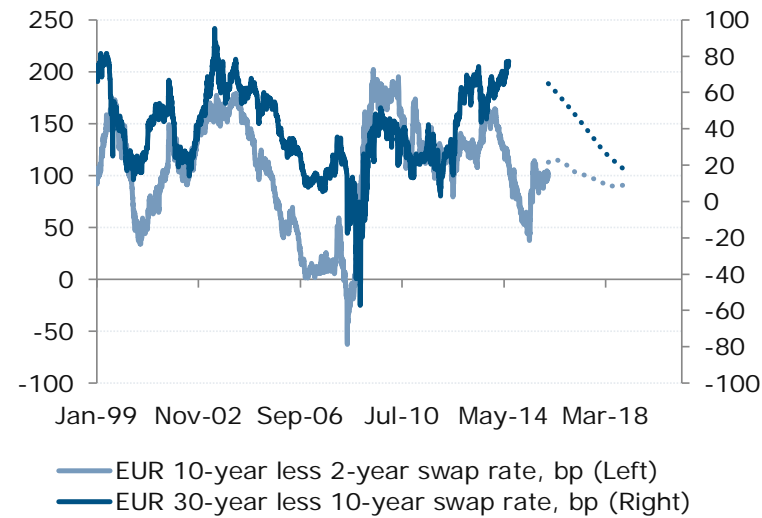
Historical forward rates, %



E.g. 2Y2Y swap rate illustrates the rate of a 2-year swap with a 2-year forward start.

5Y pick-up over a duration and cash neutral 2-10Y EUR swap barbell.

EUR swap curve slopes and forwards



Curvature (EUR swap curve)

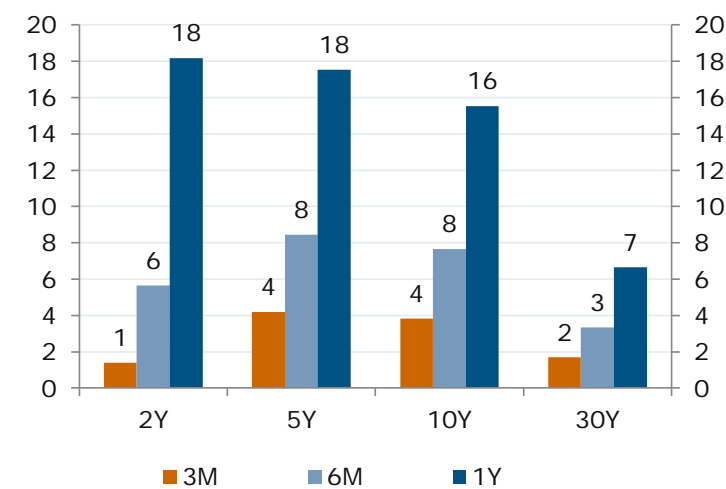


Carry

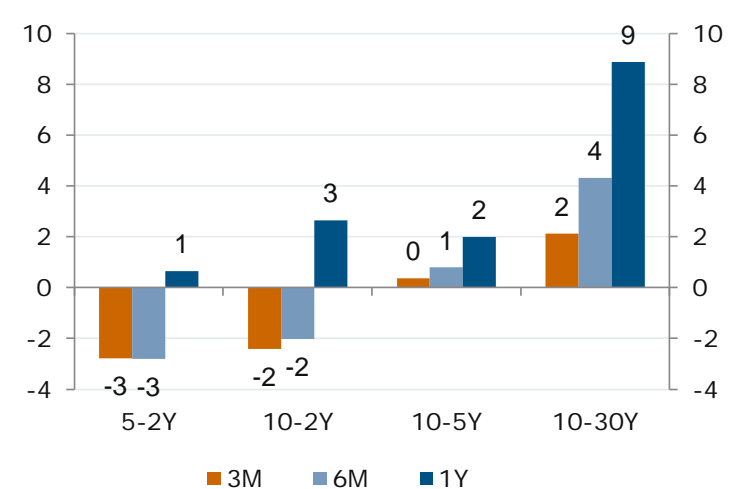
The carry on the given horizon illustrates how much the spot swap rate may rise for a receiver swap position in a forward-starting swap to result in zero profit.

Yield buffers for steepeners tell how much the curve may flatten in order to result in a zero-profit in a forward starting steepener position.

Yield buffers for forward-starting swaps, bp



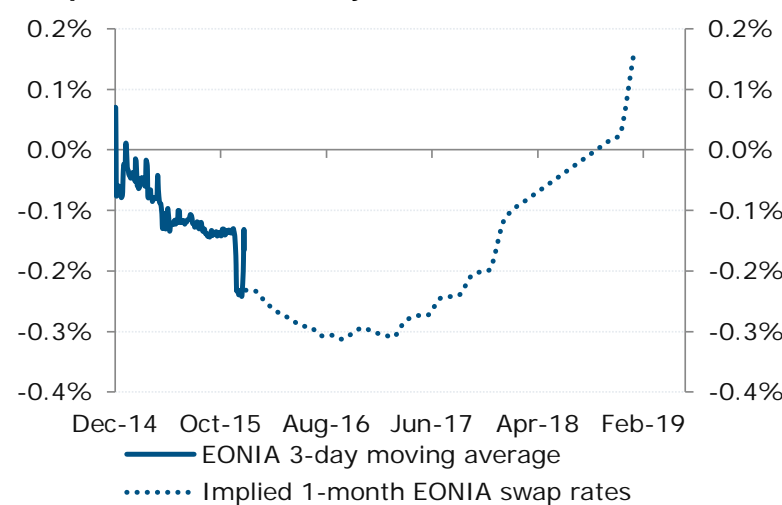
Yield buffers for duration-neutral steepeners, bp



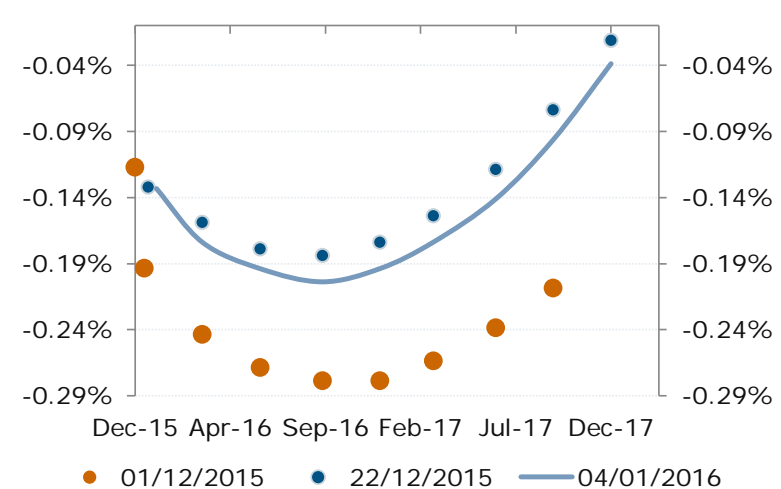
Money Market Rates

The EONIA (Euro Overnight Index - Average) rate is the effective overnight reference rate for the euro.

Expectations and history for EONIA



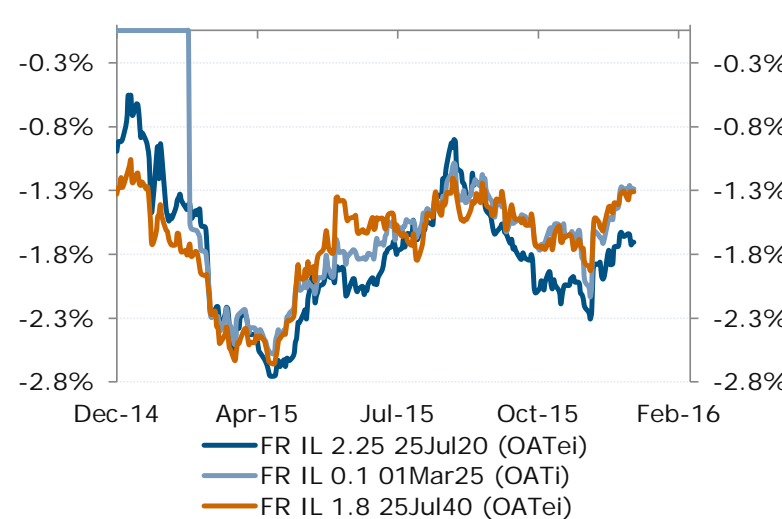
Euribor futures curve, now, 1 wk & 1M ago



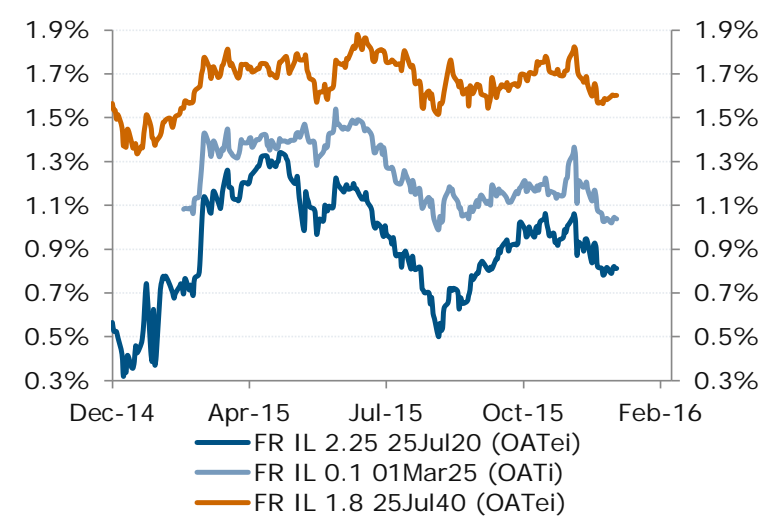
Inflation-linked Bonds

Break-even inflation calculated as a yield spread to a nominal comparable bond.

Real yields, %



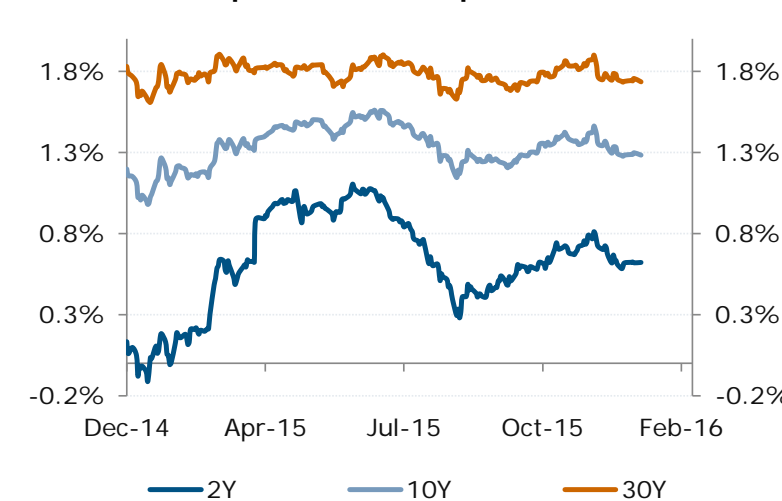
Break-even inflation history, %



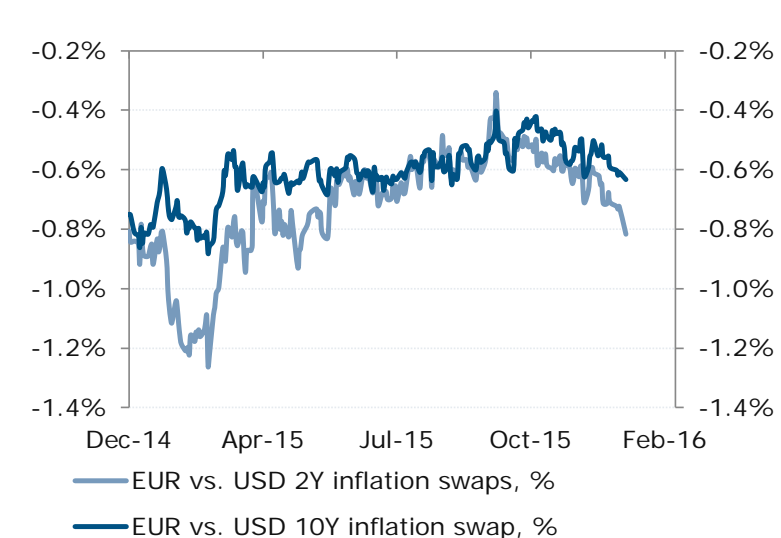
Inflation Swaps

A zero-coupon inflation swap is a derivative contract, in which one party pays a fixed rate (the break-even inflation rate) and the other party pays a floating rate based on realized inflation. The zero-coupon inflation swap illustrates the average expected inflation rate during the life of the swap.

EUR zero-coupon inflation swaps



EUR vs. USD inflation swaps



Credit & Money Market Spreads

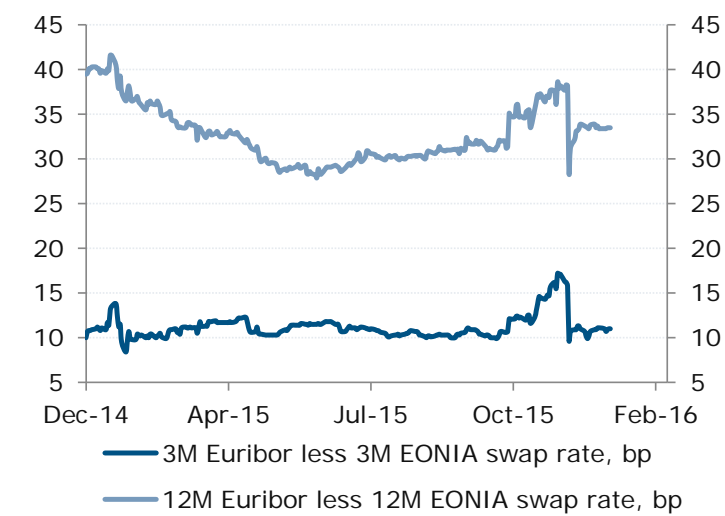
Credit default swap indices illustrate the annual cost of buying protection against a credit event of a company. iTraxx® Europe is comprised of the 125 most liquid CDS contracts referencing European investment grade credits, iTraxx® Crossover of 50 sub-investment grade credits.

The spread between Euribor and EONIA swap rate illustrates the money market credit risk premium, i.e. the difference between Euribor rates and the expected future ECB minimum bid rate.

iTraxx® credit default swap spreads



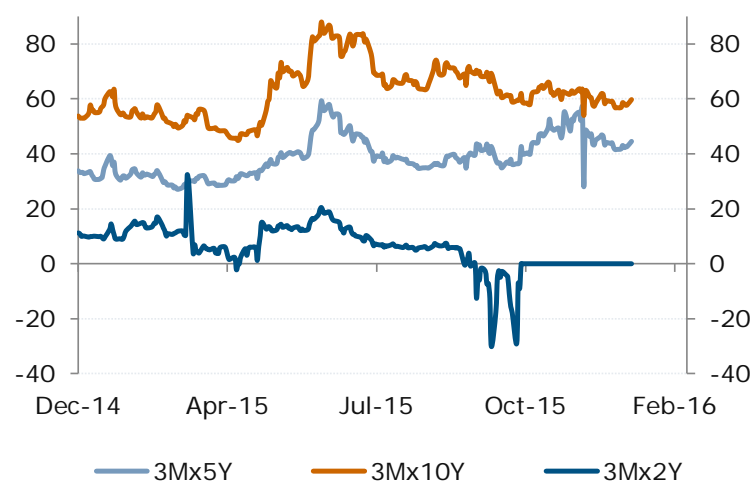
Money market rates vs. EONIA swap rates



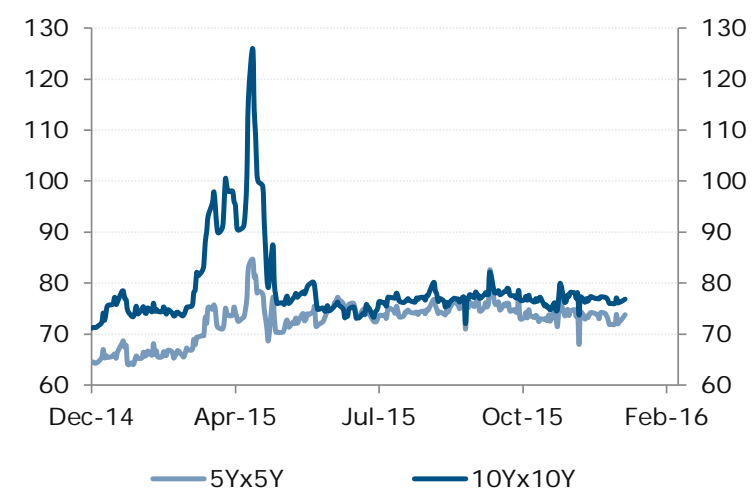
Swaption Volatilities

ATMF (At The Money Forward) swaption bp vol measures the normalized volatility, i.e. the absolute changes in the forward rate in basis points.

Short-dated ATMF swaption bp vol



Long-dated ATMF swaption bp vol

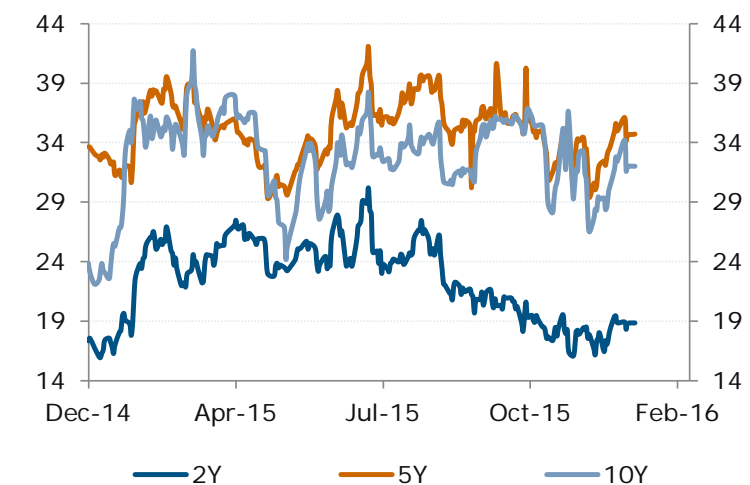


Swap & Cross-country Spreads

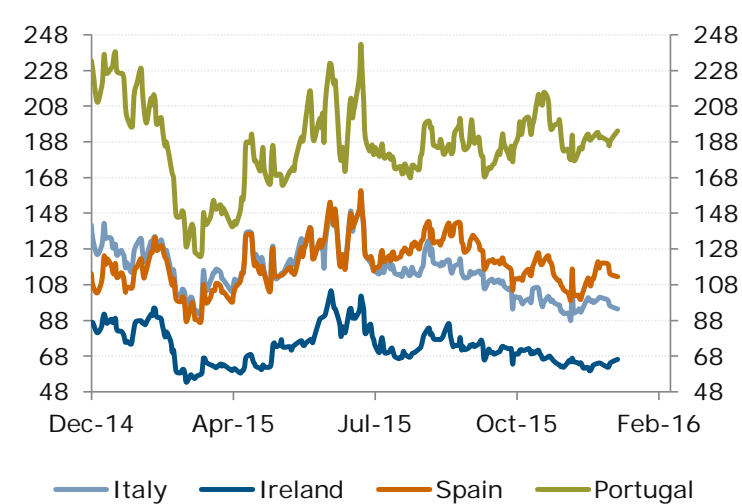
Swap spread:
Benchmark bond's spread to EUR swap curve.

10Y country spreads are maturity interpolated spreads against the German government curve.

German swap spreads, bp



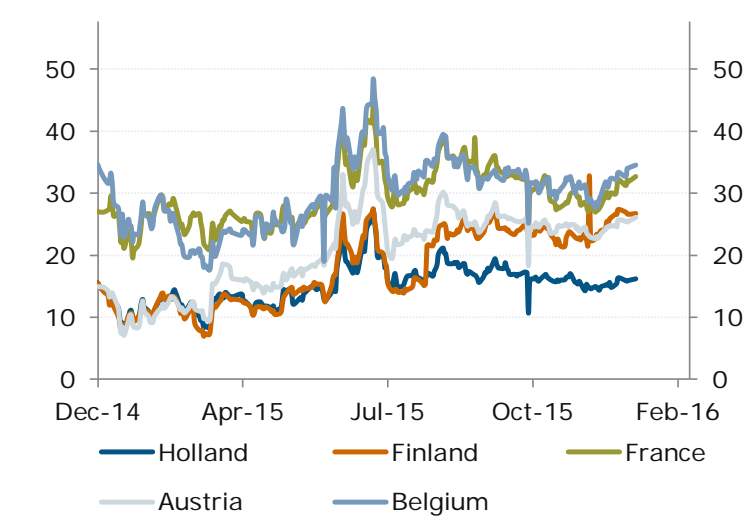
10Y non-AAA spreads against Germany, bp



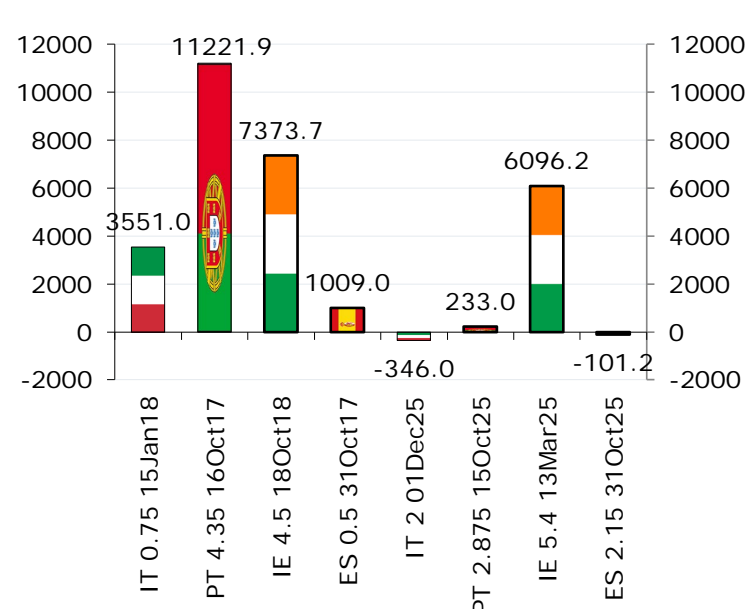
1Y break-even spread changes indicate how much a bond's spread against an equivalent bond trading on the German curve may widen in order to give the same return in one year.

The break-even spread change is based on the spread against the following two German benchmark bonds:
DE TB 15Dec17
DE 1 15Aug25

10Y AAA/AA+ spreads to Germany, bp



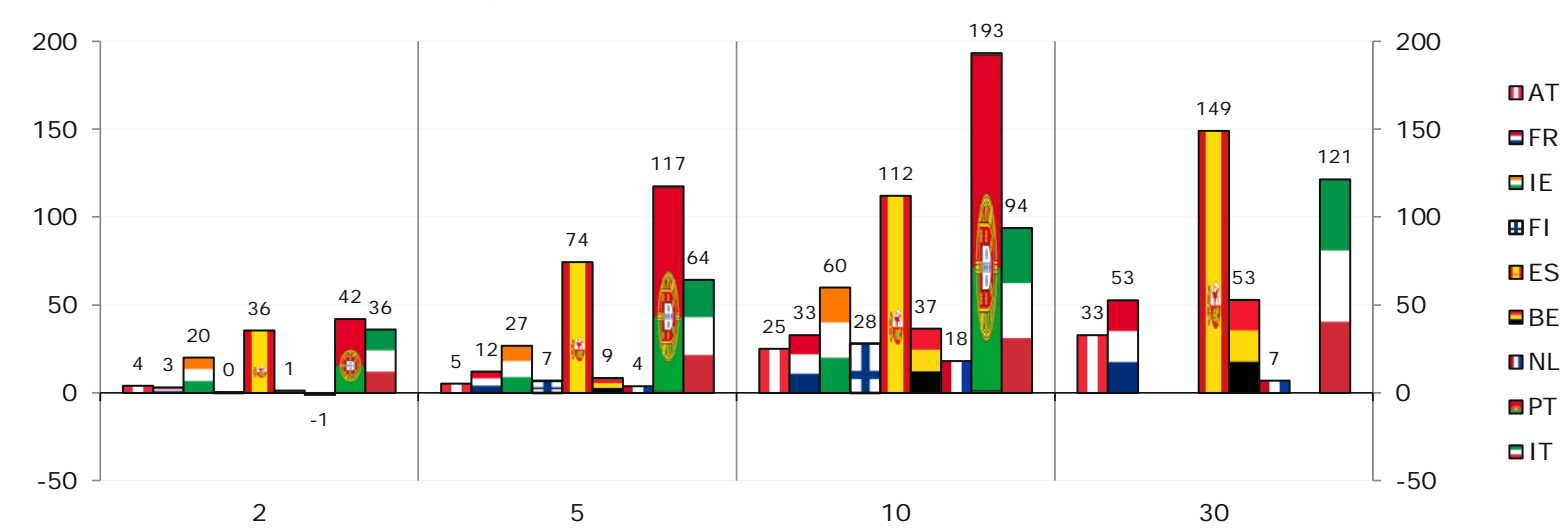
1Y B/E spread changes against Germany, bp



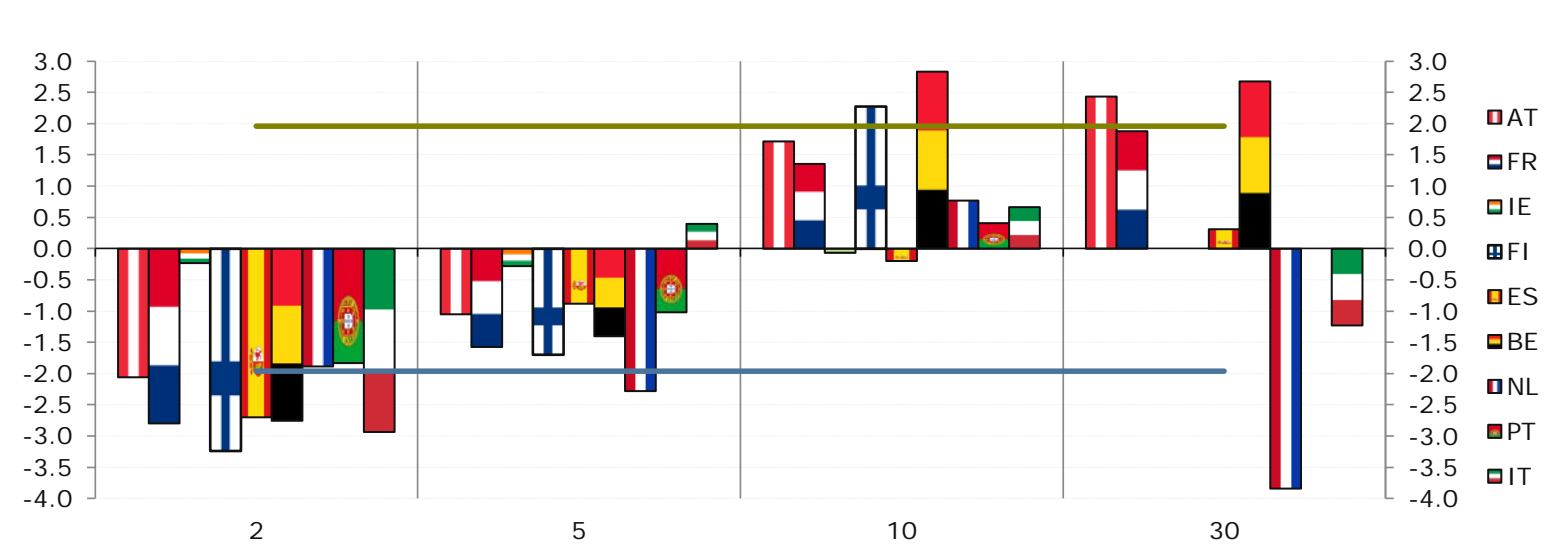


Country Relative Value

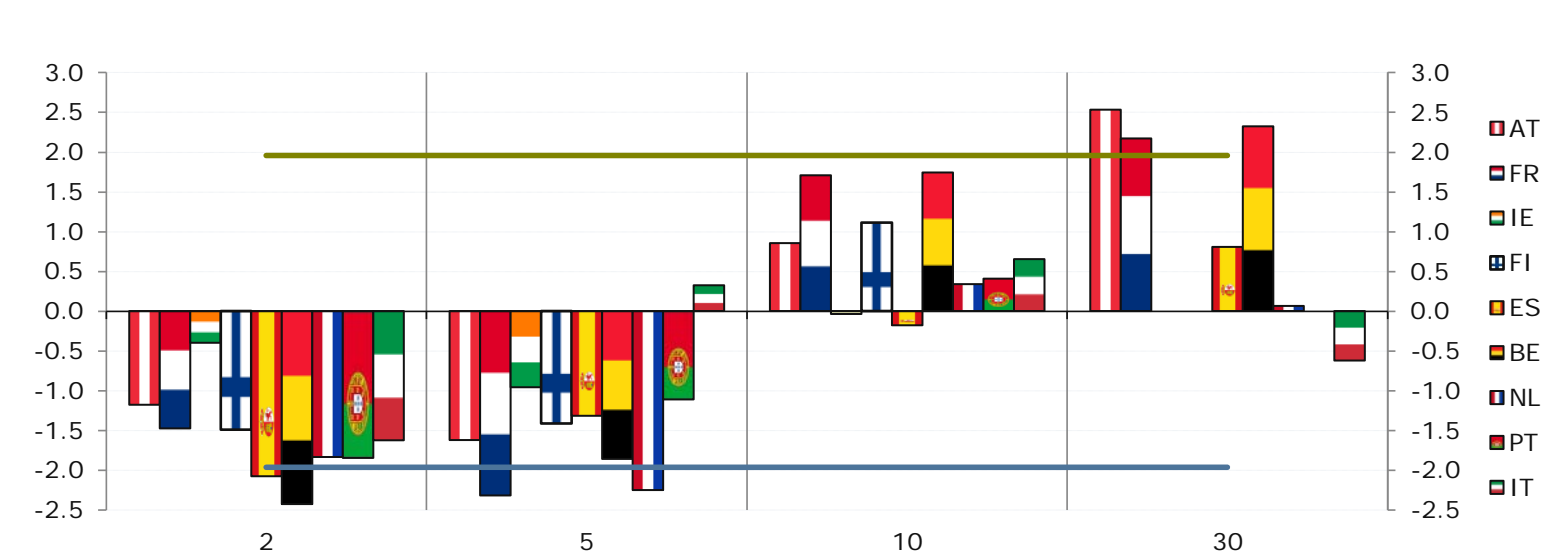
Benchmark spreads over the maturity-interpolated German par curve, bp



Z-scores of benchmark vs. Germany



Z-scores of benchmark vs. swap curve



The richest and cheapest benchmark bonds against Germany and the swap curve by sectors:

Against German Curve						Against Swap Curve				
	Issue	Maturity	Coupon	Spread	Z-score	Issue	Maturity	Coupon	Spread	Z-score
2Y: Rich	FI	15 Sep 17	3.875	0.3	-3.09	IT	15 Jan 18	0.750	5.6	-3.14
	KfW	18 Mar 19	0.875	15.4	2.63	KfW	18 Mar 19	0.875	-19.0	1.11
5Y: Rich	NL	15 Jan 20	0.250	5.2	-2.20	BE	28 Sep 19	3.000	-27.3	-2.64
	DE	16 Oct 20	0.250	-12.1	1.52	KfW	15 Jan 21	1.625	-22.2	1.22
7Y: Rich	FI	15 Sep 22	1.625	11.3	-2.17	FI	15 Sep 22	1.625	-25.6	-2.36
	BE	22 Jun 24	2.600	31.1	2.70	BE	22 Jun 23	2.250	-7.1	1.64
10Y: Rich	DE	15 Feb 25	0.500	-30.2	-1.52	IT	01 Dec 24	2.500	64.7	-1.88
	BE	28 Mar 26	4.500	31.4	2.81	BE	28 Mar 26	4.500	11.2	1.91
15Y: Rich	DE	04 Jan 37	4.000	-56.5	-1.68	IT	01 May 31	6.000	105.7	-1.86
	BE	22 Jun 31	1.000	47.7	2.34	FR	25 Apr 35	4.750	36.5	2.62
20Y: Rich	NL	15 Jan 47	2.750	7.0	-3.44	IT	01 Sep 46	3.250	118.5	-0.83
	BE	22 Jun 45	3.750	52.9	2.58	BE	22 Jun 45	3.750	58.7	2.51

To exploit the historical cheapness/ richness of bonds, we calculate 60-day z-scores:

Current spread - 60-day average
standard deviation

Bond is

- rich if z-score < -1.96
- cheap if z-score > 1.96

We evaluate bonds included in the country specific tables below. Bonds are ranked by z-scores.



	15	16	17
GDP, %, y/y	1.5	1.5	2.0
Public balance	0.4	0.2	0.2
Debt/GDP	74.2	71.9	68.9

Source: European Commission, Winter 2015 forecast

Rating	Aaa/AAA/AAA
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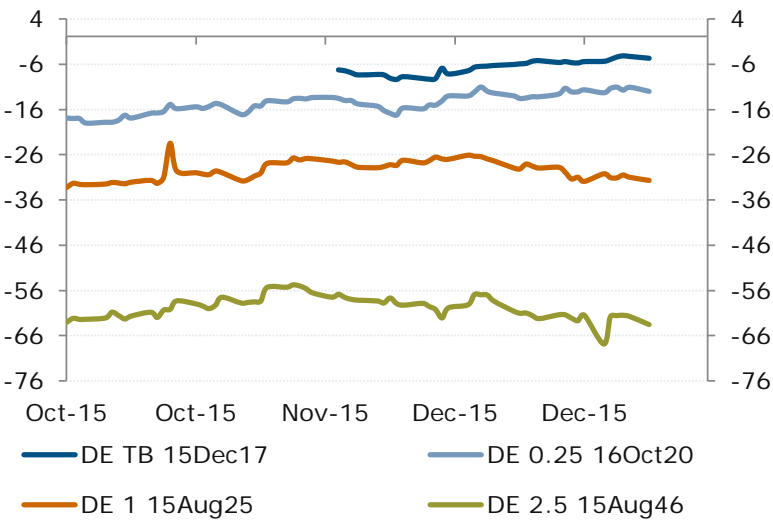
Moody's / S&P / Fitch

Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the French curve.

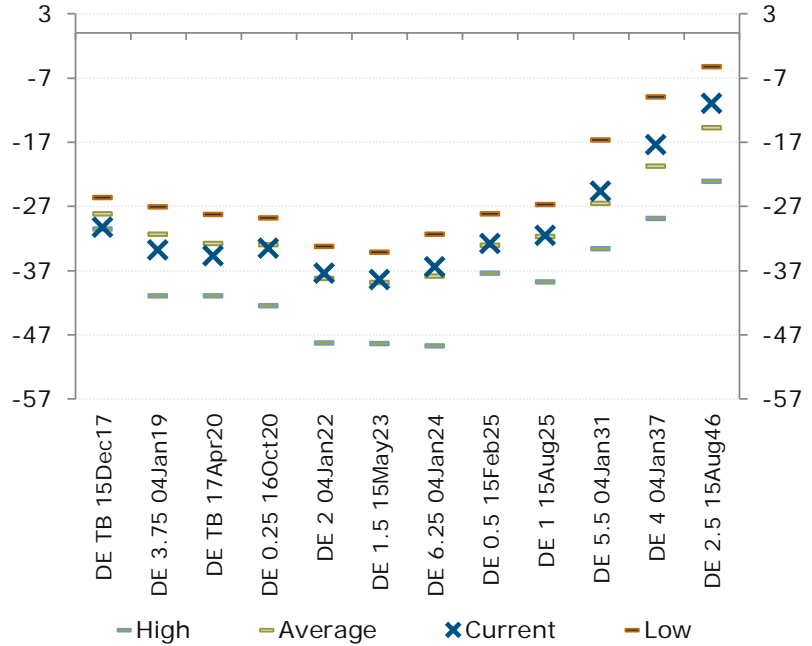
Germany

Benchmark Bonds				Spread vs. France				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	04-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	04-Jan	60D Avg.	Z-score
0.000	15 Dec 17	8.0B	-0.357	-4.8	-7.1	1.62	2.4	-30.3	-28.2	-1.74
3.750	04 Jan 19	24.0B	-0.299	-9.4	-10.4	1.01	54.0	-33.8	-31.4	-1.31
0.000	17 Apr 20	20.0B	-0.153	-12.9	-14.0	0.74	1.4	-34.7	-32.8	-0.92
0.250	16 Oct 20	19.0B	-0.075	-12.1	-14.9	1.52	2.8	-33.6	-33.0	-0.31
2.000	04 Jan 22	20.0B	0.047	-19.2	-22.0	1.41	13.0	-37.5	-38.2	0.36
1.500	15 May 23	18.0B	0.221	-26.9	-26.6	-0.29	8.3	-38.4	-38.9	0.21
6.250	04 Jan 24	10.25B	0.295	-31.4	-31.0	-0.24	30.0	-36.5	-37.9	0.39
0.500	15 Feb 25	23.0B	0.509	-30.2	-27.4	-1.52	2.2	-32.8	-33.1	0.11
1.000	15 Aug 25	23.0B	0.570	-31.8	-29.3	-1.34	3.7	-31.6	-31.7	0.08
5.500	04 Jan 31	17.0B	0.991	-48.0	-44.7	-1.44	14.5	-24.6	-26.6	0.57
4.000	04 Jan 37	23.0B	1.274	-56.5	-52.9	-1.68	7.7	-17.5	-20.8	0.95
2.500	15 Aug 46	13.0B	1.414	-63.7	-59.7	-1.99	1.8	-11.0	-14.8	1.12

Spreads against the French curve, bp



Asset swap term structure, bp



	15	16	17
GDP, %, y/y	0.4	1.0	1.8
Public balance	-4.3	-4.1	-4.1
Debt/GDP	95.3	97.1	98.2

Source: European Commission, Winter 2015 forecast

Rating	Aa1/AA/AA
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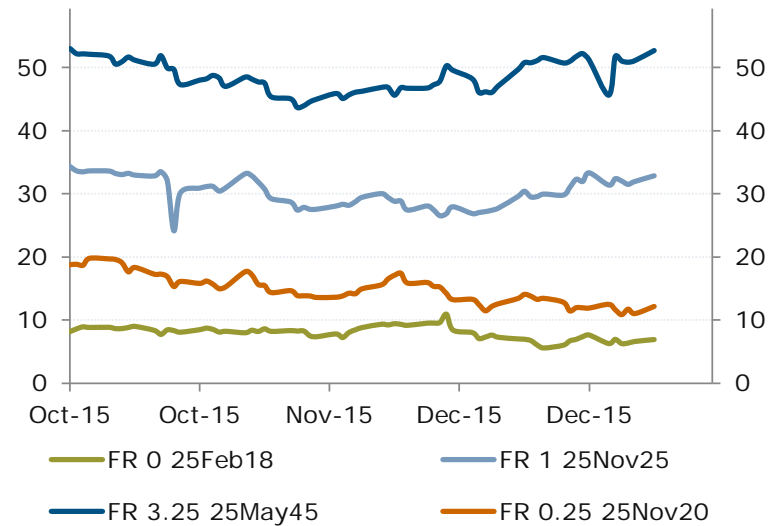
Moody's / S&P / Fitch

Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

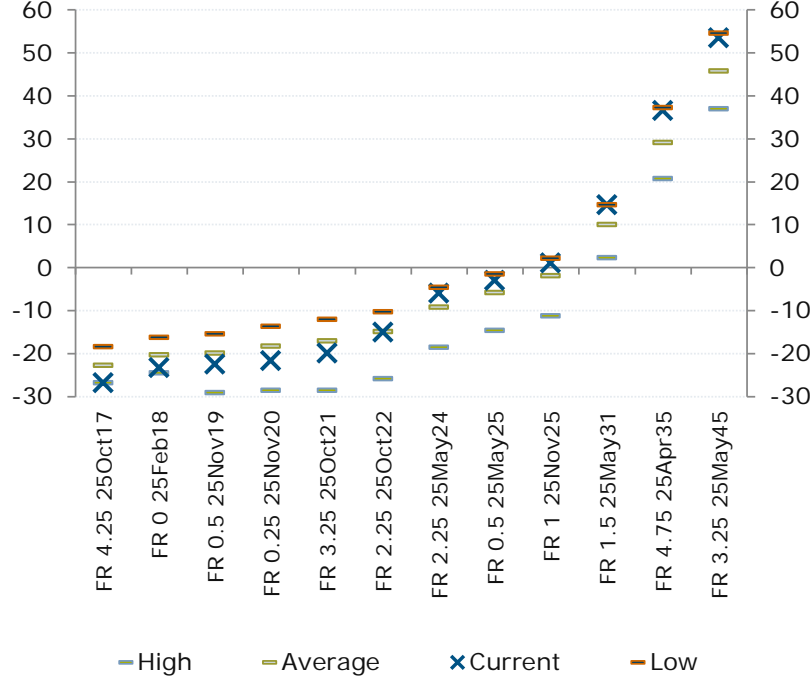
France

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	04-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	04-Jan	60D Avg.	Z-score
4.250	25 Oct 17	34.75B	-0.326	3.2	5.6	-2.63	422.9	-26.8	-22.9	-2.22
0.000	25 Feb 18	20.02B	-0.278	6.9	8.1	-1.40	2.5	-23.4	-20.4	-2.00
0.500	25 Nov 19	26.98B	-0.082	12.6	13.2	-0.58	11.9	-22.5	-20.0	-1.87
0.250	25 Nov 20	11.99B	0.059	12.2	15.1	-1.52	4.7	-21.7	-18.4	-2.00
3.250	25 Oct 21	39.98B	0.181	14.5	17.7	-1.55	42.4	-19.9	-17.2	-1.57
2.250	25 Oct 22	26.99B	0.366	20.8	21.7	-0.79	24.3	-15.2	-14.9	-0.18
2.250	25 May 24	30.55B	0.658	27.5	24.1	2.08	19.8	-6.0	-9.3	1.52
0.500	25 May 25	31.02B	0.851	31.5	28.7	1.68	4.4	-3.1	-5.8	1.59
1.000	25 Nov 25	14.89B	0.936	32.9	30.0	1.39	7.1	1.0	-2.0	1.78
1.500	25 May 31	7.84B	1.511	42.1	38.4	1.37	6.4	14.5	9.9	2.42
4.750	25 Apr 35	25.03B	1.661	36.1	32.2	1.44	16.9	36.5	29.1	2.62
3.250	25 May 45	15.99B	1.970	52.7	48.5	1.89	6.8	53.4	45.7	2.39

Spreads against the German curve, bp



Asset swap term structure, bp





	15	16	17
GDP, %, y/y	-0.5	0.6	1.3
Public balance	-3.0	-2.6	-2.0
Debt/GDP	131.9	133.0	131.9

Source: European Commission, Winter 2015 forecast

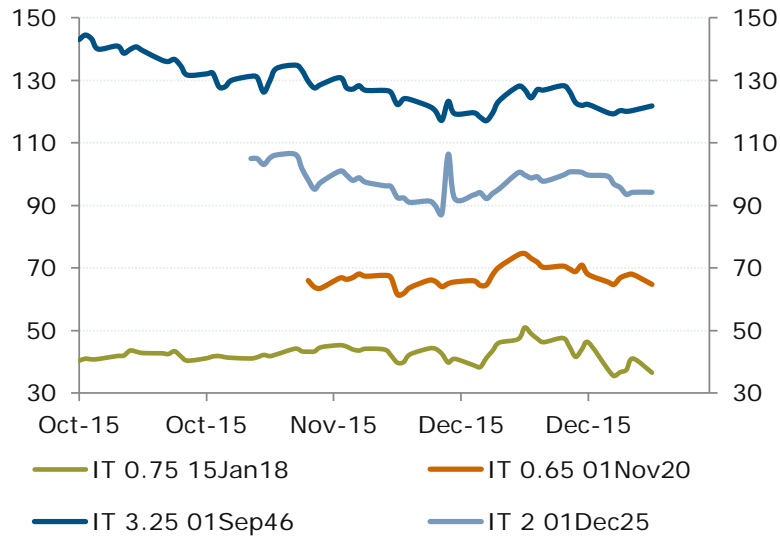
Rating	Baa2/BBB-/BBB+
Moody's / S&P / Fitch	

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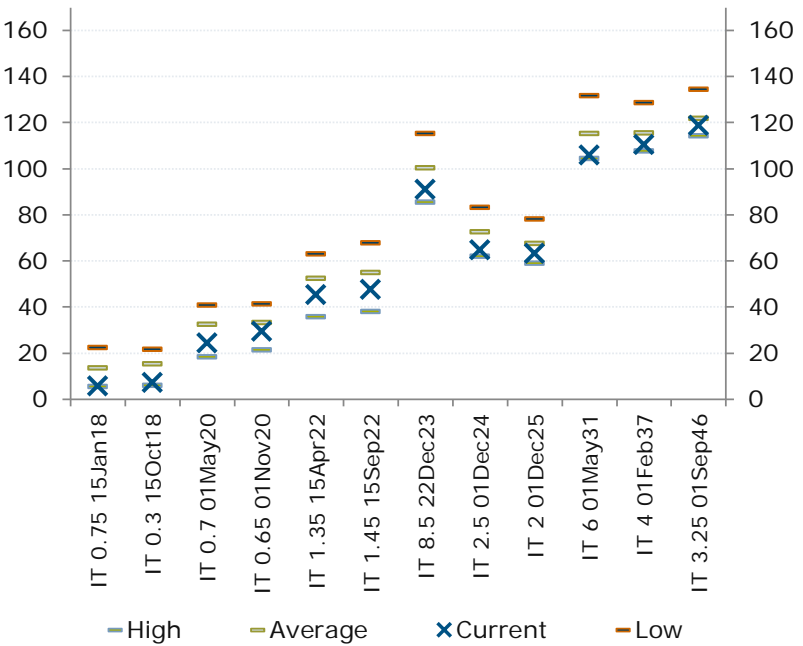
Italy

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	04-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	04-Jan	60D Avg.	Z-score
0.750	15 Jan 18	15.46B	0.008	36.1	42.1	-2.82	49.5	5.6	13.6	-3.14
0.300	15 Oct 18	5.65B	0.084	39.9	45.6	-1.79	8.1	7.2	15.3	-2.21
0.700	01 May 20	15.99B	0.450	59.8	66.3	-1.51	7.9	24.4	32.3	-2.04
0.650	01 Nov 20	8.94B	0.570	64.3	66.6	-0.88	6.0	29.4	33.1	-1.20
1.350	15 Apr 22	17.01B	0.920	82.9	90.9	-1.42	8.8	45.2	52.3	-1.54
1.450	15 Sep 22	10.94B	0.996	85.3	93.3	-1.53	8.6	47.5	54.9	-1.61
8.500	22 Dec 23	3.02B	1.285	97.0	103.9	-1.04	42.7	91.0	100.2	-1.38
2.500	01 Dec 24	20.99B	1.419	95.2	103.2	-1.44	10.8	64.7	72.4	-1.88
2.000	01 Dec 25	14.88B	1.547	93.8	97.3	-0.91	7.3	63.3	67.5	-1.38
6.000	01 May 31	29.75B	2.055	96.9	106.4	-1.67	13.9	105.7	115.2	-1.86
4.000	01 Feb 37	26.01B	2.447	110.2	117.5	-1.36	5.5	110.4	115.4	-1.22
3.250	01 Sep 46	13.24B	2.662	121.4	128.2	-1.20	2.4	118.5	121.7	-0.83

Spreads against the German curve, bp



Asset swap term structure, bp



	15	16	17
GDP, %, y/y	1.4	2.3	2.5
Public balance	-5.6	-4.5	-3.7
Debt/GDP	98.3	101.5	102.5

Source: European Commission, Winter 2015 forecast

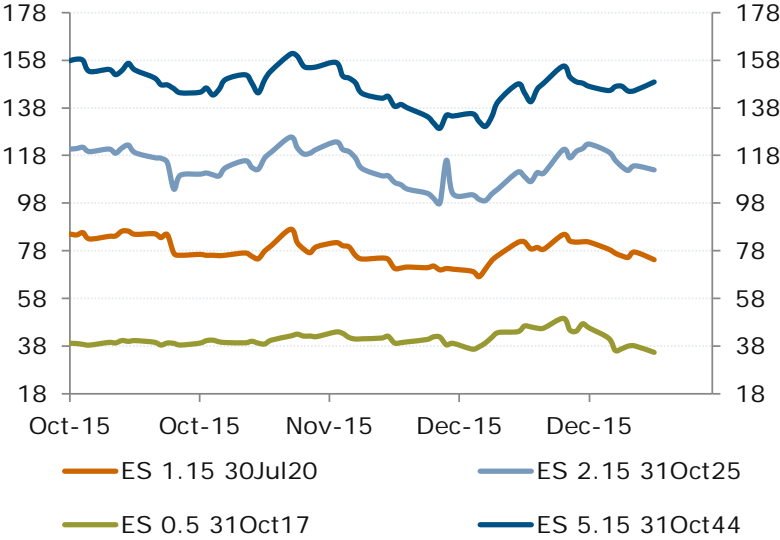
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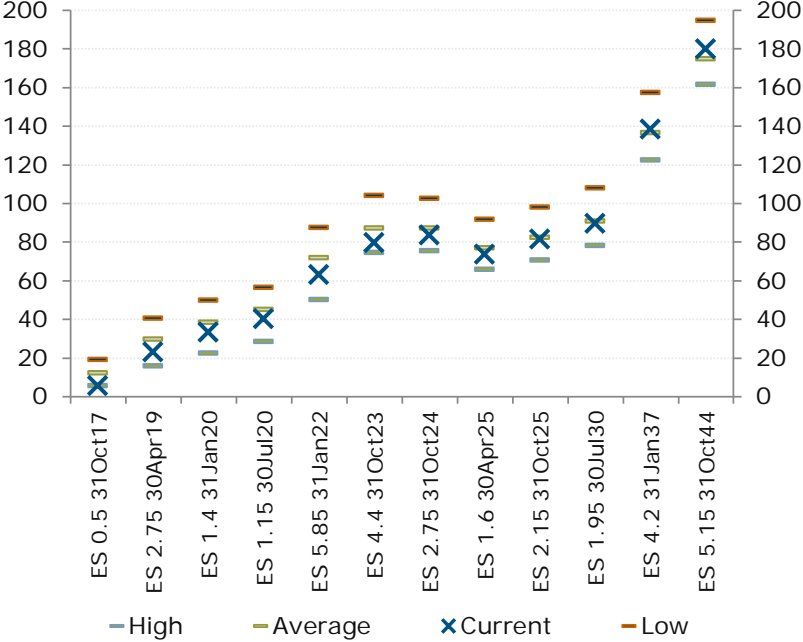
Spain

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	04-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	04-Jan	60D Avg.	Z-score
0.500	31 Oct 17	16.99B	-0.003	35.5	41.0	-2.60	48.8	5.5	12.3	-2.87
2.750	30 Apr 19	22.98B	0.286	55.6	59.6	-1.14	97.5	23.0	29.7	-2.03
1.400	31 Jan 20	21.91B	0.496	68.1	71.0	-0.71	36.2	33.5	38.6	-1.36
1.150	30 Jul 20	14.73B	0.633	74.4	78.1	-0.85	21.6	40.1	45.0	-1.28
5.850	31 Jan 22	22.01B	0.925	85.9	93.9	-1.59	84.9	63.2	71.9	-1.58
4.400	31 Oct 23	20.01B	1.333	103.7	110.5	-1.14	42.2	79.6	87.1	-1.32
2.750	31 Oct 24	23.99B	1.581	112.8	116.7	-0.68	22.9	83.5	87.4	-0.79
1.600	30 Apr 25	19.09B	1.614	108.8	112.6	-0.64	12.6	73.7	77.1	-0.71
2.150	31 Oct 25	20.96B	1.718	112.1	113.2	-0.18	15.4	81.6	82.5	-0.19
1.950	30 Jul 30	10.81B	2.264	122.5	125.0	-0.33	4.5	89.7	90.8	-0.19
4.200	31 Jan 37	16.37B	2.701	135.6	135.8	-0.04	15.3	138.3	136.7	0.27
5.150	31 Oct 44	11.23B	2.931	149.0	146.8	0.34	17.3	179.9	174.9	0.77

Spreads against the German curve, bp



Asset swap term structure, bp





	15	16	17
GDP, %, y/y	0.7	1.4	1.7
Public balance	-2.8	-2.2	-1.8
Debt/GDP	69.5	70.5	70.5

Source: European Commission, Winter 2015 forecast

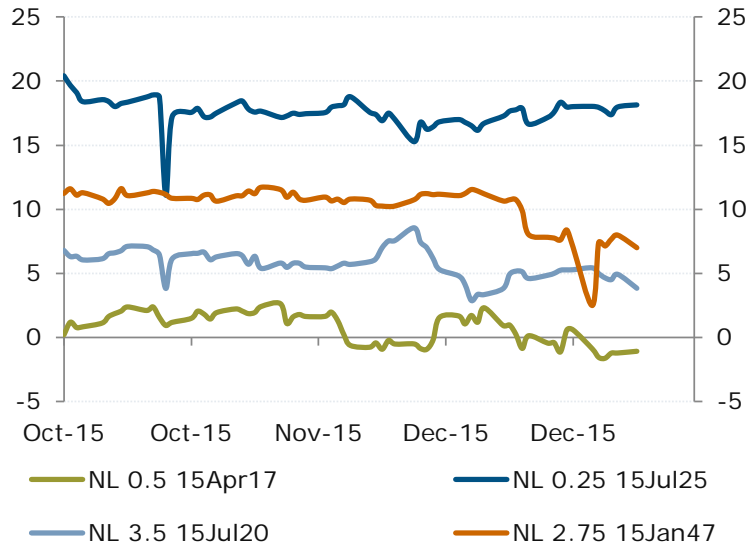
Rating	Aaa/AA+/AAA
Moody's / S&P / Fitch	

Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

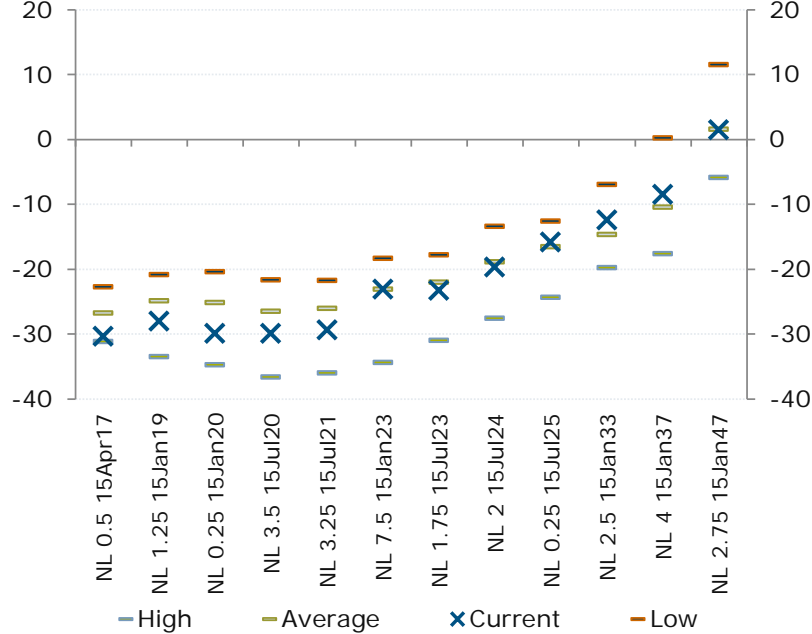
Netherlands

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	04-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	04-Jan	60D Avg.	Z-score
0.500	15 Apr 17	13.99B	-0.379	-1.1	0.8	-1.82	633.0	-30.4	-26.8	-2.86
1.250	15 Jan 19	15.01B	-0.242	5.9	6.3	-0.53	60.0	-28.1	-25.0	-1.66
0.250	15 Jan 20	15.84B	-0.140	5.2	7.8	-2.20	8.2	-30.0	-25.2	-2.63
3.500	15 Jul 20	15.02B	-0.079	3.8	5.8	-2.17	67.3	-30.0	-26.5	-2.00
3.250	15 Jul 21	16.99B	0.056	4.9	8.4	-1.82	47.4	-29.5	-26.1	-2.05
7.500	15 Jan 23	2.37B	0.278	9.2	9.6	-0.41	91.7	-23.2	-23.1	-0.05
1.750	15 Jul 23	15.63B	0.388	13.3	14.7	-0.94	17.5	-23.3	-22.1	-0.80
2.000	15 Jul 24	15.32B	0.546	14.0	14.6	-0.69	17.2	-19.7	-18.9	-0.40
0.250	15 Jul 25	15.01B	0.737	18.1	17.5	0.86	2.4	-15.9	-16.6	0.36
2.500	15 Jan 33	11.99B	1.261	7.0	6.7	0.27	8.4	-12.4	-14.7	0.96
4.000	15 Jan 37	13.99B	1.348	0.4	1.2	-1.09	8.6	-8.5	-10.5	0.62
2.750	15 Jan 47	10.99B	1.519	7.0	10.4	-3.44	2.6	1.4	1.6	-0.05

Spreads against the German curve, bp



Asset swap term structure, bp



	15	16	17
GDP, %, y/y	1.0	1.1	1.4
Public balance	-3.2	-2.6	-2.4
Debt/GDP	106.4	106.8	106.6

Source: European Commission, Winter 2015 forecast

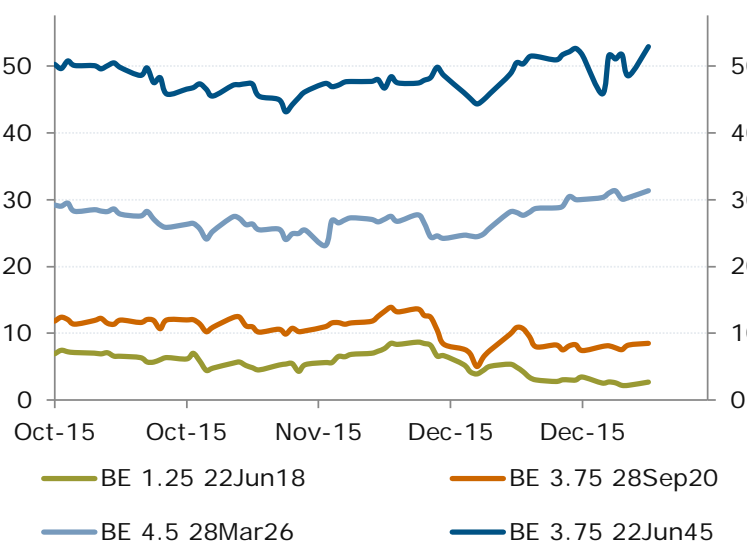
Rating	Aa3/AA/AA
Moody's / S&P / Fitch	

Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

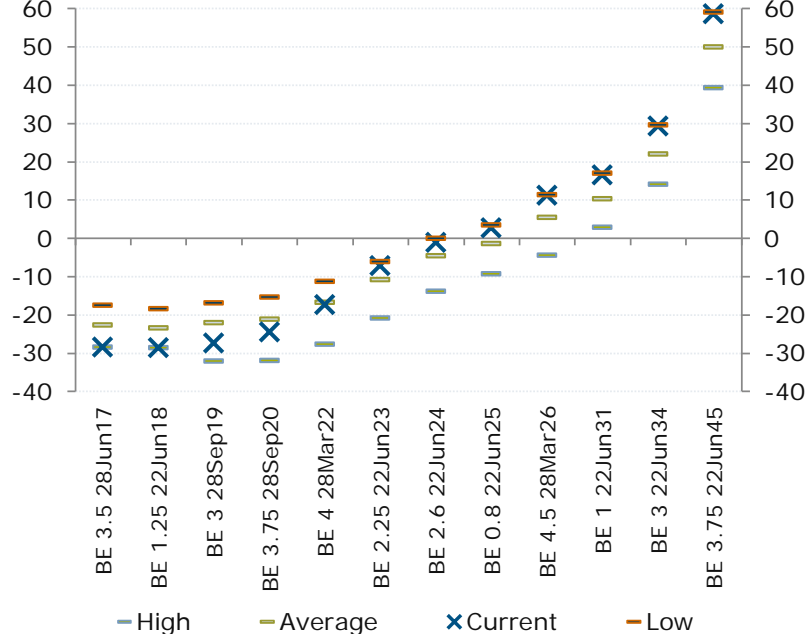
Belgium

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	04-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	04-Jan	60D Avg.	Z-score
3.500	28 Jun 17	13.34B	-0.351	1.4	4.9	-2.56	1.262.0	-28.4	-22.6	-2.93
1.250	22 Jun 18	11.01B	-0.304	2.7	5.6	-2.20	76.1	-28.5	-23.4	-2.71
3.000	28 Sep 19	12.01B	-0.150	7.5	10.4	-1.74	72.6	-27.3	-22.0	-2.64
3.750	28 Sep 20	19.01B	-0.002	8.5	10.6	-1.34	64.6	-24.5	-21.1	-1.62
4.000	28 Mar 22	14.02B	0.255	16.9	17.8	-0.72	54.4	-17.2	-16.8	-0.24
2.250	22 Jun 23	13.99B	0.529	28.3	25.0	2.42	22.8	-7.1	-10.7	1.64
2.600	22 Jun 24	15.85B	0.707	31.1	27.5	2.70	22.8	-1.1	-4.6	1.63
0.800	22 Jun 25	17.99B	0.912	36.6	32.3	2.72	6.3	2.7	-1.4	1.75
4.500	28 Mar 26	9.02B	0.961	31.4	27.0	2.81	31.3	11.2	5.5	1.91
1.000	22 Jun 31	4.0B	1.572	47.7	41.9	2.34	4.4	16.6	10.3	2.60
3.000	22 Jun 34	6.47B	1.684	41.4	36.6	1.96	11.0	29.3	22.0	2.59
3.750	22 Jun 45	8.01B	1.973	52.9	48.1	2.58	8.5	58.7	49.9	2.51

Spreads against the German curve, bp



Asset swap term structure, bp





	15	16	17
GDP, %, y/y	0.0	0.8	1.4
Public balance	-2.7	-2.5	-2.2
Debt/GDP	58.9	61.2	62.6

Source: European Commission, Winter 2015 forecast

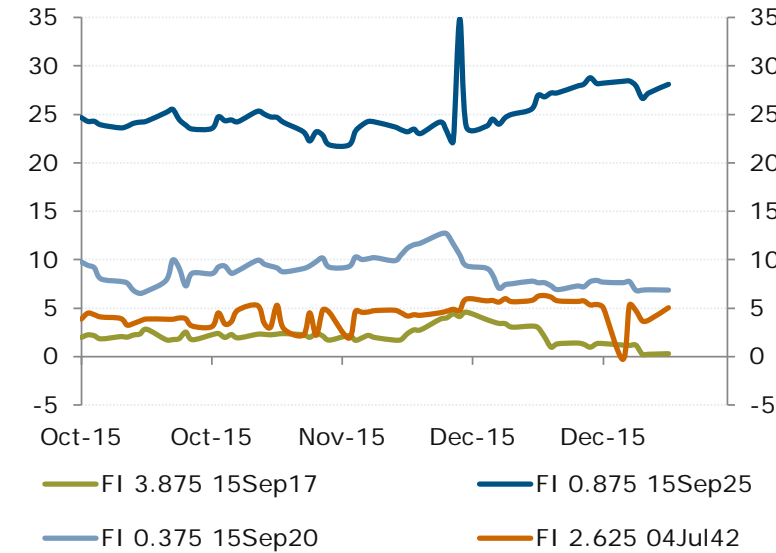
Rating	Aaa/AA+/AAA
Moody's / S&P / Fitch	

Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

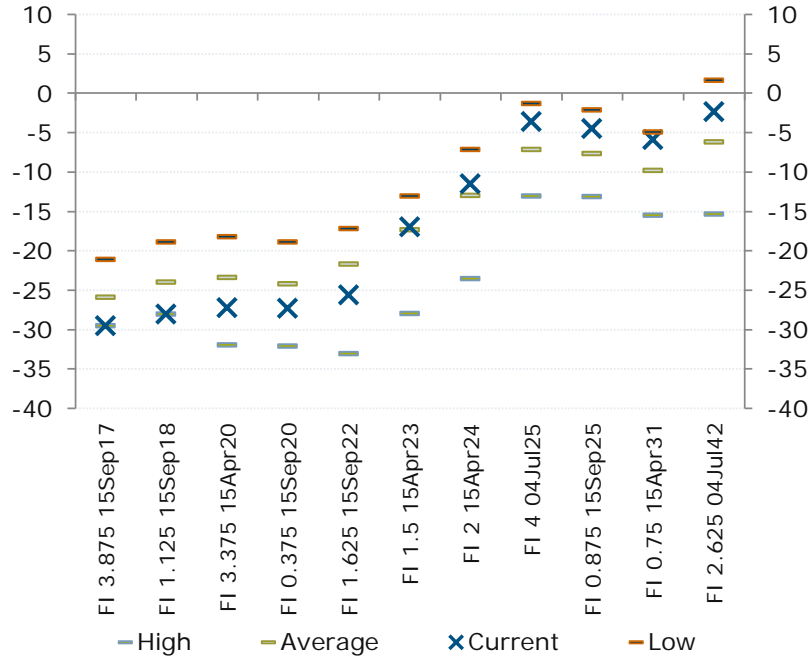
Finland

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	04-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	04-Jan	60D Avg.	Z-score
3.875	15 Sep 17	6.0B	-0.357	0.3	2.3	-3.09	561.7	-29.5	-25.9	-2.17
1.125	15 Sep 18	5.03B	-0.280	3.9	6.0	-2.29	48.2	-28.1	-24.0	-1.71
3.375	15 Apr 20	6.5B	-0.085	7.0	8.9	-1.61	77.2	-27.2	-23.4	-1.65
0.375	15 Sep 20	5.03B	-0.024	6.9	8.9	-1.63	7.2	-27.3	-24.2	-1.28
1.625	15 Sep 22	5.0B	0.257	11.3	15.7	-2.17	18.1	-25.6	-21.7	-2.36
1.500	15 Apr 23	5.0B	0.422	20.1	20.0	0.13	16.0	-16.9	-17.3	0.22
2.000	15 Apr 24	5.0B	0.595	23.0	21.3	1.28	17.9	-11.5	-12.9	0.70
4.000	04 Jul 25	6.03B	0.767	21.6	18.4	2.27	30.6	-3.6	-7.2	1.17
0.875	15 Sep 25	4.03B	0.861	28.1	24.8	2.12	6.4	-4.5	-7.7	1.18
0.750	15 Apr 31	3.5B	1.324	24.0	20.9	2.12	3.3	-5.9	-9.8	1.31
2.625	04 Jul 42	4.03B	1.483	5.1	4.4	0.68	6.0	-2.3	-6.2	0.96

Spreads against the German curve, bp



Asset swap term structure, bp



	15	16	17
GDP, %, y/y	0.2	0.8	1.5
Public balance	-2.9	-2.0	-1.4
Debt/GDP	86.8	86.4	84.5

Source: European Commission, Winter 2015 forecast

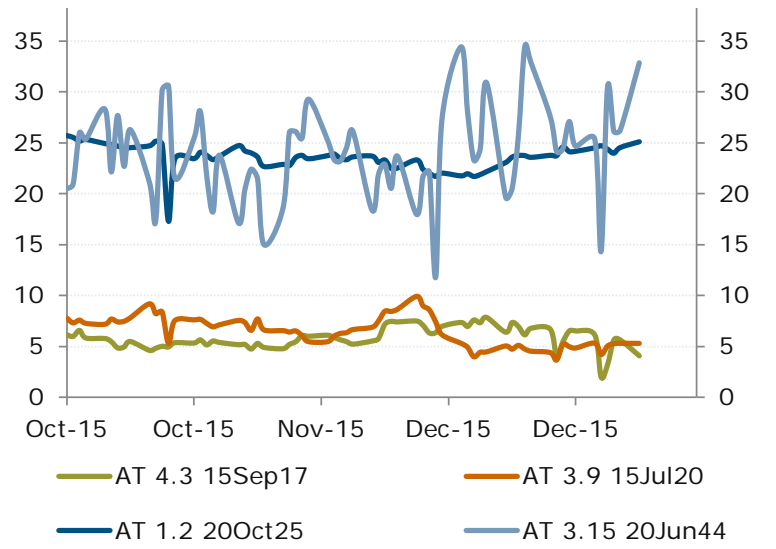
Rating	Aaa/AA+/AA+
Moody's / S&P / Fitch	

Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

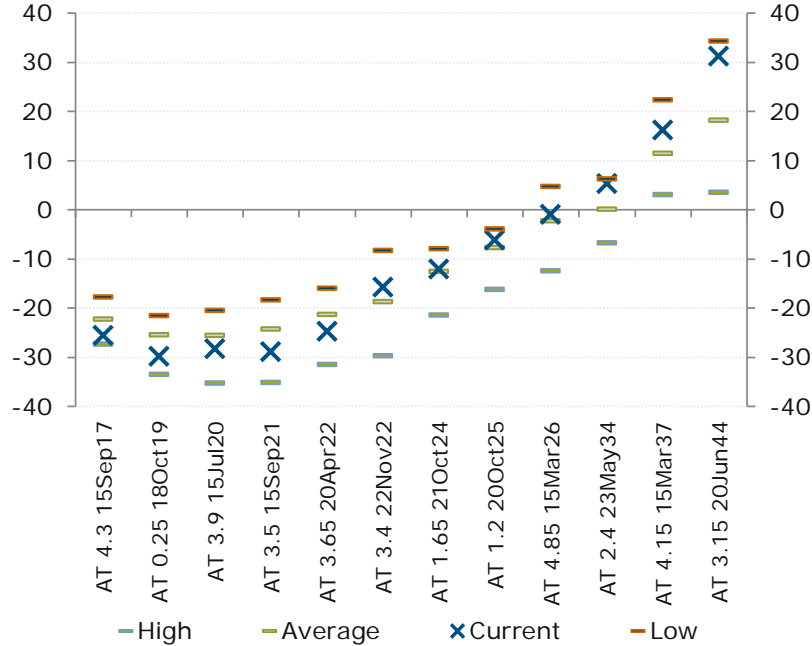
Austria

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	04-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	04-Jan	60D Avg.	Z-score
4.300	15 Sep 17	7.79B	-0.319	4.1	5.8	-1.97	423.9	-25.6	-22.3	-1.88
0.250	18 Oct 19	7.95B	-0.167	5.2	7.6	-1.85	7.4	-29.8	-25.4	-2.32
3.900	15 Jul 20	13.01B	-0.064	5.3	6.6	-1.01	76.3	-28.3	-25.5	-1.44
3.500	15 Sep 21	14.99B	0.083	5.8	10.5	-1.80	48.0	-28.9	-24.3	-1.98
3.650	20 Apr 22	8.71B	0.197	10.4	14.1	-1.68	47.8	-24.7	-21.3	-1.63
3.400	22 Nov 22	10.99B	0.358	19.1	17.0	0.83	36.4	-15.7	-18.7	0.96
1.650	21 Oct 24	10.35B	0.660	21.1	20.5	0.59	7.4	-12.0	-12.6	0.32
1.200	20 Oct 25	8.01B	0.844	25.1	23.5	1.75	8.6	-6.2	-7.8	0.85
4.850	15 Mar 26	8.01B	0.842	19.9	19.4	0.37	15.1	-1.0	-2.3	0.69
2.400	23 May 34	5.19B	1.482	21.6	18.8	2.01	8.2	5.3	0.1	1.63
4.150	15 Mar 37	12.22B	1.551	20.3	18.7	1.64	2.9	16.1	11.5	1.24
3.150	20 Jun 44	6.72B	1.769	32.9	24.1	2.32	8.1	31.2	18.2	2.41

Spreads against the German curve, bp



Asset swap term structure, bp





Greece

	15	16	17
GDP, %, y/y	1.0	2.5	3.6
Public balance	-2.5	1.1	1.6
Debt/GDP	176.3	170.2	159.2

Source: European Commission, Winter 2015 forecast

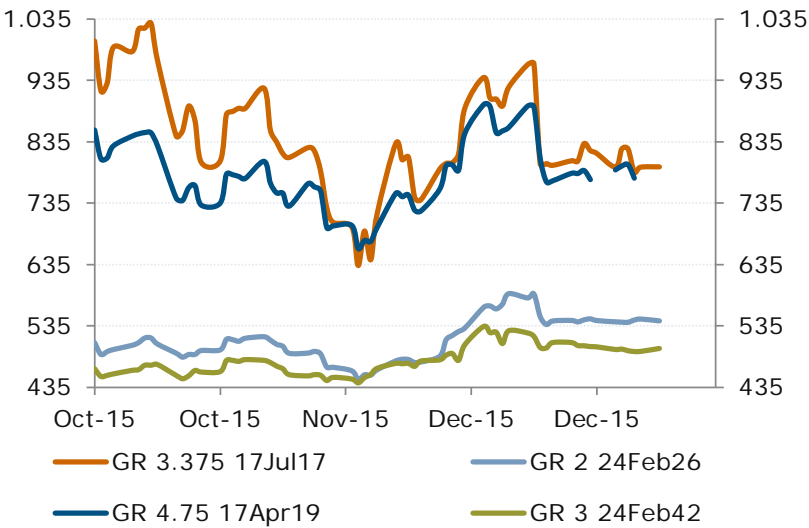
Rating	Caa1/B-/CCC
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Moody's / S&P / Fitch

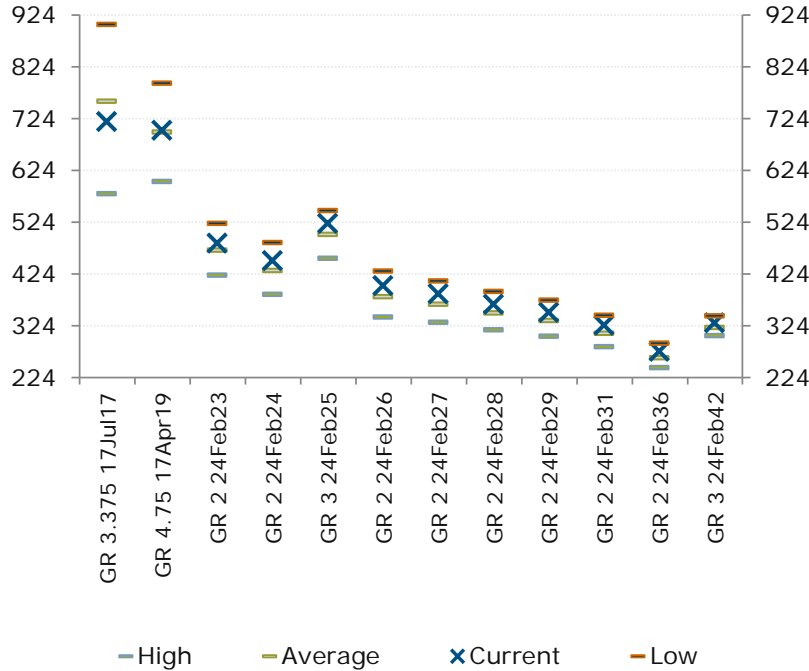
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	04-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	04-Jan	60D Avg.	Z-score
3.375	17 Jul 17	2.02B	7.574	793.7	841.8	-0.67	1.204.2	717.6	756.5	-0.66
4.750	17 Apr 19	4.02B	7.577	785.1	779.9	0.11	238.7	700.1	696.7	0.10
2.000	24 Feb 23	1.04B	6.445	624.3	607.5	0.60	36.1	482.4	469.8	0.68
2.000	24 Feb 24	1.25B	6.262	591.9	563.6	0.99	33.0	449.1	430.1	1.05
3.000	24 Feb 25	1.84B	7.362	686.1	651.3	1.11	43.2	520.8	499.1	1.15
2.000	24 Feb 26	1.37B	6.064	542.6	510.3	1.14	25.0	400.7	379.8	1.17
2.000	24 Feb 27	1.21B	6.075	532.8	500.1	1.21	23.2	385.5	364.8	1.23
2.000	24 Feb 28	1.84B	5.971	511.8	483.9	1.12	21.6	365.4	347.7	1.15
2.000	24 Feb 29	1.48B	5.905	496.4	470.7	1.01	18.0	348.9	333.2	1.03
2.000	24 Feb 31	1.29B	5.849	477.4	447.8	1.19	16.4	324.7	308.5	1.17
2.000	24 Feb 36	1.33B	5.505	418.3	394.1	1.14	13.4	274.0	261.5	1.16
3.000	24 Feb 42	1.05B	6.408	497.7	477.7	1.01	18.2	328.5	319.9	1.00

Spreads against the German curve, bp



Asset swap term structure, bp



Portugal

	15	16	17
GDP, %, y/y	1.0	1.6	1.7
Public balance	-4.6	-3.2	-2.8
Debt/GDP	128.9	124.5	123.5

Source: European Commission, Winter 2015 forecast

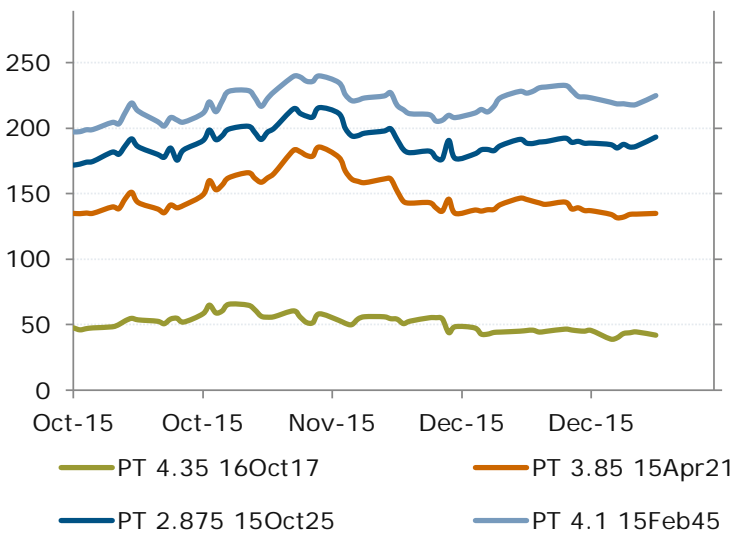
Rating	Ba1/BB/BB+
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Moody's / S&P / Fitch

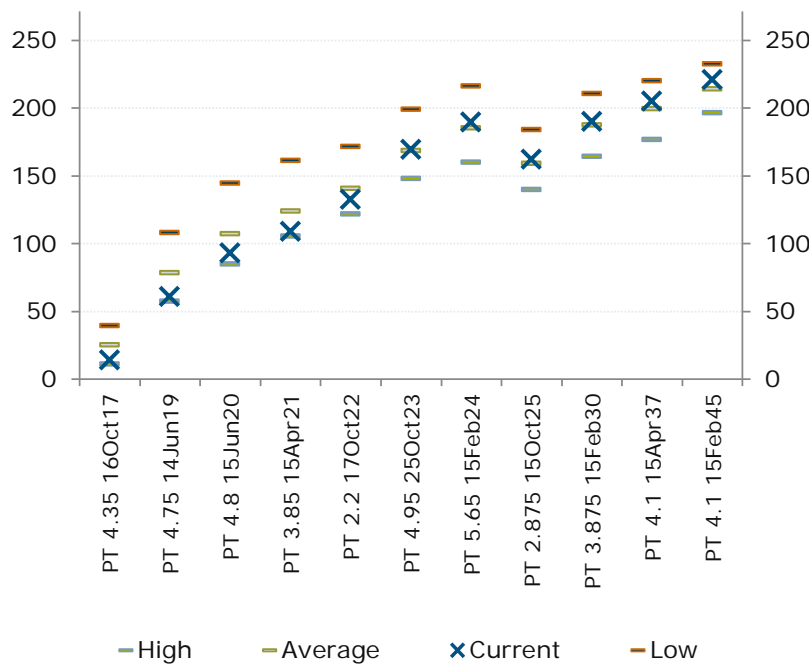
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	04-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	04-Jan	60D Avg.	Z-score
4.350	16 Oct 17	8.99B	0.062	42.0	51.5	-1.78	469.7	13.9	25.2	-2.04
4.750	14 Jun 19	10.75B	0.633	89.0	103.1	-1.47	153.4	60.9	78.4	-1.61
4.800	15 Jun 20	10.99B	1.045	117.5	129.3	-1.03	103.9	93.2	107.3	-1.10
3.850	15 Apr 21	9.55B	1.331	134.9	149.6	-1.19	68.4	109.0	123.9	-1.14
2.200	17 Oct 22	3.0B	1.864	170.9	180.0	-0.80	25.6	132.7	140.5	-0.73
4.950	25 Oct 23	8.02B	2.164	187.0	186.1	0.11	50.4	169.3	168.7	0.07
5.650	15 Feb 24	12.02B	2.340	200.1	195.1	0.58	64.1	189.8	185.4	0.44
2.875	15 Oct 25	10.52B	2.523	193.2	190.2	0.38	22.2	162.0	159.2	0.36
3.875	15 Feb 30	4.05B	3.100	208.9	207.0	0.21	22.6	190.2	187.6	0.32
4.100	15 Apr 37	8.02B	3.481	213.1	208.5	0.50	16.3	204.9	199.6	0.65
4.100	15 Feb 45	2..5B	3.691	224.8	218.7	0.65	16.7	220.8	214.1	0.87

Spreads against the German curve, bp



Asset swap term structure, bp





Ireland

	15	16	17
GDP, %, y/y	4.8	3.5	3.6
Public balance	-4.0	-2.9	-3.1
Debt/GDP	110.8	110.3	107.9

Source: European Commission, Winter 2015 forecast

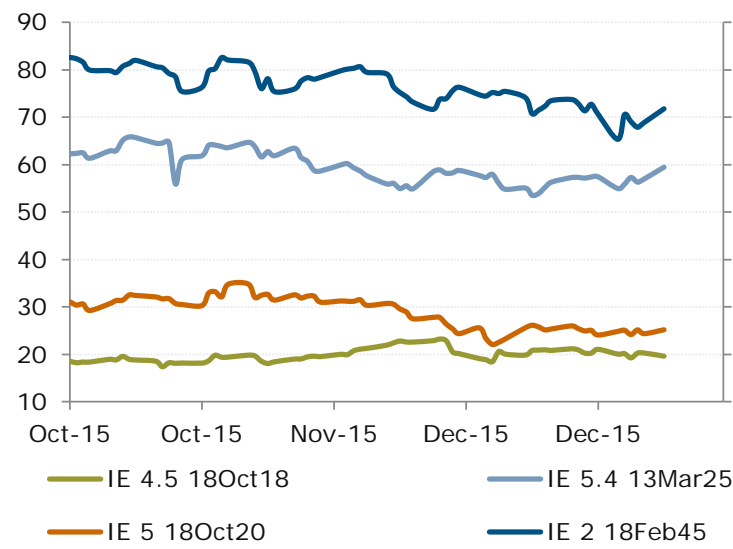
Rating	Baa1/A/A-
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Moody's / S&P / Fitch

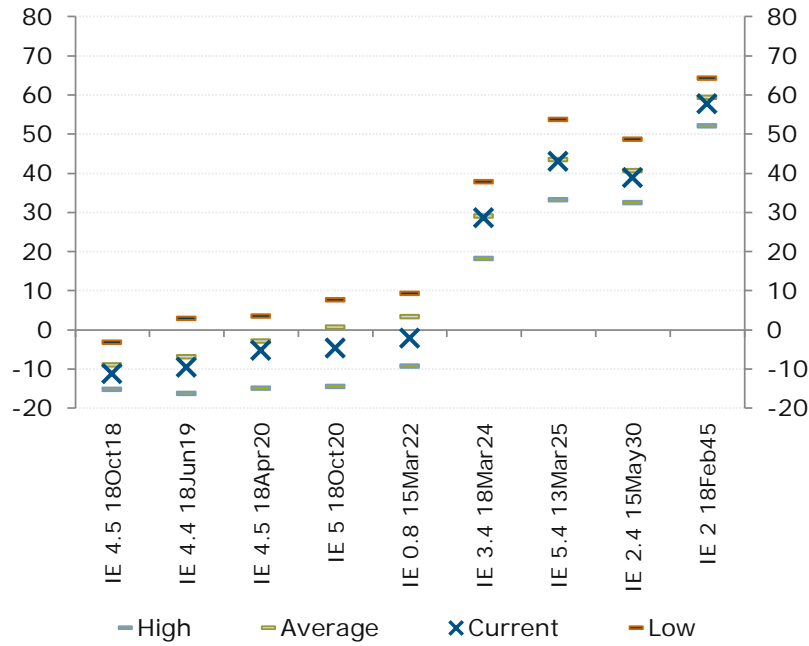
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	04-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	04-Jan	60D Avg.	Z-score
4.500	18 Oct 18	9.58B	-0.114	20.1	20.4	-0.25	171.2	-11.3	-9.0	-0.92
4.400	18 Jun 19	7.06B	-0.021	23.4	23.4	-0.01	140.2	-9.6	-7.0	-0.61
4.500	18 Apr 20	11.77B	0.115	26.8	27.3	-0.26	106.3	-5.3	-3.0	-0.83
5.000	18 Oct 20	8.99B	0.178	25.7	29.6	-1.29	85.0	-4.7	0.6	-1.59
0.800	15 Mar 22	4.25B	0.431	35.0	41.1	-1.68	11.2	-2.2	3.3	-1.78
3.400	18 Mar 24	8.01B	0.934	58.1	58.1	-0.01	32.7	28.5	29.0	-0.18
5.400	13 Mar 25	11.35B	1.107	60.0	60.1	-0.05	47.2	43.0	43.4	-0.14
2.400	15 May 30	7.78B	1.645	61.9	65.0	-0.76	12.0	38.8	40.5	-0.71
2.000	18 Feb 45	5.05B	2.165	72.3	77.2	-1.50	4.2	57.7	59.3	-0.66

Spreads against the German curve, bp



Asset swap term structure, bp



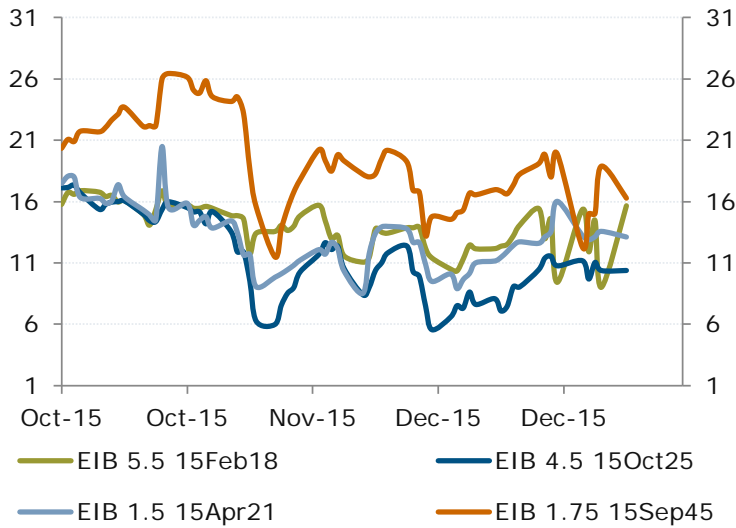


Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

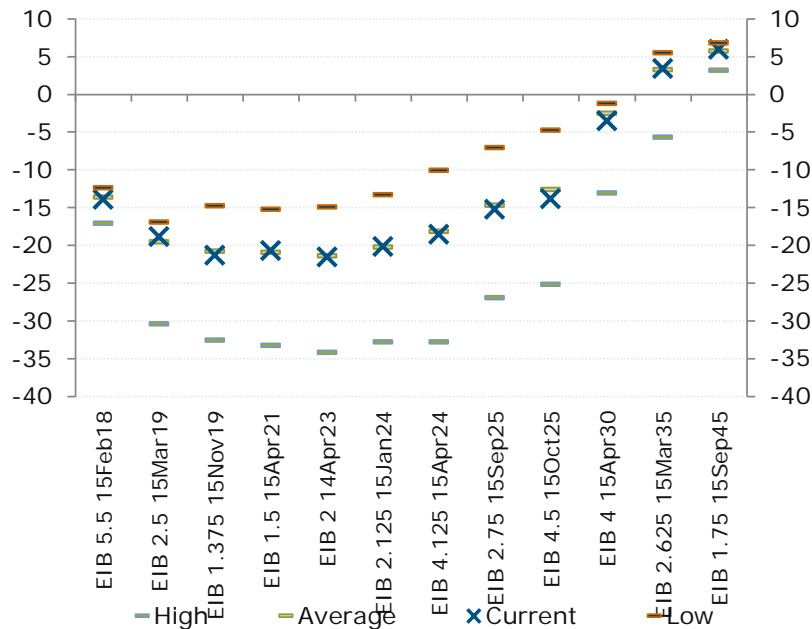
European Investment Bank (EIB)

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	04-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	04-Jan	60D Avg.	Z-score
5.500	15 Feb 18	0.64B	-0.190	15.8	14.2	1.08	479.0	-13.9	-13.6	-0.31
2.500	15 Mar 19	2.9B	-0.132	15.1	11.8	1.90	102.0	-18.9	-19.6	0.55
1.375	15 Nov 19	3.0B	-0.076	13.5	12.1	0.65	16.4	-21.4	-20.8	-0.51
1.500	15 Apr 21	5.0B	0.114	13.3	13.2	0.04	13.1	-20.7	-21.0	0.29
2.000	14 Apr 23	5.0B	0.369	14.9	15.3	-0.18	21.0	-21.6	-21.4	-0.15
2.125	15 Jan 24	5.0B	0.478	15.3	14.7	0.18	20.1	-20.2	-20.3	0.12
4.125	15 Apr 24	7.25B	0.497	13.1	13.2	-0.02	38.8	-18.6	-18.2	-0.27
2.750	15 Sep 25	5.35B	0.708	12.9	13.3	-0.16	50.1	-15.3	-14.7	-0.44
4.500	15 Oct 25	7.75B	0.697	10.6	11.6	-0.36	16.1	-13.9	-12.7	-1.10
4.000	15 Apr 30	6.5B	1.158	13.7	16.0	-0.65	18.0	-3.6	-2.6	-1.16
2.625	15 Mar 35	1.7B	1.473	17.5	19.7	-0.73	3.0	3.3	3.2	0.18
1.750	15 Sep 45	1.3B	1.609	16.5	19.4	-0.94	1.9	6.0	5.7	0.56

Spreads against the German curve, bp



Asset swap term structure, bp

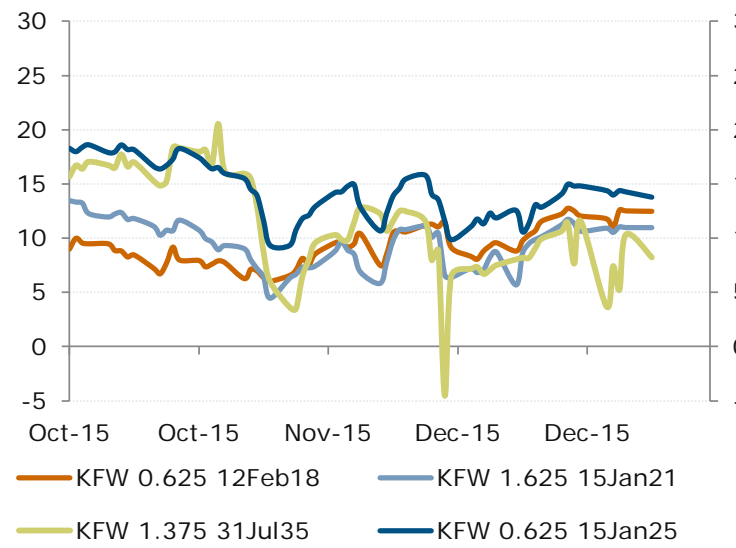


Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

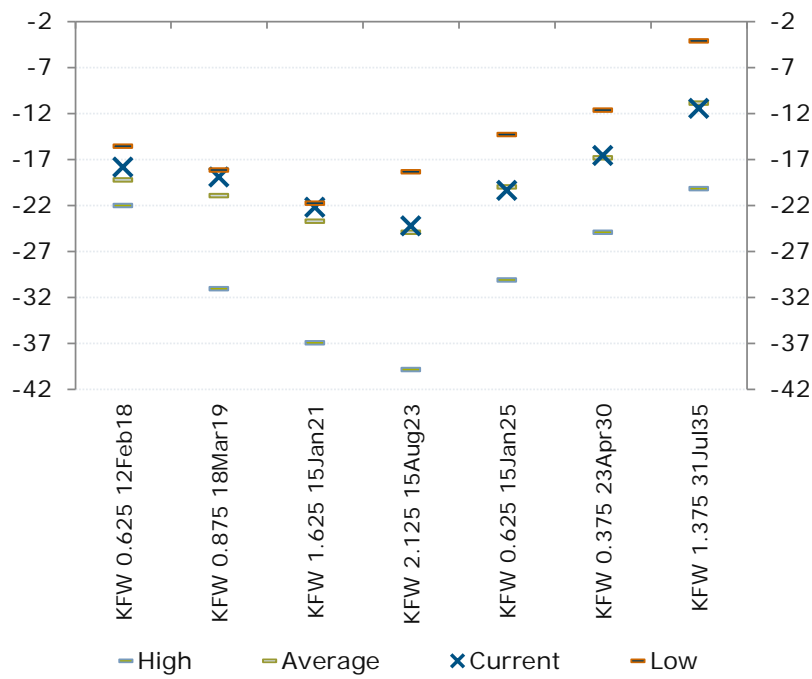
Kreditanstalt für Wiederaufbau (KfW)

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	04-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	04-Jan	60D Avg.	Z-score
0.625	12 Feb 18	2.0B	-0.224	12.5	9.2	2.24	76.2	-17.9	-19.3	0.80
0.875	18 Mar 19	5.0B	-0.129	15.4	10.7	2.63	36.1	-19.0	-21.0	1.11
1.625	15 Jan 21	5.0B	0.066	11.0	9.4	0.87	30.2	-22.2	-23.8	1.22
2.125	15 Aug 23	3.0B	0.385	11.8	11.3	0.24	20.9	-24.3	-24.9	0.66
0.625	15 Jan 25	3.0B	0.623	13.8	14.3	-0.24	5.8	-20.4	-20.0	-0.66
0.375	23 Apr 30	2.0B	1.160	13.8	14.9	-0.32	1.7	-16.6	-16.9	0.23
1.375	31 Jul 35	1.0B	1.389	8.2	11.2	-0.73	2.7	-11.5	-10.9	-0.38

Spreads against the German curve, bp



Asset swap term structure, bp



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