

## Euro Rates Update

Nordea Research, 29 January 2016

### Contents

Government bond yields, curve slopes and spreads.....	1
Swaps and Forwards.....	2
- Carry.....	3
- Money market rates.....	3
- Inflation linked bonds.....	3
- Inflation swaps.....	3
Credit & money market spreads.....	4
Swaption volatilities.....	4
Swap & cross-country spreads.....	4
Country relative value.....	5
- Overview of rich & cheap bonds.....	5
- Individual country overviews.....	5

US Treasury Yields				
	2Y	5Y	10Y	30Y
	0.82	1.42	2.02	2.83
Δ 1D	-4.2	-3.8	-1.4	0.0
Δ 1W	0.1	0.8	3.5	7.2

German Benchmark Yields				
	2Y	5Y	10Y	30Y
	-0.45	-0.26	0.41	1.14
Δ 1D	-0.4	-2.1	-4.5	-6.4
Δ 1W	-4.0	-6.7	-1.2	-9.9

German Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-19.3	-66.3	-85.6	-72.9
Δ 1D	-1.7	-2.4	-4.1	-1.9
Δ 1W	-2.7	5.5	2.8	-8.7

EUR Swap Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-26.2	-61.0	-87.2	-59.6
Δ 1D	-1.8	-2.0	-3.8	-1.6
Δ 1W	-1.4	-0.7	-2.1	-1.5

German Asset Swap Levels				
	2Y	5Y	10Y	30Y
	-30.1	-33.8	-32.4	-16.1
Δ 1D	-0.1	-0.2	-0.1	-0.6
Δ 1W	0.2	-0.2	-0.1	-1.5

10Y Benchmark Yields				
	Yield	Δ 1D	Spread	Δ 1D
GER	0.408	-4.5	-	-
FRA	0.724	-3.8	34.4	0.5
ITA	1.495	-2.8	111.3	1.5
ESP	1.607	-3.3	123.6	1.0
BEL	0.687	-3.8	36.6	0.4
HOL	0.525	-4.0	19.5	0.3
AUT	0.653	-3.7	28.6	0.6
GRE	8.770	-11.6	849.4	-7.3
POR	2.737	-2.3	237.2	2.0
FIN	0.668	-5.4	31.5	-1.1
IRL	0.921	0.2	63.9	4.5

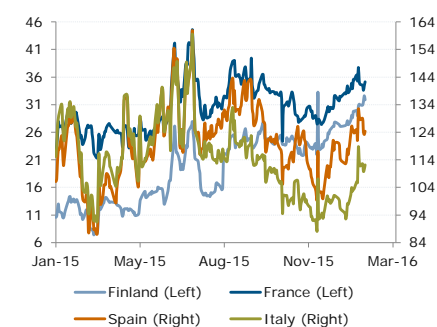
Spread = Maturity interpolated spread to German government par yield curve

Global Research  
nordearesearch@nordea.com  
+45 33 33 61 02

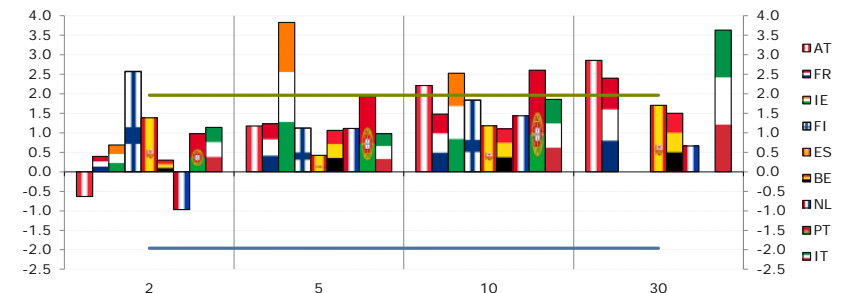
German & US 10-year benchmark yields, %



10 year spreads against Germany, bp



Z-scores of benchmark vs. Germany



Upcoming Issuance (source: Bloomberg)						
Date	Country	Coupon	Maturity	Amount (EURbn)		
01 Feb	LN					
03 Feb	GE			5.00		
04 Feb	FR					
08 Feb	LN					
09 Feb	AS					
10 Feb	GE			5.00		

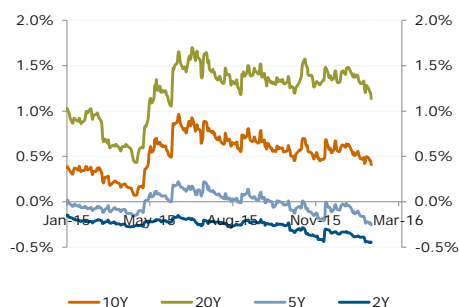
All bond quotes are taken at 16:15 CET.

## Bond Yields & Curves

### Yield Levels

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

German benchmark bond yields, %



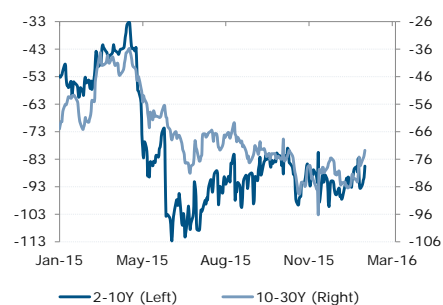
USA-Germany spreads, annualized yields, %



### 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

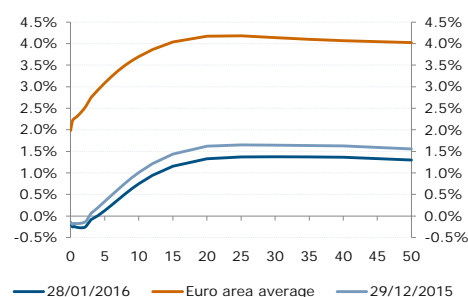
EUR swap rates and implied forwards, %



EUR-USD spreads and implied forwards, %



EUR swap curve shape vs. historical

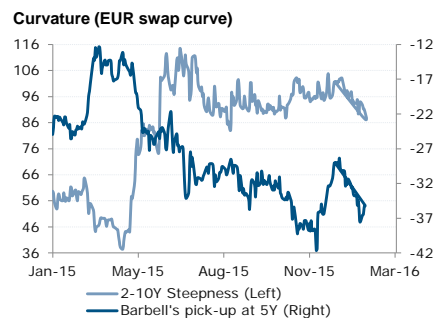


Historical forward rates, %



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

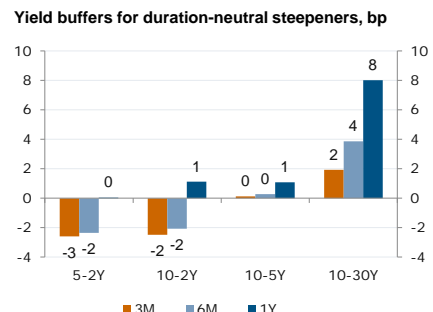
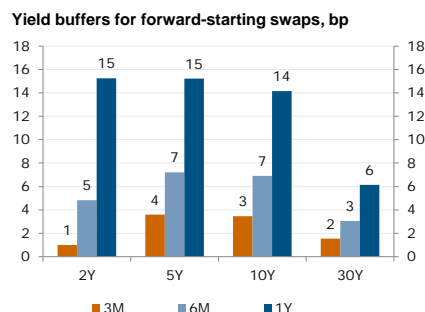
5Y pick-up over a duration and cash neutral 2-10Y EUR swap barbell.



## Carry

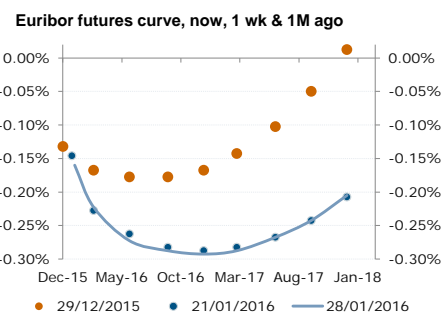
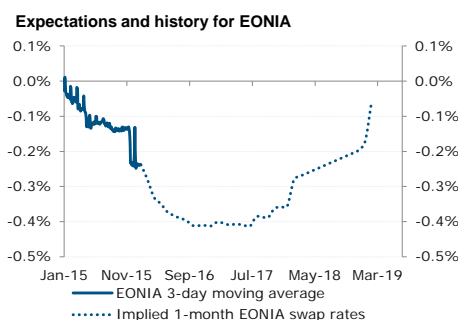
The carry on the given horizon illustrates how much the spot swap rate may rise for a receiver swap position in a forward-starting swap to result in zero profit.

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.



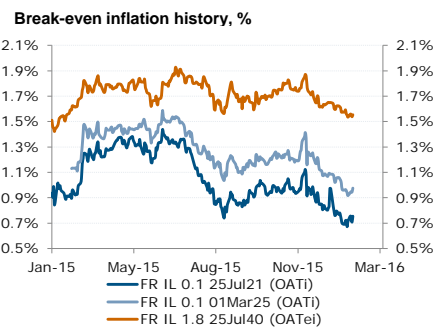
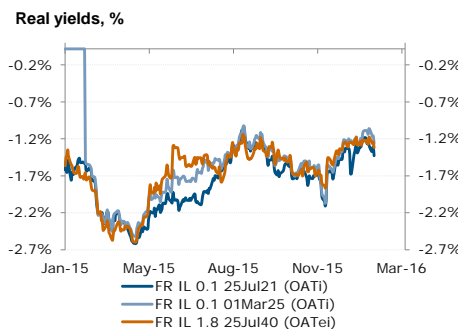
## Money Market Rates

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



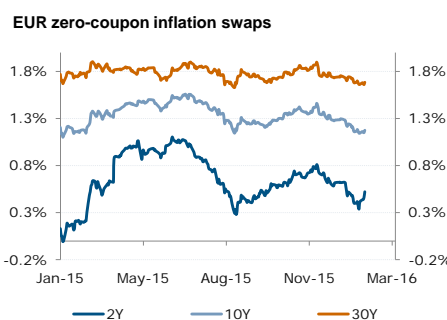
## Inflation-linked Bonds

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



## 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.



## Credit & Money Market Spreads

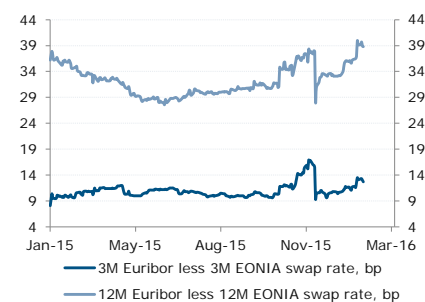
Credit default swap indices illustrate the annual cost of buying protection against a credit event of a company. iTraxx Europe is comprised of the 125 most liquid CDS contracts referencing European investment grade credits, iTraxx Crossover of 50 sub-investment grade credits.

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



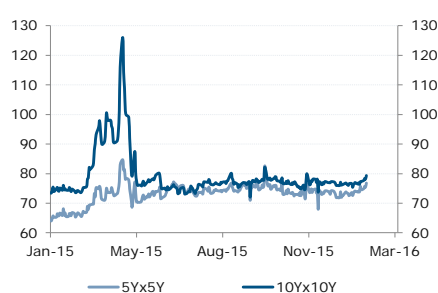
## Swaption Volatilities

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

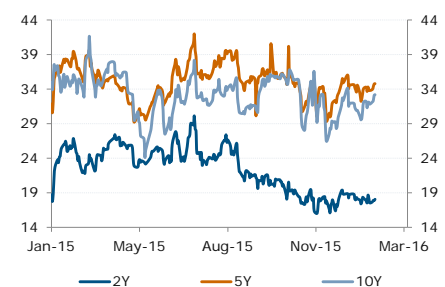


## Swap & Cross-country Spreads

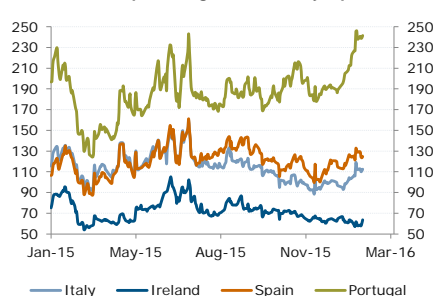
Swap spread: Benchmark bond's spread to EUR swap curve.

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

German swap spreads, bp



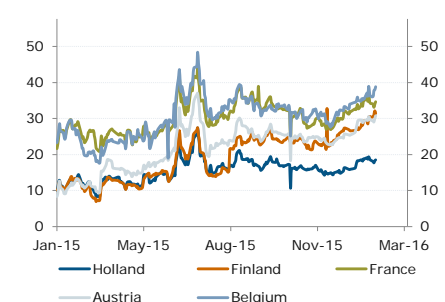
10Y non-AAA spreads against Germany, bp



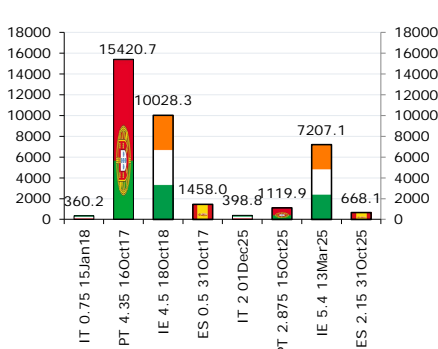
1Y break-even spread changes indicate how much a bond's spread against an equivalent bond trading on the German curve may widen in order to give the same return in one year.

The break-even spread change is based on the spread against the following two German benchmark bonds:  
DE TB 15Dec17  
DE 0.5 15Feb26

10Y AAA/AA+ spreads to Germany, bp



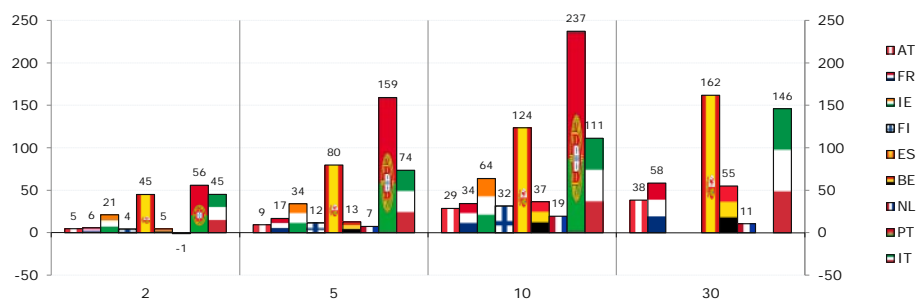
1Y B/E spread changes against Germany, bp



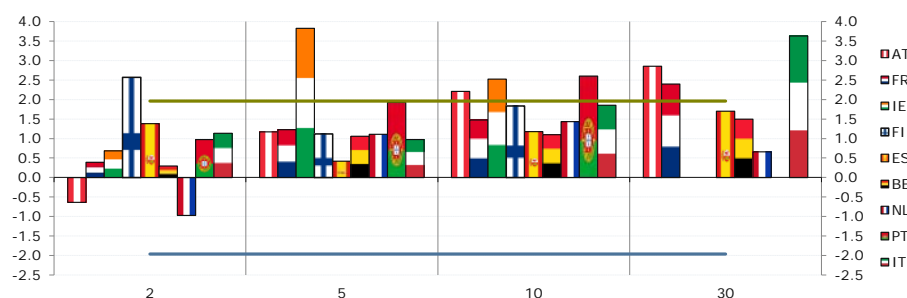


## Country Relative Value

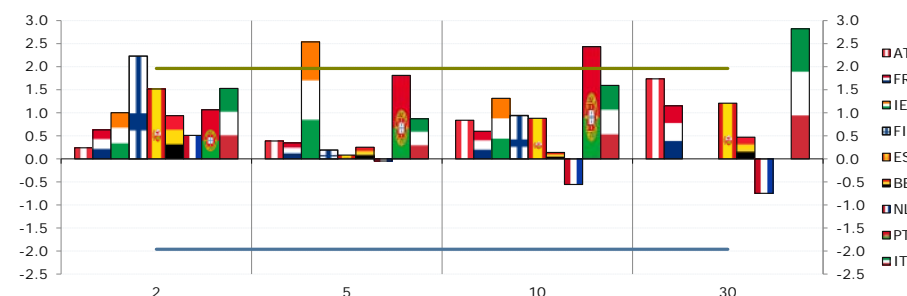
Benchmark spreads over the maturity-interpolated German par curve, bp



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	DE	15 Dec 17	0.000	-8.5	-1.14	AT	15 Jan 18	4.650	-25.4	-1.14
	GR	17 Jul 17	3.375	1,495.9	3.79	GR	17 Jul 17	3.375	1,278.9	3.71
5Y: Rich	DE	11 Oct 19	0.250	-17.0	-1.53	DE	16 Oct 20	0.250	-33.8	-1.01
	IE	18 Oct 19	5.900	32.4	3.86	EIB	16 Mar 20	2.625	-14.7	2.95
7Y: Rich	DE	15 Aug 23	2.000	-31.1	-1.91	DE	15 Aug 23	2.000	-39.7	-1.33
	EIB	15 Jan 24	2.125	20.1	3.10	EIB	15 Jan 24	2.125	-15.7	3.08
10Y: Rich	DE	15 Feb 25	0.500	-33.2	-1.80	DE	15 Feb 26	0.500	-32.4	-2.25
	EIB	15 Sep 25	2.750	22.0	4.03	EIB	15 Sep 25	2.750	-6.7	4.61
15Y: Rich	DE	04 Jan 37	4.000	-63.2	-2.76	DE	04 Jan 37	4.000	-21.8	-1.34
	AT	15 Mar 37	4.150	29.5	4.33	KFW	31 Jul 35	1.375	-2.9	6.13
20Y: Rich	DE	15 Aug 46	2.500	-70.8	-2.49	DE	15 Aug 46	2.500	-16.1	-1.53
	FI	04 Jul 42	2.625	18.4	4.83	EIB	15 Sep 45	1.750	13.8	5.62

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

$$\frac{\text{Current spread} - 60\text{-day average}}{\text{standard deviation}}$$

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.



## Germany

	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

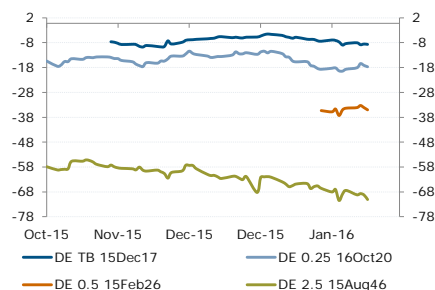
Source: European Commission, Winter 2015 forecast

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

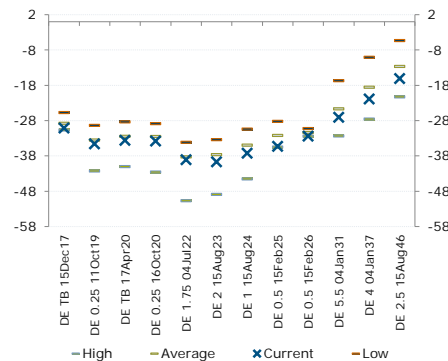
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the French curve.

Benchmark Bonds				Spread vs. France				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	28-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	28-Jan	60D Avg.	Z-score
0.000	15 Dec 17	13.0B	-0.448	-8.5	-7.1	-1.14	-0.1	-30.1	-28.7	-1.13
0.250	11 Oct 19	16.0B	-0.373	-17.0	-14.6	-1.53	9.1	-34.6	-33.5	-0.68
0.000	17 Apr 20	20.0B	-0.311	-16.9	-14.4	-1.44	0.8	-33.6	-32.4	-0.74
0.250	16 Oct 20	19.0B	-0.255	-17.4	-14.9	-1.39	7.1	-33.8	-32.5	-1.01
1.750	04 Jul 22	24.0B	-0.096	-26.7	-24.4	-1.82	30.6	-39.1	-38.3	-0.49
2.000	15 Aug 23	18.0B	0.037	-31.1	-28.3	-1.91	28.8	-39.7	-37.6	-1.33
1.000	15 Aug 24	18.0B	0.187	-32.8	-29.5	-1.59	12.7	-37.2	-34.9	-1.49
0.500	15 Feb 25	23.0B	0.270	-33.2	-28.4	-1.80	6.5	-35.3	-32.2	-1.95
0.500	15 Feb 26	5.0B	0.408	-34.8	-34.7	-0.14	5.1	-32.4	-31.4	-2.25
5.500	04 Jan 31	17.0B	0.743	-53.5	-45.7	-2.49	42.1	-27.1	-24.7	-0.93
4.000	04 Jan 37	23.0B	0.996	-63.2	-54.1	-2.76	22.1	-21.8	-18.5	-1.34
2.500	15 Aug 46	14.0B	1.137	-70.8	-61.6	-2.49	7.8	-16.1	-12.6	-1.53

Spreads against the French curve, bp



Asset swap term structure, bp



## France

	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

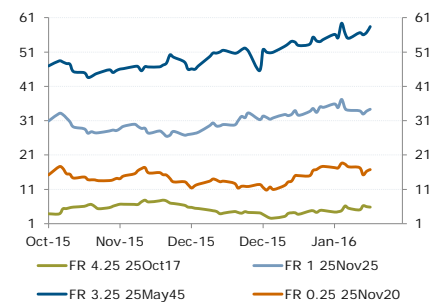
Source: European Commission, Winter 2015 forecast

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

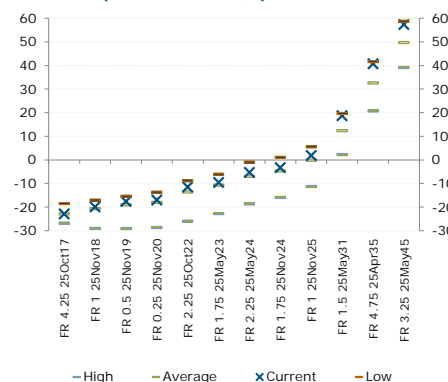
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	28-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	28-Jan	60D Avg.	Z-score
4.250	25 Oct 17	34.75B	-0.379	5.9	5.5	0.37	592.1	-22.9	-22.9	-0.01
1.000	25 Nov 18	22.01B	-0.305	11.1	10.1	0.66	48.9	-19.9	-20.7	0.44
0.500	25 Nov 19	26.98B	-0.192	15.7	13.7	1.40	17.0	-17.6	-19.0	0.79
0.250	25 Nov 20	15.95B	-0.074	16.8	14.8	1.19	6.8	-17.0	-18.0	0.51
2.250	25 Oct 22	27.01B	0.201	24.2	21.8	2.01	36.4	-11.5	-13.6	0.99
1.750	25 May 23	32.97B	0.298	26.8	24.6	1.81	26.7	-9.6	-10.7	0.58
2.250	25 May 24	30.55B	0.454	28.8	25.2	1.48	29.8	-5.3	-7.0	0.62
1.750	25 Nov 24	30.99B	0.541	30.1	26.7	1.51	20.8	-3.3	-4.7	0.58
1.000	25 Nov 25	19.99B	0.724	34.4	30.7	1.42	10.6	1.8	-0.1	0.85
1.500	25 May 31	9.44B	1.310	47.1	39.3	2.34	10.4	18.6	12.3	1.93
4.750	25 Apr 35	25.03B	1.446	42.1	33.2	2.46	27.2	40.7	32.5	1.75
3.250	25 May 45	17.01B	1.756	58.5	50.0	2.28	10.8	57.3	49.7	1.64

Spreads against the German curve, bp



Asset swap term structure, bp





## Italy

	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

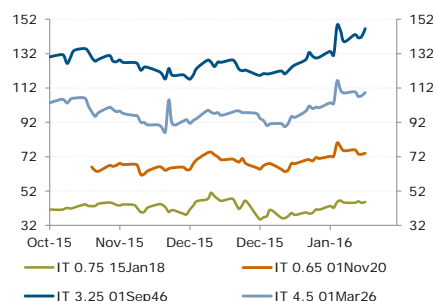
Source: European Commission, Winter 2015 forecast

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

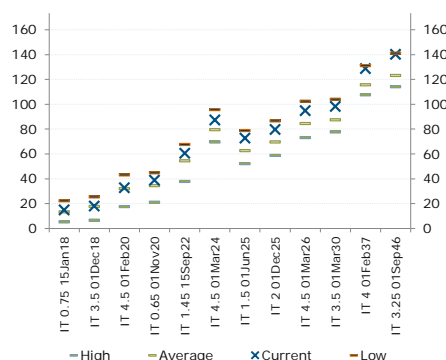
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	28-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	28-Jan	60D Avg.	Z-score
0.750	15 Jan 18	15.46B	0.008	45.2	42.1	1.10	69.3	14.9	13.4	0.50
3.500	01 Dec 18	19.01B	0.059	47.5	47.0	0.16	174.3	18.1	17.8	0.06
4.500	01 Feb 20	22.99B	0.285	62.1	60.1	0.68	-8,041.9	32.8	32.1	0.20
0.650	01 Nov 20	11.44B	0.487	73.6	68.2	1.52	16.6	39.0	34.5	1.24
1.450	15 Sep 22	14.99B	0.927	98.0	91.8	1.51	24.8	60.5	54.5	1.36
4.500	01 Mar 24	23.71B	1.234	110.3	101.2	<b>2.16</b>	65.2	87.3	79.6	1.75
1.500	01 Jun 25	19.99B	1.398	108.5	96.5	<b>2.36</b>	17.1	72.7	62.6	<b>2.26</b>
2.000	01 Dec 25	17.02B	1.495	111.3	99.5	<b>2.25</b>	21.5	79.7	69.6	<b>2.19</b>
4.500	01 Mar 26	20.01B	1.502	108.9	98.2	<b>2.12</b>	51.4	94.8	84.6	<b>2.05</b>
3.500	01 Mar 30	19.99B	1.910	113.9	102.7	<b>1.99</b>	28.6	98.3	87.5	<b>2.15</b>
4.000	01 Feb 37	26.01B	2.363	129.3	115.7	<b>3.15</b>	-1,442.3	128.7	115.6	<b>3.01</b>
3.250	01 Sep 46	13.24B	2.638	146.1	127.5	<b>3.37</b>	14.8	140.2	123.2	<b>3.32</b>

Spreads against the German curve, bp



Asset swap term structure, bp



## Spain

	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

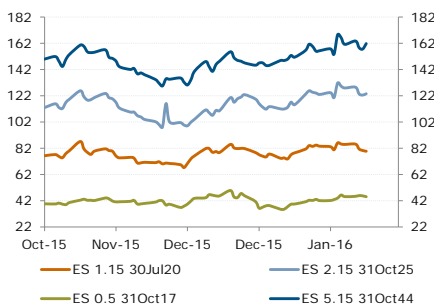
Source: European Commission, Winter 2015 forecast

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

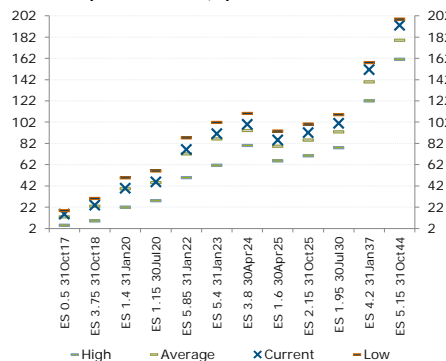
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	28-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	28-Jan	60D Avg.	Z-score
0.500	31 Oct 17	16.99B	0.013	45.1	41.9	1.34	70.2	15.9	13.2	1.21
3.750	31 Oct 18	20.01B	0.107	52.6	51.4	0.35	201.7	24.3	23.4	0.27
1.400	31 Jan 20	21.91B	0.399	73.4	71.8	0.39	-4,790.6	40.2	39.7	0.12
1.150	30 Jul 20	15.03B	0.519	79.8	78.1	0.41	32.3	46.2	45.5	0.17
5.850	31 Jan 22	22.01B	0.852	97.8	93.2	0.93	-13,755.7	76.7	72.5	0.68
5.400	31 Jan 23	21.99B	1.108	111.7	106.4	0.89	-10,725.0	91.6	86.6	0.72
3.800	30 Apr 24	21.99B	1.406	125.1	118.0	1.12	54.2	100.4	94.6	0.87
1.600	30 Apr 25	19.09B	1.516	121.5	114.3	1.05	19.1	85.6	79.9	0.94
2.150	31 Oct 25	20.96B	1.607	123.6	115.3	1.14	23.6	92.6	85.7	1.06
1.950	30 Jul 30	11.51B	2.143	134.9	126.0	1.07	14.7	101.4	93.3	1.12
4.200	31 Jan 37	16.37B	2.563	149.3	137.5	1.50	-3,141.1	151.8	140.2	1.45
5.150	31 Oct 44	11.23B	2.787	161.9	149.1	1.64	26.0	193.7	179.5	1.65

Spreads against the German curve, bp



Asset swap term structure, bp





## Netherlands

	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&amp;P / Fitch

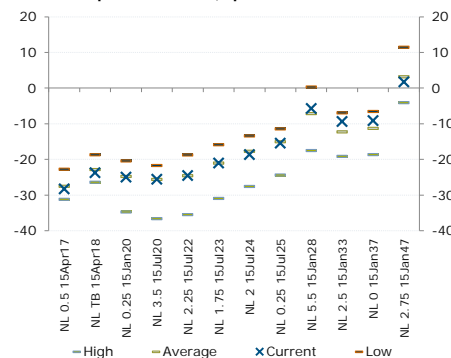
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread			
Coupon	Maturity	Volume	Yield	28-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	28-Jan	60D Avg.	Z-score	
0.500	15 Apr 17	13.03B	-0.432	-1.0	0.1	-0.94	514.1	-28.3	-27.6	-0.39	
0.000	15 Apr 18	15.99B	-0.377	6.1	5.9	0.21	0.5	-23.7	-22.9	-0.52	
0.250	15 Jan 20	15.84B	-0.251	8.9	7.9	0.80	8.8	-25.0	-24.8	-0.11	
3.500	15 Jul 20	15.02B	-0.209	7.4	6.1	1.08	101.8	-25.6	-25.6	0.01	
2.250	15 Jul 22	15.01B	0.043	11.7	11.0	0.56	40.0	-24.6	-24.6	0.01	
1.750	15 Jul 23	15.63B	0.206	15.8	14.4	1.33	25.7	-21.0	-21.0	0.00	
2.000	15 Jul 24	15.32B	0.346	15.9	14.7	1.89	25.5	-18.7	-17.7	-0.56	
0.250	15 Jul 25	15.01B	0.525	19.5	18.1	1.37	3.4	-15.5	-15.1	-0.26	
5.500	15 Jan 28	13.02B	0.725	11.6	9.6	1.35	51.8	-5.8	-7.2	0.57	
2.500	15 Jan 33	12.01B	1.049	12.2	7.3	3.34	16.0	-9.4	-12.3	1.20	
0.000	15 Jan 37	0.0B	1.262	19.3	15.0	2.92	0.6	-9.1	-11.3	1.06	
2.750	15 Jan 47	10.99B	1.286	10.7	9.8	0.66	10.6	1.7	3.1	-0.66	

Spreads against the German curve, bp



Asset swap term structure, bp



## Belgium

	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

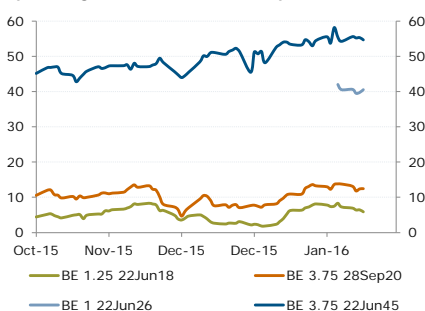
Rating	Aa3/AA/AA
--------	-----------

Moody's / S&amp;P / Fitch

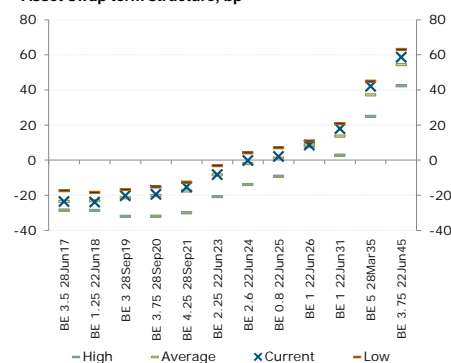
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread			
Coupon	Maturity	Volume	Yield	28-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	28-Jan	60D Avg.	Z-score	
3.500	28 Jun 17	13.34B	-0.382	4.6	4.2	0.30	1,242.9	-23.6	-23.6	-0.03	
1.250	22 Jun 18	11.01B	-0.369	6.3	5.8	0.27	97.7	-23.9	-23.2	-0.38	
3.000	28 Sep 19	12.01B	-0.239	12.2	10.5	0.99	107.4	-20.4	-21.5	0.51	
3.750	28 Sep 20	19.01B	-0.132	12.8	10.9	1.03	97.7	-19.5	-20.3	0.32	
4.250	28 Sep 21	15.98B	0.018	17.8	15.0	1.54	88.1	-15.3	-17.6	0.97	
2.250	22 Jun 23	13.99B	0.313	27.3	26.0	0.67	33.9	-8.3	-8.4	0.05	
2.600	22 Jun 24	15.85B	0.503	32.6	28.9	1.52	34.2	-0.3	-2.0	0.66	
0.800	22 Jun 25	16.02B	0.687	36.6	33.9	1.06	3.5	2.1	1.1	0.38	
1.000	22 Jun 26	5.0B	0.855	40.9	40.9	0.06	9.8	8.6	9.1	-0.47	
1.000	22 Jun 31	4.0B	1.339	49.7	43.9	1.53	6.9	17.9	13.6	1.15	
5.000	28 Mar 35	19.01B	1.441	41.9	35.7	1.91	27.7	42.0	37.1	1.20	
3.750	22 Jun 45	8.01B	1.722	55.0	50.0	1.44	9.9	58.6	54.4	0.91	

Spreads against the German curve, bp



Asset swap term structure, bp







## Finland

	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

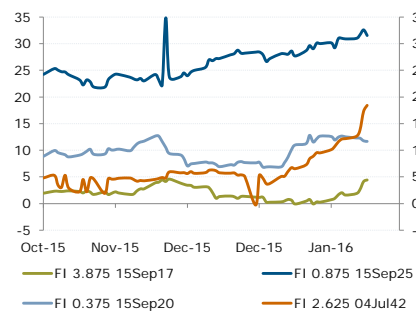
Source: European Commission, Winter 2015 forecast

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

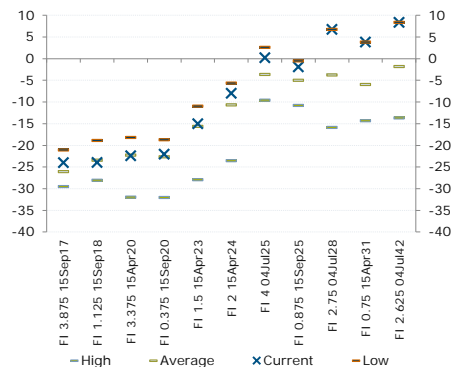
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread			
Coupon	Maturity	Volume	Yield	28-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	28-Jan	60D Avg.	Z-score	
3.875	15 Sep 17	6.0B	-0.390	4.4	2.1	2.42	699.8	-24.0	-26.1	1.06	
1.125	15 Sep 18	5.03B	-0.359	6.4	6.3	0.11	66.9	-24.0	-23.4	-0.30	
3.375	15 Apr 20	6.5B	-0.207	10.5	9.5	0.68	112.2	-22.4	-22.3	-0.08	
0.375	15 Sep 20	6.03B	-0.148	11.7	9.9	1.08	10.5	-22.0	-22.7	0.30	
1.500	15 Apr 23	5.0B	0.236	21.9	20.4	1.49	23.1	-15.0	-15.6	0.34	
2.000	15 Apr 24	5.0B	0.419	26.9	22.3	2.15	26.6	-8.0	-10.7	1.11	
4.000	04 Jul 25	6.03B	0.588	26.2	20.5	1.87	46.1	0.2	-3.7	1.34	
0.875	15 Sep 25	4.03B	0.668	31.5	26.5	1.76	9.6	-1.9	-5.0	1.29	
2.750	04 Jul 28	5.0B	0.947	29.8	19.2	3.43	23.3	6.7	-3.8	2.63	
0.750	15 Apr 31	3.5B	1.188	35.6	23.5	3.37	5.3	3.8	-6.0	2.62	
2.625	04 Jul 42	4.03B	1.341	18.4	6.4	4.83	9.8	8.4	-1.8	3.03	

Spreads against the German curve, bp



Asset swap term structure, bp



## Austria



	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

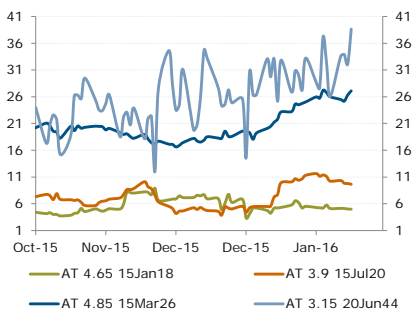
Source: European Commission, Winter 2015 forecast

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

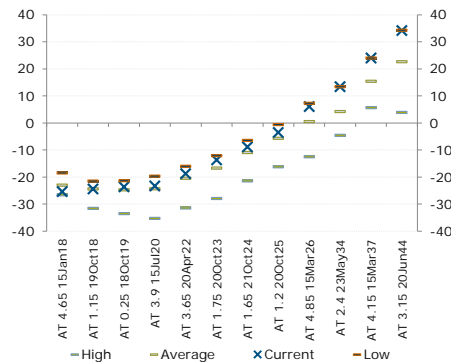
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread			
Coupon	Maturity	Volume	Yield	28-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	28-Jan	60D Avg.	Z-score	
4.650	15 Jan 18	12.06B	-0.396	4.8	5.6	-0.65	416.9	-25.4	-23.0	-1.14	
1.150	19 Oct 18	7.02B	-0.357	6.3	5.9	0.41	62.3	-24.4	-24.4	0.00	
0.250	18 Oct 19	7.95B	-0.261	9.6	7.9	1.04	9.7	-23.6	-24.7	0.49	
3.900	15 Jul 20	13.01B	-0.189	9.5	7.2	1.13	113.6	-23.3	-24.3	0.40	
3.650	20 Apr 22	8.71B	0.058	15.9	13.6	1.12	71.8	-18.7	-20.4	0.63	
1.750	20 Oct 23	9.99B	0.310	22.7	18.2	2.95	24.2	-13.6	-16.6	1.39	
1.650	21 Oct 24	10.35B	0.478	25.2	21.1	2.63	20.0	-8.8	-10.9	1.08	
1.200	20 Oct 25	9.02B	0.653	28.6	24.6	2.08	13.1	-3.5	-5.7	1.07	
4.850	15 Mar 26	8.01B	0.686	26.9	20.4	2.59	54.8	6.1	0.5	1.78	
2.400	23 May 34	5.19B	1.313	32.0	21.0	3.47	13.8	13.4	4.2	2.32	
4.150	15 Mar 37	12.22B	1.368	29.5	20.1	4.33	20.8	24.1	15.4	2.26	
3.150	20 Jun 44	6.72B	1.551	38.4	26.0	2.69	15.6	34.2	22.7	1.92	

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

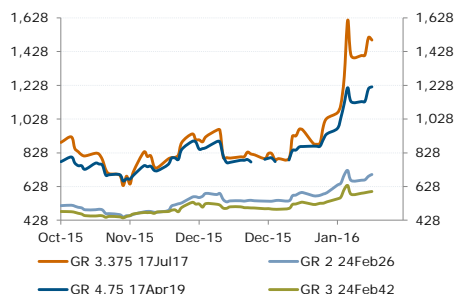
Source: European Commission, Winter 2015 forecast

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

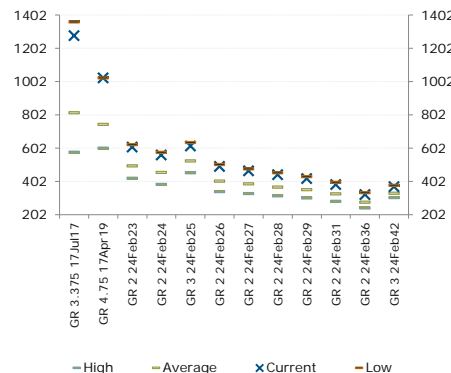
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	28-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	28-Jan	60D Avg.	Z-score
3.375	17 Jul 17	2.02B	14.530	1,495.9	913.2	3.79	1,079.8	1,278.9	815.2	3.71
4.750	17 Apr 19	4.02B	11.791	1,218.5	842.8	3.59	341.2	1,025.1	745.6	3.45
2.000	24 Feb 23	1.04B	8.224	822.5	645.1	2.98	40.6	608.6	495.7	2.88
2.000	24 Feb 24	1.25B	7.850	772.2	602.9	2.83	34.1	560.9	456.2	2.73
3.000	24 Feb 25	1.84B	8.770	849.4	694.1	2.56	36.6	615.3	525.3	2.51
2.000	24 Feb 26	1.37B	7.401	698.9	548.6	2.75	30.0	492.7	404.0	2.66
2.000	24 Feb 27	1.21B	7.243	672.6	536.8	2.64	25.4	465.8	387.4	2.56
2.000	24 Feb 28	1.84B	7.114	649.5	518.7	2.69	21.6	442.7	368.7	2.61
2.000	24 Feb 29	1.48B	6.940	623.8	504.4	2.62	17.2	419.2	352.9	2.55
2.000	24 Feb 31	1.29B	6.705	588.0	480.9	2.45	15.9	383.6	326.7	2.43
2.000	24 Feb 36	1.33B	6.220	517.4	424.7	2.39	10.1	322.7	276.8	2.44
3.000	24 Feb 42	1.05B	7.136	598.1	506.4	2.55	15.3	370.2	331.8	2.62

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

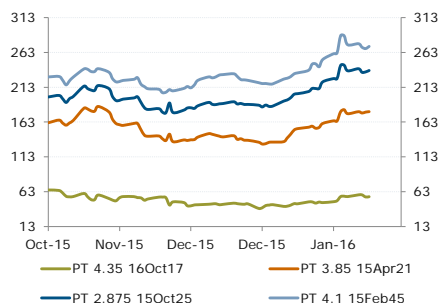
Source: European Commission, Winter 2015 forecast

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

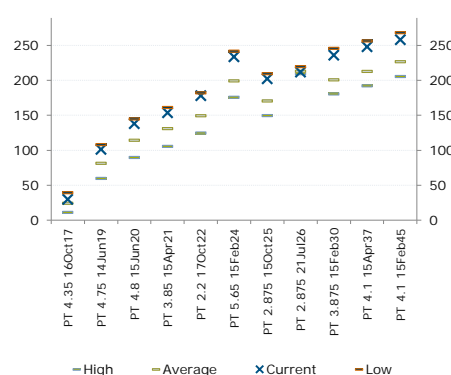
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	28-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	28-Jan	60D Avg.	Z-score
4.350	16 Oct 17	8.99B	0.123	55.9	50.5	1.04	644.9	29.5	24.2	0.95
4.750	14 Jun 19	10.75B	0.871	125.3	105.7	1.95	220.8	101.2	81.4	1.78
4.800	15 Jun 20	10.99B	1.299	159.2	135.5	1.86	153.8	137.8	114.2	1.72
3.850	15 Apr 21	9.55B	1.579	178.1	155.4	1.63	98.7	153.3	130.8	1.57
2.200	17 Oct 22	3.0B	2.140	218.3	187.9	2.14	37.6	177.9	149.1	2.08
5.650	15 Feb 24	12.02B	2.550	242.5	207.2	2.45	91.0	233.5	199.0	2.28
2.875	15 Oct 25	10.52B	2.737	237.2	201.2	2.43	33.2	202.0	170.3	2.37
2.875	21 Jul 26	4.0B	2.943	248.9	250.2	-0.35	30.1	211.7	212.8	-0.33
3.875	15 Feb 30	4.05B	3.366	259.7	219.9	2.56	33.9	235.9	200.5	2.52
4.100	15 Apr 37	8.02B	3.718	264.2	222.4	2.72	25.1	247.9	212.6	2.69
4.100	15 Feb 45	2.5B	3.889	271.9	232.8	2.53	15.9	258.0	226.5	2.59

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

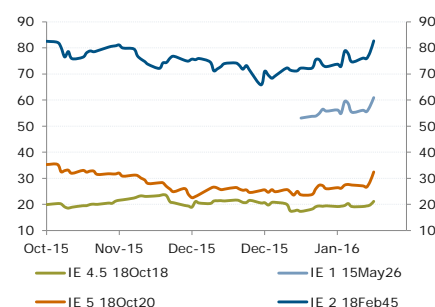
Rating	Baa1/A/A-
--------	-----------

Moody's / S&P / Fitch

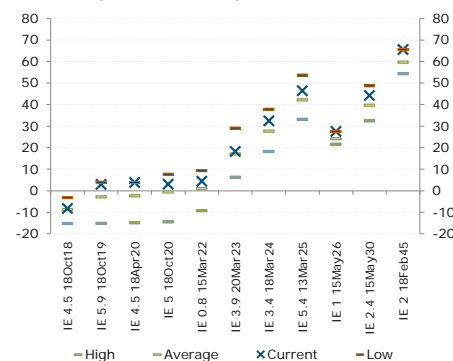
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	28-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	28-Jan	60D Avg.	Z-score
4.500	18 Oct 18	9.58B	-0.208	21.2	20.4	0.66	254.3	-8.3	-8.8	0.21
5.900	18 Oct 19	6.58B	-0.033	32.4	26.6	3.86	213.0	2.8	-2.9	2.45
4.500	18 Apr 20	11.77B	0.031	34.2	27.4	3.75	158.2	3.8	-2.4	2.36
5.000	18 Oct 20	8.99B	0.071	32.4	28.0	1.59	131.1	3.0	-0.7	1.02
0.800	15 Mar 22	4.25B	0.300	41.3	37.4	1.09	17.2	4.3	0.9	0.97
3.900	20 Mar 23	5.95B	0.499	49.1	47.1	0.55	69.1	18.1	17.0	0.28
3.400	18 Mar 24	8.01B	0.760	62.1	55.8	2.70	51.5	32.4	27.7	1.68
5.400	13 Mar 25	11.35B	0.921	63.9	58.0	2.53	76.4	46.4	42.1	1.45
1.000	15 May 26	3.0B	1.044	60.9	56.2	2.69	9.9	27.5	24.1	2.60
2.400	15 May 30	7.78B	1.458	67.5	62.3	1.77	19.4	44.2	39.7	1.91
2.000	18 Feb 45	5.05B	1.997	82.7	75.5	2.66	2.4	65.5	59.7	2.63

Spreads against the German curve, bp



Asset swap term structure, bp

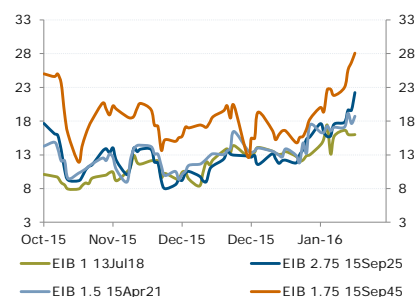




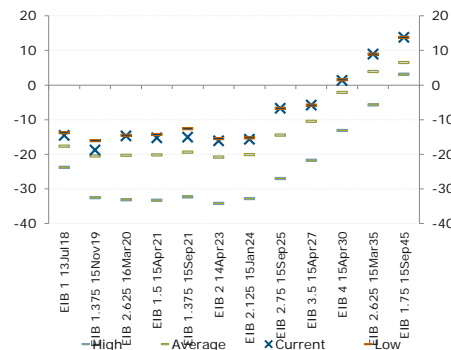
$\Delta$  B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

## European Investment Bank (EIB)

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	28-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	28-Jan	60D Avg.	Z-score
1.000	13 Jul 18	5.0B	-0.272	15.7	11.5	2.12	73.0	-14.5	-17.6	2.19
1.375	15 Nov 19	3.0B	-0.208	14.3	12.0	1.20	44.9	-18.8	-20.5	1.35
2.625	16 Mar 20	3.4B	-0.140	18.1	11.6	2.56	90.9	-14.7	-20.3	2.95
1.500	15 Apr 21	5.0B	-0.018	18.4	12.9	3.07	36.2	-15.3	-20.2	2.92
1.375	15 Sep 21	4.02B	0.037	20.0	15.2	2.31	28.2	-15.1	-19.4	2.12
2.000	14 Apr 23	5.0B	0.218	20.2	14.7	2.98	31.3	-16.1	-20.8	2.70
2.125	15 Jan 24	5.0B	0.314	20.1	13.8	3.10	28.0	-15.7	-20.1	3.08
2.750	15 Sep 25	5.35B	0.573	22.0	12.6	4.03	30.9	-6.7	-14.5	4.61
3.500	15 Apr 27	4.0B	0.712	18.0	12.8	2.51	34.6	-5.8	-10.5	4.29
4.000	15 Apr 30	6.5B	0.969	19.1	14.6	1.66	29.8	1.3	-2.2	2.65
2.625	15 Mar 35	1.7B	1.277	25.5	18.6	2.73	13.4	9.0	3.9	3.86
1.750	15 Sep 45	1.3B	1.451	27.8	18.2	3.65	6.1	13.8	6.5	5.62

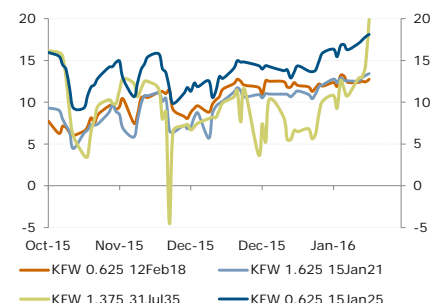
**Spreads against the German curve, bp**

Asset swap term structure, bp

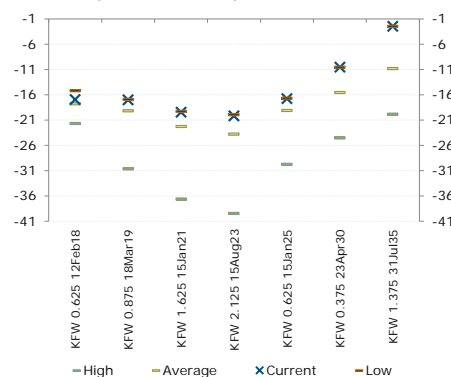


$\Delta$  B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

## Kreditanstalt für Wiederaufbau (KfW)

[illegible]**Spreads against the German curve, bp**

**Asset swap term structure, bp**



Nordea Markets is the name of the Markets departments of Nordea Bank Norge ASA, Nordea Bank AB (publ), Nordea Bank Finland Plc and Nordea Bank Danmark A/S. The information provided herein is intended for background information only and for the sole use of the intended recipient. The views and other information provided herein are the current views of Nordea Markets as of the date of this document and are subject to change without notice. This notice is not an exhaustive description of the described product or the risks related to it, and it should not be relied on as such, nor is it a substitute for the judgement of the recipient. The information provided herein is not intended to constitute and does not constitute investment advice nor is the information intended as an offer or solicitation for the purchase or sale of any financial instrument. The information contained herein has no regard to the specific investment objectives, the financial situation or particular needs of any particular recipient. Relevant and specific professional advice should always be obtained before making any investment or credit decision. It is important to note that past performance is not indicative of future results. Nordea Markets is not and does not purport to be an adviser as to legal, taxation, accounting or regulatory matters in any jurisdiction. This document may not be reproduced, distributed or published for any purpose without the prior written consent from Nordea Markets.