

Euro Rates Update

Nordea Research, 01 February 2016

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US Treasury Yields				
	2Y	5Y	10Y	30Y
	0.80	1.37	1.96	2.77
Δ 1D	-2.8	-5.6	-6.3	-5.8
Δ 1W	-1.8	-4.2	-3.6	-0.5

German Benchmark Yields				
	2Y	5Y	10Y	30Y
	-0.48	-0.30	0.35	1.08
Δ 1D	-3.0	-4.2	-5.7	-5.7
Δ 1W	-3.5	-6.0	-9.9	-12.3

German Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-18.1	-64.8	-82.9	-72.9
Δ 1D	-1.1	-1.5	-2.7	0.0
Δ 1W	-2.5	-3.9	-6.4	-2.4

EUR Swap Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-25.3	-60.8	-86.1	-58.9
Δ 1D	-0.9	-0.2	-1.1	-0.7
Δ 1W	-1.9	-1.9	-3.8	-2.5

German Asset Swap Levels				
	2Y	5Y	10Y	30Y
	-29.7	-33.5	-33.4	-16.4
Δ 1D	0.4	0.2	-1.1	-0.4
Δ 1W	0.7	-0.5	-2.2	-2.5

10Y Benchmark Yields				
	Yield	Δ 1D	Spread	Δ 1D
GER	0.352	-5.7	-	-
FRA	0.659	-6.5	33.4	-1.0
ITA	1.433	-6.2	110.6	-0.7
ESP	1.536	-7.1	122.0	-1.6
BEL	0.627	-6.0	36.0	-0.6
HOL	0.460	-6.5	18.4	-1.1
AUT	0.589	-6.4	27.8	-0.9
GRE	8.867	9.7	864.3	15.0
POR	2.663	-7.4	235.3	-1.9
FIN	0.599	-6.9	30.0	-1.5
IRL	0.854	-6.8	62.4	-1.4

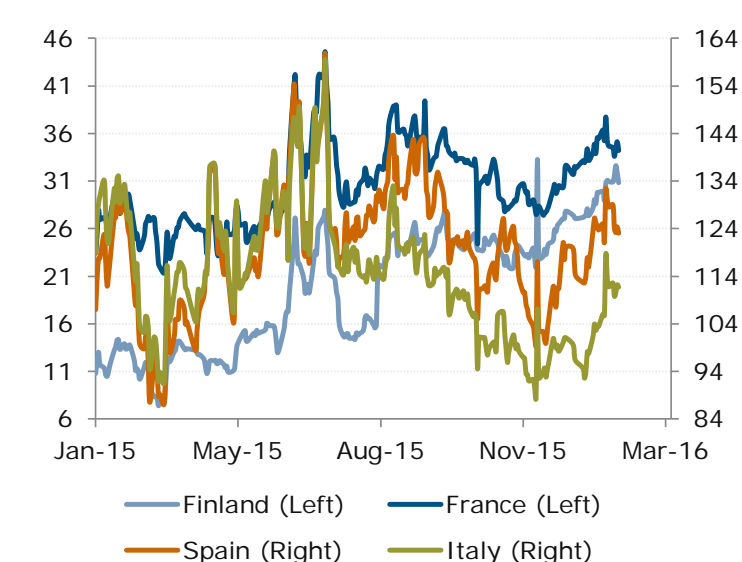
Spread = Maturity interpolated spread to German government par yield curve

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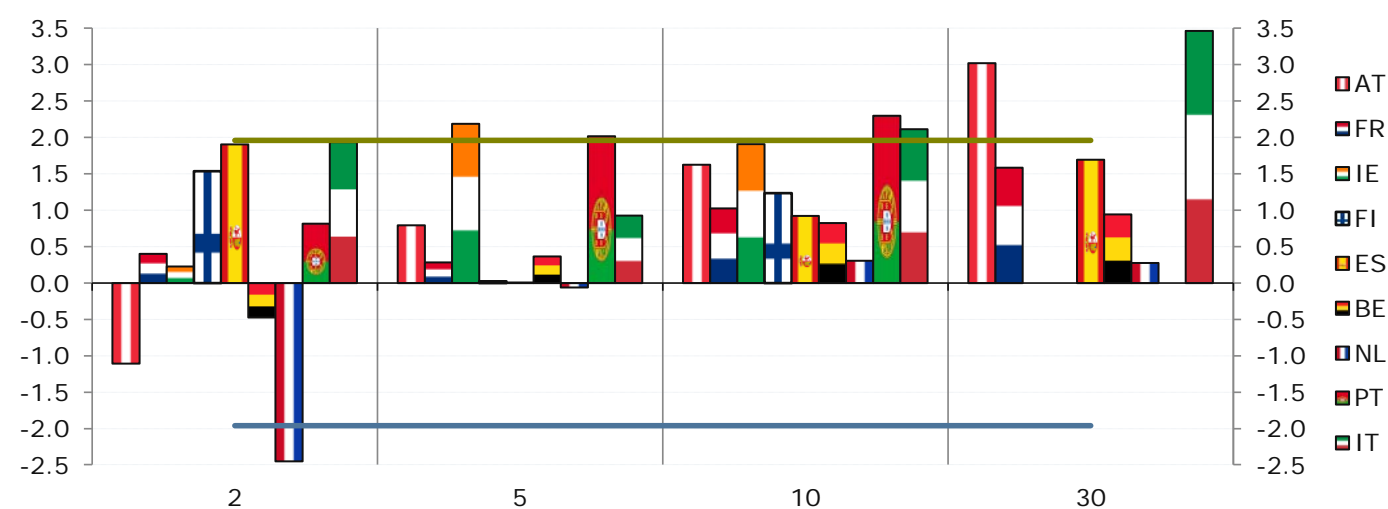
German & US 10-year benchmark yields, %



10 year spreads against Germany, bp



Z-scores of benchmark vs. Germany



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

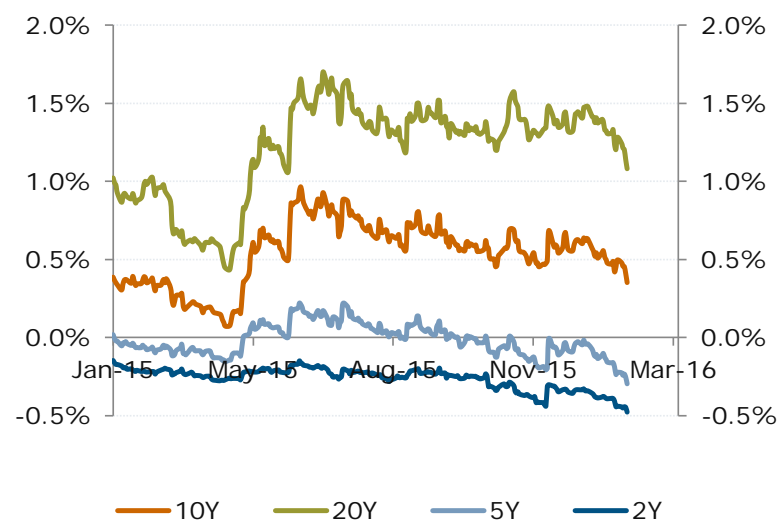
All bond quotes are taken at 16:15 CET.

Bond Yields & Curves

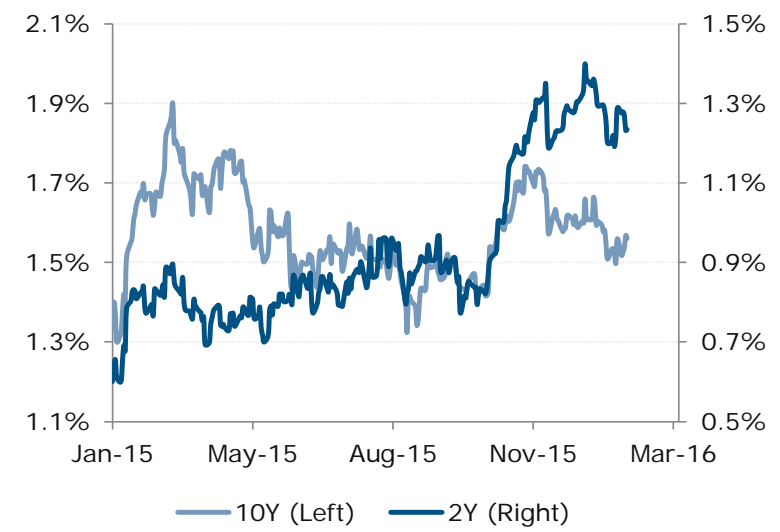
Yield Levels

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

German benchmark bond yields, %



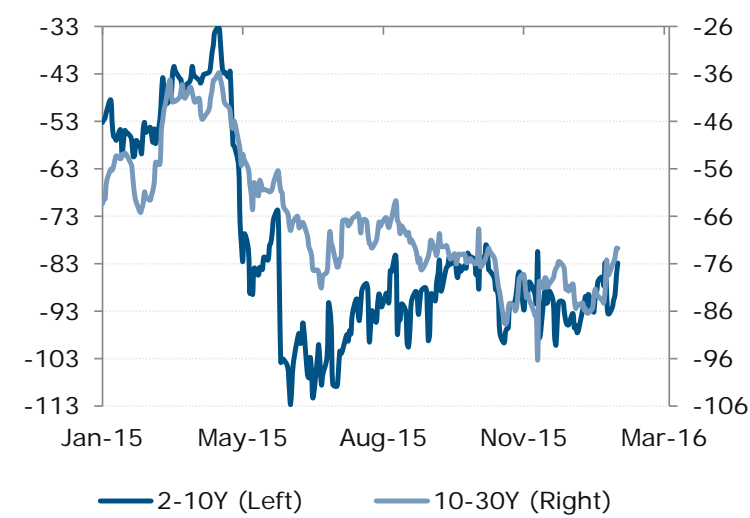
USA-Germany spreads, annualized yields, %



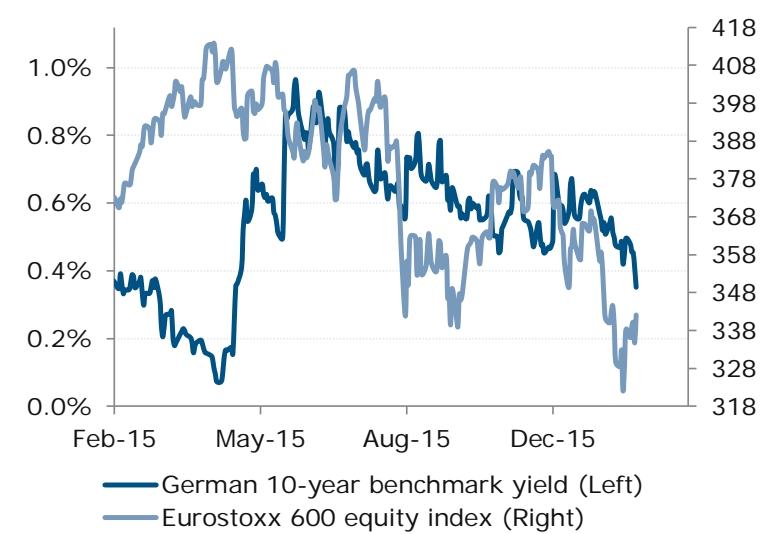
Bond Curve Shape

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

German yield curve slopes, bp



Bonds vs. equities



Swaps and Forwards

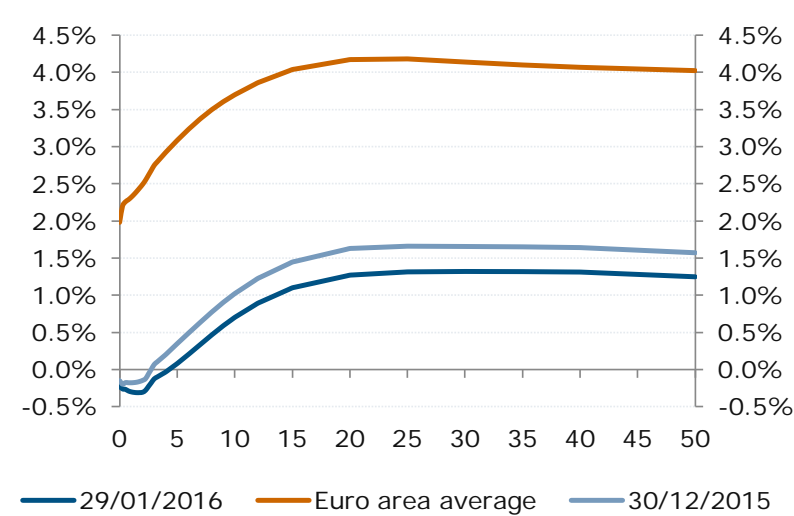
EUR swap rates and implied forwards, %



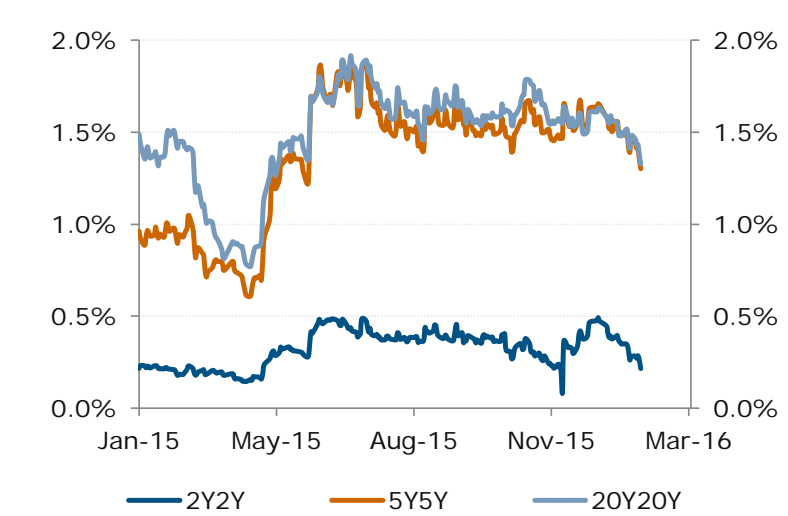
EUR-USD spreads and implied forwards, %



EUR swap curve shape vs. historical

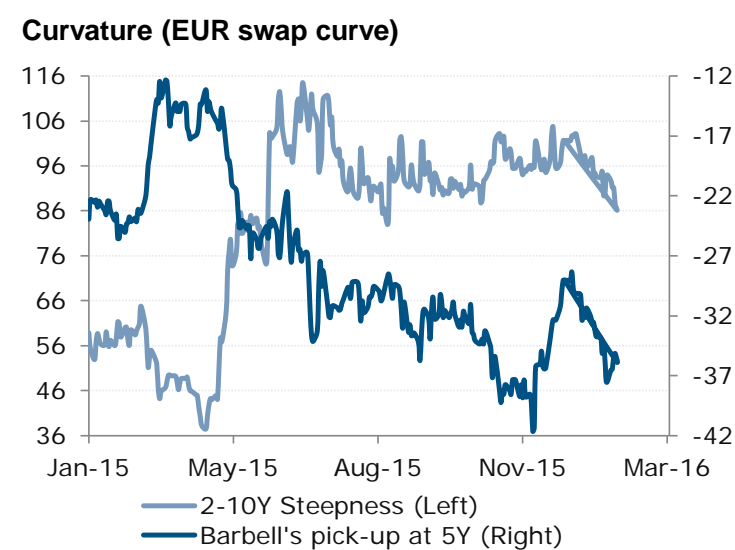


Historical forward rates, %



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.

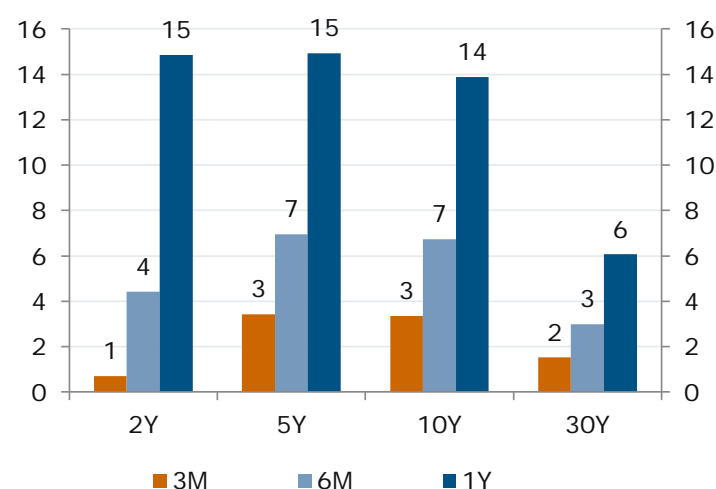


Carry

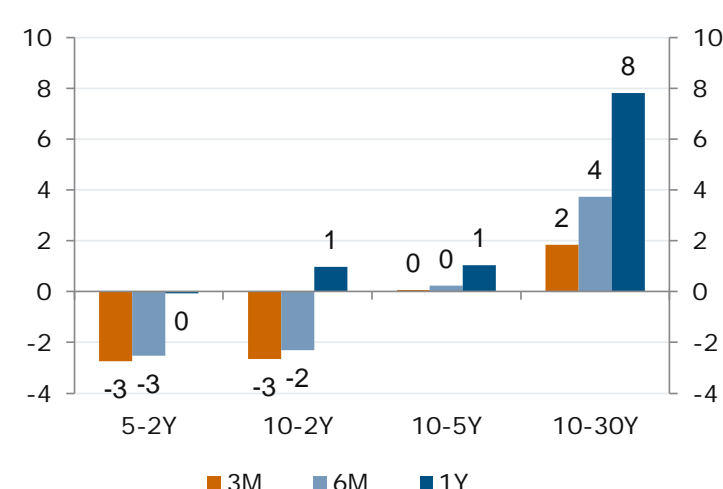
The carry on the given horizon illustrates how much the spot swap rate may rise for a receiver swap position in a forward-starting swap to result in zero profit.

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.

Yield buffers for forward-starting swaps, bp

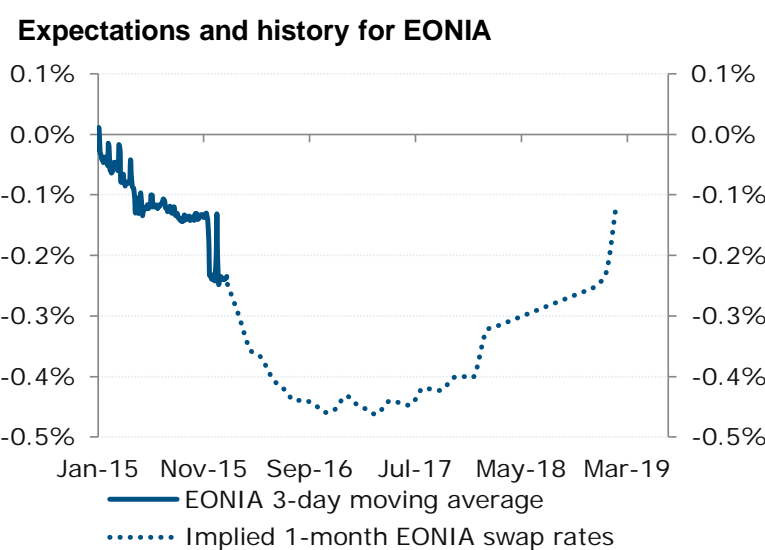


Yield buffers for duration-neutral steepeners, bp

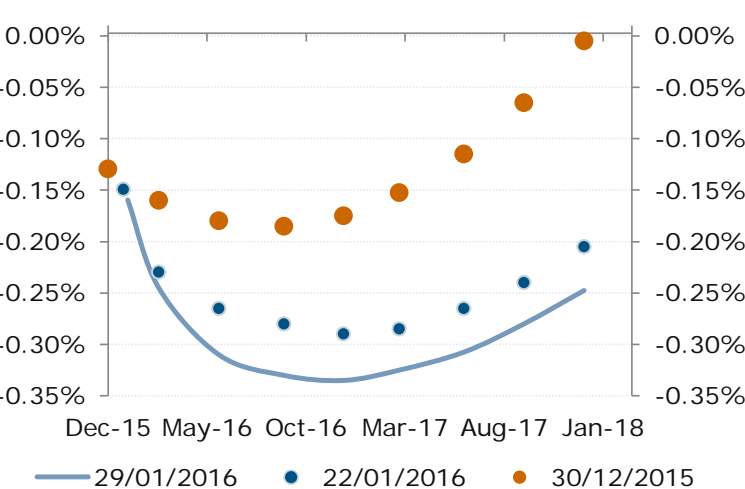


Money Market Rates

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

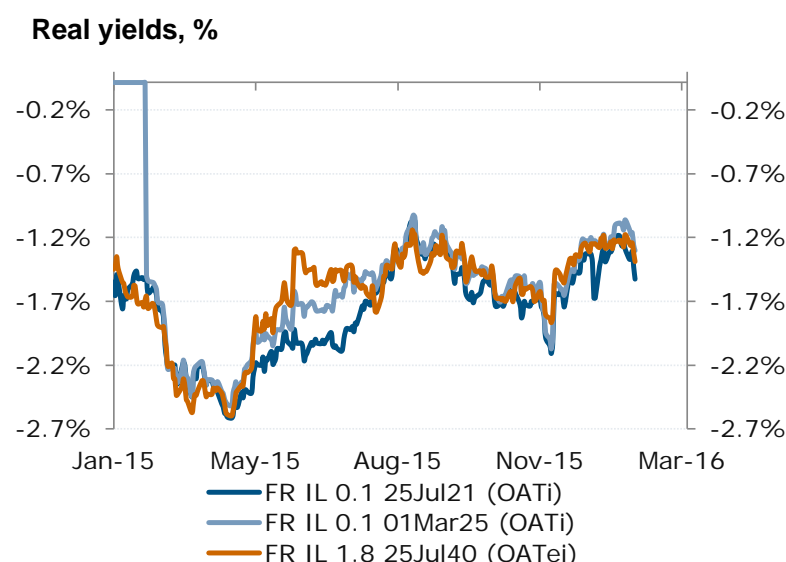


Euribor futures curve, now, 1 wk & 1M ago

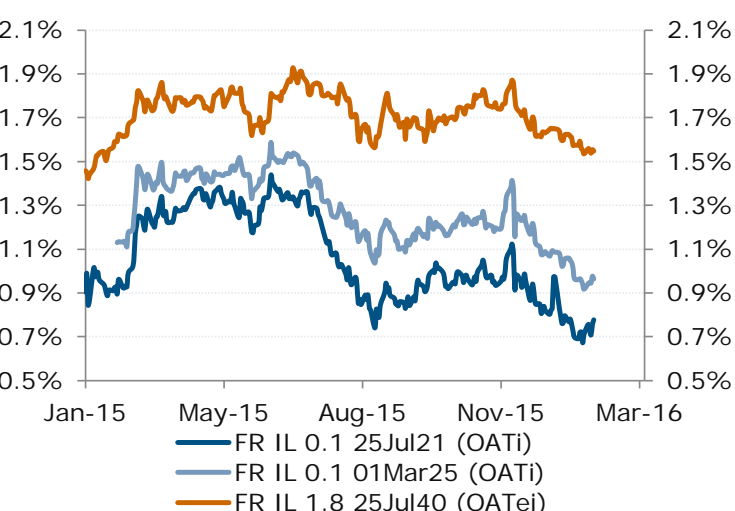


Inflation-linked Bonds

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



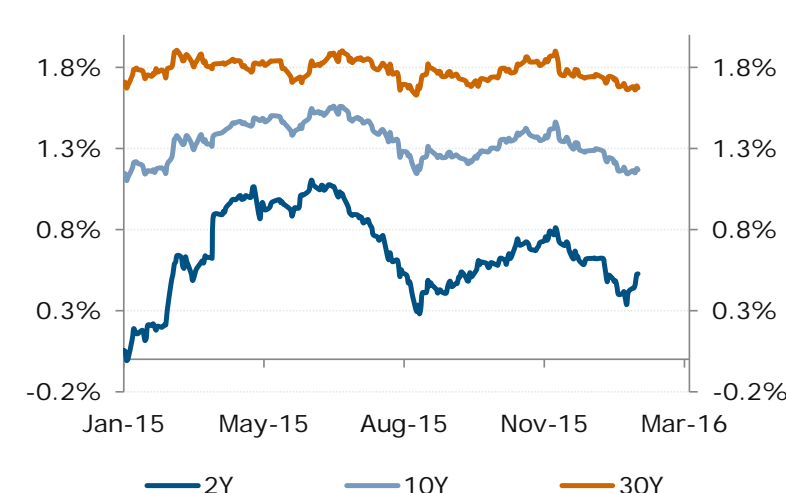
Break-even inflation history, %



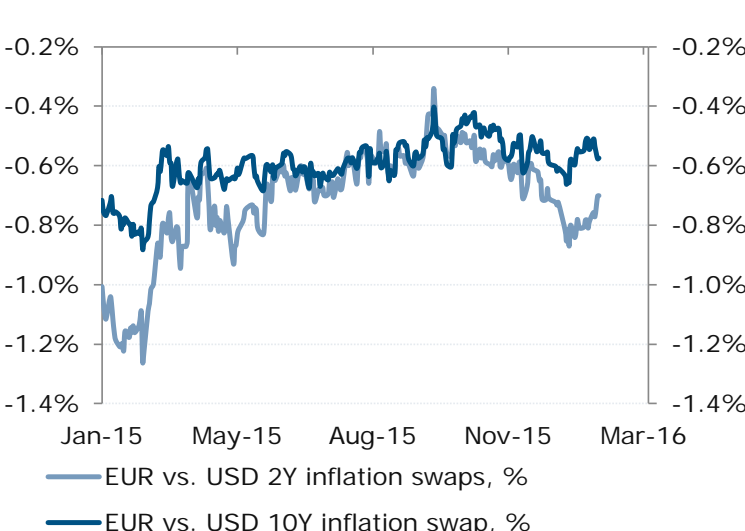
Inflation Swaps

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

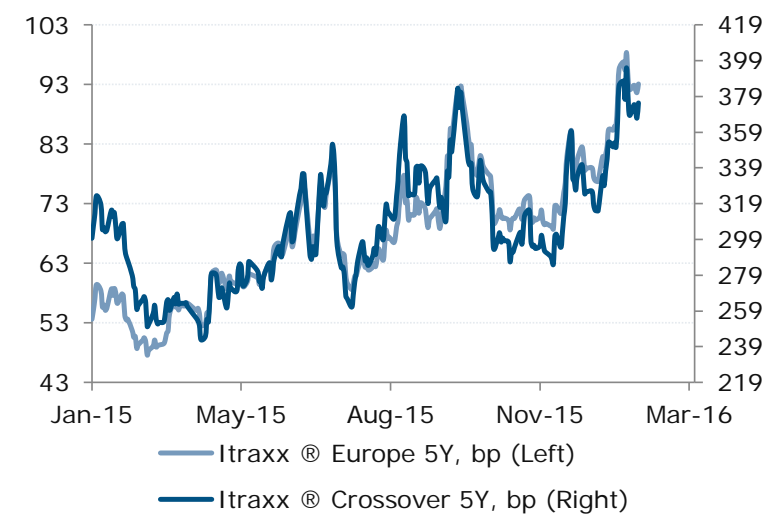


Credit & Money Market Spreads

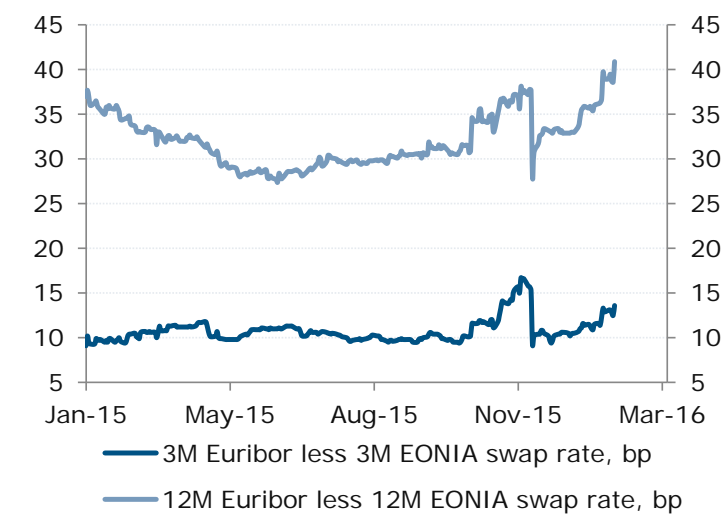
Credit default swap indices illustrate the annual cost of buying protection against a credit event of a company. iTraxx® Europe is comprised of the 125 most liquid CDS contracts referencing European investment grade credits, iTraxx® Crossover of 50 sub-investment grade credits.

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



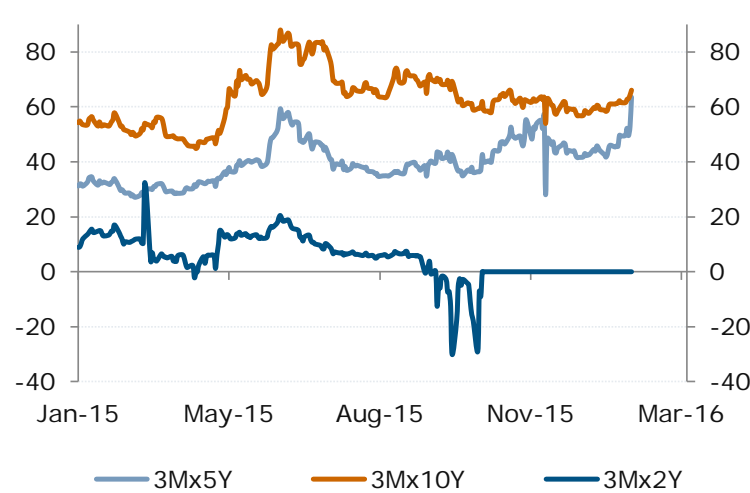
Money market rates vs. EONIA swap rates



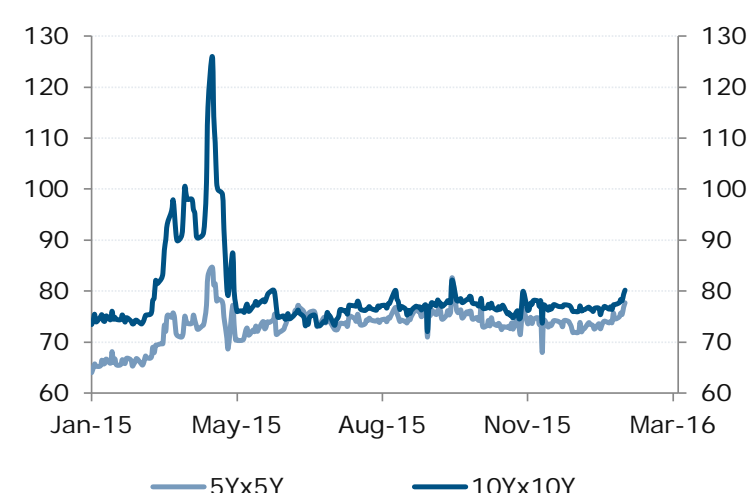
Swaption Volatilities

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

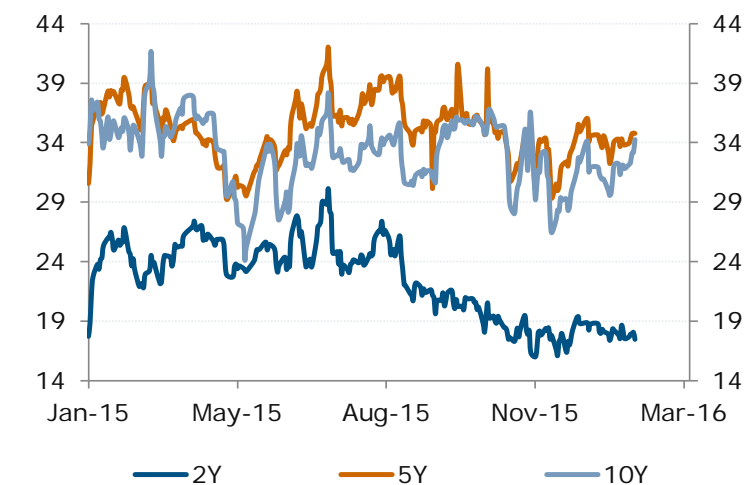


Swap & Cross-country Spreads

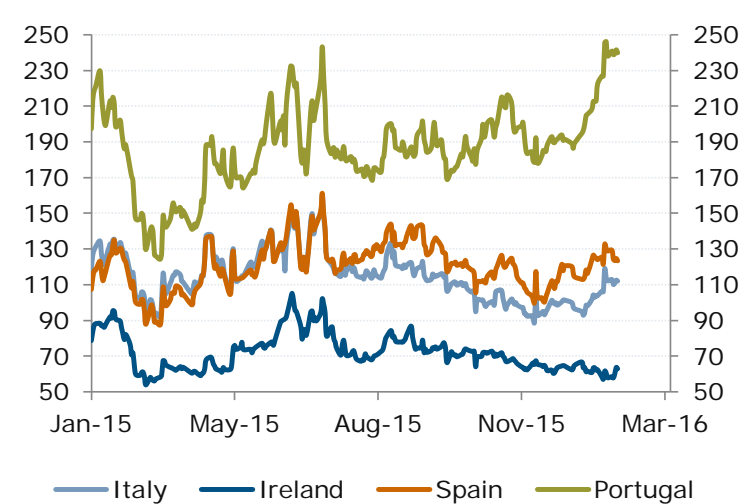
Swap spread:
Benchmark bond's spread to EUR swap curve.

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

German swap spreads, bp



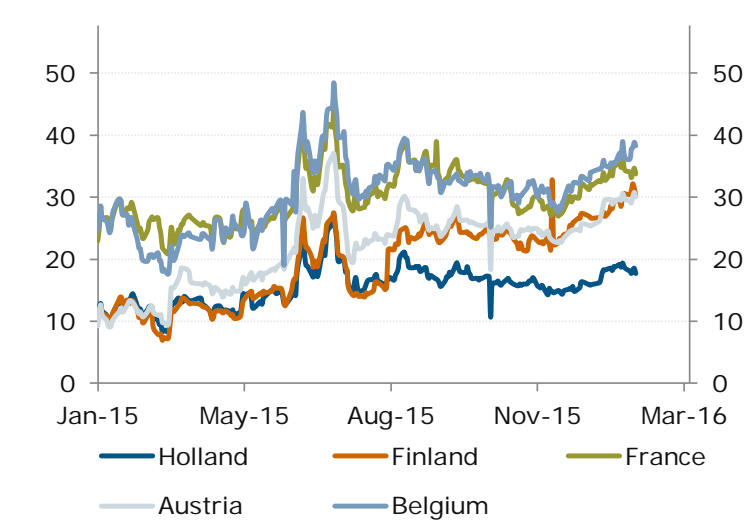
10Y non-AAA spreads against Germany, bp



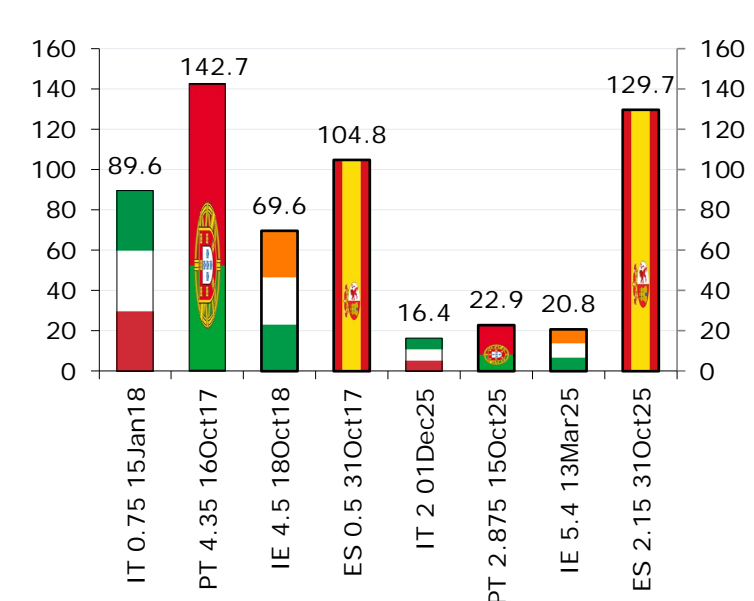
1Y break-even spread changes indicate how much a bond's spread against an equivalent bond trading on the German curve may widen in order to give the same return in one year.

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

10Y AAA/AA+ spreads to Germany, bp



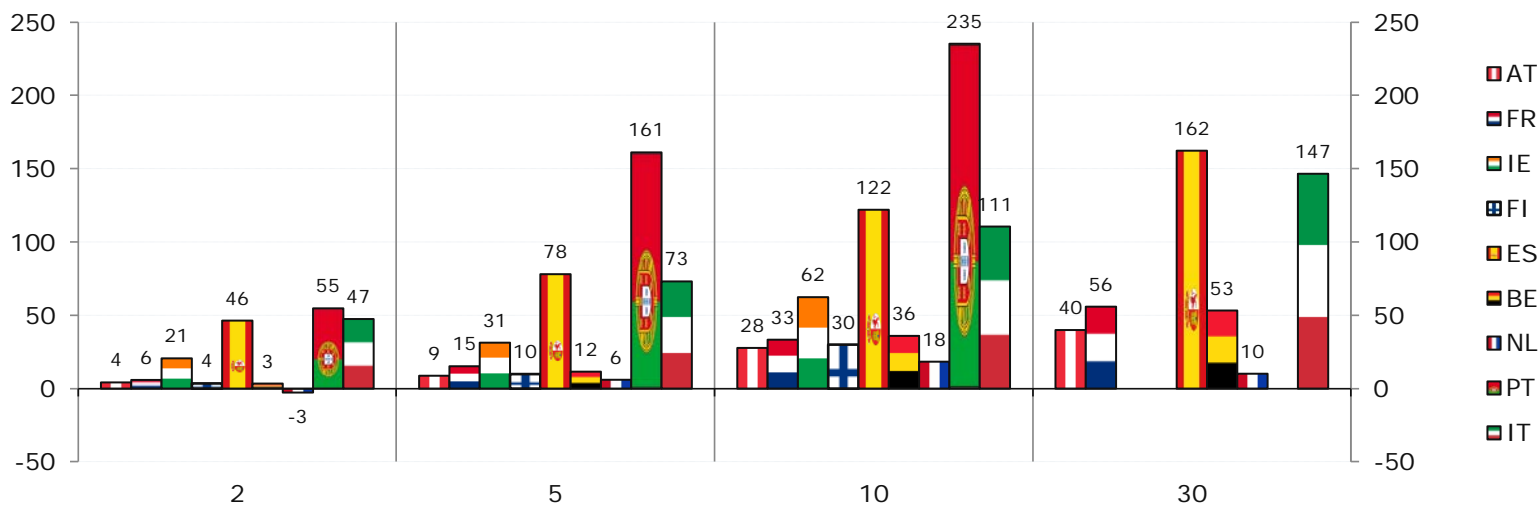
1Y B/E spread changes against Germany, bp



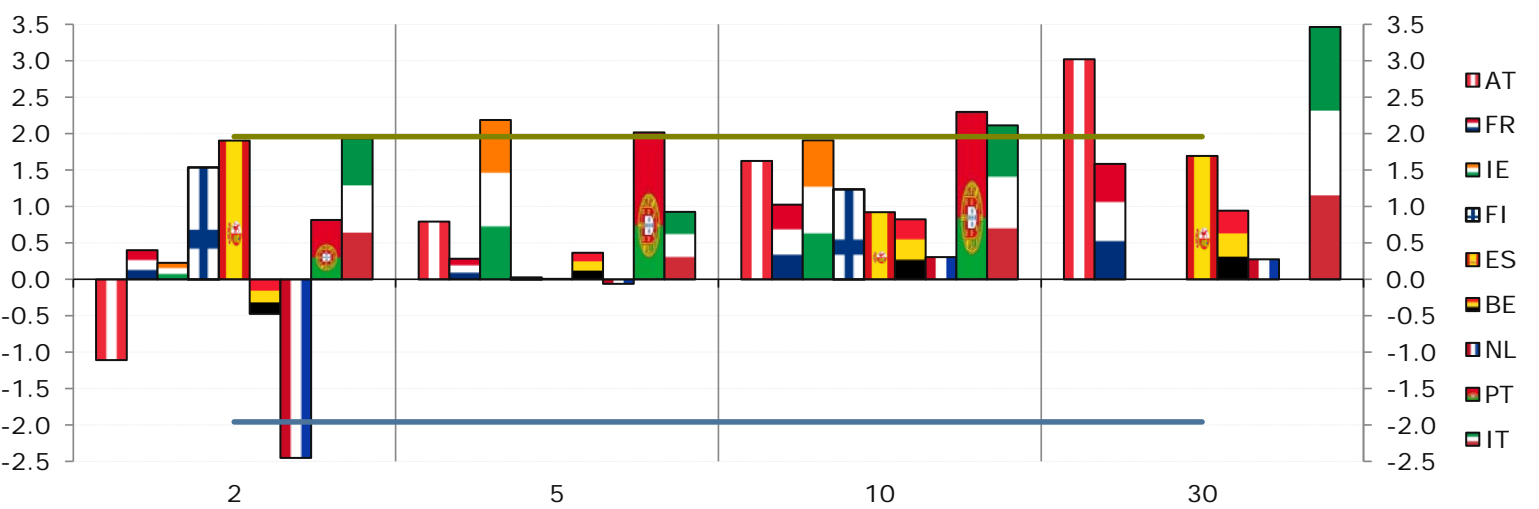


Country Relative Value

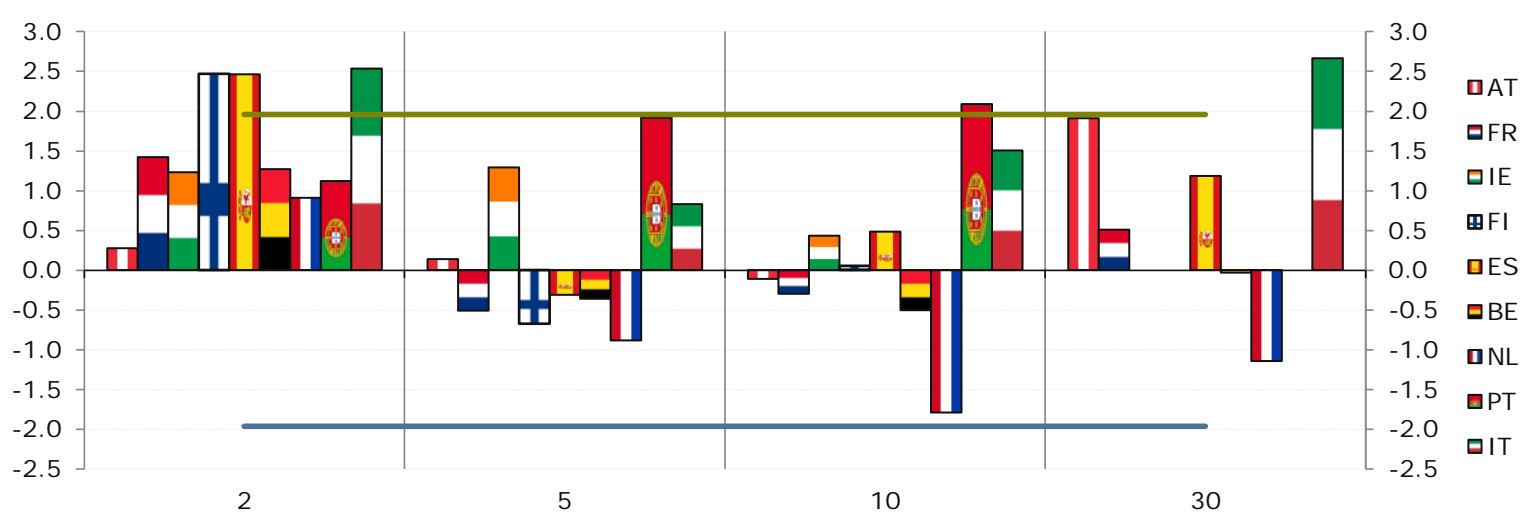
Benchmark spreads over the maturity-interpolated German par curve, bp



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	NL	15 Apr 17	0.500	-2.7	-2.39	AT	15 Jan 18	4.650	-25.7	-1.27
	GR	17 Apr 19	4.750	1,199.8	3.15	GR	17 Jul 17	3.375	1,236.2	3.08
5Y: Rich	NL	15 Jan 20	0.250	6.6	-1.05	NL	15 Jan 20	0.250	-26.9	-1.05
	IE	18 Oct 19	5.900	30.9	2.80	EIB	15 Nov 19	1.375	-16.1	3.14
7Y: Rich	DE	15 Aug 23	2.000	-30.3	-1.32	DE	15 Aug 23	2.000	-40.3	-1.73
	EIB	15 Jan 24	2.125	21.3	3.47	EIB	15 Jan 24	2.125	-15.0	3.20
10Y: Rich	DE	15 Feb 25	0.500	-32.3	-1.42	DE	15 Feb 26	0.500	-33.4	-2.74
	EIB	15 Sep 25	2.750	23.1	4.24	EIB	15 Apr 27	3.500	-5.1	4.49
15Y: Rich	DE	04 Jan 37	4.000	-61.3	-2.10	DE	04 Jan 37	4.000	-22.0	-1.48
	KfW	31 Jul 35	1.375	19.9	3.76	KfW	31 Jul 35	1.375	-2.8	5.47
20Y: Rich	DE	15 Aug 46	2.500	-68.5	-1.77	DE	15 Aug 46	2.500	-16.4	-1.81
	FI	04 Jul 42	2.625	18.3	4.23	EIB	15 Sep 45	1.750	14.4	5.20

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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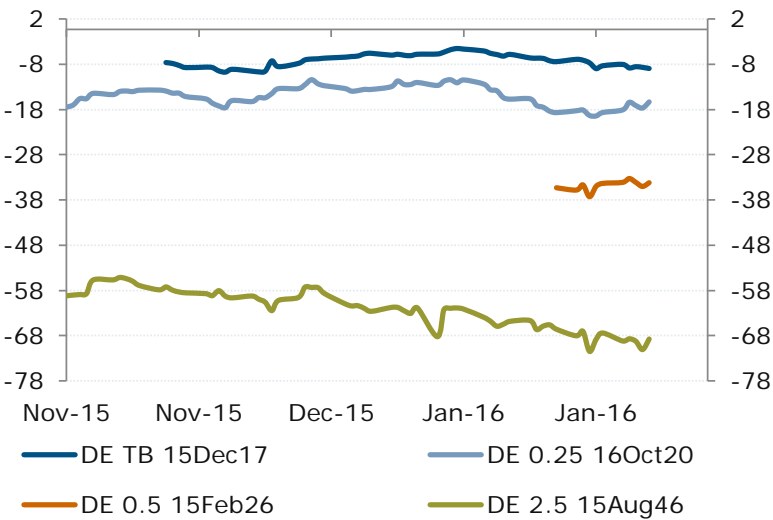
Moody's / S&P / Fitch

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

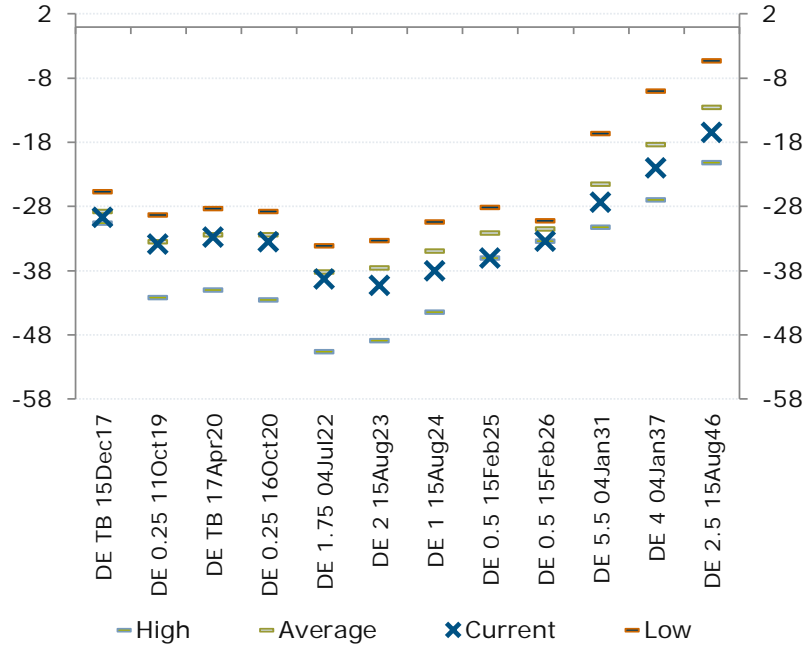
Germany

Benchmark Bonds				Spread vs. France				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	29-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	29-Jan	60D Avg.	Z-score
0.000	15 Dec 17	13.0B	-0.478	-8.7	-7.1	-1.31	-28.2	-29.7	-28.8	-0.78
0.250	11 Oct 19	16.0B	-0.408	-15.7	-14.6	-0.68	0.7	-33.9	-33.5	-0.27
0.000	17 Apr 20	20.0B	-0.345	-15.1	-14.4	-0.44	1.4	-32.8	-32.4	-0.22
0.250	16 Oct 20	19.0B	-0.297	-16.1	-14.8	-0.68	0.8	-33.5	-32.5	-0.84
1.750	04 Jul 22	24.0B	-0.144	-25.8	-24.4	-1.08	0.0	-39.3	-38.2	-0.68
2.000	15 Aug 23	18.0B	-0.015	-30.3	-28.3	-1.32	-0.2	-40.3	-37.6	-1.73
1.000	15 Aug 24	18.0B	0.133	-32.1	-29.5	-1.20	-2.4	-38.1	-34.9	-2.02
0.500	15 Feb 25	23.0B	0.217	-32.3	-28.5	-1.42	0.1	-36.0	-32.2	-2.42
0.500	15 Feb 26	5.0B	0.352	-34.0	-34.6	0.75	0.0	-33.4	-31.6	-2.74
5.500	04 Jan 31	17.0B	0.688	-50.0	-45.8	-1.34	0.4	-27.3	-24.6	-1.10
4.000	04 Jan 37	23.0B	0.940	-61.3	-54.2	-2.10	-0.2	-22.0	-18.4	-1.48
2.500	15 Aug 46	14.0B	1.080	-68.5	-61.8	-1.77	0.2	-16.4	-12.6	-1.81

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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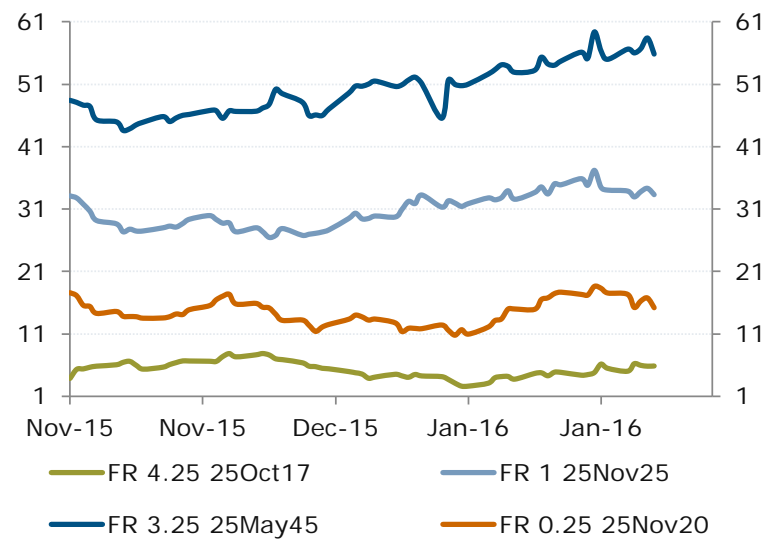
Moody's / S&P / Fitch

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

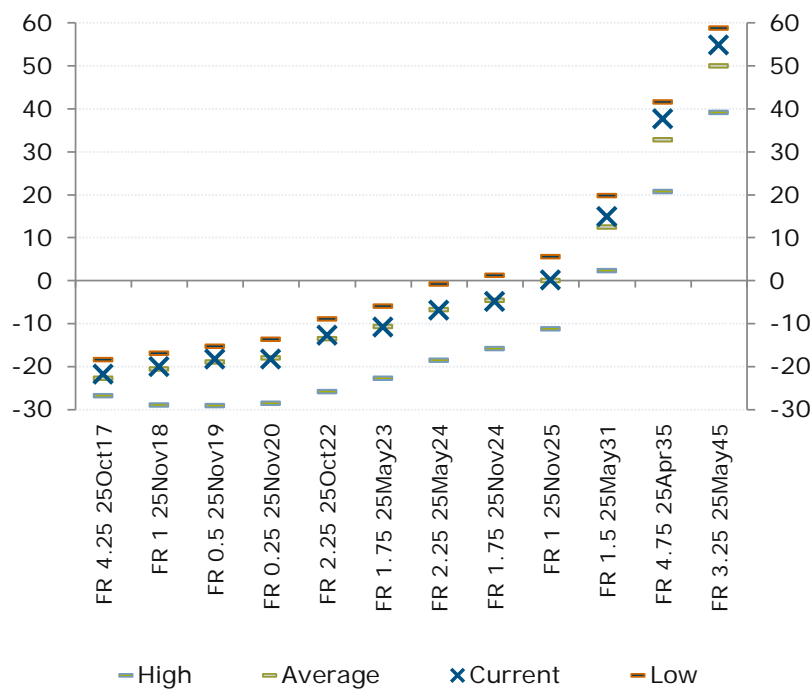
France

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	29-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	29-Jan	60D Avg.	Z-score
4.250	25 Oct 17	34.75B	-0.404	5.9	5.5	0.38	0.0	-21.9	-22.9	0.53
1.000	25 Nov 18	22.01B	-0.346	9.9	10.1	-0.13	-2.3	-20.1	-20.7	0.34
0.500	25 Nov 19	26.98B	-0.242	14.4	13.7	0.49	-0.7	-18.4	-19.0	0.34
0.250	25 Nov 20	15.95B	-0.131	15.3	14.7	0.32	-1.0	-18.4	-18.0	-0.19
2.250	25 Oct 22	27.01B	0.142	23.0	21.8	1.02	-0.8	-12.8	-13.6	0.34
1.750	25 May 23	32.97B	0.239	25.7	24.6	0.88	-0.5	-11.0	-10.7	-0.13
2.250	25 May 24	30.55B	0.391	27.8	25.3	1.03	-0.3	-7.0	-6.9	-0.02
1.750	25 Nov 24	30.99B	0.479	29.1	26.7	1.03	-0.1	-4.9	-4.7	-0.11
1.000	25 Nov 25	19.99B	0.659	33.4	30.7	1.02	0.3	0.0	-0.1	0.06
1.500	25 May 31	9.44B	1.214	43.3	39.3	1.19	-1.9	14.9	12.4	0.75
4.750	25 Apr 35	25.03B	1.363	39.3	33.3	1.64	-0.6	37.6	32.7	1.05
3.250	25 May 45	17.01B	1.675	55.9	50.2	1.52	-0.5	54.8	49.9	1.07

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

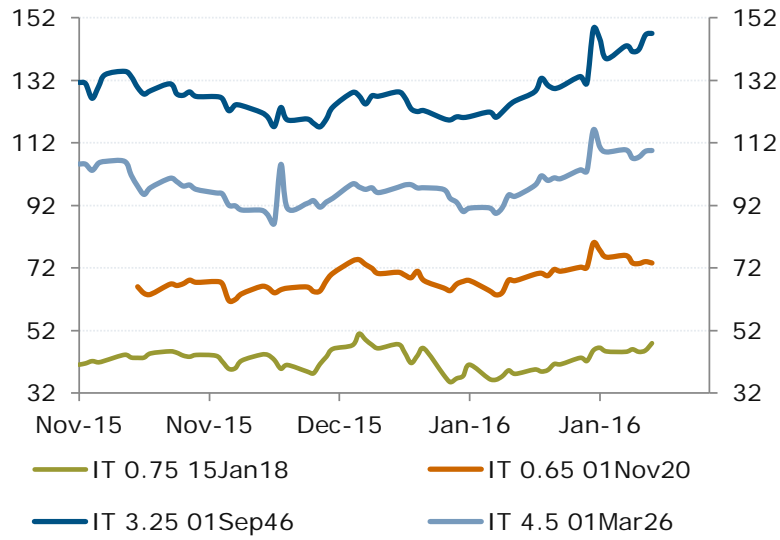
Rating	Baa2/BBB-/BBB+
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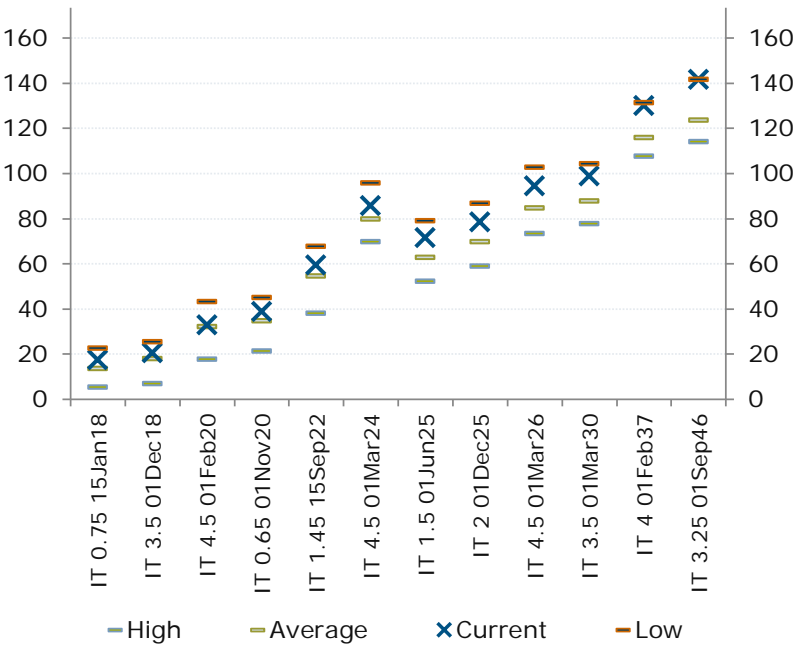
Italy

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	29-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	29-Jan	60D Avg.	Z-score
0.750	15 Jan 18	15.46B	-0.001	47.5	42.3	1.85	-25.4	17.5	13.5	1.31
3.500	01 Dec 18	19.01B	0.043	48.7	47.0	0.60	-0.5	20.4	17.9	0.72
4.500	01 Feb 20	22.99B	0.245	61.9	60.1	0.61	-2.0	32.9	32.1	0.26
0.650	01 Nov 20	11.44B	0.440	73.1	68.3	1.36	-1.8	38.8	34.6	1.18
1.450	15 Sep 22	14.99B	0.866	96.7	91.8	1.17	-1.2	59.3	54.6	1.05
4.500	01 Mar 24	23.71B	1.170	109.1	101.3	1.83	-0.3	85.7	79.7	1.34
1.500	01 Jun 25	19.99B	1.337	107.7	96.6	2.14	1.0	71.5	62.8	1.89
2.000	01 Dec 25	17.02B	1.433	110.6	99.6	2.05	1.0	78.5	69.8	1.83
4.500	01 Mar 26	20.01B	1.449	109.1	98.3	2.11	1.6	94.4	84.7	1.89
3.500	01 Mar 30	19.99B	1.858	114.5	102.8	2.06	0.7	98.7	87.7	2.11
4.000	01 Feb 37	26.01B	2.312	129.8	115.9	3.13	-0.6	129.9	115.9	3.04
3.250	01 Sep 46	13.24B	2.588	146.6	127.8	3.24	0.4	141.5	123.6	3.27

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

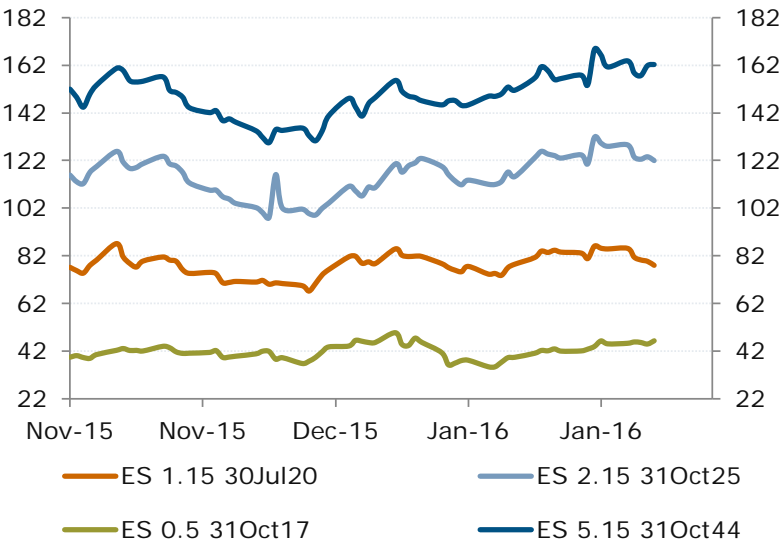
Rating	Baa2/BBB/BBB+
Moody's / S&P / Fitch	

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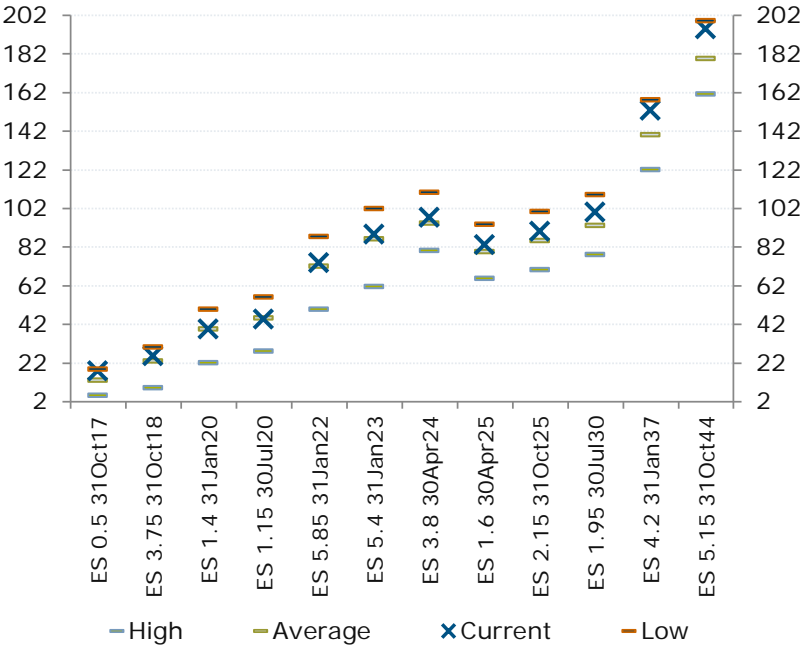
Spain

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	29-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	29-Jan	60D Avg.	Z-score
0.500	31 Oct 17	16.99B	0.000	46.4	42.0	1.84	-18.5	18.2	13.3	2.10
3.750	31 Oct 18	20.01B	0.083	53.1	51.4	0.50	-4.0	26.0	23.4	0.72
1.400	31 Jan 20	21.91B	0.353	72.7	71.9	0.21	-13.6	39.9	39.8	0.02
1.150	30 Jul 20	15.03B	0.461	78.1	78.1	0.01	-23.7	44.9	45.6	-0.18
5.850	31 Jan 22	22.01B	0.784	95.8	93.3	0.51	-10.7	74.3	72.6	0.29
5.400	31 Jan 23	21.99B	1.036	109.3	106.4	0.49	-5.4	89.0	86.7	0.34
3.800	30 Apr 24	21.99B	1.331	122.7	118.0	0.73	-0.3	97.7	94.7	0.45
1.600	30 Apr 25	19.09B	1.444	119.7	114.4	0.76	3.7	83.5	80.0	0.58
2.150	31 Oct 25	20.96B	1.536	122.0	115.4	0.90	-3.9	90.6	85.8	0.73
1.950	30 Jul 30	11.51B	2.072	133.7	126.0	0.91	-0.7	100.4	93.4	0.94
4.200	31 Jan 37	16.37B	2.510	149.6	137.6	1.49	0.8	152.9	140.5	1.52
5.150	31 Oct 44	11.23B	2.736	162.3	149.3	1.64	-1.4	195.2	179.9	1.75

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

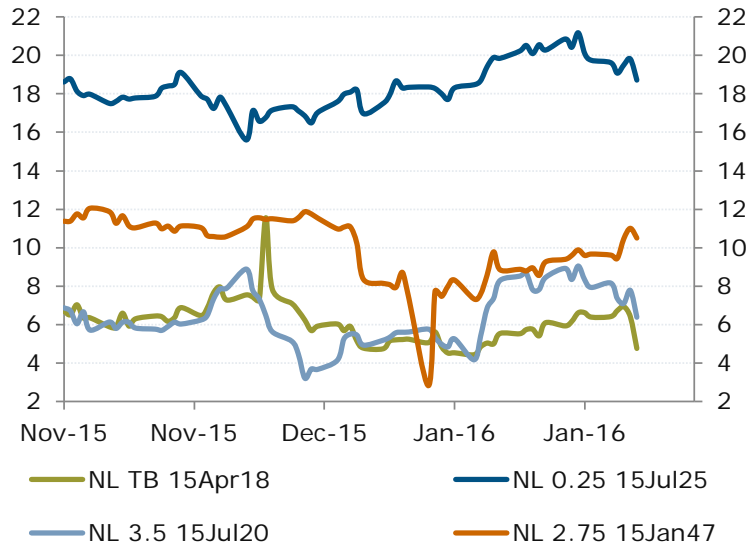
Rating	Aaa/AA+/AAA
Moody's / S&P / Fitch	

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

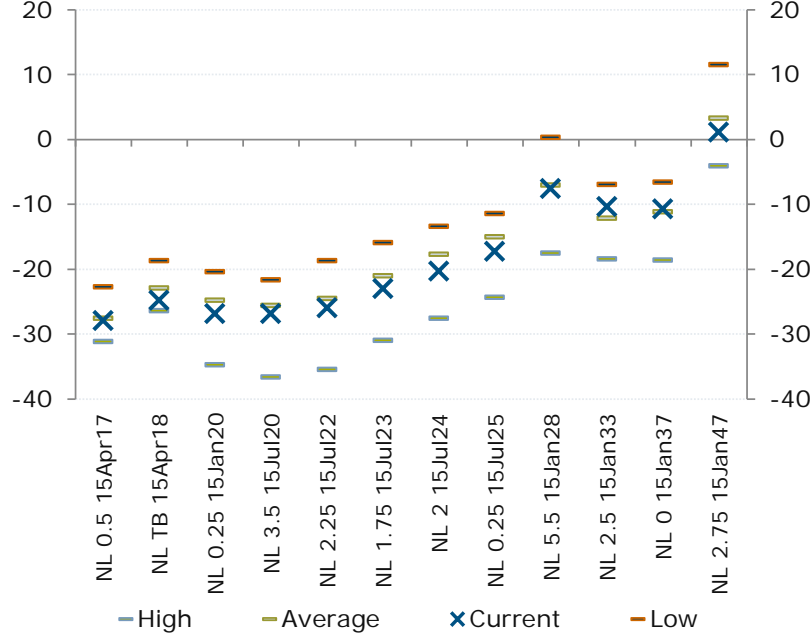
Netherlands

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	29-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	29-Jan	60D Avg.	Z-score
0.500	15 Apr 17	13.03B	-0.462	-2.7	0.0	-2.39	-22.8	-28.0	-27.6	-0.21
0.000	15 Apr 18	15.99B	-0.425	4.4	5.9	-1.89	-3.5	-24.8	-22.9	-1.13
0.250	15 Jan 20	15.84B	-0.311	6.6	7.9	-1.05	-29.7	-26.9	-24.8	-1.05
3.500	15 Jul 20	15.02B	-0.264	6.0	6.1	-0.05	-0.3	-26.9	-25.6	-0.72
2.250	15 Jul 22	15.01B	-0.016	10.5	10.9	-0.34	-0.3	-26.0	-24.6	-0.72
1.750	15 Jul 23	15.63B	0.141	14.2	14.4	-0.26	-0.7	-23.1	-21.0	-1.13
2.000	15 Jul 24	15.32B	0.283	14.9	14.7	0.43	0.0	-20.4	-17.7	-1.54
0.250	15 Jul 25	15.01B	0.460	18.4	18.1	0.30	0.2	-17.3	-15.1	-1.42
5.500	15 Jan 28	13.02B	0.660	10.8	9.6	0.83	-0.4	-7.7	-7.1	-0.23
2.500	15 Jan 33	12.01B	0.984	11.4	7.4	2.62	-0.3	-10.4	-12.2	0.75
0.000	15 Jan 37	0.0B	1.185	17.2	15.1	1.41	-1.4	-10.8	-11.2	0.21
2.750	15 Jan 47	10.99B	1.226	10.2	9.8	0.29	-0.1	1.1	3.2	-1.05

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

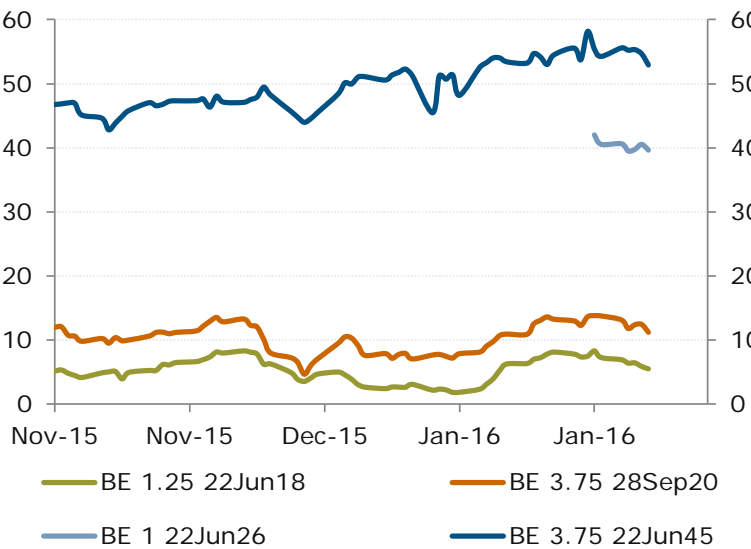
Rating	Aa3/AA/AA
Moody's / S&P / Fitch	

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

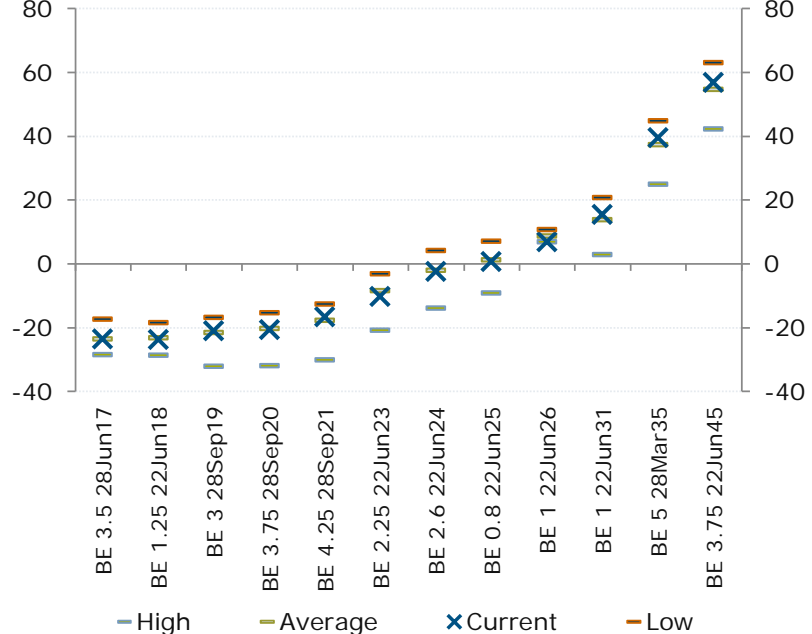
Belgium

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	29-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	29-Jan	60D Avg.	Z-score
3.500	28 Jun 17	13.34B	-0.412	3.5	4.1	-0.46	-3.1	-23.4	-23.6	0.04
1.250	22 Jun 18	11.01B	-0.403	5.9	5.8	0.04	-0.8	-23.7	-23.2	-0.26
3.000	28 Sep 19	12.01B	-0.287	10.9	10.5	0.27	-0.8	-21.0	-21.5	0.24
3.750	28 Sep 20	19.01B	-0.186	11.6	10.9	0.38	0.8	-20.6	-20.3	-0.15
4.250	28 Sep 21	15.98B	-0.038	16.7	15.0	0.93	-0.1	-16.5	-17.6	0.45
2.250	22 Jun 23	13.99B	0.249	25.8	26.0	-0.11	-1.8	-10.1	-8.3	-0.81
2.600	22 Jun 24	15.85B	0.438	31.3	29.0	0.94	-1.9	-2.3	-1.9	-0.14
0.800	22 Jun 25	16.02B	0.627	36.0	34.0	0.80	-0.8	0.8	1.2	-0.18
1.000	22 Jun 26	5.0B	0.790	40.0	40.7	-0.99	-1.1	7.0	8.8	-1.53
1.000	22 Jun 31	4.0B	1.256	47.1	44.0	0.82	-0.7	15.4	13.8	0.46
5.000	28 Mar 35	19.01B	1.363	39.6	35.8	1.16	0.1	39.5	37.3	0.54
3.750	22 Jun 45	8.01B	1.649	53.3	50.1	0.91	-0.2	56.9	54.7	0.50

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

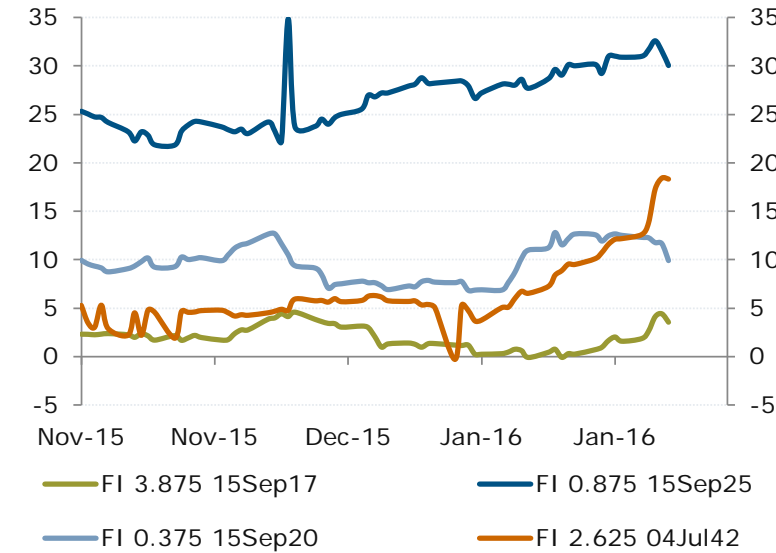
Source: European Commission, Winter 2015 forecast

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

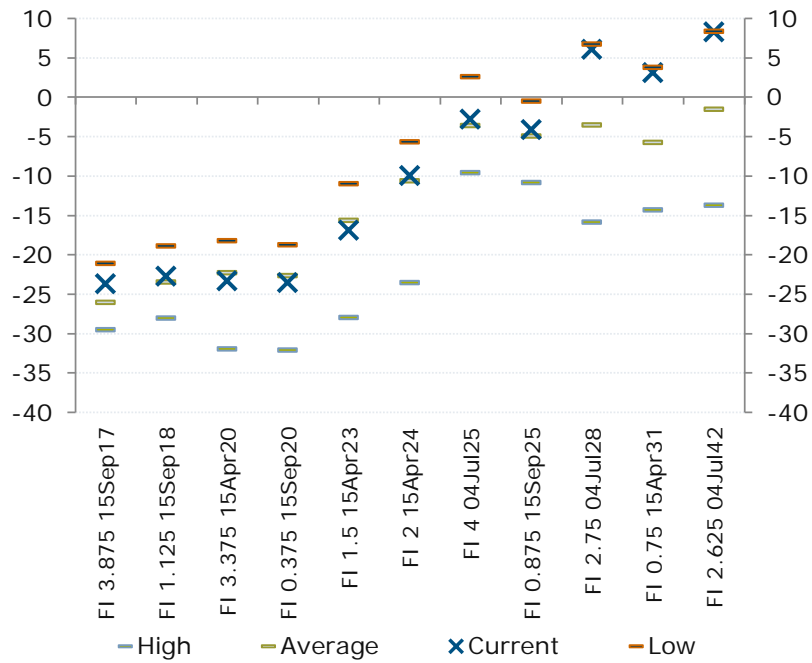
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	29-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	29-Jan	60D Avg.	Z-score
3.875	15 Sep 17	6.0B	-0.422	3.6	2.1	1.48	-1.3	-23.6	-26.0	1.21
1.125	15 Sep 18	5.03B	-0.386	6.7	6.3	0.46	0.0	-22.7	-23.4	0.39
3.375	15 Apr 20	6.5B	-0.257	9.4	9.5	-0.08	-0.5	-23.3	-22.3	-0.47
0.375	15 Sep 20	6.03B	-0.206	9.9	9.9	0.02	-1.0	-23.5	-22.7	-0.40
1.500	15 Apr 23	5.0B	0.171	20.3	20.4	-0.14	-0.4	-16.9	-15.6	-0.70
2.000	15 Apr 24	5.0B	0.354	25.6	22.4	1.47	-0.1	-9.9	-10.6	0.30
4.000	04 Jul 25	6.03B	0.515	24.3	20.6	1.20	-1.1	-2.8	-3.6	0.28
0.875	15 Sep 25	4.03B	0.599	30.0	26.6	1.19	-0.2	-4.1	-4.9	0.35
2.750	04 Jul 28	5.0B	0.890	29.8	19.4	3.13	0.7	6.1	-3.5	2.35
0.750	15 Apr 31	3.5B	1.124	35.0	23.7	2.98	-0.3	3.1	-5.7	2.35
2.625	04 Jul 42	4.03B	1.284	18.3	6.6	4.23	0.0	8.3	-1.5	2.88

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

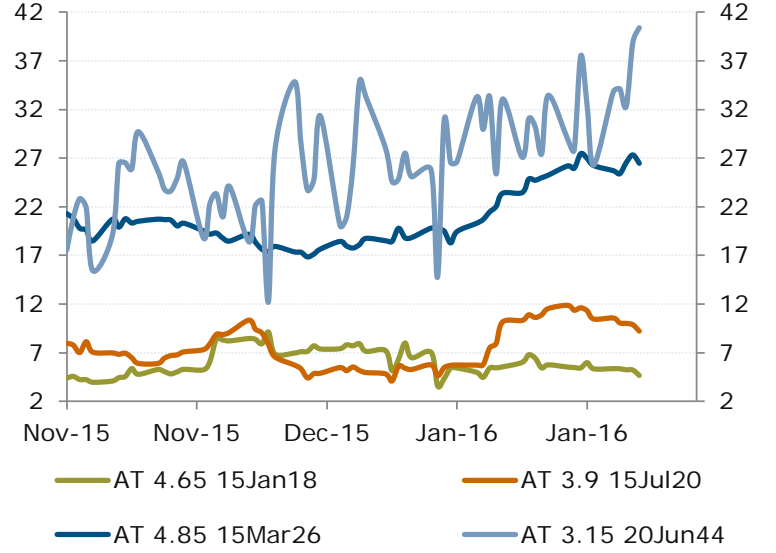
Source: European Commission, Winter 2015 forecast

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

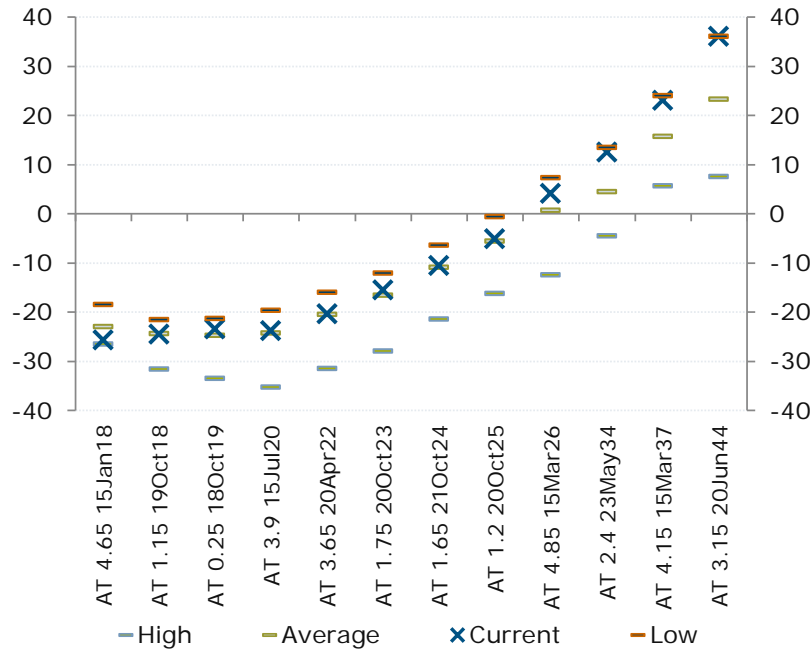
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	29-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	29-Jan	60D Avg.	Z-score
4.650	15 Jan 18	12.06B	-0.433	4.2	5.6	-1.11	0.2	-25.7	-23.0	-1.27
1.150	19 Oct 18	7.02B	-0.398	5.1	5.9	-0.80	-1.9	-24.5	-24.4	-0.11
0.250	18 Oct 19	7.95B	-0.302	9.1	7.9	0.70	0.1	-23.5	-24.7	0.53
3.900	15 Jul 20	13.01B	-0.236	8.8	7.3	0.77	-0.4	-23.8	-24.3	0.18
3.650	20 Apr 22	8.71B	-0.003	14.5	13.6	0.46	-2.2	-20.4	-20.4	0.01
1.750	20 Oct 23	9.99B	0.245	21.3	18.3	1.96	-1.6	-15.5	-16.6	0.53
1.650	21 Oct 24	10.35B	0.414	24.1	21.1	1.82	-1.2	-10.6	-10.9	0.15
1.200	20 Oct 25	9.02B	0.589	27.8	24.7	1.55	-0.3	-5.1	-5.6	0.23
4.850	15 Mar 26	8.01B	0.622	26.0	20.5	2.11	-0.7	4.1	0.6	1.11
2.400	23 May 34	5.19B	1.247	30.9	21.2	2.91	0.3	12.5	4.5	2.02
4.150	15 Mar 37	12.22B	1.303	28.5	20.3	3.55	-0.3	23.1	15.7	1.94
3.150	20 Jun 44	6.72B	1.511	40.0	26.4	2.87	0.4	36.1	23.2	2.19

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

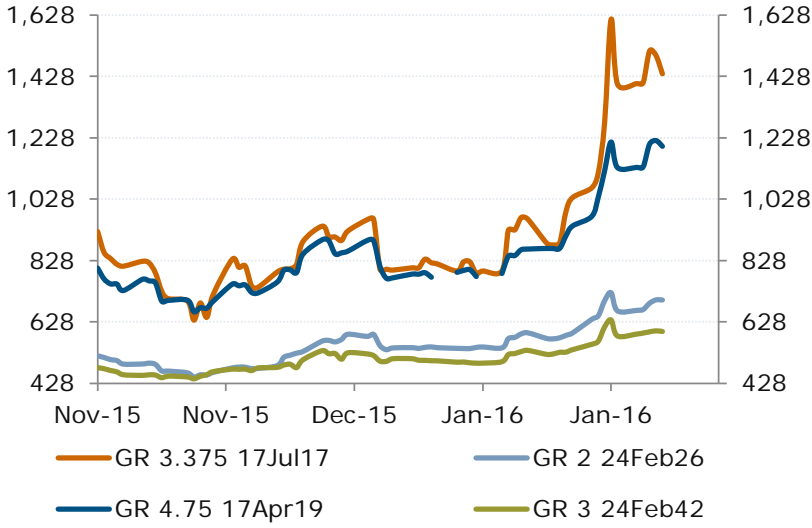
Source: European Commission, Winter 2015 forecast

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

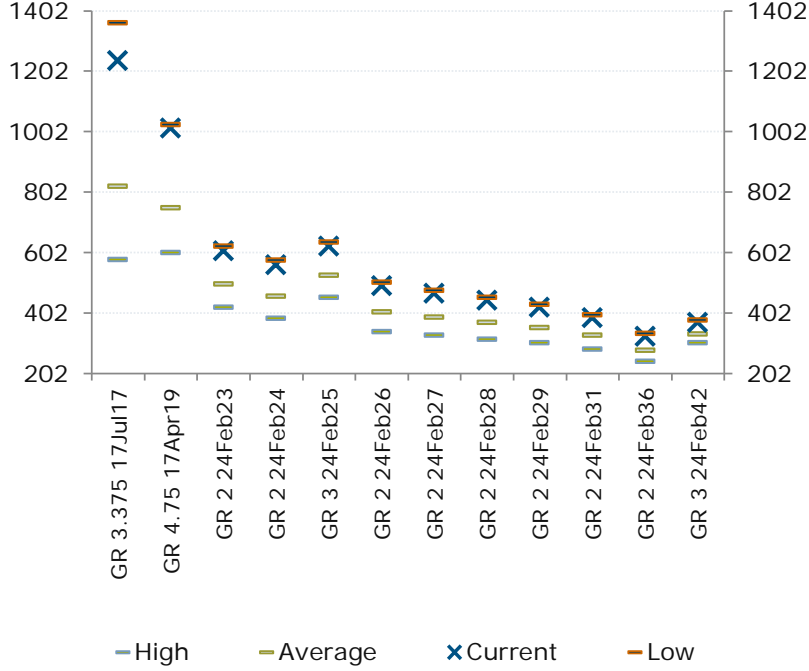
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	29-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	29-Jan	60D Avg.	Z-score
3.375	17 Jul 17	2.02B	13.913	1,436.2	921.8	3.11	-248.9	1,236.2	822.1	3.08
4.750	17 Apr 19	4.02B	11.574	1,199.8	849.5	3.15	-46.3	1,014.0	750.6	3.07
2.000	24 Feb 23	1.04B	8.158	820.7	648.4	2.76	-14.5	608.7	497.8	2.70
2.000	24 Feb 24	1.25B	7.784	770.7	606.1	2.63	-10.1	561.0	458.2	2.57
3.000	24 Feb 25	1.84B	8.867	864.3	697.5	2.63	32.7	623.8	527.3	2.58
2.000	24 Feb 26	1.37B	7.344	698.7	551.7	2.58	-4.2	493.3	405.8	2.52
2.000	24 Feb 27	1.21B	7.200	673.9	539.6	2.51	0.5	467.4	389.1	2.46
2.000	24 Feb 28	1.84B	7.063	650.1	521.4	2.54	-0.1	444.0	370.3	2.50
2.000	24 Feb 29	1.48B	6.905	626.1	506.9	2.51	5.6	421.4	354.4	2.49
2.000	24 Feb 31	1.29B	6.676	590.9	483.3	2.38	9.1	386.4	328.1	2.41
2.000	24 Feb 36	1.33B	6.169	517.8	426.8	2.28	5.0	324.7	277.9	2.42
3.000	24 Feb 42	1.05B	7.061	596.2	508.3	2.35	-7.3	371.7	332.7	2.57

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

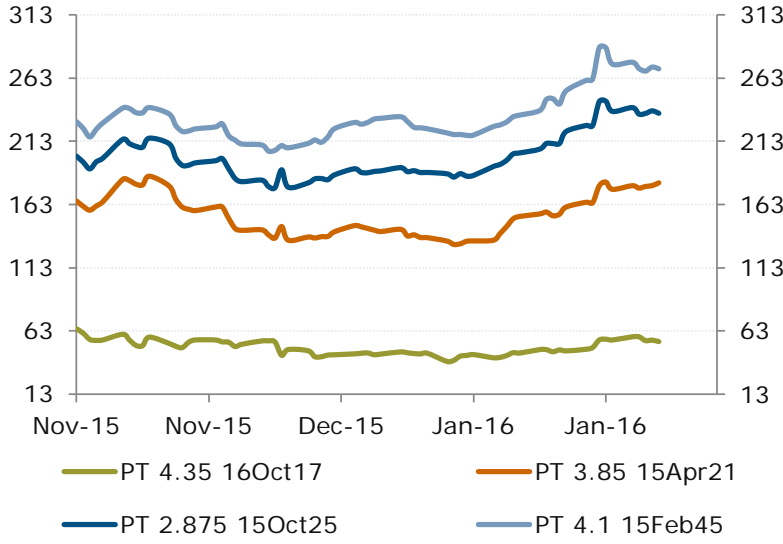
Source: European Commission, Winter 2015 forecast

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

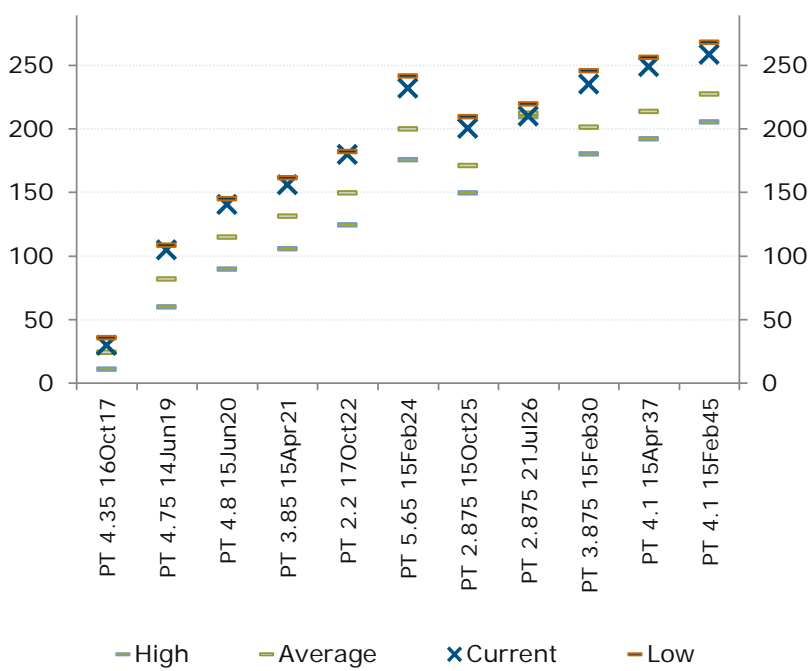
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	29-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	29-Jan	60D Avg.	Z-score
4.350	16 Oct 17	8.99B	0.086	54.8	50.3	0.88	-3.2	29.4	24.1	0.99
4.750	14 Jun 19	10.75B	0.864	127.8	105.9	2.15	2.6	104.8	81.5	2.05
4.800	15 Jun 20	10.99B	1.279	161.2	135.7	1.96	-0.2	140.3	114.5	1.84
3.850	15 Apr 21	9.55B	1.558	180.4	155.6	1.75	0.0	156.0	131.1	1.70
2.200	17 Oct 22	3.0B	2.107	219.8	188.3	2.15	0.9	179.5	149.6	2.09
5.650	15 Feb 24	12.02B	2.481	240.8	207.9	2.19	-2.3	231.7	199.6	2.05
2.875	15 Oct 25	10.52B	2.663	235.3	201.8	2.16	-1.1	200.2	170.8	2.10
2.875	21 Jul 26	4.0B	2.866	246.8	249.7	-0.84	-1.1	209.8	212.3	-0.86
3.875	15 Feb 30	4.05B	3.294	258.3	220.5	2.31	-0.5	235.1	201.2	2.30
4.100	15 Apr 37	8.02B	3.657	263.8	223.2	2.50	0.8	248.8	213.4	2.57
4.100	15 Feb 45	2..5B	3.819	270.5	233.5	2.28	-0.5	258.5	227.1	2.45

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

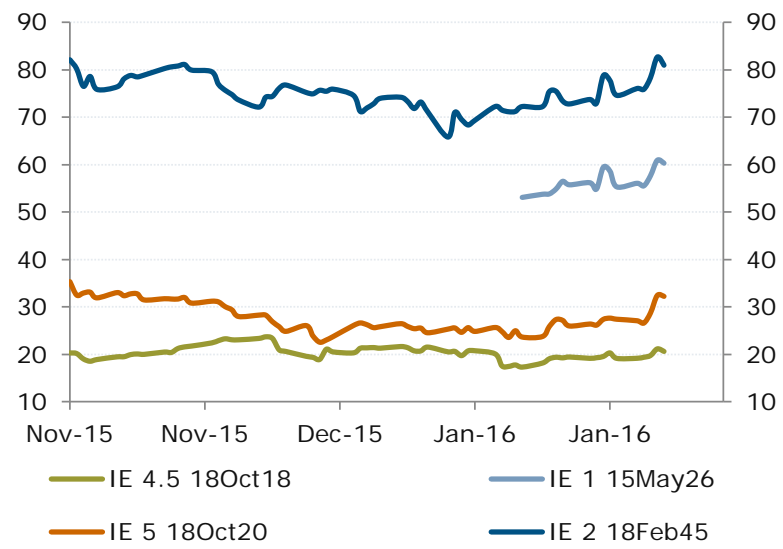
Rating	Baa1/A/A-
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Moody's / S&P / Fitch

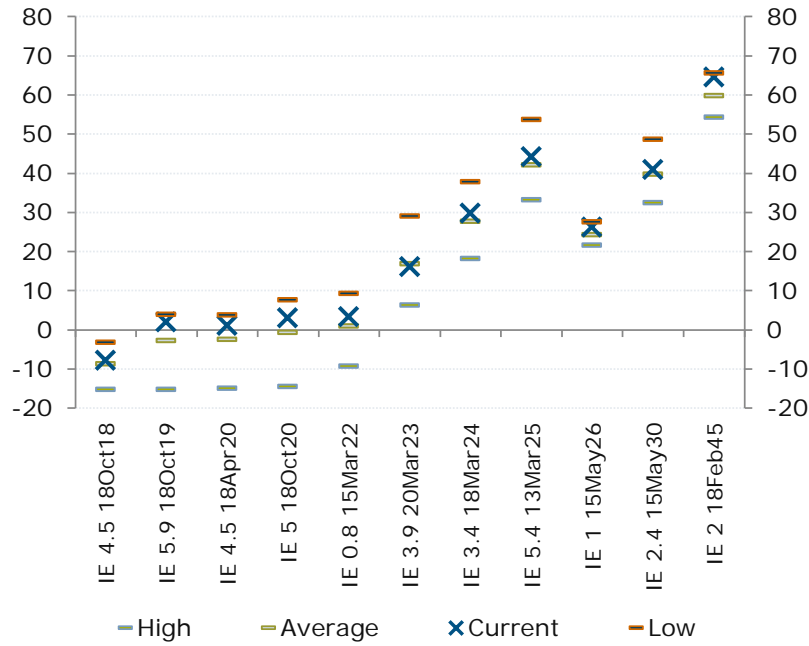
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	29-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	29-Jan	60D Avg.	Z-score
4.500	18 Oct 18	9.58B	-0.243	20.7	20.4	0.22	-0.8	-7.8	-8.8	0.43
5.900	18 Oct 19	6.58B	-0.083	30.9	26.6	2.80	-1.7	1.9	-2.8	2.01
4.500	18 Apr 20	11.77B	-0.037	31.4	27.4	2.21	-2.6	1.1	-2.4	1.34
5.000	18 Oct 20	8.99B	0.027	32.3	27.9	1.58	0.5	3.0	-0.7	1.06
0.800	15 Mar 22	4.25B	0.243	40.3	37.3	0.85	-0.5	3.2	0.9	0.69
3.900	20 Mar 23	5.95B	0.433	47.3	47.0	0.11	-1.5	16.1	16.9	-0.20
3.400	18 Mar 24	8.01B	0.687	60.1	55.7	1.90	-1.4	29.8	27.6	0.78
5.400	13 Mar 25	11.35B	0.854	62.4	57.9	1.97	-0.7	44.1	42.0	0.71
1.000	15 May 26	3.0B	0.982	60.3	56.4	1.96	-1.6	26.2	24.2	1.45
2.400	15 May 30	7.78B	1.370	64.6	62.2	0.83	-0.9	40.9	39.7	0.53
2.000	18 Feb 45	5.05B	1.924	81.0	75.4	2.05	-1.6	64.5	59.8	2.05

Spreads against the German curve, bp



Asset swap term structure, bp



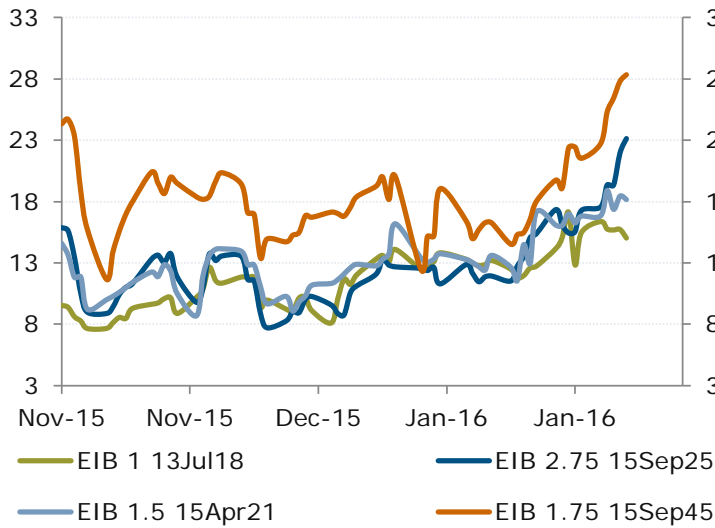


European Investment Bank (EIB)

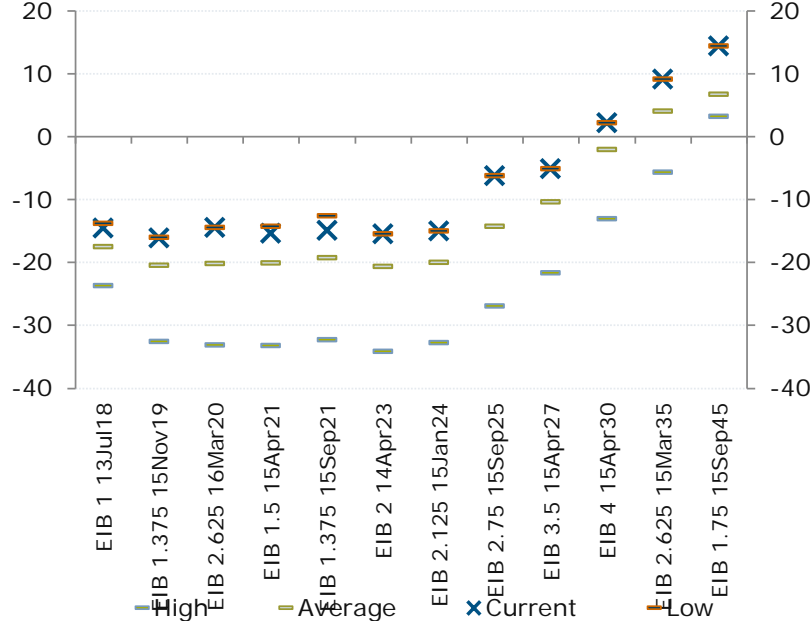
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	29-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	29-Jan	60D Avg.	Z-score
1.000	13 Jul 18	5.0B	-0.309	15.0	11.6	1.71	-0.8	-14.6	-17.6	2.03
1.375	15 Nov 19	3.0B	-0.224	16.3	12.1	2.13	3.6	-16.1	-20.4	3.14
2.625	16 Mar 20	3.4B	-0.181	18.0	11.7	2.37	0.8	-14.5	-20.2	2.83
1.500	15 Apr 21	5.0B	-0.064	18.2	13.0	2.77	-0.1	-15.4	-20.1	2.62
1.375	15 Sep 21	4.02B	-0.007	20.1	15.3	2.25	0.4	-15.0	-19.3	2.05
2.000	14 Apr 23	5.0B	0.177	20.9	14.8	3.21	1.0	-15.5	-20.7	2.82
2.125	15 Jan 24	5.0B	0.274	21.3	13.9	3.47	1.5	-15.0	-20.0	3.20
2.750	15 Sep 25	5.35B	0.530	23.1	12.7	4.24	1.2	-6.3	-14.3	4.30
3.500	15 Apr 27	4.0B	0.668	19.4	12.8	3.11	0.9	-5.1	-10.4	4.49
4.000	15 Apr 30	6.5B	0.923	20.3	14.6	2.12	1.1	2.2	-2.1	3.08
2.625	15 Mar 35	1.7B	1.222	25.5	18.6	2.70	0.3	9.1	4.0	3.66
1.750	15 Sep 45	1.3B	1.401	28.3	18.3	3.72	0.8	14.4	6.7	5.20

Spreads against the German curve, bp



Asset swap term structure, bp

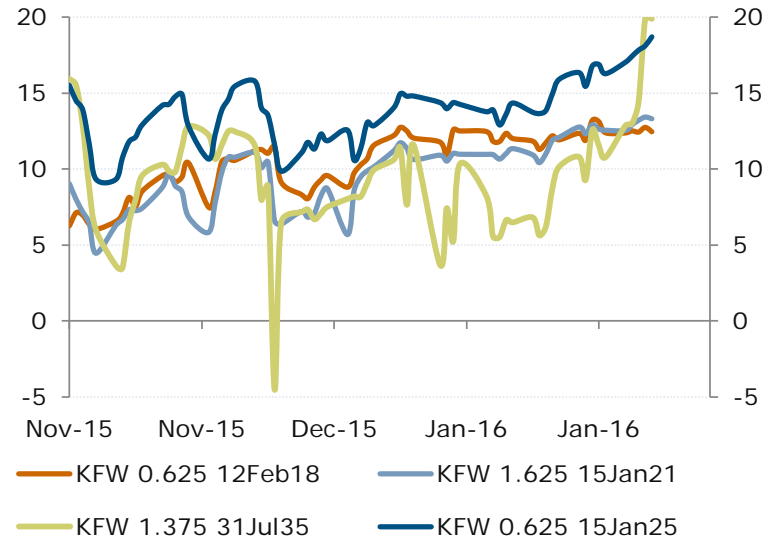


Kreditanstalt für Wiederaufbau (KfW)

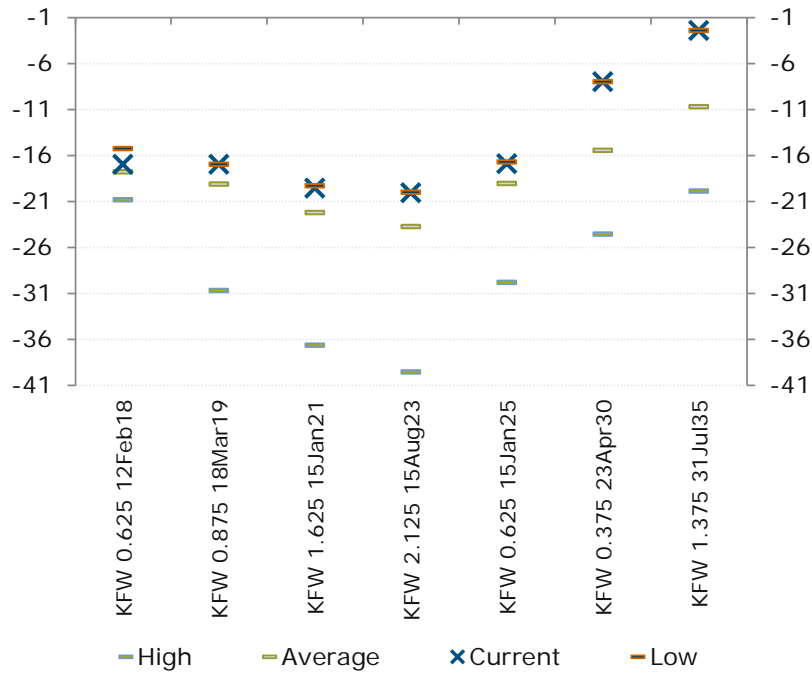
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	29-Jan	60D Avg.	Z-score	Δ B/E Spd 1Y	29-Jan	60D Avg.	Z-score
0.625	12 Feb 18	2.0B	-0.351	12.5	10.5	1.16	1.2	-17.4	-18.1	0.86
0.875	18 Mar 19	5.0B	-0.293	13.6	12.0	0.64	-1.4	-17.3	-19.5	1.45
1.625	15 Jan 21	5.0B	-0.136	13.3	9.7	1.78	0.3	-19.9	-22.6	1.67
2.125	15 Aug 23	3.0B	0.172	16.2	10.8	2.68	0.7	-20.4	-24.1	1.99
0.625	15 Jan 25	3.0B	0.395	18.7	13.8	2.90	0.7	-17.3	-19.5	1.99
0.375	23 Apr 30	2.0B	0.962	24.1	14.2	3.20	3.8	-8.4	-15.8	3.96
1.375	31 Jul 35	1.0B	1.175	19.9	9.1	3.76	0.5	-2.8	-11.1	5.47

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