

Euro Rates Update

Nordea Research, 04 February 2016

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US Treasury Yields				
	2Y	5Y	10Y	30Y
	0.70	1.22	1.82	2.65
Δ 1D	-6.8	-8.3	-6.4	-5.7
Δ 1W	-16.3	-23.0	-20.1	-16.2

German Benchmark Yields				
	2Y	5Y	10Y	30Y
	-0.49	-0.32	0.29	1.02
Δ 1D	-1.3	-1.5	-1.9	-3.1
Δ 1W	-4.0	-8.0	-16.7	-19.6

German Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-17.0	-61.0	-78.0	-72.9
Δ 1D	-0.2	-0.4	-0.6	-1.2
Δ 1W	-4.0	-8.8	-12.8	-2.8

EUR Swap Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-24.0	-59.1	-83.1	-58.0
Δ 1D	-0.5	0.1	-0.4	-0.2
Δ 1W	-3.5	-4.5	-8.0	-4.0

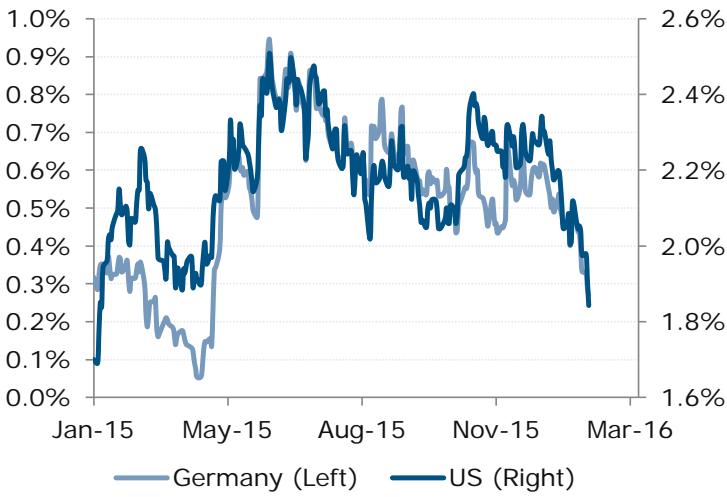
German Asset Swap Levels				
	2Y	5Y	10Y	30Y
	-28.7	-32.3	-34.0	-16.0
Δ 1D	-0.2	0.3	-0.2	-1.3
Δ 1W	1.4	1.2	-2.7	-2.0

10Y Benchmark Yields				
	Yield	Δ 1D	Spread	Δ 1D
GER	0.288	-1.9	-	-
FRA	0.621	-1.8	35.6	0.1
ITA	1.475	-0.7	120.8	1.3
ESP	1.580	-0.2	132.4	1.7
BEL	0.590	-1.5	37.8	0.4
HOL	0.420	-1.4	20.0	0.6
AUT	0.545	-1.7	29.2	0.3
GRE	8.624	-6.4	845.2	-4.4
POR	2.718	-3.9	246.7	-1.9
FIN	0.555	-1.2	31.4	0.7
IRL	0.824	0.6	64.6	2.6

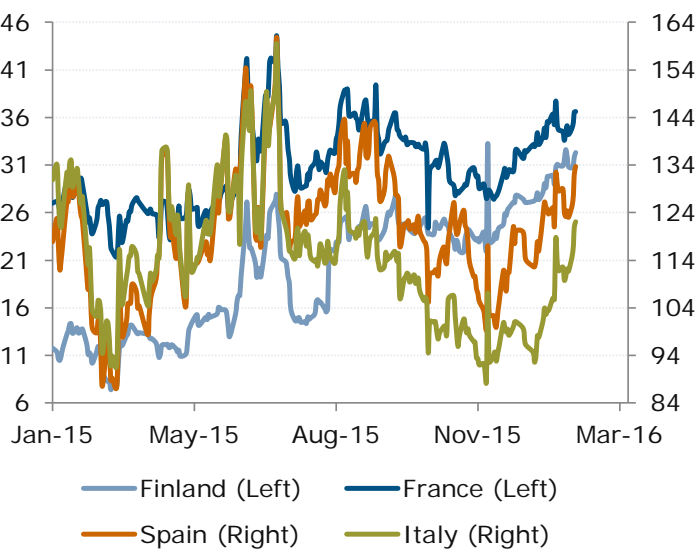
Spread = Maturity interpolated spread to German government par yield curve

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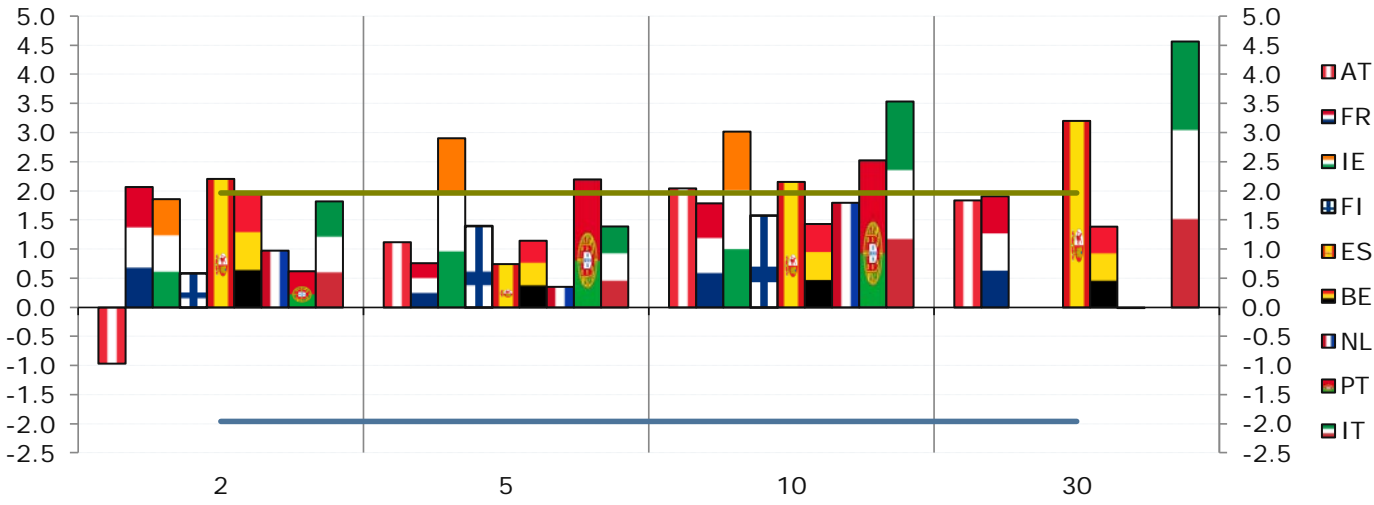
German & US 10-year benchmark yields, %



10 year spreads against Germany, bp



Z-scores of benchmark vs. Germany



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

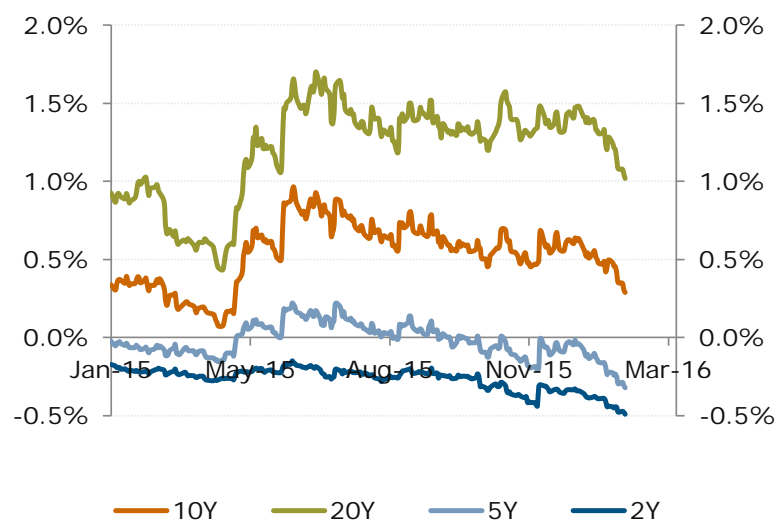
All bond quotes are taken at 16:15 CET.

## Bond Yields & Curves

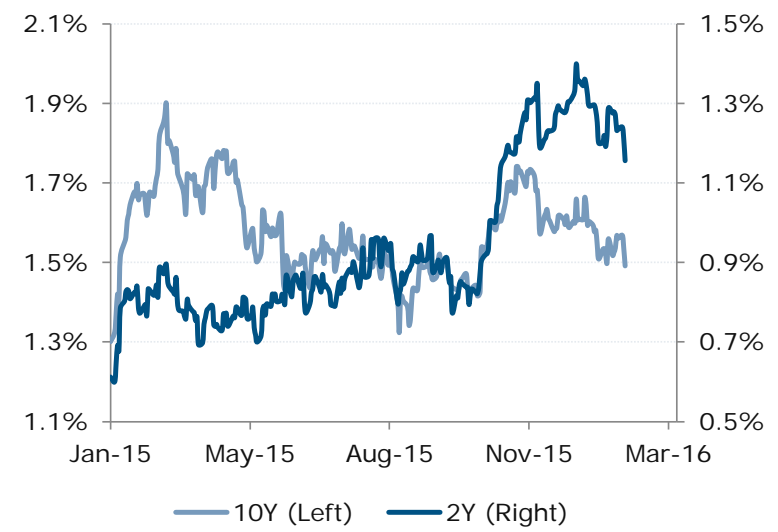
### Yield Levels

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

German benchmark bond yields, %



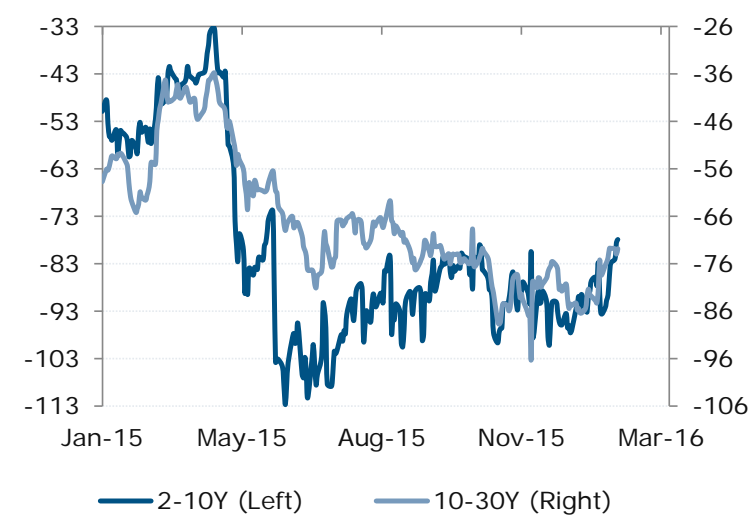
USA-Germany spreads, annualized yields, %



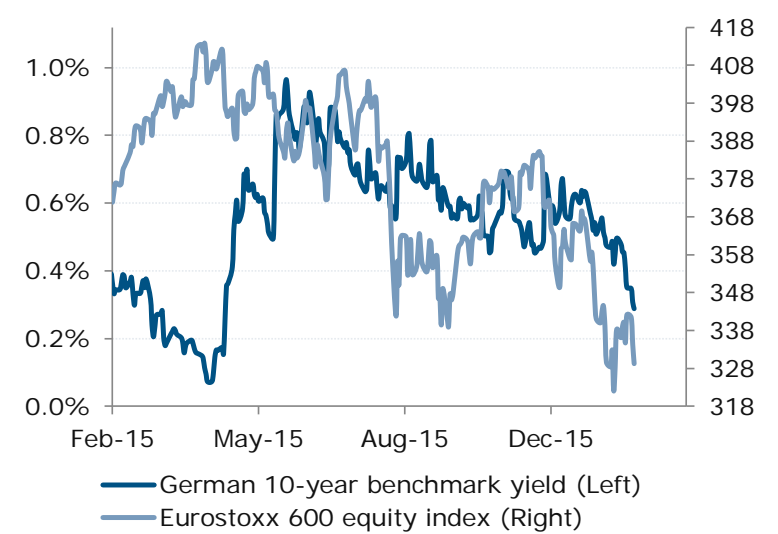
### Bond Curve Shape

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

German yield curve slopes, bp



Bonds vs. equities



## Swaps and Forwards

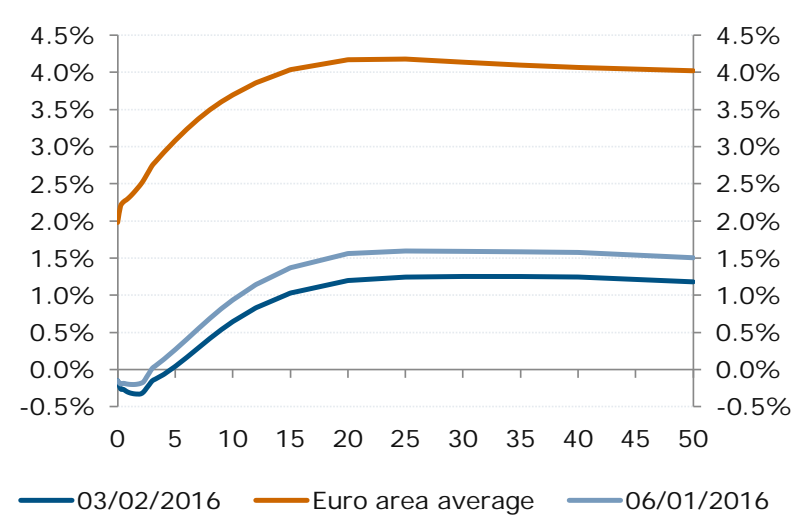
EUR swap rates and implied forwards, %



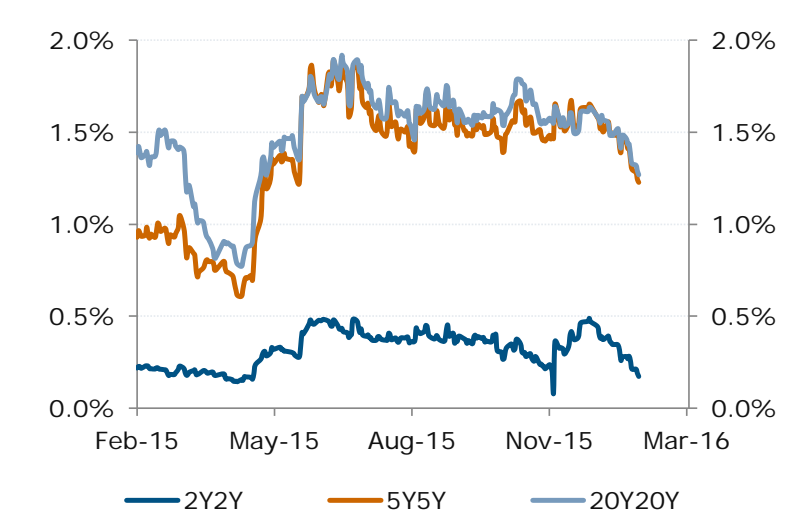
EUR-USD spreads and implied forwards, %



EUR swap curve shape vs. historical



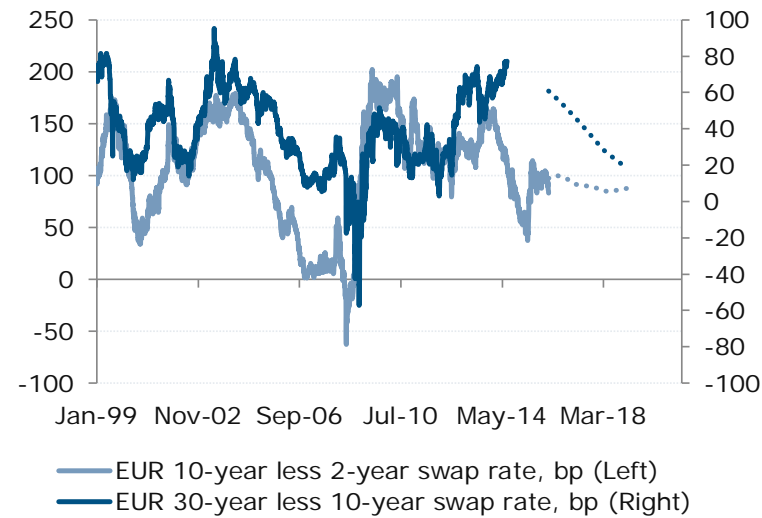
Historical forward rates, %



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)

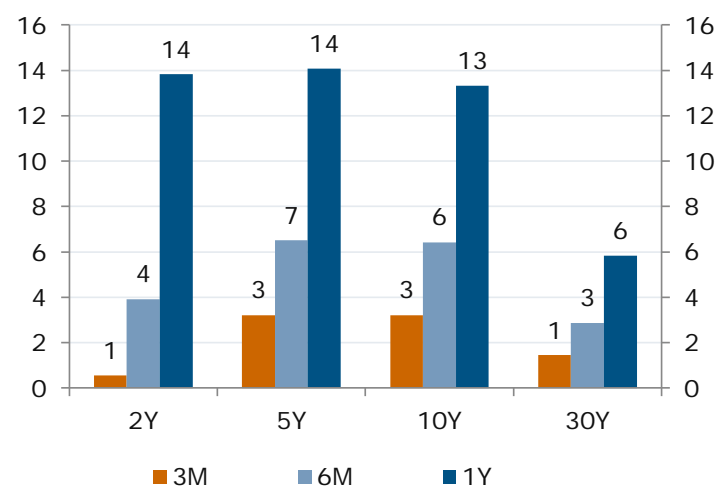


## Carry

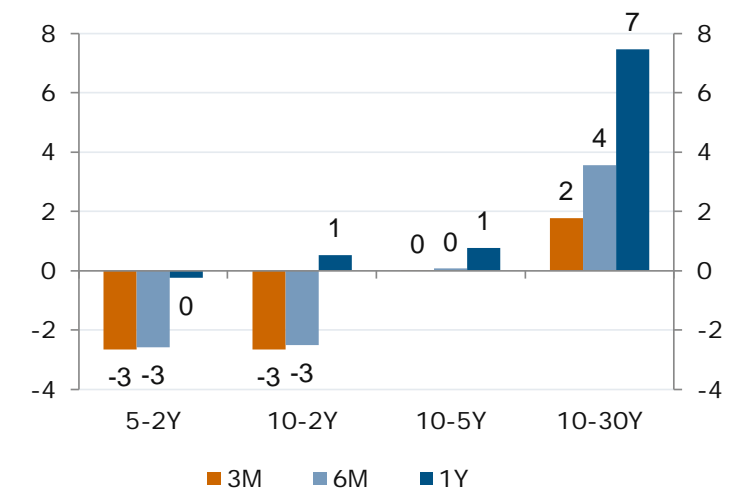
The carry on the given horizon illustrates how much the spot swap rate may rise for a receiver swap position in a forward-starting swap to result in zero profit.

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



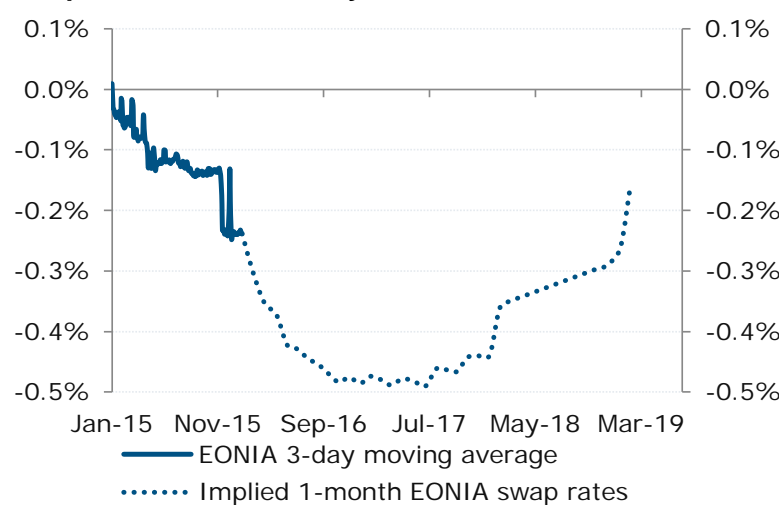
Yield buffers for duration-neutral steepeners, bp



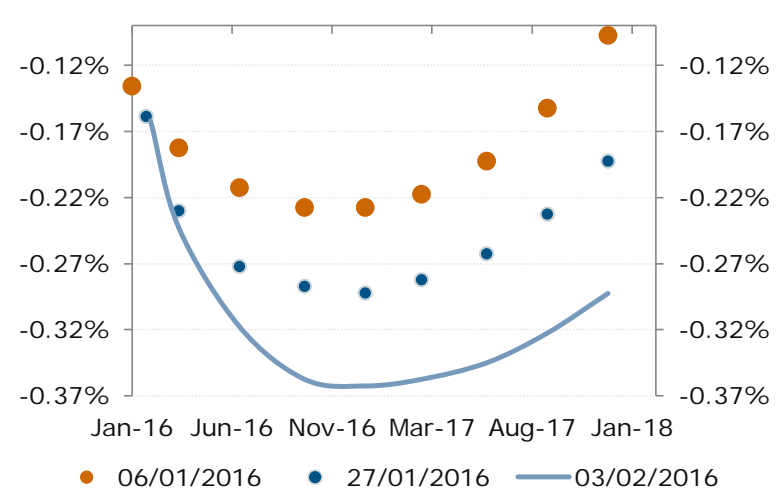
## Money Market Rates

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

Expectations and history for EONIA



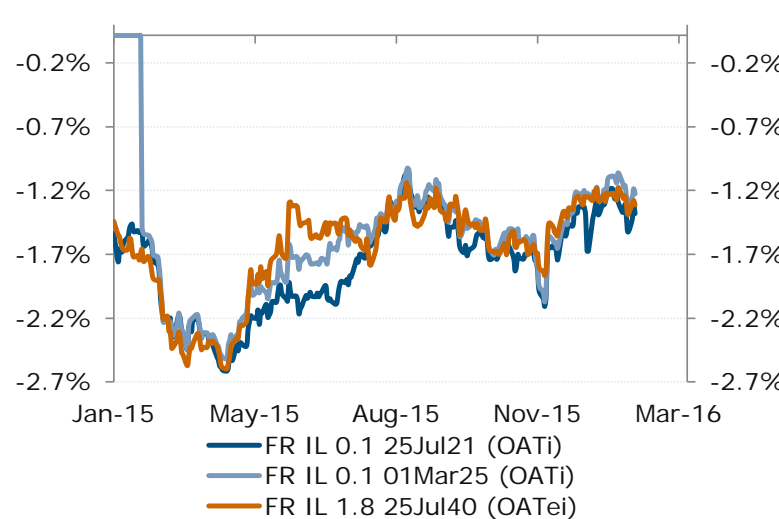
Euribor futures curve, now, 1 wk & 1M ago



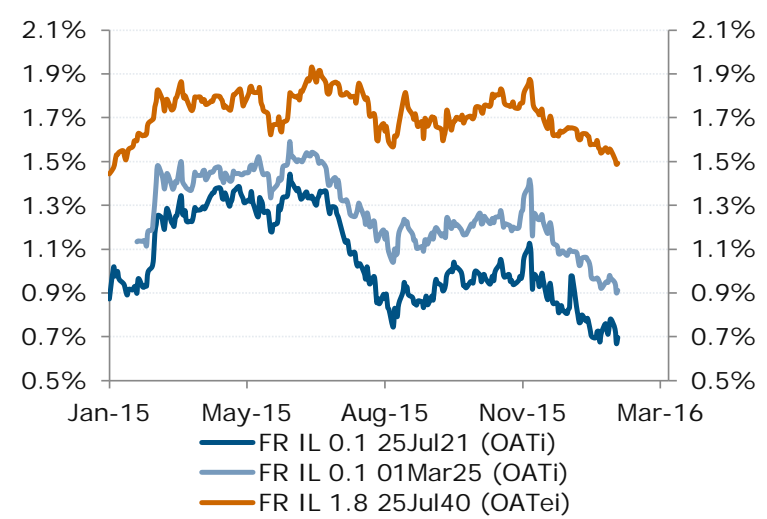
## Inflation-linked Bonds

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

Real yields, %



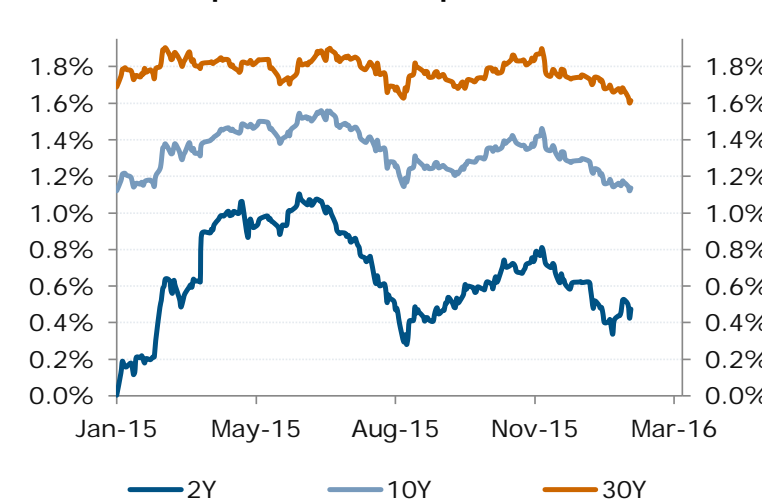
Break-even inflation history, %



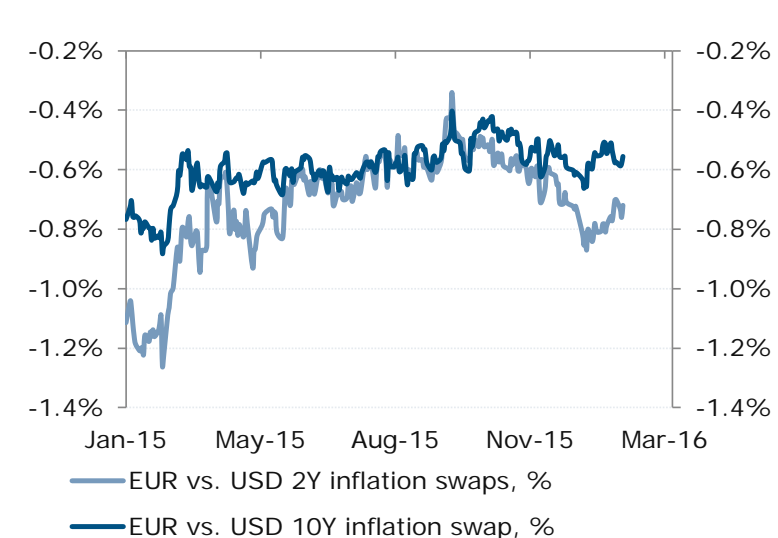
## Inflation Swaps

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

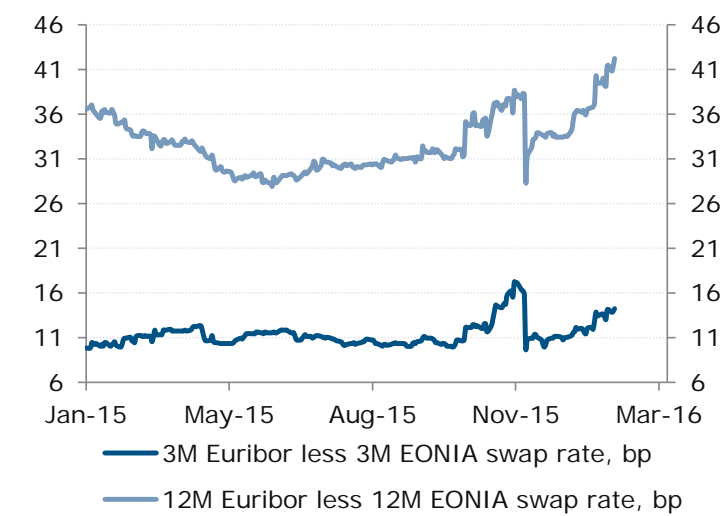
Credit default swap indices illustrate the annual cost of buying protection against a credit event of a company. iTraxx® Europe is comprised of the 125 most liquid CDS contracts referencing European investment grade credits, iTraxx® Crossover of 50 sub-investment grade credits.

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**



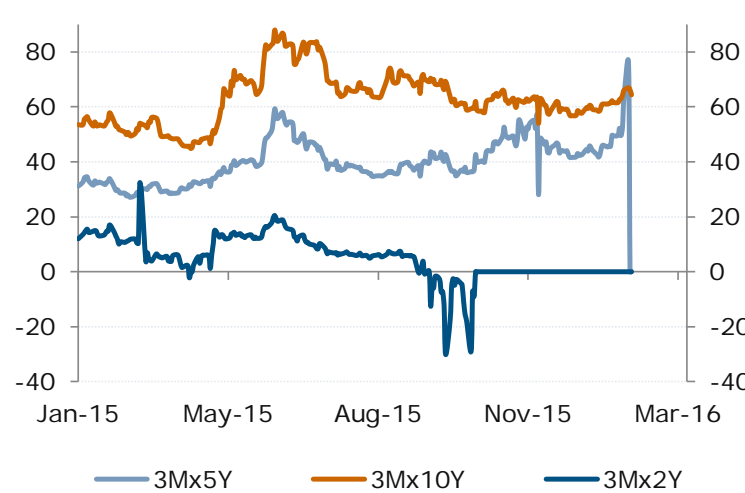
**Money market rates vs. EONIA swap rates**



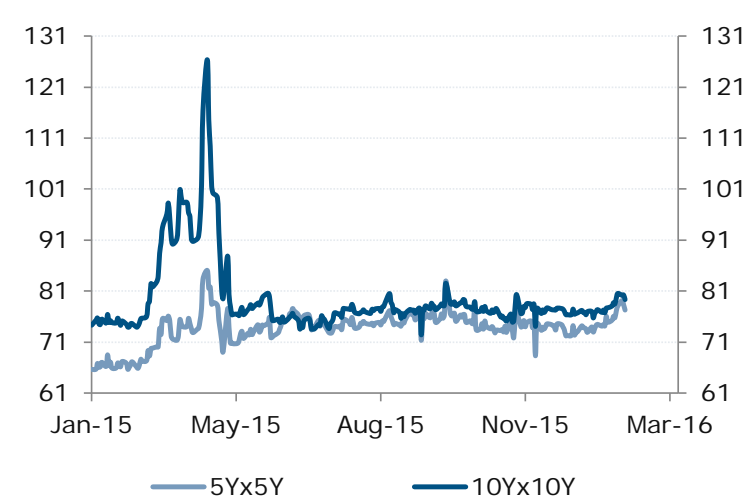
## Swaption Volatilities

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**

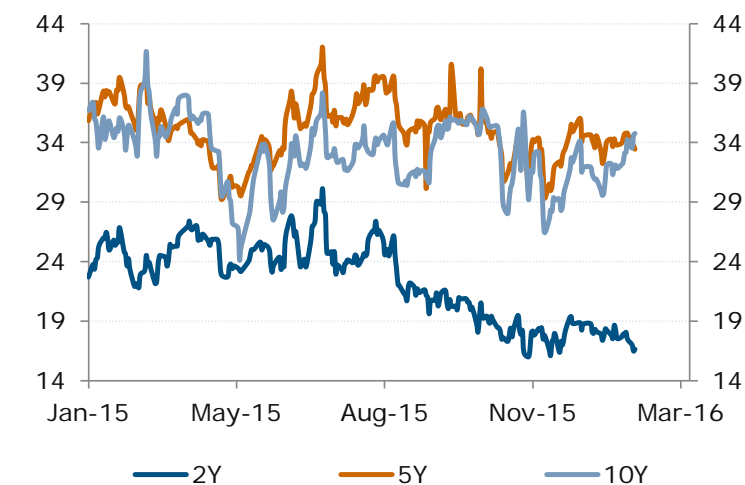


## Swap & Cross-country Spreads

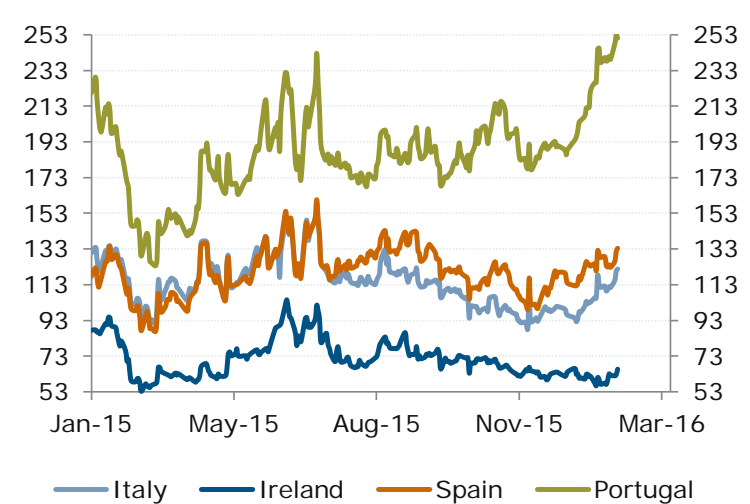
Swap spread:  
Benchmark bond's spread to EUR swap curve.

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

**German swap spreads, bp**



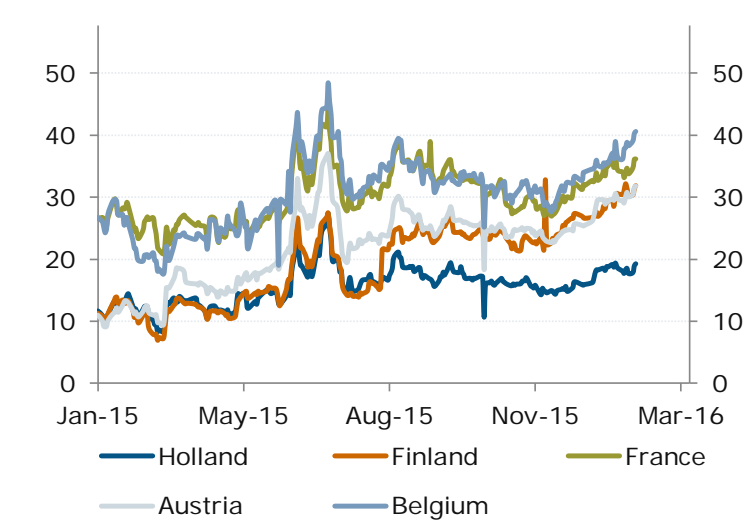
**10Y non-AAA spreads against Germany, bp**



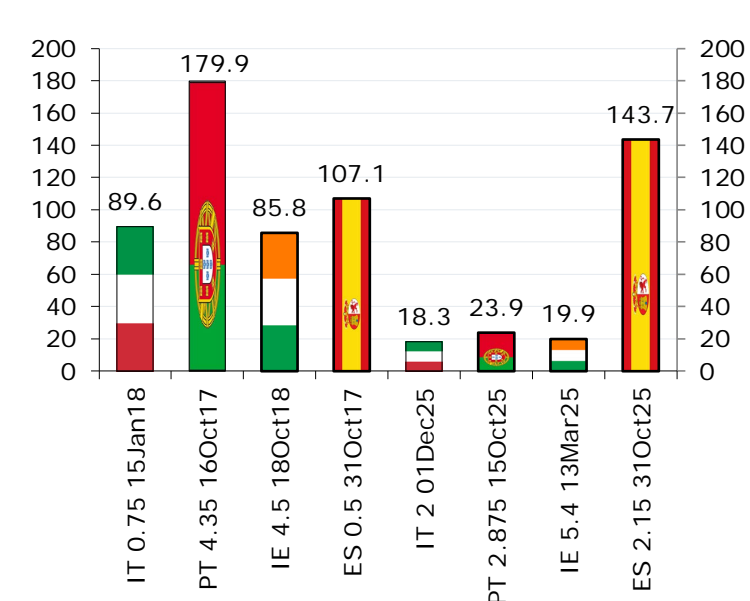
1Y break-even spread changes indicate how much a bond's spread against an equivalent bond trading on the German curve may widen in order to give the same return in one year.

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

**10Y AAA/AA+ spreads to Germany, bp**



**1Y B/E spread changes against Germany, bp**

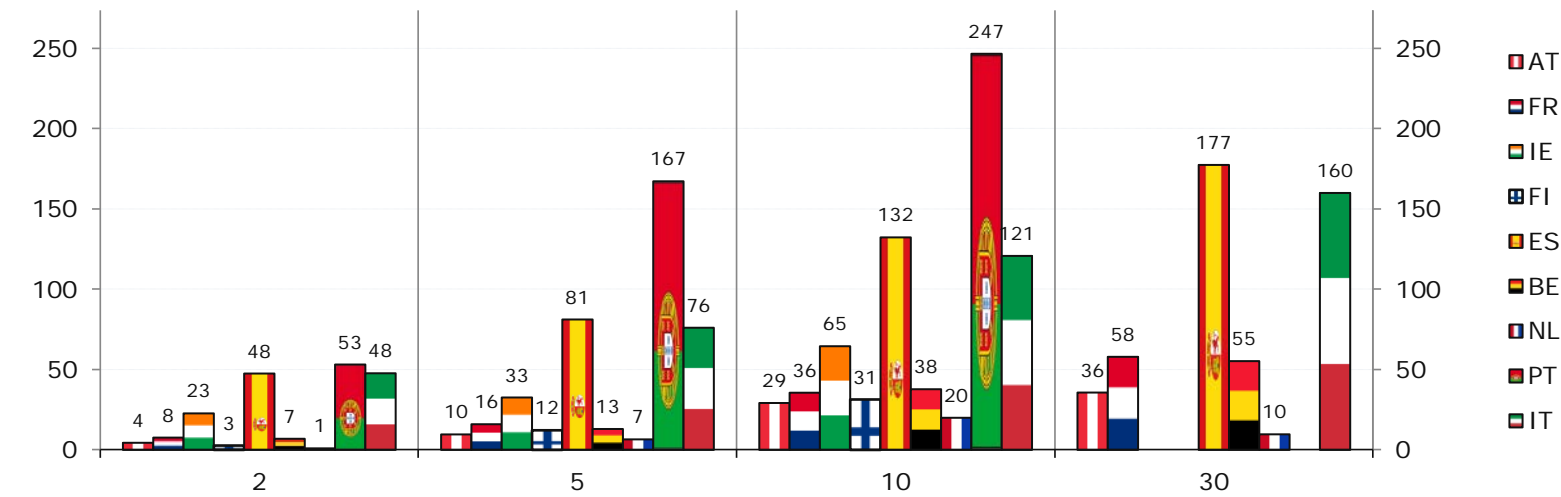




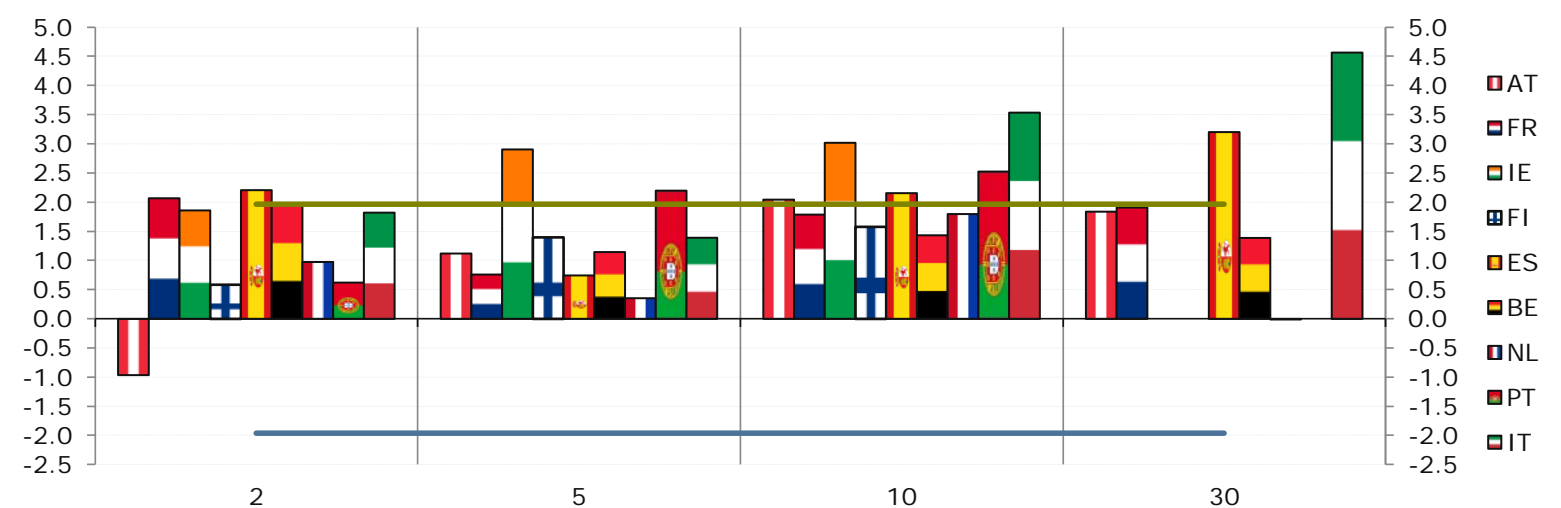


# Country Relative Value

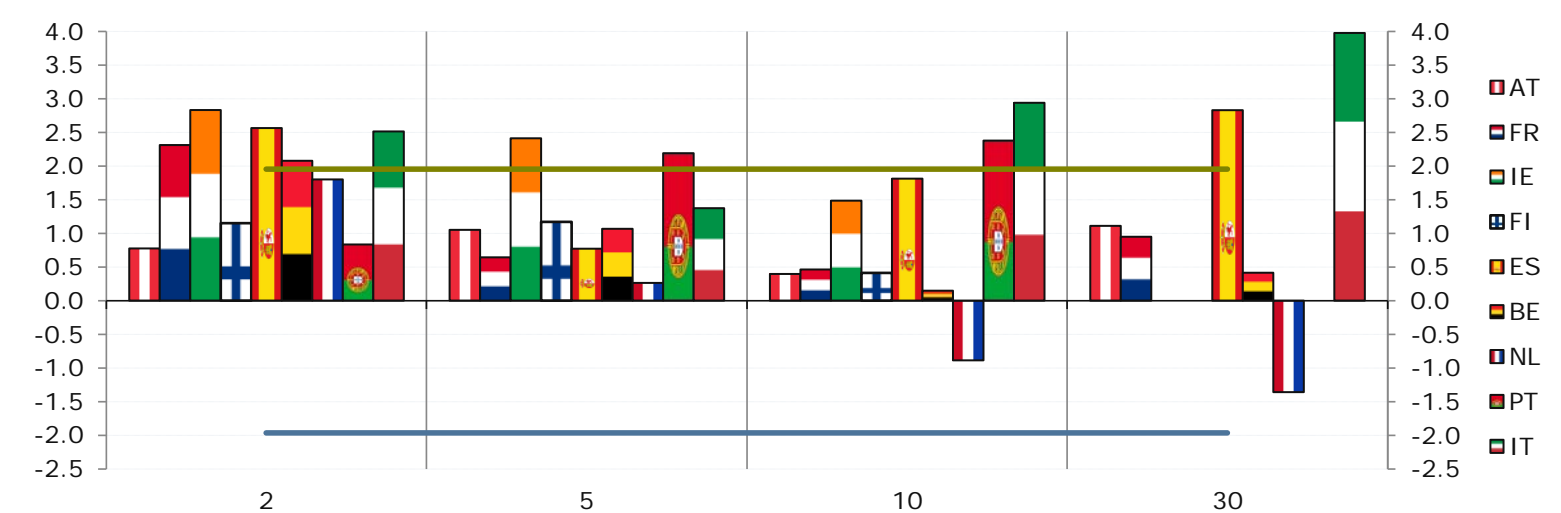
Benchmark spreads over the maturity-interpolated German par curve, bp



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 18	0.000	3.9	-2.25	NL	15 Apr 18	0.000	-24.4	-0.78
	GR	17 Apr 19	4.750	1,159.1	2.29	ES	31 Oct 17	0.500	19.3	2.30
5Y: Rich	DE	16 Oct 20	0.250	-16.7	-0.98	NL	15 Jan 20	0.250	-24.7	0.08
	IE	18 Oct 19	5.900	32.1	3.02	IE	18 Oct 19	5.900	4.4	2.70
7Y: Rich	DE	15 Aug 23	2.000	-31.3	-1.72	DE	15 Aug 23	2.000	-39.2	-1.04
	IT	01 Mar 24	4.500	117.1	3.15	IT	01 Mar 24	4.500	94.7	2.84
10Y: Rich	DE	15 Aug 25	1.000	-35.3	-1.84	DE	15 Aug 25	1.000	-34.7	-2.22
	EIB	15 Sep 25	2.750	23.6	3.53	EIB	15 Apr 27	3.500	-4.7	3.63
15Y: Rich	DE	04 Jan 37	4.000	-63.5	-2.33	DE	04 Jan 37	4.000	-21.1	-1.34
	IT	01 Feb 37	4.000	142.8	4.49	IT	01 Feb 37	4.000	144.1	4.38
20Y: Rich	DE	15 Aug 46	2.500	-70.8	-2.06	DE	15 Aug 46	2.500	-16.0	-1.90
	IT	01 Sep 46	3.250	160.0	4.10	EIB	15 Sep 45	1.750	16.2	4.36

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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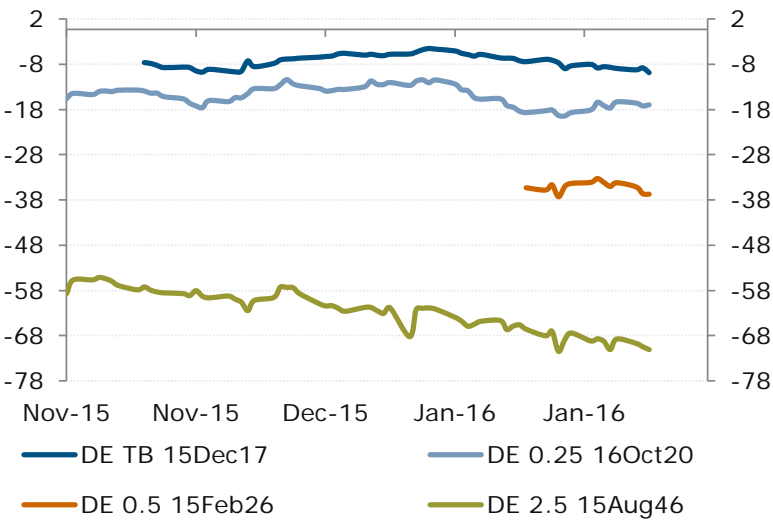
Moody's / S&P / Fitch

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

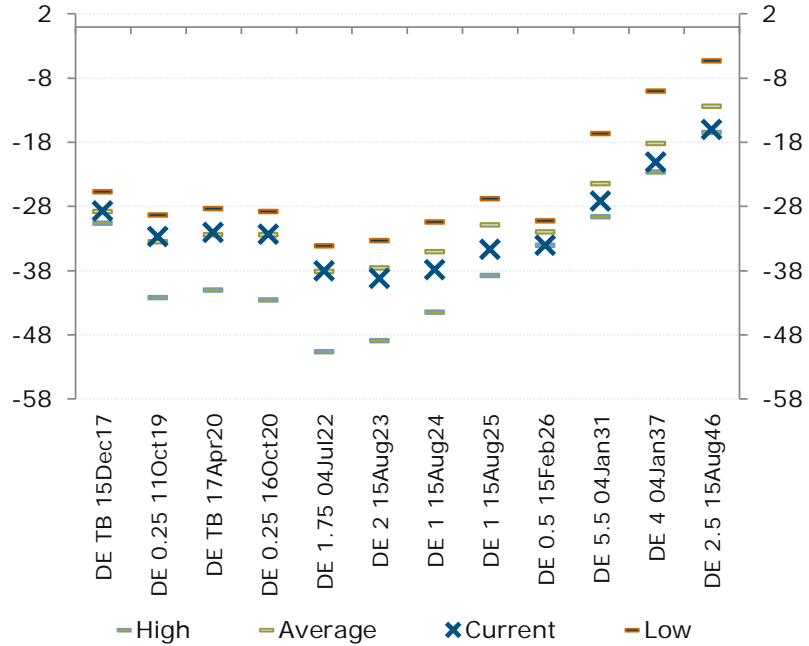
Germany

Benchmark Bonds				Spread vs. France				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	03-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	03-Feb	60D Avg.	Z-score
0.000	15 Dec 17	13.0B	-0.492	-9.6	-7.2	-1.91	-76.3	-28.7	-28.8	0.01
0.250	11 Oct 19	16.0B	-0.428	-16.0	-14.7	-0.82	-1.5	-32.7	-33.5	0.49
0.000	17 Apr 20	20.0B	-0.373	-16.1	-14.4	-0.90	-2.9	-32.1	-32.4	0.23
0.250	16 Oct 20	19.0B	-0.322	-16.7	-14.9	-0.98	-3.3	-32.3	-32.4	0.10
1.750	04 Jul 22	24.0B	-0.177	-26.6	-24.4	-1.70	-2.4	-38.0	-38.1	0.08
2.000	15 Aug 23	18.0B	-0.053	-31.3	-28.5	-1.72	-0.9	-39.2	-37.6	-1.04
1.000	15 Aug 24	18.0B	0.084	-33.4	-29.7	-1.61	0.1	-37.8	-35.0	-1.72
1.000	15 Aug 25	23.0B	0.224	-35.3	-30.3	-1.84	0.8	-34.7	-30.8	-2.22
0.500	15 Feb 26	5.0B	0.288	-36.5	-34.9	-1.69	1.4	-34.0	-31.9	-2.09
5.500	04 Jan 31	17.0B	0.623	-52.1	-46.0	-1.79	1.1	-27.2	-24.4	-1.17
4.000	04 Jan 37	23.0B	0.877	-63.5	-54.7	-2.33	-0.1	-21.1	-18.2	-1.34
2.500	15 Aug 46	14.0B	1.018	-70.8	-62.3	-2.06	-0.9	-16.0	-12.4	-1.90

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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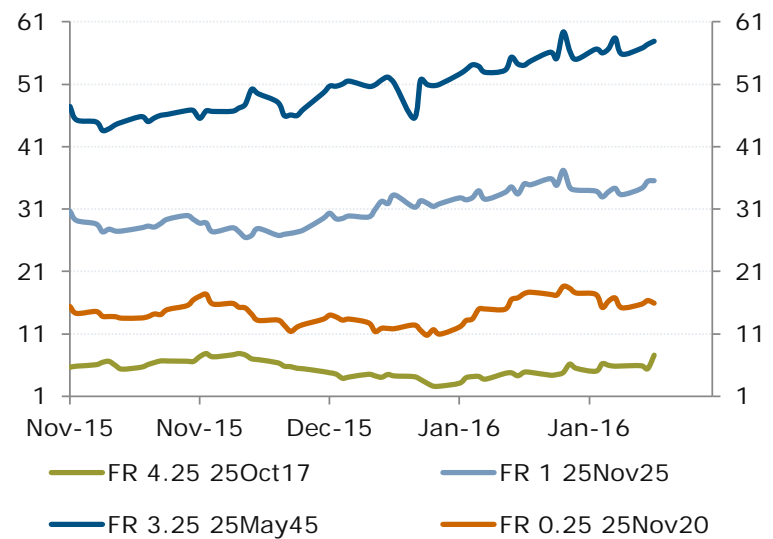
Moody's / S&P / Fitch

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

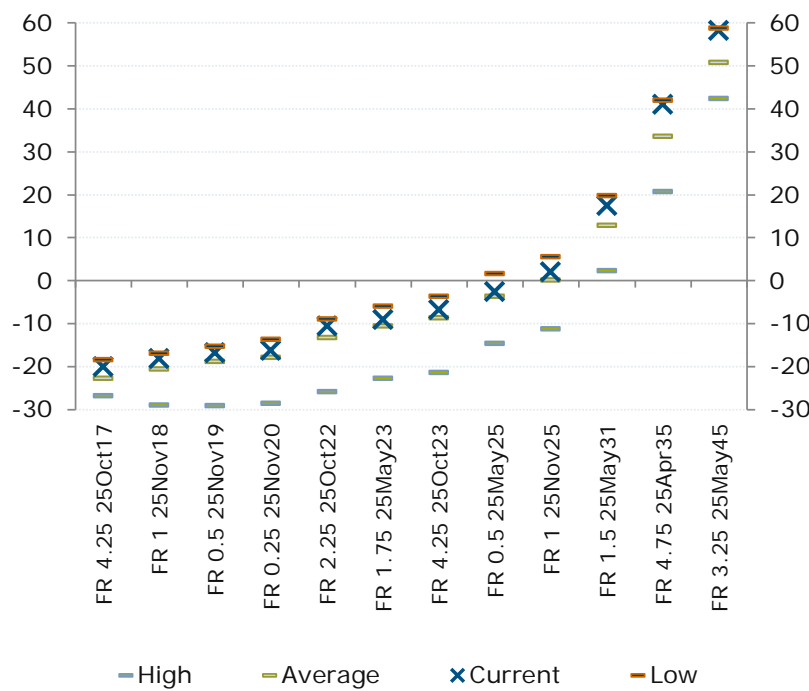
France

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	03-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	03-Feb	60D Avg.	Z-score
4.250	25 Oct 17	34.75B	-0.408	7.7	5.6	1.97	3.2	-20.1	-22.8	1.40
1.000	25 Nov 18	22.01B	-0.356	10.6	10.1	0.32	-0.9	-18.2	-20.6	1.30
0.500	25 Nov 19	26.98B	-0.259	14.9	13.8	0.72	-0.7	-16.8	-18.9	1.15
0.250	25 Nov 20	15.95B	-0.150	16.0	14.7	0.75	-0.5	-16.4	-18.0	0.83
2.250	25 Oct 22	27.01B	0.117	24.2	21.8	1.80	0.3	-10.6	-13.4	1.24
1.750	25 May 23	32.97B	0.208	26.9	24.7	1.72	0.5	-9.1	-10.6	0.77
4.250	25 Oct 23	40.98B	0.242	25.3	21.9	2.09	0.5	-6.9	-8.7	0.85
0.500	25 May 25	31.02B	0.535	33.2	29.8	1.37	-0.4	-2.6	-3.8	0.55
1.000	25 Nov 25	19.99B	0.621	35.6	30.9	1.70	0.0	2.0	0.0	0.83
1.500	25 May 31	9.44B	1.168	45.4	39.5	1.67	0.1	17.5	12.8	1.36
4.750	25 Apr 35	25.03B	1.318	41.2	33.7	1.88	-0.2	41.0	33.5	1.56
3.250	25 May 45	17.01B	1.635	58.0	50.6	1.84	0.1	58.2	50.8	1.61

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

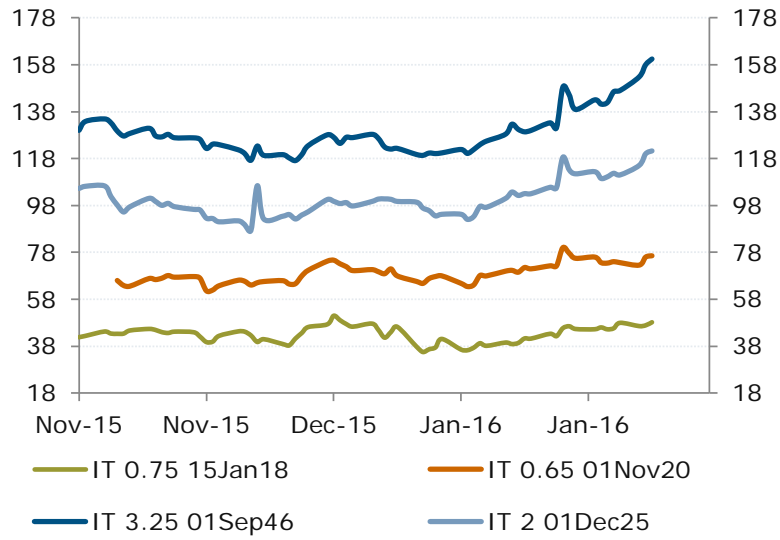
Rating	Baa2/BBB-/BBB+
Moody's / S&P / Fitch	

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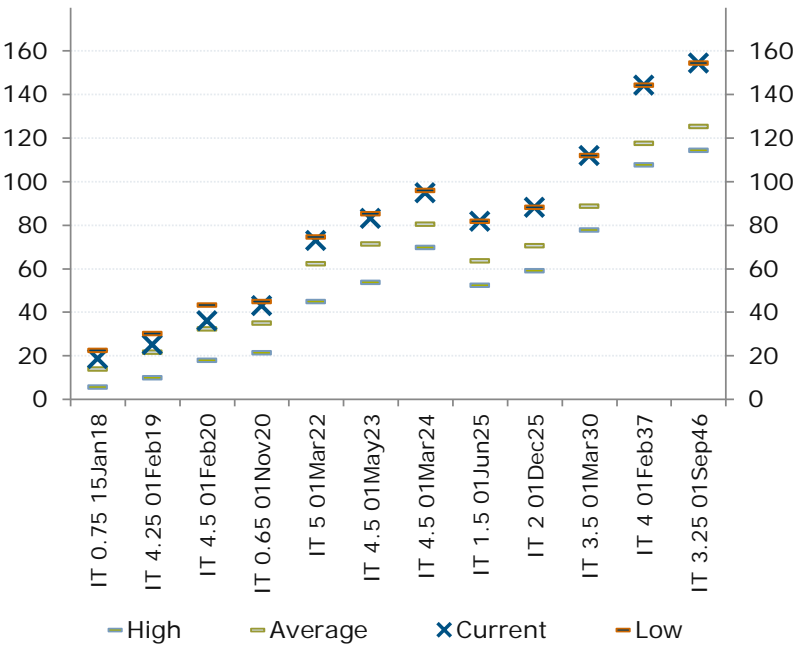
Italy

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	03-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	03-Feb	60D Avg.	Z-score
0.750	15 Jan 18	15.46B	-0.013	47.7	42.5	1.75	-74.0	18.7	13.8	1.56
4.250	01 Feb 19	24.02B	0.064	51.9	50.2	0.63	0.3	24.9	21.5	0.88
4.500	01 Feb 20	22.99B	0.240	63.6	60.1	1.24	-4.1	36.0	32.1	1.19
0.650	01 Nov 20	11.15B	0.444	76.1	68.6	1.99	-5.0	43.0	34.9	2.12
5.000	01 Mar 22	20.79B	0.768	96.1	87.0	2.64	-3.7	72.8	62.1	2.36
4.500	01 May 23	18.02B	1.005	107.4	96.0	2.80	-1.8	83.1	71.2	2.43
4.500	01 Mar 24	23.71B	1.204	117.1	101.8	3.15	-0.6	94.7	80.2	2.84
1.500	01 Jun 25	19.99B	1.386	118.1	97.4	3.42	1.7	81.5	63.5	3.26
2.000	01 Dec 25	17.01B	1.475	120.8	100.4	3.31	1.5	88.1	70.5	3.10
3.500	01 Mar 30	19.99B	1.918	127.3	103.5	3.68	-1.5	111.8	88.7	3.64
4.000	01 Feb 37	26.01B	2.380	142.8	116.9	4.49	-0.6	144.1	117.3	4.38
3.250	01 Sep 46	13.24B	2.661	160.0	129.2	4.10	1.1	154.4	125.3	4.08

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

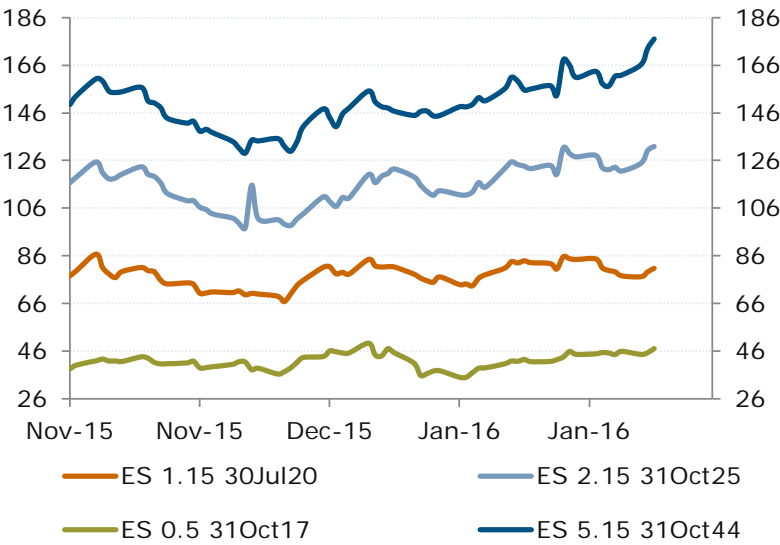
Rating	Baa2/BBB/BBB+
Moody's / S&P / Fitch	

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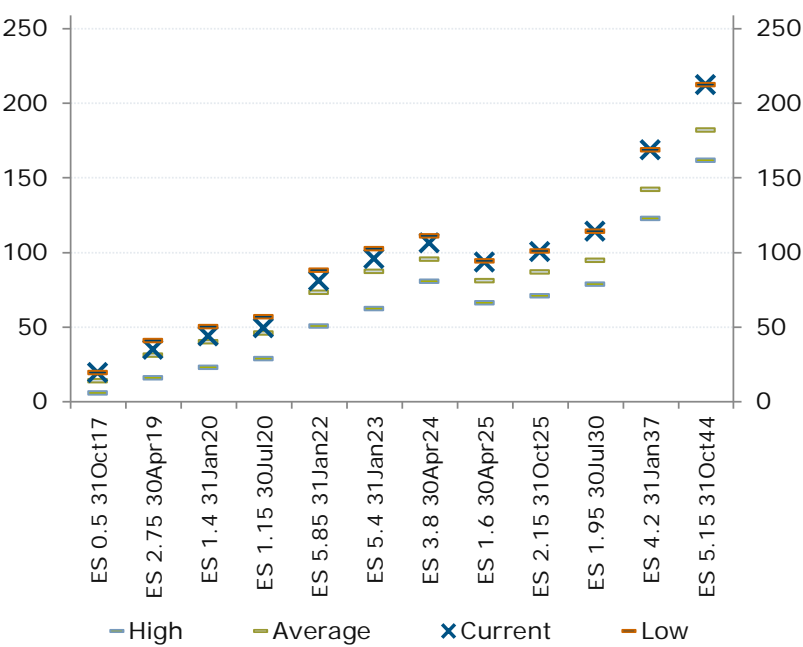
Spain

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	03-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	03-Feb	60D Avg.	Z-score
0.500	31 Oct 17	16.99B	-0.009	47.6	42.3	2.12	-72.9	19.3	13.7	2.30
2.750	30 Apr 19	22.98B	0.185	62.6	60.4	0.59	2.5	34.8	30.8	1.05
1.400	31 Jan 20	21.91B	0.359	75.5	72.1	0.83	3.9	43.8	40.0	0.95
1.150	30 Jul 20	15.03B	0.468	81.2	78.2	0.73	18.9	49.2	45.8	0.87
5.850	31 Jan 22	22.01B	0.797	99.8	93.5	1.24	1.1	80.7	72.9	1.24
5.400	31 Jan 23	21.99B	1.049	114.7	106.7	1.30	-0.1	95.7	87.0	1.21
3.800	30 Apr 24	21.99B	1.360	130.4	118.6	1.75	-0.6	106.2	95.3	1.55
1.600	30 Apr 25	19.09B	1.490	129.6	115.1	1.98	0.0	93.1	80.6	1.94
2.150	31 Oct 25	20.96B	1.580	132.4	116.2	2.06	-1.9	100.3	86.6	1.97
1.950	30 Jul 30	11.51B	2.151	148.2	126.8	2.35	3.3	113.7	94.4	2.42
4.200	31 Jan 37	16.37B	2.593	164.0	138.8	2.81	0.7	168.5	141.9	2.91
5.150	31 Oct 44	11.23B	2.827	177.5	150.5	2.99	0.3	212.2	181.7	3.14

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

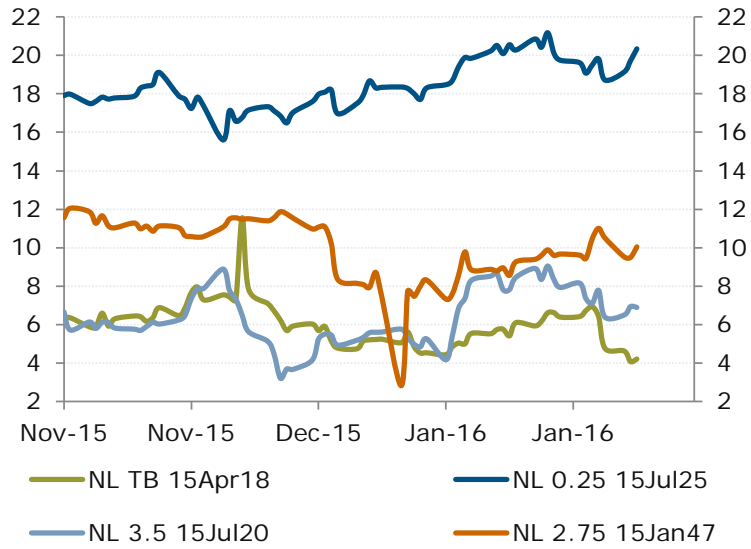
Rating	Aaa/AA+/AAA
Moody's / S&P / Fitch	

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

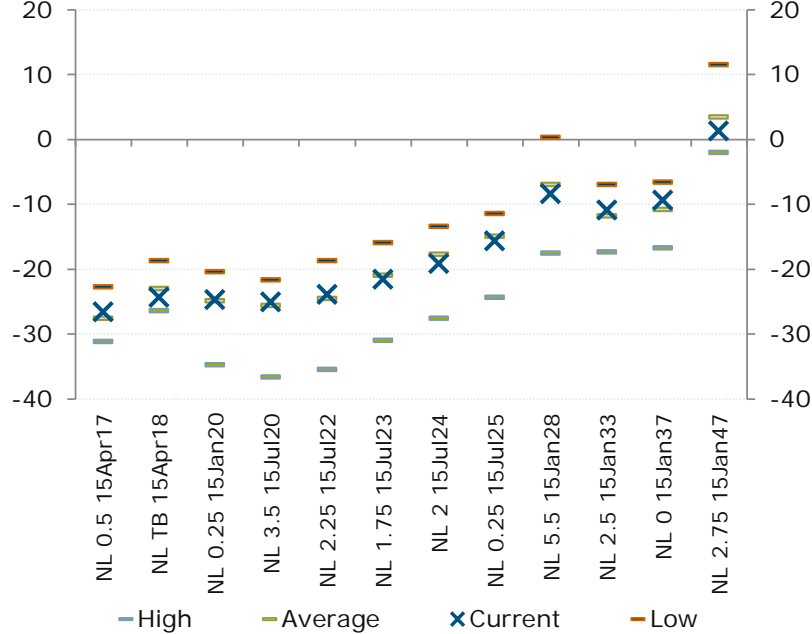
Netherlands

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	03-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	03-Feb	60D Avg.	Z-score
0.500	15 Apr 17	13.03B	-0.462	1.0	-0.1	1.01	19.5	-26.6	-27.6	0.55
0.000	15 Apr 18	15.99B	-0.445	3.9	5.8	-2.25	1.0	-24.4	-23.0	-0.78
0.250	15 Jan 20	15.84B	-0.323	7.6	7.8	-0.16	8.2	-24.7	-24.9	0.08
3.500	15 Jul 20	15.02B	-0.283	6.6	6.1	0.35	0.0	-25.1	-25.6	0.28
2.250	15 Jul 22	15.01B	-0.042	11.3	10.9	0.29	0.2	-23.9	-24.5	0.30
1.750	15 Jul 23	15.63B	0.106	15.0	14.4	0.59	-0.1	-21.6	-21.0	-0.34
2.000	15 Jul 24	15.32B	0.244	15.8	14.7	1.58	0.6	-19.1	-17.8	-0.78
0.250	15 Jul 25	15.01B	0.420	20.0	18.1	1.71	0.4	-15.7	-15.0	-0.43
5.500	15 Jan 28	13.02B	0.594	10.6	9.5	0.74	0.0	-8.4	-7.0	-0.59
2.500	15 Jan 33	12.01B	0.908	10.3	7.5	1.69	0.3	-10.9	-11.9	0.43
0.000	15 Jan 37	0.0B	1.128	17.7	15.2	1.68	2.6	-9.4	-10.9	0.89
2.750	15 Jan 47	10.99B	1.160	9.7	9.7	0.01	0.0	1.3	3.4	-1.13

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

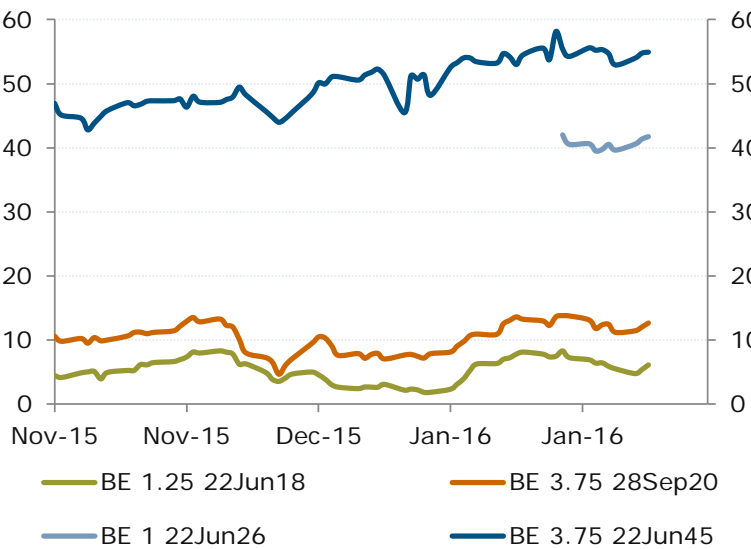
Rating	Aa3/AA/AA
Moody's / S&P / Fitch	

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

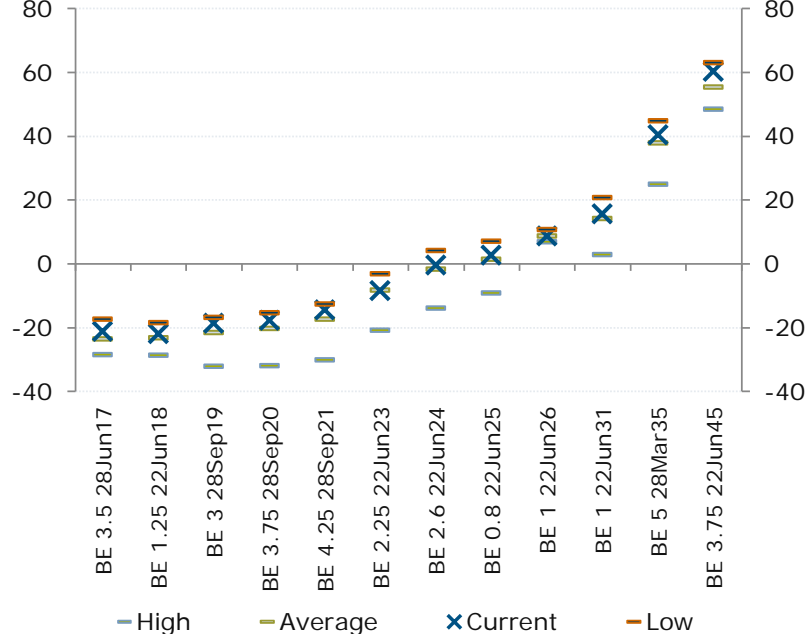
Belgium

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	03-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	03-Feb	60D Avg.	Z-score
3.500	28 Jun 17	13.34B	-0.407	6.9	4.1	1.88	10.2	-21.2	-23.5	0.84
1.250	22 Jun 18	11.01B	-0.412	6.5	5.9	0.41	1.1	-21.9	-23.2	0.61
3.000	28 Sep 19	12.01B	-0.296	12.1	10.5	0.91	-0.3	-18.6	-21.4	1.22
3.750	28 Sep 20	19.01B	-0.197	13.0	10.9	1.11	1.1	-17.8	-20.2	1.06
4.250	28 Sep 21	15.98B	-0.060	17.2	15.1	1.11	-0.5	-14.3	-17.4	1.25
2.250	22 Jun 23	13.99B	0.218	27.0	26.1	0.46	-0.3	-8.3	-8.2	-0.07
2.600	22 Jun 24	15.85B	0.405	32.8	29.3	1.40	0.0	-0.3	-1.7	0.58
0.800	22 Jun 25	16.02B	0.590	37.8	34.2	1.38	-0.6	2.7	1.5	0.54
1.000	22 Jun 26	5.0B	0.749	42.1	41.0	1.55	0.1	8.7	8.8	-0.09
1.000	22 Jun 31	4.0B	1.185	46.7	44.2	0.64	0.0	15.7	14.2	0.44
5.000	28 Mar 35	19.01B	1.299	39.6	36.1	1.05	-0.1	40.5	37.9	0.68
3.750	22 Jun 45	8.01B	1.608	55.3	50.5	1.34	0.1	60.4	55.5	1.14

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

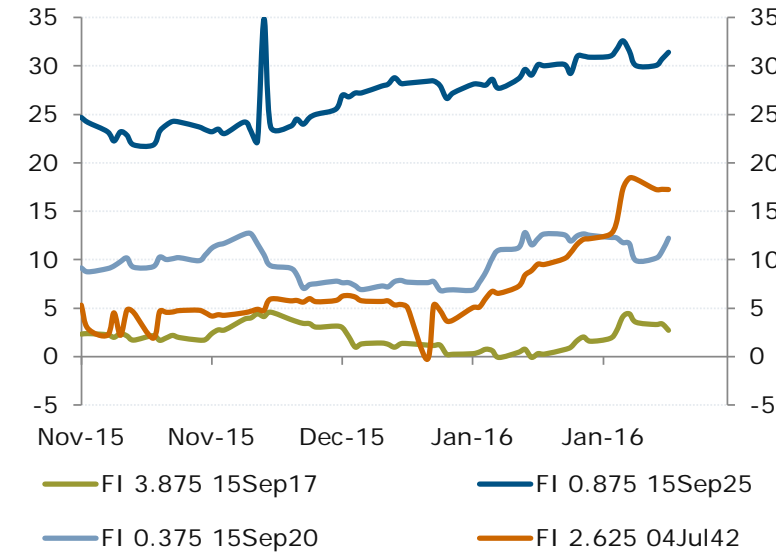
Rating	Aaa/AA+/AAA
Moody's / S&P / Fitch	

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

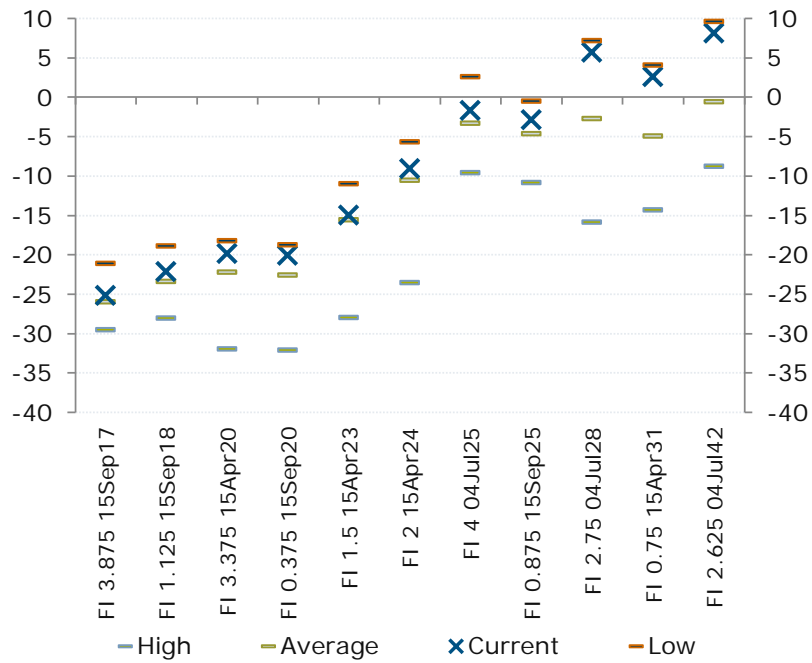
Finland

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	03-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	03-Feb	60D Avg.	Z-score
3.875	15 Sep 17	6.0B	-0.455	2.7	2.1	0.58	-2.1	-25.1	-26.0	0.40
1.125	15 Sep 18	5.03B	-0.407	6.1	6.3	-0.21	-0.2	-22.1	-23.4	0.65
3.375	15 Apr 20	6.5B	-0.261	11.5	9.6	1.30	1.2	-19.9	-22.2	1.09
0.375	15 Sep 20	6.03B	-0.209	12.2	10.0	1.35	1.3	-20.0	-22.6	1.19
1.500	15 Apr 23	5.0B	0.142	21.6	20.4	1.14	0.0	-15.0	-15.6	0.35
2.000	15 Apr 24	5.0B	0.311	26.1	22.5	1.50	0.3	-9.1	-10.5	0.61
4.000	04 Jul 25	6.03B	0.470	25.3	20.9	1.38	0.1	-1.7	-3.3	0.59
0.875	15 Sep 25	4.03B	0.555	31.4	26.9	1.52	0.3	-2.9	-4.7	0.83
2.750	04 Jul 28	5.0B	0.823	29.5	20.0	2.40	-0.1	5.7	-2.7	1.90
0.750	15 Apr 31	3.5B	1.047	33.9	24.4	2.23	-0.1	2.6	-5.0	1.92
2.625	04 Jul 42	4.03B	1.213	17.2	7.3	2.89	0.1	8.1	-0.5	2.41

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

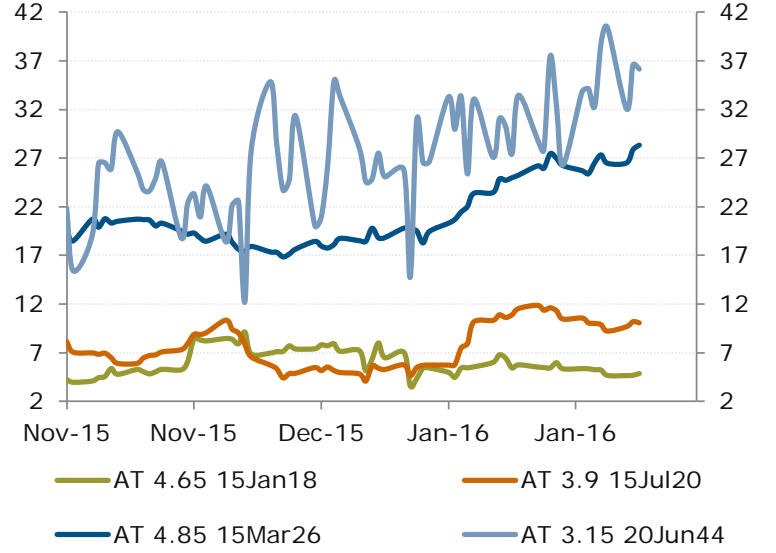
Rating	Aaa/AA+/AA+
Moody's / S&P / Fitch	

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

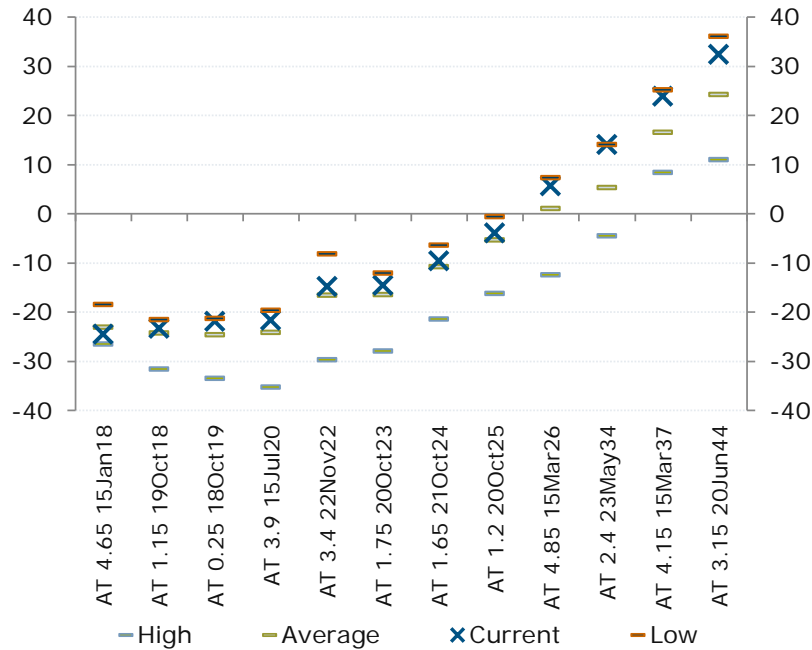
Austria

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	03-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	03-Feb	60D Avg.	Z-score
4.650	15 Jan 18	12.06B	-0.446	4.4	5.6	-0.98	-2.7	-24.5	-23.0	-0.69
1.150	19 Oct 18	7.02B	-0.413	5.2	5.9	-0.70	0.2	-23.3	-24.3	0.71
0.250	18 Oct 19	7.95B	-0.319	9.5	7.9	0.90	-0.2	-21.9	-24.6	1.14
3.900	15 Jul 20	13.01B	-0.252	9.6	7.4	1.09	0.0	-21.6	-24.2	0.99
3.400	22 Nov 22	10.99B	0.075	19.3	17.7	0.58	-1.6	-14.8	-16.5	0.51
1.750	20 Oct 23	9.99B	0.205	21.8	18.4	1.94	0.8	-14.5	-16.5	0.88
1.650	21 Oct 24	10.35B	0.371	24.7	21.3	1.89	0.8	-9.6	-10.7	0.62
1.200	20 Oct 25	9.02B	0.545	29.2	24.9	1.93	0.2	-3.9	-5.4	0.77
4.850	15 Mar 26	8.01B	0.579	27.9	20.9	2.32	0.4	5.6	1.1	1.40
2.400	23 May 34	5.19B	1.189	31.7	21.8	2.59	0.5	14.1	5.3	2.12
4.150	15 Mar 37	12.22B	1.238	28.2	20.8	2.74	-0.4	23.9	16.6	1.92
3.150	20 Jun 44	6.72B	1.408	35.7	27.1	1.76	-0.1	32.4	24.3	1.45

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

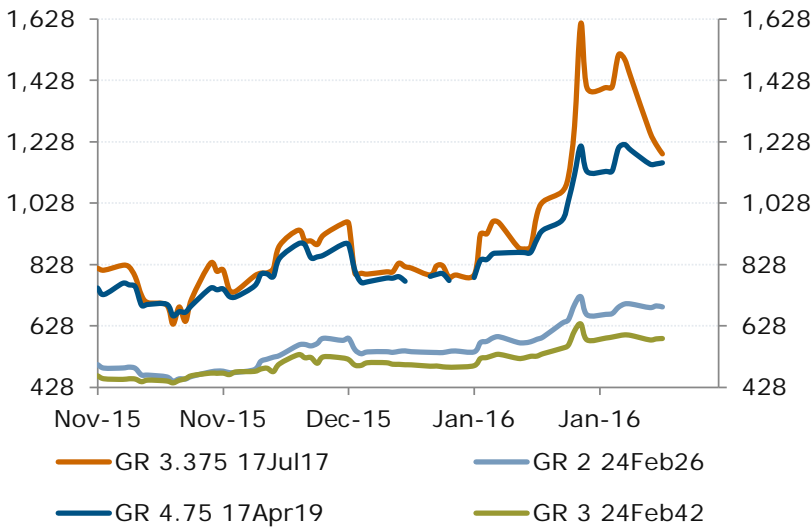
Source: European Commission, Winter 2015 forecast

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

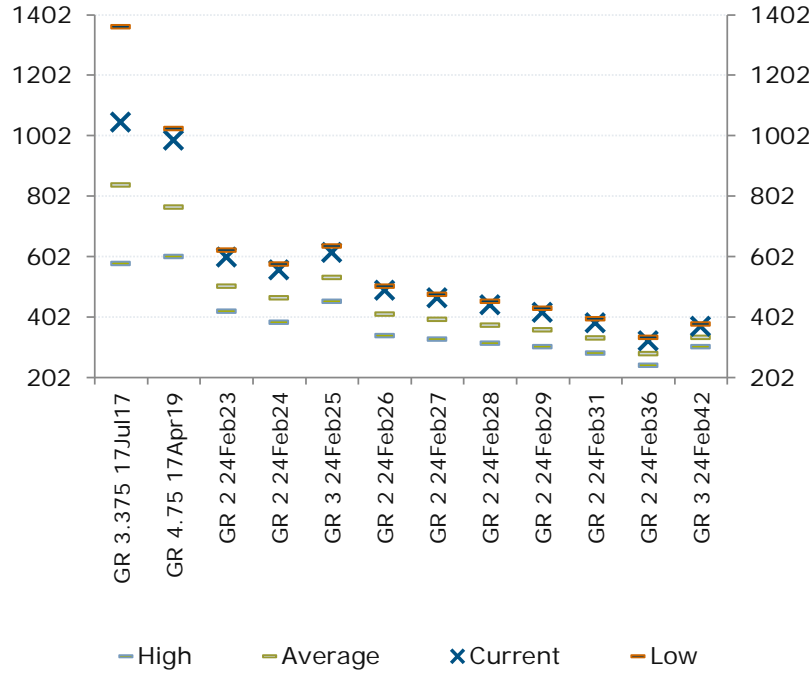
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	03-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	03-Feb	60D Avg.	Z-score
3.375	17 Jul 17	2.02B	11.404	1,188.2	941.2	1.35	-199.5	1,046.1	838.2	1.40
4.750	17 Apr 19	4.02B	11.148	1,159.1	869.5	2.29	10.0	987.5	766.0	2.30
2.000	24 Feb 23	1.04B	7.948	803.8	658.0	2.12	10.7	600.8	504.2	2.14
2.000	24 Feb 24	1.25B	7.631	760.1	615.8	2.10	8.9	556.9	464.5	2.11
3.000	24 Feb 25	1.84B	8.624	845.2	707.5	2.00	-15.2	616.2	533.4	2.04
2.000	24 Feb 26	1.37B	7.186	689.2	560.9	2.07	-16.2	490.0	411.5	2.08
2.000	24 Feb 27	1.21B	7.050	665.2	548.2	2.02	-21.6	464.8	394.3	2.05
2.000	24 Feb 28	1.84B	6.906	640.7	529.5	2.02	-17.9	441.5	375.3	2.08
2.000	24 Feb 29	1.48B	6.717	613.8	514.5	1.94	-17.6	417.8	358.9	2.03
2.000	24 Feb 31	1.29B	6.457	575.6	490.1	1.78	-14.2	382.1	332.1	1.95
2.000	24 Feb 36	1.33B	6.003	507.5	433.0	1.78	-8.7	323.3	281.4	2.05
3.000	24 Feb 42	1.05B	6.901	586.2	514.1	1.82	9.2	371.5	335.5	2.21

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

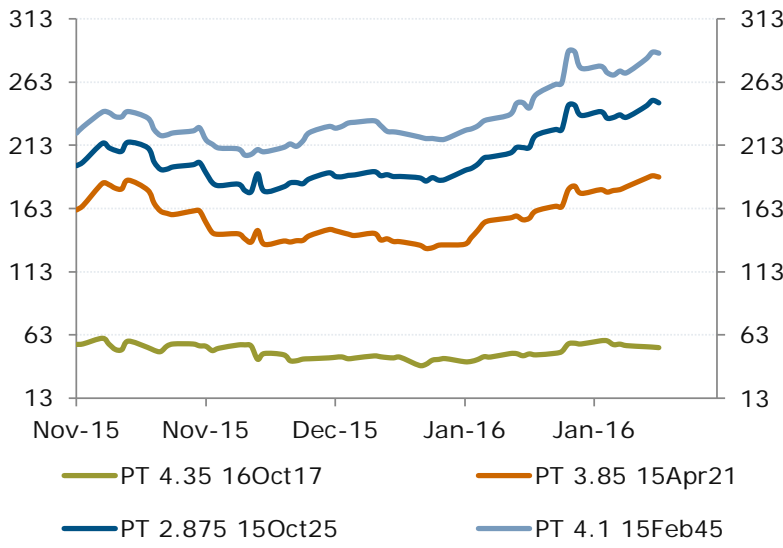
Source: European Commission, Winter 2015 forecast

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

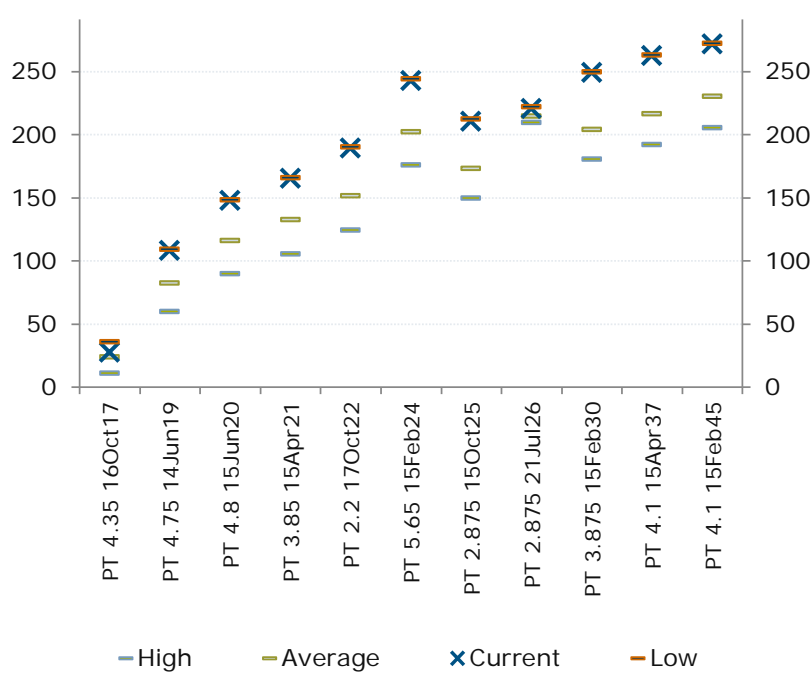
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	03-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	03-Feb	60D Avg.	Z-score
4.350	16 Oct 17	8.99B	0.048	53.2	50.1	0.64	18.0	27.6	23.9	0.71
4.750	14 Jun 19	10.75B	0.864	129.8	106.7	2.05	-9.8	108.1	82.5	2.05
4.800	15 Jun 20	10.99B	1.315	167.3	137.1	2.10	0.6	147.9	115.9	2.07
3.850	15 Apr 21	9.55B	1.608	188.1	157.0	1.99	0.3	165.2	132.6	2.01
2.200	17 Oct 22	3.0B	2.166	229.4	190.3	2.31	0.5	189.3	151.6	2.31
5.650	15 Feb 24	12.02B	2.536	250.9	210.5	2.36	0.1	242.6	202.3	2.27
2.875	15 Oct 25	10.52B	2.718	246.7	204.4	2.37	-0.4	210.5	173.2	2.34
2.875	21 Jul 26	4.0B	2.926	259.0	252.3	1.27	0.1	220.5	214.7	1.22
3.875	15 Feb 30	4.05B	3.381	273.7	223.6	2.62	1.2	249.0	204.1	2.64
4.100	15 Apr 37	8.02B	3.745	278.7	226.5	2.71	0.6	262.5	216.5	2.82
4.100	15 Feb 45	2.5B	3.914	286.0	236.6	2.60	0.0	271.5	230.1	2.76

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

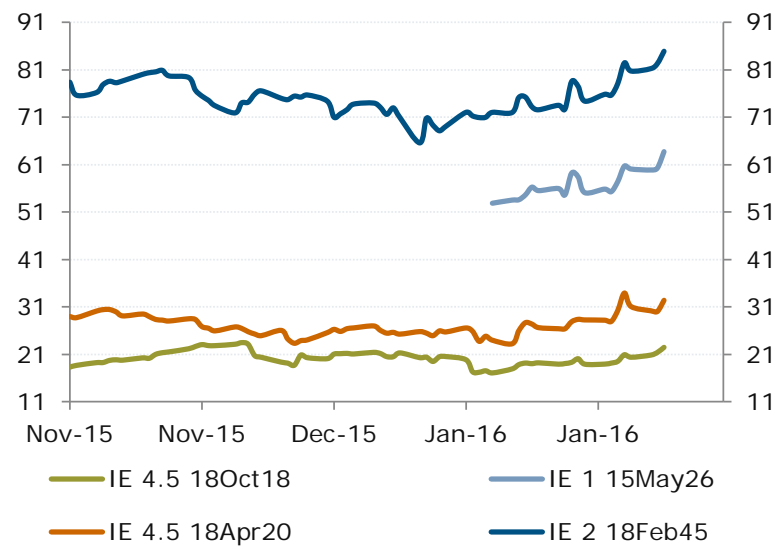
Rating	Baa1/A/A-
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Moody's / S&P / Fitch

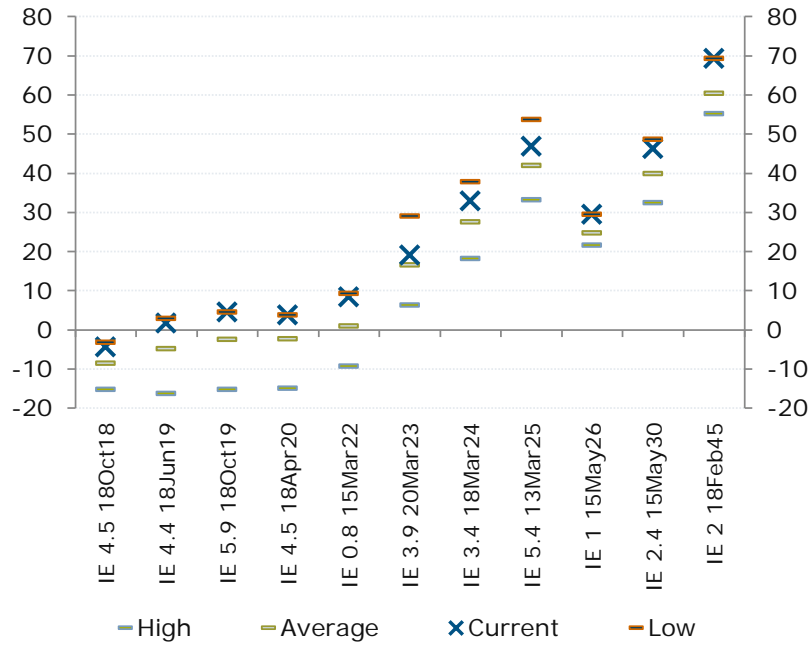
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	03-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	03-Feb	60D Avg.	Z-score
4.500	18 Oct 18	9.58B	-0.238	22.7	20.5	1.79	0.5	-4.4	-8.6	1.80
4.400	18 Jun 19	7.06B	-0.133	30.0	25.2	2.28	-0.7	1.7	-4.8	2.04
5.900	18 Oct 19	6.58B	-0.093	32.1	26.8	3.02	0.1	4.4	-2.6	2.70
4.500	18 Apr 20	11.77B	-0.048	32.7	27.5	2.77	0.4	3.7	-2.3	2.23
0.800	15 Mar 22	4.25B	0.250	43.9	37.1	2.01	3.8	8.4	0.9	2.22
3.900	20 Mar 23	5.95B	0.413	49.5	46.7	0.92	1.8	19.1	16.6	0.71
3.400	18 Mar 24	8.01B	0.666	62.7	55.7	2.98	1.1	32.9	27.6	1.96
5.400	13 Mar 25	11.35B	0.824	64.6	57.9	2.98	0.0	46.9	42.0	1.77
1.000	15 May 26	3.0B	0.957	64.0	57.2	2.56	-0.8	29.5	24.8	2.58
2.400	15 May 30	7.78B	1.352	69.5	62.2	2.68	0.3	46.2	39.9	2.55
2.000	18 Feb 45	5.05B	1.905	85.1	75.7	3.21	1.1	69.2	60.4	3.53

Spreads against the German curve, bp



Asset swap term structure, bp



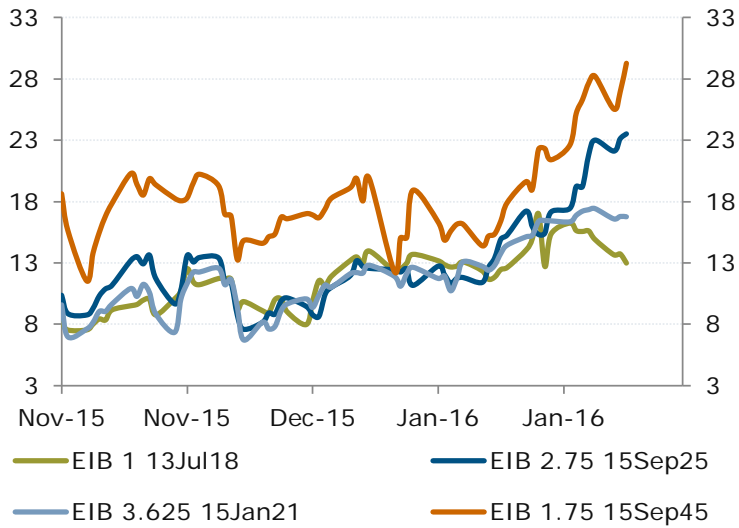


Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

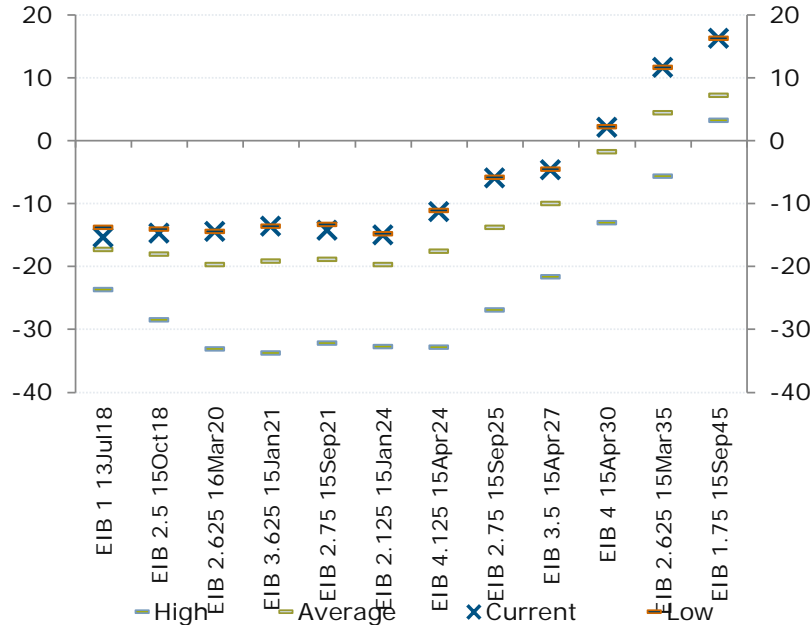
European Investment Bank (EIB)

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	03-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	03-Feb	60D Avg.	Z-score
1.000	13 Jul 18	5.0B	-0.344	13.1	11.8	0.66	-1.2	-15.4	-17.3	1.30
2.500	15 Oct 18	5.0B	-0.332	13.4	11.8	0.72	0.2	-14.7	-18.1	2.21
2.625	16 Mar 20	3.4B	-0.215	16.9	12.1	1.74	0.2	-14.5	-19.8	2.29
3.625	15 Jan 21	6.5B	-0.126	16.9	12.0	2.03	0.0	-13.7	-19.2	2.31
2.750	15 Sep 21	6.0B	-0.053	18.2	14.6	1.74	-0.1	-14.3	-18.9	1.98
2.125	15 Jan 24	5.0B	0.224	20.9	14.2	2.78	0.7	-15.0	-19.7	2.52
4.125	15 Apr 24	7.25B	0.257	20.6	12.7	2.92	0.3	-11.4	-17.6	2.64
2.750	15 Sep 25	5.35B	0.477	23.6	13.2	3.53	0.2	-6.0	-13.8	3.26
3.500	15 Apr 27	4.0B	0.613	20.1	13.0	3.06	0.7	-4.7	-10.0	3.63
4.000	15 Apr 30	6.5B	0.855	20.3	14.7	1.98	0.4	2.1	-1.8	2.54
2.625	15 Mar 35	1.7B	1.172	27.0	18.8	3.03	2.7	11.6	4.4	4.12
1.750	15 Sep 45	1.3B	1.350	29.4	18.5	3.61	1.6	16.2	7.2	4.36

Spreads against the German curve, bp



Asset swap term structure, bp

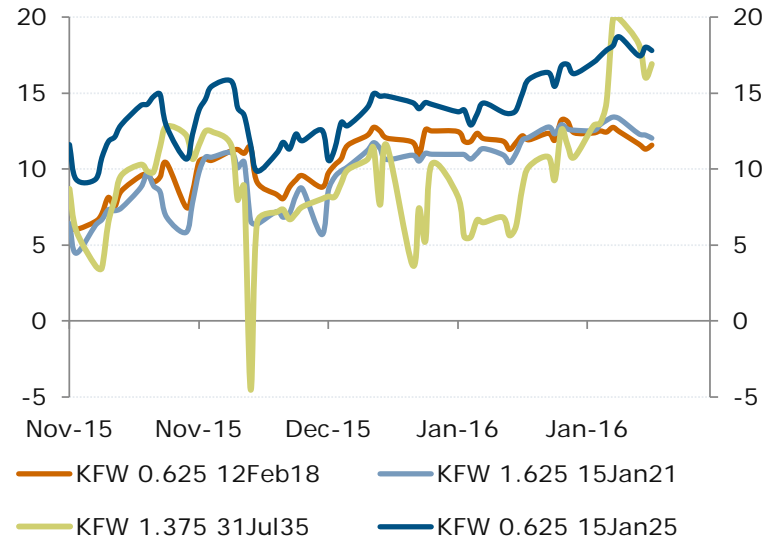


Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

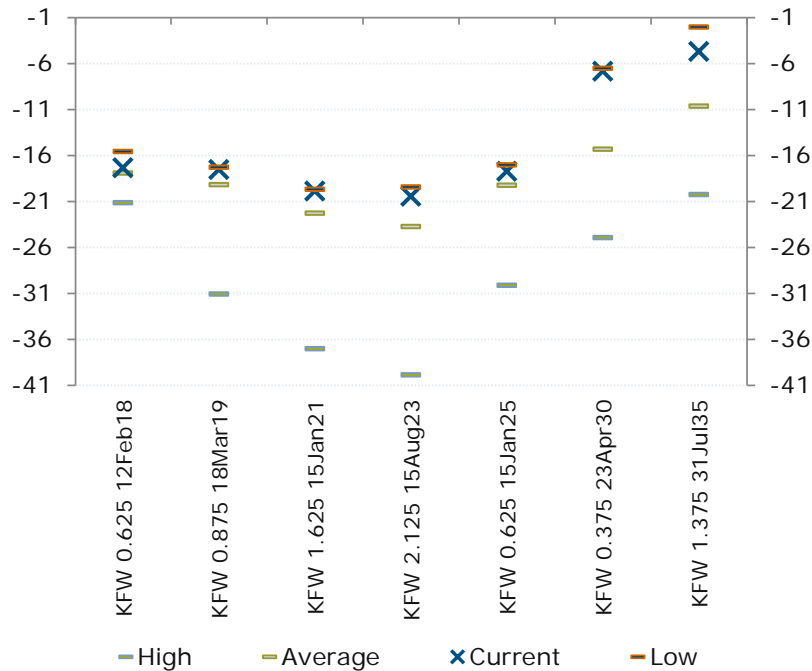
Kreditanstalt für Wiederaufbau (KfW)

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	03-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	03-Feb	60D Avg.	Z-score
0.625	12 Feb 18	2.0B	-0.375	11.6	10.7	0.58	-1.9	-17.4	-17.9	0.85
0.875	18 Mar 19	5.0B	-0.324	12.3	12.3	0.04	-0.4	-17.5	-19.2	1.28
1.625	15 Jan 21	5.0B	-0.175	12.0	9.9	1.05	-0.2	-19.9	-22.3	1.59
2.125	15 Aug 23	3.0B	0.123	15.7	11.1	2.12	0.3	-20.5	-23.8	1.62
0.625	15 Jan 25	3.0B	0.337	17.8	14.0	2.07	-0.5	-17.7	-19.3	1.34
0.375	23 Apr 30	2.0B	0.907	25.4	14.6	3.11	2.8	-6.9	-15.3	3.56
1.375	31 Jul 35	1.0B	1.082	16.9	9.4	2.44	0.2	-4.7	-10.7	3.14

Spreads against the German curve, bp



Asset swap term structure, bp



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