

## Euro Rates Update

Nordea Research, 11 February 2016

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US Treasury Yields				
	2Y	5Y	10Y	30Y
	0.73	1.19	1.75	2.57
Δ 1D	5.6	2.4	-0.2	-2.4
Δ 1W	-4.0	-12.3	-13.8	-13.5

German Benchmark Yields				
	2Y	5Y	10Y	30Y
	-0.51	-0.29	0.25	0.95
Δ 1D	-0.1	-1.2	-0.2	1.2
Δ 1W	-3.4	1.8	-5.9	-9.4

German Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-22.4	-53.8	-76.2	-70.6
Δ 1D	-1.1	1.0	-0.1	1.5
Δ 1W	5.2	-7.6	-2.4	-3.5

EUR Swap Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-22.3	-56.5	-78.8	-52.3
Δ 1D	-0.2	0.4	0.2	1.5
Δ 1W	-2.2	-2.5	-4.7	-5.9

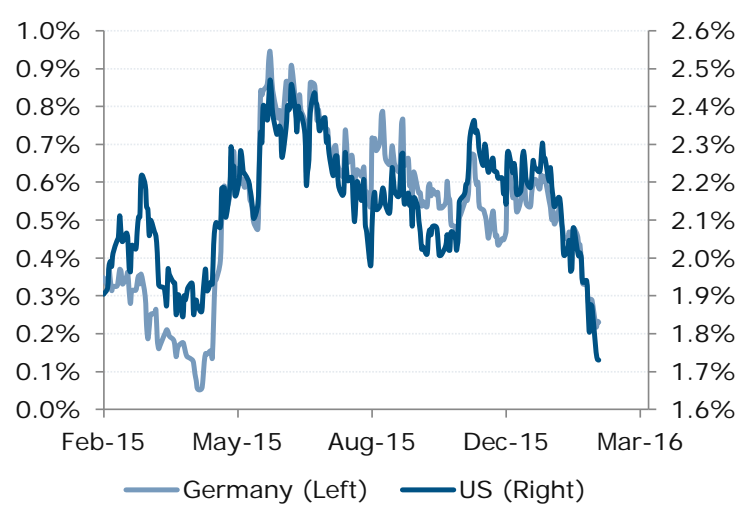
German Asset Swap Levels				
	2Y	5Y	10Y	30Y
	-33.2	-35.5	-36.4	-14.9
Δ 1D	0.2	-0.9	-0.7	-0.9
Δ 1W	-4.7	-2.9	-2.6	-0.2

10Y Benchmark Yields				
	Yield	Δ 1D	Spread	Δ 1D
GER	0.249	-0.2	-	-
FRA	0.618	-1.6	39.2	-1.3
ITA	1.641	-7.0	141.3	-6.8
ESP	1.725	-5.3	150.7	-5.0
BEL	0.609	-1.5	43.5	-1.2
HOL	0.399	-1.3	21.7	-1.0
AUT	0.537	-2.0	32.2	-1.7
GRE	10.317	28.4	1018.2	28.7
POR	3.508	3.4	329.5	3.6
FIN	0.539	-3.2	33.6	-2.9
IRL	0.896	-4.9	75.5	-4.6

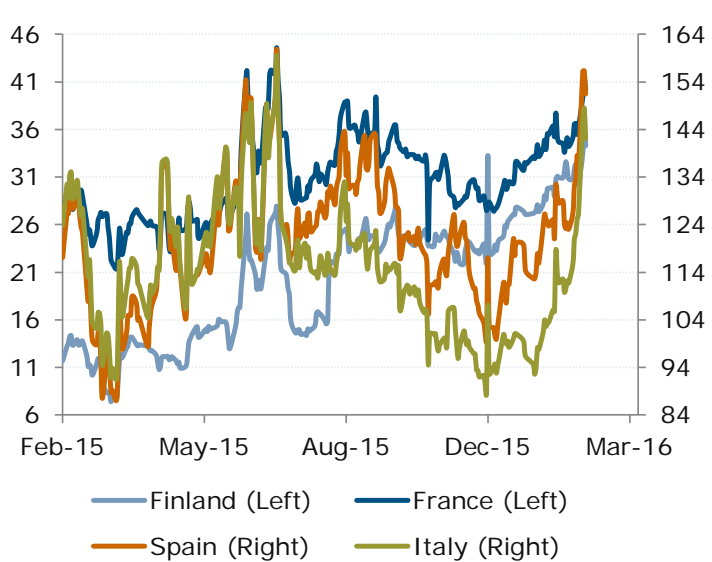
Spread = Maturity interpolated spread to German government par yield curve

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

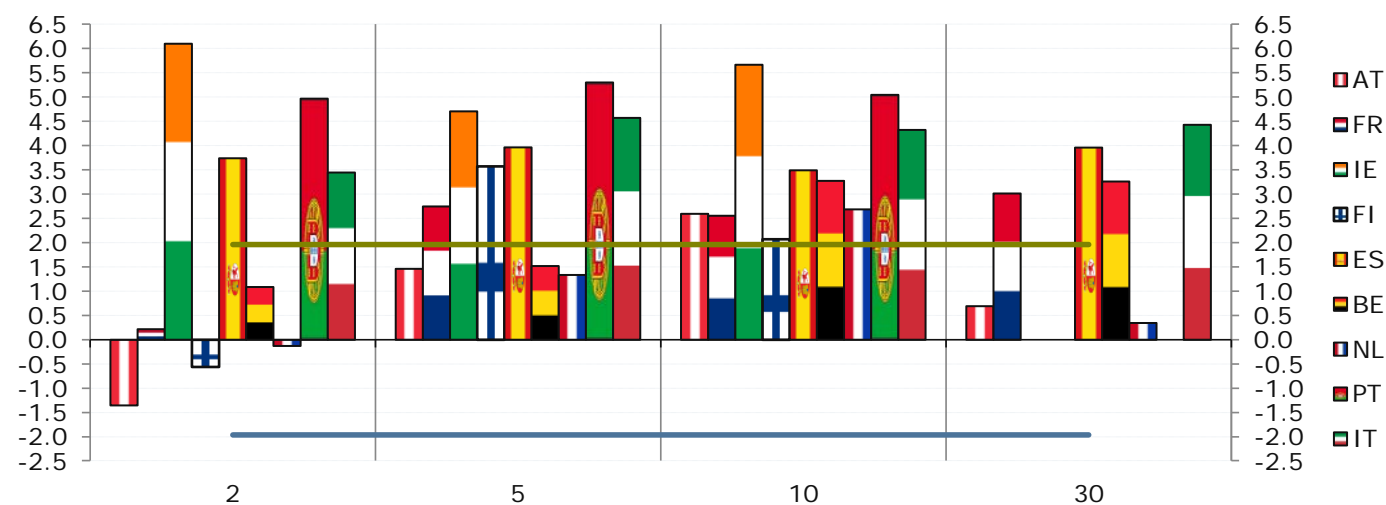
German &amp; US 10-year benchmark yields, %



10 year spreads against Germany, bp



Z-scores of benchmark vs. Germany



Upcoming Issuance (source: Bloomberg)						
Date		Country	Coupon	Maturity		Amount (EURbn)
11 Feb		IT				
11 Feb		IR				
15 Feb		LN				
15 Feb		SO				
17 Feb		GE				5.00
18 Feb		FR				

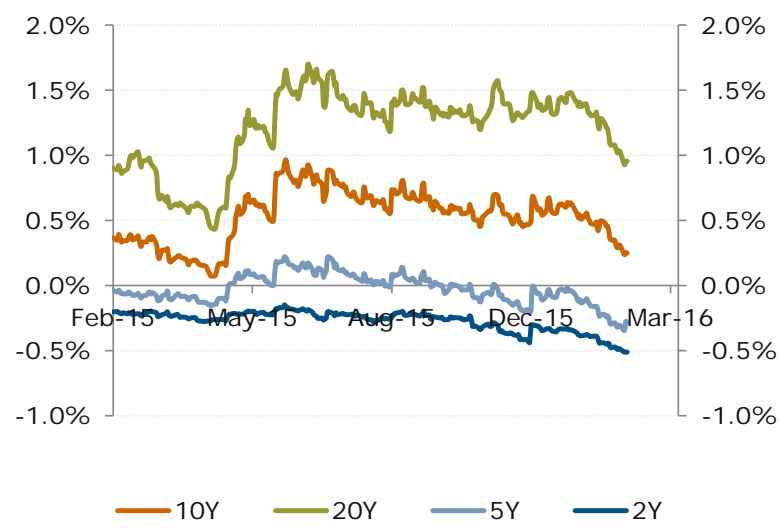
All bond quotes are taken at 16:15 CET.

## Bond Yields & Curves

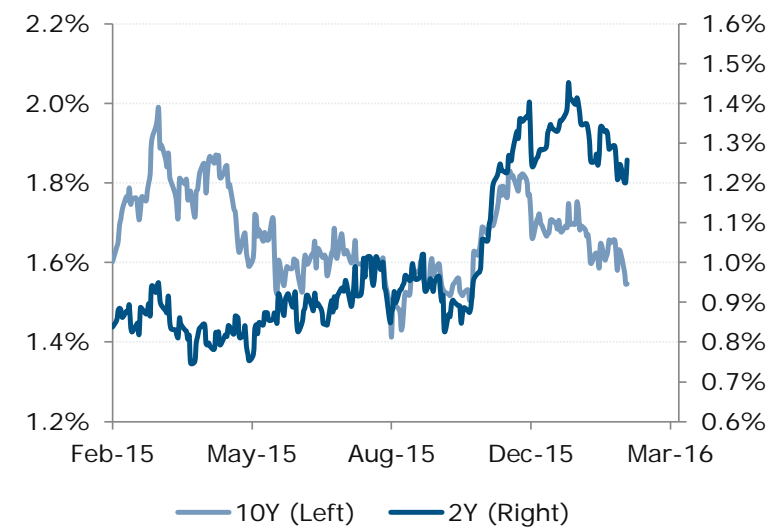
### Yield Levels

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

German benchmark bond yields, %



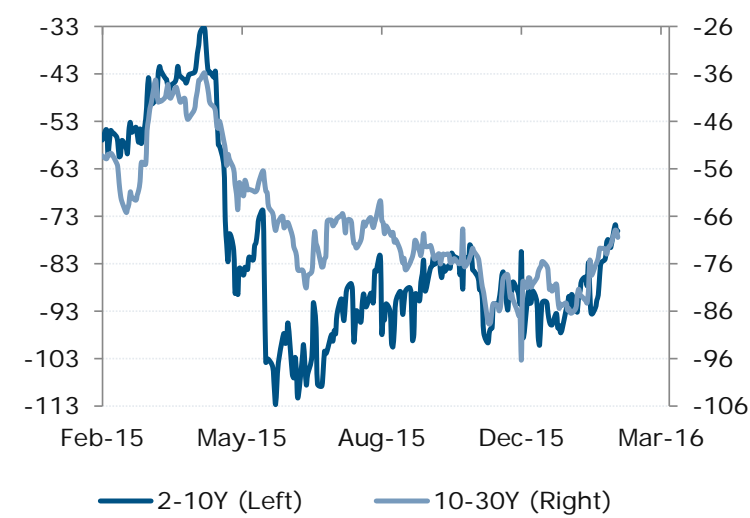
USA-Germany spreads, annualized yields, %



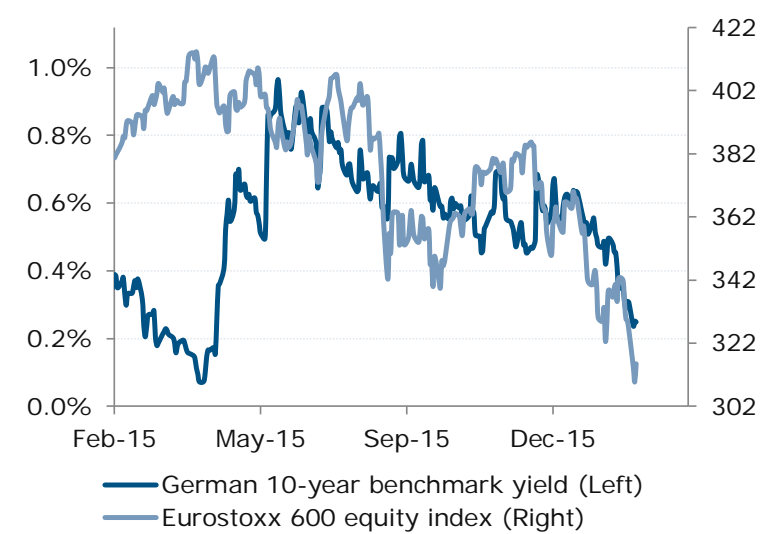
### Bond Curve Shape

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

German yield curve slopes, bp



Bonds vs. equities



## Swaps and Forwards

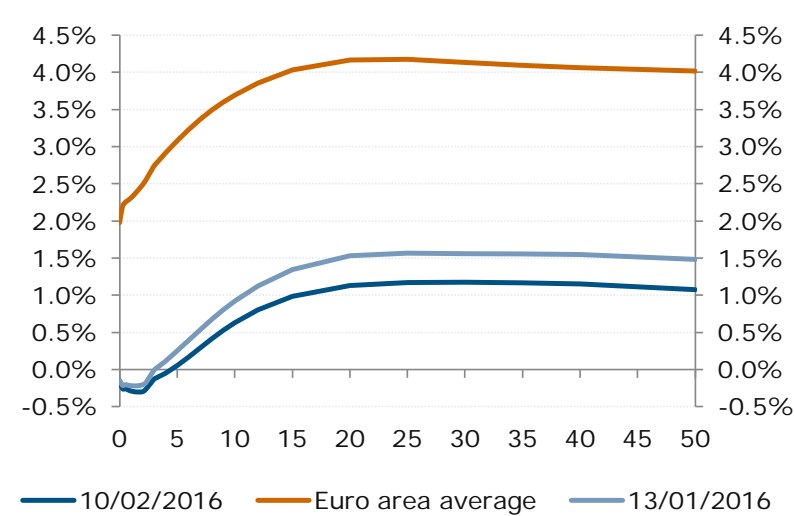
EUR swap rates and implied forwards, %



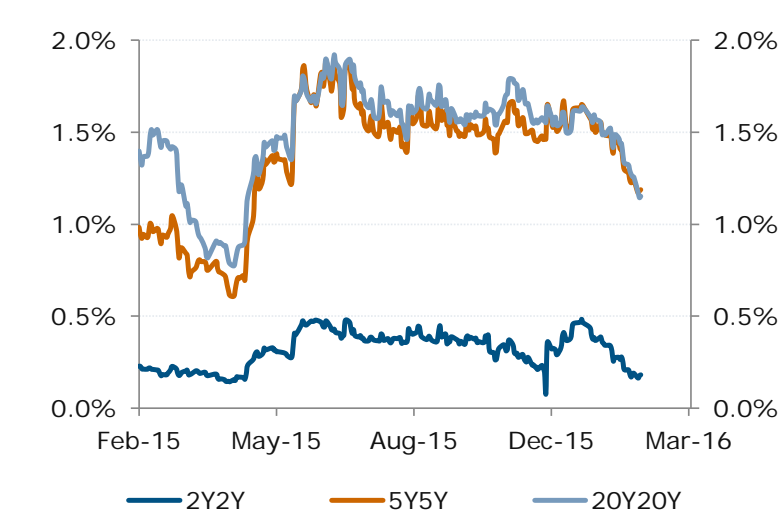
EUR-USD spreads and implied forwards, %



EUR swap curve shape vs. historical



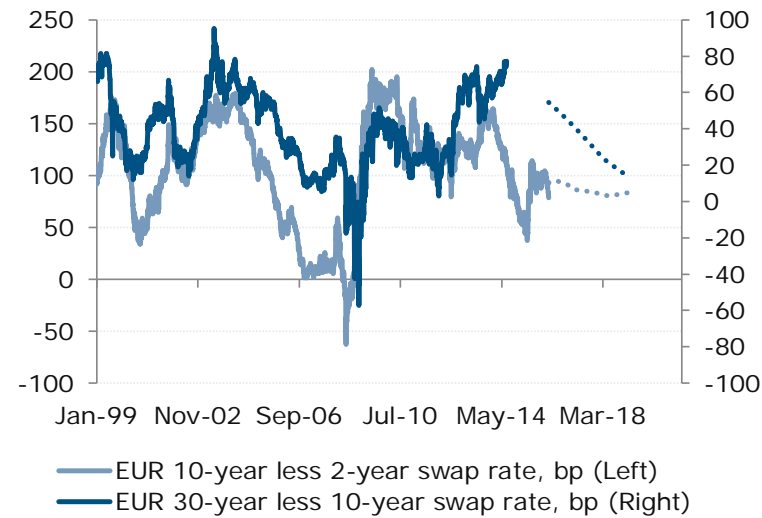
Historical forward rates, %



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)

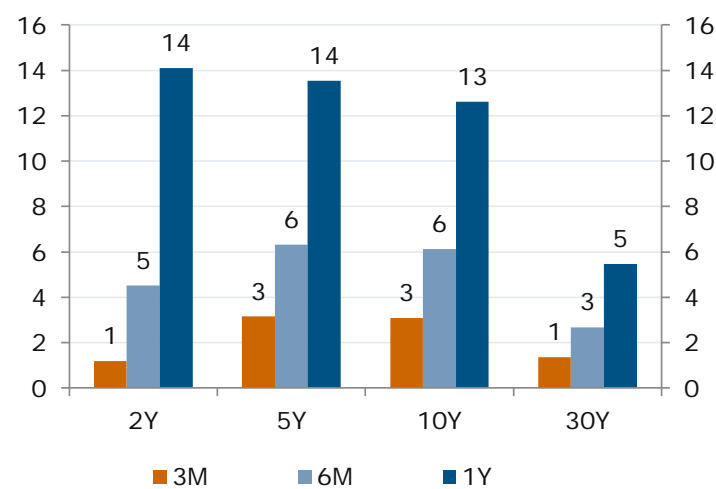


## Carry

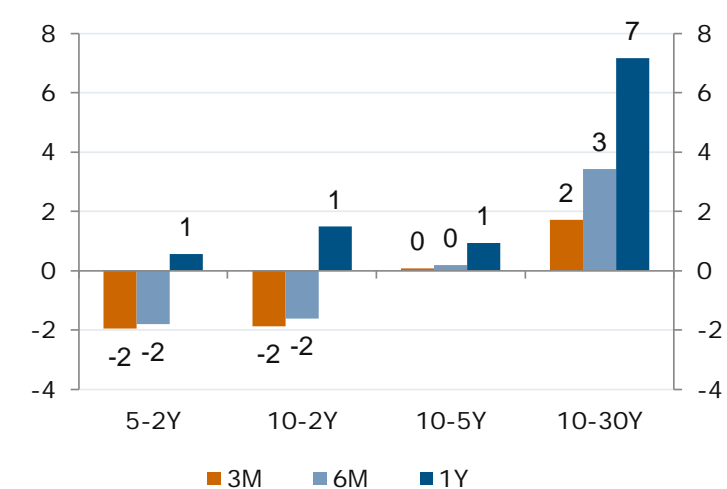
The carry on the given horizon illustrates how much the spot swap rate may rise for a receiver swap position in a forward-starting swap to result in zero profit.

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



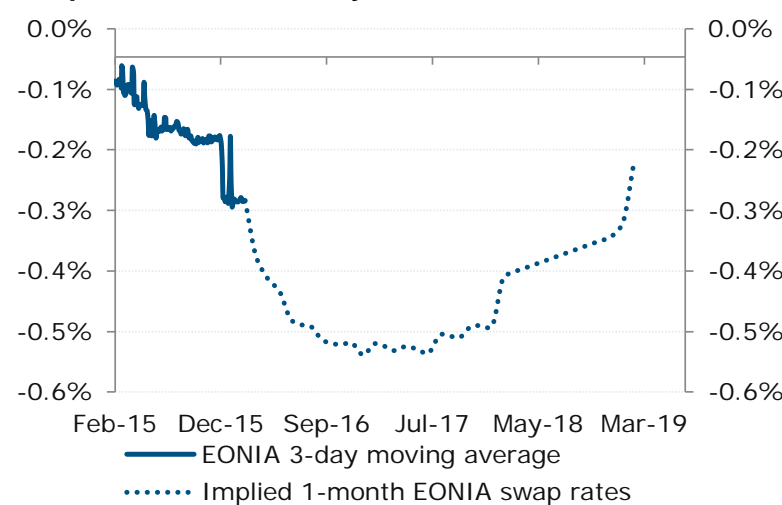
Yield buffers for duration-neutral steepeners, bp



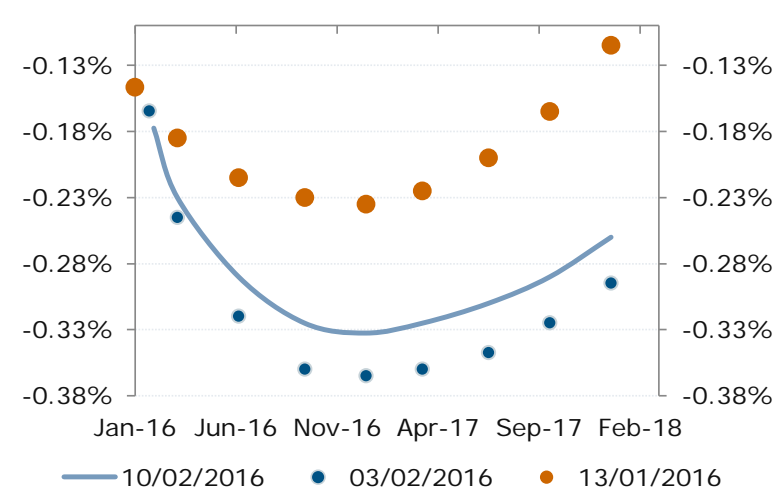
## Money Market Rates

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

Expectations and history for EONIA



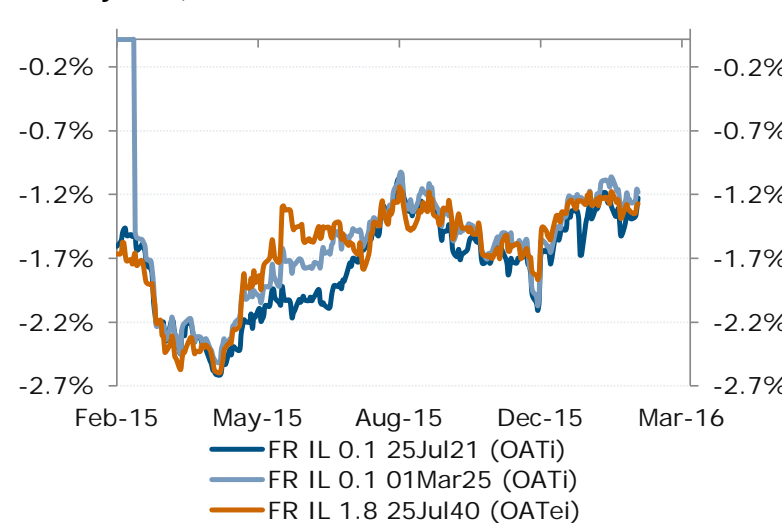
Euribor futures curve, now, 1 wk & 1M ago



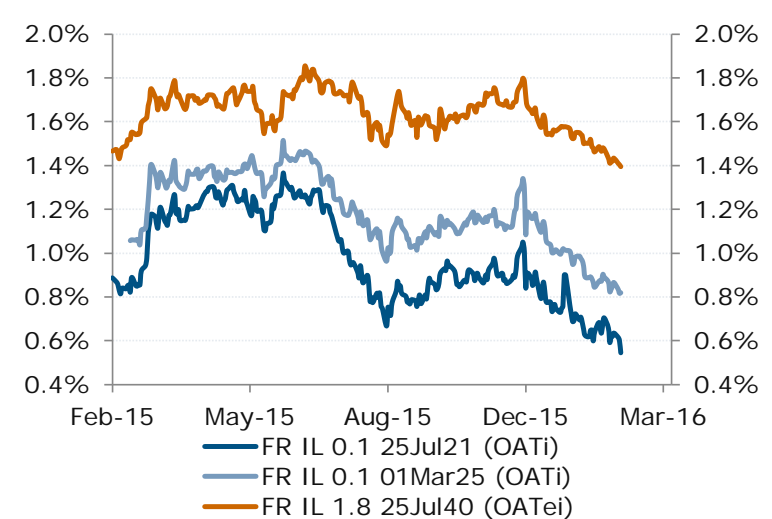
## Inflation-linked Bonds

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

Real yields, %



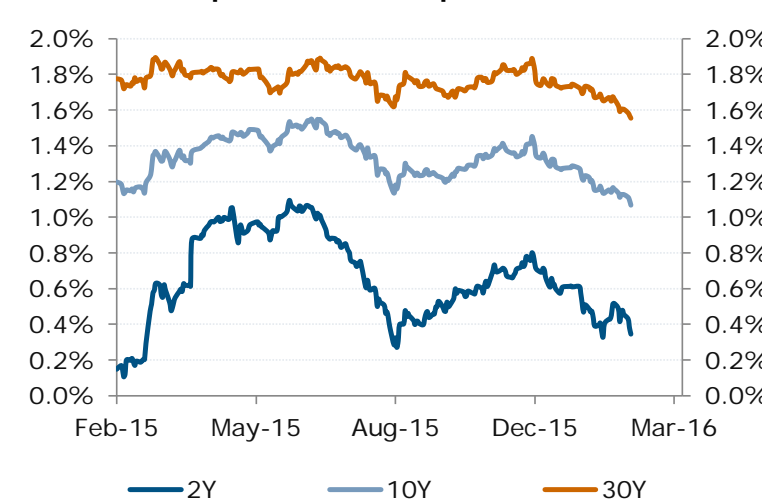
Break-even inflation history, %



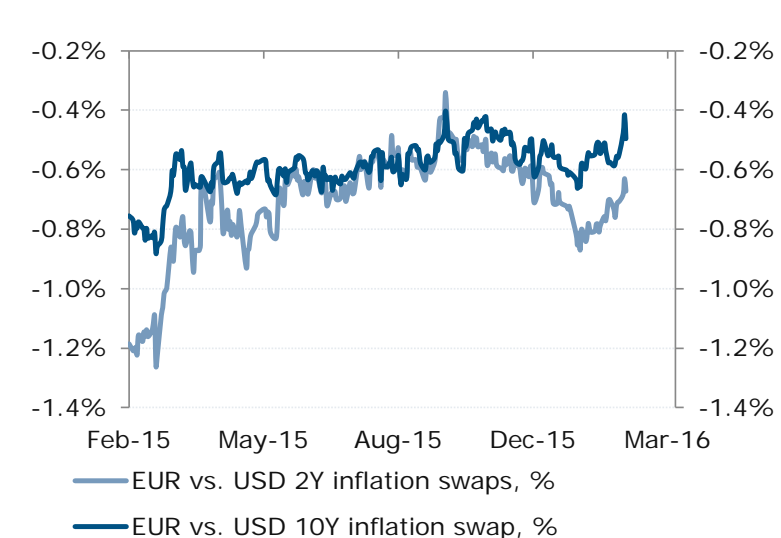
## Inflation Swaps

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

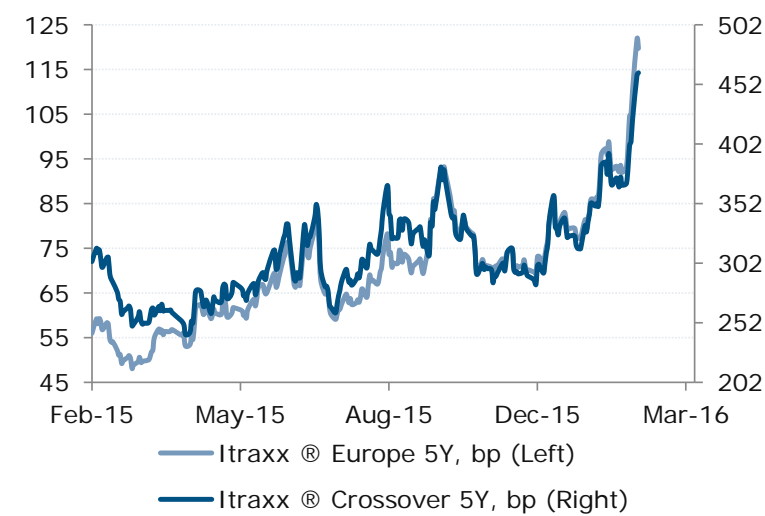


## Credit & Money Market Spreads

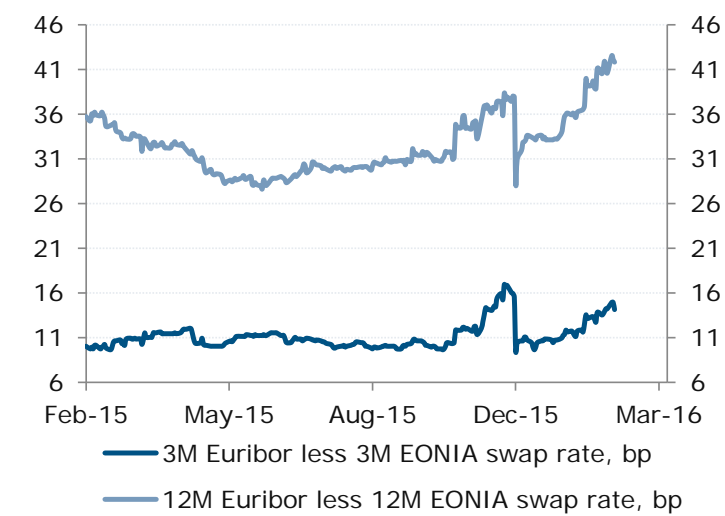
Credit default swap indices illustrate the annual cost of buying protection against a credit event of a company. iTraxx® Europe is comprised of the 125 most liquid CDS contracts referencing European investment grade credits, iTraxx® Crossover of 50 sub-investment grade credits.

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**



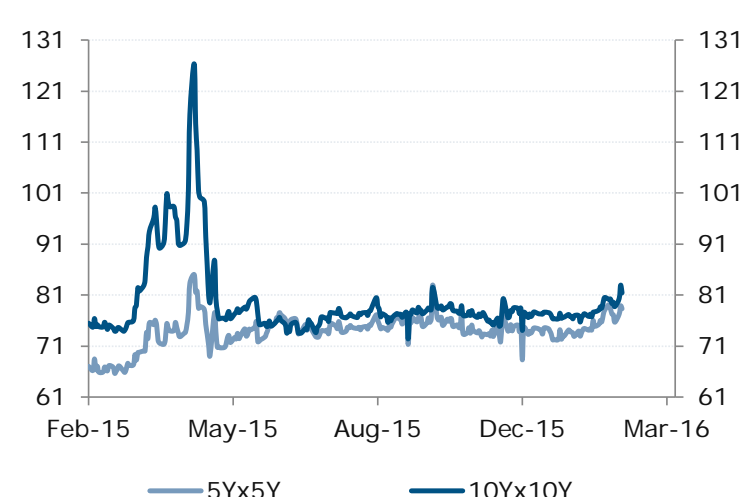
## Swaption Volatilities

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

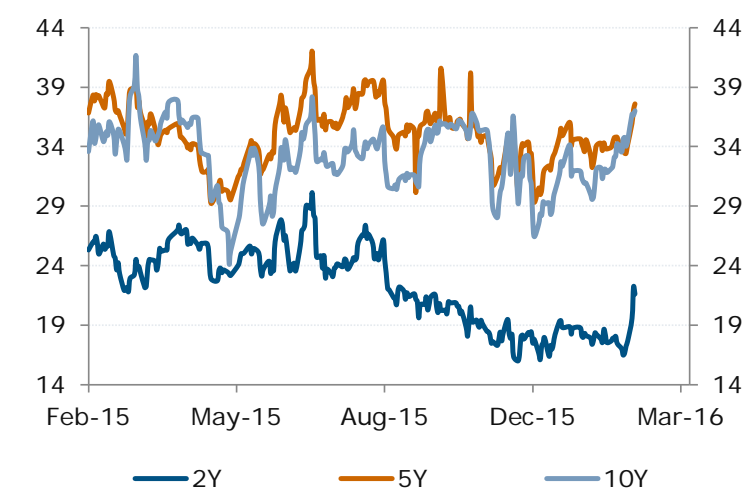
Swap spread:  
Benchmark bond's spread to EUR swap curve.

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

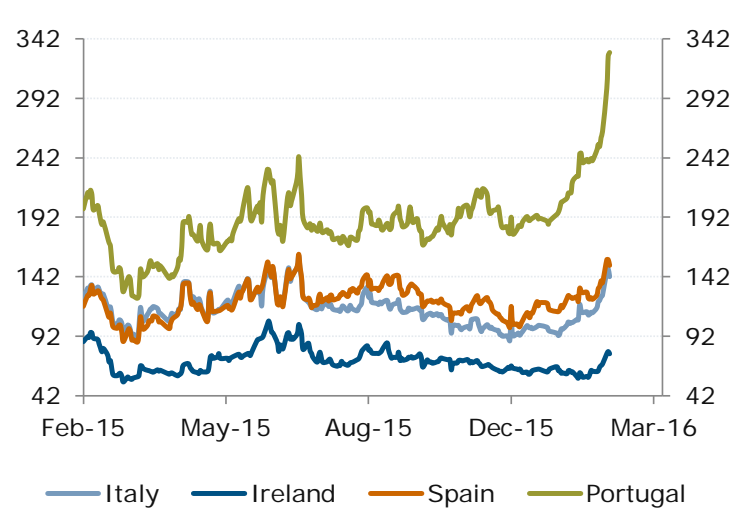
1Y break-even spread changes indicate how much a bond's spread against an equivalent bond trading on the German curve may widen in order to give the same return in one year.

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

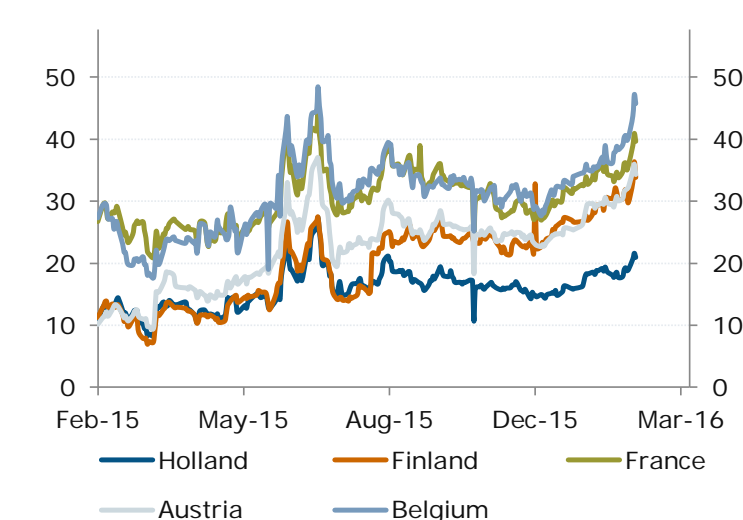
**German swap spreads, bp**



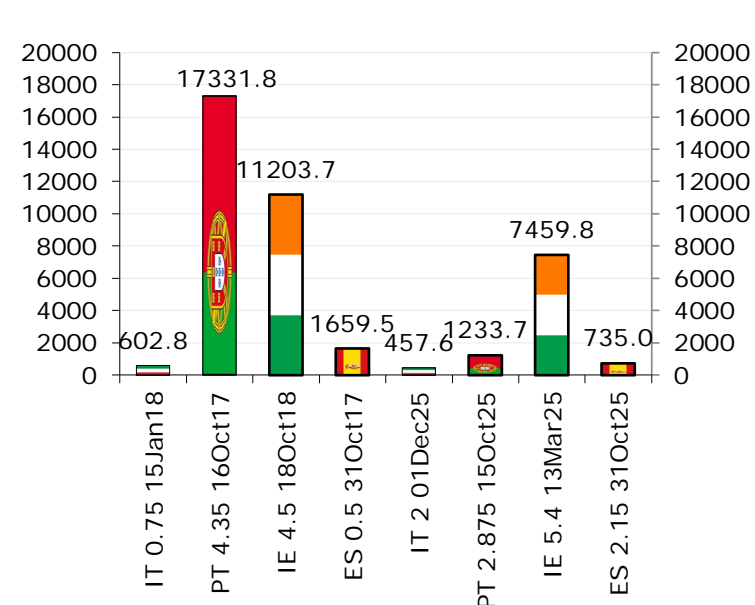
**10Y non-AAA spreads against Germany, bp**



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



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

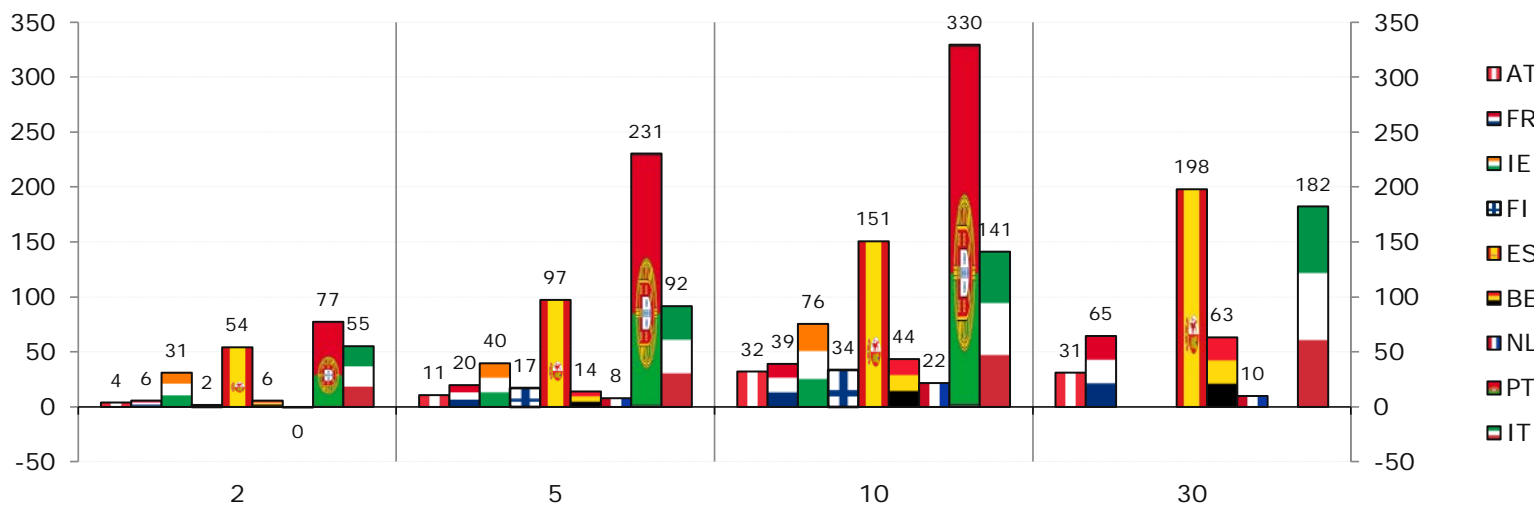




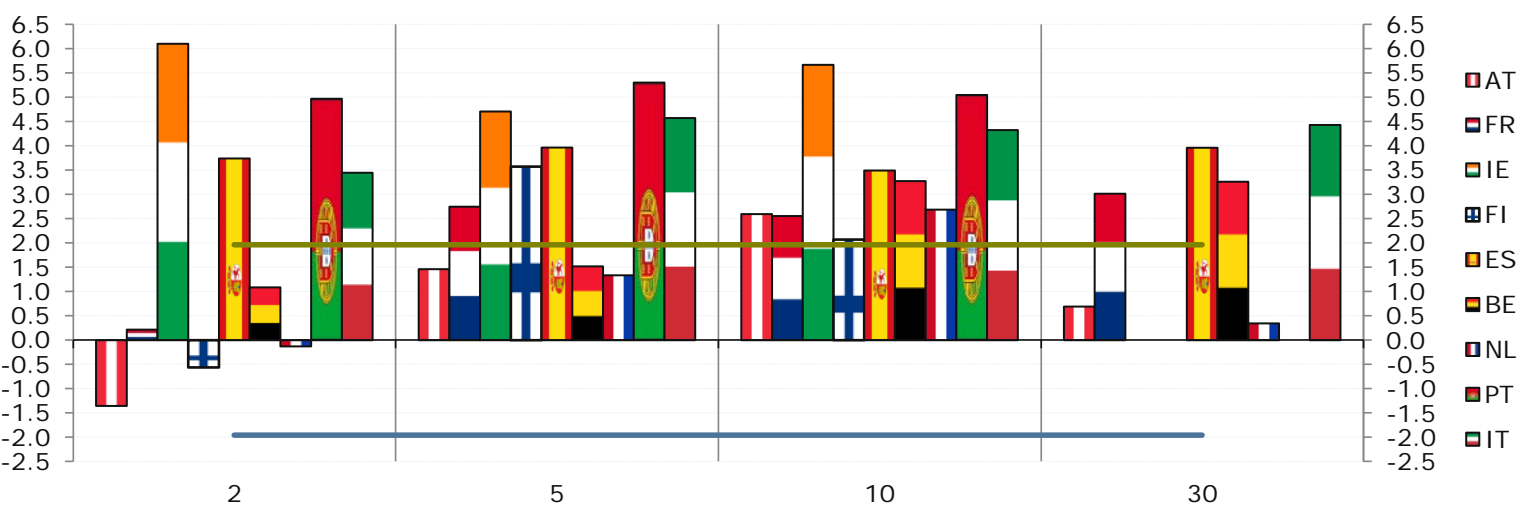


# Country Relative Value

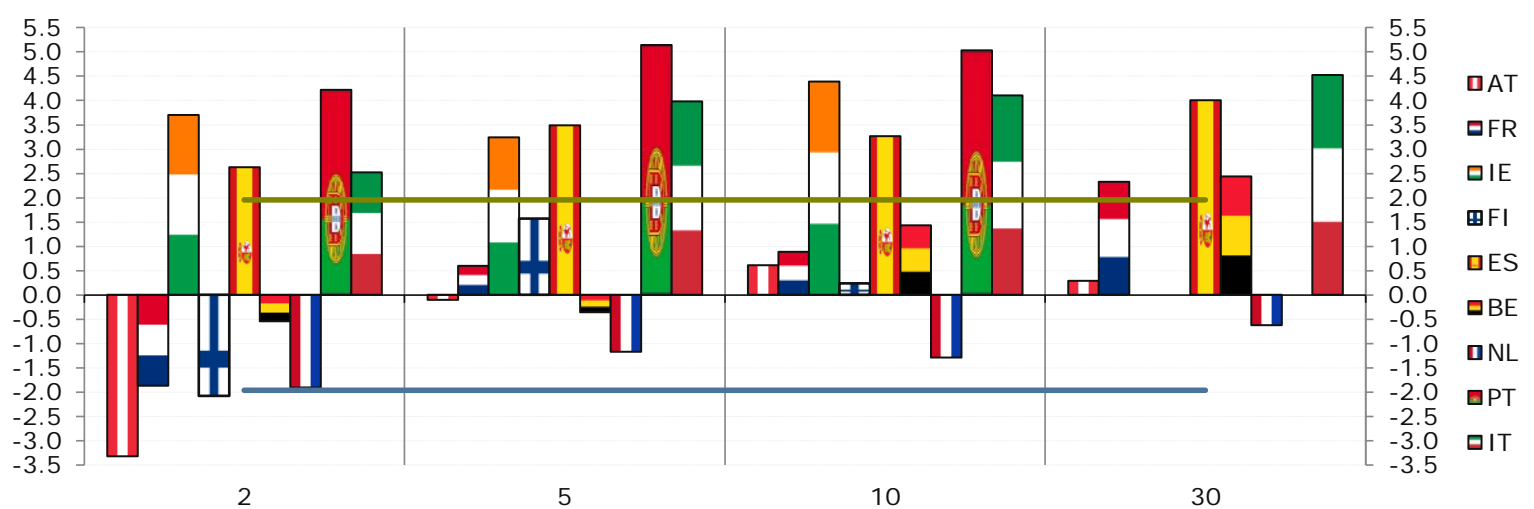
Benchmark spreads over the maturity-interpolated German par curve, bp



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	3.7	-1.82	DE	15 Dec 17	0.000	-33.2	-3.50
	IE	18 Oct 18	4.500	31.2	5.40	PT	14 Jun 19	4.750	154.1	4.48
5Y: Rich	DE	04 Jan 22	2.000	-26.3	-2.87	DE	17 Apr 20	0.000	-36.2	-2.31
	IE	18 Oct 19	5.900	40.7	5.02	PT	15 Jun 20	4.800	208.6	4.58
7Y: Rich	DE	15 Feb 24	1.750	-37.5	-3.23	DE	15 Feb 24	1.750	-43.0	-3.32
	FI	15 Apr 23	1.500	27.4	4.83	PT	15 Feb 24	5.650	317.9	4.30
10Y: Rich	DE	15 Aug 25	1.000	-39.0	-2.58	DE	15 Aug 25	1.000	-37.2	-3.05
	IE	13 Mar 25	5.400	75.5	5.00	PT	15 Oct 25	2.875	277.3	4.27
15Y: Rich	DE	04 Jan 37	4.000	-69.8	-3.17	DE	04 Jan 31	5.500	-31.3	-2.57
	IE	15 May 30	2.400	83.5	4.70	IE	15 May 30	2.400	56.1	4.53
20Y: Rich	DE	15 Aug 46	2.500	-77.8	-2.96	DE	15 Aug 46	2.500	-14.9	-1.12
	IE	18 Feb 45	2.000	101.3	4.83	IE	18 Feb 45	2.000	84.5	5.35

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

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

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.



	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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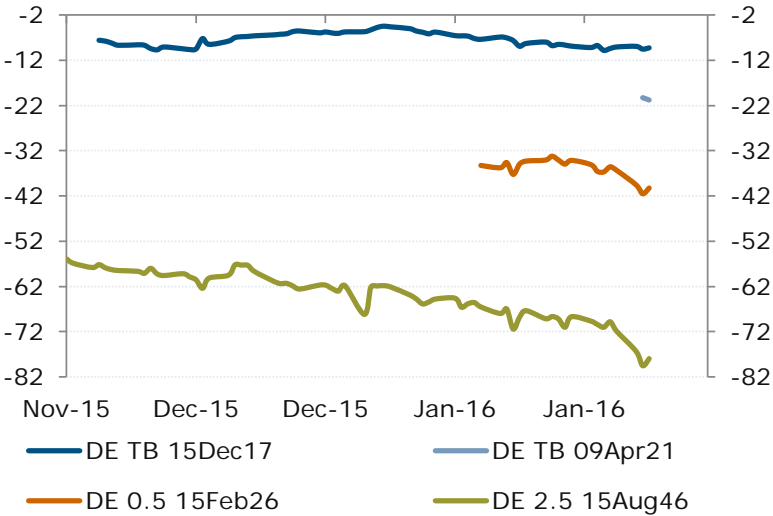
Moody's / S&P / Fitch

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

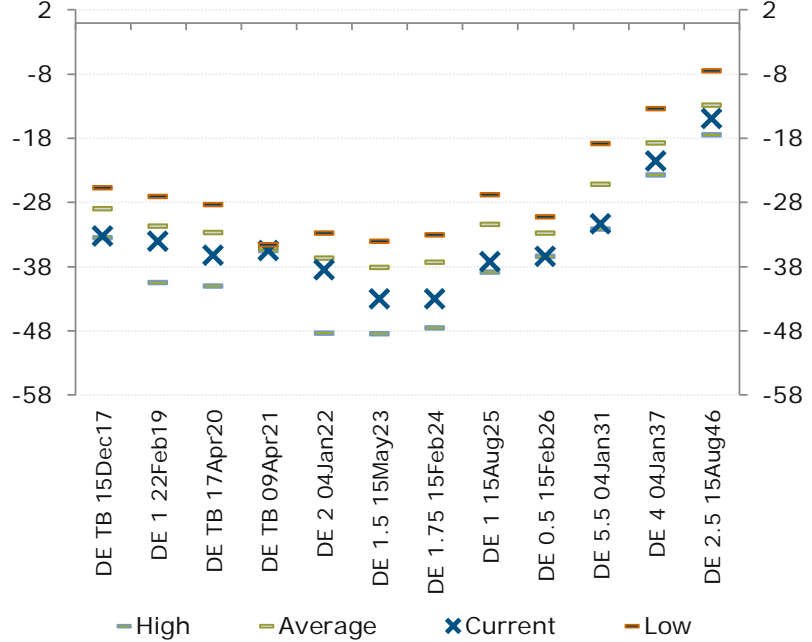
Germany

Benchmark Bonds				Spread vs. France				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	10-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	10-Feb	60D Avg.	Z-score
0.000	15 Dec 17	13.0B	-0.513	-9.1	-7.4	-1.30	0.6	-33.2	-29.0	-3.50
1.000	22 Feb 19	16.0B	-0.468	-12.7	-11.7	-0.72	20.2	-34.0	-31.7	-1.22
0.000	17 Apr 20	20.0B	-0.399	-18.8	-14.8	-2.06	0.5	-36.2	-32.7	-2.31
0.000	09 Apr 21	5.0B	-0.289	-20.6	-20.3	-0.50	0.2	-35.5	-35.0	-0.50
2.000	04 Jan 22	20.0B	-0.238	-26.3	-21.5	-2.87	12.6	-38.5	-36.6	-1.20
1.500	15 May 23	18.0B	-0.119	-34.8	-27.8	-3.20	8.4	-43.0	-38.1	-3.18
1.750	15 Feb 24	18.0B	-0.033	-37.5	-30.5	-3.23	8.9	-43.0	-37.3	-3.32
1.000	15 Aug 25	23.0B	0.187	-39.0	-31.1	-2.58	3.4	-37.2	-31.4	-3.05
0.500	15 Feb 26	5.0B	0.249	-40.1	-35.8	-2.37	1.2	-36.4	-32.8	-2.24
5.500	04 Jan 31	17.0B	0.552	-58.4	-47.1	-3.02	14.2	-31.3	-25.2	-2.57
4.000	04 Jan 37	23.0B	0.812	-69.8	-56.1	-3.17	7.5	-21.5	-18.8	-1.36
2.500	15 Aug 46	14.0B	0.955	-77.8	-64.0	-2.96	3.6	-14.9	-12.8	-1.12

Spreads against the French curve, bp



Asset swap term structure, bp



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

Source: European Commission, Winter 2015 forecast

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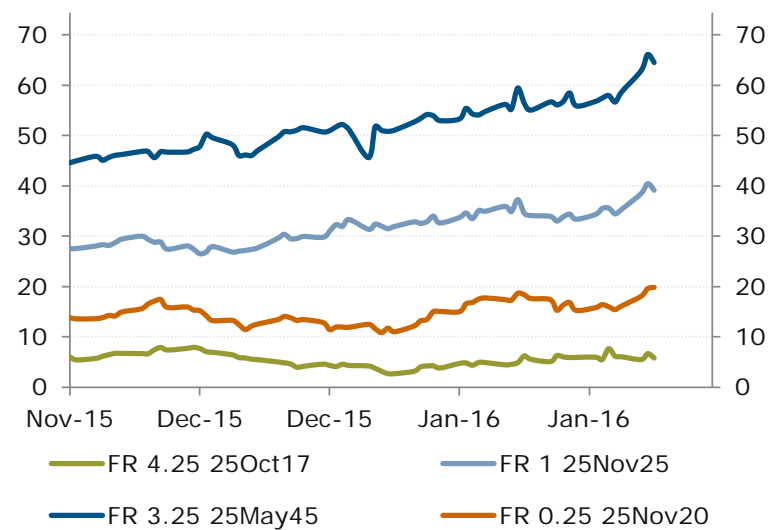
Moody's / S&P / Fitch

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

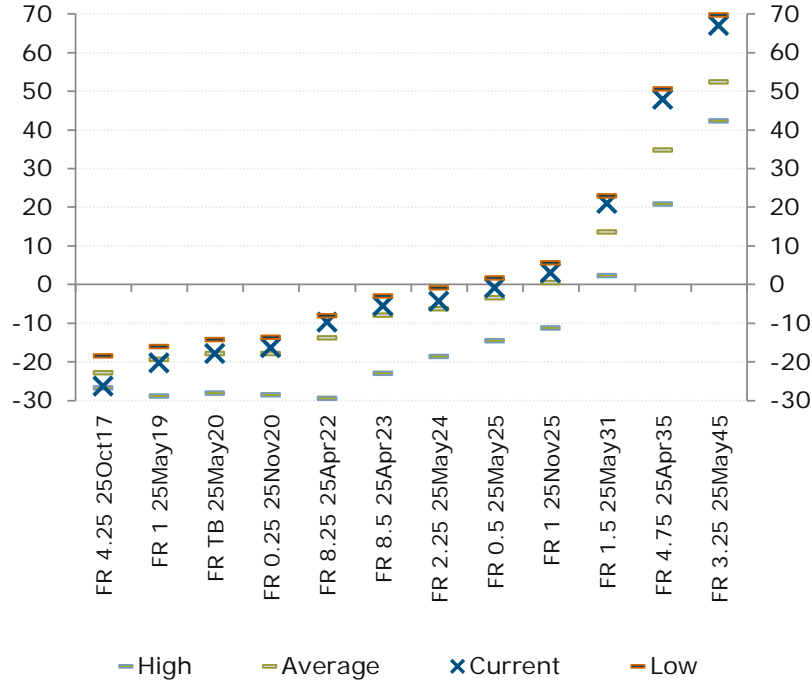
France

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	10-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	10-Feb	60D Avg.	Z-score
4.250	25 Oct 17	34.03B	-0.444	5.8	5.6	0.22	239.6	-26.3	-23.0	-1.69
1.000	25 May 19	23.02B	-0.317	13.5	12.5	0.73	16.4	-20.4	-19.4	-0.53
0.000	25 May 20	22.01B	-0.202	18.1	15.1	2.13	0.5	-18.0	-17.9	-0.05
0.250	25 Nov 20	15.95B	-0.140	19.9	15.0	2.61	2.3	-16.5	-17.9	0.73
8.250	25 Apr 22	1.99B	0.013	21.5	15.9	3.41	58.3	-9.8	-14.0	1.51
8.500	25 Apr 23	10.03B	0.144	25.4	19.1	4.35	49.4	-5.6	-8.1	1.09
2.250	25 May 24	30.55B	0.358	33.3	26.3	2.58	9.2	-4.4	-6.4	0.81
0.500	25 May 25	31.02B	0.541	37.6	30.6	2.58	2.0	-1.0	-3.5	1.09
1.000	25 Nov 25	25.99B	0.618	39.2	31.7	2.45	3.3	3.0	0.4	1.10
1.500	25 May 31	9.44B	1.160	52.1	40.7	2.98	3.2	20.9	13.5	1.99
4.750	25 Apr 35	25.03B	1.315	47.6	35.1	2.93	10.5	47.9	34.6	2.42
3.250	25 May 45	17.01B	1.639	64.5	52.1	2.86	4.8	66.9	52.2	2.79

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

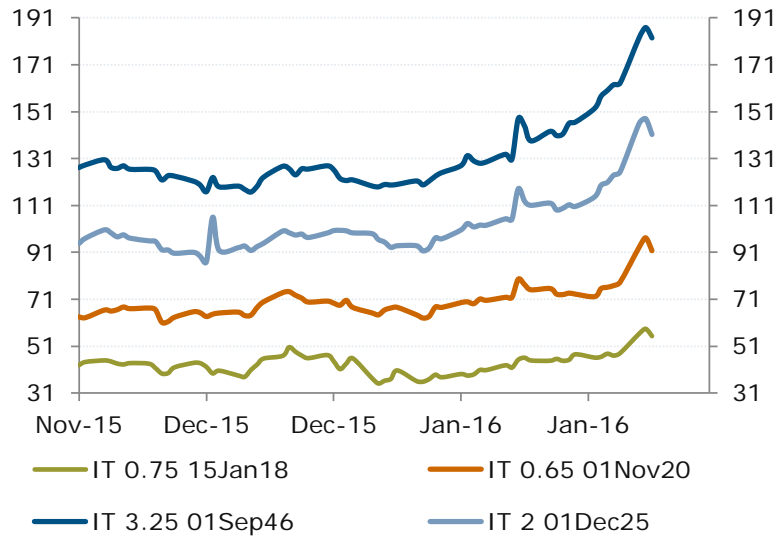
Rating	Baa2/BBB-/BBB+
Moody's / S&P / Fitch	

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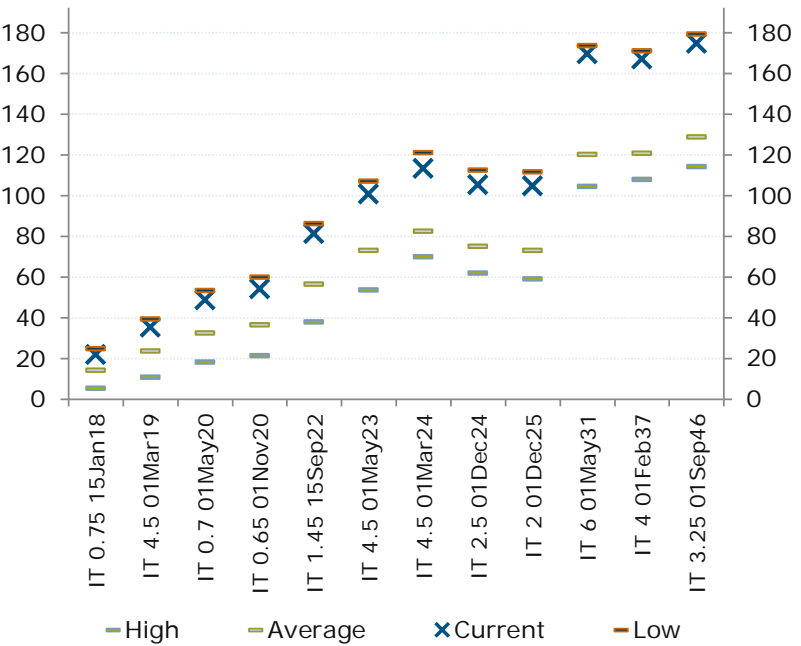
Italy

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	10-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	10-Feb	60D Avg.	Z-score
0.750	15 Jan 18	15.46B	0.043	55.3	43.4	3.22	25.5	21.8	14.3	2.11
4.500	01 Mar 19	24.01B	0.188	65.3	52.0	4.24	75.2	35.3	23.5	3.07
0.700	01 May 20	15.99B	0.462	85.2	65.9	4.55	6.8	48.6	32.3	3.92
0.650	01 Nov 20	11.15B	0.573	91.7	70.3	4.17	5.3	54.2	36.4	3.59
1.450	15 Sep 22	14.99B	1.049	121.7	93.6	4.55	7.5	81.1	56.4	3.92
4.500	01 May 23	18.02B	1.170	127.8	97.9	4.70	22.0	100.6	73.0	4.10
4.500	01 Mar 24	23.71B	1.374	138.3	104.4	4.22	17.5	113.1	82.4	3.99
2.500	01 Dec 24	20.99B	1.502	140.0	104.8	4.17	9.4	105.1	74.9	4.03
2.000	01 Dec 25	17.01B	1.641	141.3	103.3	3.90	6.6	104.7	73.0	3.73
6.000	01 May 31	29.75B	2.198	156.3	109.0	4.55	16.4	169.4	120.1	4.31
4.000	01 Feb 37	26.01B	2.554	166.5	120.3	4.46	7.8	167.0	120.6	4.39
3.250	01 Sep 46	13.24B	2.824	182.4	132.8	3.94	3.4	174.7	128.8	3.93

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

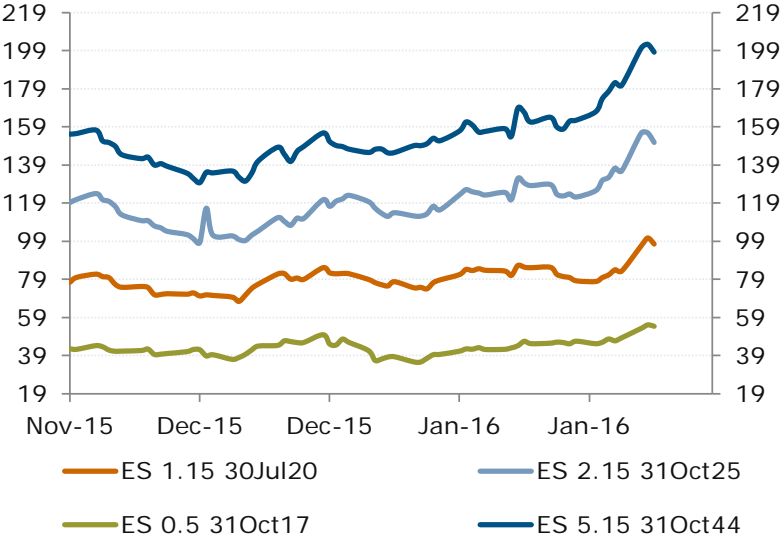
Rating	Baa2/BBB/BBB+
Moody's / S&P / Fitch	

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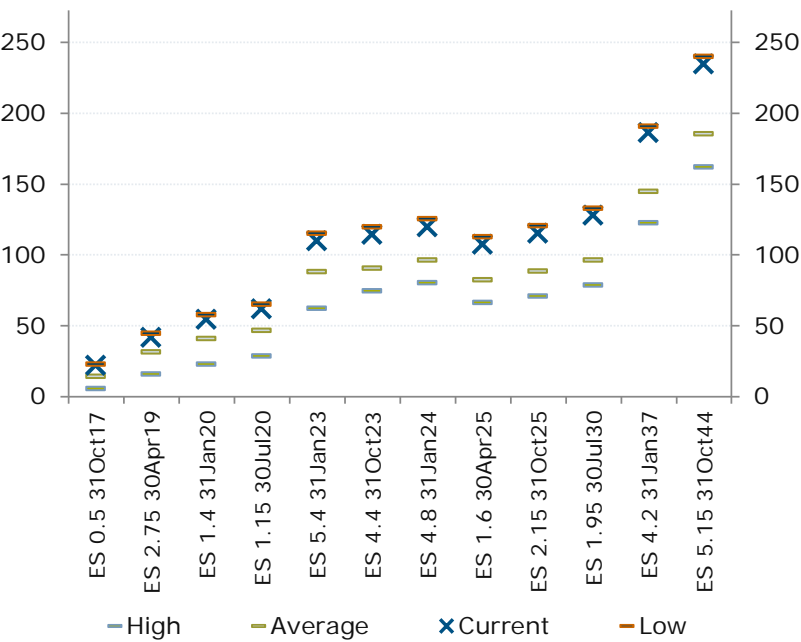
Spain

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	10-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	10-Feb	60D Avg.	Z-score
0.500	31 Oct 17	16.99B	0.040	54.3	43.1	3.45	27.6	21.8	14.2	2.52
2.750	30 Apr 19	22.98B	0.274	73.0	60.9	2.90	46.2	41.7	31.2	2.57
1.400	31 Jan 20	21.91B	0.480	89.2	72.9	3.38	13.9	54.3	40.6	3.03
1.150	30 Jul 20	15.03B	0.606	97.4	79.2	3.68	10.5	61.5	46.5	3.27
5.400	31 Jan 23	21.99B	1.175	131.2	108.0	3.14	28.8	109.6	88.1	2.59
4.400	31 Oct 23	20.01B	1.343	139.3	112.5	3.27	19.6	114.1	90.2	2.81
4.800	31 Jan 24	16.01B	1.399	141.9	115.1	3.26	21.5	119.7	96.0	2.82
1.600	30 Apr 25	19.09B	1.633	147.7	117.1	3.31	5.2	107.1	82.2	3.07
2.150	31 Oct 25	20.96B	1.725	150.7	118.4	3.25	7.2	115.1	88.3	3.07
1.950	30 Jul 30	11.51B	2.271	168.0	129.1	3.39	3.7	127.5	96.2	3.16
4.200	31 Jan 37	17.02B	2.710	182.1	141.3	3.46	8.3	186.1	144.5	3.49
5.150	31 Oct 44	11.23B	2.971	198.0	153.5	3.64	9.5	234.4	185.1	3.67

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

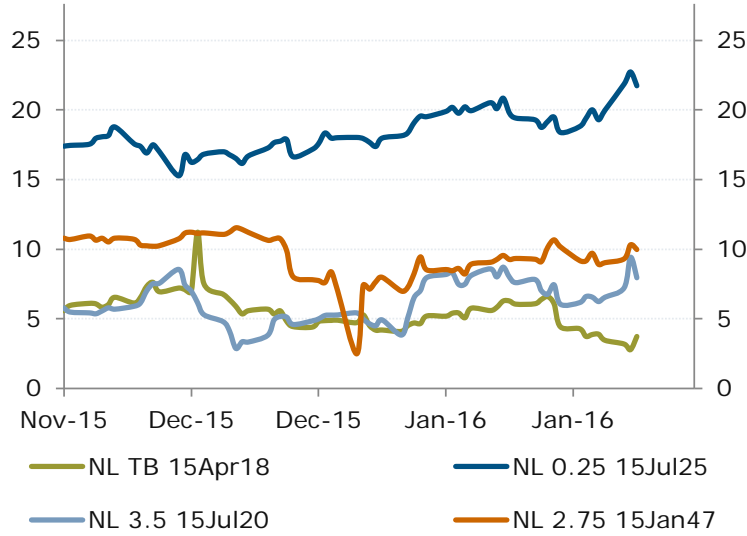
Rating	Aaa/AA+/AAA
Moody's / S&P / Fitch	

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

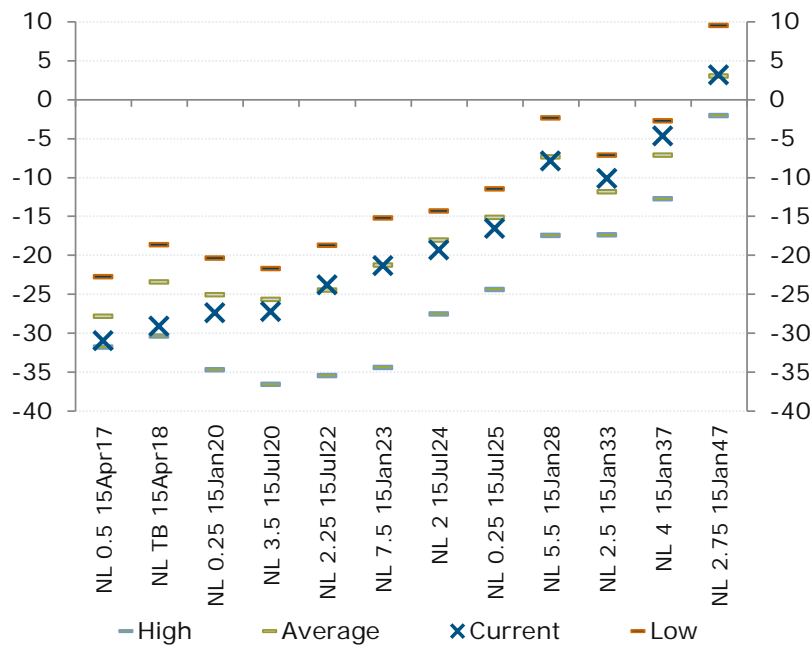
Netherlands

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	10-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	10-Feb	60D Avg.	Z-score
0.500	15 Apr 17	13.03B	-0.489	-0.4	-0.3	-0.09	423.8	-31.0	-27.9	-1.64
0.000	15 Apr 18	15.99B	-0.467	3.7	5.6	-1.82	0.3	-29.2	-23.5	-3.00
0.250	15 Jan 20	15.84B	-0.334	8.0	7.8	0.18	3.0	-27.4	-25.1	-1.21
3.500	15 Jul 20	15.02B	-0.292	8.0	6.3	1.29	33.8	-27.3	-25.7	-0.87
2.250	15 Jul 22	15.01B	-0.039	14.4	11.1	2.39	13.0	-23.8	-24.5	0.33
7.500	15 Jan 23	2.37B	0.002	14.2	10.3	3.66	41.3	-21.4	-21.3	-0.05
2.000	15 Jul 24	15.32B	0.234	18.9	14.9	4.27	8.2	-19.4	-18.1	-0.80
0.250	15 Jul 25	15.01B	0.399	21.7	18.5	2.53	1.0	-16.6	-15.2	-0.96
5.500	15 Jan 28	13.02B	0.571	15.5	9.7	3.65	17.0	-7.9	-7.4	-0.23
2.500	15 Jan 33	12.01B	0.864	13.1	8.0	2.68	5.1	-10.2	-11.9	0.78
4.000	15 Jan 37	13.99B	0.945	5.8	2.2	2.42	7.3	-4.7	-7.2	1.21
2.750	15 Jan 47	10.99B	1.101	10.0	9.5	0.36	3.5	3.1	3.0	0.07

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

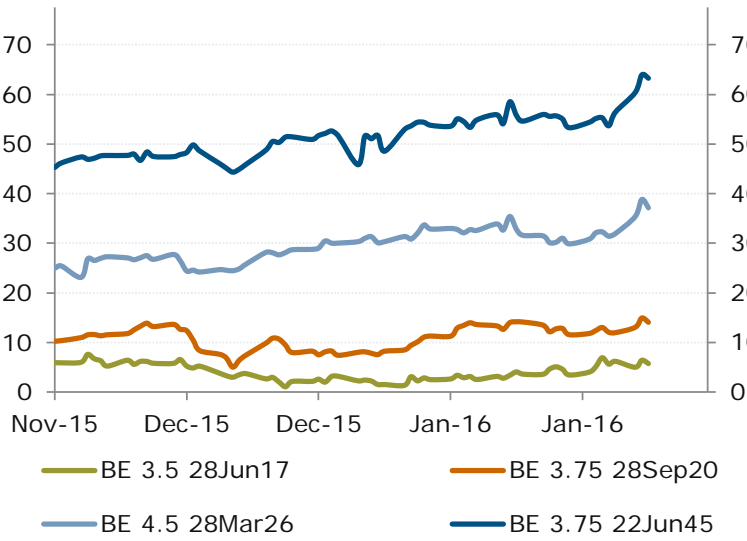
Rating	Aa3/AA/AA
Moody's / S&P / Fitch	

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

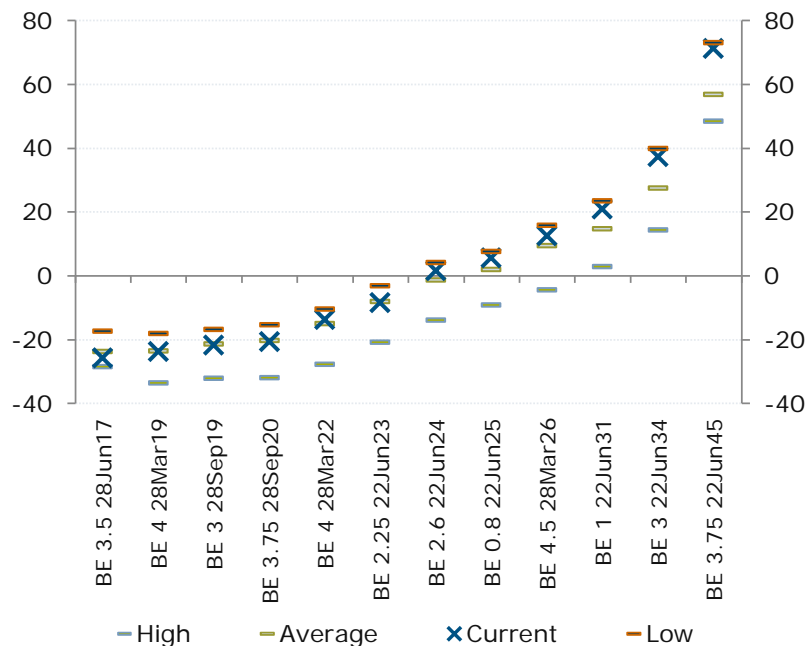
Belgium

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	10-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	10-Feb	60D Avg.	Z-score
3.500	28 Jun 17	13.34B	-0.434	5.8	4.1	1.09	680.0	-25.7	-23.7	-0.75
4.000	28 Mar 19	12.37B	-0.363	9.8	7.9	0.93	77.7	-23.6	-23.6	-0.03
3.000	28 Sep 19	12.01B	-0.307	12.4	10.7	1.00	37.1	-21.7	-21.4	-0.12
3.750	28 Sep 20	19.01B	-0.212	14.1	11.2	1.47	33.1	-20.6	-20.3	-0.15
4.000	28 Mar 22	14.02B	0.006	21.5	18.3	2.00	26.6	-13.7	-14.9	0.55
2.250	22 Jun 23	13.99B	0.215	30.6	26.7	2.40	11.1	-8.4	-8.0	-0.21
2.600	22 Jun 24	15.85B	0.417	38.1	30.2	2.91	10.8	1.7	-1.3	1.21
0.800	22 Jun 25	16.02B	0.609	43.5	35.2	3.13	8.9	5.6	2.0	1.67
4.500	28 Mar 26	9.02B	0.634	37.2	29.6	2.52	15.9	12.6	9.5	1.06
1.000	22 Jun 31	4.0B	1.198	55.5	45.3	2.68	2.0	21.0	14.8	1.78
3.000	22 Jun 34	6.47B	1.318	51.1	40.2	2.83	5.9	37.3	27.6	2.27
3.750	22 Jun 45	8.01B	1.627	63.3	51.7	3.10	6.8	71.2	56.8	3.00

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

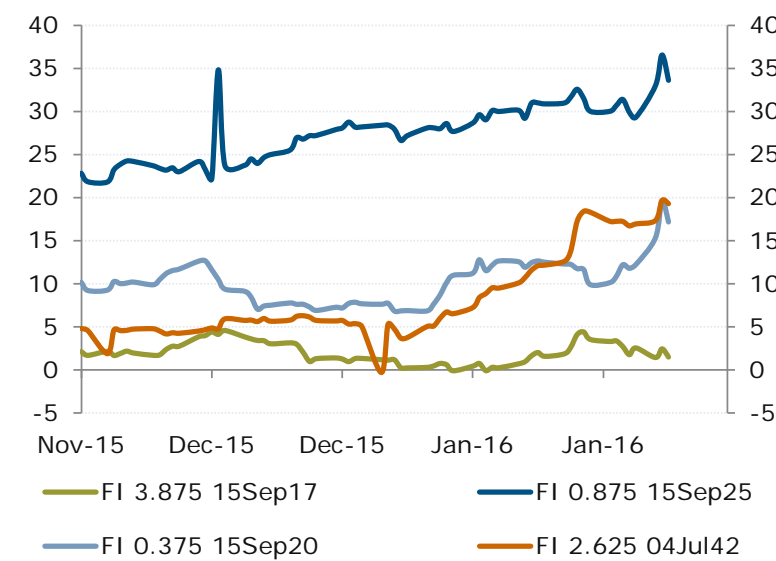
Rating	Aaa/AA+/AAA
Moody's / S&P / Fitch	

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

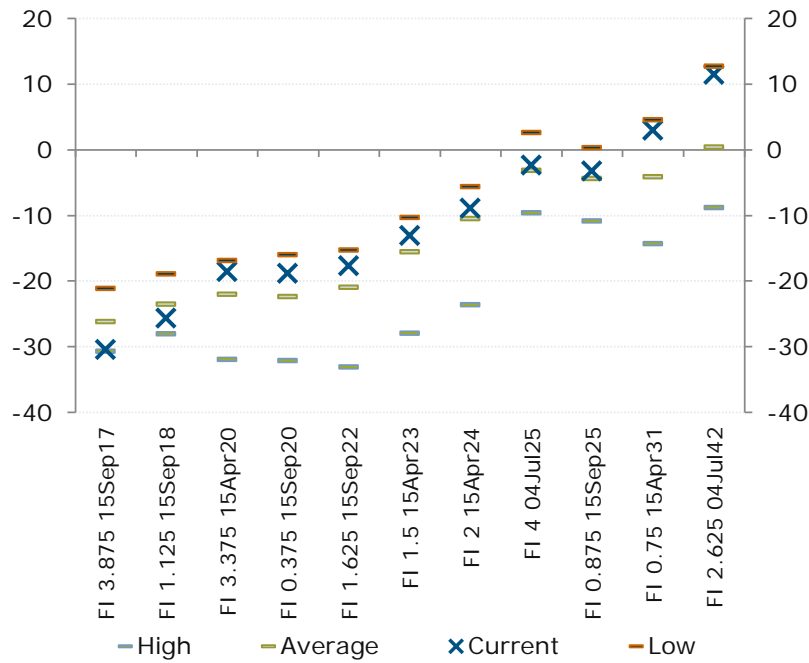
Finland

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	10-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	10-Feb	60D Avg.	Z-score
3.875	15 Sep 17	6.0B	-0.483	1.5	2.1	-0.55	305.2	-30.4	-26.2	-1.90
1.125	15 Sep 18	5.03B	-0.416	7.0	6.3	0.79	24.4	-25.6	-23.5	-1.11
3.375	15 Apr 20	6.5B	-0.234	15.9	10.0	3.43	38.0	-18.6	-22.0	1.50
0.375	15 Sep 20	6.03B	-0.184	17.2	10.4	3.32	3.5	-18.8	-22.4	1.52
1.625	15 Sep 22	5.0B	0.045	21.3	15.2	3.35	8.7	-17.7	-21.0	1.35
1.500	15 Apr 23	5.0B	0.161	27.4	20.8	4.83	7.6	-13.0	-15.5	1.34
2.000	15 Apr 24	5.0B	0.307	29.8	23.1	2.48	8.1	-8.9	-10.5	0.66
4.000	04 Jul 25	6.03B	0.451	27.3	21.6	1.72	14.9	-2.4	-3.1	0.28
0.875	15 Sep 25	4.03B	0.539	33.6	27.7	2.01	3.0	-3.2	-4.4	0.55
0.750	15 Apr 31	3.5B	1.007	37.5	25.7	2.31	1.5	3.0	-4.1	1.57
2.625	04 Jul 42	4.03B	1.173	19.3	8.5	2.48	4.7	11.4	0.4	2.53

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

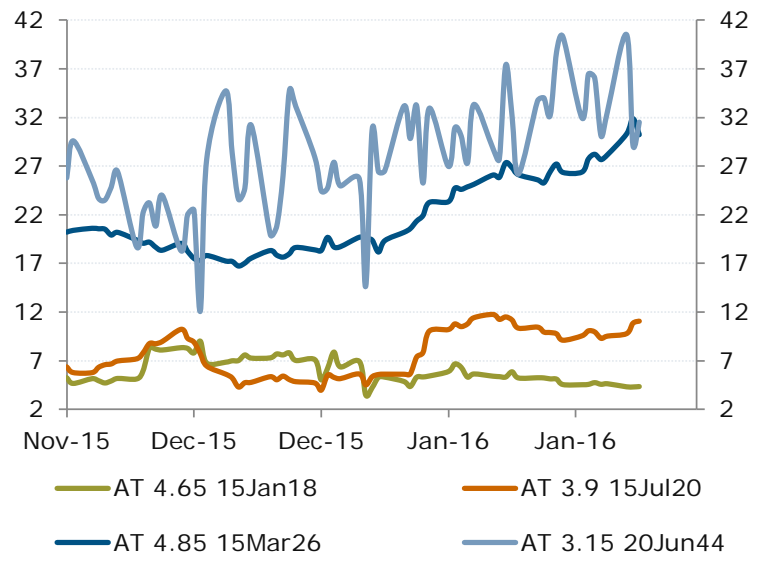
Rating	Aaa/AA+/AA+
Moody's / S&P / Fitch	

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

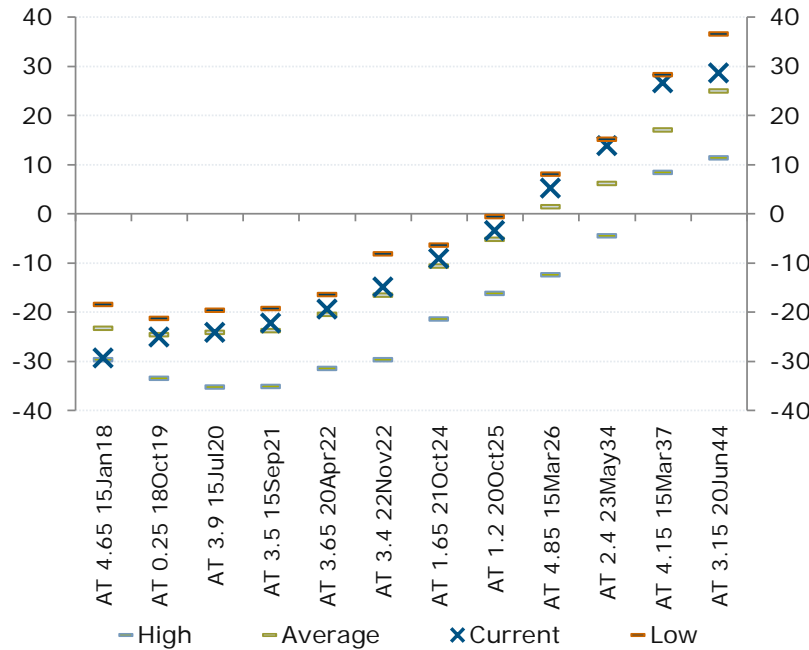
Austria

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	10-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	10-Feb	60D Avg.	Z-score
4.650	15 Jan 18	12.06B	-0.469	4.0	5.6	-1.33	152.0	-29.4	-23.4	-2.56
0.250	18 Oct 19	7.95B	-0.331	9.7	8.1	0.94	3.4	-25.1	-24.6	-0.22
3.900	15 Jul 20	13.01B	-0.264	10.8	7.7	1.41	39.4	-24.1	-24.2	0.02
3.500	15 Sep 21	14.99B	-0.125	13.5	9.7	1.59	24.2	-22.2	-23.8	0.57
3.650	20 Apr 22	8.71B	-0.035	16.8	13.6	1.62	24.2	-19.4	-20.5	0.45
3.400	22 Nov 22	10.99B	0.074	22.7	17.9	1.71	19.0	-14.9	-16.5	0.49
1.650	21 Oct 24	10.35B	0.367	28.2	21.9	2.89	6.4	-9.2	-10.7	0.78
1.200	20 Oct 25	9.66B	0.537	32.2	25.6	2.45	4.1	-3.4	-5.2	0.83
4.850	15 Mar 26	8.01B	0.559	29.9	21.7	2.18	18.2	5.2	1.4	1.06
2.400	23 May 34	5.19B	1.129	32.5	23.0	2.14	5.0	13.8	6.1	1.61
4.150	15 Mar 37	12.22B	1.196	30.4	21.6	2.55	9.3	26.6	17.1	2.22
3.150	20 Jun 44	6.72B	1.301	31.2	27.9	0.67	7.8	28.6	25.0	0.65

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

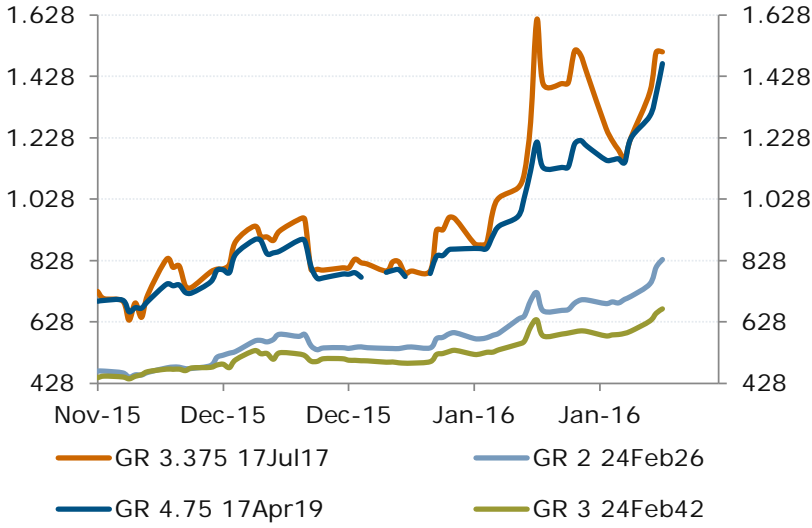
Source: European Commission, Winter 2015 forecast

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

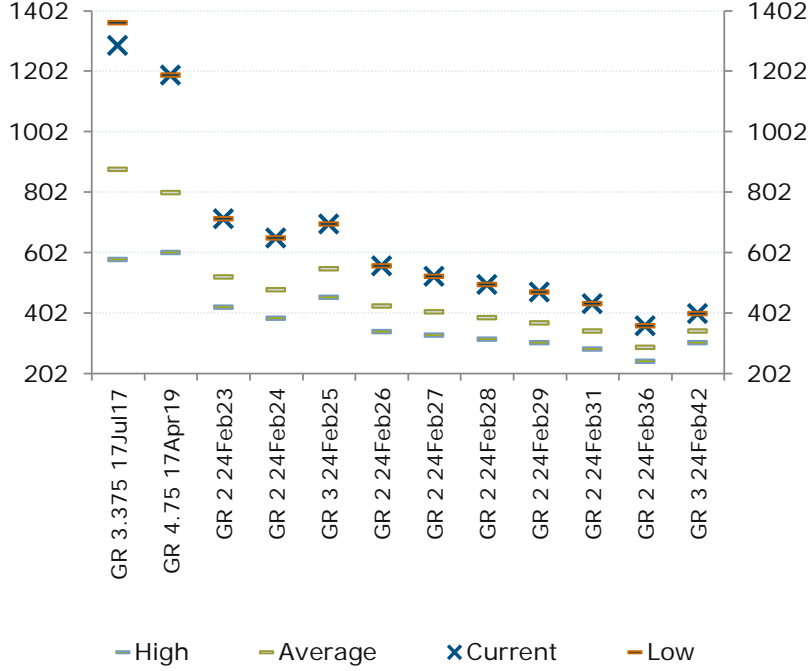
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	10-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	10-Feb	60D Avg.	Z-score
3.375	17 Jul 17	2.02B	14.584	1.507.7	988.0	2.38	598.1	1.287.5	876.3	2.33
4.750	17 Apr 19	4.02B	14.236	1.469.4	916.2	3.35	369.2	1.189.3	800.5	3.15
2.000	24 Feb 23	1.04B	10.051	1.018.0	684.1	3.82	45.1	713.7	520.4	3.48
2.000	24 Feb 24	1.25B	9.401	941.2	641.1	3.56	32.6	649.3	479.8	3.25
3.000	24 Feb 25	1.84B	10.317	1.018.2	732.8	3.47	48.6	697.3	547.7	3.18
2.000	24 Feb 26	1.37B	8.563	830.8	583.7	3.36	23.5	558.4	424.8	3.09
2.000	24 Feb 27	1.21B	8.233	789.3	569.2	3.27	20.5	522.5	406.3	3.00
2.000	24 Feb 28	1.84B	8.057	763.2	549.7	3.31	18.3	496.2	386.5	3.03
2.000	24 Feb 29	1.48B	7.852	735.3	533.6	3.38	18.2	470.7	369.4	3.09
2.000	24 Feb 31	1.29B	7.568	694.4	507.8	3.45	18.3	432.0	341.4	3.17
2.000	24 Feb 36	1.33B	6.835	597.3	448.3	3.18	19.2	359.2	289.1	3.03
3.000	24 Feb 42	1.05B	7.677	669.8	528.7	3.17	41.3	399.3	342.0	3.08

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

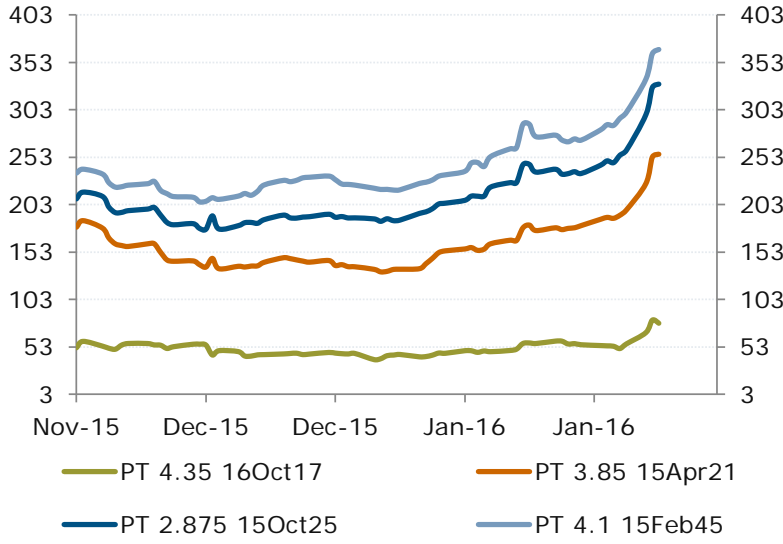
Source: European Commission, Winter 2015 forecast

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

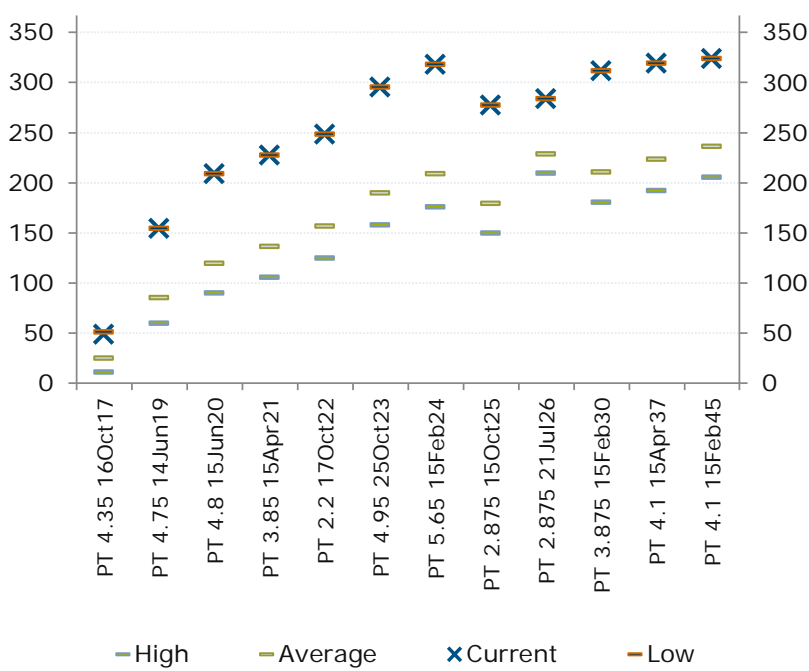
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	10-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	10-Feb	60D Avg.	Z-score
4.350	16 Oct 17	8.99B	0.273	77.5	51.0	4.50	260.4	48.5	24.7	3.93
4.750	14 Jun 19	10.75B	1.330	177.8	109.2	4.80	82.9	154.1	84.9	4.48
4.800	15 Jun 20	10.99B	1.927	230.5	140.8	4.79	55.7	208.6	119.5	4.58
3.850	15 Apr 21	9.55B	2.255	255.6	160.9	4.72	37.8	227.2	136.3	4.47
2.200	17 Oct 22	3.0B	2.840	300.1	195.5	4.45	13.2	248.5	156.3	4.19
4.950	25 Oct 23	8.02B	3.137	318.9	206.0	4.50	27.1	295.5	189.6	4.26
5.650	15 Feb 24	12.02B	3.313	332.8	217.5	4.53	39.2	317.9	208.8	4.30
2.875	15 Oct 25	10.52B	3.508	329.5	211.4	4.50	12.1	277.3	179.1	4.27
2.875	21 Jul 26	4.0B	3.690	340.1	269.9	2.74	9.8	283.8	228.8	2.71
3.875	15 Feb 30	4.05B	4.143	357.8	231.7	4.33	18.3	311.8	210.8	4.04
4.100	15 Apr 37	8.02B	4.468	357.3	234.8	4.18	17.3	318.8	223.2	3.94
4.100	15 Feb 45	2.5B	4.653	366.1	244.6	4.22	25.9	323.6	236.3	3.91

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

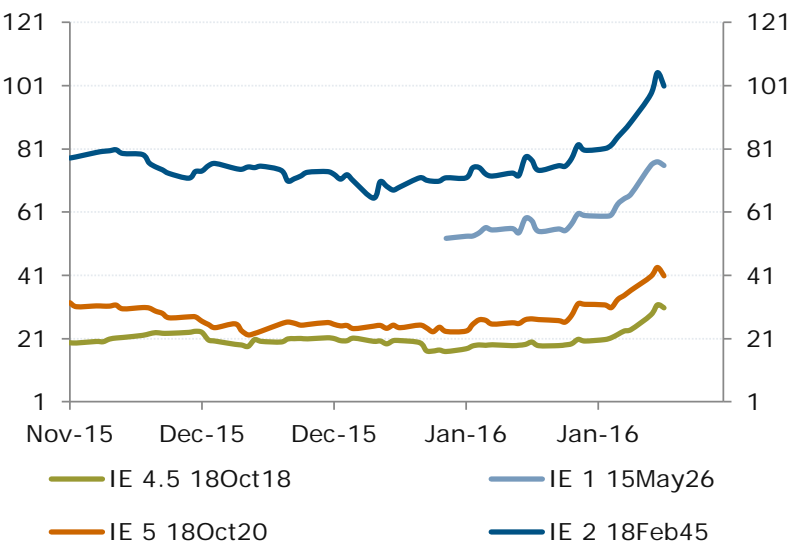
Rating	Baa1/A/A-
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Moody's / S&P / Fitch

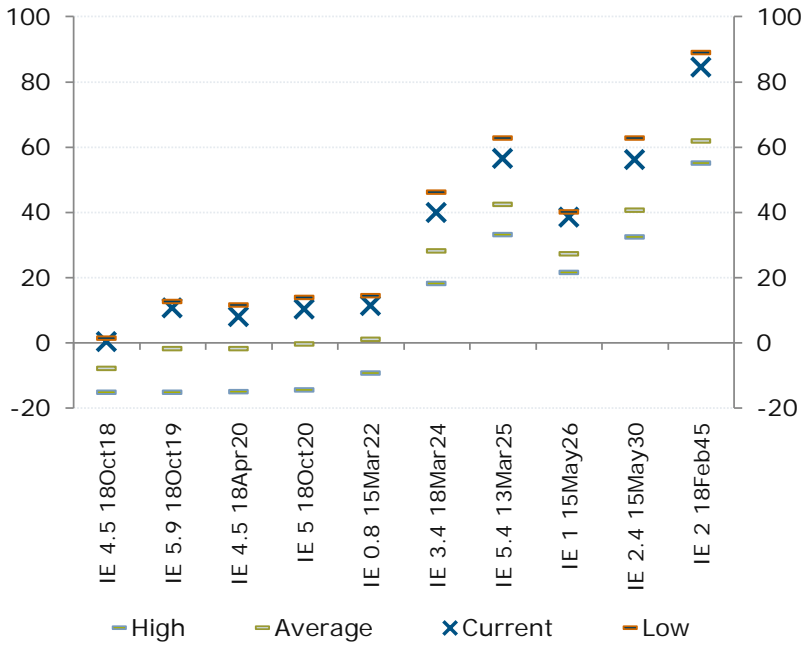
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	10-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	10-Feb	60D Avg.	Z-score
4.500	18 Oct 18	9.58B	-0.171	31.2	21.2	5.40	90.1	0.3	-7.9	2.81
5.900	18 Oct 19	6.58B	-0.022	40.7	27.7	5.02	71.8	10.6	-1.8	3.71
4.500	18 Apr 20	11.77B	0.004	39.7	28.0	4.54	48.0	7.9	-1.8	3.00
5.000	18 Oct 20	8.99B	0.065	41.3	28.5	3.69	42.5	10.3	-0.4	2.72
0.800	15 Mar 22	4.25B	0.284	49.6	37.4	3.25	4.6	11.3	1.1	2.80
3.400	18 Mar 24	8.01B	0.725	72.7	56.7	4.78	12.3	39.8	28.0	3.65
5.400	13 Mar 25	11.35B	0.896	75.5	58.8	5.00	18.3	56.4	42.4	4.17
1.000	15 May 26	3.0B	1.035	76.1	60.4	2.80	2.9	38.4	27.1	2.69
2.400	15 May 30	7.78B	1.414	83.5	63.4	4.70	6.7	56.1	40.6	4.53
2.000	18 Feb 45	5.05B	2.005	101.3	77.2	4.83	6.8	84.5	61.9	5.35

Spreads against the German curve, bp



Asset swap term structure, bp



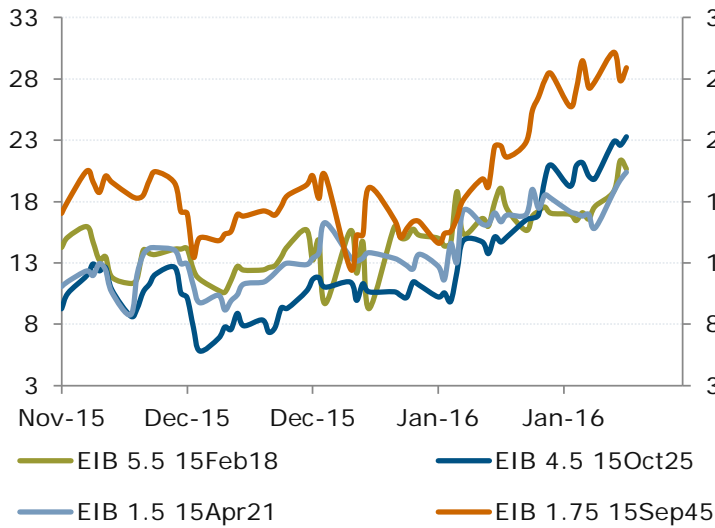


## European Investment Bank (EIB)

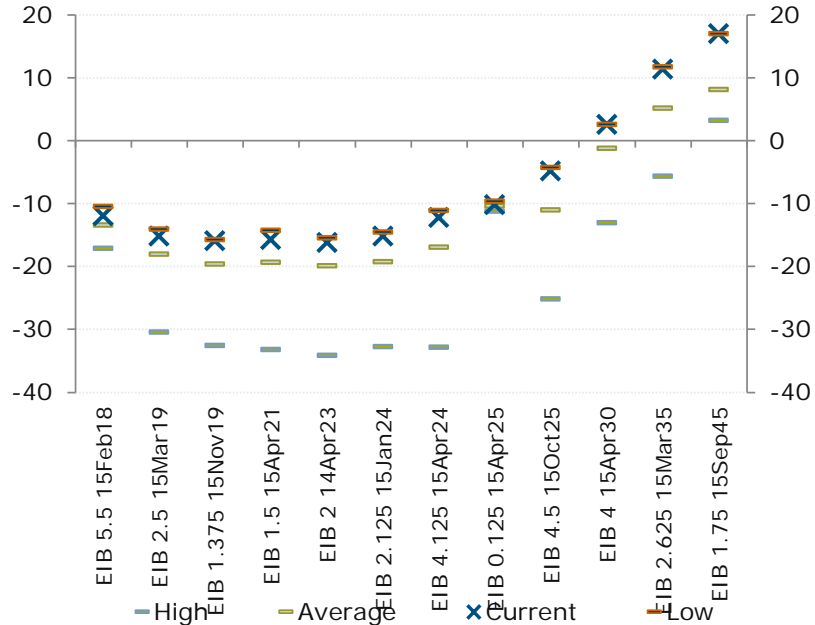
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	10-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	10-Feb	60D Avg.	Z-score
5.500	15 Feb 18	0.64B	-0.306	20.6	14.9	2.96	317.3	-12.0	-13.5	1.31
2.500	15 Mar 19	2.9B	-0.283	18.0	13.2	2.21	50.4	-15.2	-18.1	1.66
1.375	15 Nov 19	3.0B	-0.238	18.6	12.9	2.73	15.7	-16.0	-19.7	2.06
1.500	15 Apr 21	5.0B	-0.099	20.3	13.9	2.76	12.5	-15.8	-19.4	1.52
2.000	14 Apr 23	5.0B	0.122	23.6	15.9	3.11	11.1	-16.2	-19.9	1.50
2.125	15 Jan 24	5.0B	0.217	24.2	15.2	3.14	8.8	-15.3	-19.3	1.76
4.125	15 Apr 24	7.25B	0.242	23.3	13.8	2.83	20.2	-12.3	-17.0	1.64
0.125	15 Apr 25	3.0B	0.442	29.1	27.8	0.72	0.6	-10.2	-10.5	0.34
4.500	15 Oct 25	7.75B	0.444	23.2	12.6	2.90	17.7	-4.9	-11.0	2.13
4.000	15 Apr 30	6.5B	0.822	24.8	15.7	2.92	12.6	2.6	-1.3	2.20
2.625	15 Mar 35	1.7B	1.110	27.4	19.9	2.53	6.1	11.3	5.1	2.58
1.750	15 Sep 45	1.3B	1.283	28.8	19.6	2.49	2.5	16.9	8.1	2.89

Spreads against the German curve, bp



Asset swap term structure, bp

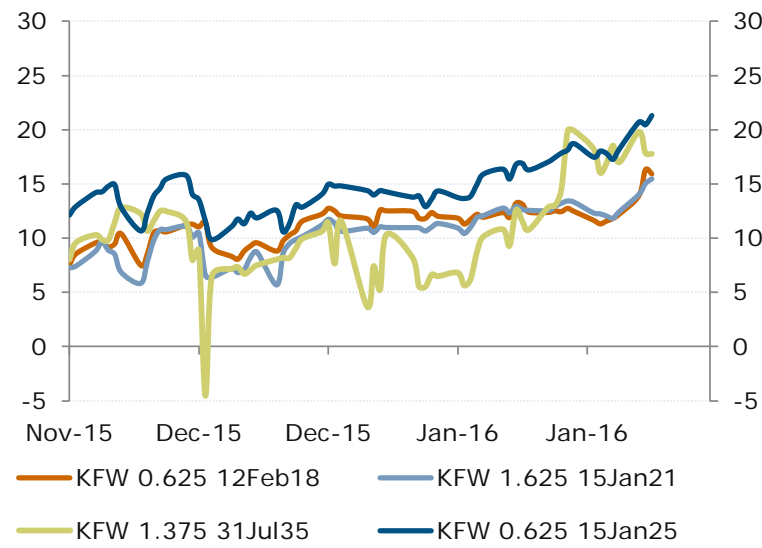


## Kreditanstalt für Wiederaufbau (KfW)

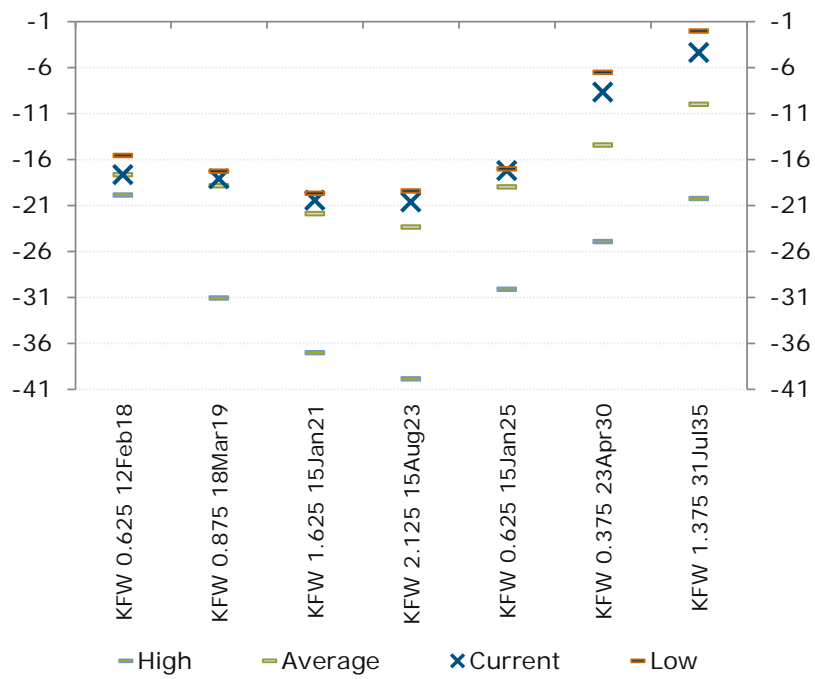
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	10-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	10-Feb	60D Avg.	Z-score
0.625	12 Feb 18	2.0B	-0.352	15.9	11.3	3.41	-6.222.9	-17.7	-17.7	0.07
0.875	18 Mar 19	5.0B	-0.307	15.6	12.7	1.40	17.1	-18.1	-18.9	0.69
1.625	15 Jan 21	5.0B	-0.171	15.5	10.6	2.67	12.4	-20.5	-21.9	0.98
2.125	15 Aug 23	3.0B	0.119	19.3	12.0	3.17	10.6	-20.6	-23.4	1.21
0.625	15 Jan 25	3.0B	0.333	21.3	14.7	3.19	2.3	-17.2	-19.0	1.40
0.375	23 Apr 30	2.0B	0.850	27.4	16.0	2.98	0.7	-8.7	-14.5	2.11
1.375	31 Jul 35	1.0B	1.024	17.8	10.4	2.09	2.4	-4.4	-10.1	2.26

Spreads against the German curve, bp



Asset swap term structure, bp



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