

Euro Rates Update

Nordea Research, 25 February 2016

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US Treasury Yields				
	2Y	5Y	10Y	30Y
	0.69	1.15	1.67	2.54
Δ 1D	-7.4	-10.8	-11.6	-11.1
Δ 1W	-2.5	-7.6	-11.1	-11.5

German Benchmark Yields				
	2Y	5Y	10Y	30Y
	-0.52	-0.34	0.14	0.81
Δ 1D	-0.3	-3.3	-6.4	-7.6
Δ 1W	-1.7	-4.8	-12.4	-16.6

German Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-17.7	-48.7	-66.4	-66.9
Δ 1D	-3.0	-3.1	-6.2	-1.2
Δ 1W	-3.1	-7.7	-10.7	-4.1

EUR Swap Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-19.5	-50.0	-69.5	-43.7
Δ 1D	-2.3	-2.6	-4.9	-2.3
Δ 1W	-2.9	-6.6	-9.5	-8.2

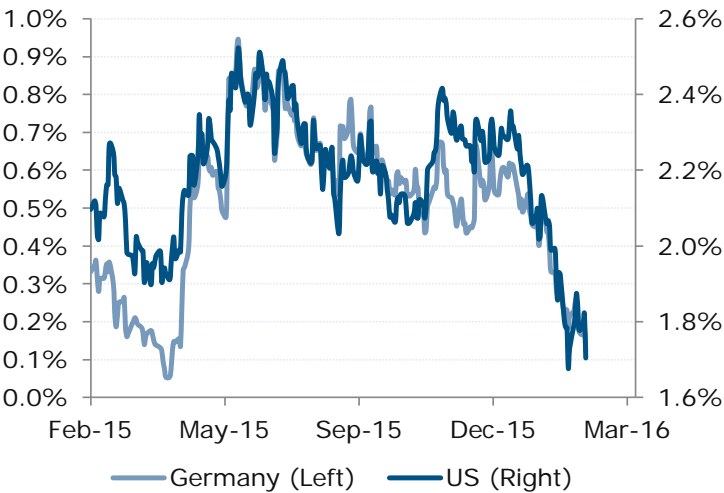
German Asset Swap Levels				
	2Y	5Y	10Y	30Y
	-34.9	-37.9	-37.5	-10.9
Δ 1D	-0.9	-1.5	-2.0	-1.0
Δ 1W	-1.8	-0.8	-1.7	2.5

10Y Benchmark Yields				
	Yield	Δ 1D	Spread	Δ 1D
GER	0.143	-6.4	-	-
FRA	0.507	-5.0	38.6	1.3
ITA	1.542	-0.7	141.9	5.7
ESP	1.628	-3.6	151.4	2.8
BEL	0.487	-4.7	41.6	1.7
HOL	0.295	-5.0	21.6	1.4
AUT	0.433	-5.1	32.3	1.2
GRE	10.089	10.8	1005.6	17.2
POR	3.308	1.5	319.9	7.9
FIN	0.438	-5.5	33.9	0.9
IRL	0.855	-6.5	81.7	-0.1

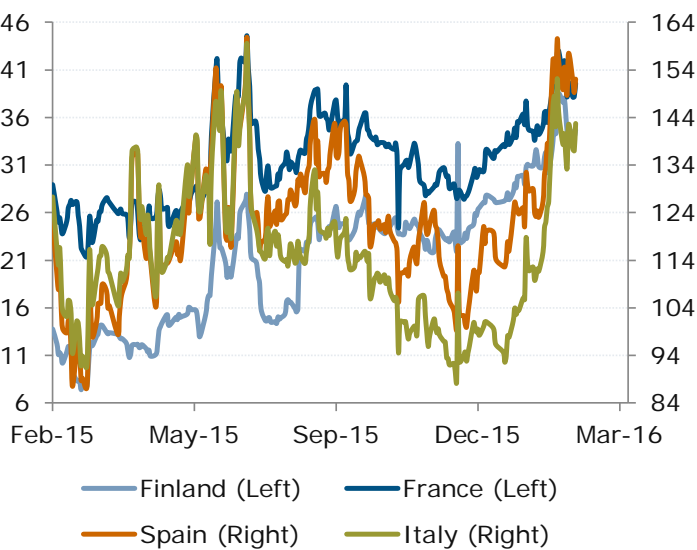
Spread = Maturity interpolated spread to German government par yield curve

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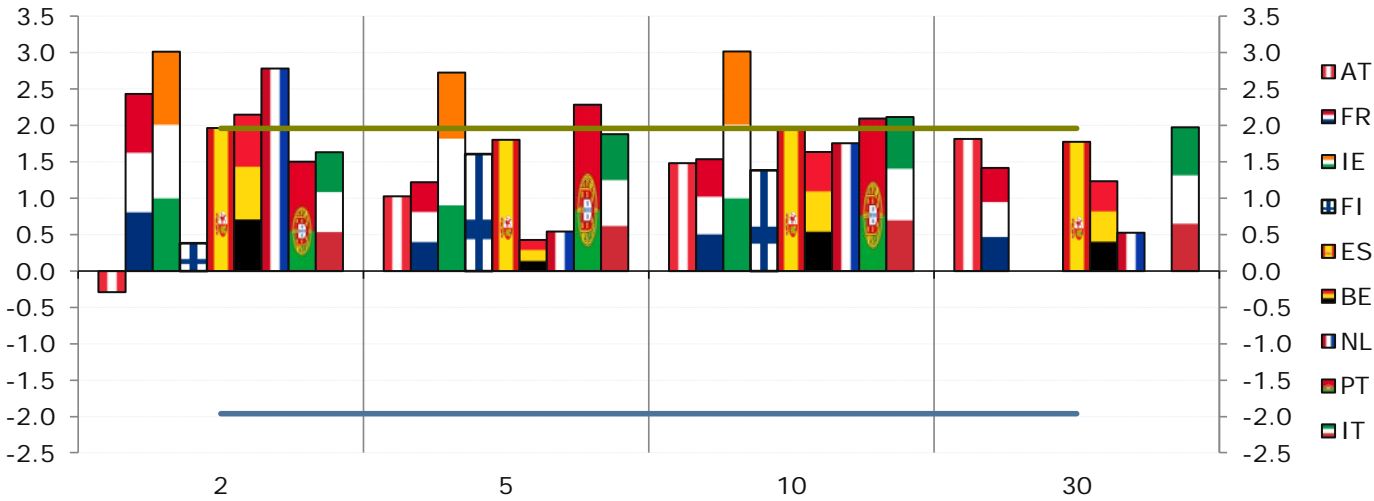
German & US 10-year benchmark yields, %



10 year spreads against Germany, bp



Z-scores of benchmark vs. Germany



Upcoming Issuance (source: Bloomberg)							
Date		Country		Coupon		Maturity	Amount (EURbn)
26 Feb		IT					
29 Feb		LN					
02 Mar		GE		0.00%		2021	4.00
03 Mar		SP					
03 Mar		FR					

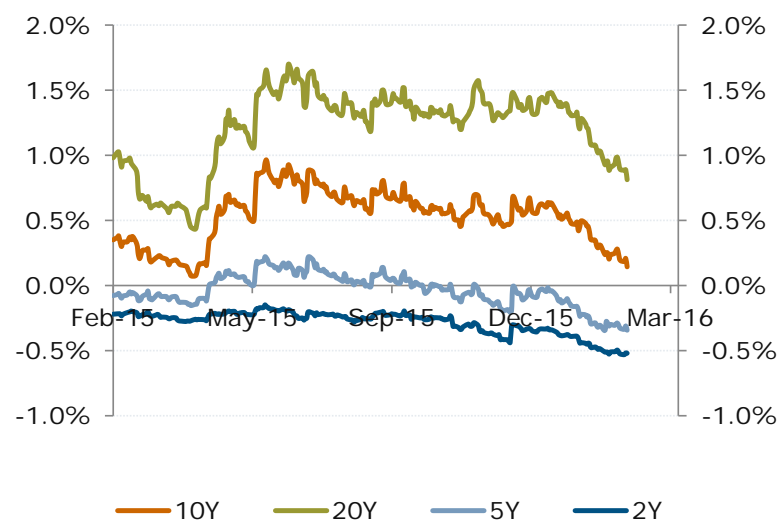
All bond quotes are taken at 16:15 CET.

Bond Yields & Curves

Yield Levels

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

German benchmark bond yields, %



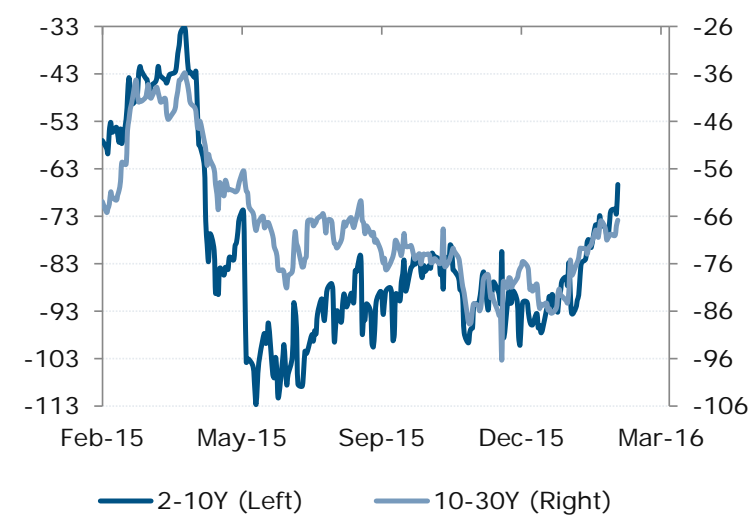
USA-Germany spreads, annualized yields, %



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

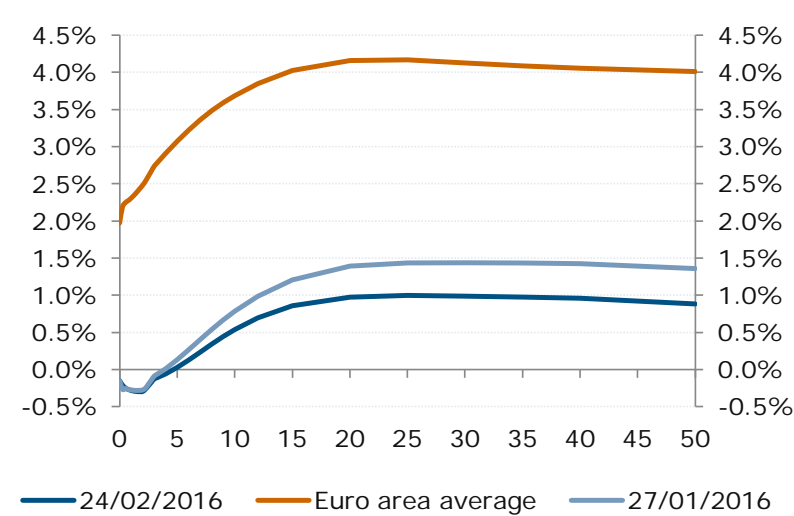
EUR swap rates and implied forwards, %



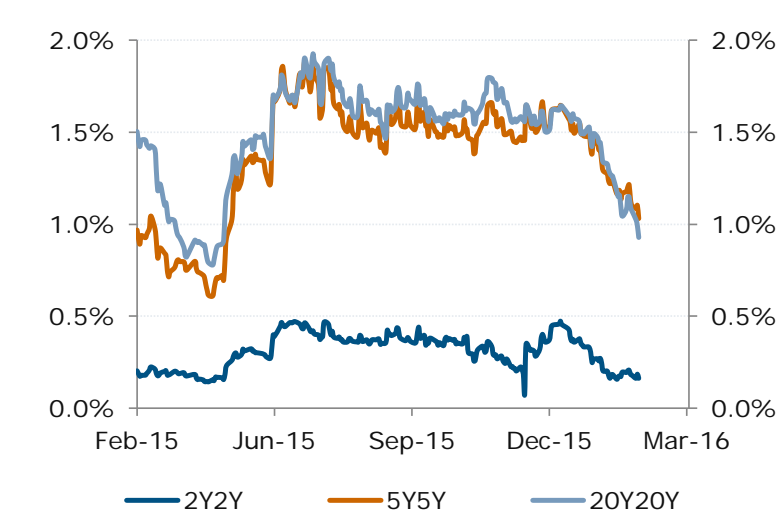
EUR-USD spreads and implied forwards, %



EUR swap curve shape vs. historical



Historical forward rates, %



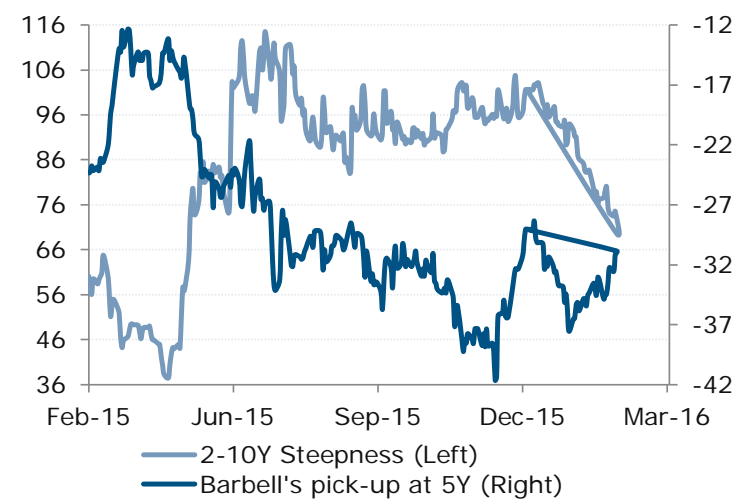
E.g. 2Y2Y swap rate illustrates the rate of a 2-year swap with a 2-year forward start.

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

EUR swap curve slopes and forwards



Curvature (EUR swap curve)

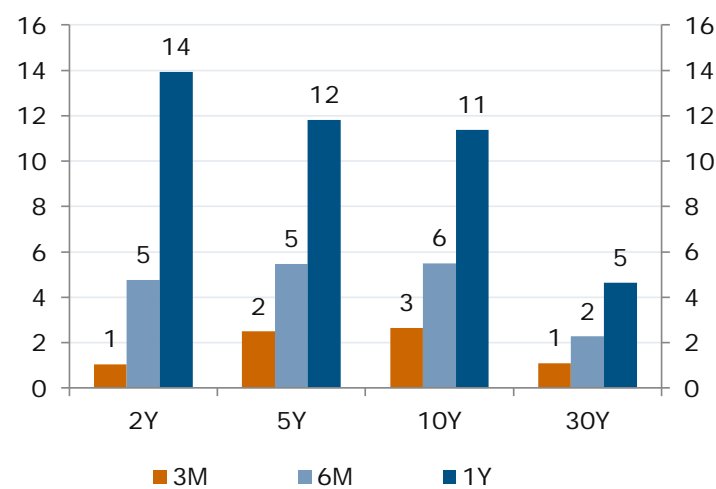


Carry

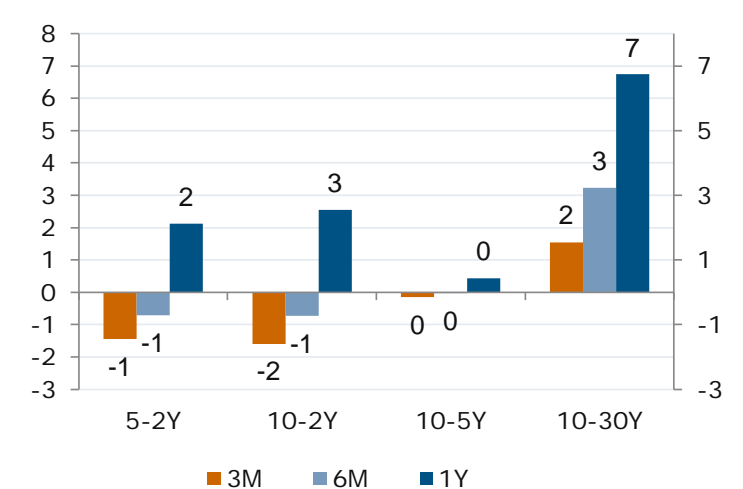
The carry on the given horizon illustrates how much the spot swap rate may rise for a receiver swap position in a forward-starting swap to result in zero profit.

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



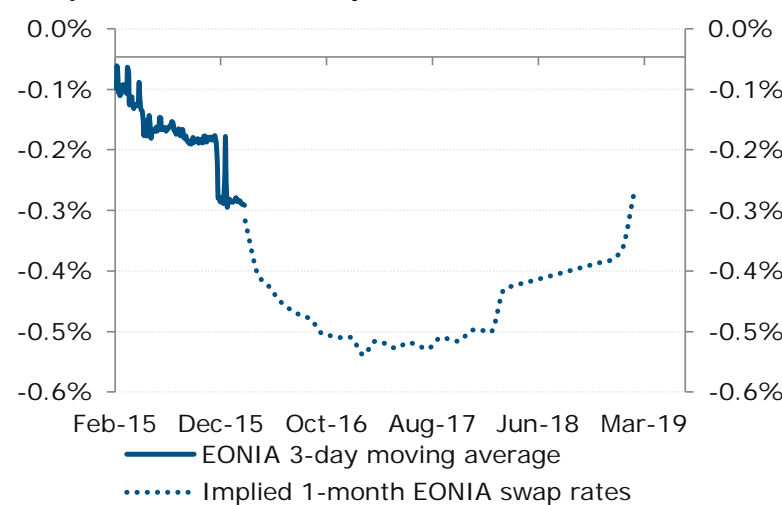
Yield buffers for duration-neutral steepeners, bp



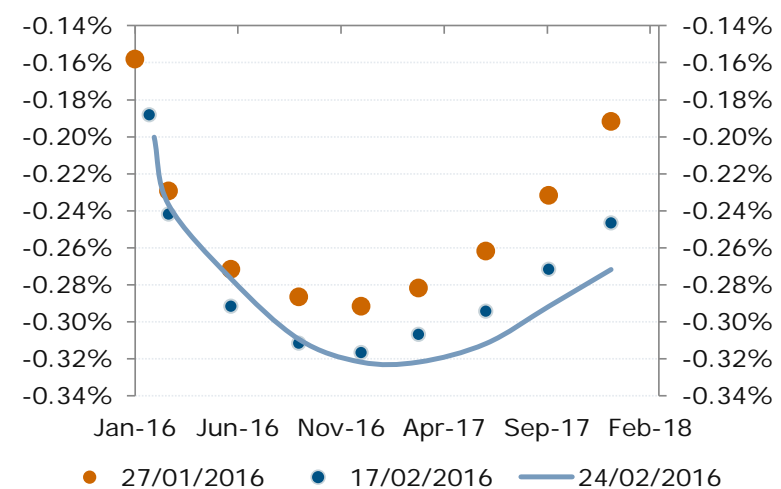
Money Market Rates

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

Expectations and history for EONIA



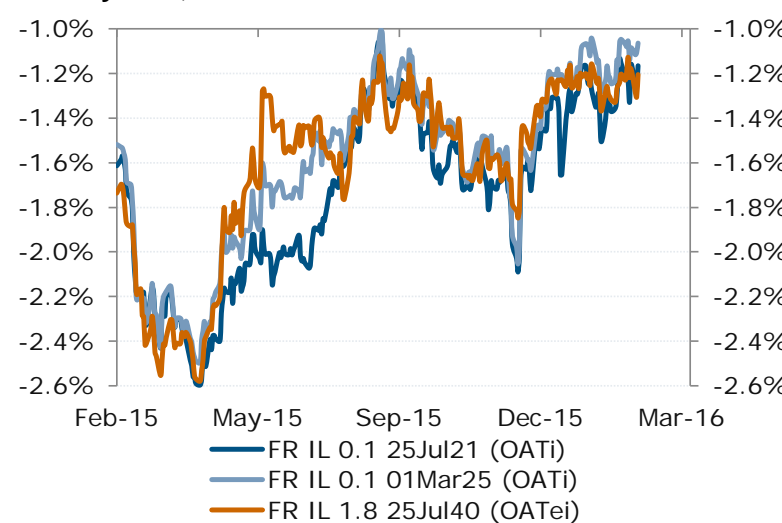
Euribor futures curve, now, 1 wk & 1M ago



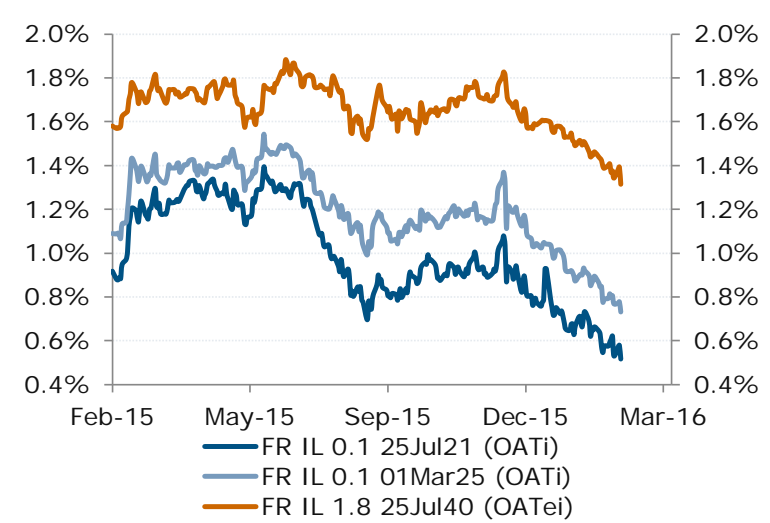
Inflation-linked Bonds

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

Real yields, %



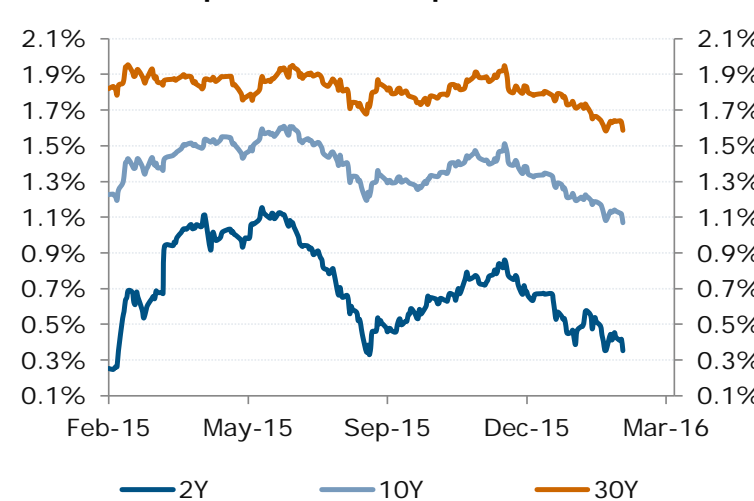
Break-even inflation history, %



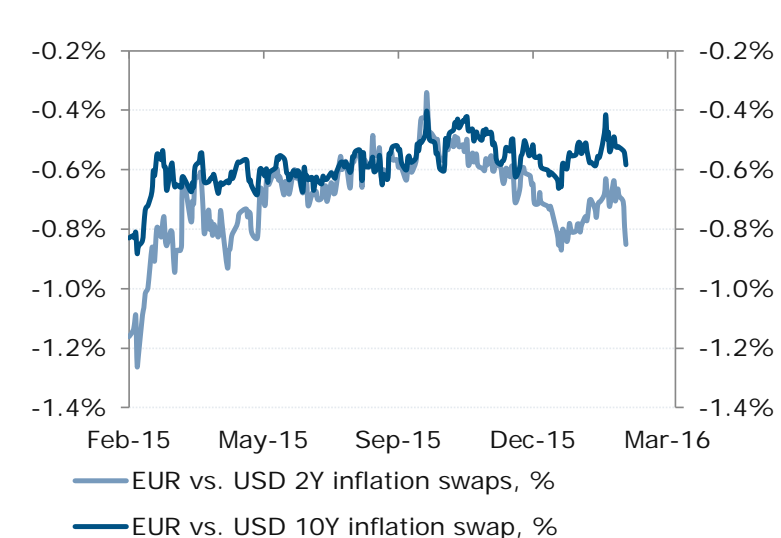
Inflation Swaps

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

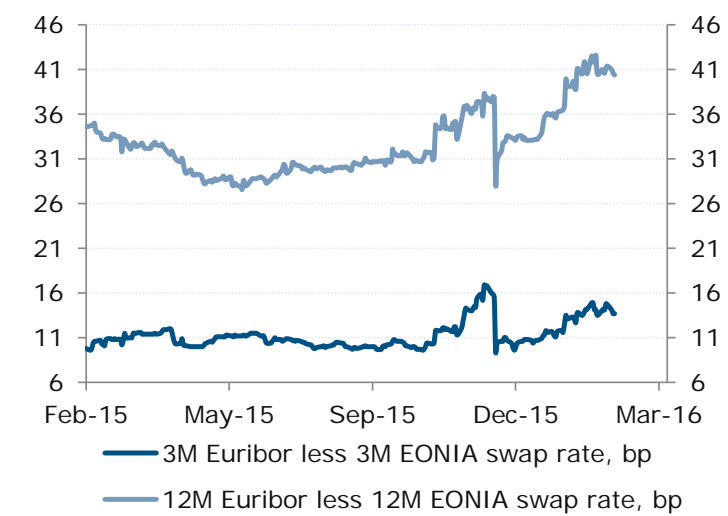
Credit default swap indices illustrate the annual cost of buying protection against a credit event of a company. iTraxx® Europe is comprised of the 125 most liquid CDS contracts referencing European investment grade credits, iTraxx® Crossover of 50 sub-investment grade credits.

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



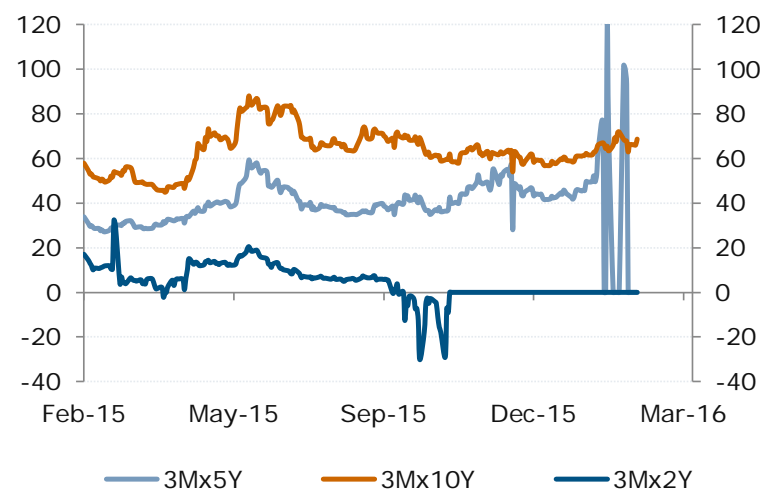
Money market rates vs. EONIA swap rates



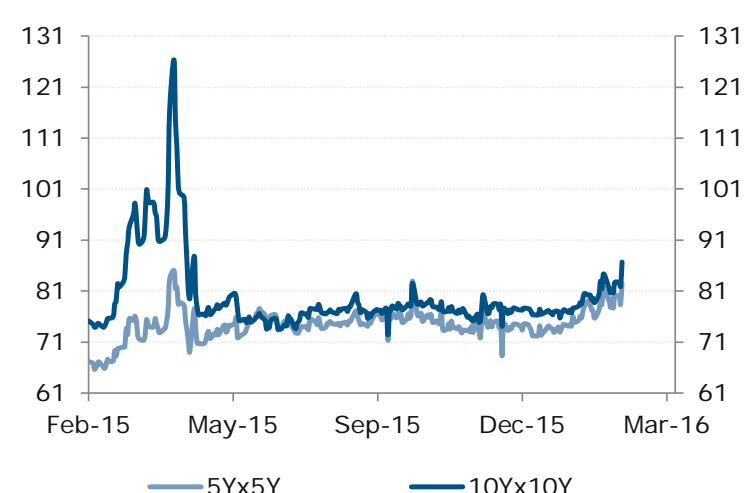
Swaption Volatilities

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

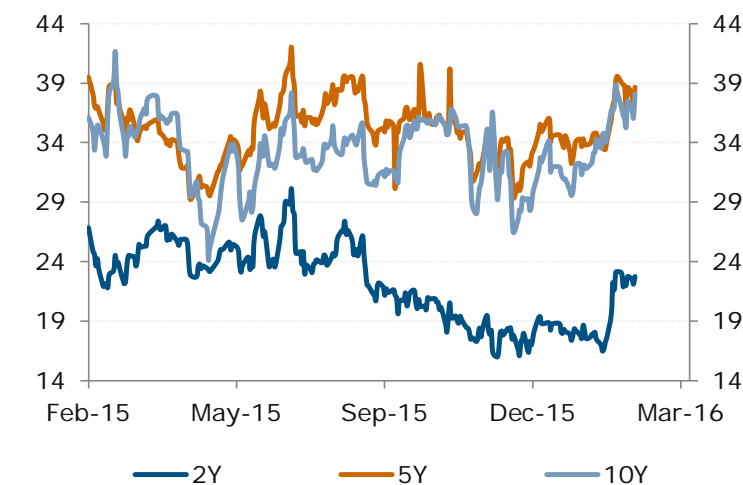
Swap spread:
Benchmark bond's spread to EUR swap curve.

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

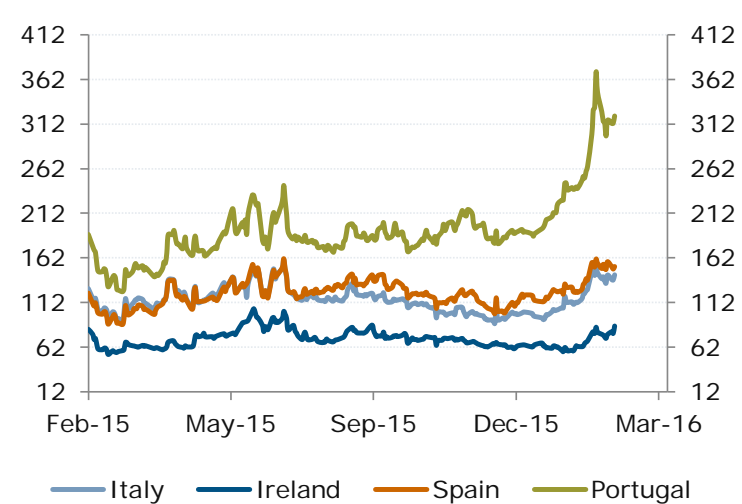
1Y break-even spread changes indicate how much a bond's spread against an equivalent bond trading on the German curve may widen in order to give the same return in one year.

The break-even spread change is based on the spread against the following two German benchmark bonds:
DE TB 16Mar18
DE 0.5 15Feb26

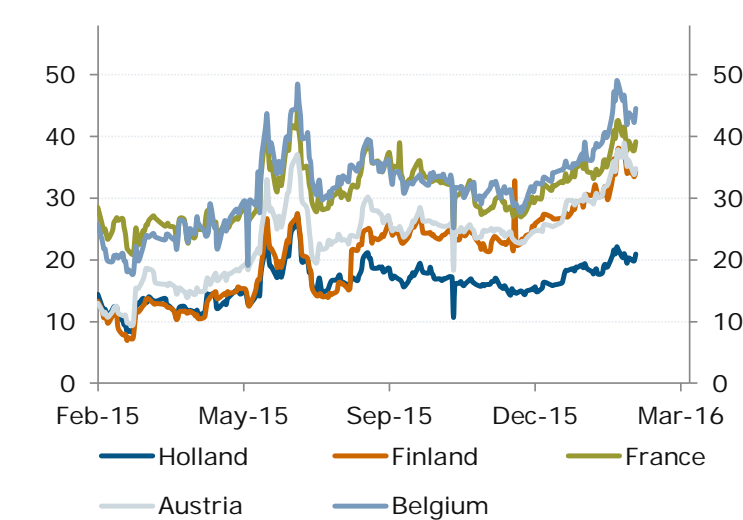
German swap spreads, bp



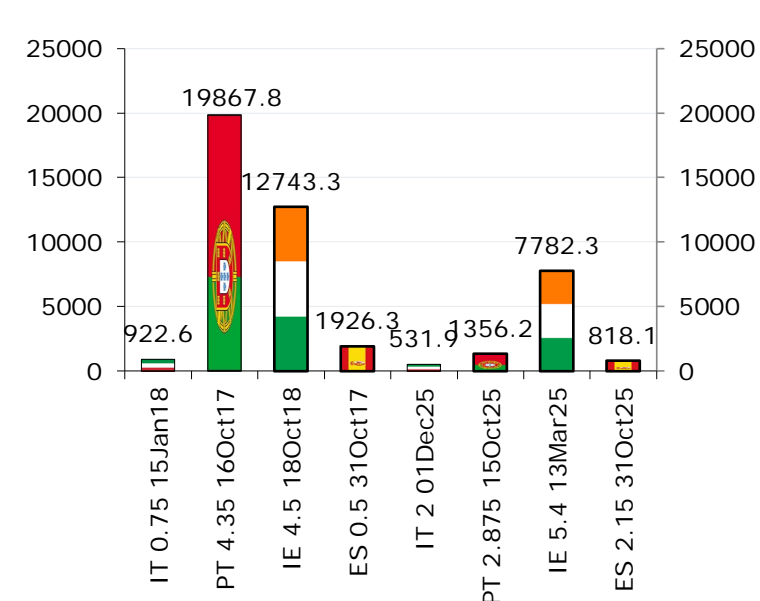
10Y non-AAA spreads against Germany, bp



10Y AAA/AA+ spreads to Germany, bp



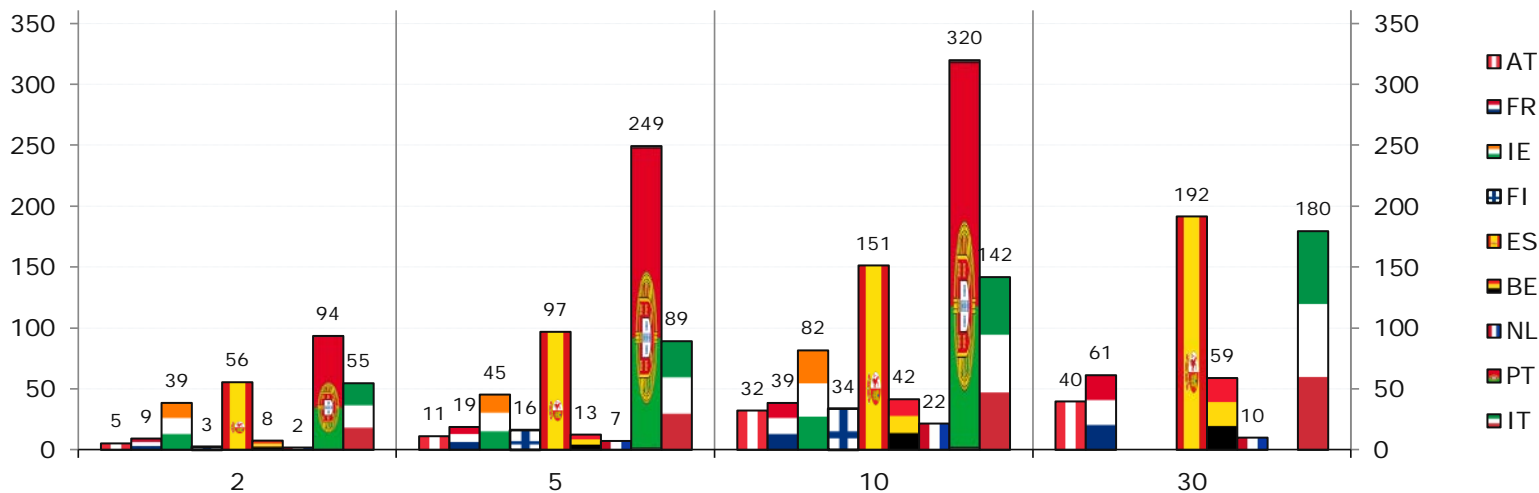
1Y B/E spread changes against Germany, bp



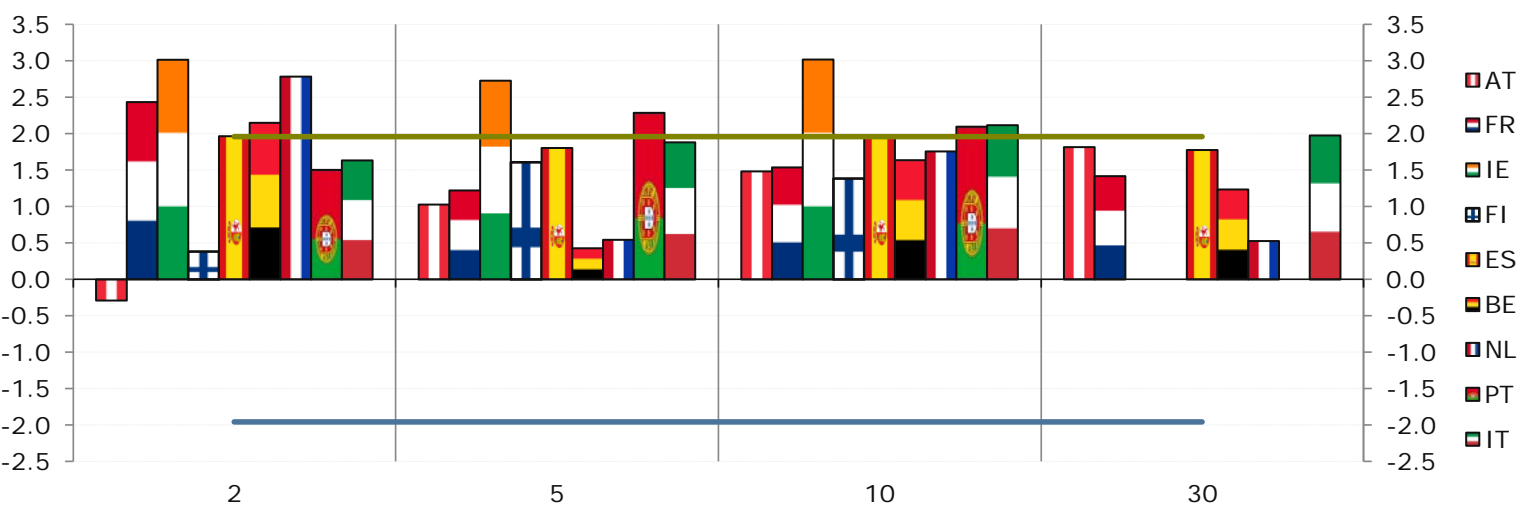


Country Relative Value

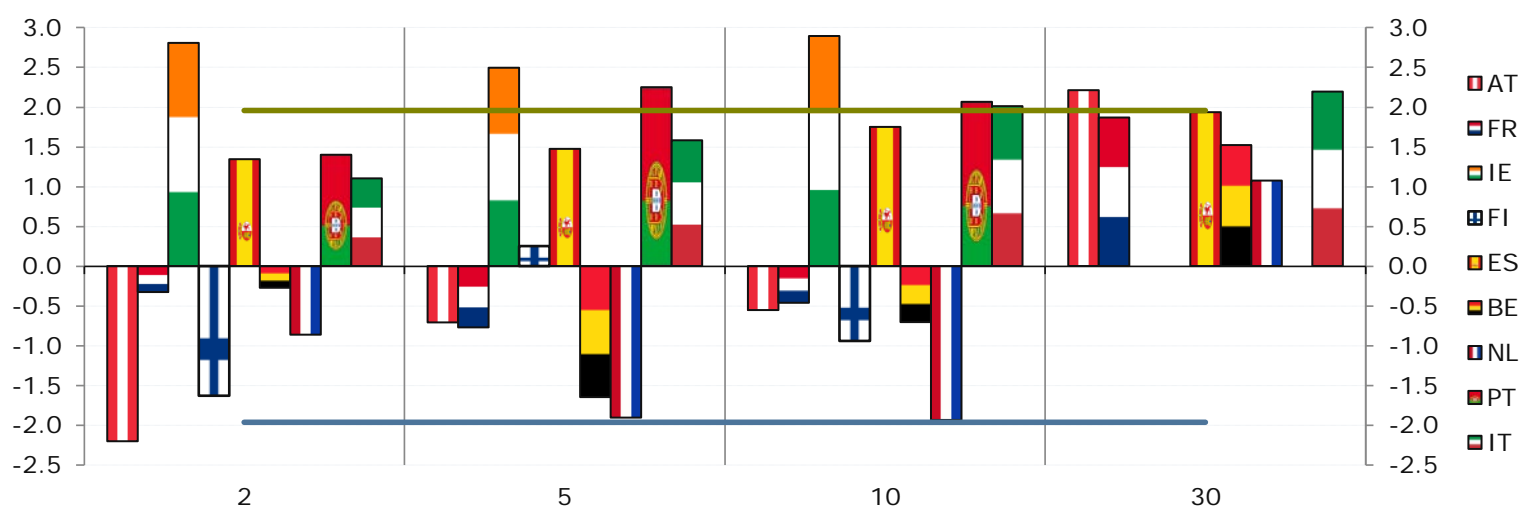
Benchmark spreads over the maturity-interpolated German par curve, bp



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	ES	31 Jan 19	0.250	72.3	-1.00	KfW	12 Feb 18	0.625	-18.9	-3.20
	Cheap	IE	18 Oct 18	4.500	38.6	2.76	IE	18 Oct 18	4.500	6.6	2.47
5Y:	Rich	DE	11 Oct 19	0.250	-18.6	-1.30	DE	16 Oct 20	0.250	-38.4	-2.48
	Cheap	IE	18 Oct 19	5.900	47.9	2.85	IE	18 Oct 19	5.900	16.9	2.63
7Y:	Rich	DE	15 Aug 23	2.000	-32.7	-0.93	BE	22 Jun 23	2.250	-13.3	-2.65
	Cheap	IE	15 Mar 22	0.800	60.1	3.22	IE	15 Mar 22	0.800	18.9	2.91
10Y:	Rich	DE	15 Feb 25	0.500	-36.4	-1.37	DE	15 Feb 25	0.500	-40.4	-2.49
	Cheap	IE	13 Mar 25	5.400	81.7	2.79	IE	13 Mar 25	5.400	61.6	2.67
15Y:	Rich	DE	04 Jan 37	4.000	-67.0	-1.47	DE	04 Jan 31	5.500	-30.8	-1.71
	Cheap	IE	15 May 30	2.400	88.8	2.74	IE	15 May 30	2.400	61.8	2.90
20Y:	Rich	DE	15 Aug 46	2.500	-74.9	-1.48	DE	15 Aug 46	2.500	-10.9	0.93
	Cheap	IE	18 Feb 45	2.000	101.2	2.35	IE	18 Feb 45	2.000	90.0	2.77

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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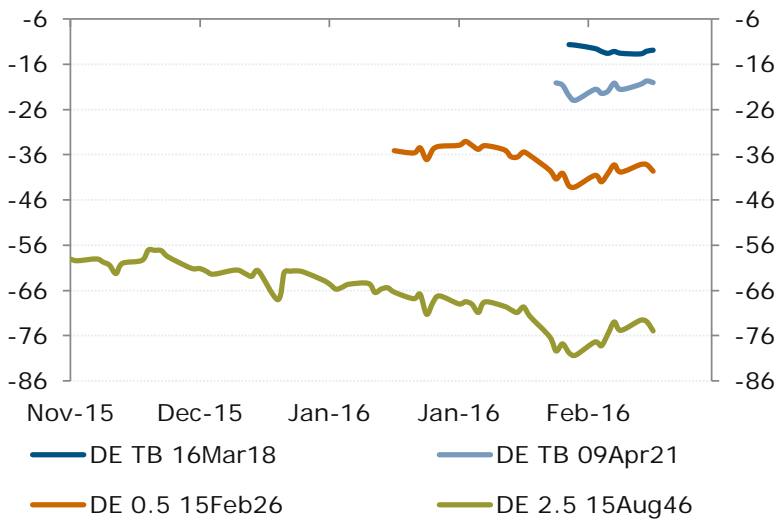
Moody's / S&P / Fitch

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

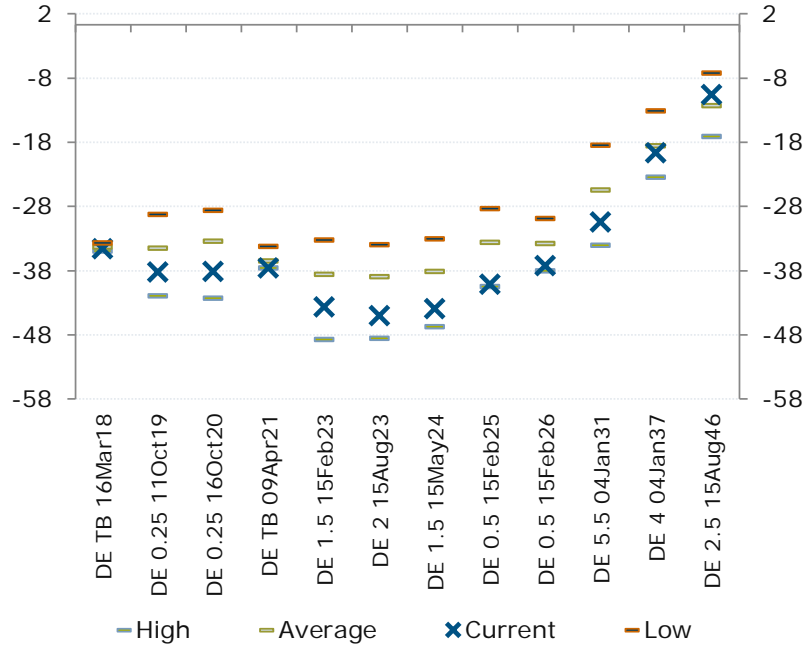
Germany

Benchmark Bonds				Spread vs. France				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	24-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	24-Feb	60D Avg.	Z-score
0.000	16 Mar 18	5.0B	-0.521	-12.8	-12.9	0.06	0.7	-34.9	-34.6	-0.66
0.250	11 Oct 19	16.0B	-0.476	-18.6	-16.0	-1.30	4.4	-38.5	-34.8	-1.88
0.250	16 Oct 20	19.0B	-0.393	-19.8	-16.2	-1.29	3.5	-38.4	-33.7	-2.48
0.000	09 Apr 21	5.0B	-0.344	-20.0	-21.3	1.03	1.5	-37.9	-36.8	-1.45
1.500	15 Feb 23	18.0B	-0.218	-29.5	-27.8	-0.68	8.3	-44.0	-38.9	-2.29
2.000	15 Aug 23	18.0B	-0.179	-32.7	-30.5	-0.93	9.8	-45.3	-39.2	-2.49
1.500	15 May 24	18.0B	-0.093	-35.4	-33.0	-0.92	6.5	-44.2	-38.5	-2.28
0.500	15 Feb 25	23.0B	0.024	-36.4	-31.4	-1.37	2.7	-40.4	-33.9	-2.49
0.500	15 Feb 26	10.0B	0.143	-39.6	-37.3	-0.84	2.1	-37.5	-34.0	-1.61
5.500	04 Jan 31	17.0B	0.439	-56.5	-49.6	-1.46	12.9	-30.8	-25.7	-1.71
4.000	04 Jan 37	23.0B	0.676	-67.0	-59.0	-1.47	6.4	-20.0	-18.8	-0.55
2.500	15 Aug 46	14.0B	0.812	-74.9	-67.0	-1.48	0.9	-10.9	-12.6	0.93

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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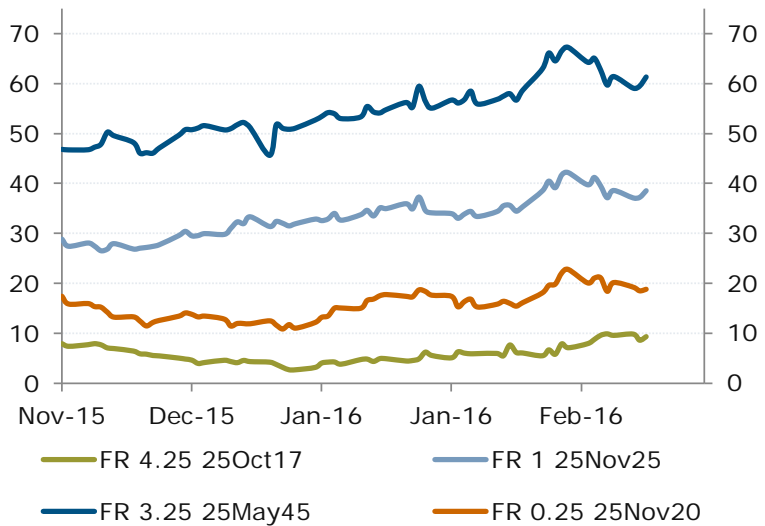
Moody's / S&P / Fitch

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

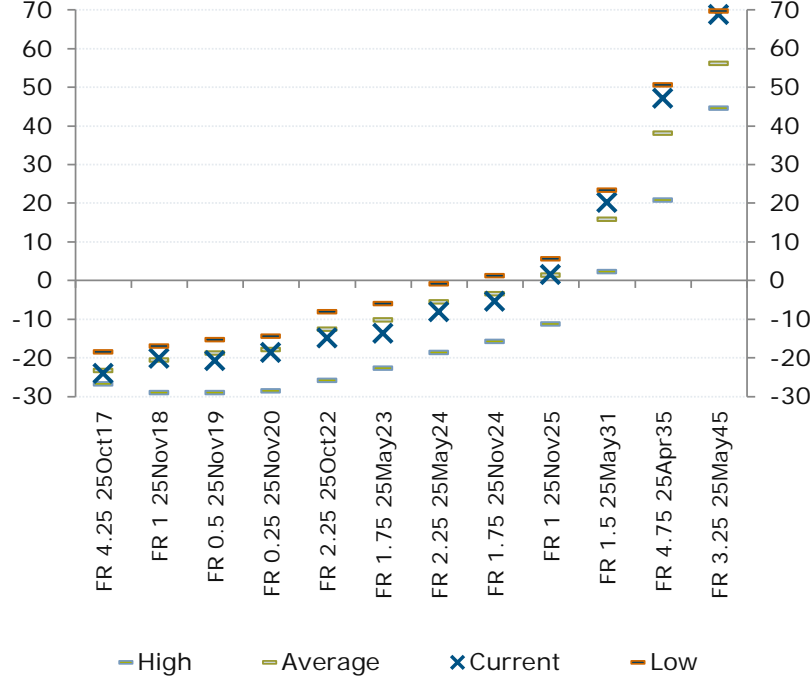
France

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	24-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	24-Feb	60D Avg.	Z-score
4.250	25 Oct 17	34.03B	-0.418	9.3	5.9	2.37	263.8	-24.1	-23.4	-0.35
1.000	25 Nov 18	22.01B	-0.351	14.1	10.9	1.74	18.4	-20.2	-20.6	0.23
0.500	25 Nov 19	26.98B	-0.292	15.7	14.7	0.60	7.1	-20.8	-18.9	-1.16
0.250	25 Nov 20	20.95B	-0.187	18.8	15.9	1.20	3.6	-18.7	-17.9	-0.45
2.250	25 Oct 22	27.01B	0.021	25.6	23.3	0.96	13.0	-14.9	-12.7	-0.96
1.750	25 May 23	32.97B	0.097	27.7	26.2	0.79	9.3	-13.8	-10.3	-1.85
2.250	25 May 24	30.55B	0.244	31.2	28.0	1.16	10.0	-8.2	-5.7	-1.22
1.750	25 Nov 24	30.99B	0.328	32.8	29.3	1.29	7.9	-5.4	-3.5	-0.96
1.000	25 Nov 25	25.99B	0.507	38.6	33.5	1.49	4.1	1.4	1.3	0.07
1.500	25 May 31	9.44B	1.021	50.8	43.2	1.59	3.0	20.2	15.7	1.26
4.750	25 Apr 35	25.03B	1.161	46.1	37.9	1.59	3.7	47.0	38.1	1.63
3.250	25 May 45	17.01B	1.465	61.3	54.9	1.37	0.4	68.7	56.1	2.26

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

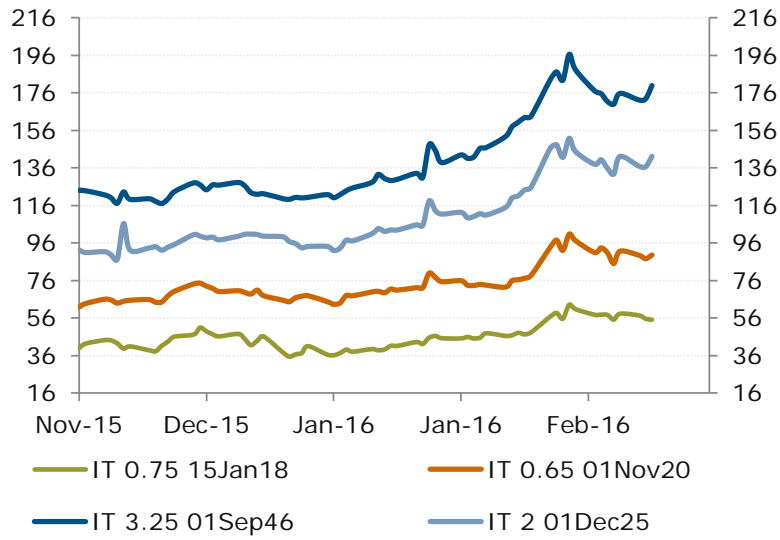
Rating	Baa2/BBB-/BBB+
Moody's / S&P / Fitch	

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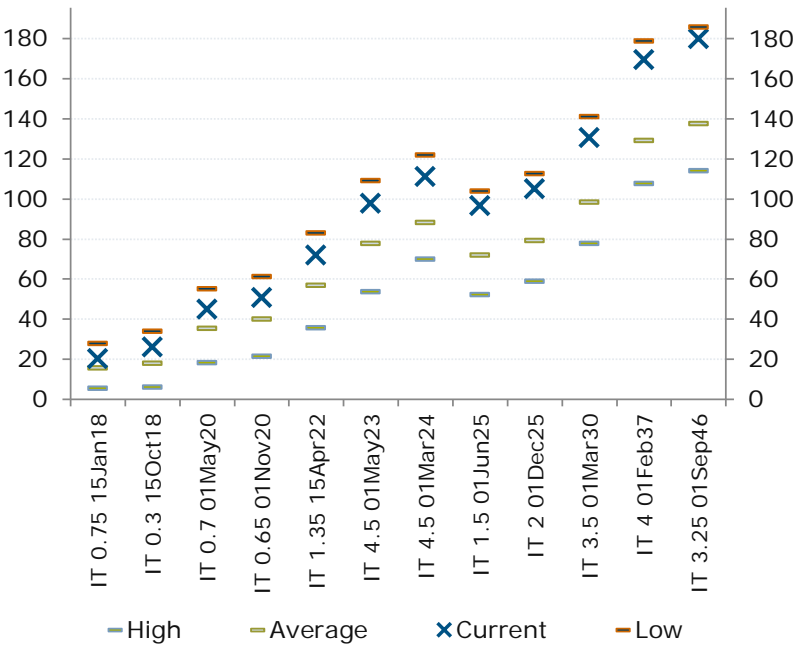
Italy

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	24-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	24-Feb	60D Avg.	Z-score
0.750	15 Jan 18	15.46B	0.030	54.7	45.8	1.56	23.9	20.1	15.6	0.99
0.300	15 Oct 18	10.02B	0.113	60.9	49.2	1.86	6.5	26.0	17.7	1.45
0.700	01 May 20	15.99B	0.408	83.0	69.8	1.79	8.1	44.9	35.3	1.48
0.650	01 Nov 20	11.15B	0.512	89.2	74.6	1.78	7.0	50.6	39.8	1.52
1.350	15 Apr 22	17.01B	0.857	113.7	94.4	1.94	10.0	72.0	56.9	1.63
4.500	01 May 23	18.02B	1.078	126.5	103.2	2.01	25.7	97.8	77.7	1.79
4.500	01 Mar 24	23.71B	1.278	137.7	110.8	1.98	23.9	111.1	88.1	1.81
1.500	01 Jun 25	19.99B	1.444	138.0	107.3	2.03	6.9	96.6	71.8	1.93
2.000	01 Dec 25	17.01B	1.542	141.9	110.5	2.01	8.0	104.9	79.1	1.93
3.500	01 Mar 30	20.01B	1.945	149.8	113.7	1.98	9.1	130.6	98.1	1.98
4.000	01 Feb 37	26.01B	2.399	165.1	128.3	2.00	8.5	169.3	129.1	2.13
3.250	01 Sep 46	13.24B	2.655	179.6	141.4	1.88	5.0	179.7	137.5	2.17

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

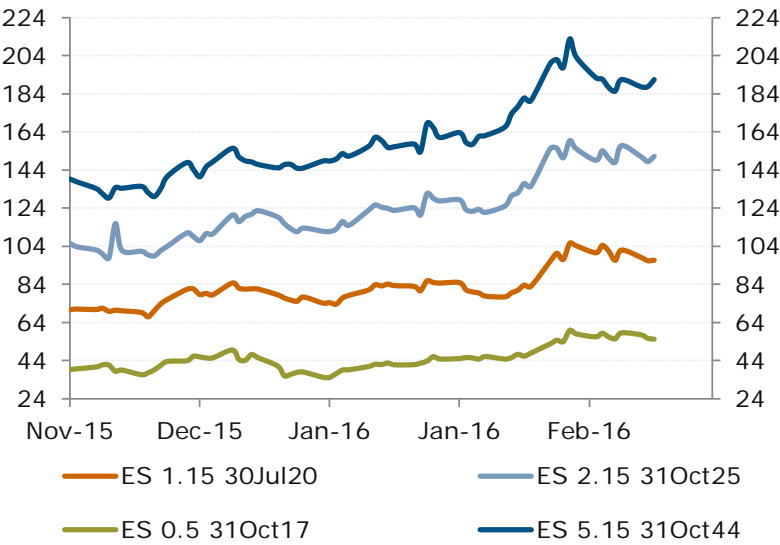
Rating	Baa2/BBB/BBB+
Moody's / S&P / Fitch	

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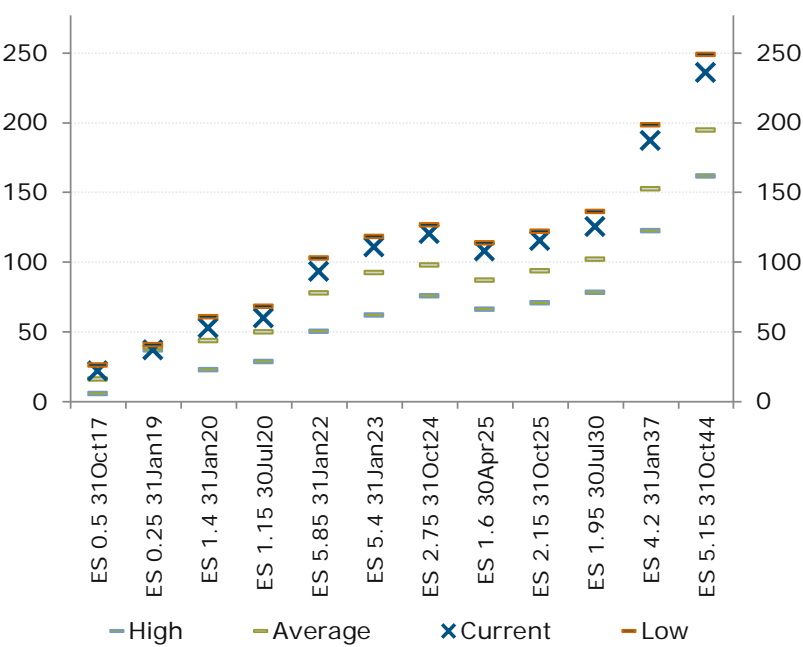
Spain

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	24-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	24-Feb	60D Avg.	Z-score
0.500	31 Oct 17	16.99B	0.044	55.6	45.7	1.87	25.8	21.7	16.0	1.32
0.250	31 Jan 19	4.86B	0.238	72.3	74.3	-1.00	4.5	36.7	38.8	-1.00
1.400	31 Jan 20	21.91B	0.451	89.2	76.6	1.70	15.6	52.8	43.5	1.43
1.150	30 Jul 20	17.02B	0.567	96.9	83.2	1.72	12.2	59.7	49.6	1.45
5.850	31 Jan 22	22.01B	0.865	116.1	98.5	1.85	38.9	92.9	77.8	1.46
5.400	31 Jan 23	21.99B	1.122	133.4	112.5	1.88	29.9	110.5	92.3	1.57
2.750	31 Oct 24	23.99B	1.536	154.5	127.1	1.99	11.7	120.3	97.7	1.83
1.600	30 Apr 25	19.09B	1.543	148.9	122.9	1.88	7.0	107.6	87.0	1.73
2.150	31 Oct 25	20.96B	1.628	151.4	124.7	1.86	7.8	115.4	93.6	1.73
1.950	30 Jul 30	11.51B	2.105	163.6	135.5	1.69	4.4	125.3	101.9	1.69
4.200	31 Jan 37	17.02B	2.534	178.7	148.3	1.75	8.5	186.7	152.1	1.92
5.150	31 Oct 44	11.23B	2.766	191.7	161.2	1.70	5.8	235.7	194.4	2.01

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

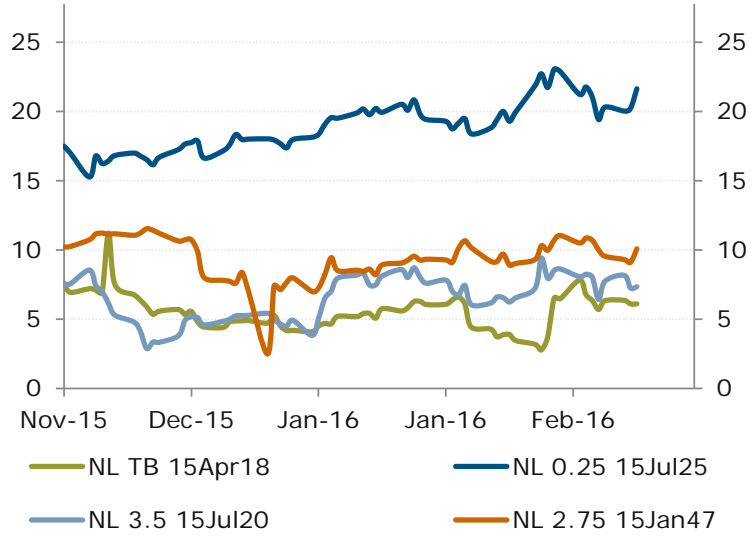
Rating	Aaa/AA+/AAA
Moody's / S&P / Fitch	

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

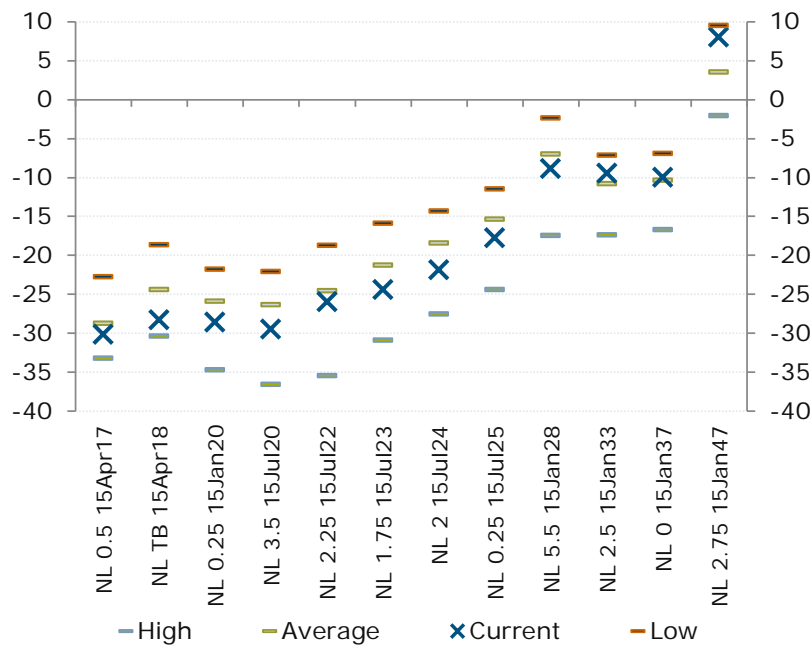
Netherlands

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	24-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	24-Feb	60D Avg.	Z-score
0.500	15 Apr 17	13.03B	-0.477	2.0	-0.4	2.61	704.2	-30.2	-28.8	-0.73
0.000	15 Apr 18	15.99B	-0.454	6.1	5.6	0.52	-0.1	-28.3	-24.4	-1.92
0.250	15 Jan 20	15.84B	-0.359	8.4	7.8	0.44	4.4	-28.6	-26.0	-1.30
3.500	15 Jul 20	15.02B	-0.332	7.3	6.6	0.55	35.2	-29.5	-26.4	-1.58
2.250	15 Jul 22	15.01B	-0.112	14.7	11.6	1.82	13.8	-26.1	-24.6	-0.80
1.750	15 Jul 23	15.63B	0.010	17.6	15.5	1.35	9.0	-24.4	-21.3	-1.83
2.000	15 Jul 24	15.32B	0.131	18.0	15.6	1.88	8.9	-21.9	-18.5	-1.91
0.250	15 Jul 25	15.01B	0.295	21.6	19.0	1.70	2.0	-17.8	-15.4	-1.49
5.500	15 Jan 28	13.02B	0.461	15.8	10.7	1.98	17.0	-8.9	-7.0	-0.98
2.500	15 Jan 33	12.01B	0.736	13.5	9.3	1.64	5.2	-9.5	-10.8	0.78
0.000	15 Jan 37	0.0B	0.891	14.5	15.7	-0.80	0.7	-10.1	-10.4	0.26
2.750	15 Jan 47	10.99B	0.962	10.1	9.5	0.53	3.2	8.0	3.5	2.35

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

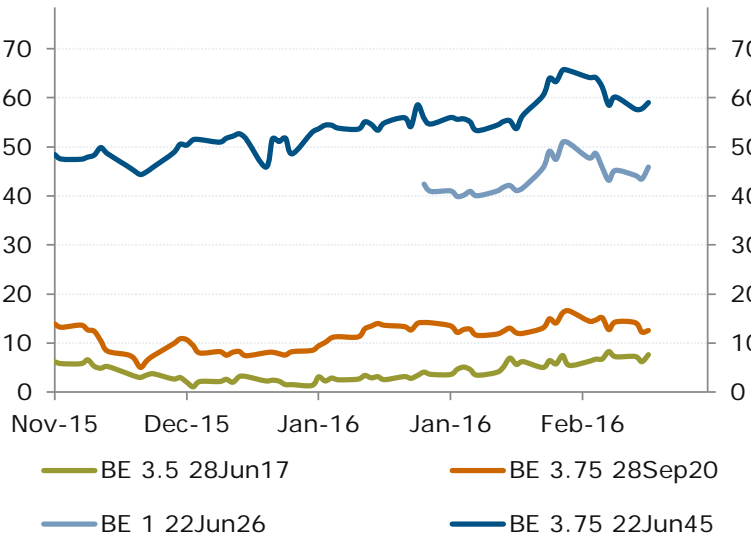
Rating	Aa3/AA/AA
Moody's / S&P / Fitch	

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

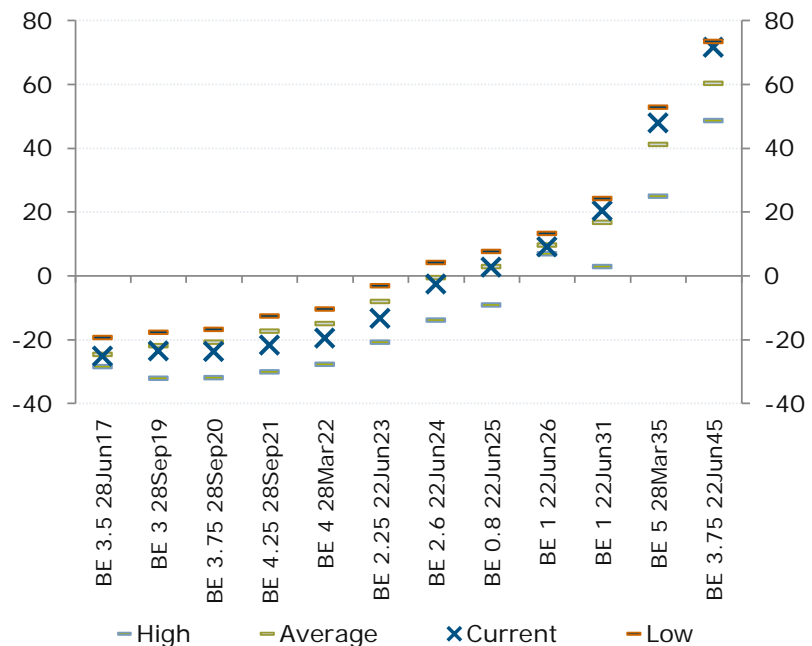
Belgium

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	24-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	24-Feb	60D Avg.	Z-score
3.500	28 Jun 17	13.34B	-0.425	7.6	4.3	2.10	836.4	-25.2	-24.7	-0.26
3.000	28 Sep 19	12.01B	-0.333	12.2	11.0	0.62	38.8	-23.5	-21.8	-0.72
3.750	28 Sep 20	19.01B	-0.263	12.6	11.6	0.44	34.3	-23.8	-20.8	-1.34
4.250	28 Sep 21	15.98B	-0.158	15.9	15.8	0.04	30.1	-21.6	-17.3	-1.63
4.000	28 Mar 22	14.02B	-0.092	19.2	18.8	0.23	25.9	-19.5	-15.0	-2.01
2.250	22 Jun 23	13.99B	0.103	27.5	27.5	-0.01	11.5	-13.3	-8.0	-2.65
2.600	22 Jun 24	15.85B	0.298	35.5	31.8	1.26	11.6	-2.6	-0.6	-0.88
0.800	22 Jun 25	16.02B	0.487	41.6	36.9	1.57	3.8	2.7	2.8	-0.09
1.000	22 Jun 26	6.02B	0.636	45.9	44.0	0.60	3.9	9.1	9.7	-0.38
1.000	22 Jun 31	4.69B	1.058	54.1	47.5	1.45	2.3	20.4	16.7	1.08
5.000	28 Mar 35	19.01B	1.153	45.5	39.2	1.54	3.5	47.9	41.3	1.42
3.750	22 Jun 45	8.01B	1.443	59.0	54.1	1.20	-0.3	71.7	60.3	2.09

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

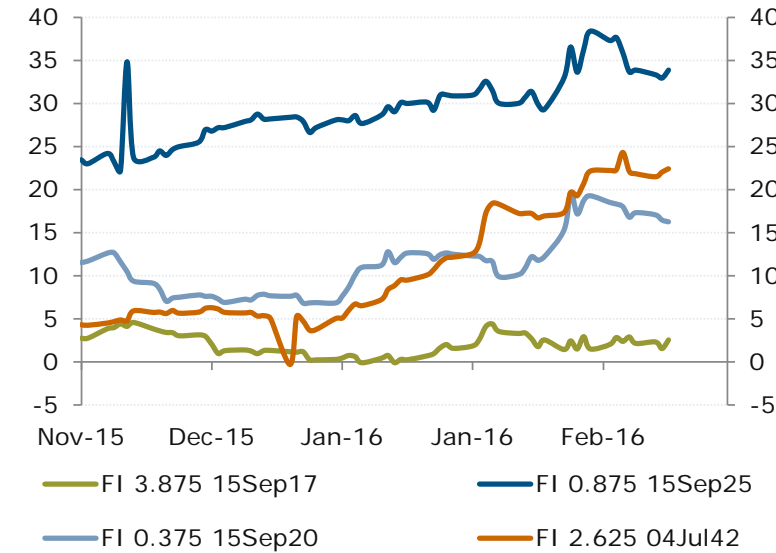
Rating	Aaa/AA+/AAA
Moody's / S&P / Fitch	

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

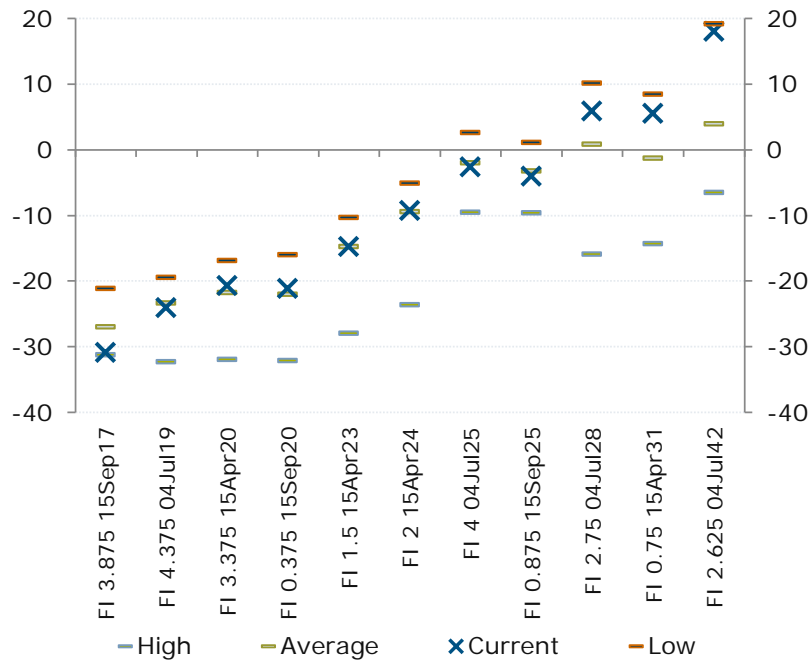
Finland

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	24-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	24-Feb	60D Avg.	Z-score
3.875	15 Sep 17	6.0B	-0.482	2.6	2.1	0.39	344.5	-30.8	-27.0	-1.49
4.375	04 Jul 19	5.0B	-0.356	11.0	9.1	1.20	67.2	-24.0	-23.3	-0.39
3.375	15 Apr 20	6.5B	-0.269	15.7	11.1	1.75	39.3	-20.7	-21.7	0.43
0.375	15 Sep 20	6.03B	-0.229	16.3	11.7	1.54	4.7	-21.1	-22.0	0.34
1.500	15 Apr 23	5.0B	0.080	27.2	22.4	1.82	8.1	-14.7	-14.7	-0.01
2.000	15 Apr 24	5.0B	0.228	31.0	25.2	1.75	9.0	-9.2	-9.5	0.10
4.000	04 Jul 25	6.03B	0.362	28.7	23.5	1.48	13.8	-2.6	-2.0	-0.26
0.875	15 Sep 25	4.03B	0.438	33.9	29.7	1.34	3.8	-4.1	-3.2	-0.50
2.750	04 Jul 28	5.0B	0.686	34.9	24.4	1.54	6.4	5.9	0.9	0.99
0.750	15 Apr 31	3.5B	0.905	39.7	29.1	1.60	1.7	5.5	-1.3	1.44
2.625	04 Jul 42	4.03B	1.060	22.4	11.5	1.78	1.0	18.0	3.9	2.30

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

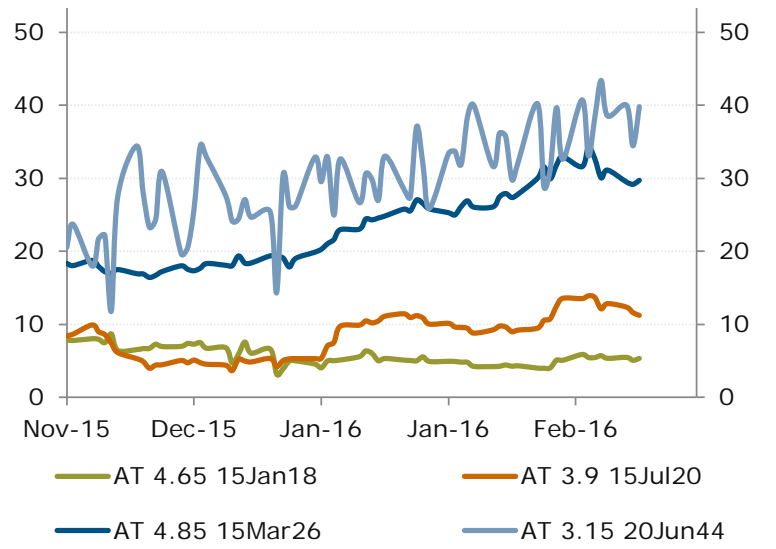
Rating	Aaa/AA+/AA+
Moody's / S&P / Fitch	

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

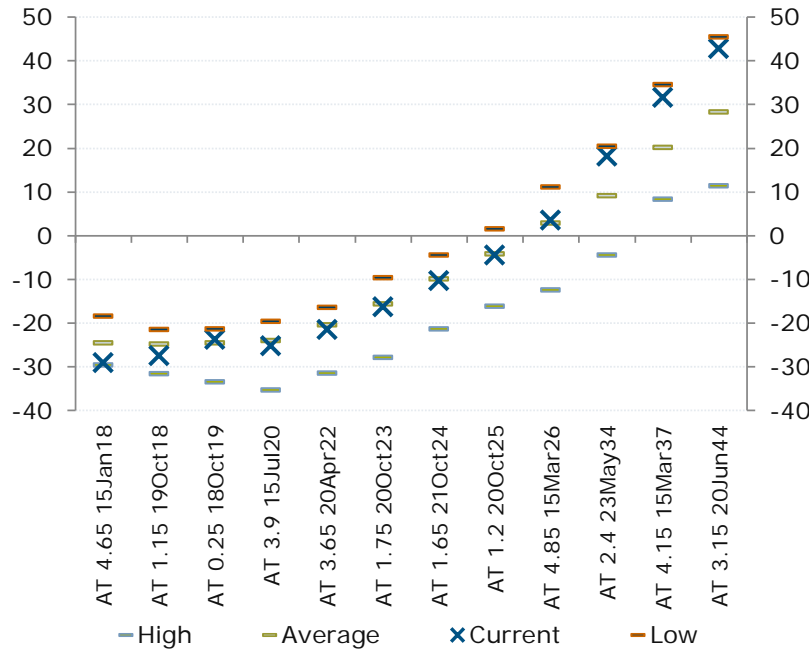
Austria

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	24-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	24-Feb	60D Avg.	Z-score
4.650	15 Jan 18	12.06B	-0.464	5.3	5.6	-0.26	161.4	-29.1	-24.5	-1.80
1.150	19 Oct 18	7.02B	-0.427	6.8	6.2	0.59	23.6	-27.5	-24.8	-1.47
0.250	18 Oct 19	7.95B	-0.328	12.6	8.9	1.65	4.4	-23.8	-24.5	0.33
3.900	15 Jul 20	13.01B	-0.293	11.2	8.7	1.00	39.1	-25.2	-24.0	-0.49
3.650	20 Apr 22	8.71B	-0.101	17.7	14.2	1.38	23.7	-21.5	-20.4	-0.42
1.750	20 Oct 23	9.99B	0.114	25.2	20.7	1.38	8.9	-16.3	-15.6	-0.30
1.650	21 Oct 24	10.35B	0.274	28.7	23.6	1.71	7.5	-10.3	-9.9	-0.22
1.200	20 Oct 25	9.66B	0.433	32.3	27.4	1.44	4.6	-4.4	-4.3	-0.09
4.850	15 Mar 26	8.01B	0.452	29.7	23.7	1.26	11.7	3.6	2.8	0.19
2.400	23 May 34	5.19B	1.026	35.8	25.9	1.73	2.4	18.2	9.1	1.77
4.150	15 Mar 37	12.22B	1.083	33.2	24.1	1.80	-0.4	31.6	20.2	2.04
3.150	20 Jun 44	6.72B	1.245	39.8	30.3	1.77	5.0	42.8	28.2	2.43

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

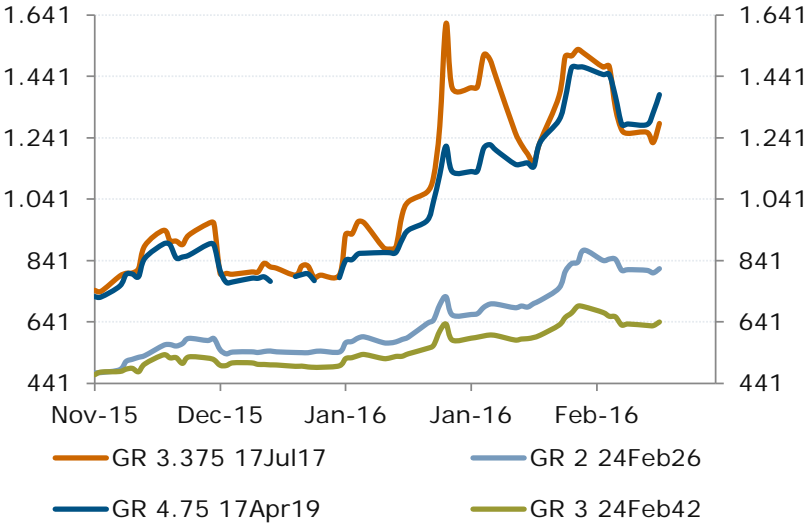
Source: European Commission, Winter 2015 forecast

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

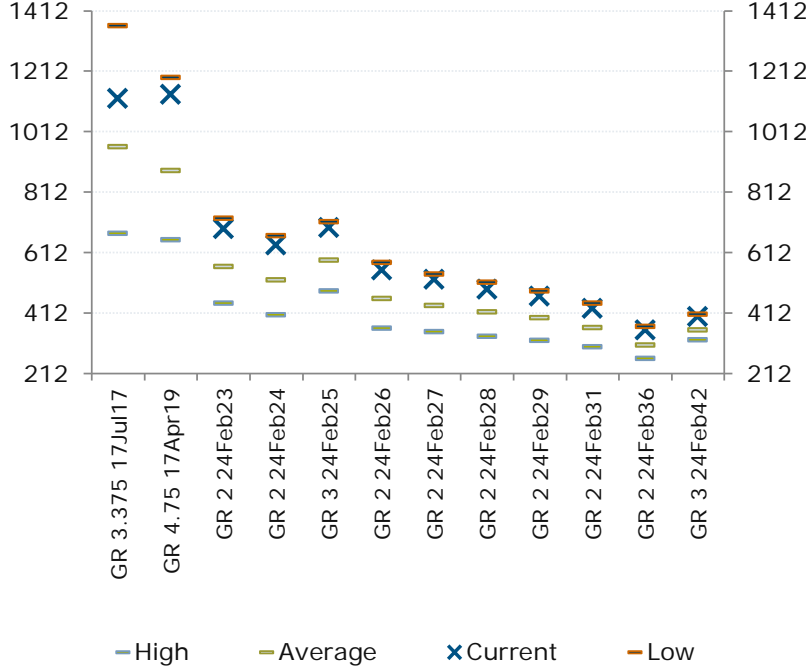
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	24-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	24-Feb	60D Avg.	Z-score
3.375	17 Jul 17	2.02B	12.375	1.287.8	1.093.9	0.79	1.039.3	1.122.2	962.4	0.82
4.750	17 Apr 19	4.02B	13.342	1.381.8	1.028.0	1.63	274.0	1.134.5	882.2	1.60
2.000	24 Feb 23	1.04B	9.473	967.9	757.7	1.68	13.4	690.4	564.9	1.65
2.000	24 Feb 24	1.25B	8.980	908.1	711.1	1.69	12.6	635.6	520.9	1.66
3.000	24 Feb 25	1.84B	10.089	1.005.6	802.3	1.81	16.5	695.0	585.6	1.78
2.000	24 Feb 26	1.37B	8.294	814.3	644.2	1.73	8.7	554.3	458.9	1.72
2.000	24 Feb 27	1.21B	8.052	782.1	623.8	1.78	8.9	523.1	436.4	1.78
2.000	24 Feb 28	1.84B	7.724	741.3	601.6	1.63	8.7	490.8	414.5	1.65
2.000	24 Feb 29	1.48B	7.547	716.5	582.0	1.71	7.7	467.3	395.0	1.74
2.000	24 Feb 31	1.29B	7.177	667.7	550.6	1.69	6.0	426.4	363.4	1.76
2.000	24 Feb 36	1.33B	6.432	571.0	482.2	1.53	5.2	356.5	306.0	1.75
3.000	24 Feb 42	1.05B	7.239	640.5	561.0	1.43	7.6	399.8	355.9	1.81

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

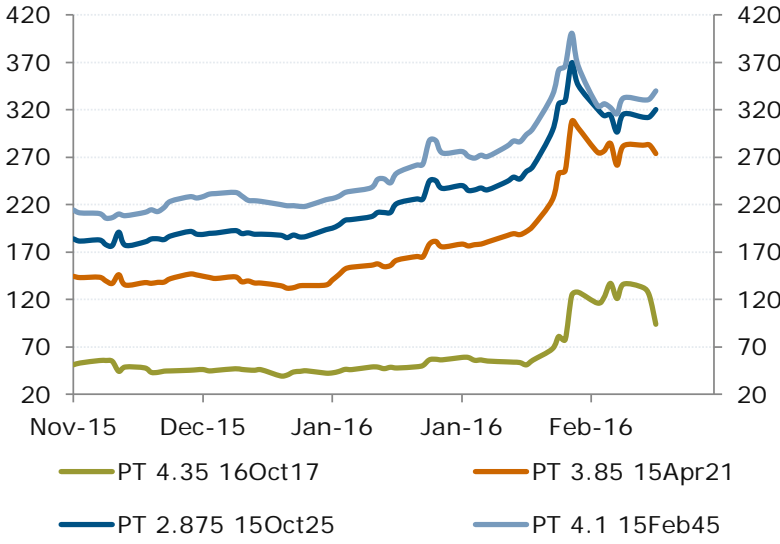
Source: European Commission, Winter 2015 forecast

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

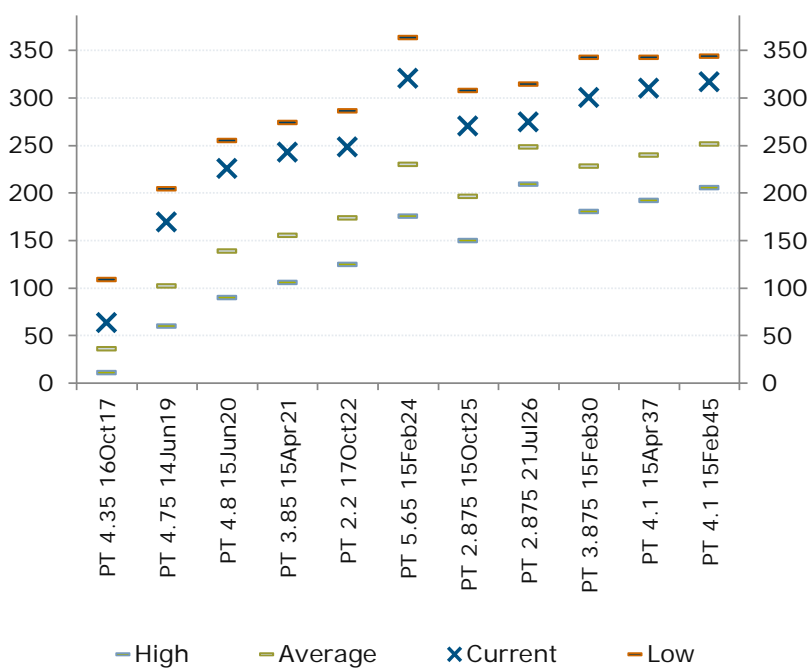
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	24-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	24-Feb	60D Avg.	Z-score
4.350	16 Oct 17	8.99B	0.425	93.6	62.6	1.42	212.5	63.6	35.7	1.33
4.750	14 Jun 19	10.75B	1.474	194.3	126.8	1.91	31.6	169.5	102.2	1.86
4.800	15 Jun 20	10.99B	2.082	249.4	160.8	2.14	35.2	225.8	138.8	2.10
3.850	15 Apr 21	9.55B	2.389	273.5	180.8	2.18	23.6	243.1	155.1	2.14
2.200	17 Oct 22	3.0B	2.771	300.8	214.9	2.00	12.8	248.1	173.4	1.92
5.650	15 Feb 24	12.02B	3.259	336.3	240.2	2.10	29.2	320.7	230.2	2.04
2.875	15 Oct 25	10.52B	3.308	319.9	232.0	1.99	13.8	270.1	196.4	1.96
2.875	21 Jul 26	4.0B	3.448	326.4	294.2	0.83	11.4	274.3	248.0	0.85
3.875	15 Feb 30	4.05B	3.834	338.9	252.4	1.85	12.0	300.3	228.1	1.85
4.100	15 Apr 37	8.02B	4.109	335.6	254.4	1.83	17.1	310.0	239.5	1.92
4.100	15 Feb 45	2..5B	4.246	339.6	263.6	1.79	7.9	316.9	251.3	1.99

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

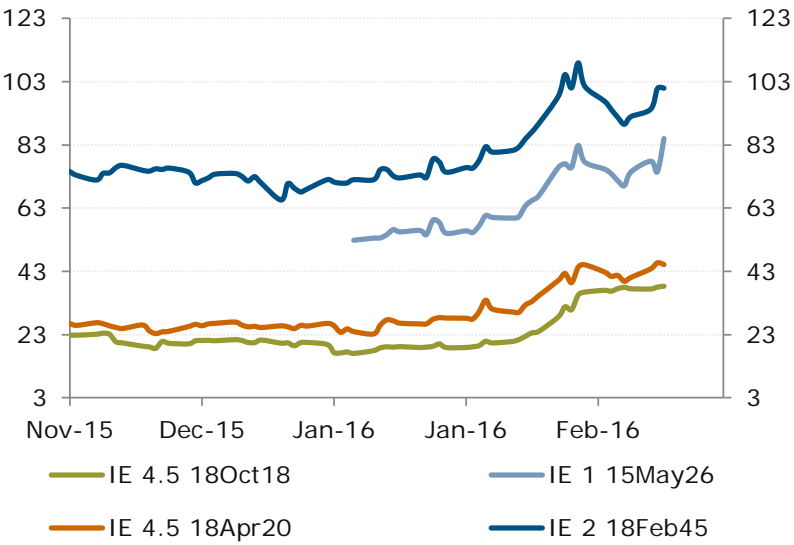
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Moody's / S&P / Fitch

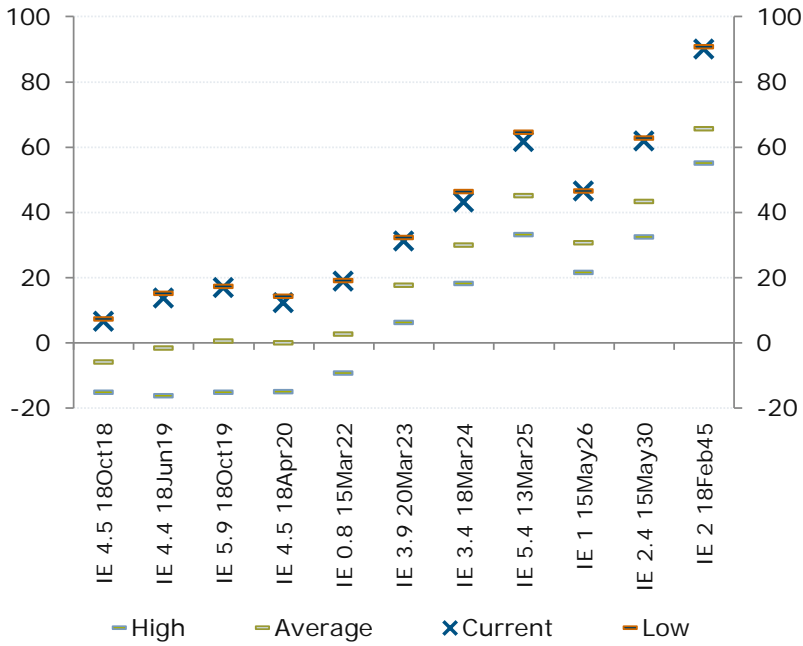
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	24-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	24-Feb	60D Avg.	Z-score
4.500	18 Oct 18	9.58B	-0.110	38.6	23.8	2.76	95.5	6.6	-5.9	2.47
4.400	18 Jun 19	7.06B	-0.009	45.9	29.1	2.44	72.0	13.8	-1.6	2.18
5.900	18 Oct 19	6.58B	0.026	47.9	30.4	2.85	75.7	16.9	0.5	2.63
4.500	18 Apr 20	11.77B	0.029	45.4	30.5	2.55	51.7	12.3	0.0	2.28
0.800	15 Mar 22	4.25B	0.314	60.1	39.6	3.22	7.0	18.9	2.7	2.91
3.900	20 Mar 23	5.95B	0.460	65.9	48.6	3.14	20.5	31.1	17.5	2.87
3.400	18 Mar 24	8.01B	0.680	77.3	59.5	2.64	14.3	43.1	29.9	2.49
5.400	13 Mar 25	11.35B	0.855	81.7	61.9	2.79	16.4	61.6	45.0	2.67
1.000	15 May 26	4.0B	1.021	85.3	65.2	2.20	3.9	46.5	30.6	2.36
2.400	15 May 30	7.78B	1.346	88.8	66.3	2.74	4.9	61.8	43.3	2.90
2.000	18 Feb 45	5.05B	1.862	101.2	80.3	2.35	8.2	90.0	65.5	2.77

Spreads against the German curve, bp



Asset swap term structure, bp



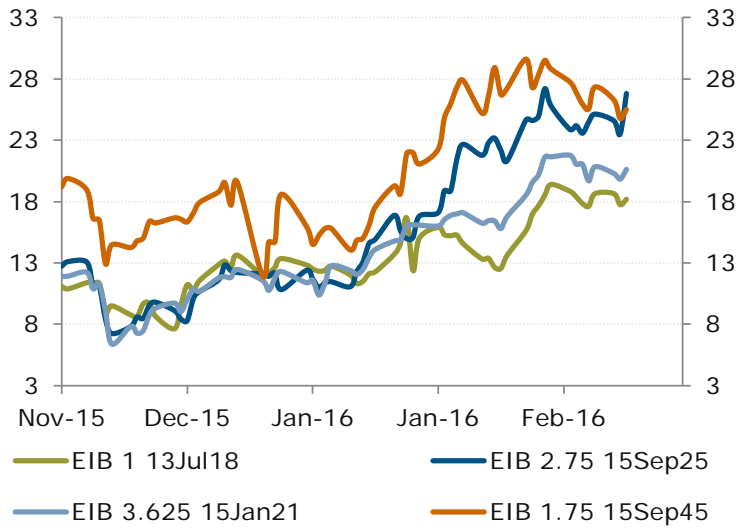


European Investment Bank (EIB)

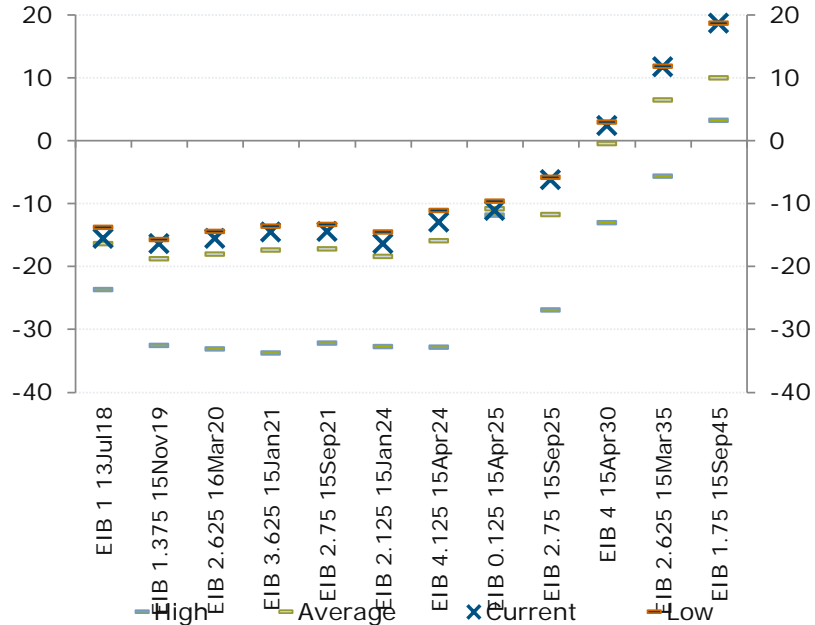
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	24-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	24-Feb	60D Avg.	Z-score
1.000	13 Jul 18	5.0B	-0.319	18.7	13.9	1.87	29.2	-15.6	-16.5	0.59
1.375	15 Nov 19	3.0B	-0.253	19.7	14.4	2.09	17.0	-16.4	-18.9	1.18
2.625	16 Mar 20	3.4B	-0.226	20.7	14.8	1.66	33.0	-15.6	-18.1	0.83
3.625	15 Jan 21	6.5B	-0.153	21.1	14.7	1.70	29.2	-14.6	-17.4	0.95
2.750	15 Sep 21	6.0B	-0.087	23.3	16.8	2.10	20.5	-14.5	-17.3	0.96
2.125	15 Jan 24	5.0B	0.132	24.5	17.0	1.88	10.6	-16.4	-18.5	0.83
4.125	15 Apr 24	7.25B	0.161	24.4	15.8	1.83	17.7	-13.0	-15.9	0.87
0.125	15 Apr 25	3.0B	0.343	29.4	28.2	0.98	1.9	-11.2	-10.9	-0.49
2.750	15 Sep 25	5.35B	0.371	27.3	16.5	1.91	10.4	-6.3	-11.8	1.45
4.000	15 Apr 30	6.5B	0.702	24.8	16.9	1.86	6.0	2.3	-0.6	1.32
2.625	15 Mar 35	1.7B	0.966	26.9	21.1	1.43	2.4	11.7	6.4	1.63
1.750	15 Sep 45	1.3B	1.114	26.0	21.0	0.99	1.3	18.6	10.0	1.88

Spreads against the German curve, bp



Asset swap term structure, bp

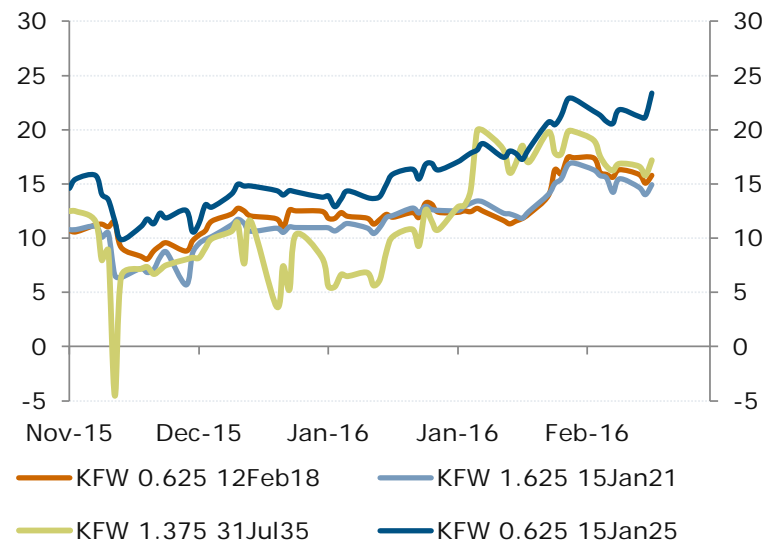


Kreditanstalt für Wiederaufbau (KfW)

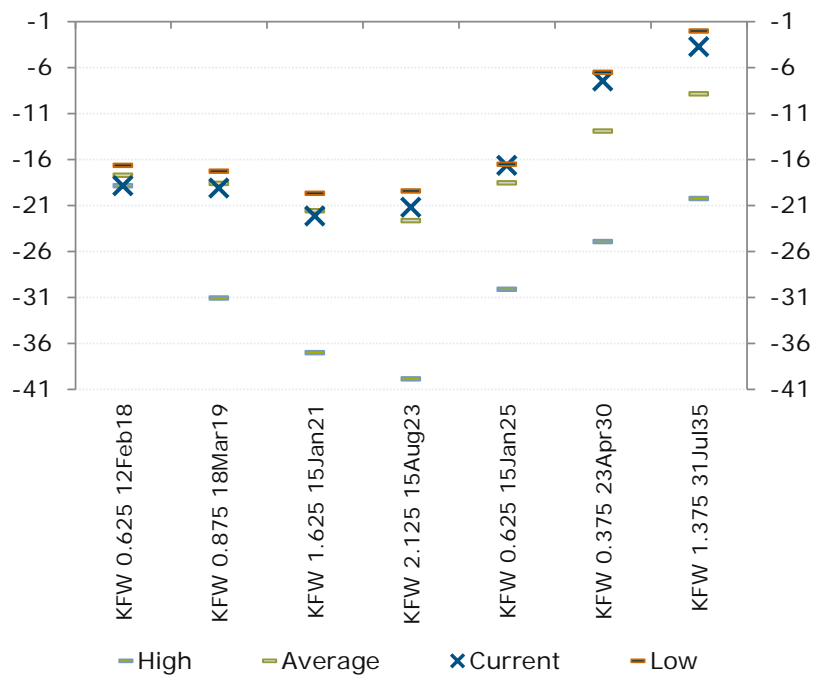
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	24-Feb	60D Avg.	Z-score	Δ B/E Spd 1Y	24-Feb	60D Avg.	Z-score
0.625	12 Feb 18	2.0B	-0.361	15.8	12.4	1.98	16.8	-18.9	-17.7	-3.20
0.875	18 Mar 19	5.0B	-0.321	15.8	13.8	1.16	18.2	-19.1	-18.6	-0.61
1.625	15 Jan 21	5.0B	-0.215	14.9	11.7	1.55	13.8	-22.2	-21.6	-0.45
2.125	15 Aug 23	3.0B	0.045	20.2	13.6	2.04	11.1	-21.2	-22.7	0.64
0.625	15 Jan 25	3.0B	0.252	23.4	16.1	2.39	3.8	-16.7	-18.6	1.34
0.375	23 Apr 30	2.0B	0.739	28.4	18.1	1.78	1.5	-7.5	-12.9	1.56
1.375	31 Jul 35	1.0B	0.879	17.2	11.5	1.24	2.1	-3.8	-8.9	1.45

Spreads against the German curve, bp



Asset swap term structure, bp



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