

## Euro Rates Update

Nordea Research, 15 March 2016

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US Treasury Yields				
	2Y	5Y	10Y	30Y
	0.95	1.47	1.96	2.74
Δ 1D	0.4	-0.6	0.0	1.5
Δ 1W	8.3	9.1	7.7	2.3

German Benchmark Yields				
	2Y	5Y	10Y	30Y
	-0.46	-0.28	0.26	0.99
Δ 1D	0.1	-0.4	-0.5	-1.2
Δ 1W	8.1	7.7	4.7	1.4

German Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-18.4	-54.0	-72.3	-73.4
Δ 1D	-0.4	-0.1	-0.5	-0.7
Δ 1W	-0.4	-3.0	-3.4	-3.3

EUR Swap Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-20.7	-56.1	-76.8	-54.0
Δ 1D	0.6	0.1	0.7	0.6
Δ 1W	0.8	-1.1	-0.3	0.1

German Asset Swap Levels				
	2Y	5Y	10Y	30Y
	-31.6	-34.3	-34.7	-13.1
Δ 1D	0.3	-1.2	-3.6	-6.0
Δ 1W	2.7	2.1	0.2	-4.3

10Y Benchmark Yields				
	Yield	Δ 1D	Spread	Δ 1D
GER	0.260	-0.5	-	-
FRA	0.519	-0.8	28.5	-0.3
ITA	1.297	-3.7	106.1	-3.2
ESP	1.459	-2.9	123.4	-2.4
BEL	0.502	-0.6	32.1	-0.1
HOL	0.353	-1.0	16.5	-0.5
AUT	0.467	-1.0	24.5	-0.5
GRE	8.062	-17.1	792.3	-16.6
POR	2.716	-8.2	249.7	-7.7
FIN	0.473	-0.9	26.4	-0.3
IRL	0.839	-3.2	55.3	-2.7

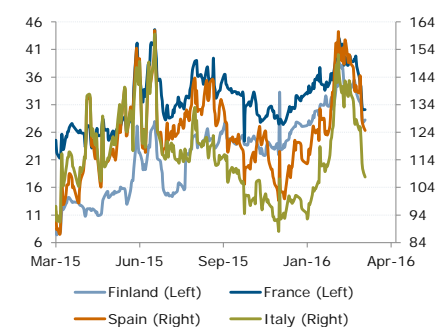
Spread = Maturity interpolated spread to German government par yield curve

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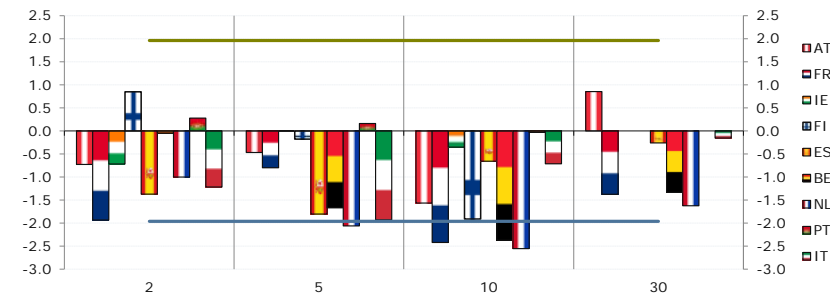
German & US 10-year benchmark yields, %



10 year spreads against Germany, bp



Z-scores of benchmark vs. Germany



Upcoming Issuance (source: Bloomberg)						
Date	Country	Coupon	Maturity	Amount (EURbn)		
16 Mar	GE			4.00		
17 Mar	SP					
17 Mar	FR					
21 Mar	LN	0.70%	2020			
21 Mar	SO					

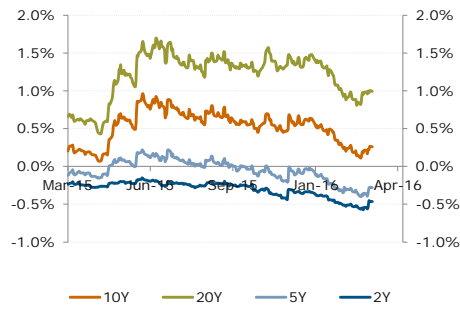
All bond quotes are taken at 16:15 CET.

## Bond Yields & Curves

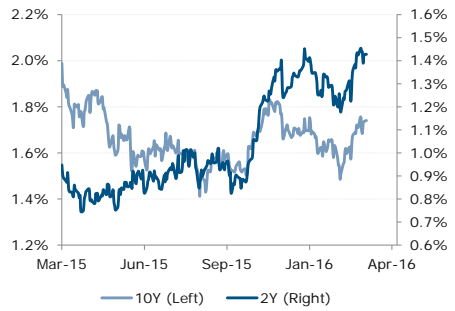
### Yield Levels

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

German benchmark bond yields, %



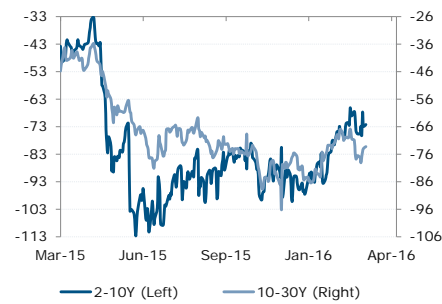
USA-Germany spreads, annualized yields, %



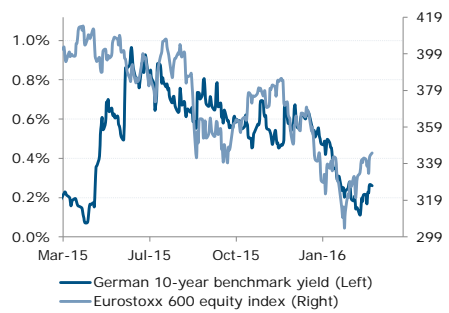
### Bond Curve Shape

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

German yield curve slopes, bp



Bonds vs. equities



## Swaps and Forwards

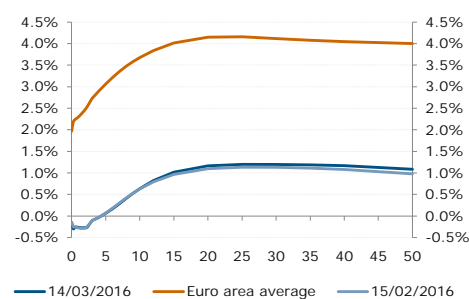
EUR swap rates and implied forwards, %



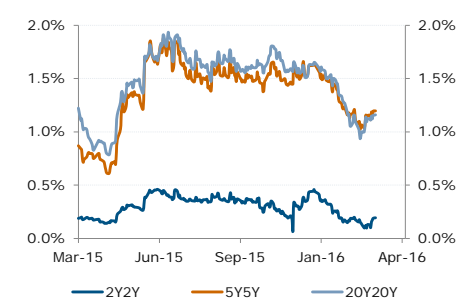
EUR-USD spreads and implied forwards, %



EUR swap curve shape vs. historical

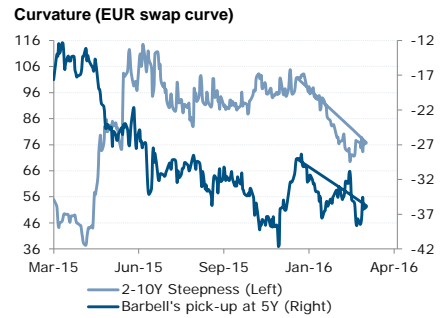


Historical forward rates, %



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

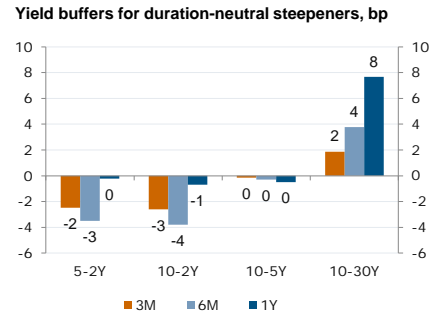
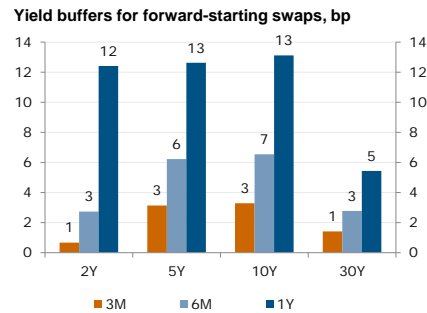
5Y pick-up over a duration and cash neutral 2-10Y EUR swap barbell.



## Carry

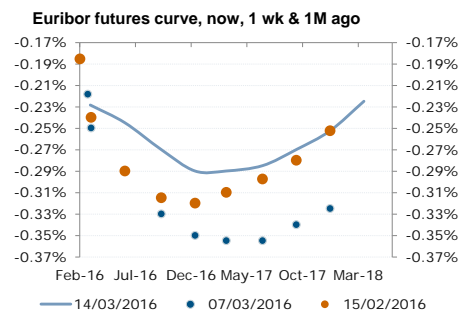
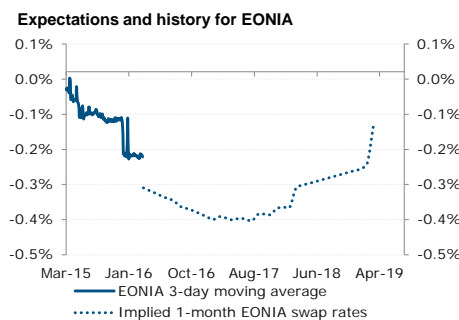
The carry on the given horizon illustrates how much the spot swap rate may rise for a receiver swap position in a forward-starting swap to result in zero profit.

Yield buffers for steepeners tell how much the curve may flatten in order to result in a zero-profit in a forward starting steepener position.



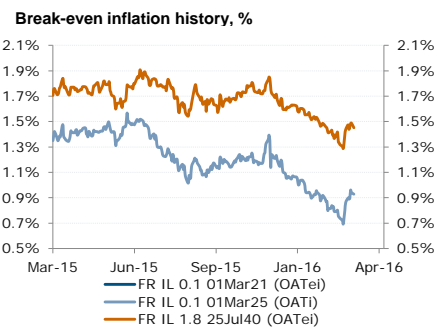
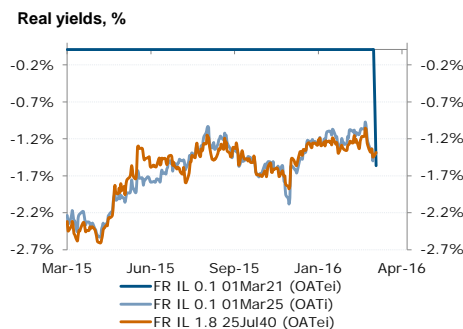
## Money Market Rates

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



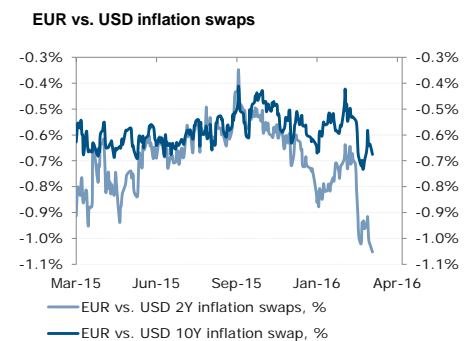
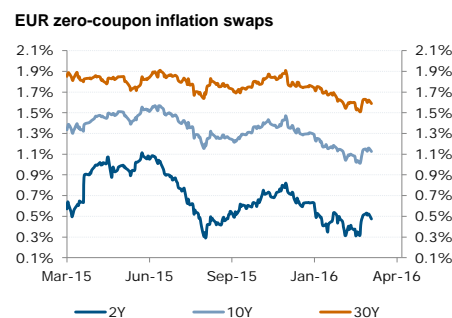
## Inflation-linked Bonds

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



## Inflation Swaps

A zero-coupon inflation swap is a derivative contract, in which one party pays a fixed rate (the break-even inflation rate) and the other party pays a floating rate based on realized inflation. The zero-coupon inflation swap illustrates the average expected inflation rate during the life of the swap.



## Credit & Money Market Spreads

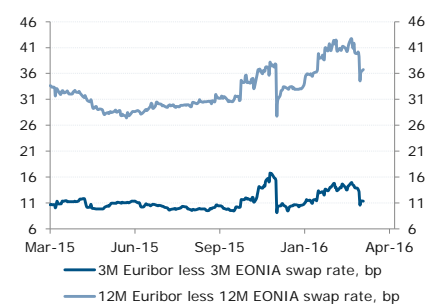
Credit default swap indices illustrate the annual cost of buying protection against a credit event of a company. iTraxx ® Europe is comprised of the 125 most liquid CDS contracts referencing European investment grade credits, iTraxx ® Crossover of 50 sub-investment grade credits.

The spread between Euribor and EONIA swap rate illustrates the money market credit risk premium, i.e. the difference between Euribor rates and the expected future ECB minimum bid rate.

**iTraxx ® credit default swap spreads**



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



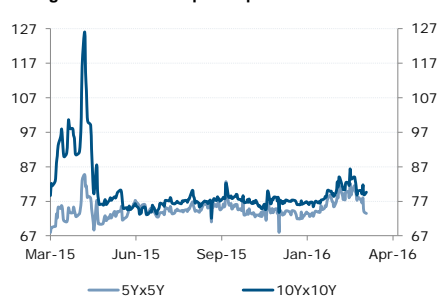
## Swaption Volatilities

ATMF (At The Money Forward) swaption bp vol measures the normalized volatility, i.e. the absolute changes in the forward rate in basis points.

**Short-dated ATMF swaption bp vol**



**Long-dated ATMF swaption bp vol**

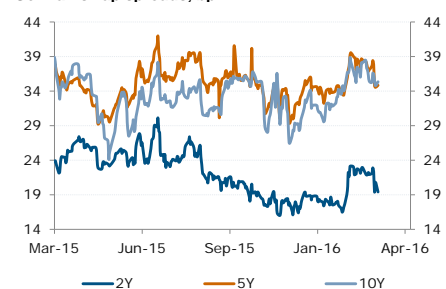


## Swap & Cross-country Spreads

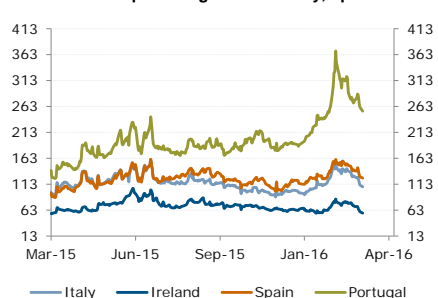
Swap spread:  
Benchmark bond's spread to EUR swap curve.

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

**German swap spreads, bp**



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

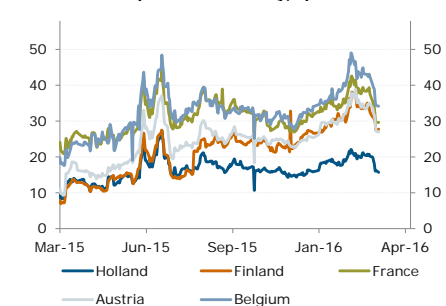


1Y break-even spread changes indicate how much a bond's spread against an equivalent bond trading on the German curve may widen in order to give the same return in one year.

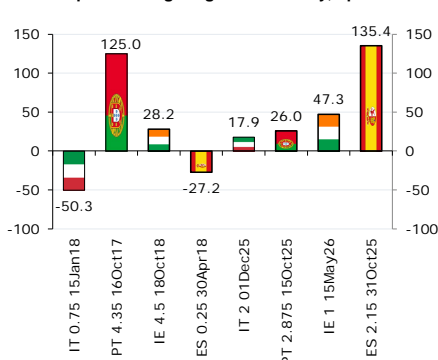
The break-even spread change is based on the spread against the following two German benchmark bonds:

DE TB 16Mar18  
DE 0.5 15Feb26

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



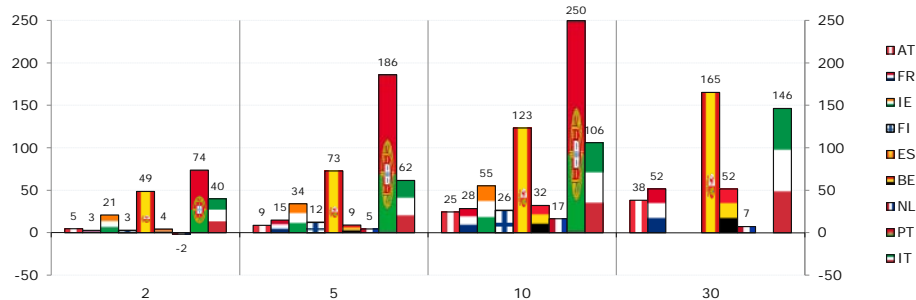
**1Y B/E spread changes against Germany, bp**



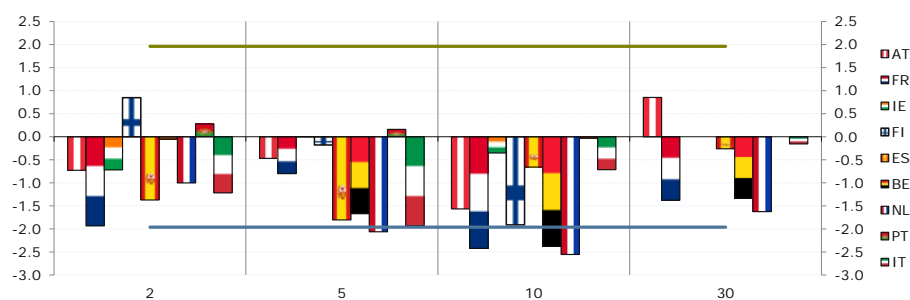


## Country Relative Value

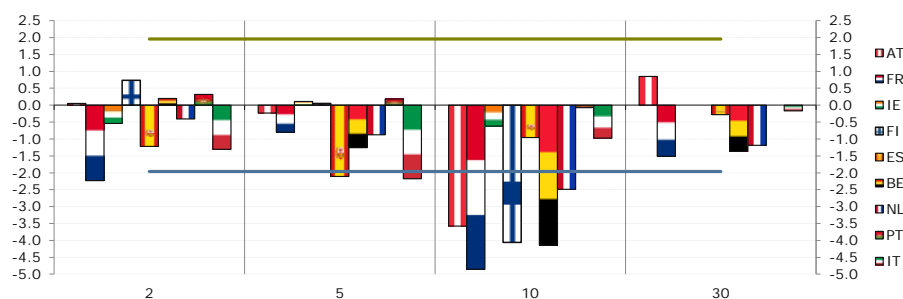
Benchmark spreads over the maturity-interpolated German par curve, bp



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	FR	25 Oct 17	4.250	2.9	-1.88	KfW	12 Feb 18	0.625	-19.8	-2.82
	DE	16 Mar 18	0.000	-6.8	3.83	DE	16 Mar 18	0.000	-31.6	3.25
5Y: Rich	KfW	15 Jan 21	1.625	9.0	-2.35	KfW	15 Jan 21	1.625	-24.8	-3.03
	DE	09 Apr 21	0.000	-15.9	3.20	DE	09 Apr 21	0.000	-34.3	2.32
7Y: Rich	BE	22 Jun 23	2.250	20.0	-4.46	KfW	11 Jun 24	1.500	-21.1	-4.12
	DE	15 Aug 24	1.000	-26.6	2.63	PT	17 Oct 22	2.200	191.4	0.05
10Y: Rich	FR	25 May 25	0.500	26.1	-2.91	FR	25 May 25	0.500	-10.6	-4.74
	DE	15 Feb 26	0.500	-29.5	2.62	KfW	15 Jan 25	0.625	-15.9	1.34
15Y: Rich	NL	15 Jan 37	0.000	11.8	-2.25	NL	15 Jan 33	2.500	-17.0	-4.24
	DE	04 Jan 31	5.500	-46.9	1.34	KfW	23 Apr 30	0.375	-8.5	0.72
20Y: Rich	AT	20 Feb 47	1.500	38.3	-3.08	AT	20 Feb 47	1.500	26.3	-4.01
	DE	15 Aug 46	2.500	-65.4	0.95	EIB	15 Sep 45	1.750	16.1	0.71

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

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

Bond is

- rich if z-score < -1.96
- cheap if z-score > 1.96

We evaluate bonds included in the country specific tables below. Bonds are ranked by z-scores.



## Germany

	15	16	17
GDP, %, y/y	1.5	1.5	2.0
Public balance	0.4	0.2	0.2
Debt/GDP	74.2	71.9	68.9

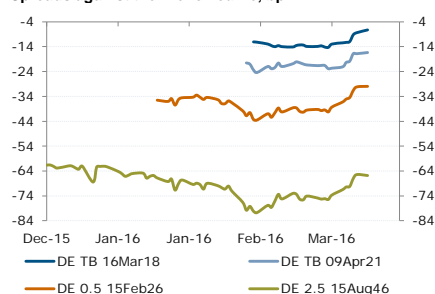
Source: European Commission, Winter 2015 forecast

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

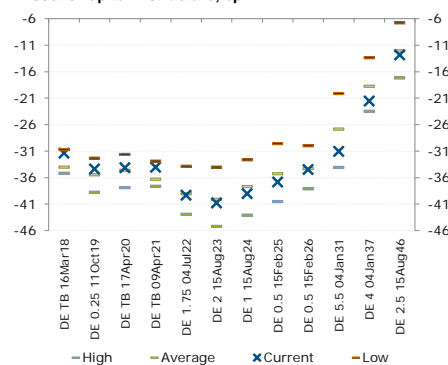
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the French curve.

Benchmark Bonds				Spread vs. France				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	14-Mar	60D Avg.	Z-score	Δ B/E Spd 1Y	14-Mar	60D Avg.	Z-score
0.000	16 Mar 18	9.0B	-0.463	-6.8	-12.2	3.83	1.3	-31.6	-34.3	3.25
0.250	11 Oct 19	16.0B	-0.415	-14.4	-17.1	1.50	2.2	-34.6	-35.7	0.65
0.000	17 Apr 20	20.0B	-0.373	-14.7	-17.0	1.11	2.7	-34.4	-34.9	0.26
0.000	09 Apr 21	9.0B	-0.279	-15.9	-20.6	3.20	-7.2	-34.3	-36.6	2.32
1.750	04 Jul 22	24.0B	-0.202	-22.6	-26.4	1.66	3.3	-39.6	-39.3	-0.14
2.000	15 Aug 23	18.0B	-0.089	-26.0	-31.5	2.28	1.3	-41.0	-40.3	-0.26
1.000	15 Aug 24	18.0B	0.049	-26.6	-33.4	2.63	7.5	-39.3	-38.0	-0.48
0.500	15 Feb 25	23.0B	0.132	-26.0	-33.1	2.47	0.1	-37.1	-35.5	-0.57
0.500	15 Feb 26	10.0B	0.260	-29.5	-36.9	2.62	-0.7	-34.7	-34.6	-0.07
5.500	04 Jan 31	17.0B	0.577	-46.9	-52.0	1.34	-0.7	-31.3	-27.1	-1.53
4.000	04 Jan 37	23.0B	0.841	-57.9	-61.8	0.84	0.0	-21.8	-19.0	-1.42
2.500	15 Aug 46	14.0B	0.994	-65.4	-69.6	0.95	-0.7	-13.1	-12.3	-0.36

Spreads against the French curve, bp



Asset swap term structure, bp



## France

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

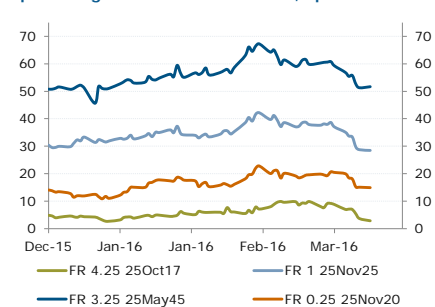
Source: European Commission, Winter 2015 forecast

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

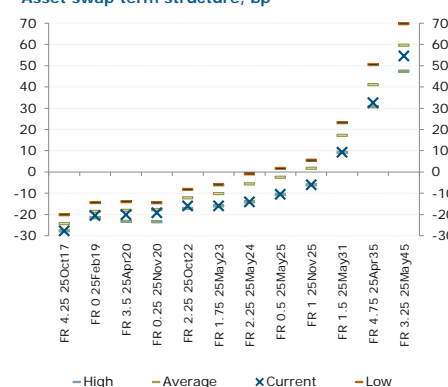
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	14-Mar	60D Avg.	Z-score	Δ B/E Spd 1Y	14-Mar	60D Avg.	Z-score
4.250	25 Oct 17	34.03B	-0.425	2.9	6.1	-1.88	-4.1	-27.7	-24.3	-2.63
0.000	25 Feb 19	9.48B	-0.319	13.4	15.2	-1.05	-0.2	-20.6	-18.6	-1.77
3.500	25 Apr 20	36.02B	-0.236	13.2	15.4	-1.23	-2.0	-20.2	-18.0	-1.15
0.250	25 Nov 20	20.95B	-0.164	14.9	16.9	-0.81	-1.8	-19.2	-17.7	-0.91
2.250	25 Oct 22	27.01B	0.053	20.7	24.2	-1.47	-0.6	-16.0	-12.2	-1.71
1.750	25 May 23	33.97B	0.124	21.8	26.9	-2.63	-0.4	-16.0	-10.2	-2.98
2.250	25 May 24	30.55B	0.253	21.9	29.0	-3.04	-1.0	-14.1	-5.7	-4.06
0.500	25 May 25	31.02B	0.432	26.1	33.4	-2.91	-1.7	-10.6	-2.5	-4.74
1.000	25 Nov 25	25.99B	0.519	28.5	35.0	-2.38	-1.8	-6.1	1.7	-4.54
1.500	25 May 31	12.01B	1.065	40.6	45.6	-1.32	-0.4	9.2	17.2	-3.10
4.750	25 Apr 35	25.03B	1.222	35.9	40.4	-1.11	0.9	32.6	41.1	-1.92
3.250	25 May 45	17.01B	1.551	51.7	56.9	-1.38	-0.1	54.6	59.6	-0.89

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

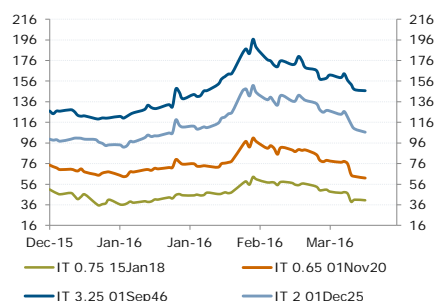
Rating	Baa2/BBB-/BBB+
Moody's / S&P / Fitch	

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

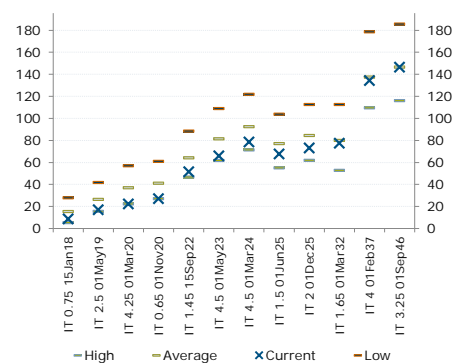
## Italy

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	14-Mar	60D Avg.	Z-score	Δ B/E Spd 1Y	14-Mar	60D Avg.	Z-score
0.750	15 Jan 18	15.46B	-0.059	40.0	47.0	-1.18	70.5	8.7	15.4	-1.36
2.500	01 May 19	18.01B	0.058	50.0	58.6	-1.45	-1.3	17.0	26.4	-1.74
4.250	01 Mar 20	24.01B	0.146	52.7	67.0	-1.91	-3.1	22.3	37.0	<b>-2.17</b>
0.650	01 Nov 20	11.99B	0.297	61.6	76.8	-1.86	-3.2	27.1	41.2	<b>-2.03</b>
1.450	15 Sep 22	17.03B	0.725	88.9	102.6	-1.18	-1.8	51.6	64.2	-1.27
4.500	01 May 23	18.02B	0.830	93.1	107.2	-1.18	-0.9	65.9	81.4	-1.42
4.500	01 Mar 24	23.71B	1.035	103.3	115.8	-0.91	0.1	78.6	92.5	-1.12
1.500	01 Jun 25	19.99B	1.216	104.3	113.9	-0.65	1.4	67.7	77.2	-0.77
2.000	01 Dec 25	17.01B	1.297	106.1	117.1	-0.72	1.2	73.2	84.5	-0.88
1.650	01 Mar 32	15.99B	1.836	113.2	113.9	-0.04	2.0	77.4	79.9	-0.16
4.000	01 Feb 37	26.01B	2.241	132.2	135.7	-0.20	-1.3	134.3	137.6	-0.17
3.250	01 Sep 46	13.24B	2.503	146.3	149.6	-0.17	1.4	146.4	146.7	-0.01

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

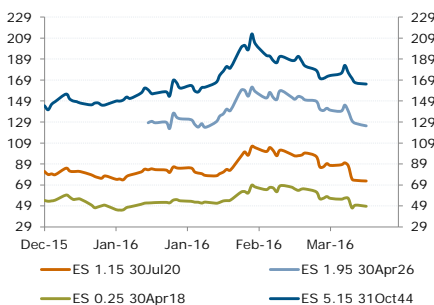
Rating	Baa2/BBB-/BBB+
Moody's / S&P / Fitch	

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

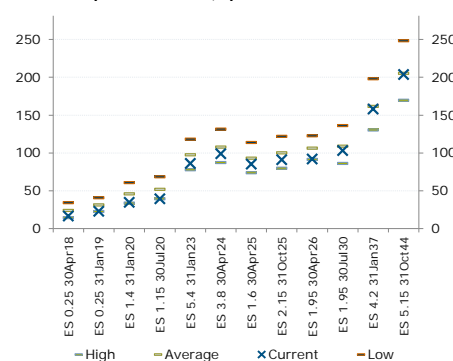
## Spain

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	14-Mar	60D Avg.	Z-score	Δ B/E Spd 1Y	14-Mar	60D Avg.	Z-score
0.250	30 Apr 18	16.99B	0.025	48.7	55.8	-1.33	45.6	16.4	23.7	-1.77
0.250	31 Jan 19	4.86B	0.115	56.8	66.8	-1.85	-1.6	22.5	31.1	-1.61
1.400	31 Jan 20	21.91B	0.292	67.9	79.7	-1.65	-2.0	34.5	45.7	-1.91
1.150	30 Jul 20	17.02B	0.385	72.8	86.3	-1.76	-16.2	39.2	51.8	<b>-2.00</b>
5.400	31 Jan 23	21.99B	0.948	107.7	117.7	-0.98	-1.9	86.0	97.5	-1.20
3.800	30 Apr 24	21.99B	1.269	124.5	132.6	-0.66	-1.5	98.7	107.6	-0.82
1.600	30 Apr 25	19.09B	1.382	122.0	129.9	-0.63	-0.8	85.1	92.9	-0.75
2.150	31 Oct 25	20.96B	1.459	123.4	132.1	-0.69	4.6	91.0	99.9	-0.84
1.950	30 Apr 26	12.01B	1.536	125.4	140.9	-1.49	4.3	91.8	106.3	-1.73
1.950	30 Jul 30	12.31B	2.007	139.5	143.9	-0.31	2.0	103.0	108.8	-0.49
4.200	31 Jan 37	17.02B	2.444	152.5	156.5	-0.28	0.4	158.0	161.4	-0.21
5.150	31 Oct 44	11.23B	2.684	165.2	169.5	-0.29	0.3	203.5	205.3	-0.09

Spreads against the German curve, bp



Asset swap term structure, bp





## Netherlands

	15	16	17
GDP, %, y/y	0.7	1.4	1.7
Public balance	-2.8	-2.2	-1.8
Debt/GDP	69.5	70.5	70.5

Source: European Commission, Winter 2015 forecast

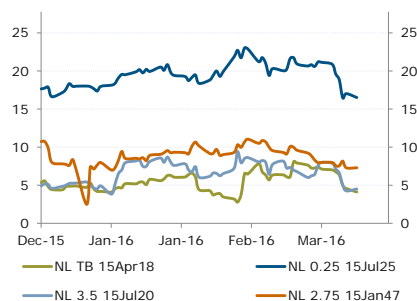
Rating	Aaa/AA+/AAA
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Moody's / S&amp;P / Fitch

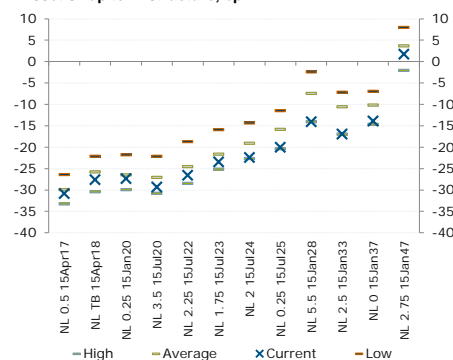
$\Delta$  B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread			
Coupon	Maturity	Volume	Yield	14-Mar	60D Avg.	Z-score	$\Delta$ B/E Spd 1Y	14-Mar	60D Avg.	Z-score	
0.500	15 Apr 17	13.03B	-0.459	-1.7	-0.8	-0.97	7.9	-30.9	-29.9	-0.72	
0.000	15 Apr 18	15.99B	-0.421	4.1	5.6	-1.33	-4.0	-27.6	-25.8	-1.20	
0.250	15 Jan 20	15.84B	-0.322	6.9	8.2	-1.15	-19.2	-27.4	-26.5	-0.49	
3.500	15 Jul 20	15.02B	-0.302	4.5	6.8	-2.04	0.4	-29.3	-27.1	-1.13	
2.250	15 Jul 22	15.01B	-0.078	10.3	12.2	-1.15	-0.6	-26.6	-24.6	-1.19	
1.750	15 Jul 23	15.63B	0.070	14.6	15.9	-0.81	0.4	-23.5	-21.7	-1.12	
2.000	15 Jul 24	15.32B	0.193	13.9	16.0	-1.55	0.1	-22.4	-19.1	-2.09	
0.250	15 Jul 25	15.01B	0.353	16.5	19.7	-2.50	-0.3	-20.1	-15.9	-2.81	
5.500	15 Jan 28	13.02B	0.535	10.9	11.9	-0.41	0.1	-14.1	-7.5	-3.48	
2.500	15 Jan 33	12.01B	0.831	7.6	10.2	-1.19	-0.2	-17.0	-10.6	-4.24	
0.000	15 Jan 37	0.0B	1.036	11.8	15.4	-2.25	-0.4	-13.9	-10.2	-2.90	
2.750	15 Jan 47	10.99B	1.114	7.3	8.9	-1.56	0.0	1.7	3.6	-0.94	

Spreads against the German curve, bp



Asset swap term structure, bp



## Belgium

	15	16	17
GDP, %, y/y	1.0	1.1	1.4
Public balance	-3.2	-2.6	-2.4
Debt/GDP	106.4	106.8	106.6

Source: European Commission, Winter 2015 forecast

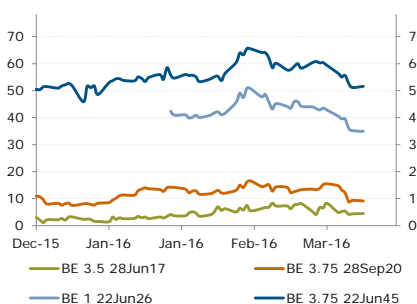
Rating	Aa3/AA/AA
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Moody's / S&amp;P / Fitch

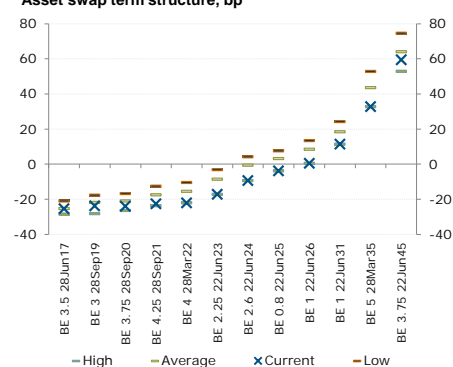
$\Delta$  B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread			
Coupon	Maturity	Volume	Yield	14-Mar	60D Avg.	Z-score	$\Delta$ B/E Spd 1Y	14-Mar	60D Avg.	Z-score	
3.500	28 Jun 17	13.34B	-0.402	4.4	4.6	-0.07	0.4	-25.4	-25.4	-0.06	
3.000	28 Sep 19	12.01B	-0.313	10.0	11.9	-1.01	0.1	-23.8	-21.8	-0.92	
3.750	28 Sep 20	19.01B	-0.237	9.1	12.2	-1.62	-0.1	-24.1	-21.0	-1.42	
4.250	28 Sep 21	15.98B	-0.132	11.3	16.2	-2.32	0.1	-22.6	-17.6	-1.75	
4.000	28 Mar 22	14.02B	-0.078	13.1	19.0	-3.20	0.1	-22.2	-15.5	-2.52	
2.250	22 Jun 23	13.99B	0.116	20.0	27.7	-4.46	1.0	-17.2	-8.6	-3.44	
2.600	22 Jun 24	15.85B	0.300	25.6	32.9	-2.97	0.5	-9.4	-0.6	-3.93	
0.800	22 Jun 25	16.02B	0.502	32.1	38.3	-2.34	0.7	-3.9	3.2	-4.21	
1.000	22 Jun 26	6.24B	0.643	34.9	43.0	-2.70	0.5	0.4	8.4	-4.10	
1.000	22 Jun 31	4.52B	1.120	45.5	50.1	-1.39	0.0	11.3	18.4	-3.10	
5.000	28 Mar 35	19.01B	1.211	35.0	41.1	-1.83	-0.2	32.8	43.5	-2.93	
3.750	22 Jun 45	8.01B	1.550	51.6	56.2	-1.34	0.1	59.4	64.0	-0.82	

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

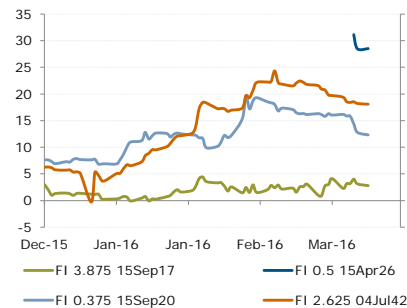
Rating	Aaa/AA+/AAA
Moody's / S&P / Fitch	

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

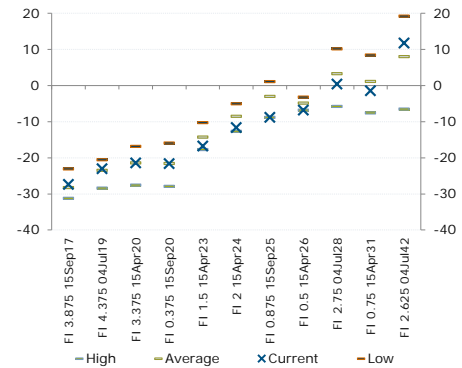
## Finland

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	14-Mar	60D Avg.	Z-score	Δ B/E Spd 1Y	14-Mar	60D Avg.	Z-score
3.875	15 Sep 17	6.0B	-0.423	2.8	2.0	0.86	-2.7	-27.4	-28.3	0.53
4.375	04 Jul 19	5.0B	-0.321	10.9	9.9	0.52	0.3	-23.0	-23.5	0.31
3.375	15 Apr 20	6.5B	-0.251	12.0	12.3	-0.11	0.4	-21.5	-21.4	-0.01
0.375	15 Sep 20	6.03B	-0.208	12.3	13.0	-0.21	0.0	-21.6	-21.6	-0.02
1.500	15 Apr 23	5.0B	0.107	21.4	23.5	-0.74	0.7	-16.8	-14.3	-1.56
2.000	15 Apr 24	5.0B	0.267	24.8	27.0	-0.75	0.3	-11.6	-8.5	-1.92
0.875	15 Sep 25	4.03B	0.473	26.4	31.0	-1.90	-0.3	-8.8	-3.0	<b>-4.06</b>
0.500	15 Apr 26	4.0B	0.564	28.5	29.4	-0.49	0.2	-6.8	-4.9	-1.00
2.750	04 Jul 28	5.0B	0.758	29.4	28.0	0.25	-0.6	0.4	3.3	-0.80
0.750	15 Apr 31	3.5B	0.985	33.2	32.6	0.11	0.3	-1.4	1.1	-0.71
2.625	04 Jul 42	4.03B	1.203	18.1	14.6	0.57	0.0	11.7	8.0	0.53

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

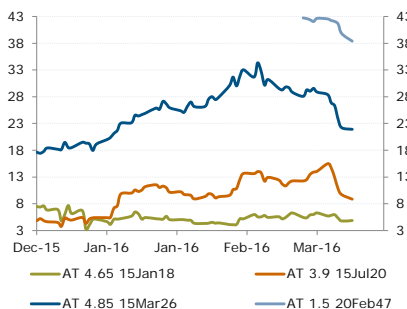
Rating	Aaa/AA+/AA+
Moody's / S&P / Fitch	

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

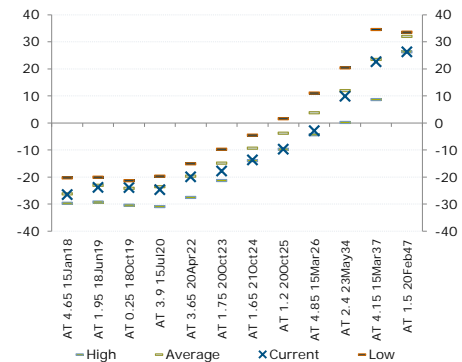
## Austria

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	14-Mar	60D Avg.	Z-score	Δ B/E Spd 1Y	14-Mar	60D Avg.	Z-score
4.650	15 Jan 18	12.06B	-0.411	4.8	5.2	-0.69	0.9	-26.5	-26.2	-0.14
1.950	18 Jun 19	7.21B	-0.328	10.4	10.6	-0.08	0.1	-23.8	-23.0	-0.40
0.250	18 Oct 19	7.95B	-0.306	10.3	10.1	0.06	10.9	-23.9	-24.2	0.14
3.900	15 Jul 20	13.01B	-0.260	8.8	10.0	-0.51	32.3	-24.7	-23.6	-0.51
3.650	20 Apr 22	8.71B	-0.050	15.3	15.5	-0.07	19.1	-19.9	-19.6	-0.12
1.750	20 Oct 23	9.99B	0.155	19.8	22.2	-0.76	-4.5	-17.7	-14.8	-1.47
1.650	21 Oct 24	10.35B	0.312	22.1	25.2	-1.07	-12.2	-13.6	-9.3	<b>-2.90</b>
1.200	20 Oct 25	9.28B	0.467	24.5	29.1	-1.58	-15.4	-9.7	-3.8	<b>-3.39</b>
4.850	15 Mar 26	8.01B	0.489	21.8	25.8	-1.09	-12.7	-2.9	3.8	<b>-2.30</b>
2.400	23 May 34	5.19B	1.122	29.4	28.8	0.12	0.5	9.9	12.0	-0.51
4.150	15 Mar 37	12.22B	1.195	27.2	26.5	0.15	2.1	22.7	23.5	-0.15
1.500	20 Feb 47	1.5B	1.424	38.3	41.6	<b>-3.08</b>	3.0	26.3	32.0	<b>-4.01</b>

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

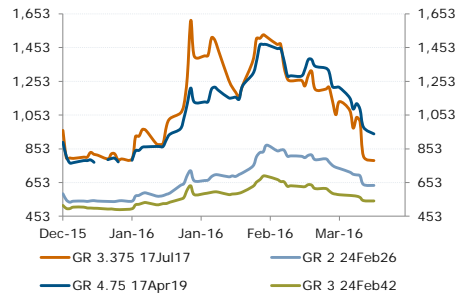
Source: European Commission, Winter 2015 forecast

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

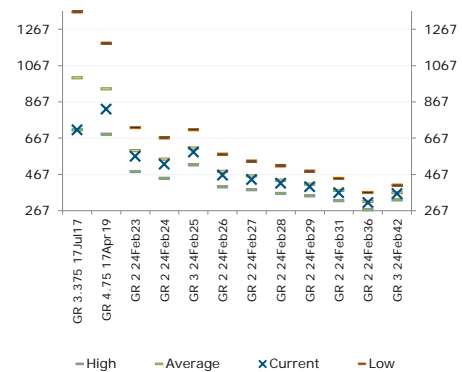
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	14-Mar	60D Avg.	Z-score	Δ B/E Spd 1Y	14-Mar	60D Avg.	Z-score
3.375	17 Jul 17	2.02B	7.386	783.4	1,138.0	-1.63	48.9	712.0	999.1	-1.65
4.750	17 Apr 19	4.02B	8.970	941.5	1,104.0	-0.83	-92.7	826.9	938.4	-0.78
2.000	24 Feb 23	1.04B	7.308	743.1	809.1	-0.58	-50.8	566.3	597.6	-0.46
2.000	24 Feb 24	1.25B	6.981	698.1	759.1	-0.58	-23.8	523.0	550.7	-0.45
3.000	24 Feb 25	1.84B	8.062	792.3	848.5	-0.56	-24.3	590.1	612.3	-0.41
2.000	24 Feb 26	1.37B	6.627	636.2	684.7	-0.55	1.8	462.9	482.9	-0.41
2.000	24 Feb 27	1.21B	6.497	614.5	660.3	-0.58	-4.6	438.7	457.6	-0.44
2.000	24 Feb 28	1.84B	6.400	596.4	636.3	-0.52	-0.4	418.3	434.2	-0.39
2.000	24 Feb 29	1.48B	6.290	577.6	613.8	-0.52	8.3	399.0	412.9	-0.37
2.000	24 Feb 31	1.29B	6.053	540.7	577.2	-0.61	0.0	365.3	378.4	-0.42
2.000	24 Feb 36	1.33B	5.634	474.4	502.6	-0.60	3.0	311.1	318.0	-0.28
3.000	24 Feb 42	1.05B	6.460	544.0	578.3	-0.74	-4.5	360.9	365.9	-0.23

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

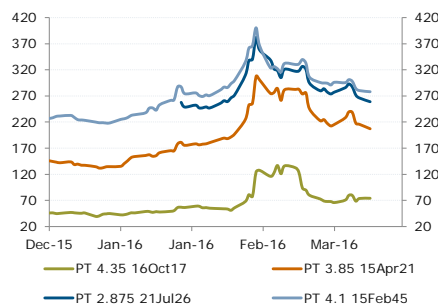
Source: European Commission, Winter 2015 forecast

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

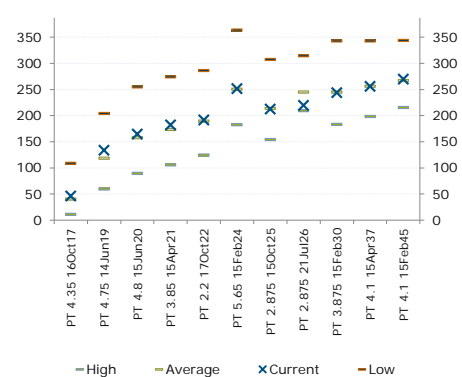
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	14-Mar	60D Avg.	Z-score	Δ B/E Spd 1Y	14-Mar	60D Avg.	Z-score
4.350	16 Oct 17	8.41B	0.285	73.8	68.1	0.26	-8.4	46.2	40.4	0.27
4.750	14 Jun 19	10.99B	1.152	158.5	143.4	0.38	-0.2	133.6	118.4	0.38
4.800	15 Jun 20	10.99B	1.506	186.1	179.8	0.14	-3.5	164.7	157.6	0.16
3.850	15 Apr 21	10.01B	1.791	207.0	199.7	0.16	-3.6	182.1	173.4	0.20
2.200	17 Oct 22	3.0B	2.172	232.8	232.5	0.01	4.2	191.4	189.5	0.05
5.650	15 Feb 24	12.02B	2.608	261.2	261.0	0.00	4.4	251.6	250.5	0.03
2.875	15 Oct 25	10.52B	2.716	249.7	252.0	-0.06	0.8	212.4	213.6	-0.04
2.875	21 Jul 26	4.19B	2.888	258.7	290.1	-1.03	1.2	219.4	245.0	-1.08
3.875	15 Feb 30	4.05B	3.297	271.2	272.4	-0.03	-0.1	243.7	245.2	-0.04
4.100	15 Apr 37	8.02B	3.611	268.5	272.9	-0.12	-1.3	255.8	256.1	-0.01
4.100	15 Feb 45	2.5B	3.812	277.9	281.3	-0.10	-0.7	269.6	267.0	0.09

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

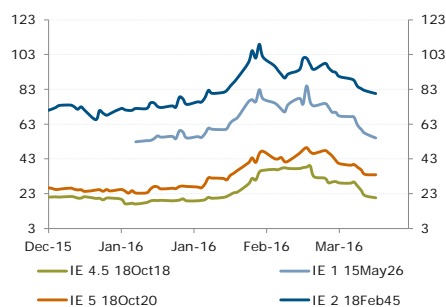
Rating	Baa1/A/A-
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Moody's / S&P / Fitch

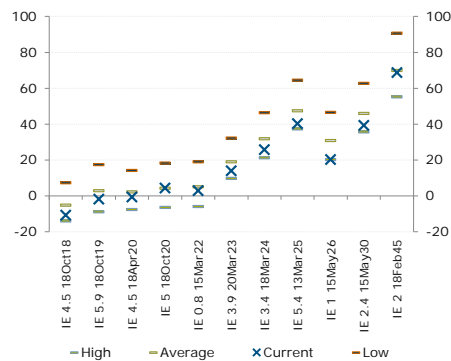
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	14-Mar	60D Avg.	Z-score	Δ B/E Spd 1Y	14-Mar	60D Avg.	Z-score
4.500	18 Oct 18	9.58B	-0.247	20.9	25.6	-0.72	10.5	-10.8	-5.2	-0.99
5.900	18 Oct 19	6.58B	-0.116	29.2	33.3	-0.57	0.4	-1.9	2.8	-0.68
4.500	18 Apr 20	11.77B	-0.063	30.7	33.4	-0.41	-2.7	-0.7	2.1	-0.47
5.000	18 Oct 20	8.99B	0.019	34.2	34.3	-0.01	-1.1	4.3	4.2	0.02
0.800	15 Mar 22	4.25B	0.185	39.7	42.4	-0.32	-2.3	2.8	5.0	-0.32
3.900	20 Mar 23	5.95B	0.350	46.6	50.6	-0.55	0.9	13.9	19.0	-0.86
3.400	18 Mar 24	8.01B	0.580	57.2	62.1	-0.61	0.1	25.7	31.8	-0.96
5.400	13 Mar 25	11.35B	0.750	60.4	65.0	-0.54	0.4	40.2	47.3	-0.93
1.000	15 May 26	4.0B	0.839	55.3	65.8	-1.27	3.7	20.2	30.8	-1.74
2.400	15 May 30	7.78B	1.265	66.5	69.9	-0.36	0.2	39.2	45.9	-0.87
2.000	18 Feb 45	5.95B	1.841	80.8	83.7	-0.29	-2.6	68.7	69.8	-0.11

Spreads against the German curve, bp



Asset swap term structure, bp



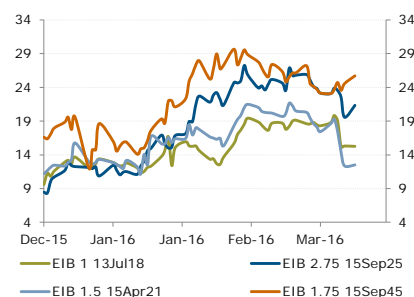


## European Investment Bank (EIB)

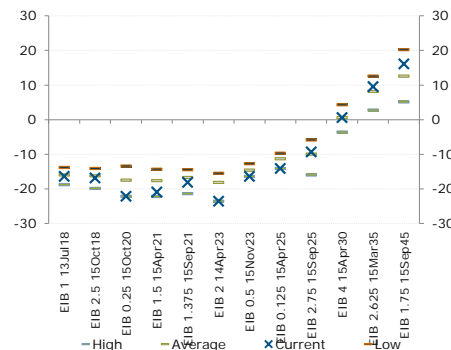
$\Delta$  B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	14-Mar	60D Avg.	Z-score	$\Delta$ B/E Spd 1Y	14-Mar	60D Avg.	Z-score
1.000	13 Jul 18	5.0B	-0.302	15.7	15.7	0.00	-0.1	-16.4	-16.0	-0.33
2.500	15 Oct 18	5.0B	-0.301	15.5	15.5	0.03	0.9	-16.9	-16.3	-0.44
0.250	15 Oct 20	4.0B	-0.205	11.8	18.2	-1.69	-4.1	-22.2	-17.5	-1.62
1.500	15 Apr 21	5.0B	-0.149	12.9	16.9	-1.39	-1.0	-20.9	-17.6	-1.64
1.375	15 Sep 21	4.35B	-0.080	16.8	18.8	-0.71	-1.8	-18.1	-16.7	-0.73
2.000	14 Apr 23	5.0B	0.036	14.3	19.0	-1.39	-3.6	-23.6	-18.1	-2.78
0.500	15 Nov 23	1.5B	0.193	22.7	25.1	-1.29	-0.8	-16.4	-14.6	-2.74
0.125	15 Apr 25	3.0B	0.390	23.3	27.5	-2.58	-3.6	-14.1	-11.3	-4.57
2.750	15 Sep 25	5.75B	0.427	21.8	19.6	0.42	-1.4	-9.3	-9.9	0.18
4.000	15 Apr 30	6.5B	0.827	23.2	19.2	1.00	-3.2	0.6	0.6	-0.01
2.625	15 Mar 35	1.7B	1.124	26.4	22.8	1.04	-2.4	9.5	8.2	0.43
1.750	15 Sep 45	1.3B	1.297	26.1	22.9	0.74	-4.3	16.1	12.6	0.71

Spreads against the German curve, bp



Asset swap term structure, bp

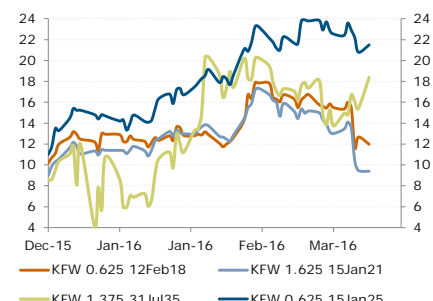


## Kreditanstalt für Wiederaufbau (KfW)

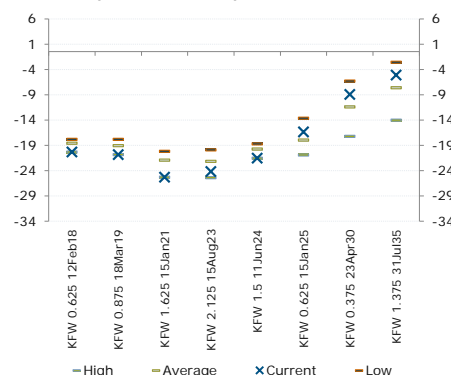
$\Delta$  B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	14-Mar	60D Avg.	Z-score	$\Delta$ B/E Spd 1Y	14-Mar	60D Avg.	Z-score
0.625	12 Feb 18	2.0B	-0.345	11.6	13.4	-1.04	-2.1	-19.8	-18.1	-2.82
0.875	18 Mar 19	5.0B	-0.314	13.8	14.9	-1.14	-0.3	-20.4	-18.6	-2.43
1.625	15 Jan 21	5.0B	-0.210	9.0	12.7	-2.35	-1.1	-24.8	-21.4	-3.03
2.125	15 Aug 23	3.0B	0.073	13.9	15.3	-0.50	-1.7	-23.7	-21.7	-1.55
1.500	11 Jun 24	3.0B	0.201	16.1	19.2	-1.98	-2.1	-21.1	-19.2	-4.12
0.625	15 Jan 25	3.0B	0.335	21.1	18.3	0.85	-2.4	-15.9	-17.5	1.34
0.375	23 Apr 30	2.0B	0.874	27.7	21.4	1.09	-2.8	-8.5	-11.0	0.72
1.375	31 Jul 35	1.0B	1.052	18.0	13.3	1.13	-2.1	-4.6	-7.1	0.70

Spreads against the German curve, bp



Asset swap term structure, bp



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