

Euro Rates Update

Nordea Research, 31 March 2016

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US Treasury Yields				
	2Y	5Y	10Y	30Y
	0.79	1.29	1.85	2.68
Δ 1D	-5.9	-5.5	-1.8	2.4
Δ 1W	-8.2	-10.8	-6.0	-2.3

German Benchmark Yields				
	2Y	5Y	10Y	30Y
	-0.49	-0.33	0.16	0.84
Δ 1D	0.0	0.7	0.7	0.8
Δ 1W	-2.1	-4.2	-6.9	-10.4

German Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-16.1	-48.6	-64.8	-67.5
Δ 1D	0.7	0.0	0.7	0.1
Δ 1W	-2.1	-2.8	-4.8	-3.5

EUR Swap Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-17.8	-51.9	-69.7	-49.8
Δ 1D	0.1	0.2	0.3	0.3
Δ 1W	-1.5	-1.9	-3.4	-2.1

German Asset Swap Levels				
	2Y	5Y	10Y	30Y
	-33.3	-35.1	-36.7	-17.9
Δ 1D	-0.1	0.3	0.1	-0.2
Δ 1W	-0.8	-0.9	-1.8	-2.9

10Y Benchmark Yields				
	Yield	Δ 1D	Spread	Δ 1D
GER	0.161	0.7	-	-
FRA	0.414	0.3	27.9	-0.4
ITA	1.229	-1.7	109.3	-2.4
ESP	1.441	-1.1	125.9	-1.8
BEL	0.392	-0.2	30.8	-1.0
HOL	0.242	0.2	15.1	-0.5
AUT	0.357	0.5	23.4	-0.2
GRE	7.955	-1.5	791.0	-2.2
POR	2.769	3.4	264.7	2.7
FIN	0.457	-0.7	27.9	-1.4
IRL	0.746	0.2	56.1	-0.5

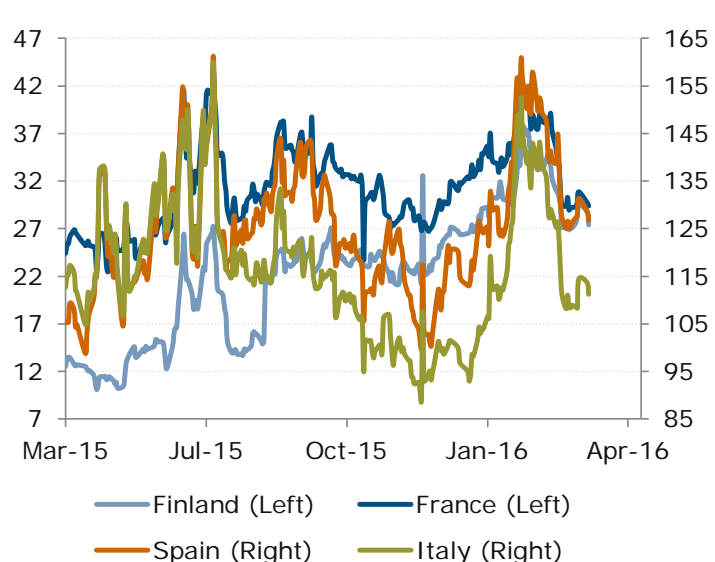
Spread = Maturity interpolated spread to German government par yield curve

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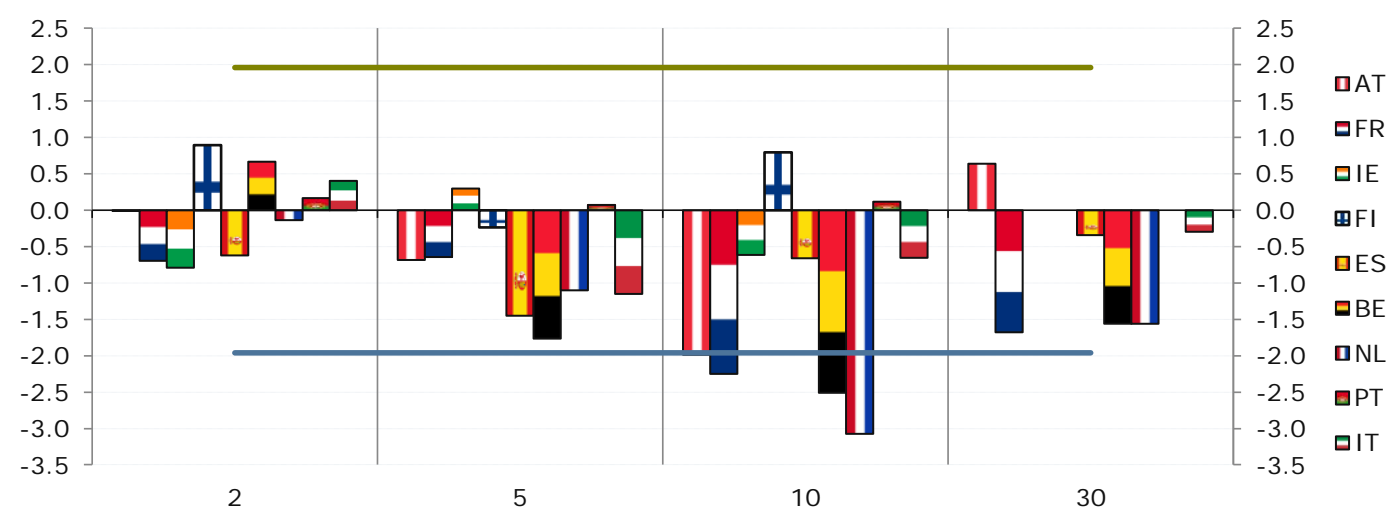
German & US 10-year benchmark yields, %



10 year spreads against Germany, bp



Z-scores of benchmark vs. Germany



Upcoming Issuance (source: Bloomberg)							
Date		Country		Coupon		Maturity	Amount (EURbn)
05 Apr		AS					
06 Apr		GE		0.00%		2018	4.00
07 Apr		SP					
11 Apr		LN		2.10%		2021	3.00

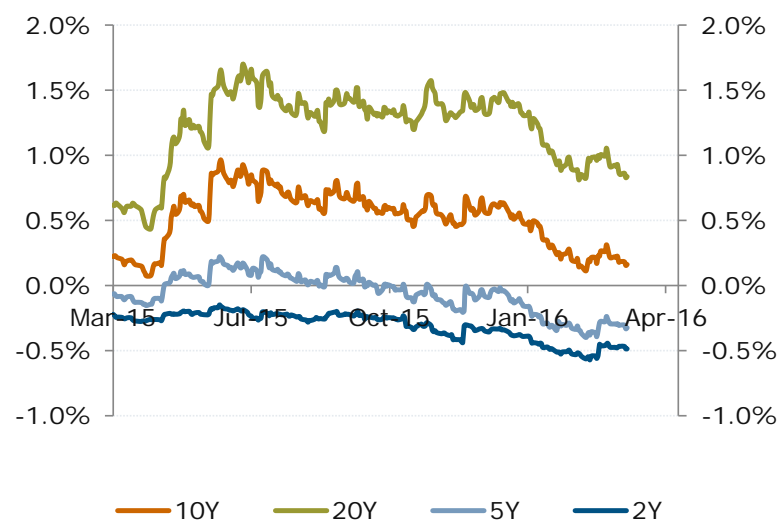
All bond quotes are taken at 16:15 CET.

Bond Yields & Curves

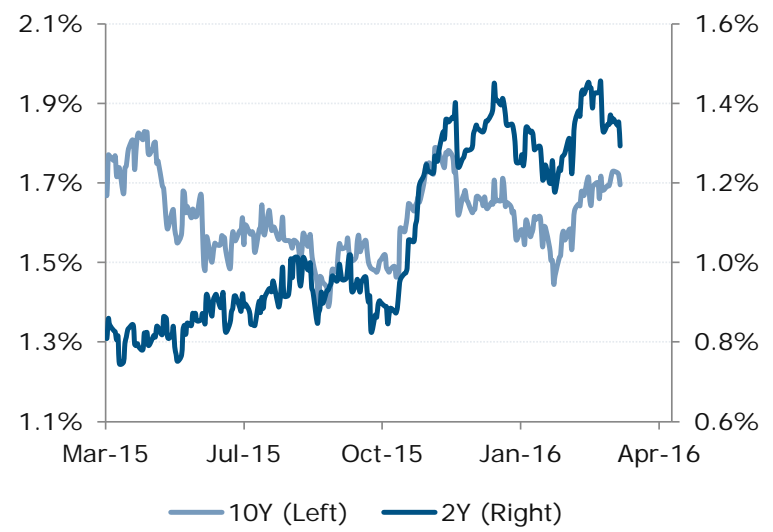
Yield Levels

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

German benchmark bond yields, %



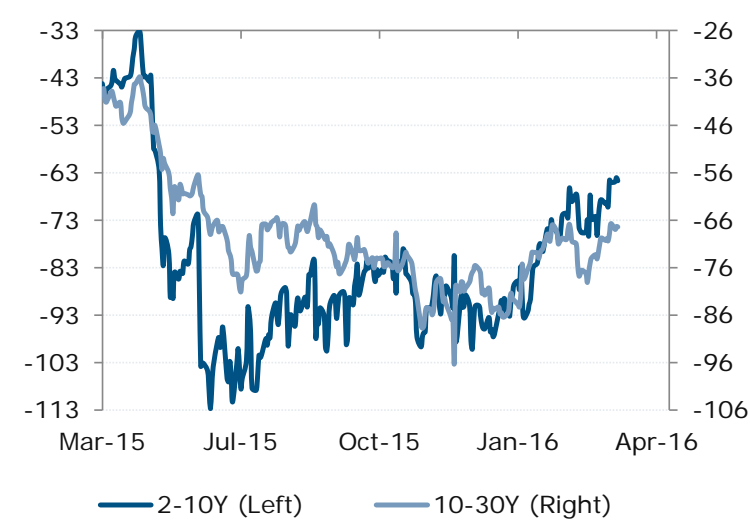
USA-Germany spreads, annualized yields, %



Bond Curve Shape

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

German yield curve slopes, bp



Bonds vs. equities



Swaps and Forwards

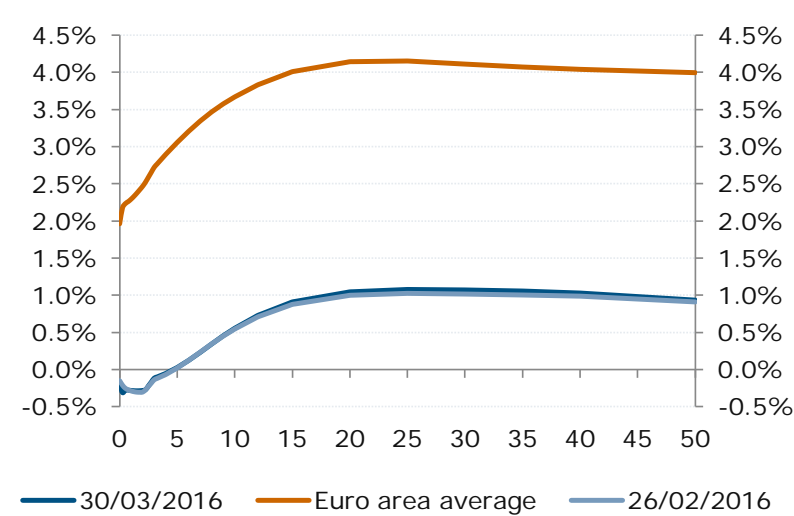
EUR swap rates and implied forwards, %



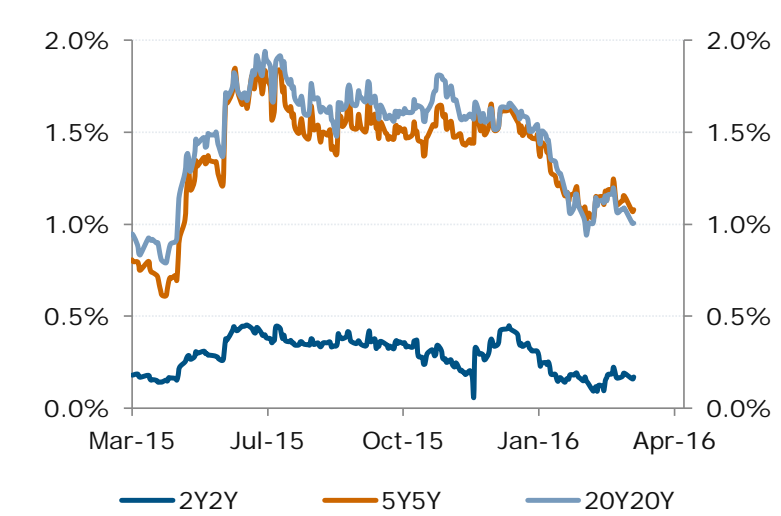
EUR-USD spreads and implied forwards, %



EUR swap curve shape vs. historical

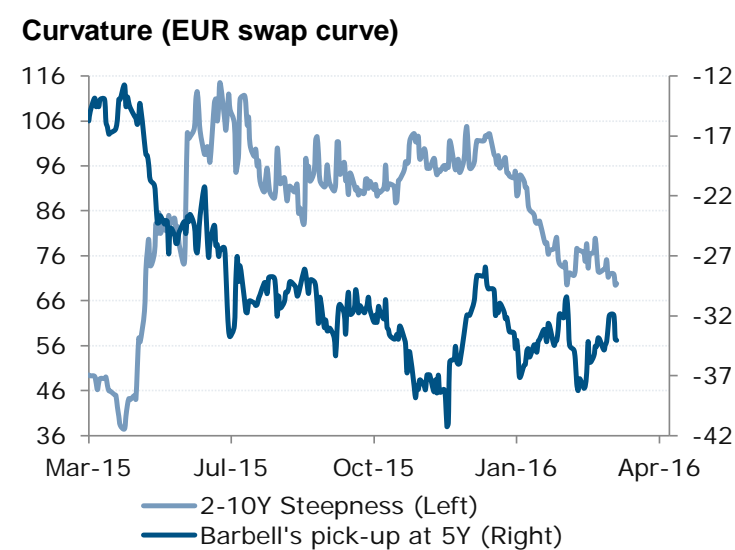


Historical forward rates, %



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

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

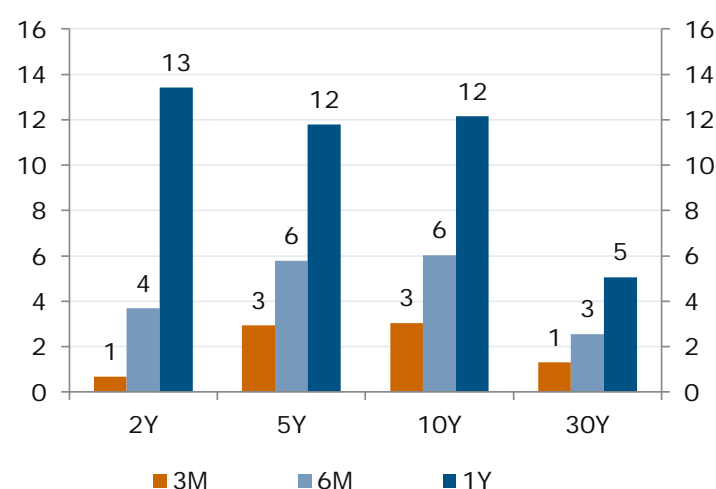


Carry

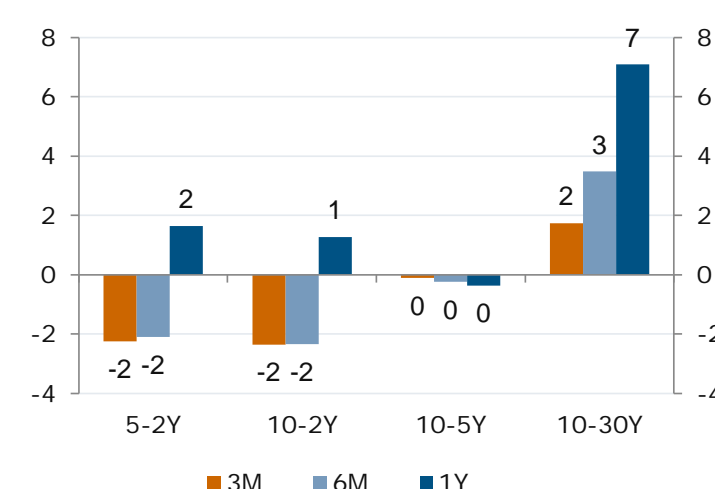
The carry on the given horizon illustrates how much the spot swap rate may rise for a receiver swap position in a forward-starting swap to result in zero profit.

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

Yield buffers for forward-starting swaps, bp

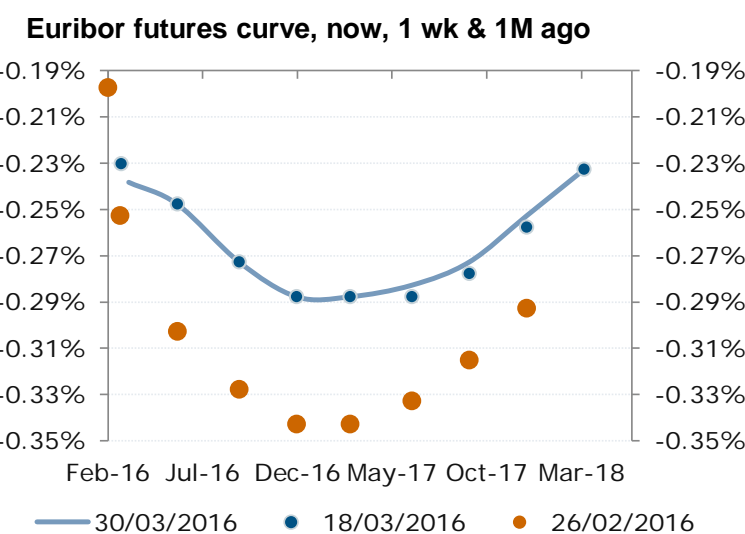
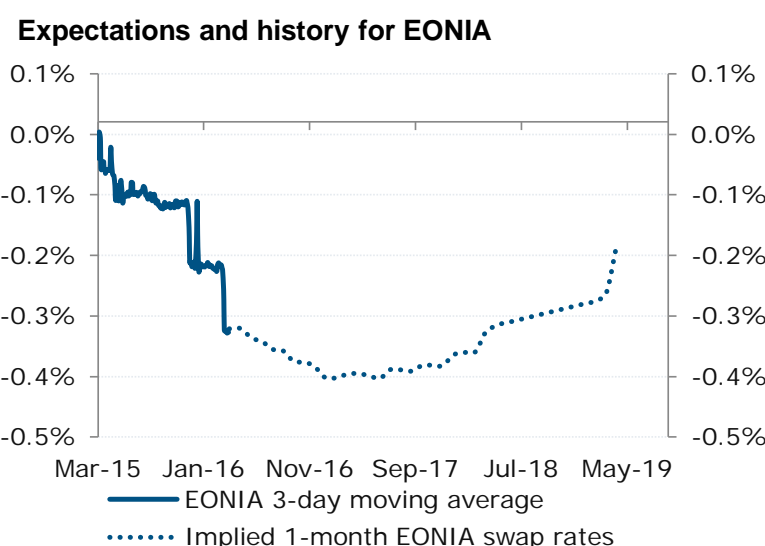


Yield buffers for duration-neutral steepeners, bp



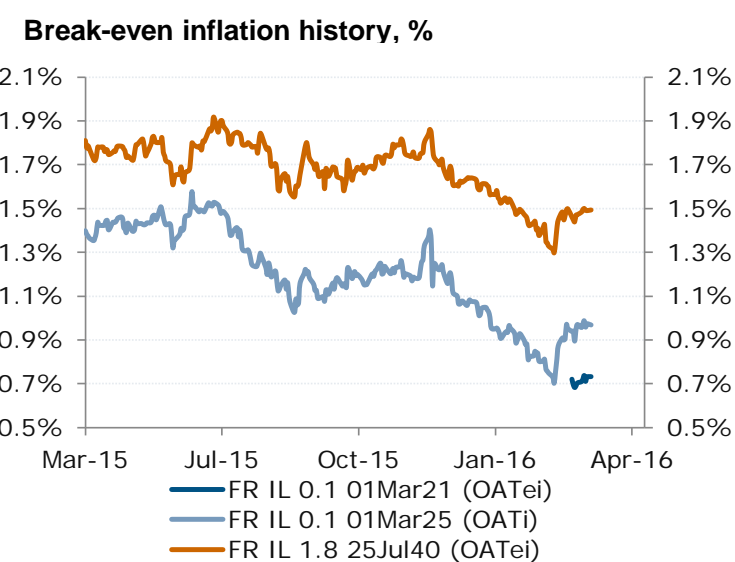
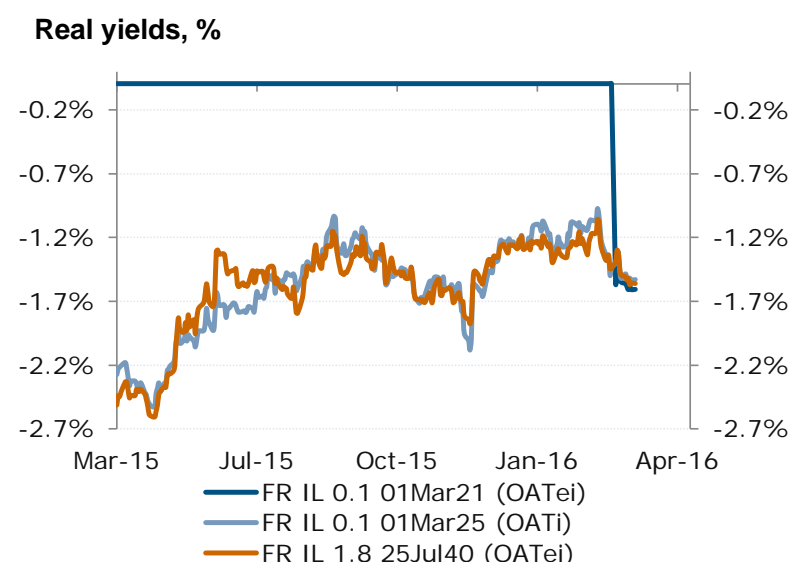
Money Market Rates

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



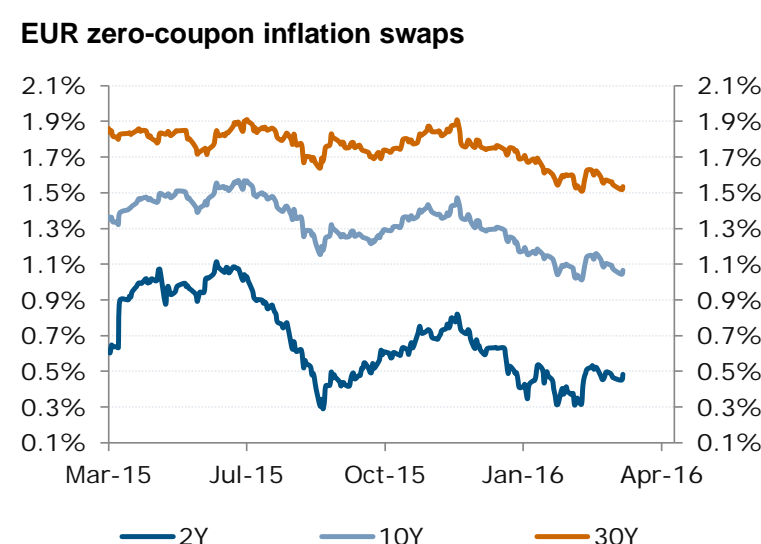
Inflation-linked Bonds

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

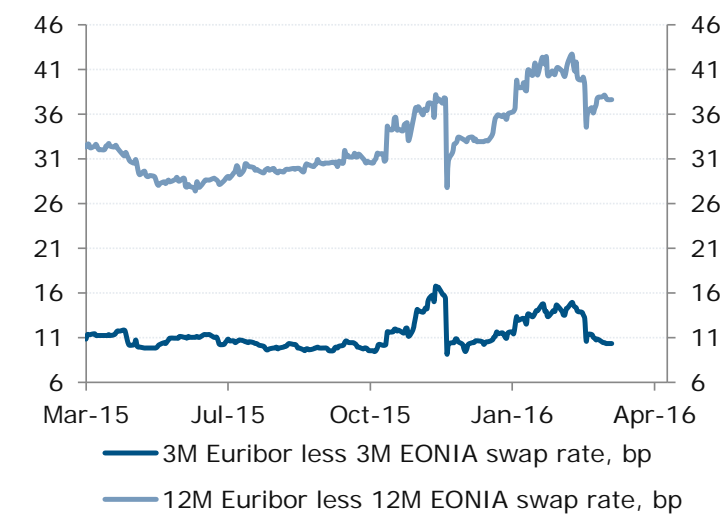
Credit default swap indices illustrate the annual cost of buying protection against a credit event of a company. iTraxx® Europe is comprised of the 125 most liquid CDS contracts referencing European investment grade credits, iTraxx® Crossover of 50 sub-investment grade credits.

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



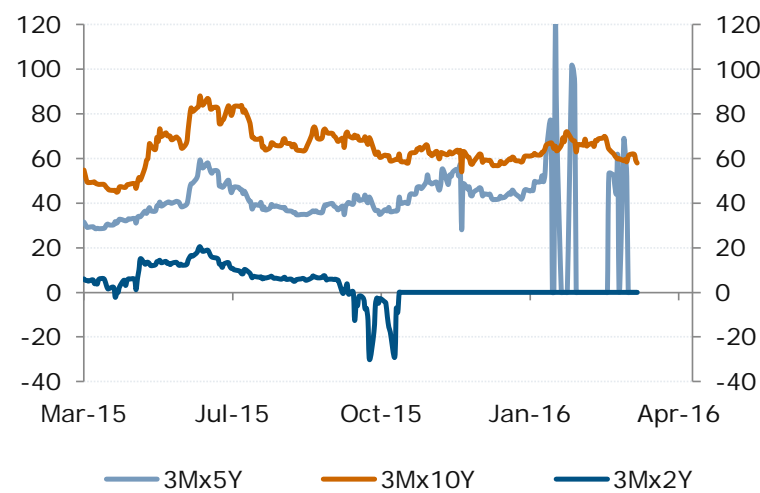
Money market rates vs. EONIA swap rates



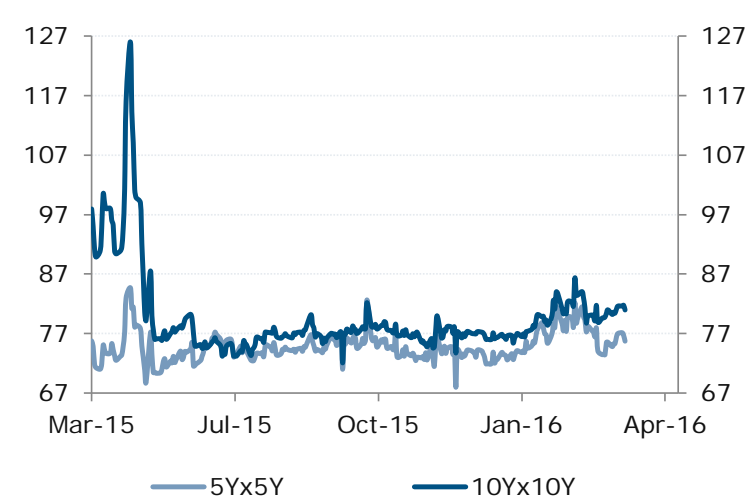
Swaption Volatilities

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

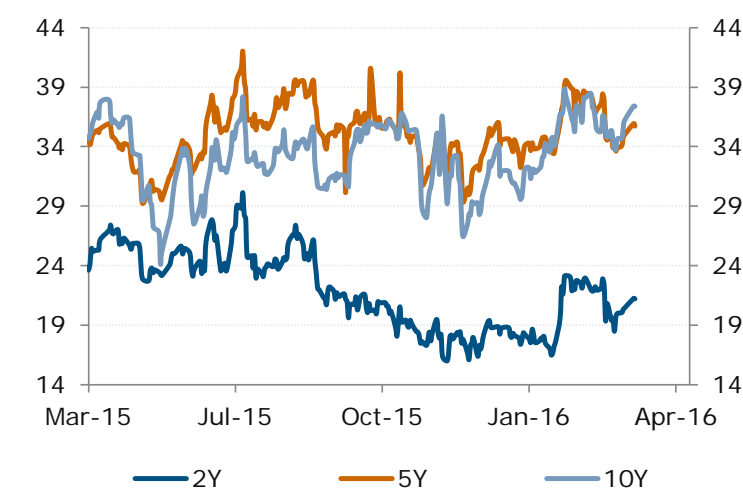


Swap & Cross-country Spreads

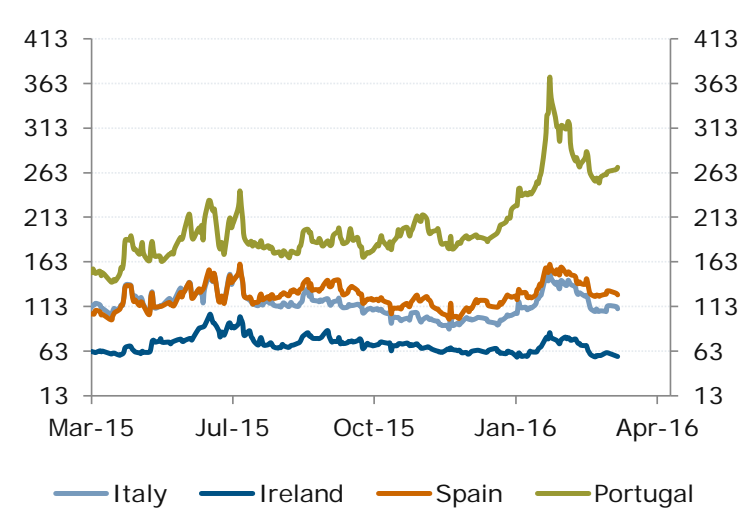
Swap spread:
Benchmark bond's spread to EUR swap curve.

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

German swap spreads, bp



10Y non-AAA spreads against Germany, bp

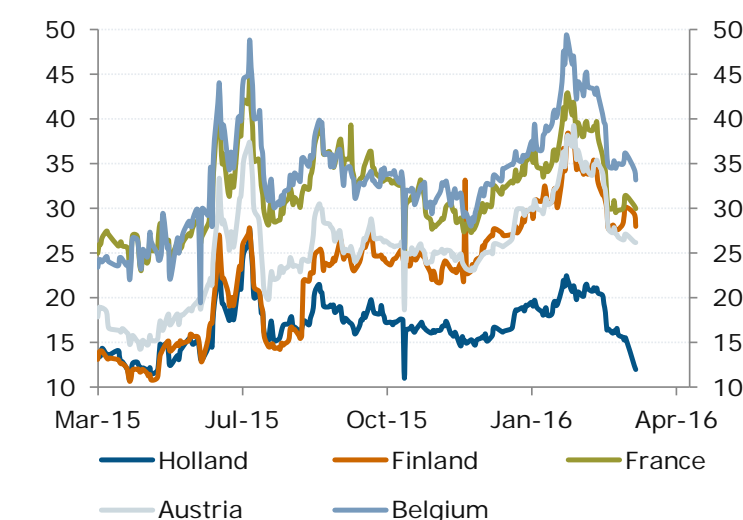


1Y break-even spread changes indicate how much a bond's spread against an equivalent bond trading on the German curve may widen in order to give the same return in one year.

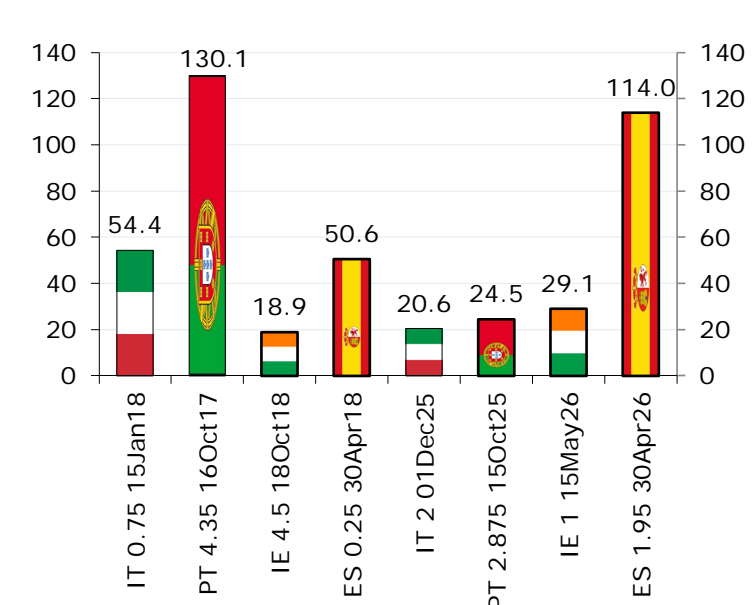
The break-even spread change is based on the spread against the following two German benchmark bonds:

DE TB 16Mar18
DE 0.5 15Feb26

10Y AAA/AA+ spreads to Germany, bp



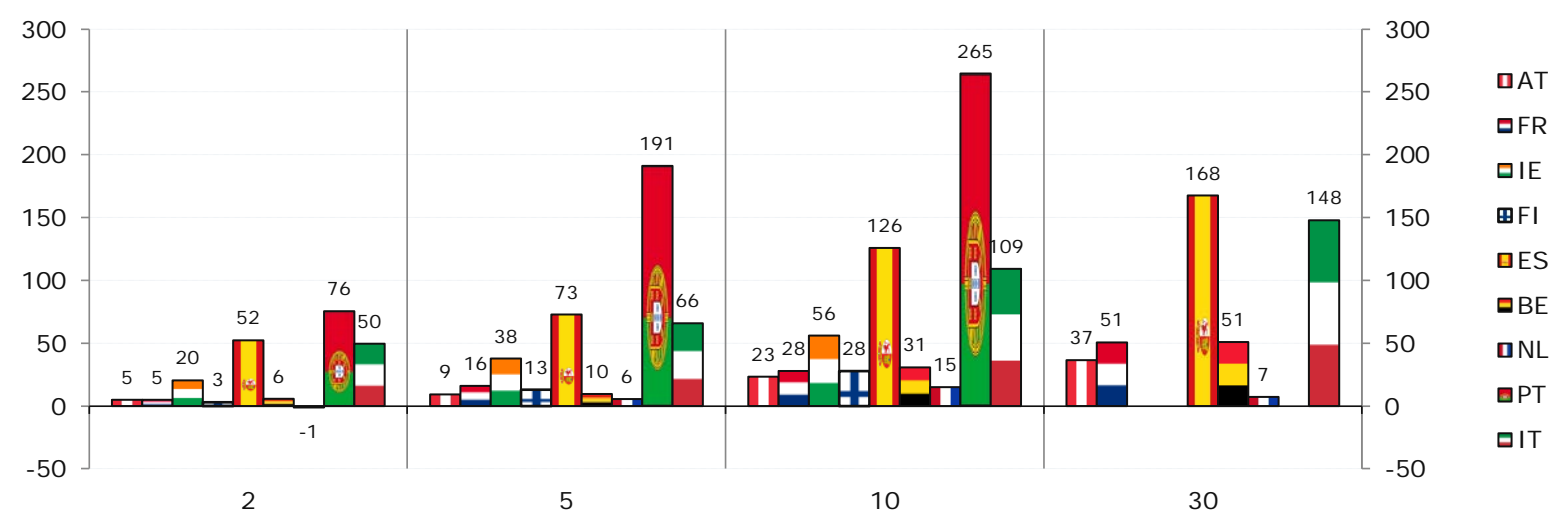
1Y B/E spread changes against Germany, bp



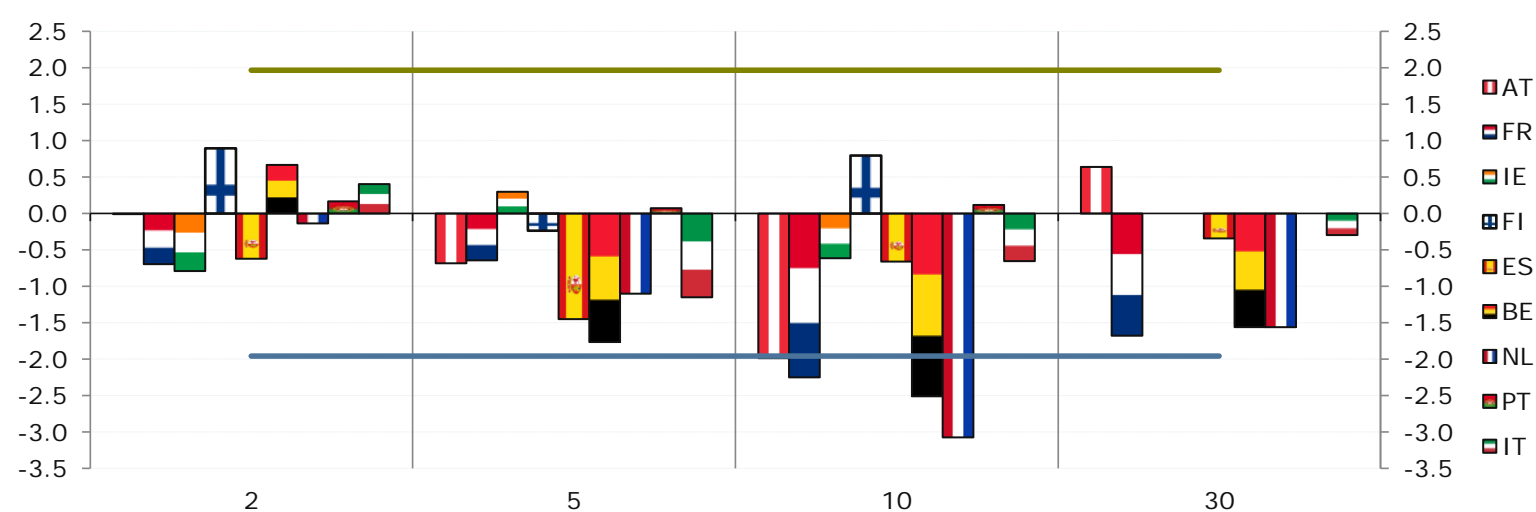


Country Relative Value

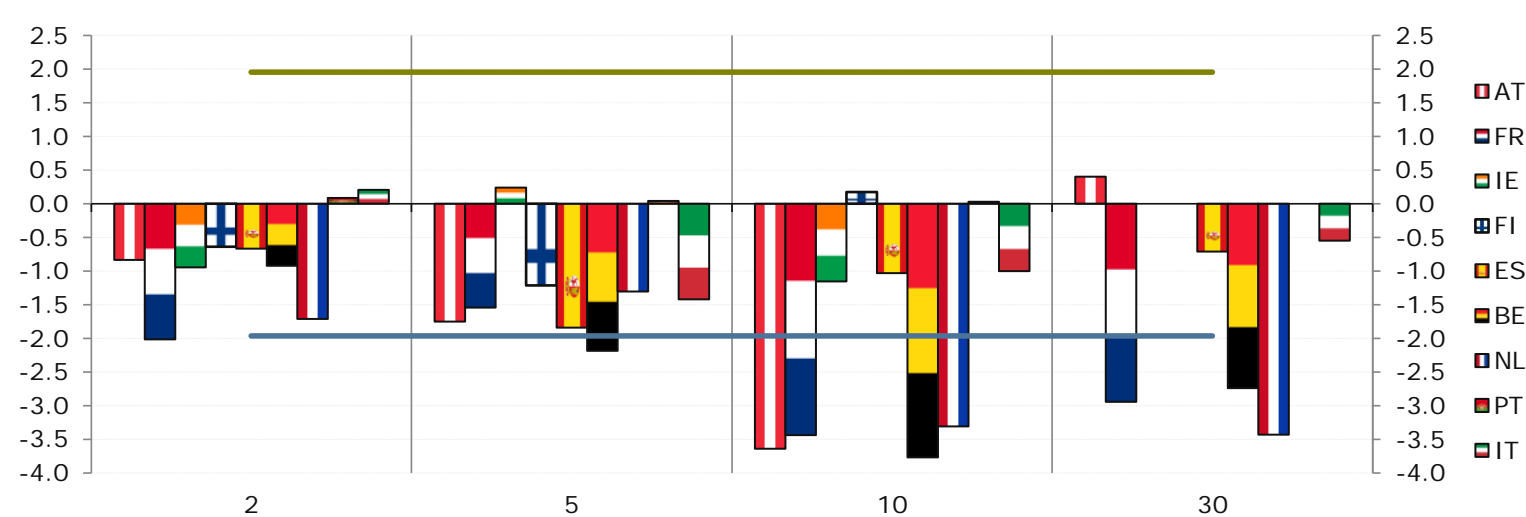
Benchmark spreads over the maturity-interpolated German par curve, bp



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	BE	28 Mar 19	4.000	7.0	-1.88	KfW	18 Mar 19	0.875	-22.9	-3.31
Cheap	DE	16 Mar 18	0.000	-7.0	1.45	DE	16 Mar 18	0.000	-33.3	0.29
5Y: Rich	BE	28 Mar 22	4.000	14.1	-2.01	KfW	15 Jan 21	1.625	-26.7	-2.76
Cheap	DE	09 Apr 21	0.000	-16.6	1.38	DE	09 Apr 21	0.000	-35.1	0.53
7Y: Rich	BE	22 Jun 23	2.250	20.1	-2.47	FI	15 Apr 24	2.000	-13.7	-3.19
Cheap	DE	15 Feb 24	1.750	-27.0	1.97	PT	17 Oct 22	2.200	203.4	0.15
10Y: Rich	NL	15 Jul 25	0.250	15.1	-2.94	BE	22 Jun 25	0.800	-7.1	-3.63
Cheap	DE	15 Aug 25	1.000	-27.5	2.09	NL	15 Jul 26	0.500	-19.4	0.50
15Y: Rich	BE	22 Jun 31	1.000	43.1	-1.98	NL	15 Jan 37	4.000	-16.9	-4.34
Cheap	DE	04 Jan 31	5.500	-45.1	1.78	KfW	23 Apr 30	0.375	-8.9	0.36
20Y: Rich	FR	25 May 45	3.250	50.7	-1.67	NL	15 Jan 47	2.750	-2.6	-2.97
Cheap	EIB	15 Sep 45	1.750	28.9	1.34	EIB	15 Sep 45	1.750	15.4	0.35

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.



	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

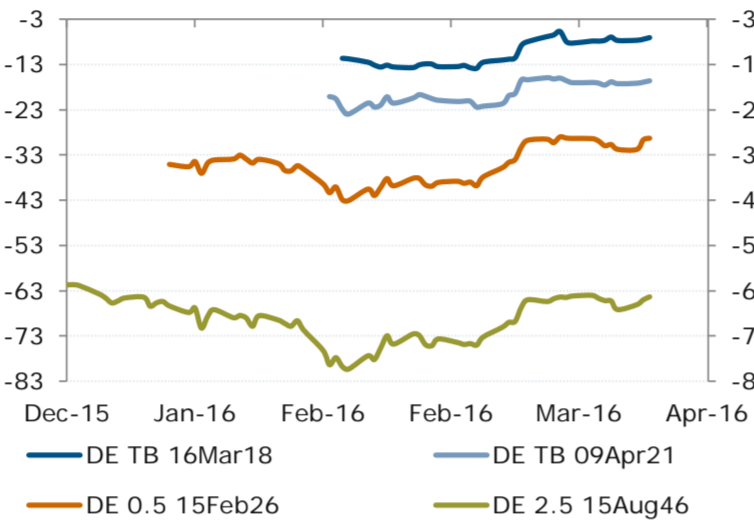
Rating	Aaa/AAA/AAA
Moody's / S&P / Fitch	

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

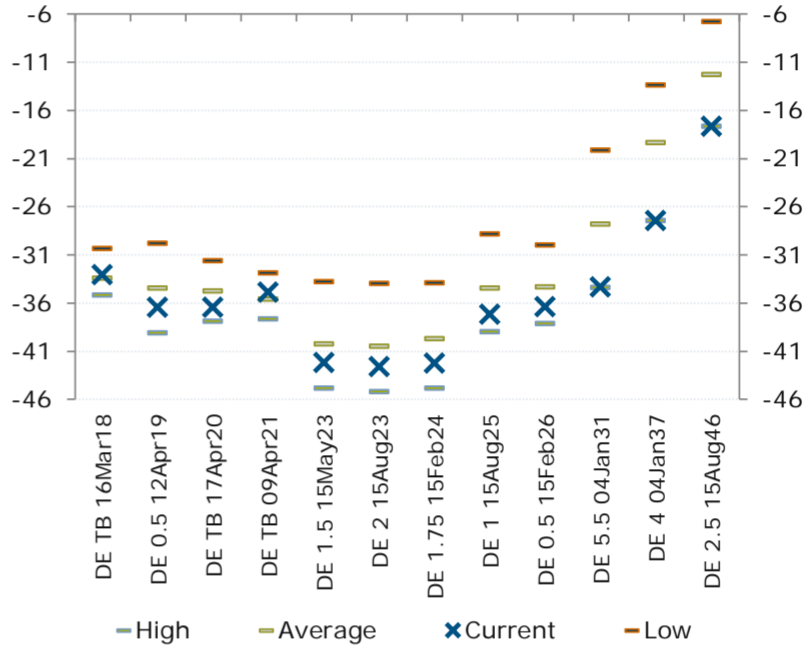
Germany

Benchmark Bonds				Spread vs. France				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	30-Mar	60D Avg.	Z-score	Δ B/E Spd 1Y	30-Mar	60D Avg.	Z-score
0.000	16 Mar 18	9.0B	-0.487	-7.0	-10.8	1.45	-0.7	-33.3	-33.7	0.29
0.500	12 Apr 19	16.0B	-0.483	-13.3	-15.1	1.15	-0.2	-36.7	-34.7	-1.33
0.000	17 Apr 20	20.0B	-0.420	-16.2	-17.4	0.76	-0.4	-36.7	-35.0	-0.92
0.000	09 Apr 21	13.0B	-0.326	-16.6	-19.6	1.38	-89.7	-35.1	-35.9	0.53
1.500	15 May 23	18.0B	-0.188	-25.5	-30.1	1.75	0.4	-42.5	-40.5	-0.80
2.000	15 Aug 23	18.0B	-0.165	-26.4	-31.2	1.84	0.3	-42.9	-40.7	-0.82
1.750	15 Feb 24	18.0B	-0.107	-27.0	-32.3	1.97	0.3	-42.5	-40.0	-1.04
1.000	15 Aug 25	23.0B	0.100	-27.5	-34.2	2.09	0.5	-37.4	-34.7	-1.13
0.500	15 Feb 26	14.0B	0.161	-29.3	-35.7	1.82	0.1	-36.7	-34.6	-1.09
5.500	04 Jan 31	17.0B	0.456	-45.1	-51.9	1.78	0.0	-34.6	-28.1	-2.17
4.000	04 Jan 37	23.0B	0.686	-57.8	-62.1	1.03	0.0	-27.7	-19.6	-3.59
2.500	15 Aug 46	15.0B	0.836	-64.3	-69.9	1.34	0.1	-17.9	-12.6	-2.41

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

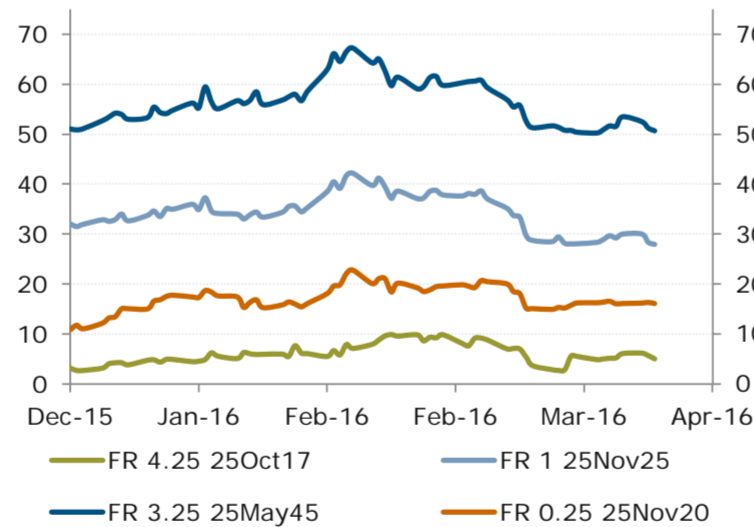
Rating	Aa1/AA/AA
Moody's / S&P / Fitch	

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

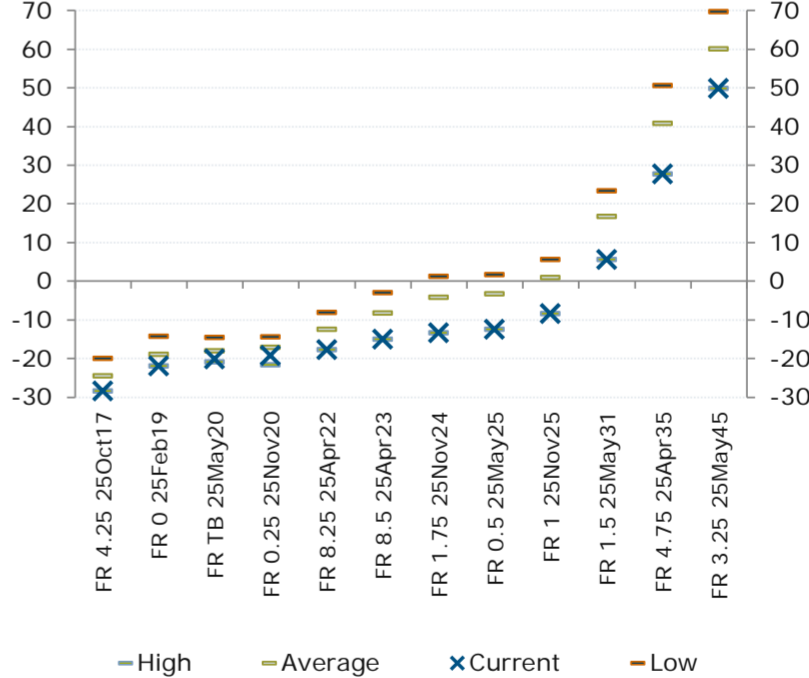
France

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	30-Mar	60D Avg.	Z-score	Δ B/E Spd 1Y	30-Mar	60D Avg.	Z-score
4.250	25 Oct 17	34.03B	-0.439	5.0	6.2	-0.72	-0.4	-28.4	-24.6	-2.49
0.000	25 Feb 19	9.48B	-0.345	13.9	15.0	-0.66	-0.7	-22.1	-19.0	-2.44
0.000	25 May 20	22.01B	-0.242	16.6	17.0	-0.32	-128.0	-20.2	-18.1	-1.73
0.250	25 Nov 20	24.82B	-0.199	16.1	17.5	-0.72	-2.0	-19.3	-17.2	-1.75
8.250	25 Apr 22	1.99B	-0.100	16.8	18.4	-0.68	-0.9	-17.8	-12.5	-2.26
8.500	25 Apr 23	10.03B	0.010	19.1	21.1	-0.91	-1.0	-15.1	-8.3	-2.47
1.750	25 Nov 24	30.99B	0.252	24.2	30.1	-2.25	-0.4	-13.5	-4.3	-3.18
0.500	25 May 25	31.02B	0.335	26.0	32.9	-2.26	-0.5	-12.6	-3.4	-3.16
1.000	25 Nov 25	25.99B	0.414	27.9	34.7	-2.18	-0.2	-8.5	0.8	-3.28
1.500	25 May 31	12.01B	0.920	39.0	45.5	-1.69	0.0	5.5	16.6	-3.31
4.750	25 Apr 35	25.03B	1.072	35.0	40.4	-1.35	0.3	27.6	40.7	-2.73
3.250	25 May 45	17.01B	1.382	50.7	57.0	-1.67	0.3	49.7	60.0	-1.98

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

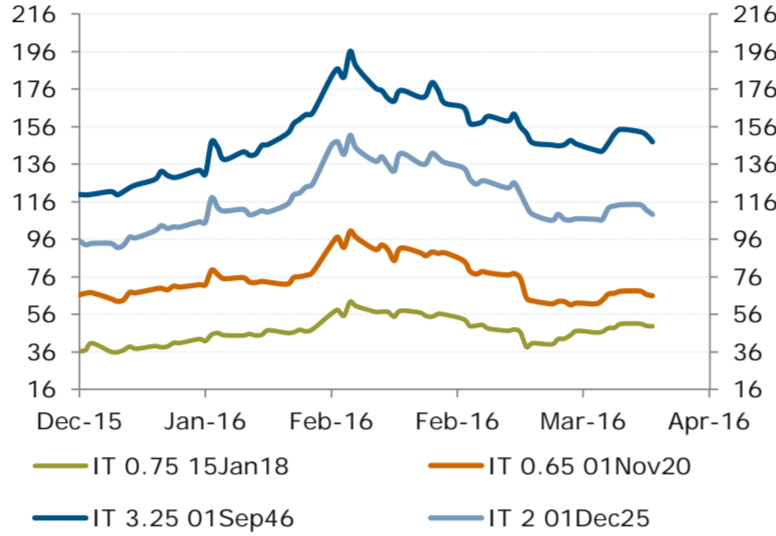
Rating	Baa2/BBB-/BBB+
Moody's / S&P / Fitch	

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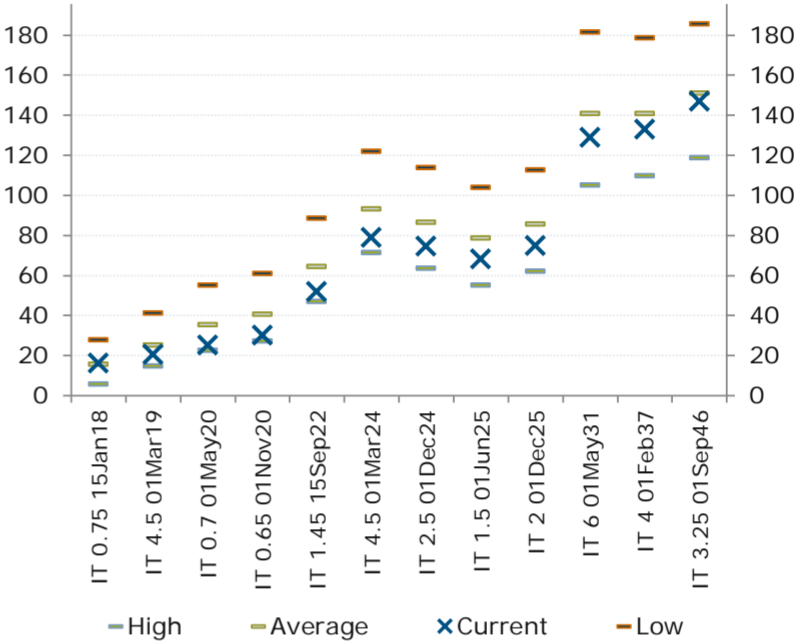
Italy

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	30-Mar	60D Avg.	Z-score	Δ B/E Spd 1Y	30-Mar	60D Avg.	Z-score
0.750	15 Jan 18	15.46B	0.006	49.7	47.6	0.37	176.4	16.0	15.6	0.08
4.500	01 Mar 19	24.01B	0.055	53.9	55.8	-0.32	-1.3	20.6	25.2	-0.83
0.700	01 May 20	15.99B	0.204	61.8	70.5	-1.03	-4.9	25.2	35.3	-1.38
0.650	01 Nov 20	14.02B	0.293	65.9	76.0	-1.15	-7.0	30.1	40.5	-1.38
1.450	15 Sep 22	17.03B	0.673	90.8	102.6	-1.03	-5.3	51.7	64.4	-1.30
4.500	01 Mar 24	23.71B	0.970	105.9	116.6	-0.84	0.4	78.8	93.0	-1.19
2.500	01 Dec 24	20.99B	1.100	108.8	118.6	-0.72	-19.9	74.6	86.5	-1.00
1.500	01 Jun 25	19.99B	1.143	106.6	115.5	-0.67	5.1	68.3	78.5	-0.92
2.000	01 Dec 25	17.01B	1.229	109.3	118.6	-0.68	6.8	74.7	85.6	-0.93
6.000	01 May 31	29.75B	1.755	122.9	128.7	-0.35	3.4	128.7	140.8	-0.69
4.000	01 Feb 37	26.01B	2.099	133.1	138.5	-0.35	-3.2	132.9	140.8	-0.49
3.250	01 Sep 46	13.24B	2.362	147.9	153.1	-0.33	0.9	146.9	150.9	-0.26

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

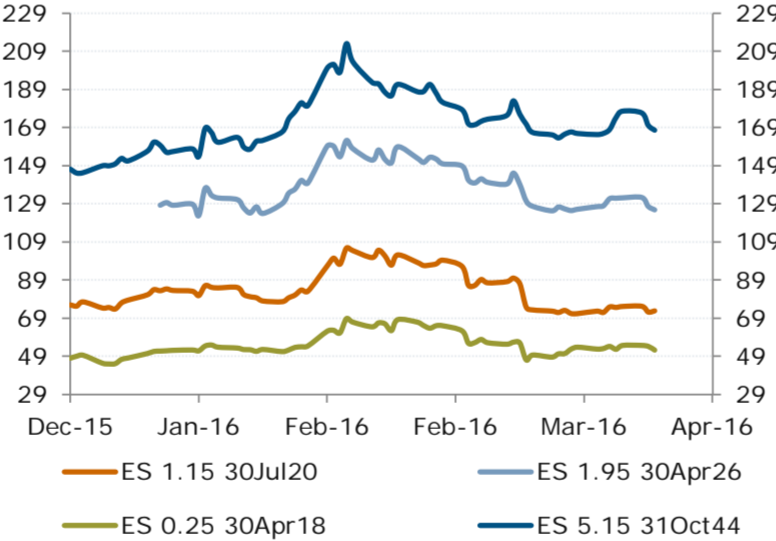
Rating	Baa2/BBB/BBB+
Moody's / S&P / Fitch	

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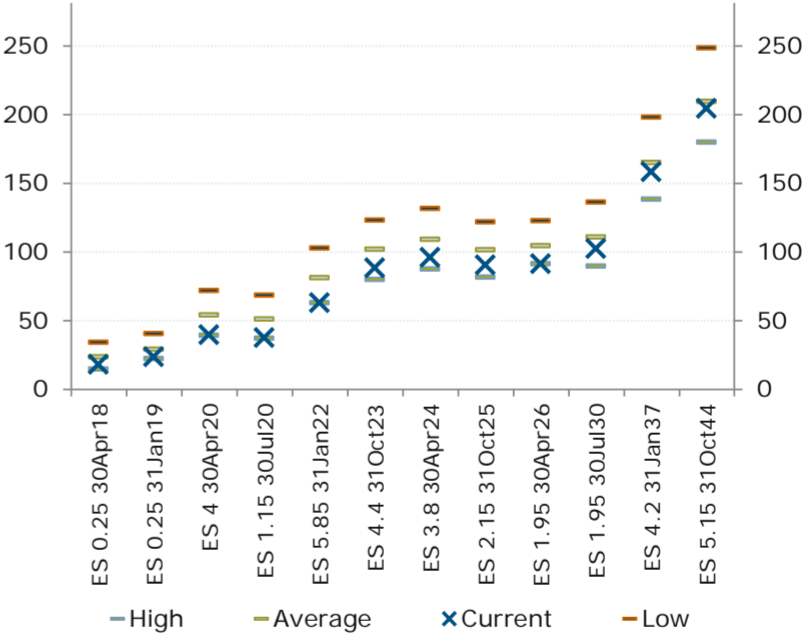
Spain

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	30-Mar	60D Avg.	Z-score	Δ B/E Spd 1Y	30-Mar	60D Avg.	Z-score
0.250	30 Apr 18	16.99B	0.033	52.3	55.7	-0.64	51.1	18.0	23.3	-1.26
0.250	31 Jan 19	5.46B	0.111	59.6	64.1	-0.85	-125.4	23.3	28.7	-1.13
4.000	30 Apr 20	23.01B	0.292	70.6	82.3	-1.43	-4.3	39.4	53.8	-1.90
1.150	30 Jul 20	17.02B	0.339	72.9	85.2	-1.43	-123.8	37.6	50.8	-1.80
5.850	31 Jan 22	22.01B	0.590	87.2	101.9	-1.53	0.3	62.7	81.0	-1.95
4.400	31 Oct 23	20.01B	1.022	114.7	125.3	-0.98	0.6	88.2	101.9	-1.42
3.800	30 Apr 24	21.99B	1.171	123.9	134.1	-0.93	0.0	95.7	108.8	-1.35
2.150	31 Oct 25	20.96B	1.371	124.4	133.7	-0.81	-10.0	90.4	101.1	-1.12
1.950	30 Apr 26	13.43B	1.441	125.9	138.6	-1.20	-6.8	91.1	104.2	-1.50
1.950	30 Jul 30	12.31B	1.882	139.8	146.5	-0.55	4.1	102.0	110.8	-0.88
4.200	31 Jan 37	17.02B	2.315	154.7	159.3	-0.38	0.0	158.2	164.8	-0.51
5.150	31 Oct 44	11.23B	2.548	167.7	172.3	-0.38	0.5	204.1	209.4	-0.36

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

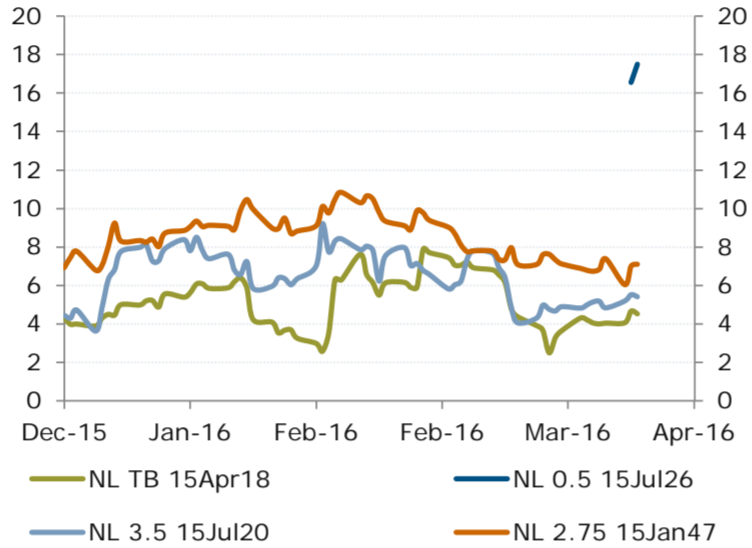
Rating	Aaa/AA+/AAA
Moody's / S&P / Fitch	

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

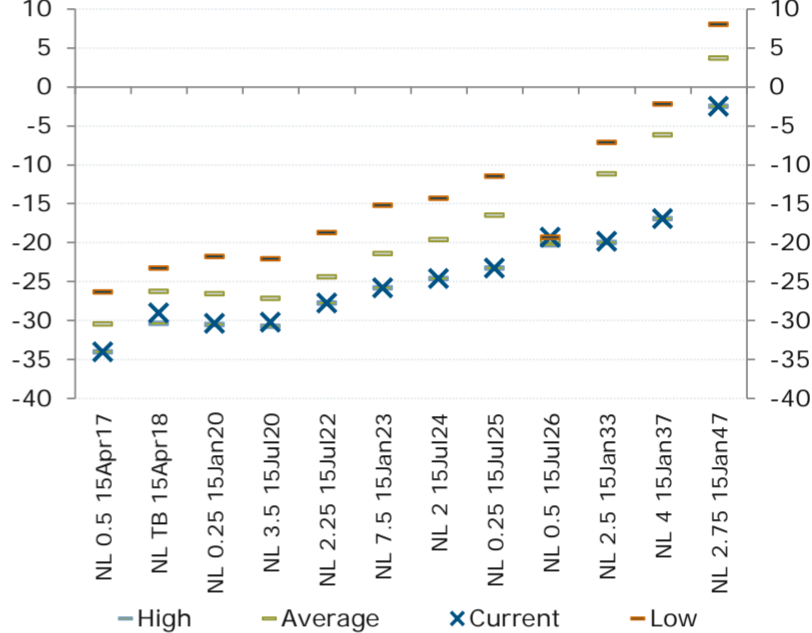
Netherlands

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	30-Mar	60D Avg.	Z-score	Δ B/E Spd 1Y	30-Mar	60D Avg.	Z-score
0.500	15 Apr 17	13.03B	-0.498	-1.1	-1.0	-0.14	-13.6	-34.1	-30.5	-2.38
0.000	15 Apr 18	15.99B	-0.444	4.7	5.4	-0.60	0.1	-29.1	-26.3	-1.67
0.250	15 Jan 20	15.84B	-0.374	6.1	8.1	-1.63	-140.6	-30.4	-26.6	-2.02
3.500	15 Jul 20	15.02B	-0.338	5.6	6.9	-1.13	-0.5	-30.3	-27.2	-1.49
2.250	15 Jul 22	15.01B	-0.138	11.1	12.4	-0.92	0.1	-27.8	-24.4	-2.15
7.500	15 Jan 23	2.37B	-0.093	11.3	12.1	-0.62	-0.2	-25.9	-21.4	-2.46
2.000	15 Jul 24	15.32B	0.103	14.2	16.0	-1.35	0.2	-24.7	-19.6	-2.66
0.250	15 Jul 25	15.01B	0.242	15.1	19.5	-2.94	-0.1	-23.3	-16.5	-3.34
0.500	15 Jul 26	5.51B	0.375	17.7	17.2	0.50	0.6	-19.4	-19.8	0.50
2.500	15 Jan 33	12.01B	0.698	7.7	10.3	-1.25	-0.1	-19.9	-11.2	-3.61
4.000	15 Jan 37	13.99B	0.769	0.2	3.3	-1.60	-0.3	-16.9	-6.2	-4.34
2.750	15 Jan 47	10.99B	0.958	7.3	8.8	-1.57	0.4	-2.6	3.6	-2.97

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

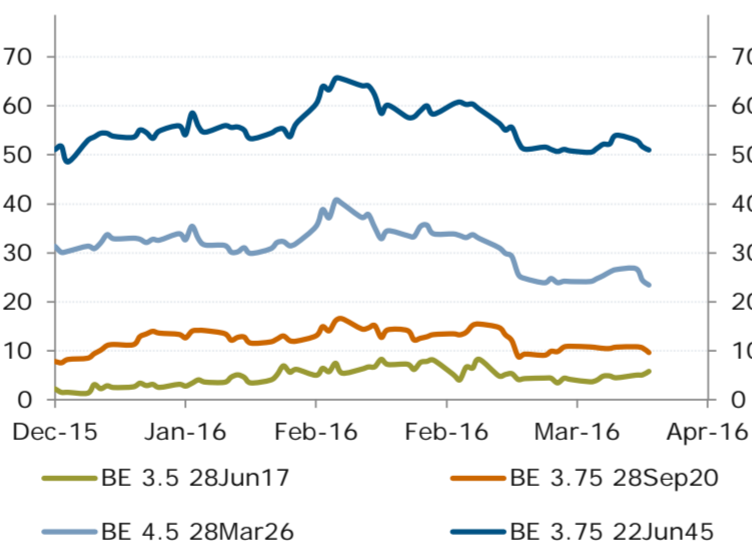
Rating	Aa3/AA/AA
Moody's / S&P / Fitch	

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

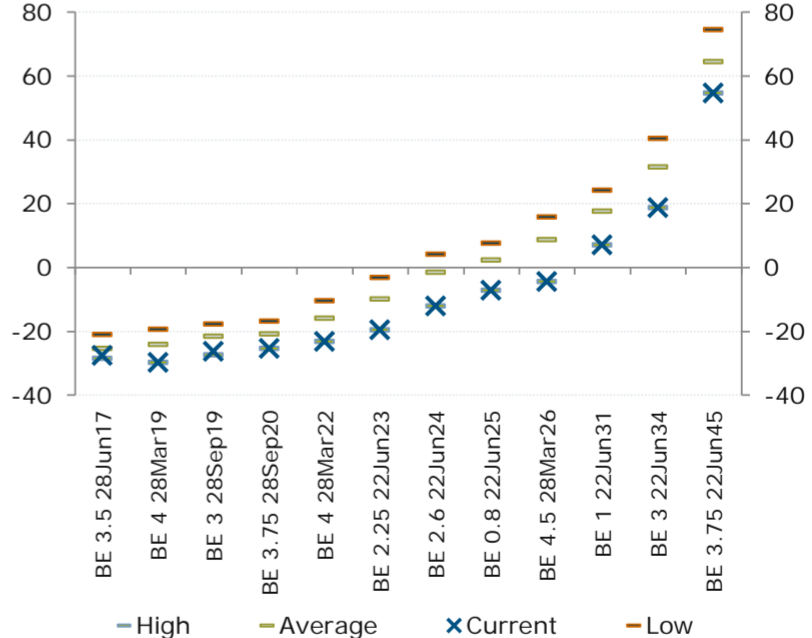
Belgium

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	30-Mar	60D Avg.	Z-score	Δ B/E Spd 1Y	30-Mar	60D Avg.	Z-score
3.500	28 Jun 17	13.34B	-0.430	5.8	4.9	0.64	4.6	-27.5	-25.4	-1.64
4.000	28 Mar 19	12.37B	-0.414	7.0	9.4	-1.88	0.0	-29.6	-24.1	-2.55
3.000	28 Sep 19	12.01B	-0.352	10.1	12.2	-1.56	3.6	-26.2	-21.5	-2.59
3.750	28 Sep 20	19.01B	-0.278	9.6	12.5	-1.82	-0.5	-25.3	-20.8	-2.34
4.000	28 Mar 22	14.02B	-0.133	14.1	18.6	-2.01	-2.9	-23.2	-15.9	-2.36
2.250	22 Jun 23	13.99B	0.037	20.1	26.8	-2.47	-3.6	-19.4	-9.9	-2.56
2.600	22 Jun 24	15.85B	0.209	25.7	32.5	-2.39	-3.1	-12.0	-1.5	-3.16
0.800	22 Jun 25	16.02B	0.392	30.8	37.9	-2.41	-2.4	-7.1	2.4	-3.63
4.500	28 Mar 26	9.02B	0.409	23.4	31.6	-2.48	-1.7	-4.4	8.8	-3.13
1.000	22 Jun 31	4.52B	0.965	43.1	49.9	-1.98	0.5	7.1	17.7	-3.41
3.000	22 Jun 34	6.47B	1.065	37.1	44.2	-1.93	0.7	18.8	31.5	-3.24
3.750	22 Jun 45	8.01B	1.385	51.0	56.2	-1.56	0.7	54.6	64.5	-1.86

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

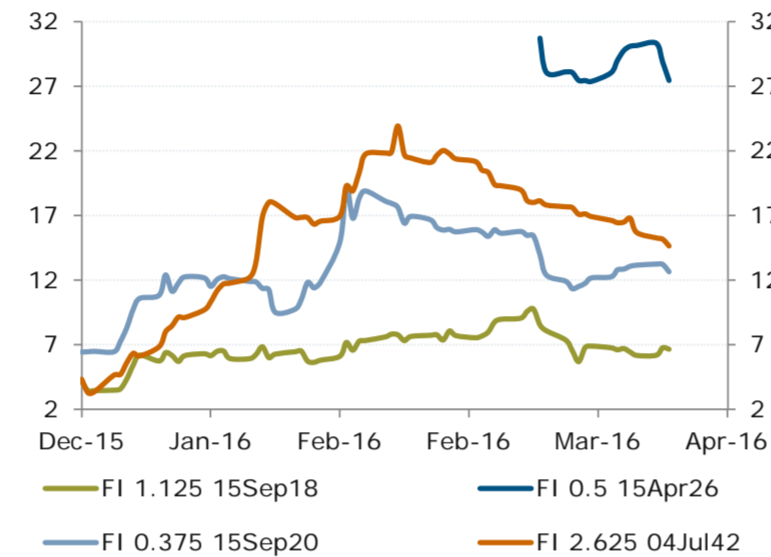
Rating	Aaa/AA+/AAA
Moody's / S&P / Fitch	

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

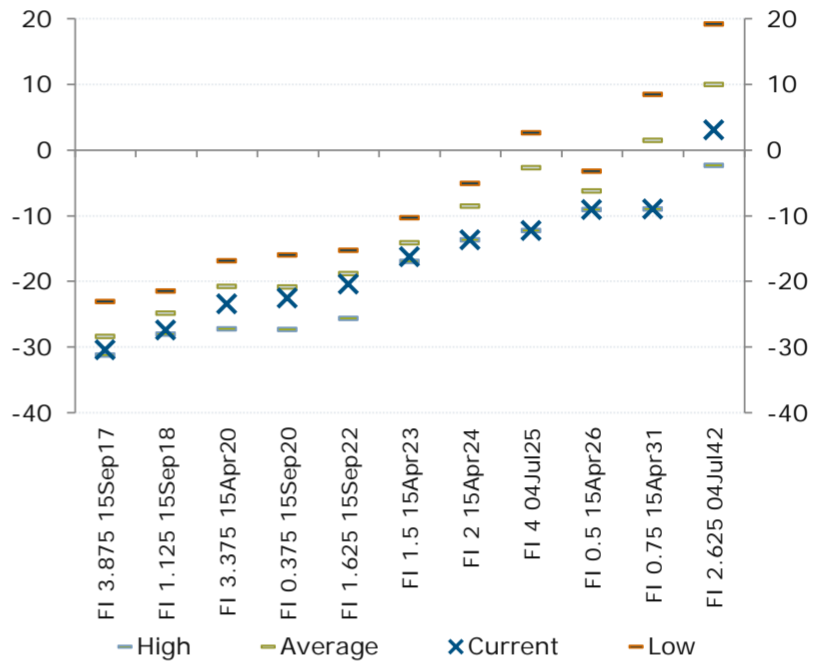
Finland

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	30-Mar	60D Avg.	Z-score	Δ B/E Spd 1Y	30-Mar	60D Avg.	Z-score
3.875	15 Sep 17	6.0B	-0.458	3.1	2.2	0.87	-2.9	-30.4	-28.4	-1.26
1.125	15 Sep 18	5.03B	-0.417	7.1	7.2	-0.19	-0.3	-27.4	-24.9	-2.25
3.375	15 Apr 20	6.5B	-0.293	12.5	13.0	-0.23	2.6	-23.5	-20.8	-2.04
0.375	15 Sep 20	6.03B	-0.248	13.1	13.8	-0.28	2.7	-22.5	-20.8	-1.40
1.625	15 Sep 22	5.0B	-0.048	18.7	18.5	0.06	1.0	-20.4	-18.8	-0.97
1.500	15 Apr 23	5.0B	0.055	24.0	23.9	0.03	0.9	-16.2	-14.1	-1.44
2.000	15 Apr 24	5.0B	0.180	25.4	27.5	-0.81	0.1	-13.7	-8.5	-3.19
4.000	04 Jul 25	6.03B	0.286	19.8	24.8	-1.89	0.2	-12.3	-2.7	-3.09
0.500	15 Apr 26	4.0B	0.457	27.9	28.8	-1.03	-0.3	-9.1	-6.2	-2.81
0.750	15 Apr 31	3.5B	0.796	27.3	33.6	-1.52	1.3	-9.0	1.4	-3.19
2.625	04 Jul 42	4.03B	1.008	15.0	16.4	-0.32	-0.5	3.0	9.9	-1.23

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

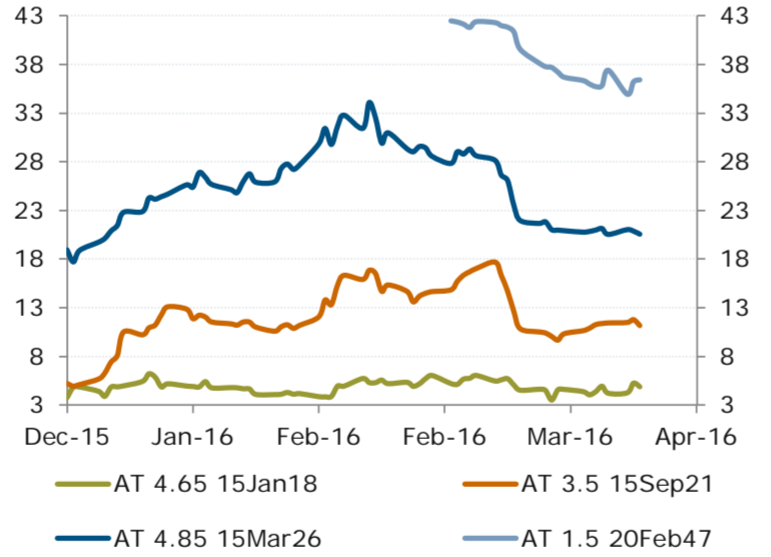
Rating	Aaa/AA+/AA+
Moody's / S&P / Fitch	

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

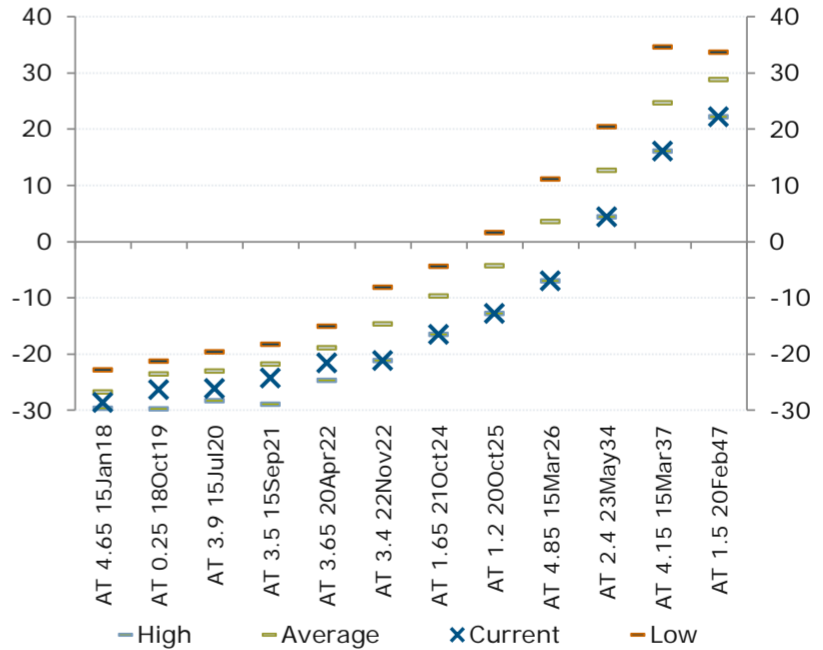
Austria

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	30-Mar	60D Avg.	Z-score	Δ B/E Spd 1Y	30-Mar	60D Avg.	Z-score
4.650	15 Jan 18	12.06B	-0.440	5.0	5.0	-0.04	-0.8	-28.7	-26.8	-1.12
0.250	18 Oct 19	7.95B	-0.349	10.1	10.8	-0.41	0.2	-26.4	-23.6	-2.20
3.900	15 Jul 20	13.01B	-0.301	9.3	10.6	-0.75	1.1	-26.2	-23.0	-2.10
3.500	15 Sep 21	15.99B	-0.189	11.3	12.6	-0.59	0.7	-24.3	-21.8	-1.68
3.650	20 Apr 22	8.71B	-0.111	15.8	16.2	-0.23	1.1	-21.6	-18.9	-1.78
3.400	22 Nov 22	10.99B	-0.048	17.1	20.9	-1.31	-4.8	-21.2	-14.7	-2.41
1.650	21 Oct 24	10.35B	0.213	21.6	25.4	-1.35	0.6	-16.5	-9.7	-3.58
1.200	20 Oct 25	9.28B	0.357	23.4	29.1	-1.97	0.4	-12.8	-4.3	-3.53
4.850	15 Mar 26	8.01B	0.378	20.7	26.2	-1.70	0.3	-7.0	3.5	-3.21
2.400	23 May 34	5.19B	0.958	26.7	29.9	-0.93	1.1	4.4	12.7	-2.41
4.150	15 Mar 37	12.22B	1.028	25.7	27.7	-0.60	1.4	16.0	24.7	-1.87
1.500	20 Feb 47	1.5B	1.251	36.6	39.5	-1.10	3.2	22.2	28.8	-1.64

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

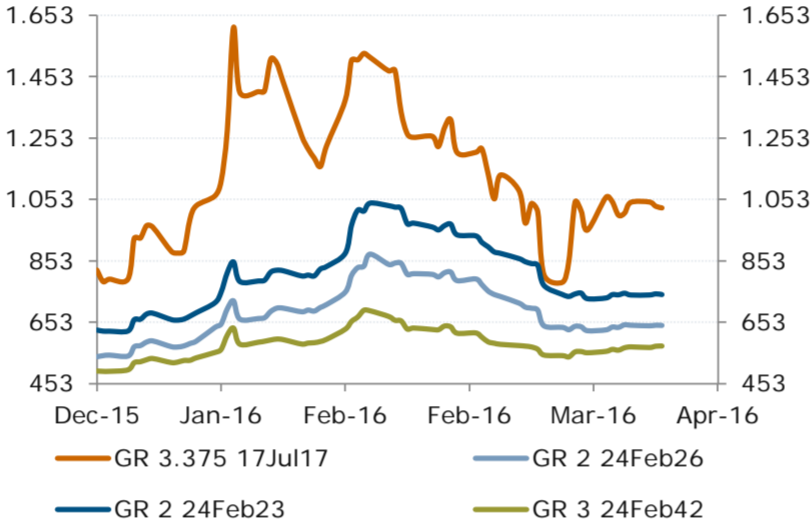
Source: European Commission, Winter 2015 forecast

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

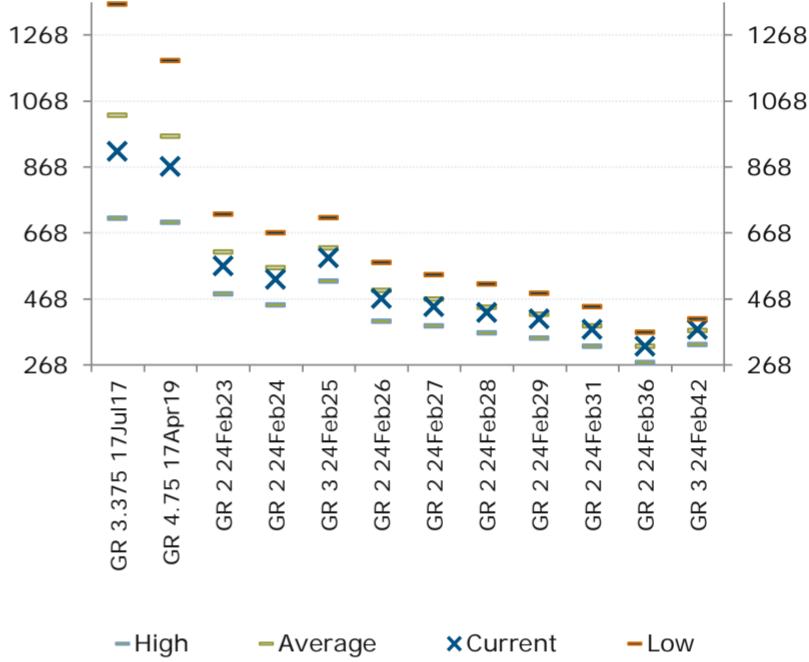
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	30-Mar	60D Avg.	Z-score	Δ B/E Spd 1Y	30-Mar	60D Avg.	Z-score
3.375	17 Jul 17	2.02B	9.768	1.025.6	1.167.3	-0.75	392.6	915.2	1.024.2	-0.73
4.750	17 Apr 19	4.02B	9.515	999.5	1.132.3	-0.81	-2.1	869.8	961.0	-0.78
2.000	24 Feb 23	1.04B	7.234	743.1	825.1	-0.84	-70.4	567.4	609.3	-0.75
2.000	24 Feb 24	1.25B	6.938	702.8	775.0	-0.82	-44.8	526.8	562.0	-0.72
3.000	24 Feb 25	1.84B	7.955	791.0	863.1	-0.84	-34.7	591.3	622.3	-0.71
2.000	24 Feb 26	1.37B	6.590	642.5	698.6	-0.76	-12.4	468.2	492.5	-0.62
2.000	24 Feb 27	1.21B	6.456	621.1	672.7	-0.79	-7.0	444.4	466.0	-0.64
2.000	24 Feb 28	1.84B	6.378	605.9	649.6	-0.70	0.4	425.5	442.8	-0.55
2.000	24 Feb 29	1.48B	6.284	589.2	625.9	-0.64	2.7	407.3	420.7	-0.47
2.000	24 Feb 31	1.29B	6.074	555.8	587.5	-0.64	4.4	375.1	385.2	-0.42
2.000	24 Feb 36	1.33B	5.738	499.4	512.3	-0.35	-6.4	324.7	324.5	0.01
3.000	24 Feb 42	1.05B	6.609	575.4	587.3	-0.32	-24.1	375.1	371.8	0.22

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

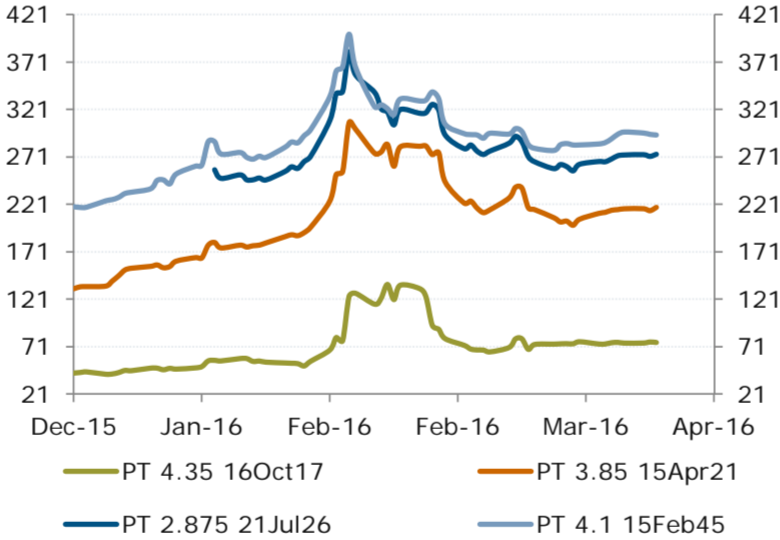
Source: European Commission, Winter 2015 forecast

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

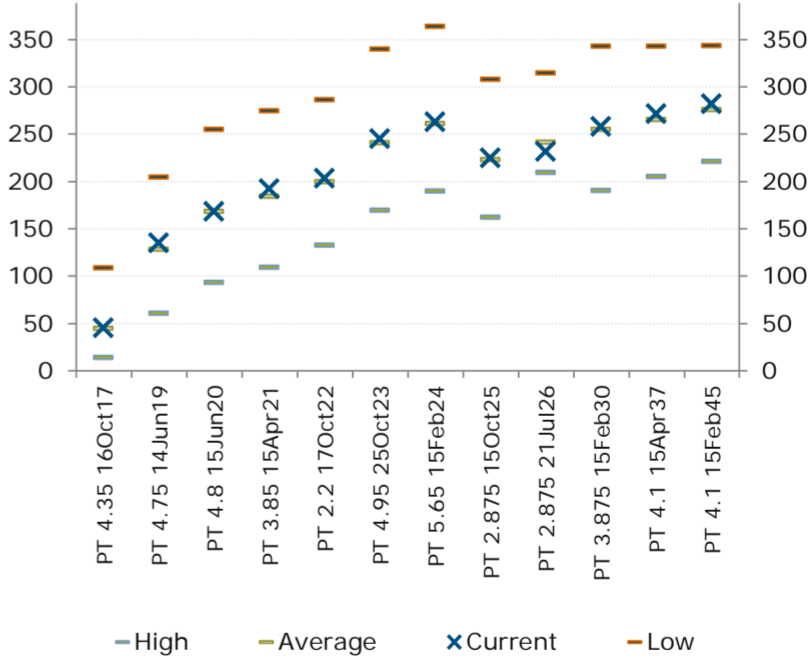
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	30-Mar	60D Avg.	Z-score	Δ B/E Spd 1Y	30-Mar	60D Avg.	Z-score
4.350	16 Oct 17	8.41B	0.266	75.5	72.7	0.14	-3.8	45.0	44.8	0.01
4.750	14 Jun 19	10.99B	1.149	161.9	153.0	0.27	12.5	134.7	128.2	0.20
4.800	15 Jun 20	10.99B	1.510	191.2	189.7	0.04	6.7	167.9	167.8	0.00
3.850	15 Apr 21	10.69B	1.854	217.9	210.2	0.21	7.4	192.2	184.2	0.23
2.200	17 Oct 22	3.0B	2.247	247.4	242.9	0.14	-2.0	203.4	199.4	0.15
4.950	25 Oct 23	8.02B	2.518	264.4	259.3	0.15	-2.2	245.0	240.8	0.12
5.650	15 Feb 24	12.02B	2.650	274.2	271.2	0.08	-1.2	262.6	260.8	0.05
2.875	15 Oct 25	10.52B	2.769	264.7	262.1	0.08	-4.1	224.6	222.6	0.07
2.875	21 Jul 26	4.19B	2.938	273.9	285.4	-0.41	-4.3	231.7	241.3	-0.44
3.875	15 Feb 30	4.05B	3.342	288.5	283.5	0.16	-2.4	257.6	254.7	0.11
4.100	15 Apr 37	8.02B	3.668	289.5	283.0	0.23	1.5	271.6	265.4	0.26
4.100	15 Feb 45	2.5B	3.815	294.2	290.5	0.14	1.7	281.7	275.5	0.29

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

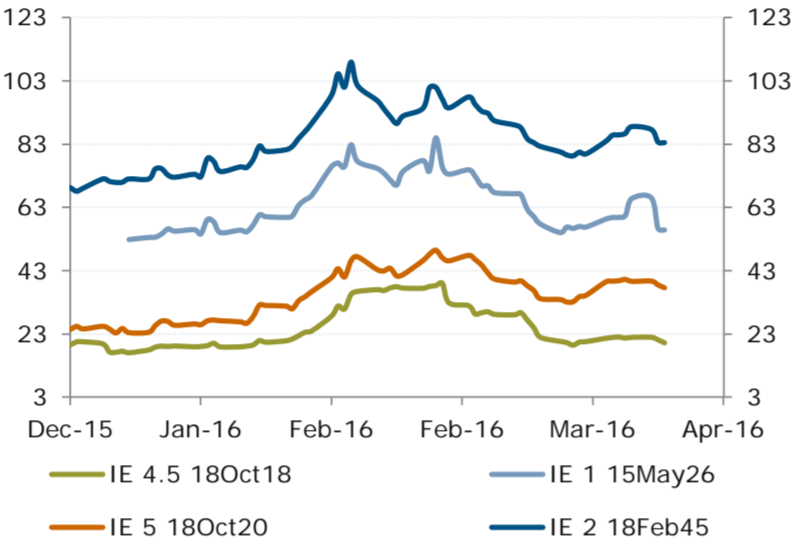
Rating	Baa1/A/A-
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Moody's / S&P / Fitch

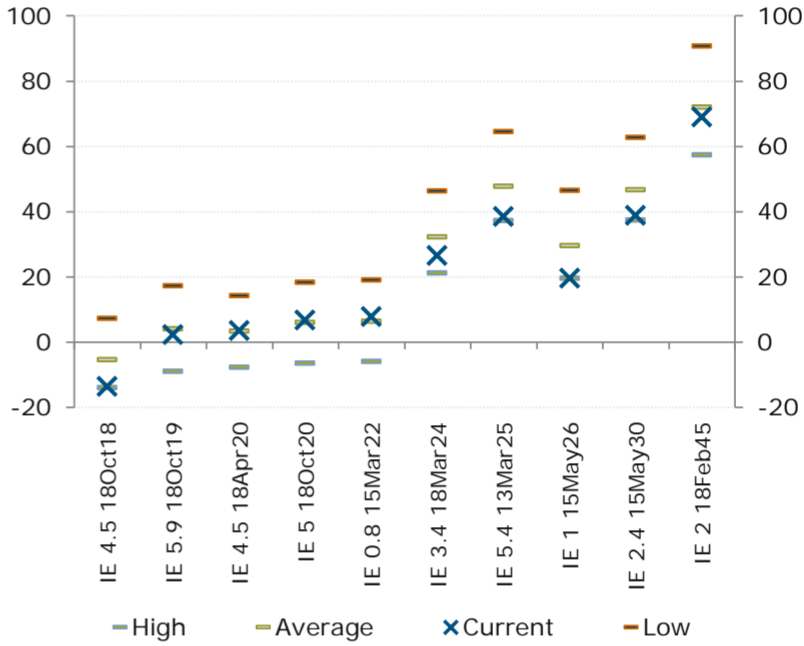
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	30-Mar	60D Avg.	Z-score	Δ B/E Spd 1Y	30-Mar	60D Avg.	Z-score
4.500	18 Oct 18	9.58B	-0.282	20.5	25.6	-0.79	-4.5	-13.5	-5.5	-1.35
5.900	18 Oct 19	6.58B	-0.096	35.4	34.5	0.14	0.6	2.3	4.0	-0.28
4.500	18 Apr 20	11.77B	-0.048	36.9	34.7	0.36	-2.2	3.6	3.4	0.03
5.000	18 Oct 20	8.99B	0.009	37.9	36.0	0.27	-4.9	6.7	5.9	0.12
0.800	15 Mar 22	4.25B	0.189	46.5	43.6	0.36	-5.2	7.8	6.3	0.24
3.400	18 Mar 24	8.01B	0.522	60.5	62.9	-0.33	-1.0	26.6	32.2	-0.95
5.400	13 Mar 25	11.35B	0.663	61.2	66.0	-0.61	0.2	38.4	47.8	-1.29
1.000	15 May 26	4.0B	0.746	56.1	64.5	-1.05	-2.8	19.5	29.5	-1.61
2.400	15 May 30	7.78B	1.156	68.4	71.3	-0.35	3.7	38.8	46.6	-1.09
2.000	18 Feb 45	5.95B	1.711	83.8	85.4	-0.19	-6.4	69.0	71.9	-0.33

Spreads against the German curve, bp



Asset swap term structure, bp



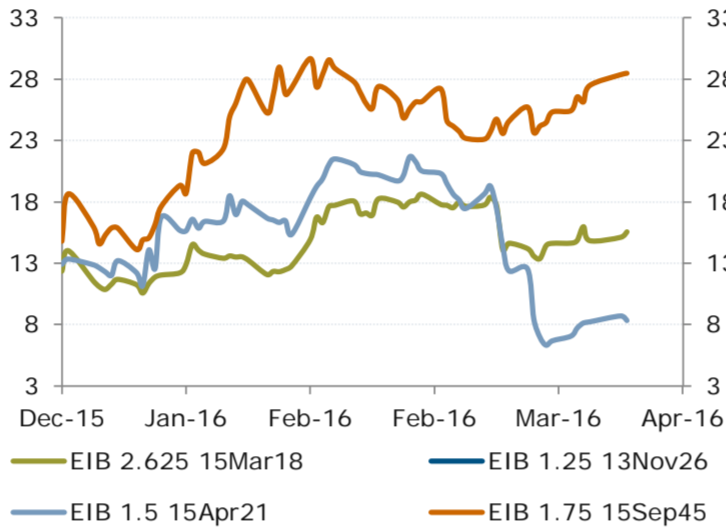


Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

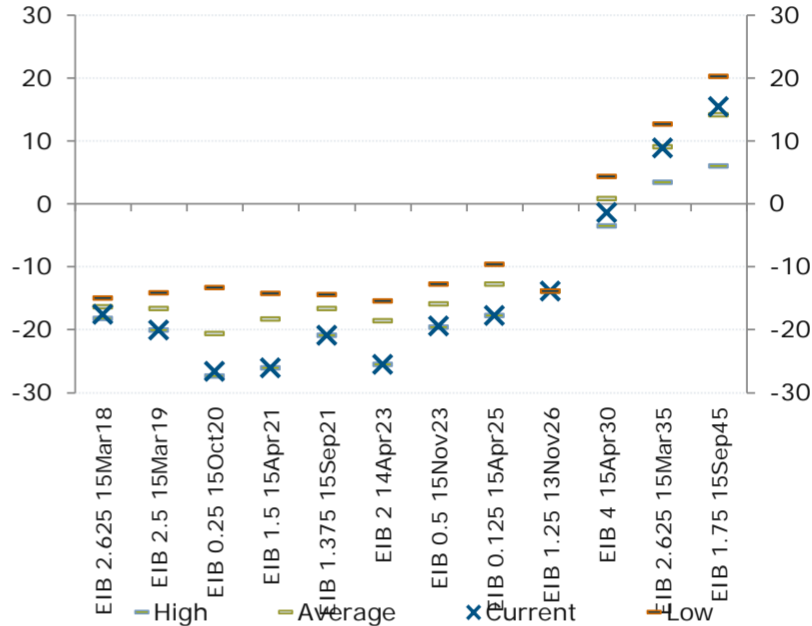
European Investment Bank (EIB)

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	30-Mar	60D Avg.	Z-score	Δ B/E Spd 1Y	30-Mar	60D Avg.	Z-score
2.625	15 Mar 18	3.2B	-0.331	16.0	15.2	0.34	1.7	-17.6	-16.4	-1.52
2.500	15 Mar 19	2.9B	-0.325	15.8	16.6	-0.41	-1.4	-20.1	-16.7	-2.27
0.250	15 Oct 20	4.0B	-0.282	8.8	14.2	-1.04	-0.2	-26.7	-20.7	-1.40
1.500	15 Apr 21	5.0B	-0.238	8.7	16.1	-1.99	-0.5	-26.1	-18.3	-2.65
1.375	15 Sep 21	4.35B	-0.150	15.3	18.7	-1.16	-0.3	-21.0	-16.7	-2.23
2.000	14 Apr 23	5.0B	-0.039	14.6	18.9	-1.19	-0.5	-25.5	-18.6	-2.70
0.500	15 Nov 23	1.5B	0.098	21.8	23.6	-0.87	0.0	-19.5	-16.0	-1.78
0.125	15 Apr 25	3.0B	0.275	21.4	25.6	-1.37	-0.1	-17.8	-12.8	-2.17
1.250	13 Nov 26	1.5B	0.443	22.0	22.0	0.00	3.6	-13.9	-13.9	0.00
4.000	15 Apr 30	6.5B	0.711	24.4	20.4	1.15	-0.2	-1.5	0.8	-1.44
2.625	15 Mar 35	1.7B	1.005	28.6	23.9	1.59	-0.1	8.9	9.0	-0.08
1.750	15 Sep 45	1.3B	1.166	28.9	24.2	1.34	-0.2	15.4	14.1	0.35

Spreads against the German curve, bp



Asset swap term structure, bp

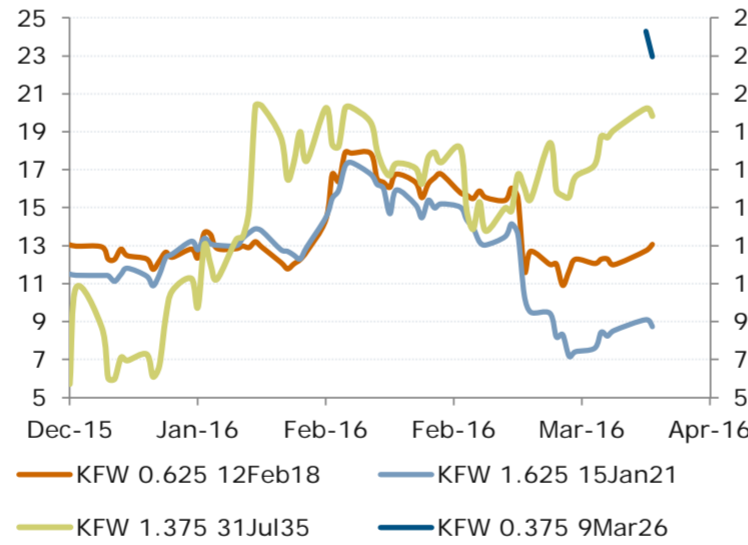


Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

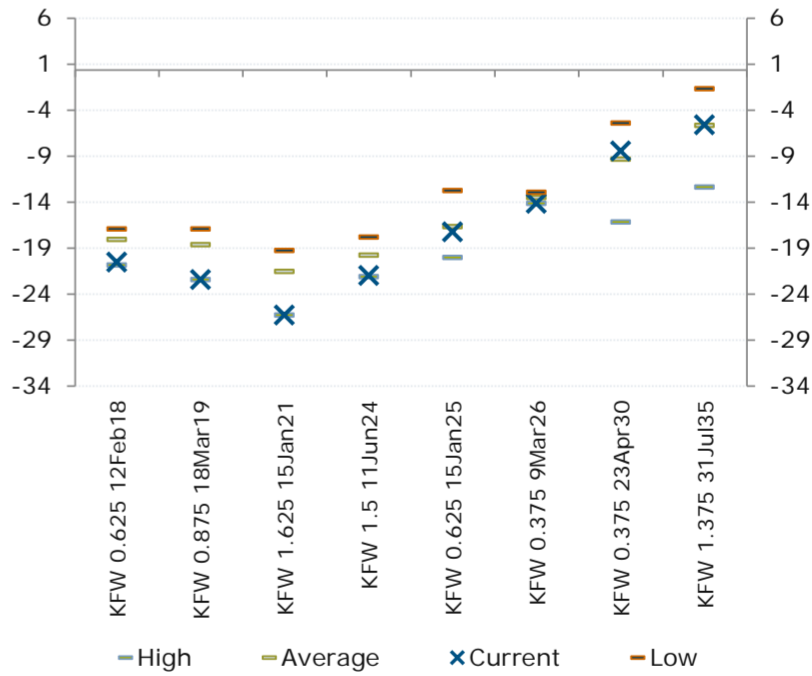
Kreditanstalt für Wiederaufbau (KfW)

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	30-Mar	60D Avg.	Z-score	Δ B/E Spd 1Y	30-Mar	60D Avg.	Z-score
0.625	12 Feb 18	2.0B	-0.365	12.6	13.4	-0.46	2.7	-20.9	-18.5	-2.58
0.875	18 Mar 19	5.0B	-0.350	13.4	14.7	-1.10	-0.9	-22.9	-19.0	-3.31
1.625	15 Jan 21	5.0B	-0.264	8.3	12.2	-1.91	-0.6	-26.7	-22.0	-2.76
1.500	11 Jun 24	3.0B	0.120	17.2	18.0	-0.37	0.0	-22.4	-20.2	-1.61
0.625	15 Jan 25	3.0B	0.243	21.4	19.2	0.81	0.0	-17.7	-17.1	-0.73
0.375	09 Mar 26	4.0B	0.394	22.5	23.2	-0.50	-1.3	-14.6	-14.0	-0.50
0.375	23 Apr 30	2.0B	0.764	29.5	23.5	1.21	0.1	-8.9	-9.8	0.36
1.375	31 Jul 35	1.0B	0.922	19.4	14.6	1.37	-0.5	-6.0	-6.1	0.04

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Asset swap term structure, bp



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