

Euro Rates Update

Nordea Research, 13 April 2016

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US Treasury Yields				
	2Y	5Y	10Y	30Y
	0.72	1.19	1.76	2.60
Δ 1D	0.8	1.3	0.9	0.2
Δ 1W	-3.4	-3.9	-2.4	-2.6

German Benchmark Yields				
	2Y	5Y	10Y	30Y
	-0.51	-0.37	0.15	0.84
Δ 1D	0.2	0.5	1.6	3.9
Δ 1W	-3.6	-5.0	0.2	7.2

German Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-13.7	-52.0	-65.7	-69.9
Δ 1D	0.3	1.1	1.4	2.3
Δ 1W	-1.5	5.3	3.8	7.0

EUR Swap Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-16.9	-53.5	-70.4	-51.7
Δ 1D	0.7	1.0	1.7	1.6
Δ 1W	-0.6	3.0	2.4	4.6

German Asset Swap Levels				
	2Y	5Y	10Y	30Y
	-34.4	-37.4	-37.1	-17.7
Δ 1D	0.5	0.0	0.2	1.2
Δ 1W	-1.7	-2.3	0.0	3.0

10Y Benchmark Yields				
	Yield	Δ 1D	Spread	Δ 1D
GER	0.145	1.6	-	-
FRA	0.498	2.0	32.7	0.3
ITA	1.371	1.4	125.2	-0.1
ESP	1.534	0.4	136.8	-1.3
BEL	0.544	2.6	36.7	0.9
HOL	0.376	2.0	19.4	0.2
AUT	0.359	1.9	25.4	0.4
GRE	8.160	129.7	801.3	128.1
POR	3.243	-0.3	314.0	-1.8
FIN	0.409	-0.1	24.6	-1.8
IRL	0.870	1.7	70.1	0.1

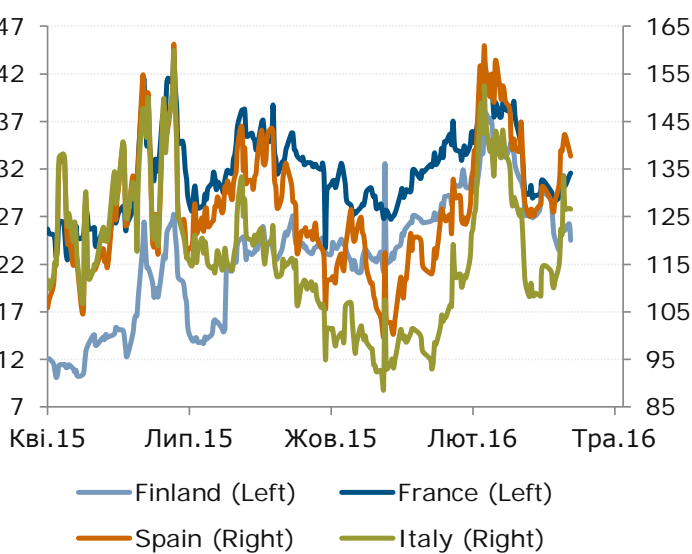
Spread = Maturity interpolated spread to German government par yield curve

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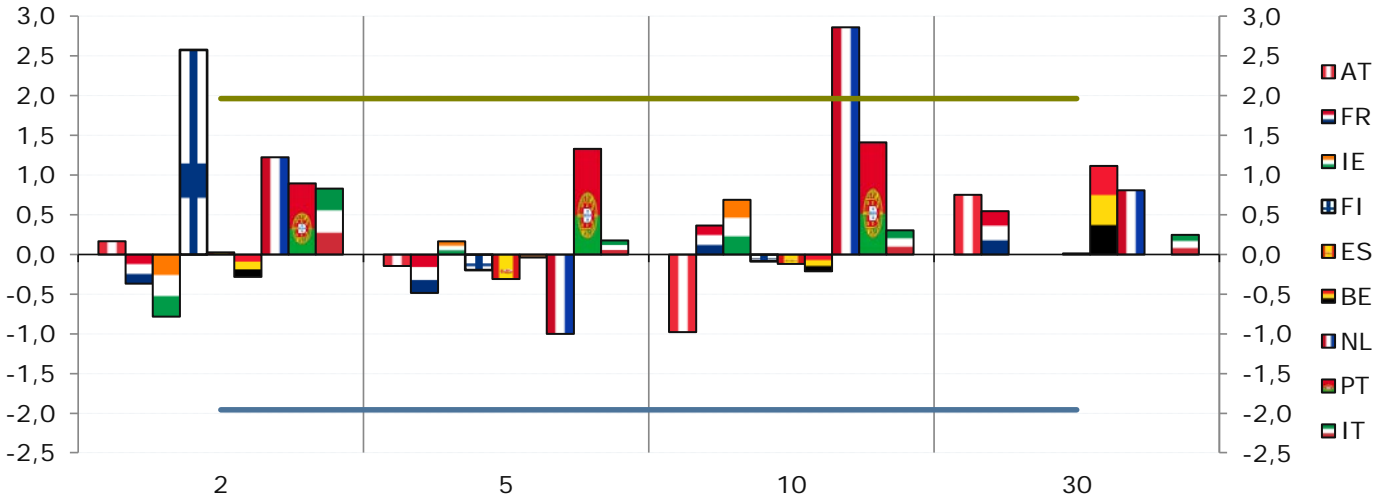
German & US 10-year benchmark yields, %



10 year spreads against Germany, bp



Z-scores of benchmark vs. Germany



Upcoming Issuance (source: Bloomberg)						
Date		Country	Coupon		Maturity	Amount (EURbn)
13 Apr		IT				
14 Apr		IR				
18 Apr		SO	1.50%		2018	
18 Apr		LN	0.60%		2019	

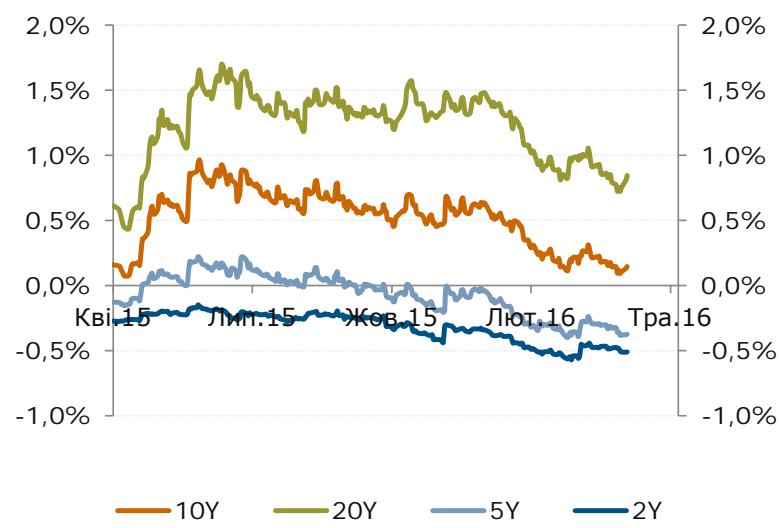
All bond quotes are taken at 16:15 CET.

Bond Yields & Curves

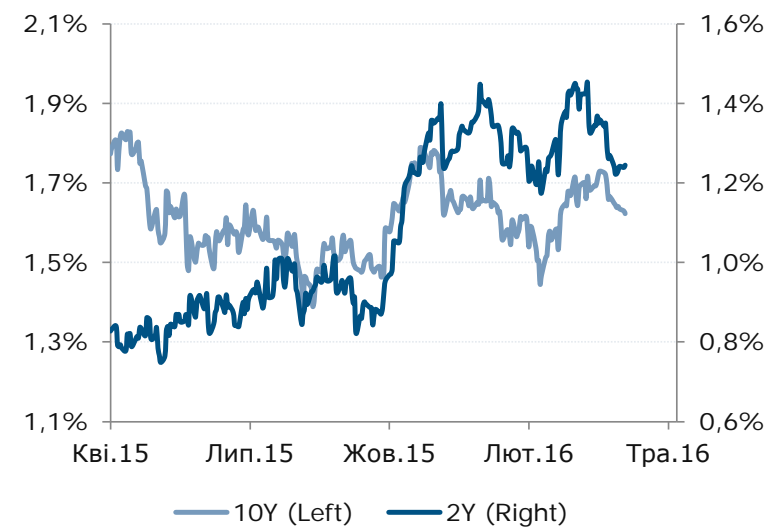
Yield Levels

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

German benchmark bond yields, %



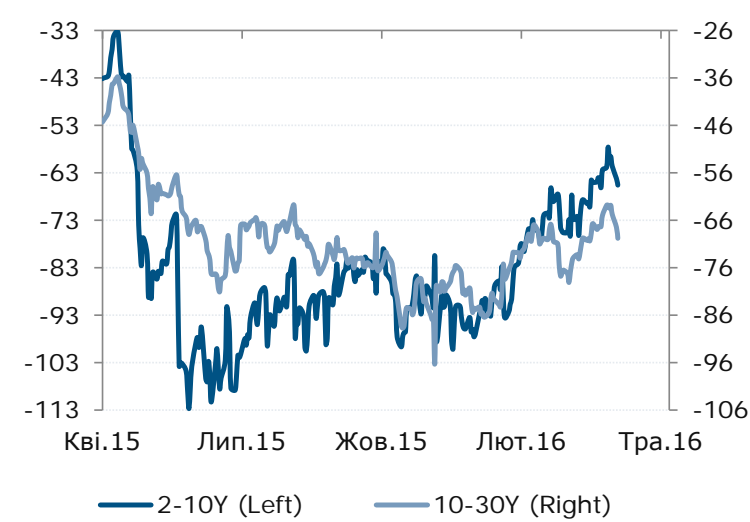
USA-Germany spreads, annualized yields, %



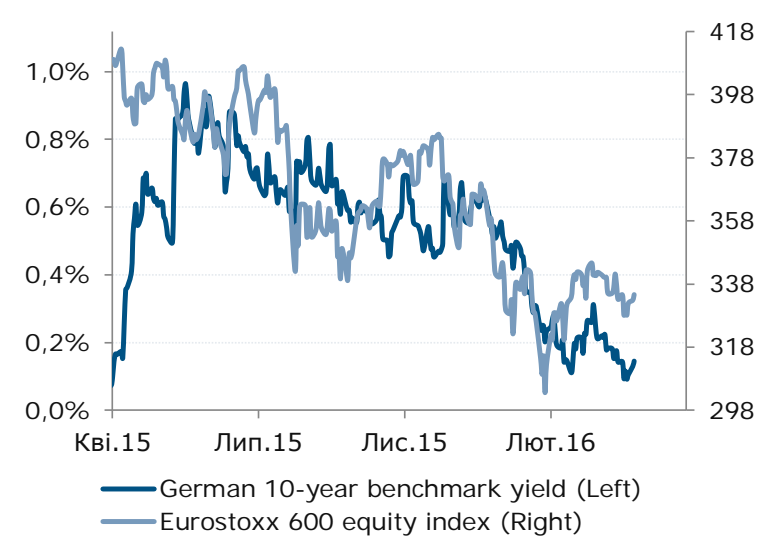
Bond Curve Shape

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

German yield curve slopes, bp

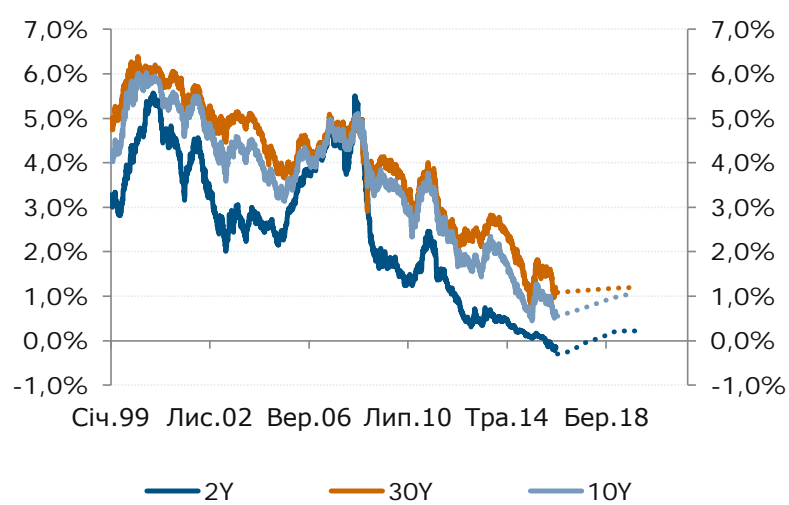


Bonds vs. equities

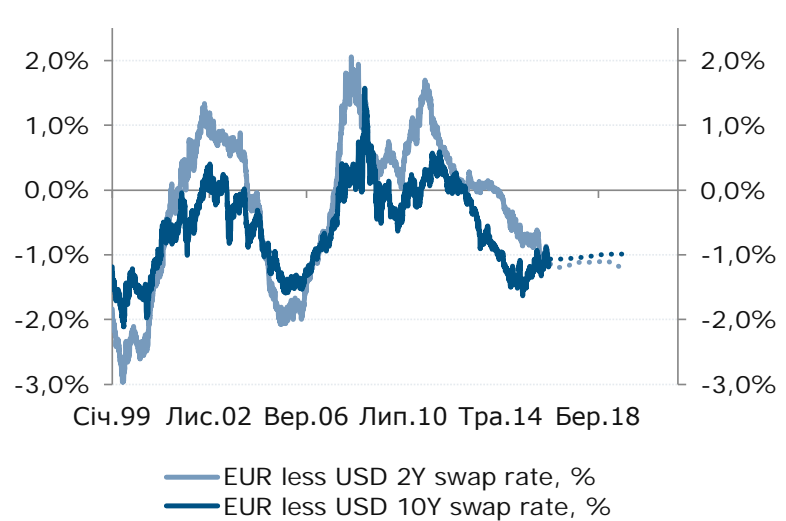


Swaps and Forwards

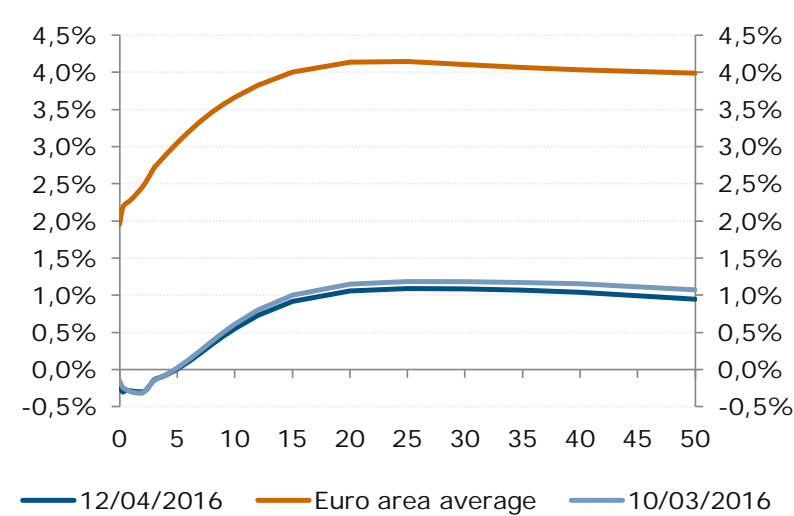
EUR swap rates and implied forwards, %



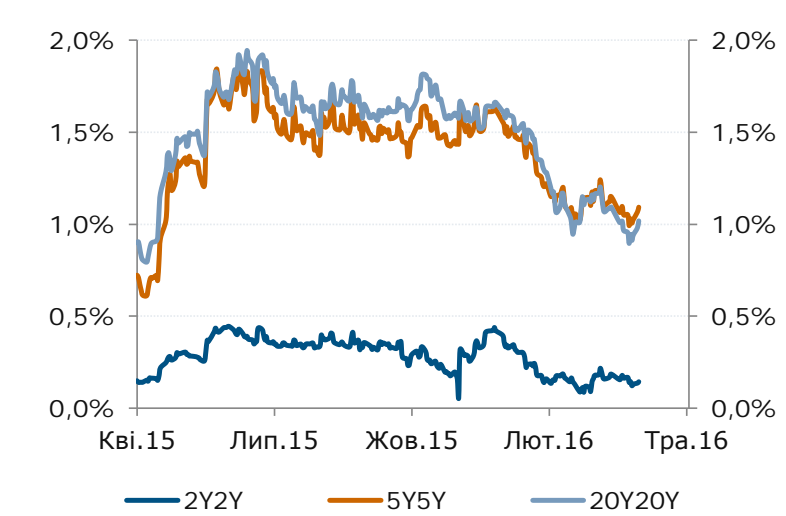
EUR-USD spreads and implied forwards, %



EUR swap curve shape vs. historical

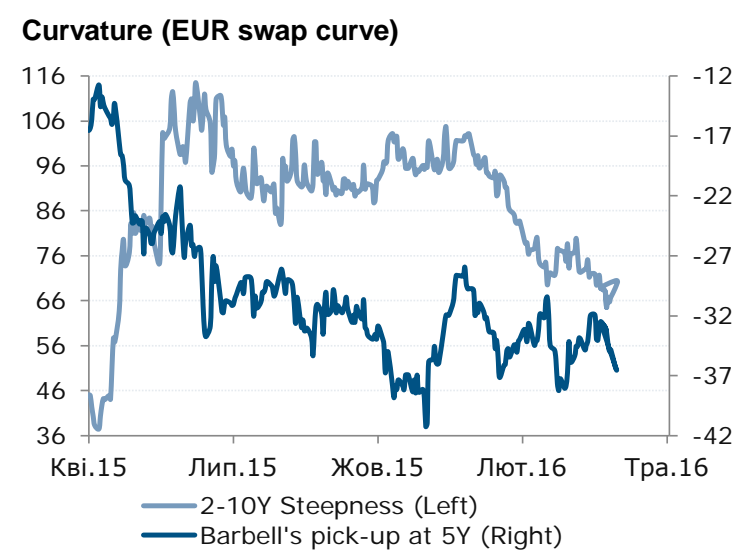
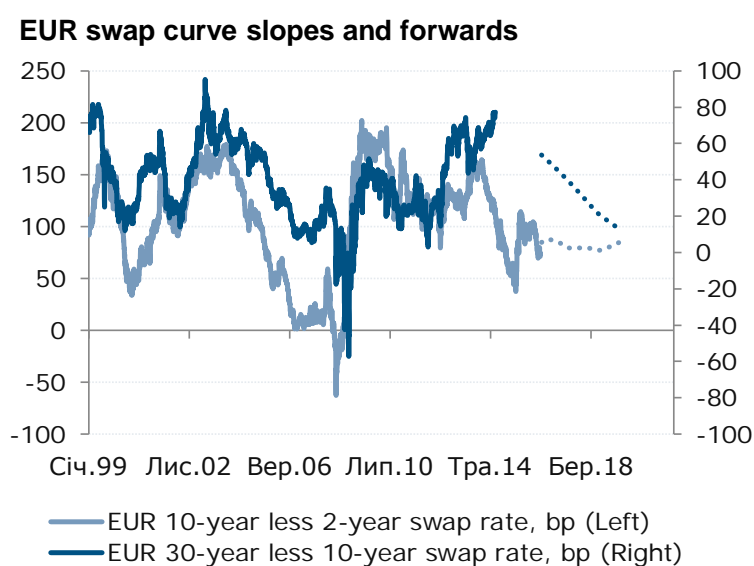


Historical forward rates, %



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.

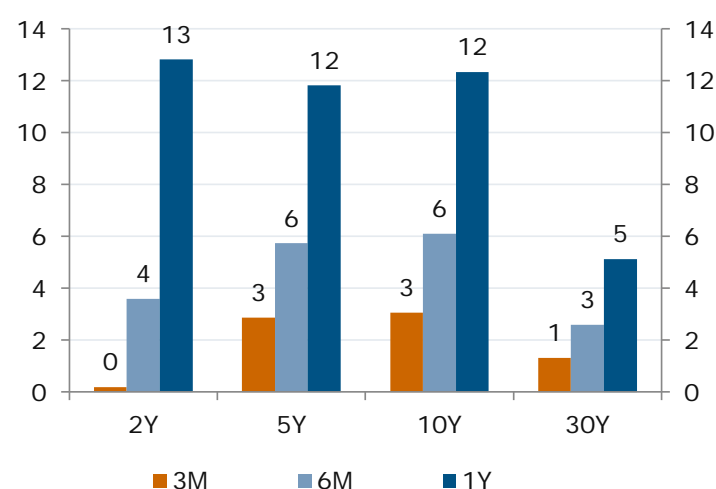


Carry

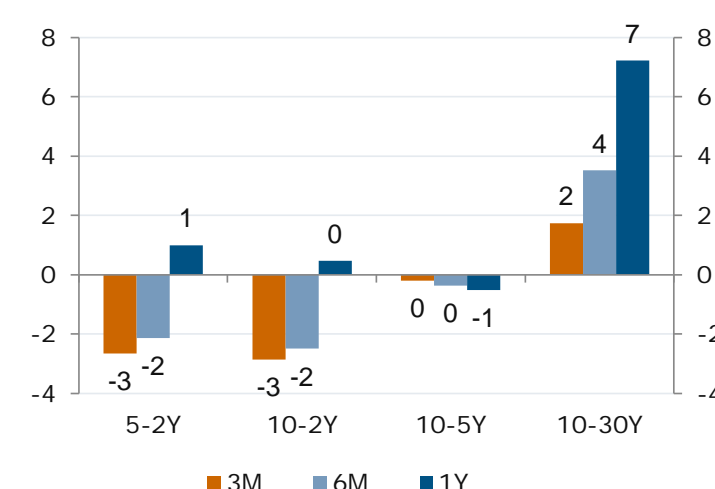
The carry on the given horizon illustrates how much the spot swap rate may rise for a receiver swap position in a forward-starting swap to result in zero profit.

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

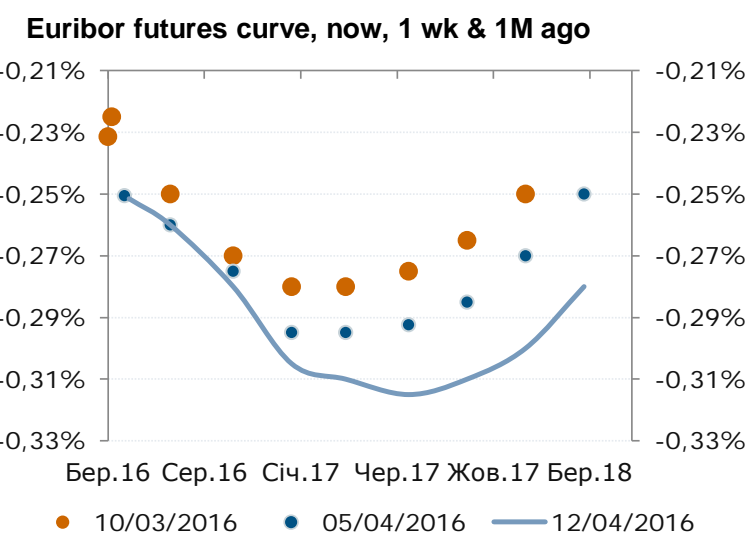
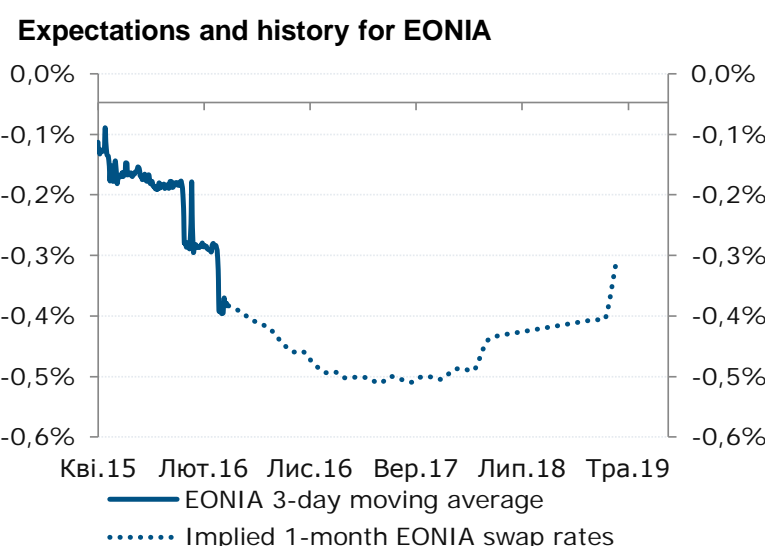


Yield buffers for duration-neutral steepeners, bp



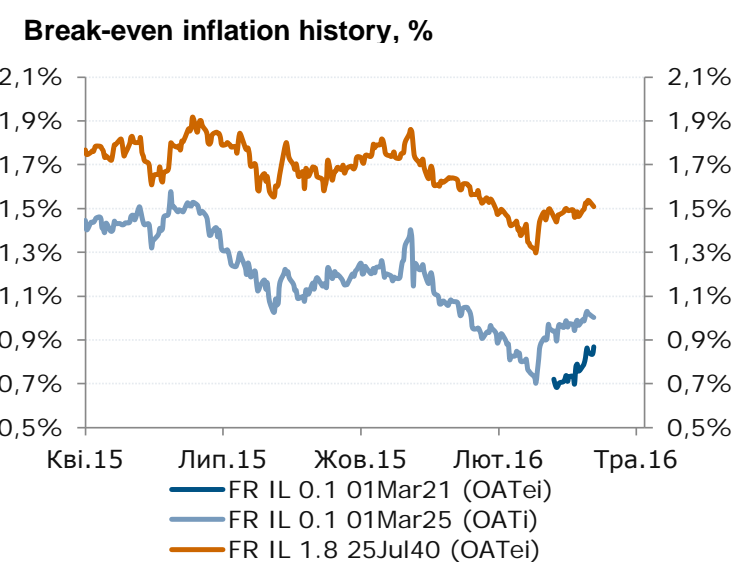
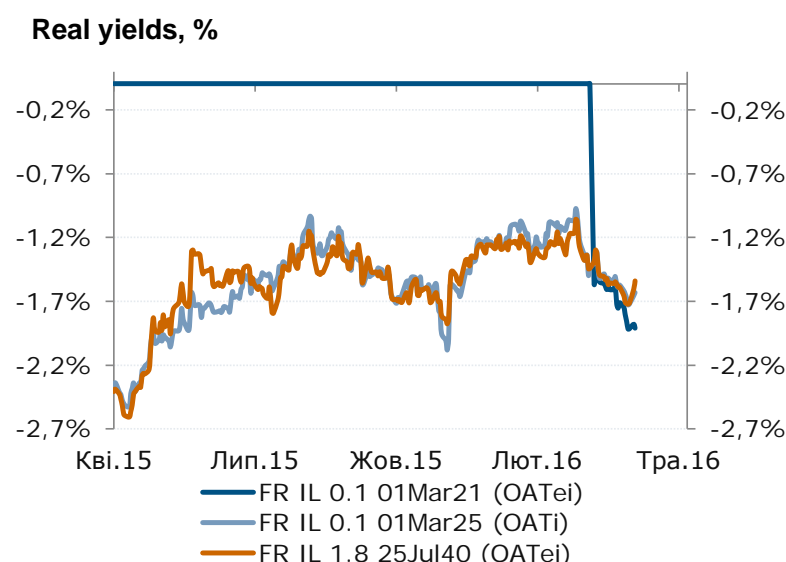
Money Market Rates

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



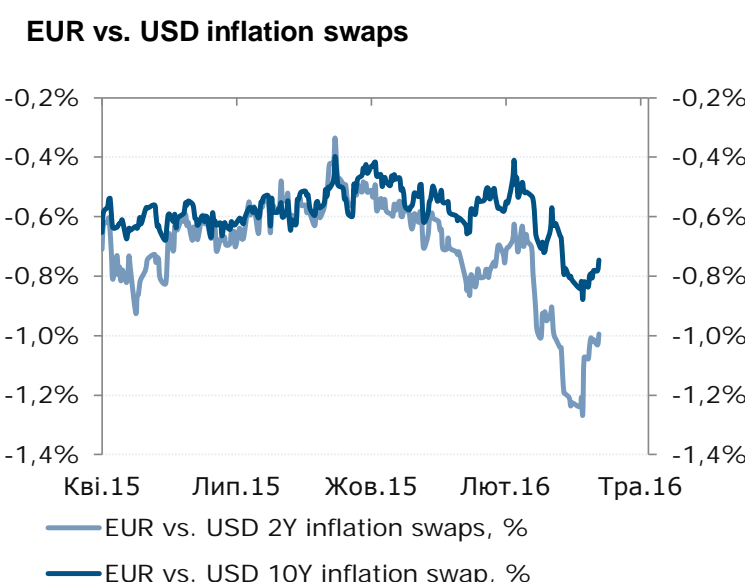
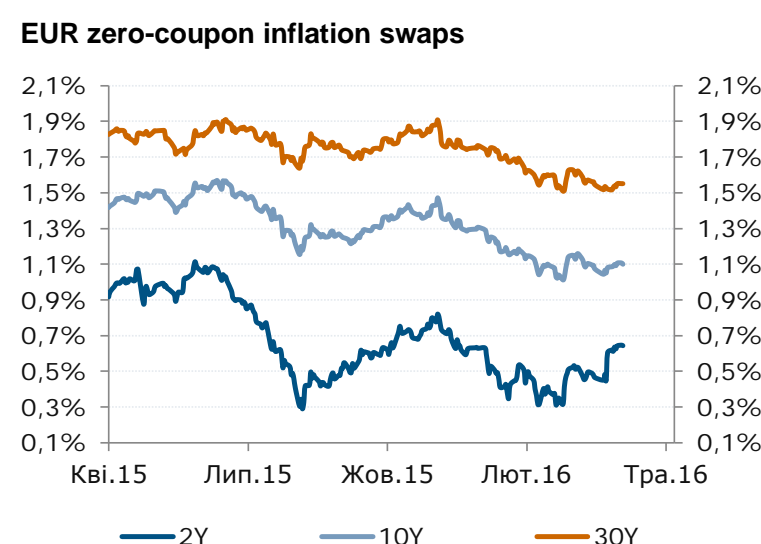
Inflation-linked Bonds

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

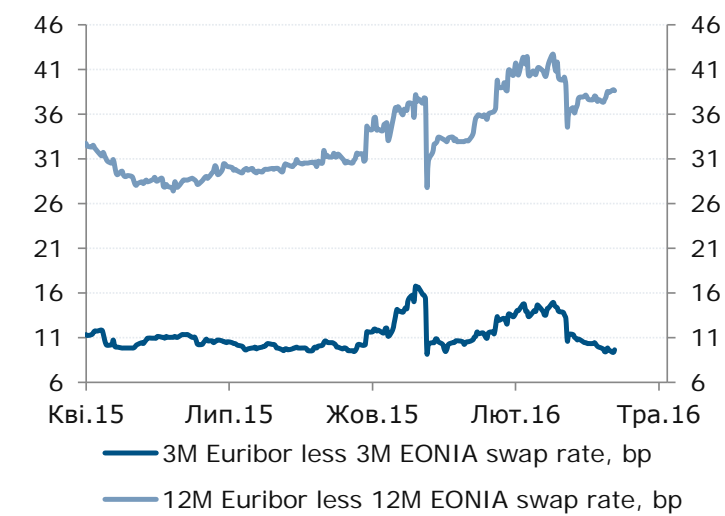
Credit default swap indices illustrate the annual cost of buying protection against a credit event of a company. iTraxx® Europe is comprised of the 125 most liquid CDS contracts referencing European investment grade credits, iTraxx® Crossover of 50 sub-investment grade credits.

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



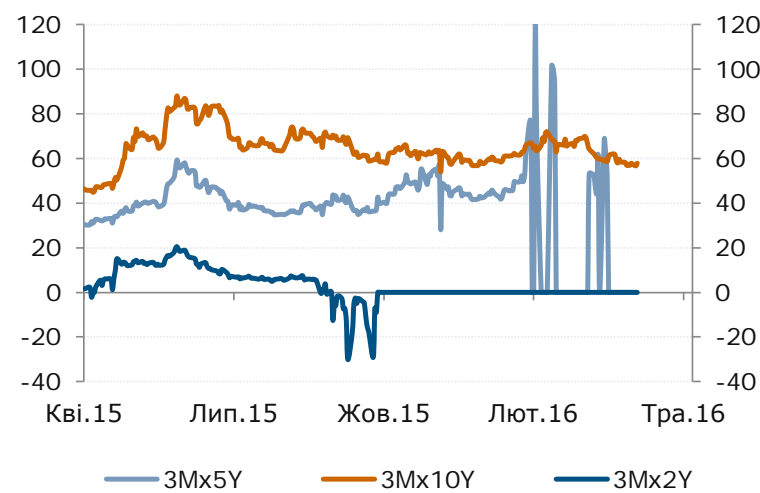
Money market rates vs. EONIA swap rates



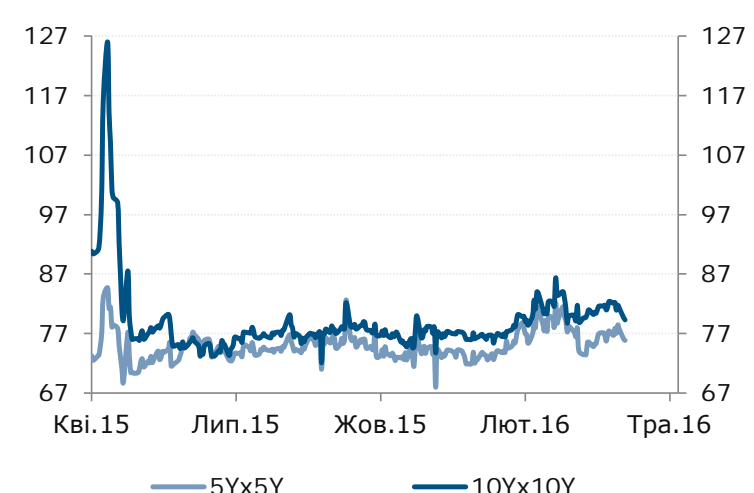
Swaption Volatilities

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

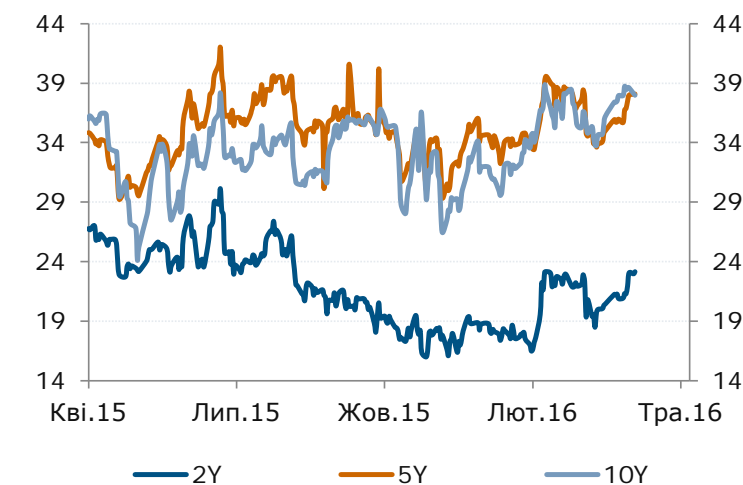
Swap spread:
Benchmark bond's spread to EUR swap curve.

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

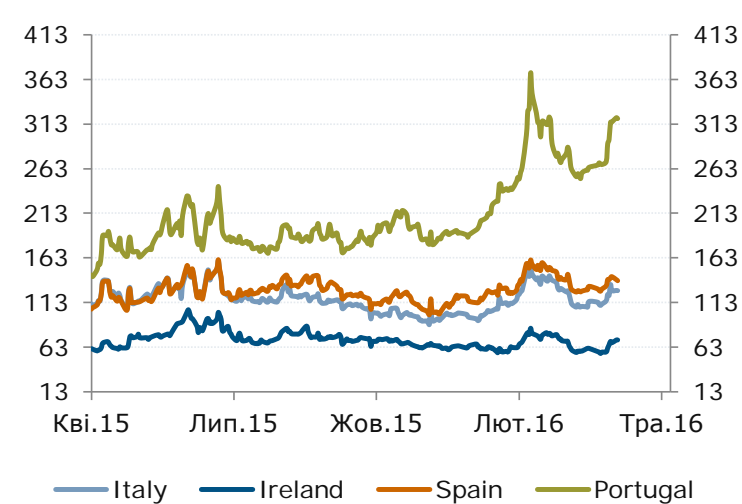
1Y break-even spread changes indicate how much a bond's spread against an equivalent bond trading on the German curve may widen in order to give the same return in one year.

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

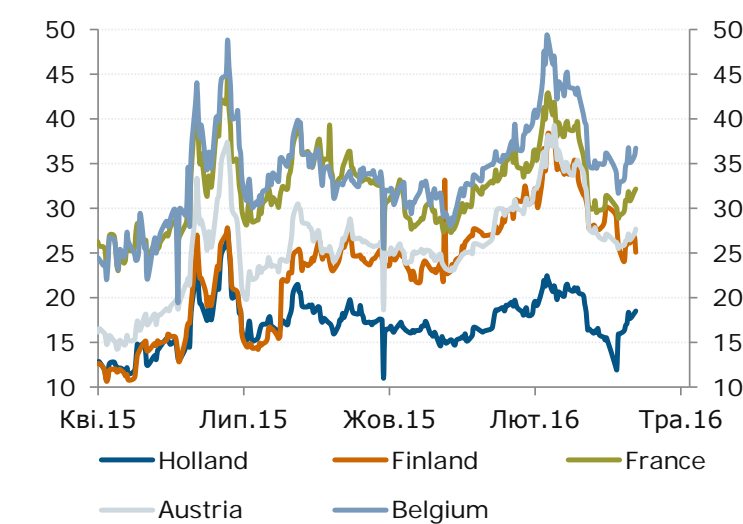
German swap spreads, bp



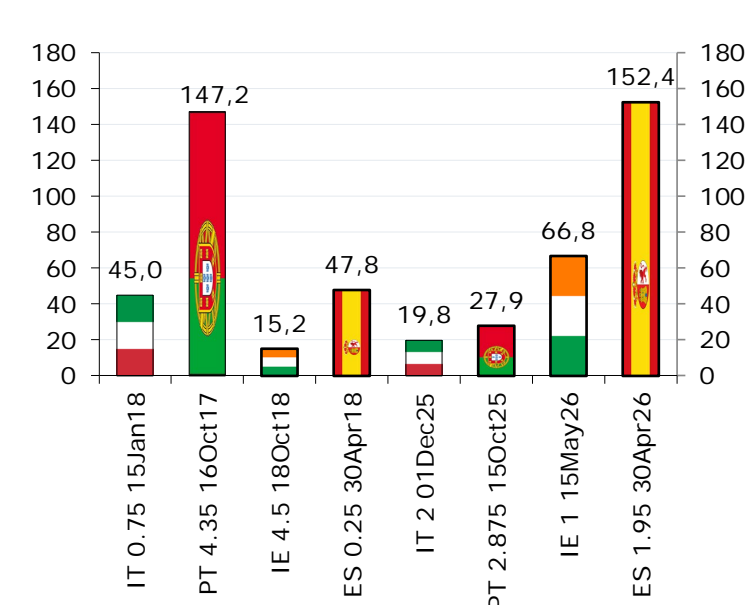
10Y non-AAA spreads against Germany, bp



10Y AAA/AA+ spreads to Germany, bp



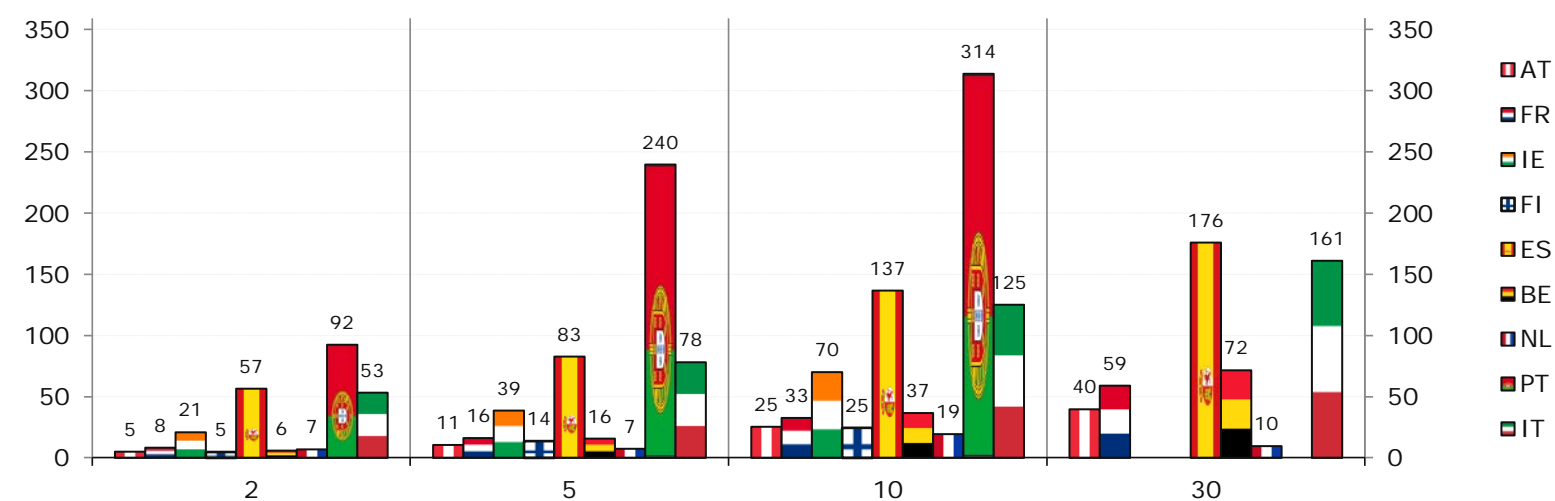
1Y B/E spread changes against Germany, bp



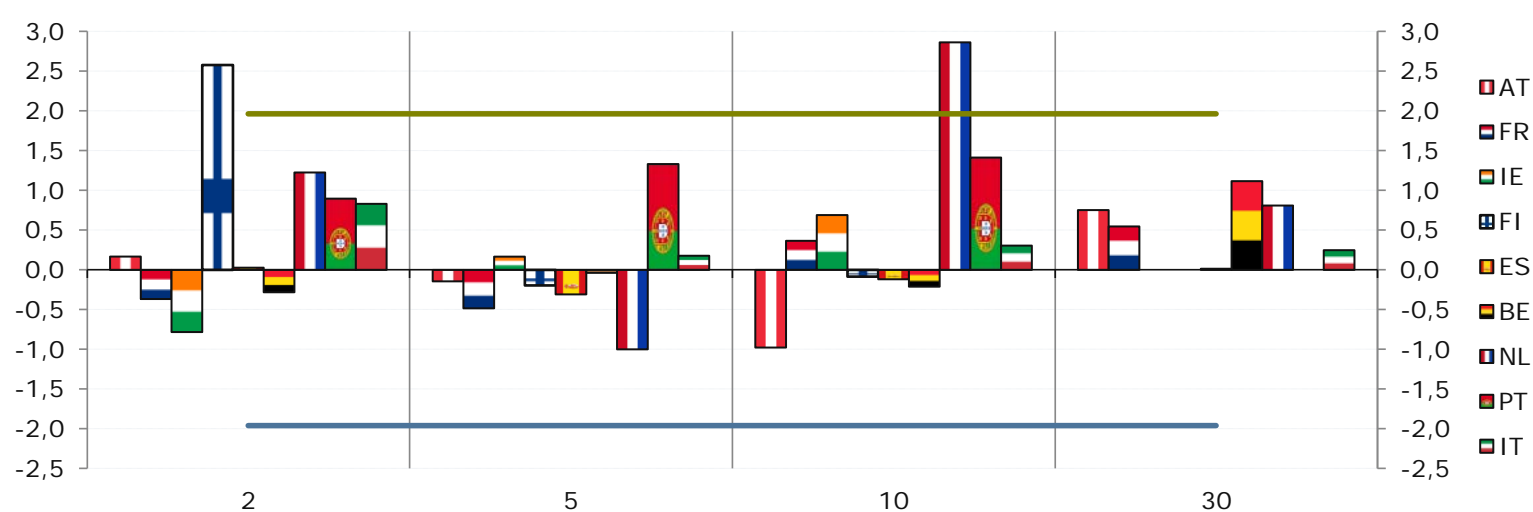


Country Relative Value

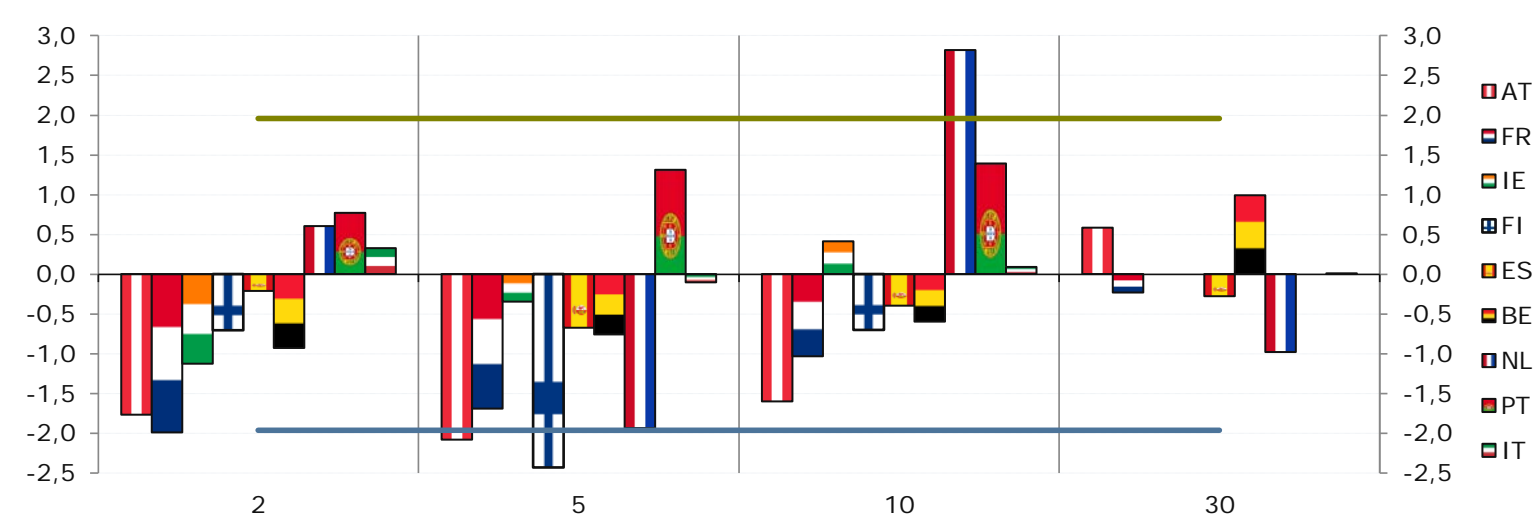
Benchmark spreads over the maturity-interpolated German par curve, bp



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	KfW	18 Mar 19	0.875	12.9	-0.97	EIB	15 Mar 18	2.625	-19.7	-2.97
	FI	15 Sep 17	3.875	4.8	2.52	PT	14 Jun 19	4.750	179.2	1.51
5Y: Rich	KfW	15 Jan 21	1.625	9.2	-1.05	FI	15 Apr 20	3.375	-24.4	-2.27
	PT	15 Apr 21	3.850	265.9	1.41	PT	15 Apr 21	3.850	236.6	1.41
7Y: Rich	EIB	15 Nov 23	0.500	20.1	-1.41	KfW	15 Aug 23	2.125	-26.1	-2.06
	PT	17 Oct 22	2.200	297.7	1.44	GR	24 Feb 24	3.000	646.6	1.75
10Y: Rich	FI	15 Apr 26	0.500	24.6	-1.51	AT	21 Oct 24	1.650	-17.2	-1.97
	GR	24 Feb 28	3.000	761.4	1.80	GR	24 Feb 28	3.000	534.6	3.11
15Y: Rich	FI	15 Apr 31	0.750	29.1	-1.26	DE	04 Jan 37	4.000	-29.1	-2.02
	GR	24 Feb 36	3.000	665.4	4.30	GR	24 Feb 36	3.000	429.0	6.32
20Y: Rich	FI	04 Jul 42	2.625	14.5	-1.08	DE	15 Aug 46	2.500	-17.7	-1.31
	BE	22 Jun 47	1.600	71.6	3.13	BE	22 Jun 47	1.600	54.7	3.09

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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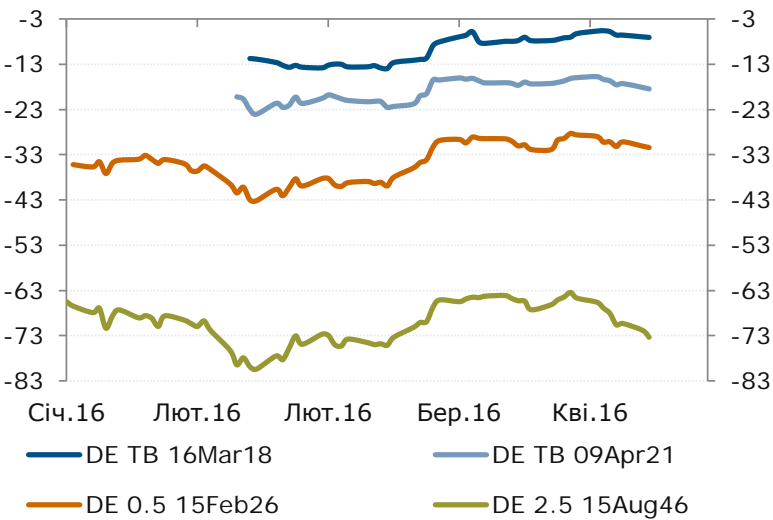
Moody's / S&P / Fitch

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

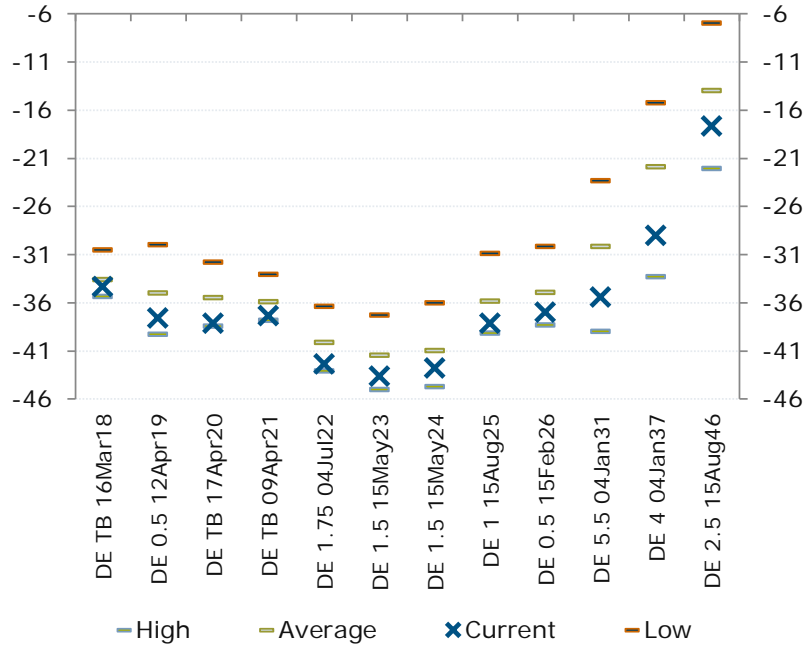
Germany

Benchmark Bonds				Spread vs. France				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	12-Apr	60D Avg.	Z-score	Δ B/E Spd 1Y	12-Apr	60D Avg.	Z-score
0.000	16 Mar 18	13.0B	-0.512	-6.9	-9.8	0.95	0.3	-34.4	-33.7	-0.60
0.500	12 Apr 19	16.0B	-0.515	-13.2	-14.9	0.98	-0.6	-37.6	-35.1	-1.55
0.000	17 Apr 20	20.0B	-0.461	-16.5	-17.4	0.53	-0.8	-38.2	-35.5	-1.37
0.000	09 Apr 21	13.0B	-0.375	-18.3	-19.0	0.28	9.7	-37.4	-36.0	-1.09
1.750	04 Jul 22	24.0B	-0.300	-24.5	-26.3	0.76	-0.8	-42.4	-40.2	-1.18
1.500	15 May 23	18.0B	-0.217	-27.4	-29.8	0.83	-0.7	-43.7	-41.5	-1.04
1.500	15 May 24	18.0B	-0.098	-28.8	-32.7	1.07	-0.8	-42.8	-41.0	-0.88
1.000	15 Aug 25	23.0B	0.080	-30.3	-33.6	0.87	-0.7	-38.2	-35.9	-1.14
0.500	15 Feb 26	14.0B	0.145	-31.3	-34.8	0.93	-0.4	-37.1	-35.0	-1.06
5.500	04 Jan 31	17.0B	0.443	-51.4	-52.0	0.15	0.3	-35.5	-30.3	-1.65
4.000	04 Jan 37	23.0B	0.678	-67.6	-62.9	-1.21	-0.2	-29.1	-21.9	-2.02
2.500	15 Aug 46	15.0B	0.844	-73.2	-70.4	-0.74	-0.2	-17.7	-14.1	-1.31

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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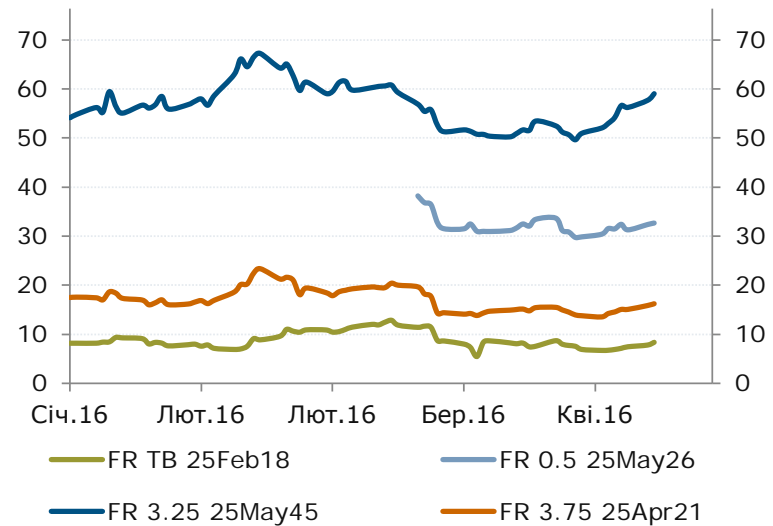
Moody's / S&P / Fitch

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

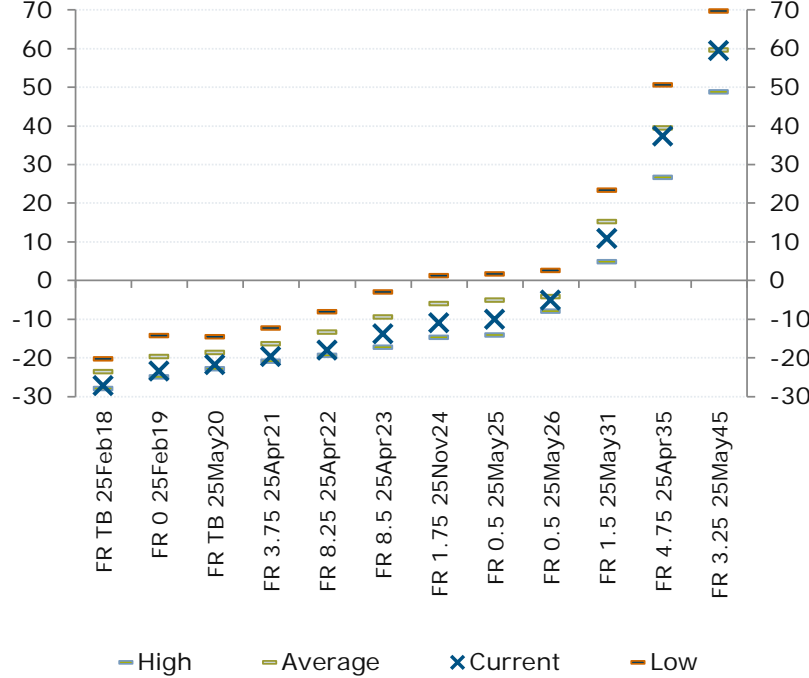
France

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	12-Apr	60D Avg.	Z-score	Δ B/E Spd 1Y	12-Apr	60D Avg.	Z-score
0.000	25 Feb 18	20.02B	-0.442	8.4	8.9	-0.37	-2.1	-27.3	-23.7	-2.12
0.000	25 Feb 19	9.48B	-0.381	13.5	14.6	-0.66	1.0	-23.5	-19.8	-2.02
0.000	25 May 20	22.01B	-0.284	16.6	17.0	-0.24	2.8	-21.9	-18.7	-2.09
3.750	25 Apr 21	37.03B	-0.209	16.2	17.2	-0.47	-3.1	-19.7	-16.4	-1.61
8.250	25 Apr 22	1.99B	-0.128	17.8	18.6	-0.38	-3.0	-18.1	-13.4	-1.60
8.500	25 Apr 23	10.03B	-0.004	20.8	21.3	-0.25	-2.0	-13.9	-9.6	-1.25
1.750	25 Nov 24	30.99B	0.261	27.1	29.5	-0.74	-0.5	-11.0	-6.0	-1.25
0.500	25 May 25	32.97B	0.347	29.2	32.1	-0.76	-0.1	-10.2	-5.1	-1.20
0.500	25 May 26	9.87B	0.498	32.7	32.1	0.35	0.0	-5.2	-4.3	-0.37
1.500	25 May 31	13.01B	0.975	46.4	45.8	0.17	0.2	10.8	15.2	-0.92
4.750	25 Apr 35	25.03B	1.151	43.8	40.9	0.75	0.4	37.3	39.4	-0.35
3.250	25 May 45	17.01B	1.477	59.0	57.1	0.53	0.7	59.4	59.5	-0.01

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

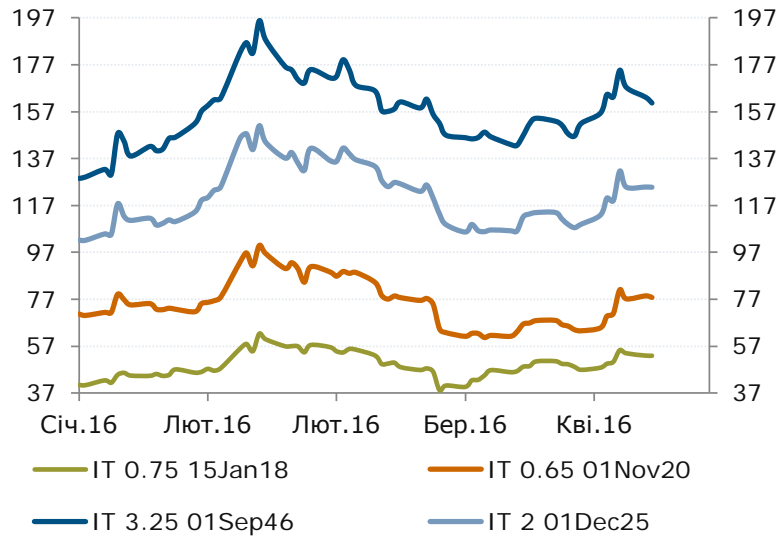
Rating	Baa2/BBB-/BBB+
Moody's / S&P / Fitch	

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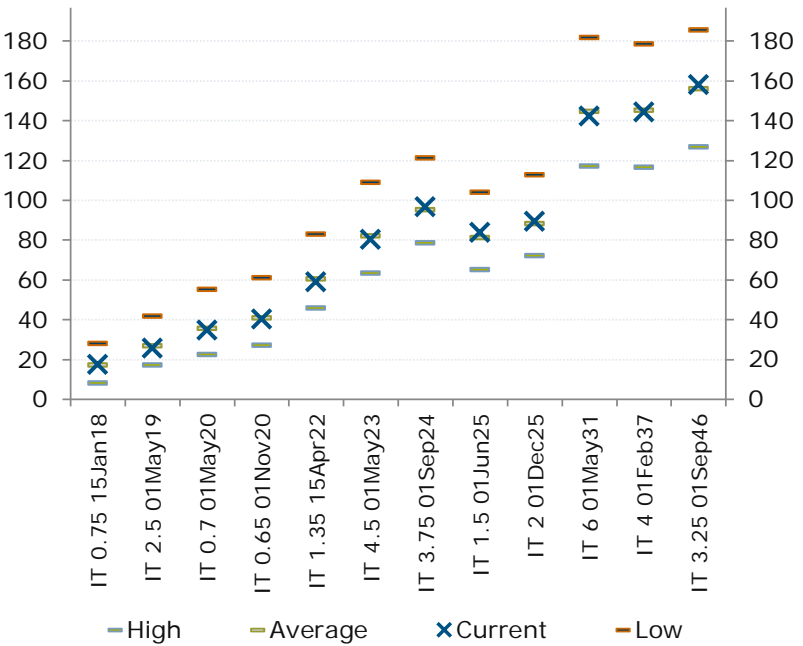
Italy

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	12-Apr	60D Avg.	Z-score	Δ B/E Spd 1Y	12-Apr	60D Avg.	Z-score
0.750	15 Jan 18	15.46B	0.009	53.3	49.6	0.80	-49.4	17.5	16.9	0.16
2.500	01 May 19	18.01B	0.105	61.7	59.6	0.38	-0.4	25.6	26.7	-0.21
0.700	01 May 20	15.99B	0.273	72.9	71.3	0.20	1.2	34.5	35.5	-0.14
0.650	01 Nov 20	14.02B	0.370	78.2	76.8	0.17	0.2	40.1	40.8	-0.10
1.350	15 Apr 22	17.01B	0.686	99.4	98.8	0.07	9.9	58.9	60.4	-0.19
4.500	01 May 23	18.02B	0.888	109.7	109.0	0.06	0.6	80.3	82.1	-0.18
3.750	01 Sep 24	19.01B	1.212	125.3	121.8	0.30	0.8	96.7	95.2	0.14
1.500	01 Jun 25	19.99B	1.295	123.8	119.0	0.43	0.7	83.7	81.0	0.28
2.000	01 Dec 25	17.01B	1.371	125.2	121.9	0.28	0.3	89.2	88.0	0.13
6.000	01 May 31	29.75B	1.870	136.3	133.5	0.22	0.4	142.2	144.5	-0.16
4.000	01 Feb 37	26.01B	2.224	145.5	143.3	0.18	0.4	144.3	145.0	-0.05
3.250	01 Sep 46	13.24B	2.504	161.1	158.5	0.21	0.1	158.0	156.0	0.17

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

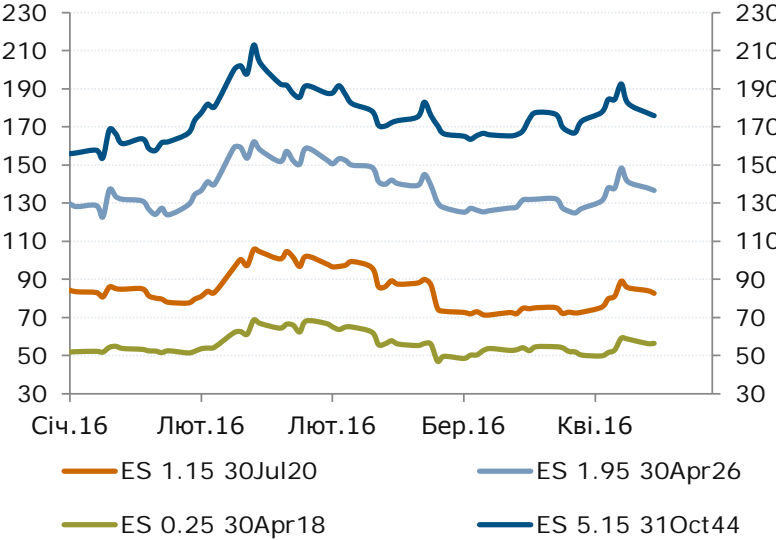
Rating	Baa2/BBB/BBB+
Moody's / S&P / Fitch	

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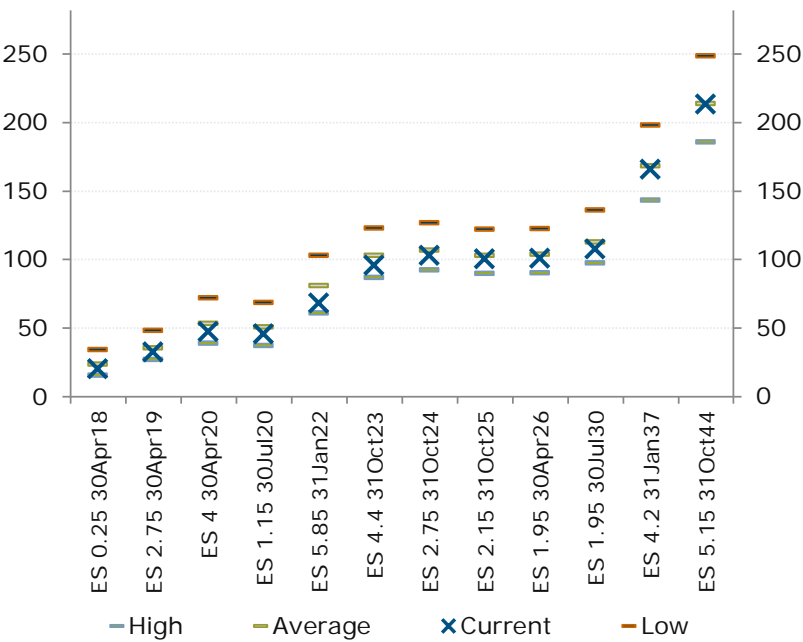
Spain

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	12-Apr	60D Avg.	Z-score	Δ B/E Spd 1Y	12-Apr	60D Avg.	Z-score
0.250	30 Apr 18	16.99B	0.039	56.6	56.5	0.01	-44.9	20.1	23.4	-0.82
2.750	30 Apr 19	22.98B	0.167	67.8	67.3	0.10	4.9	32.5	35.2	-0.52
4.000	30 Apr 20	23.01B	0.339	79.5	82.4	-0.35	7.6	47.1	53.3	-0.77
1.150	30 Jul 20	17.02B	0.394	82.8	85.4	-0.30	2.6	45.6	50.5	-0.65
5.850	31 Jan 22	22.01B	0.610	93.1	102.1	-0.95	0.1	67.8	80.5	-1.29
4.400	31 Oct 23	20.01B	1.073	122.2	127.0	-0.51	-0.1	95.6	102.8	-0.81
2.750	31 Oct 24	23.99B	1.340	135.9	138.1	-0.22	-0.2	102.7	106.7	-0.46
2.150	31 Oct 25	20.96B	1.463	135.5	136.0	-0.06	-2.5	100.4	102.6	-0.26
1.950	30 Apr 26	14.84B	1.534	136.8	138.5	-0.18	-4.0	100.8	103.8	-0.35
1.950	30 Jul 30	12.31B	1.948	148.3	149.7	-0.14	-3.6	107.5	112.7	-0.59
4.200	31 Jan 37	17.02B	2.400	163.1	163.1	0.00	0.8	165.5	168.1	-0.24
5.150	31 Oct 44	11.23B	2.644	176.0	176.2	-0.02	1.5	212.9	213.7	-0.07

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

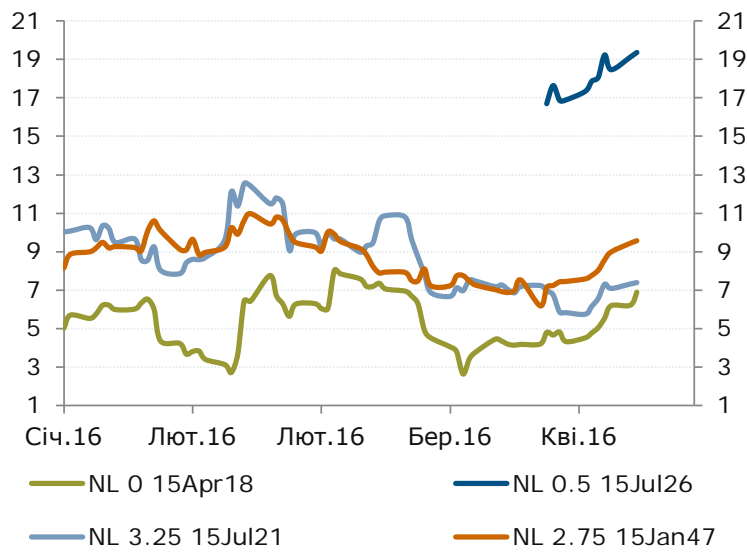
Rating	Aaa/AA+/AAA
Moody's / S&P / Fitch	

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

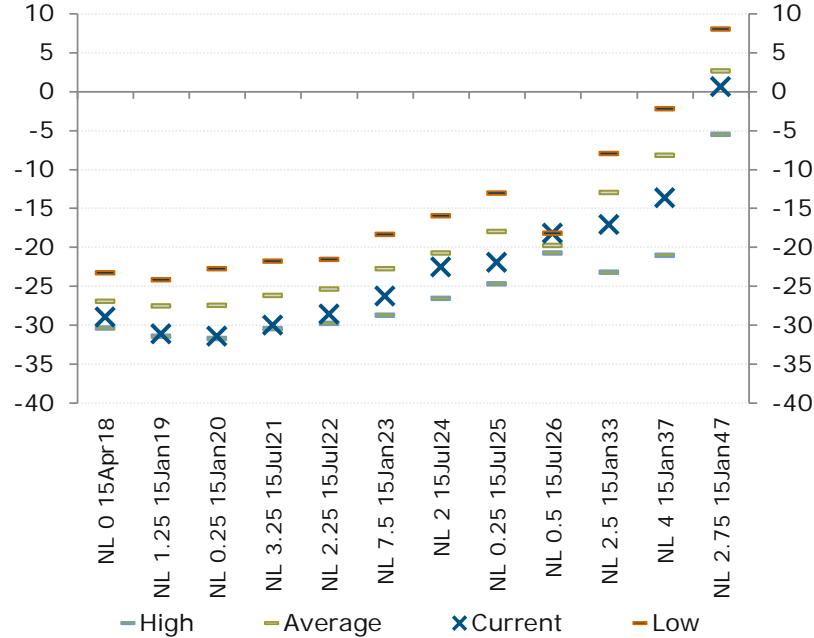
Netherlands

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	12-Apr	60D Avg.	Z-score	Δ B/E Spd 1Y	12-Apr	60D Avg.	Z-score
0.000	15 Apr 18	15.99B	-0.458	7.0	5.5	1.19	2.5	-29.0	-27.0	-1.23
1.250	15 Jan 19	15.01B	-0.462	5.6	6.2	-0.44	0.2	-31.2	-27.6	-1.91
0.250	15 Jan 20	15.84B	-0.410	6.4	7.7	-1.01	-3.5	-31.5	-27.5	-1.95
3.250	15 Jul 21	16.99B	-0.282	7.5	8.9	-0.97	0.3	-30.1	-26.3	-1.88
2.250	15 Jul 22	15.01B	-0.168	11.7	12.3	-0.38	0.3	-28.6	-25.4	-1.79
7.500	15 Jan 23	2.37B	-0.119	11.8	12.1	-0.18	0.6	-26.3	-22.8	-1.55
2.000	15 Jul 24	15.32B	0.108	16.7	16.1	0.45	0.4	-22.6	-20.8	-0.84
0.250	15 Jul 25	15.01B	0.245	17.2	18.9	-0.84	0.2	-22.0	-18.1	-1.53
0.500	15 Jul 26	5.51B	0.376	19.4	18.0	1.58	-2.3	-18.2	-19.8	2.18
2.500	15 Jan 33	12.01B	0.725	12.0	10.5	0.80	0.0	-17.1	-13.0	-1.02
4.000	15 Jan 37	13.99B	0.798	3.1	3.2	-0.06	0.3	-13.7	-8.2	-1.17
2.750	15 Jan 47	11.02B	0.991	9.6	8.9	0.79	0.1	0.6	2.6	-0.68

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

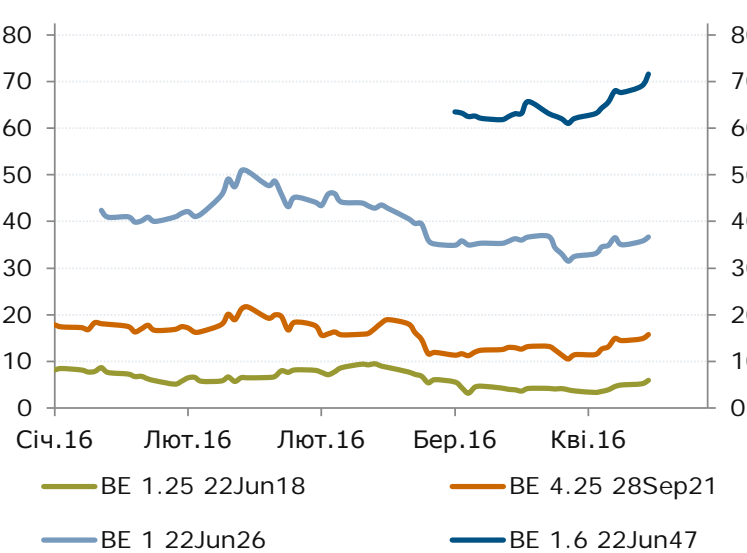
Rating	Aa3/AA/AA
Moody's / S&P / Fitch	

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

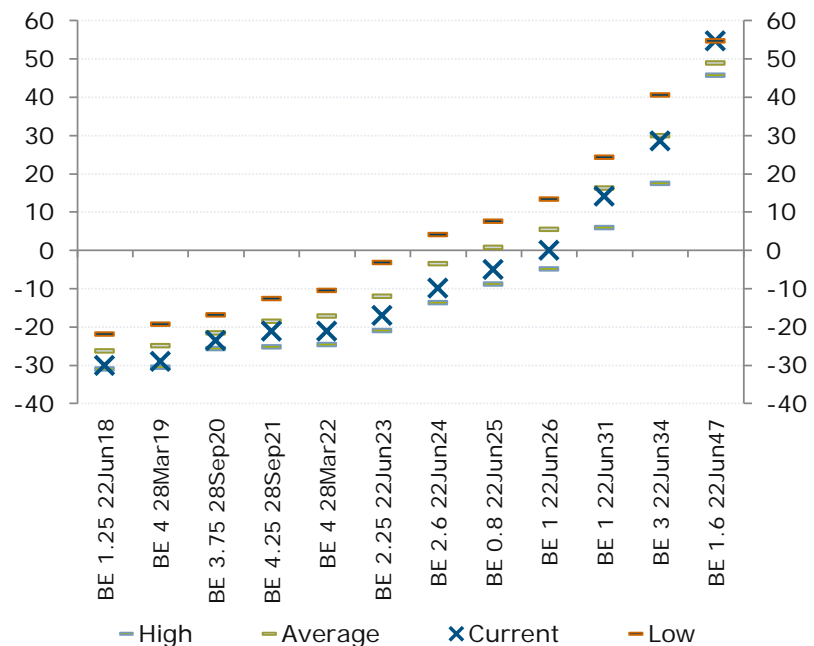
Belgium

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	12-Apr	60D Avg.	Z-score	Δ B/E Spd 1Y	12-Apr	60D Avg.	Z-score
1.250	22 Jun 18	11.01B	-0.465	6.0	6.3	-0.26	-0.8	-30.1	-26.3	-1.60
4.000	28 Mar 19	12.37B	-0.431	8.5	9.2	-0.52	-0.3	-29.0	-24.9	-1.47
3.750	28 Sep 20	19.01B	-0.290	13.0	12.5	0.36	-0.6	-23.6	-21.5	-0.98
4.250	28 Sep 21	15.98B	-0.186	15.8	15.8	-0.02	0.2	-21.1	-18.6	-0.76
4.000	28 Mar 22	14.02B	-0.138	17.4	18.4	-0.38	-0.3	-21.0	-17.1	-1.07
2.250	22 Jun 23	13.99B	0.043	23.4	25.8	-0.71	0.3	-16.9	-11.9	-1.18
2.600	22 Jun 24	15.85B	0.213	28.1	31.7	-1.01	0.5	-9.9	-3.5	-1.41
0.800	22 Jun 25	16.02B	0.402	33.7	37.2	-0.97	0.8	-5.0	0.7	-1.46
1.000	22 Jun 26	6.24B	0.544	36.7	40.3	-0.86	0.6	0.0	5.4	-1.19
1.000	22 Jun 31	4.52B	1.044	52.8	49.9	0.80	0.0	14.1	16.3	-0.49
3.000	22 Jun 34	6.47B	1.159	47.7	44.3	0.87	-0.1	28.5	29.9	-0.27
1.600	22 Jun 47	3.5B	1.613	71.6	64.1	3.13	0.3	54.7	48.9	3.09

Spreads against the German curve, bp



Asset swap term structure, bp





Finland

	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

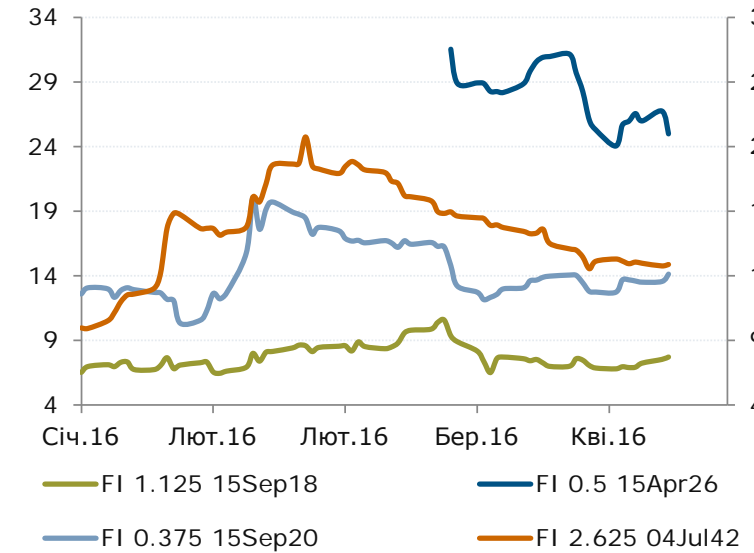
Source: European Commission, Winter 2015 forecast

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

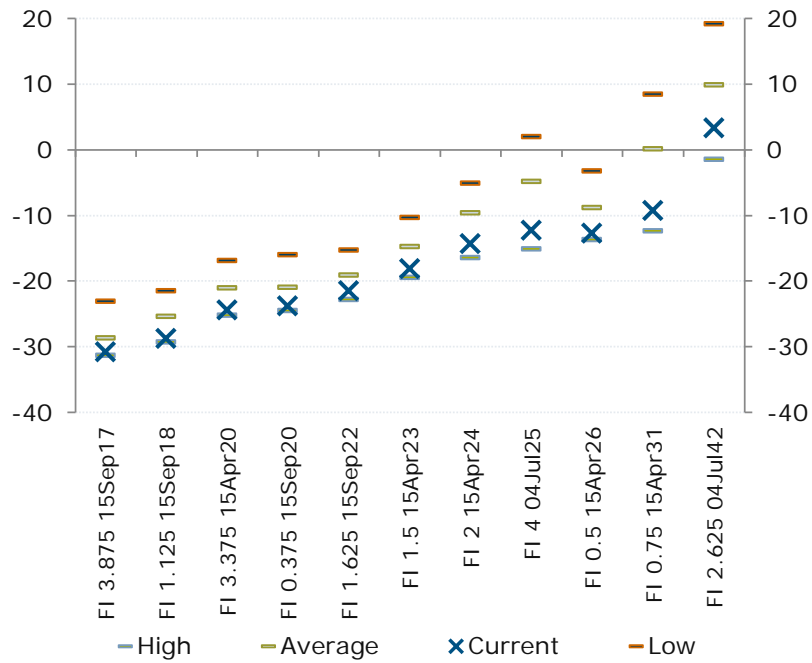
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	12-Apr	60D Avg.	Z-score	Δ B/E Spd 1Y	12-Apr	60D Avg.	Z-score
3.875	15 Sep 17	6.0B	-0.471	4.8	2.7	2.52	-4.7	-30.8	-28.7	-1.22
1.125	15 Sep 18	5.03B	-0.449	7.3	7.4	-0.12	0.3	-28.7	-25.3	-2.41
3.375	15 Apr 20	6.5B	-0.329	13.1	13.4	-0.13	0.2	-24.4	-21.0	-2.27
0.375	15 Sep 20	6.03B	-0.286	13.7	14.2	-0.21	0.7	-23.8	-20.9	-2.25
1.625	15 Sep 22	5.0B	-0.079	19.1	19.0	0.01	0.1	-21.4	-19.1	-1.38
1.500	15 Apr 23	5.0B	0.019	23.4	24.2	-0.34	0.1	-18.1	-14.7	-1.88
2.000	15 Apr 24	5.0B	0.159	25.2	27.5	-0.91	0.0	-14.3	-9.6	-1.89
4.000	04 Jul 25	6.03B	0.271	20.2	24.2	-1.20	0.2	-12.2	-4.8	-1.59
0.500	15 Apr 26	4.0B	0.409	24.6	27.3	-1.51	-2.7	-12.7	-8.8	-1.22
0.750	15 Apr 31	3.5B	0.797	29.1	33.9	-1.26	1.7	-9.3	0.1	-1.94
2.625	04 Jul 42	4.03B	1.017	14.5	17.5	-1.08	0.1	3.3	9.9	-1.16

Spreads against the German curve, bp



Asset swap term structure, bp



Austria

	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

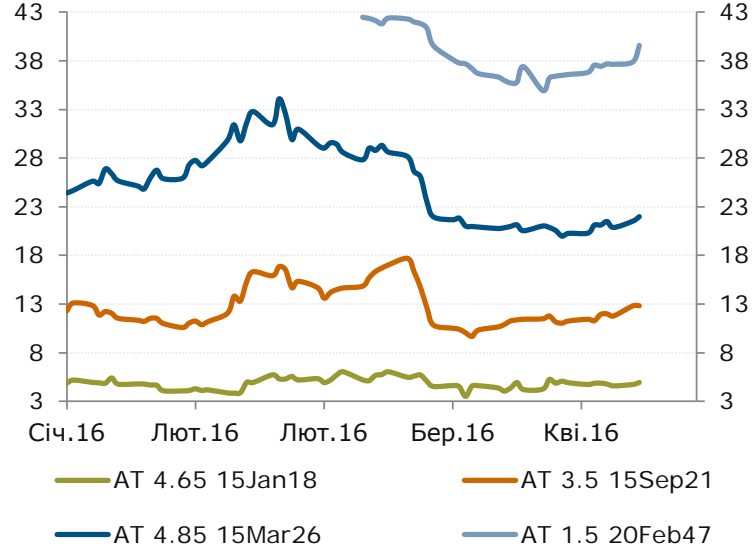
Source: European Commission, Winter 2015 forecast

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

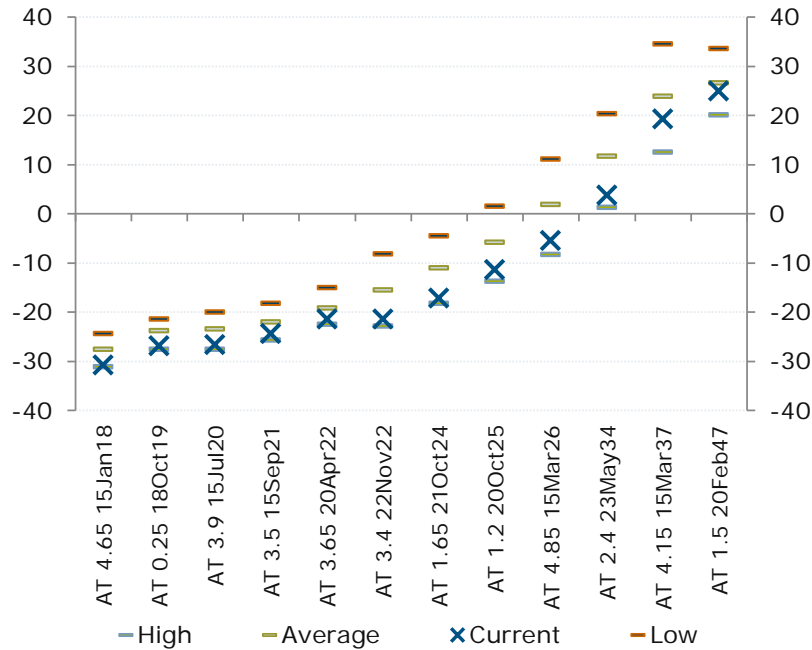
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	12-Apr	60D Avg.	Z-score	Δ B/E Spd 1Y	12-Apr	60D Avg.	Z-score
4.650	15 Jan 18	12.06B	-0.473	5.1	5.0	0.16	-1.9	-30.8	-27.5	-2.10
0.250	18 Oct 19	7.95B	-0.379	10.8	11.0	-0.14	0.3	-26.9	-23.8	-2.26
3.900	15 Jul 20	13.01B	-0.332	10.6	10.8	-0.15	1.4	-26.6	-23.5	-2.01
3.500	15 Sep 21	15.99B	-0.216	13.0	13.0	-0.03	1.3	-24.4	-22.0	-1.64
3.650	20 Apr 22	8.71B	-0.133	17.4	16.8	0.34	1.1	-21.4	-19.1	-1.43
3.400	22 Nov 22	10.99B	-0.071	18.1	21.0	-1.09	1.5	-21.5	-15.5	-1.81
1.650	21 Oct 24	10.35B	0.193	21.6	25.2	-1.24	-1.5	-17.2	-11.0	-1.97
1.200	20 Oct 25	9.28B	0.359	25.4	28.6	-0.95	-1.5	-11.4	-5.9	-1.51
4.850	15 Mar 26	8.01B	0.375	22.1	26.0	-1.12	-1.1	-5.5	1.9	-1.51
2.400	23 May 34	5.19B	0.957	27.8	30.5	-0.91	0.4	3.8	11.7	-1.72
4.150	15 Mar 37	12.22B	1.058	28.6	28.4	0.08	2.6	19.3	23.9	-0.85
1.500	20 Feb 47	1.95B	1.293	39.7	38.9	0.37	-1.1	25.0	26.6	-0.36

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

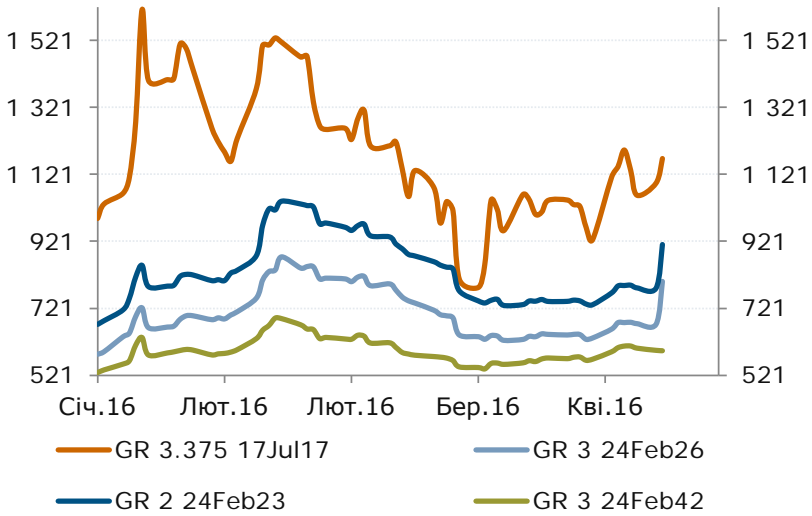
Source: European Commission, Winter 2015 forecast

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

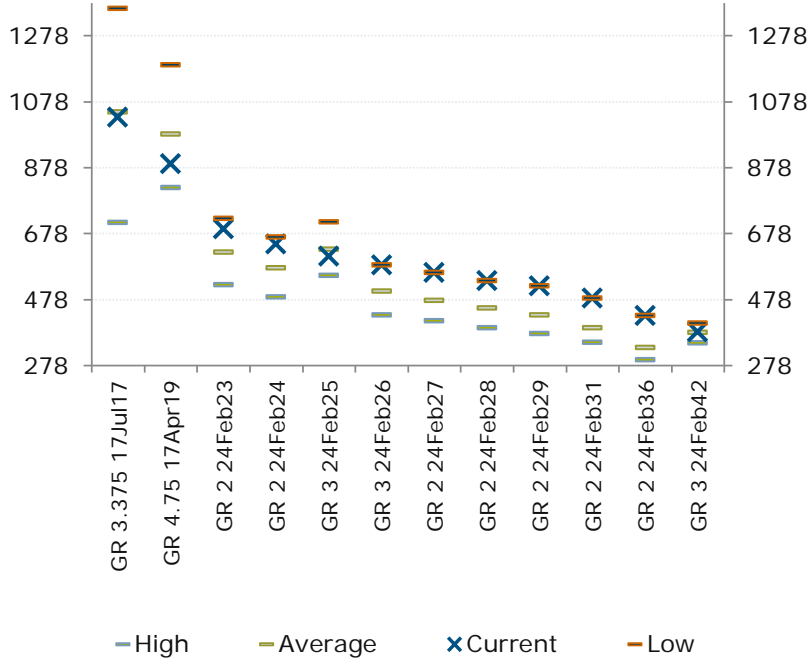
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	12-Apr	60D Avg.	Z-score	Δ B/E Spd 1Y	12-Apr	60D Avg.	Z-score
3.375	17 Jul 17	2.02B	11.170	1,168.6	1,193.7	-0.15	494.5	1,031.2	1,046.4	-0.12
4.750	17 Apr 19	4.02B	9.761	1,027.5	1,157.7	-0.95	23.0	890.6	980.7	-0.94
3.000	24 Feb 23	1.04B	8.888	911.6	843.6	0.81	29.8	692.8	622.2	1.50
3.000	24 Feb 24	1.25B	8.533	864.3	792.2	0.94	11.7	646.6	573.8	1.75
3.000	24 Feb 25	1.84B	8.282	825.8	877.1	-0.69	2.6	610.0	631.5	-0.60
3.000	24 Feb 26	1.37B	8.160	801.3	714.1	1.36	-5.4	582.8	502.9	2.41
3.000	24 Feb 27	1.21B	8.073	784.6	686.7	1.71	0.7	559.4	475.3	2.91
3.000	24 Feb 28	1.84B	7.914	761.4	664.6	1.80	-17.4	534.6	452.3	3.11
3.000	24 Feb 29	1.48B	7.941	757.0	643.1	2.20	15.3	520.0	431.5	3.42
3.000	24 Feb 31	1.29B	7.679	718.2	600.4	2.71	4.2	483.0	393.2	4.34
3.000	24 Feb 36	1.33B	7.392	665.4	525.6	4.30	2.3	429.0	332.7	6.32
3.000	24 Feb 42	1.05B	6.812	594.2	597.8	-0.12	-2.9	380.5	378.1	0.21

Spreads against the German curve, bp



Asset swap term structure, bp



Portugal

	15	16	17
GDP, %, y/y	1.0	1.6	1.7
Public balance	-4.6	-3.2	-2.8
Debt/GDP	128.9	124.5	123.5

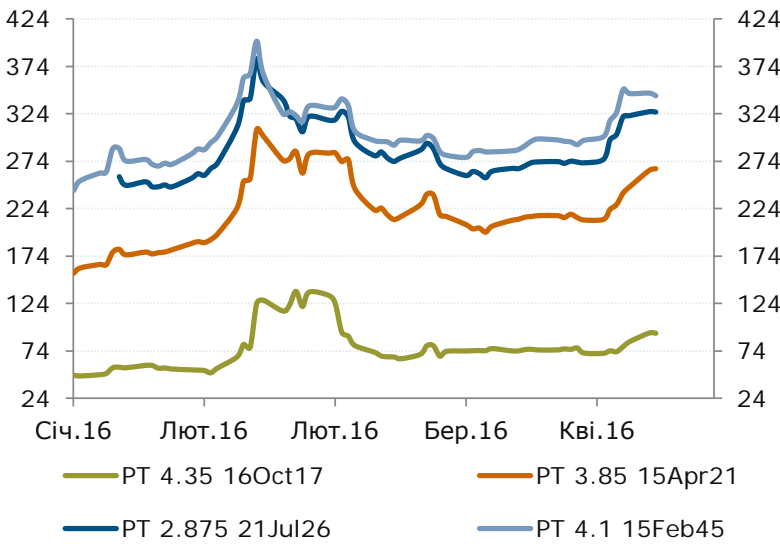
Source: European Commission, Winter 2015 forecast

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

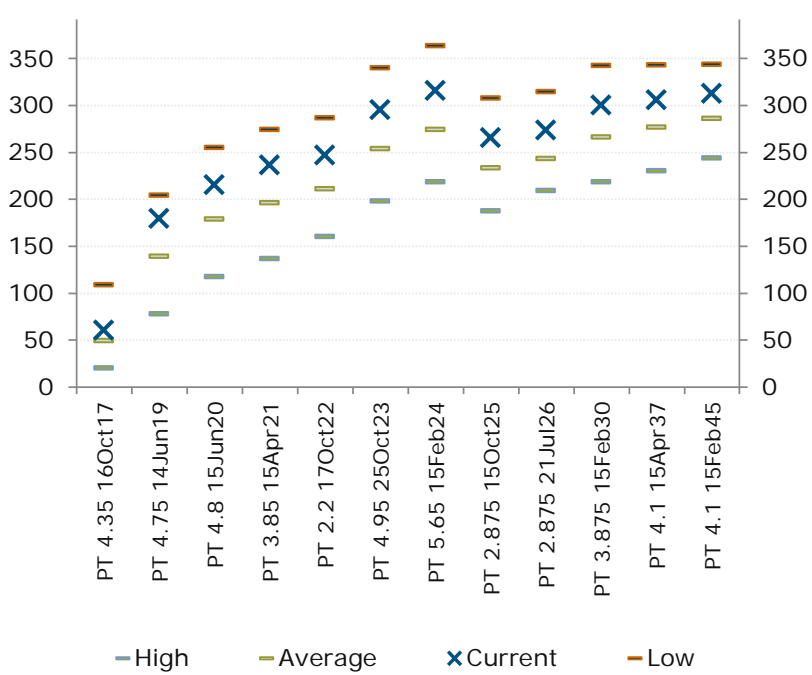
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	12-Apr	60D Avg.	Z-score	Δ B/E Spd 1Y	12-Apr	60D Avg.	Z-score
4.350	16 Oct 17	8.41B	0.405	92.5	77.8	0.85	-6.8	60.3	49.2	0.66
4.750	14 Jun 19	10.99B	1.561	206.6	164.3	1.58	-0.5	179.2	139.3	1.51
4.800	15 Jun 20	10.99B	1.952	239.8	200.9	1.28	8.1	215.2	178.7	1.24
3.850	15 Apr 21	10.69B	2.287	265.9	222.8	1.41	3.0	236.6	196.3	1.41
2.200	17 Oct 22	4.0B	2.716	297.7	255.8	1.44	-1.4	246.7	210.7	1.46
4.950	25 Oct 23	8.02B	3.031	318.1	273.3	1.40	-4.5	295.3	254.0	1.42
5.650	15 Feb 24	12.02B	3.185	329.8	285.3	1.39	-3.6	315.8	274.0	1.41
2.875	15 Oct 25	10.52B	3.243	314.0	275.1	1.36	-6.5	265.4	233.5	1.37
2.875	21 Jul 26	4.19B	3.439	325.7	288.0	1.37	-5.0	273.6	243.3	1.39
3.875	15 Feb 30	4.05B	3.880	344.3	298.0	1.65	-0.2	299.9	266.1	1.56
4.100	15 Apr 37	8.02B	4.164	338.9	297.1	1.62	2.3	305.9	276.7	1.50
4.100	15 Feb 45	3.0B	4.314	342.8	303.7	1.57	2.0	312.3	286.0	1.50

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

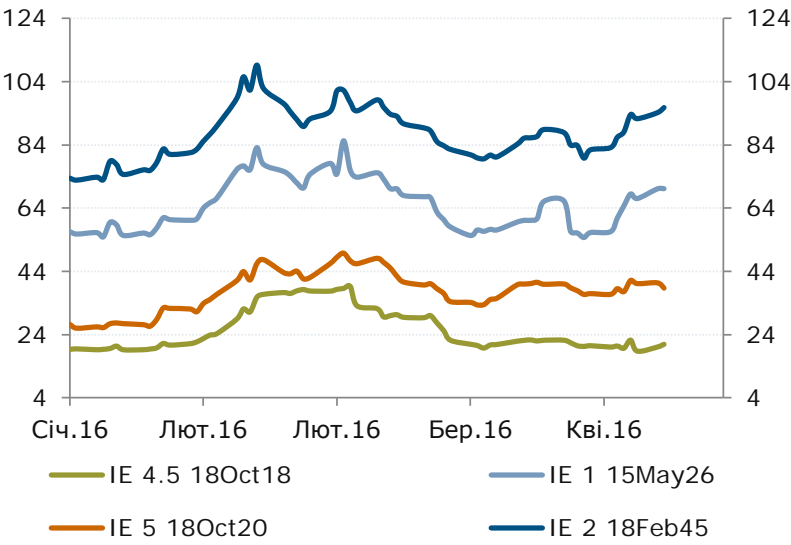
Rating	Baa1/A/A-
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Moody's / S&P / Fitch

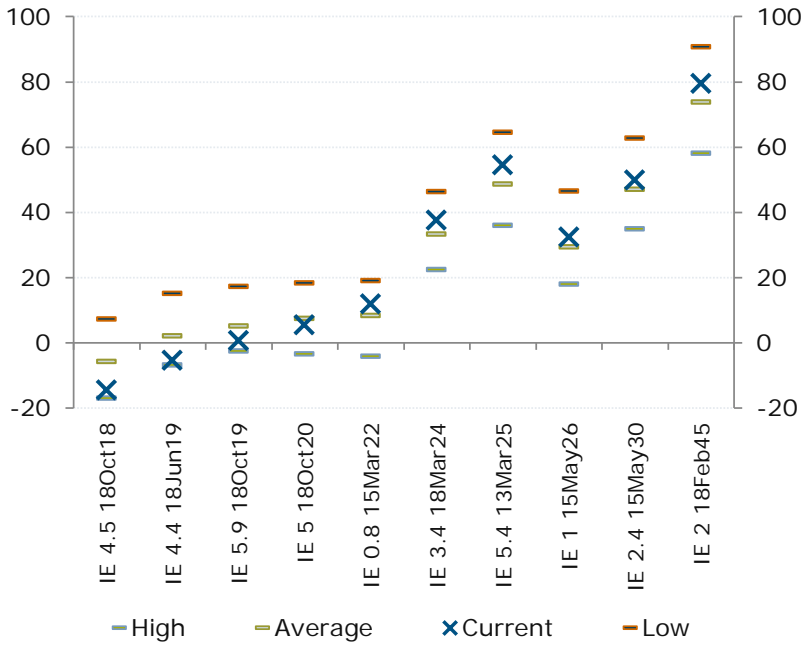
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	12-Apr	60D Avg.	Z-score	Δ B/E Spd 1Y	12-Apr	60D Avg.	Z-score
4.500	18 Oct 18	9.58B	-0.312	20.9	25.8	-0.79	-0.3	-14.5	-5.8	-1.39
4.400	18 Jun 19	7.06B	-0.200	30.5	34.3	-0.63	-6.2	-5.5	2.1	-1.20
5.900	18 Oct 19	6.58B	-0.137	35.0	36.1	-0.22	-1.7	0.6	5.2	-0.94
5.000	18 Oct 20	8.99B	-0.029	38.7	38.0	0.14	-1.1	5.5	7.5	-0.43
0.800	15 Mar 22	4.25B	0.208	52.2	46.3	0.93	0.3	12.0	8.3	0.77
3.400	18 Mar 24	8.01B	0.608	71.0	65.0	0.94	1.0	37.5	33.2	0.78
5.400	13 Mar 25	11.35B	0.784	75.4	67.8	1.07	1.7	54.5	48.6	0.84
1.000	15 May 26	4.0B	0.870	70.1	65.2	0.66	-2.3	32.4	29.4	0.48
2.400	15 May 30	7.78B	1.267	81.4	73.4	1.06	0.1	49.8	47.1	0.40
2.000	18 Feb 45	5.95B	1.843	95.8	87.7	1.09	0.2	79.4	73.8	0.74

Spreads against the German curve, bp



Asset swap term structure, bp



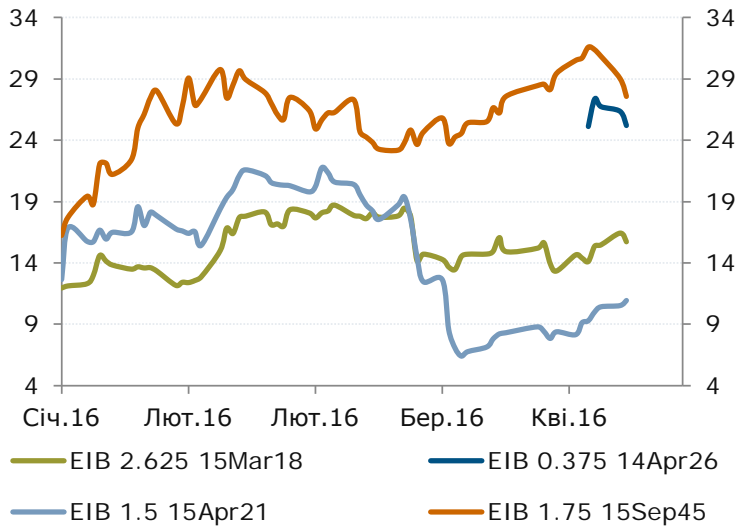


European Investment Bank (EIB)

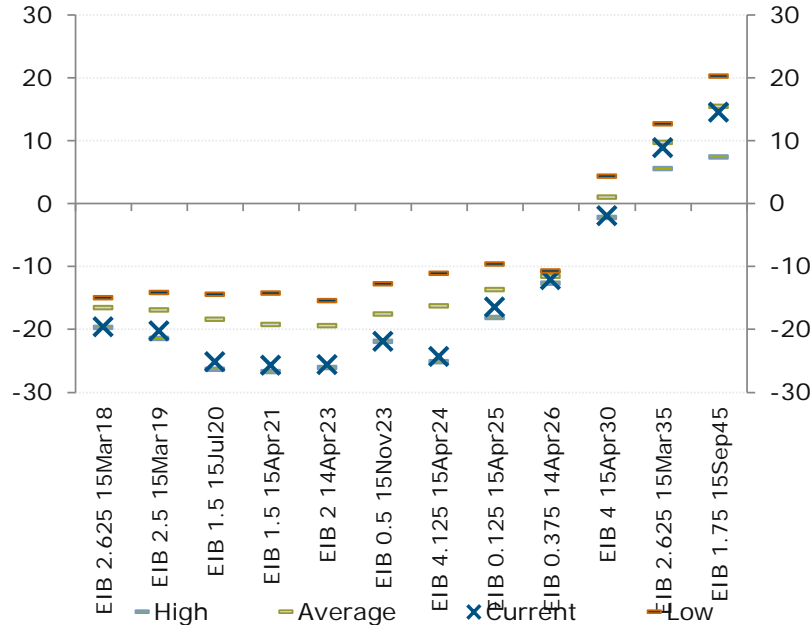
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	12-Apr	60D Avg.	Z-score	Δ B/E Spd 1Y	12-Apr	60D Avg.	Z-score
2.625	15 Mar 18	3.2B	-0.366	16.0	15.7	0.17	-3.9	-19.7	-16.6	-2.97
2.500	15 Mar 19	2.9B	-0.350	16.6	16.9	-0.19	0.2	-20.3	-17.0	-1.84
1.500	15 Jul 20	6.0B	-0.315	12.3	16.3	-1.05	0.8	-25.2	-18.4	-1.66
1.500	15 Apr 21	5.0B	-0.260	11.3	15.6	-1.01	0.4	-25.7	-19.3	-1.55
2.000	14 Apr 23	5.0B	-0.059	15.6	19.0	-1.01	-0.2	-25.7	-19.5	-1.69
0.500	15 Nov 23	1.5B	0.058	20.1	22.9	-1.41	-0.2	-22.0	-17.6	-1.57
4.125	15 Apr 24	7.25B	0.044	13.7	18.4	-1.25	0.4	-24.3	-16.3	-1.79
0.125	15 Apr 25	3.0B	0.278	23.6	25.0	-0.45	1.7	-16.5	-13.8	-0.91
0.375	14 Apr 26	5.0B	0.418	25.5	26.5	-0.96	-1.8	-12.2	-11.6	-0.63
4.000	15 Apr 30	6.5B	0.703	25.6	22.5	1.19	-0.2	-2.0	0.9	-1.95
2.625	15 Mar 35	1.7B	1.010	30.1	26.1	1.62	0.2	8.8	9.7	-0.56
1.750	15 Sep 45	1.3B	1.167	27.9	26.4	0.63	-0.6	14.5	15.4	-0.47

Spreads against the German curve, bp



Asset swap term structure, bp

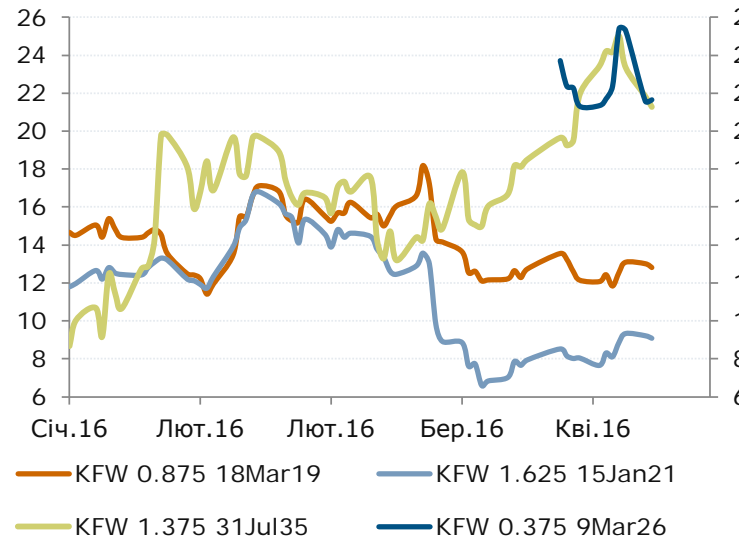


Kreditanstalt für Wiederaufbau (KfW)

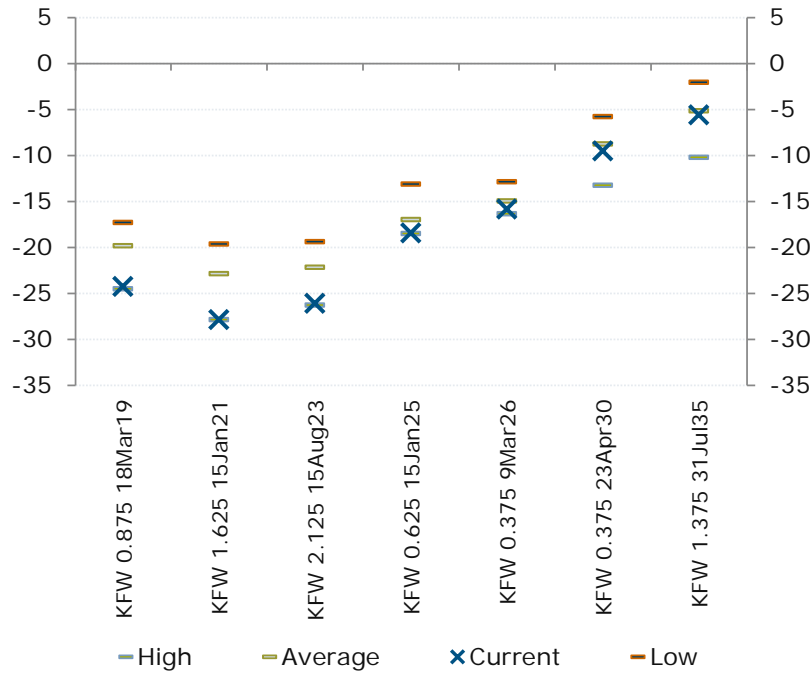
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	12-Apr	60D Avg.	Z-score	Δ B/E Spd 1Y	12-Apr	60D Avg.	Z-score
0.875	18 Mar 19	5.0B	-0.386	12.9	14.4	-0.97	-0.6	-24.3	-19.9	-2.25
1.625	15 Jan 21	5.0B	-0.302	9.2	11.9	-1.05	-0.3	-27.9	-22.9	-2.00
2.125	15 Aug 23	3.0B	-0.026	14.7	16.1	-0.67	-0.1	-26.1	-22.2	-2.06
0.625	15 Jan 25	3.0B	0.222	21.3	20.4	0.50	-0.2	-18.5	-17.0	-1.92
0.375	09 Mar 26	4.0B	0.369	21.8	22.8	-0.76	-0.2	-15.9	-15.0	-0.69
0.375	23 Apr 30	2.0B	0.759	31.1	26.4	1.35	-2.3	-9.5	-8.8	-0.54
1.375	31 Jul 35	1.0B	0.935	21.4	17.1	1.56	0.4	-5.6	-5.2	-0.27

Spreads against the German curve, bp



Asset swap term structure, bp



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