

Euro Rates Update

Nordea Research, 27 April 2016

Contents

Government bond yields, curve slopes and spreads..... 1

Swaps and Forwards..... 2

- Carry..... 3

- Money market rates..... 3

- Inflation linked bonds..... 3

- Inflation swaps..... 3

Credit & money market spreads..... 4

Swaption volatilities..... 4

Swap & cross-country spreads..... 4

Country relative value..... 5

- Overview of rich & cheap bonds..... 5

- Individual country overviews.....

US Treasury Yields				
	2Y	5Y	10Y	30Y
	0.85	1.39	1.93	2.76
Δ 1D	2.0	2.5	2.7	3.3
Δ 1W	10.5	17.5	17.2	19.7

German Benchmark Yields				
	2Y	5Y	10Y	30Y
	-0.49	-0.29	0.29	1.02
Δ 1D	0.7	2.2	3.0	2.0
Δ 1W	1.7	8.9	16.0	20.9

German Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-20.0	-58.2	-78.2	-72.3
Δ 1D	1.5	0.8	2.3	-1.0
Δ 1W	7.2	7.1	14.3	4.9

EUR Swap Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-22.6	-59.3	-81.9	-56.1
Δ 1D	1.9	0.6	2.5	-0.1
Δ 1W	6.2	6.4	12.6	5.3

German Asset Swap Levels				
	2Y	5Y	10Y	30Y
	-33.5	-35.7	-35.1	-18.6
Δ 1D	0.6	0.1	0.2	-1.0
Δ 1W	0.8	1.2	1.1	0.1

10Y Benchmark Yields				
	Yield	Δ 1D	Spread	Δ 1D
GER	0.292	3.0	-	-
FRA	0.627	2.4	31.0	-0.5
ITA	1.533	-1.3	127.2	-4.2
ESP	1.632	-1.5	132.1	-4.4
BEL	0.674	2.6	35.1	-0.3
HOL	0.501	2.7	17.3	-0.2
AUT	0.472	2.7	22.6	-0.2
GRE	7.750	16.0	746.0	13.1
POR	3.232	-6.9	290.3	-9.8
FIN	0.570	2.5	26.3	-0.4
IRL	0.973	1.8	65.8	-1.1

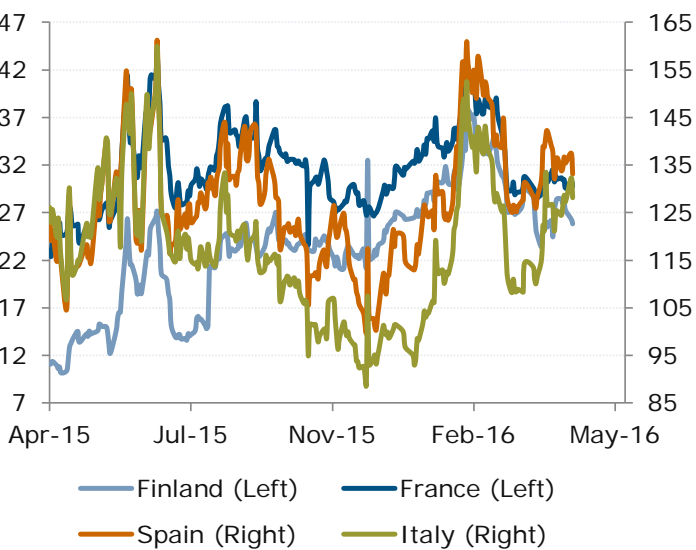
Spread = Maturity interpolated spread to German government par yield curve

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

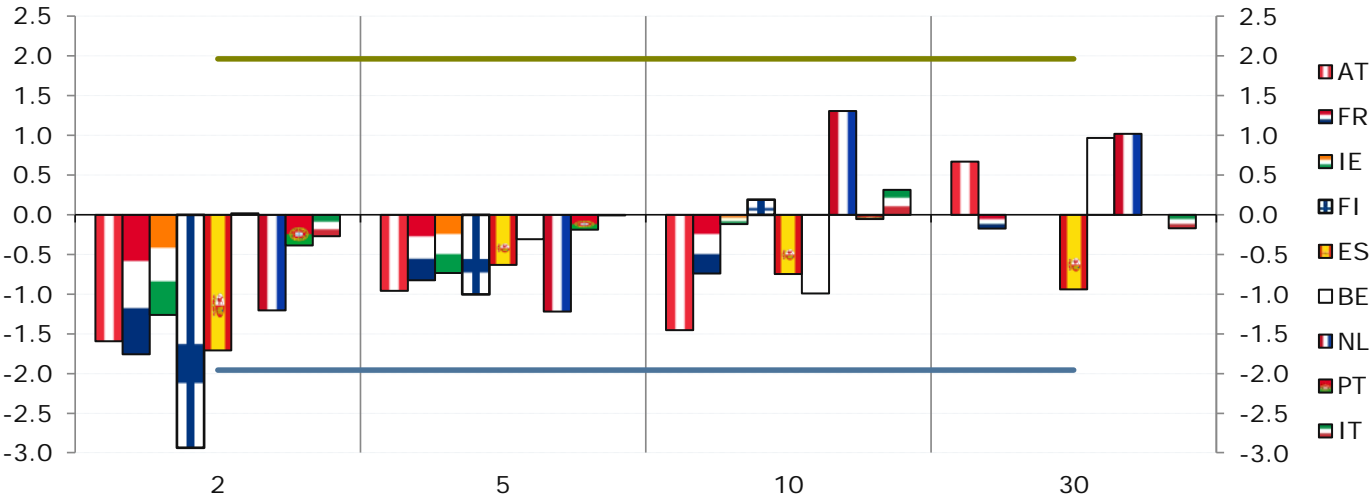
German & US 10-year benchmark yields, %



10 year spreads against Germany, bp



Z-scores of benchmark vs. Germany



Upcoming Issuance (source: Bloomberg)						
Date		Country	Coupon		Maturity	Amount (EURbn)
27 Apr		IT				
28 Apr		IT				
02 May		LN			2021	
04 May		FR				
05 May		SP				
09 May		LI	2.10%		2024	

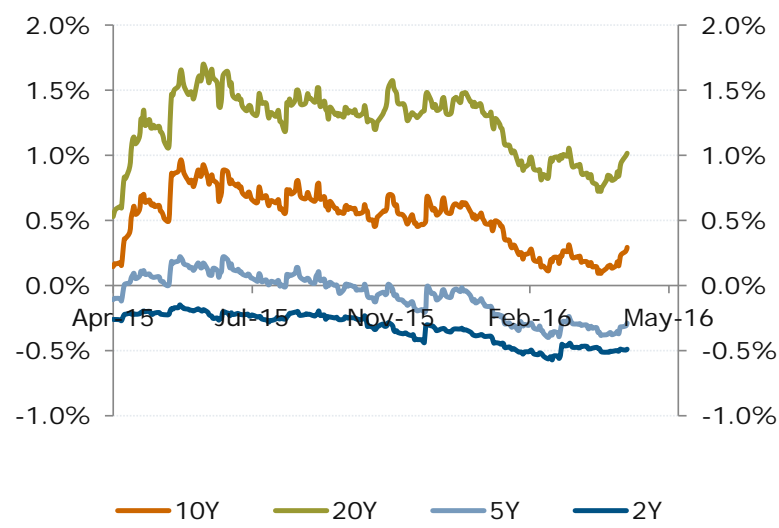
All bond quotes are taken at 16:15 CET.

Bond Yields & Curves

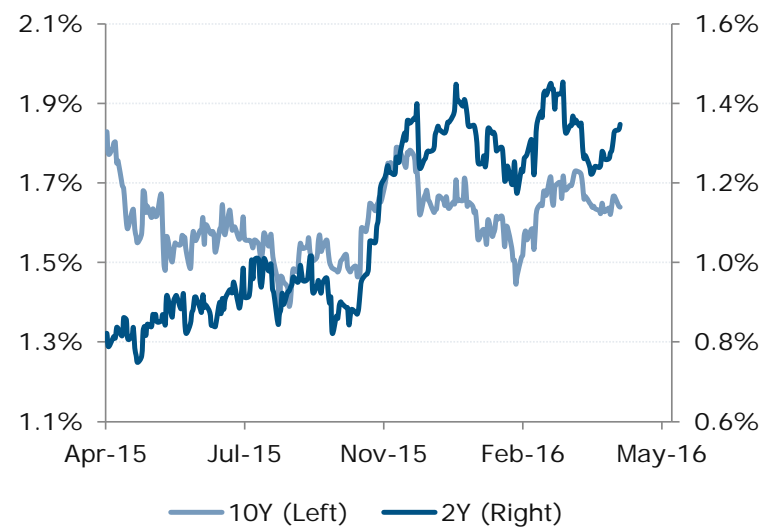
Yield Levels

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

German benchmark bond yields, %



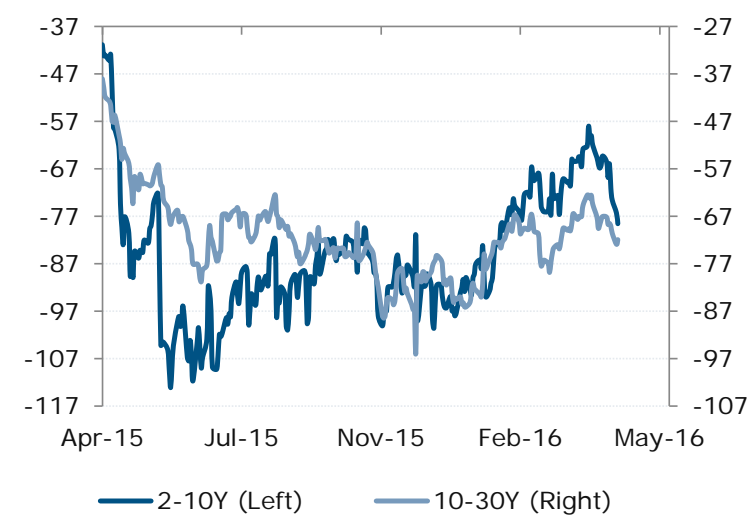
USA-Germany spreads, annualized yields, %



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

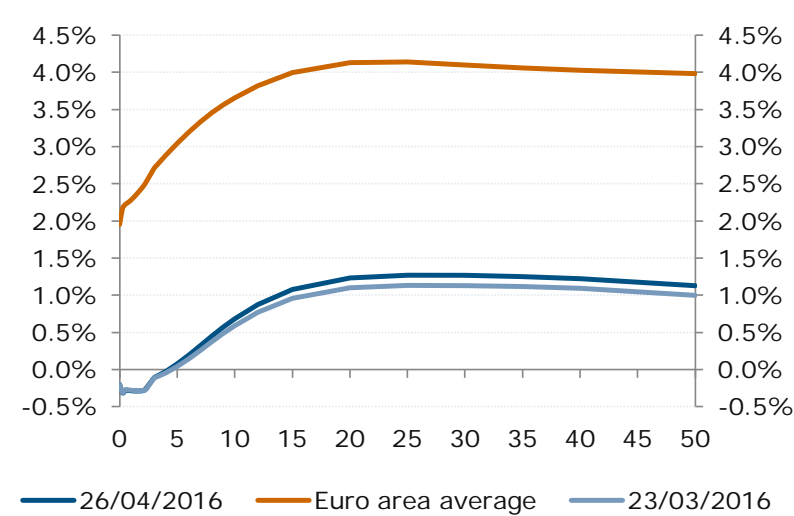
EUR swap rates and implied forwards, %



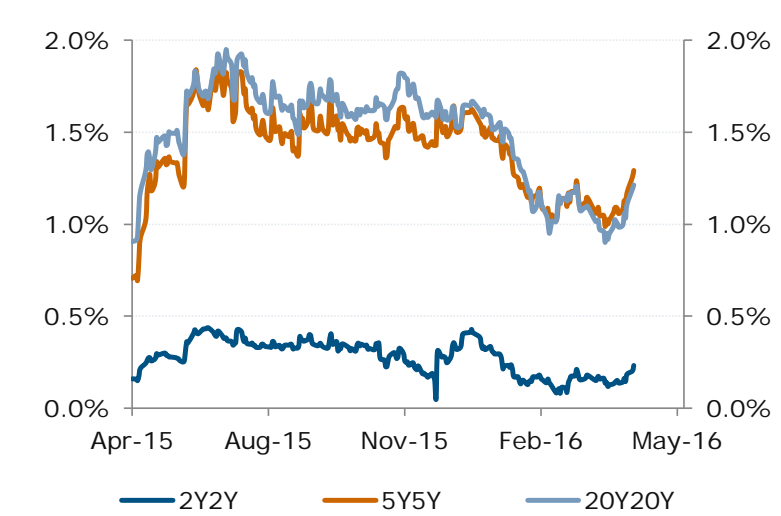
EUR-USD spreads and implied forwards, %



EUR swap curve shape vs. historical

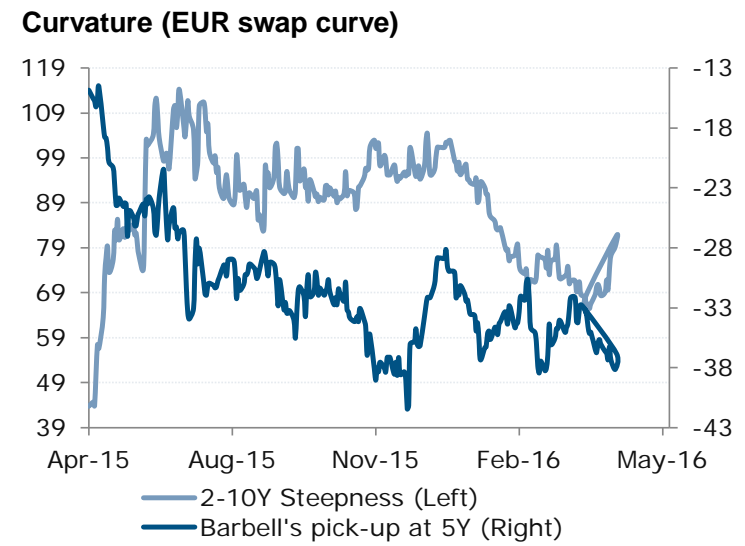


Historical forward rates, %



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.

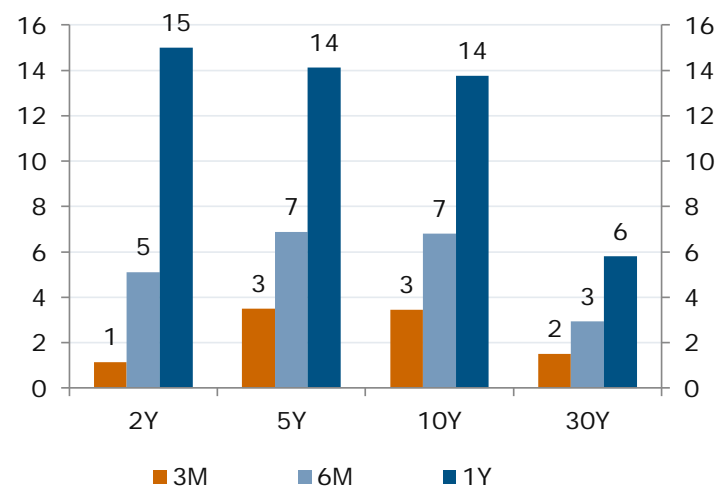


Carry

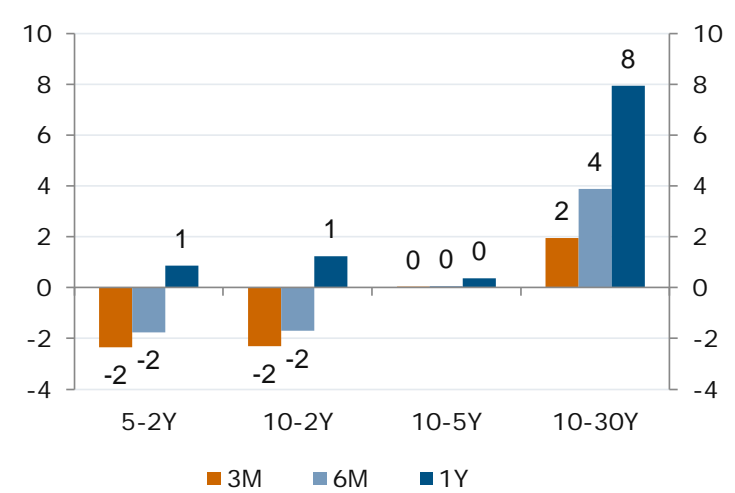
The carry on the given horizon illustrates how much the spot swap rate may rise for a receiver swap position in a forward-starting swap to result in zero profit.

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

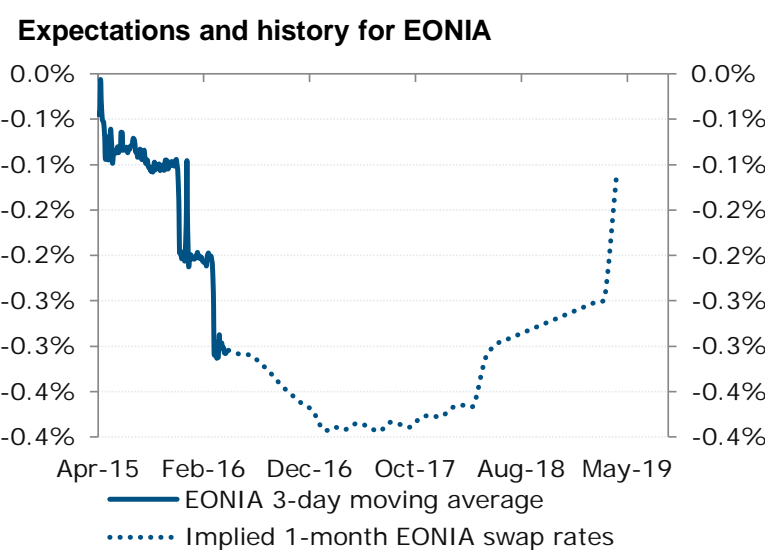


Yield buffers for duration-neutral steepeners, bp

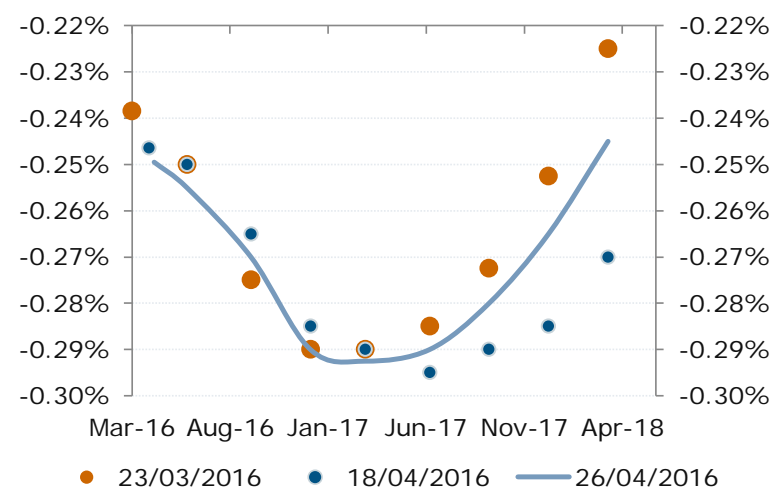


Money Market Rates

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

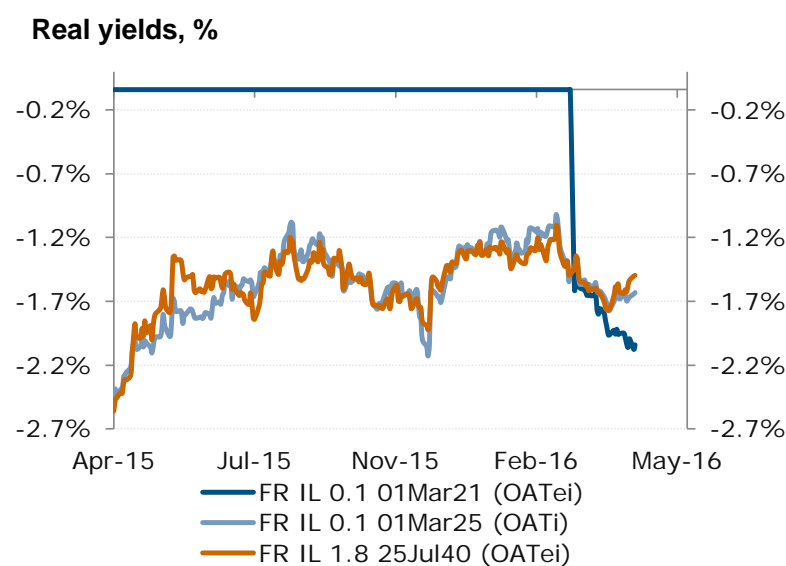


Euribor futures curve, now, 1 wk & 1M ago

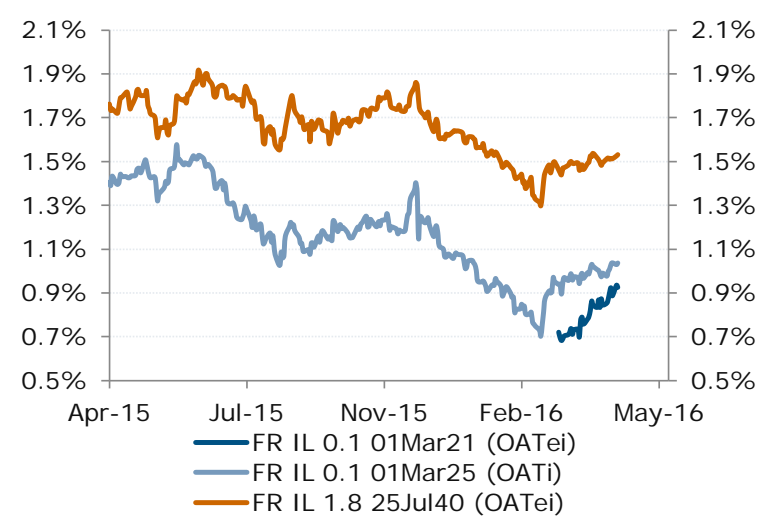


Inflation-linked Bonds

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

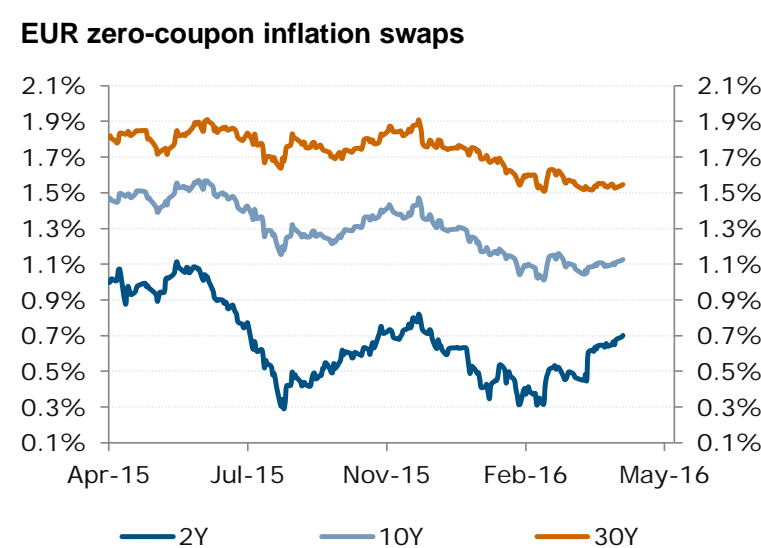


Break-even inflation history, %

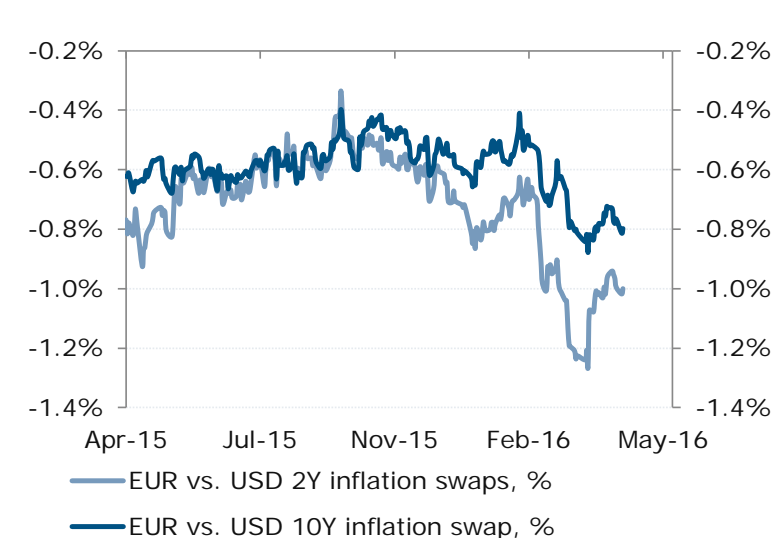


Inflation Swaps

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



EUR vs. USD inflation swaps



Credit & Money Market Spreads

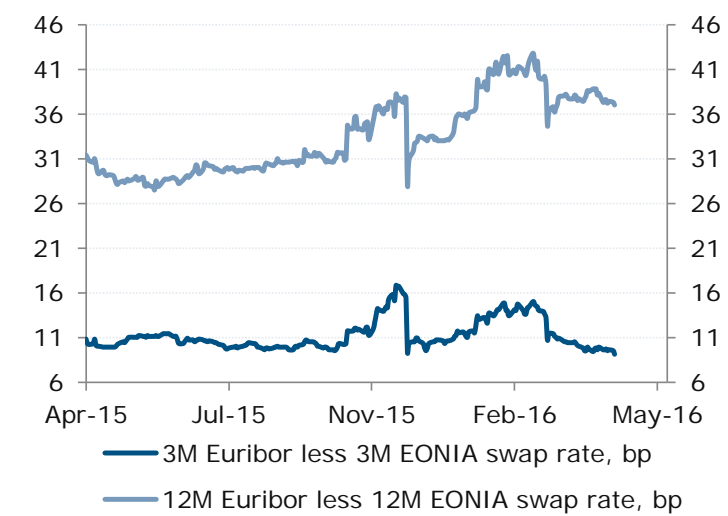
Credit default swap indices illustrate the annual cost of buying protection against a credit event of a company. iTraxx® Europe is comprised of the 125 most liquid CDS contracts referencing European investment grade credits, iTraxx® Crossover of 50 sub-investment grade credits.

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

iTraxx® credit default swap spreads



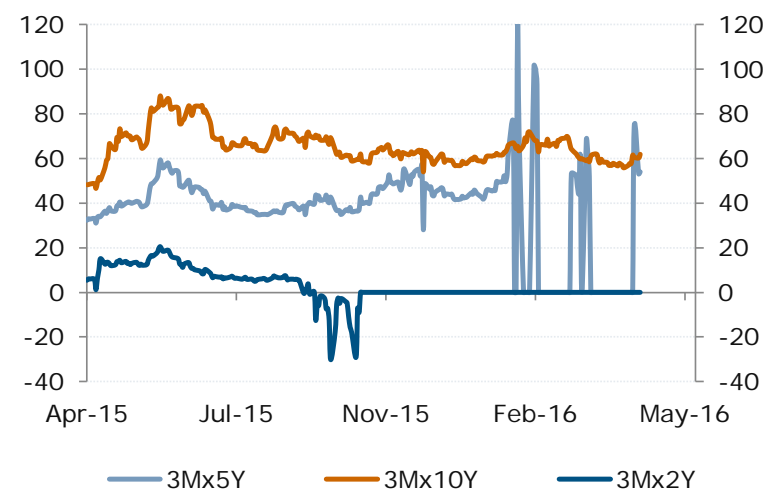
Money market rates vs. EONIA swap rates



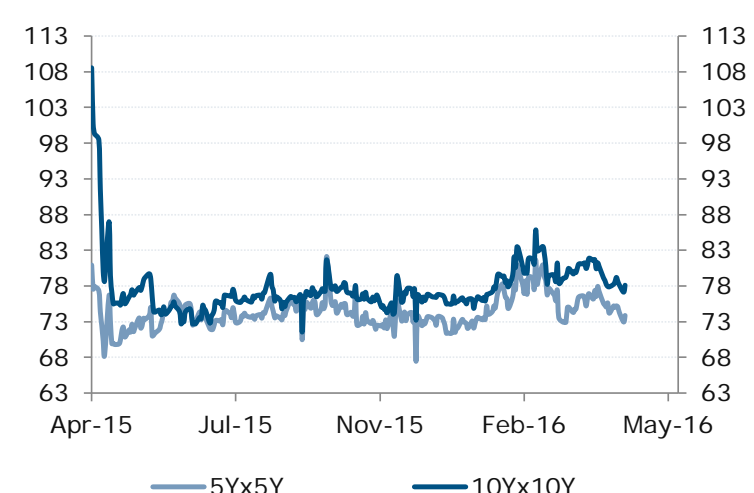
Swaption Volatilities

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

Short-dated ATMF swaption bp vol



Long-dated ATMF swaption bp vol



Swap & Cross-country Spreads

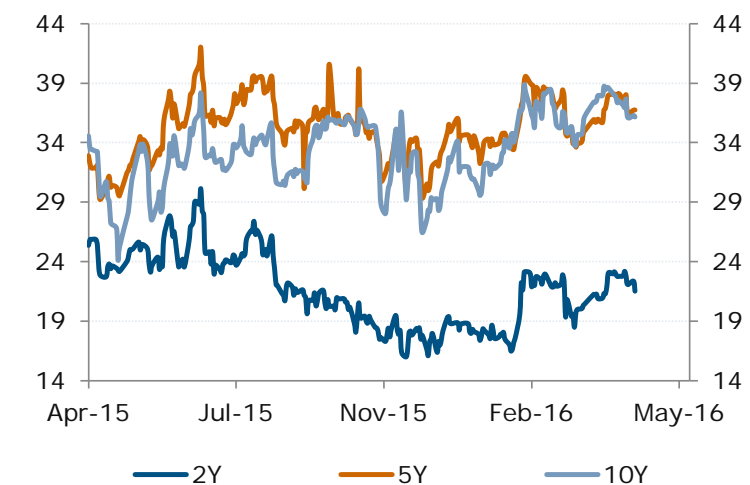
Swap spread:
Benchmark bond's spread to EUR swap curve.

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

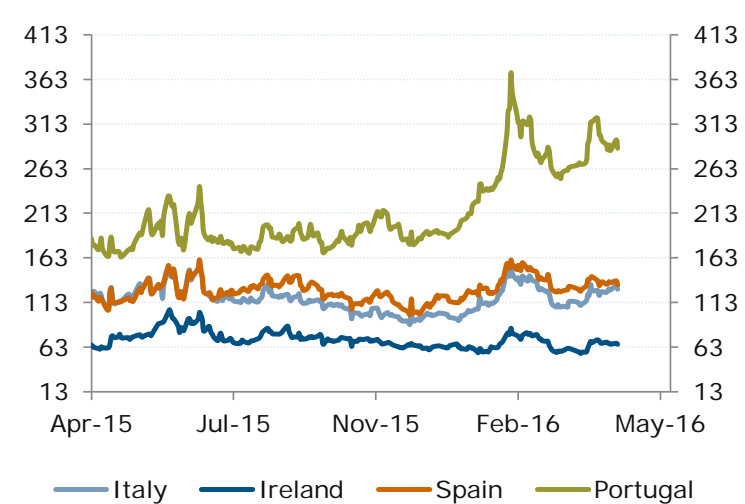
1Y break-even spread changes indicate how much a bond's spread against an equivalent bond trading on the German curve may widen in order to give the same return in one year.

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

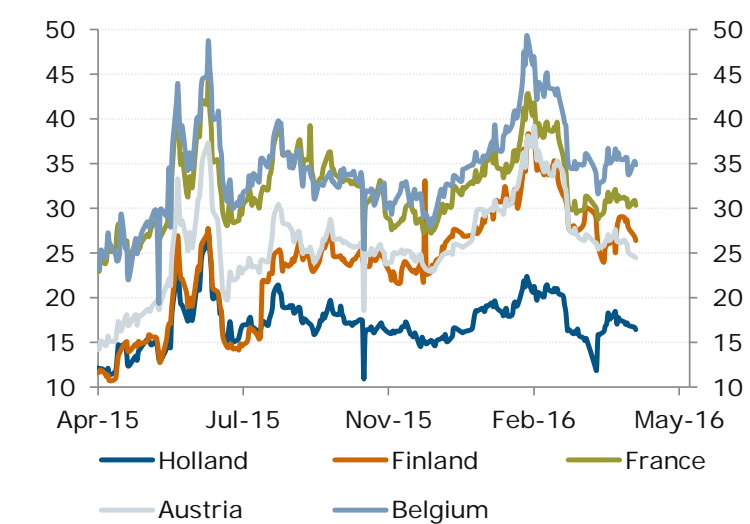
German swap spreads, bp



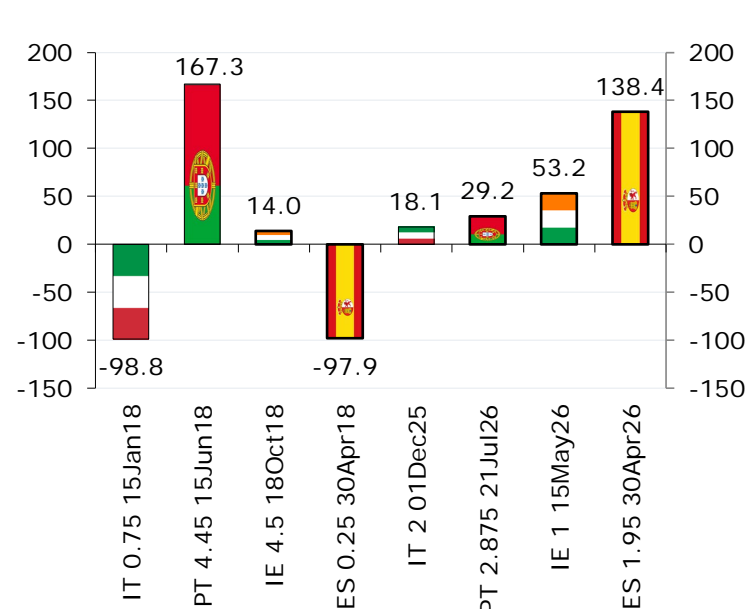
10Y non-AAA spreads against Germany, bp



10Y AAA/AA+ spreads to Germany, bp



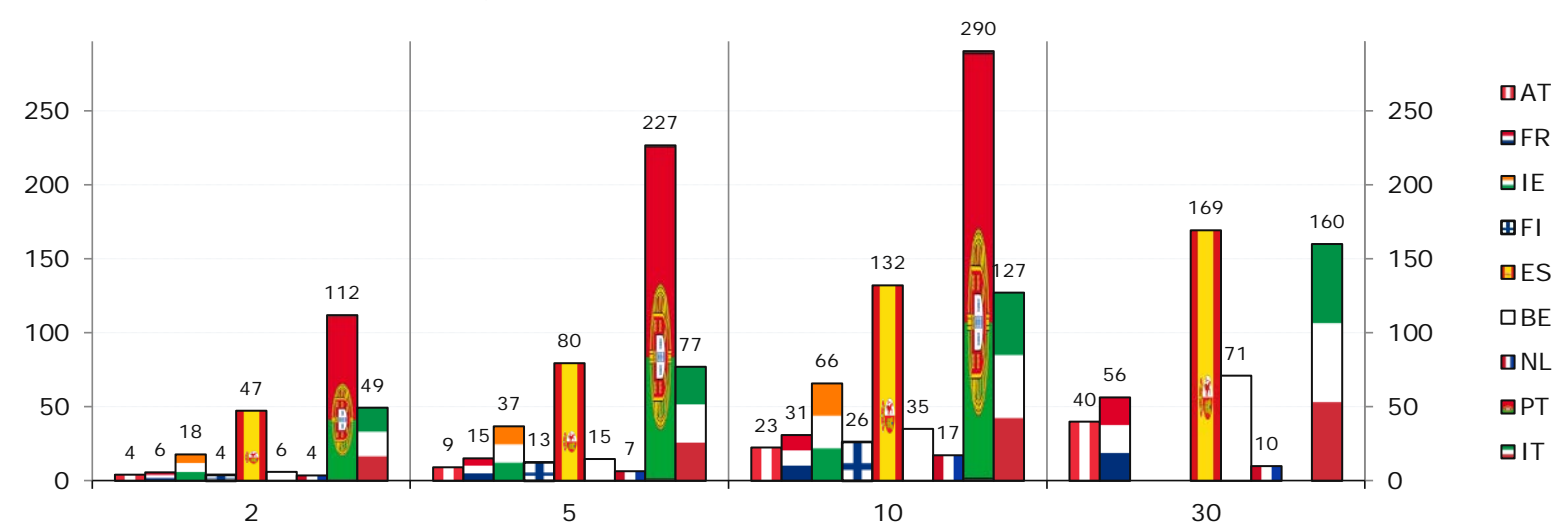
1Y B/E spread changes against Germany, bp



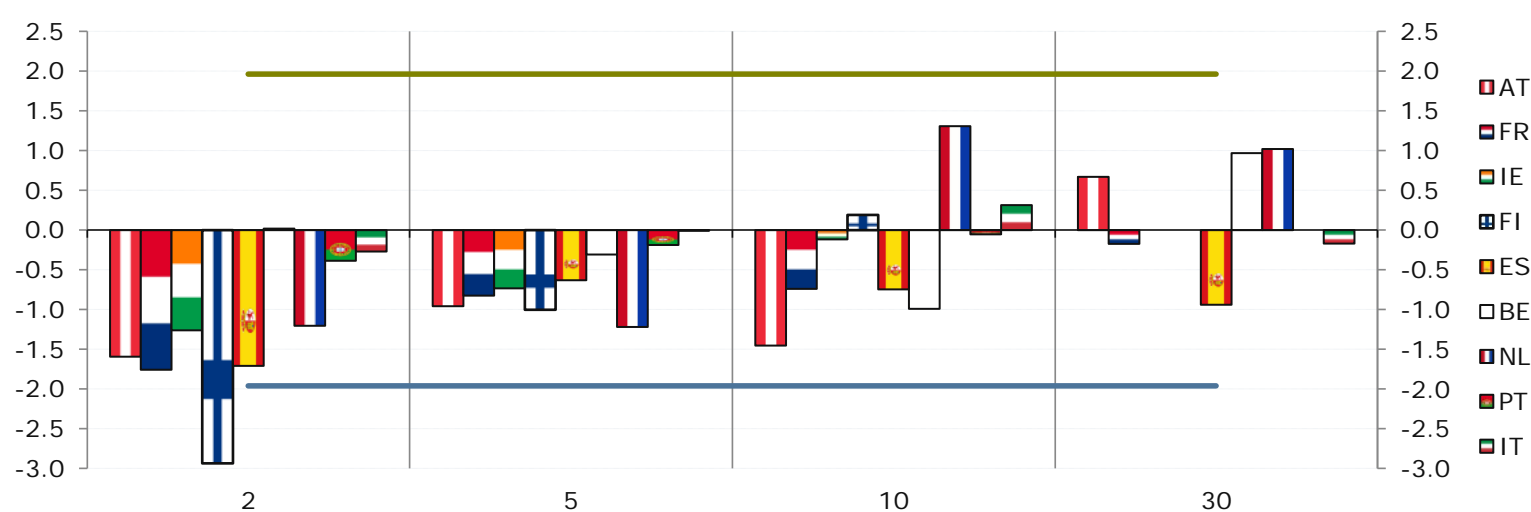


Country Relative Value

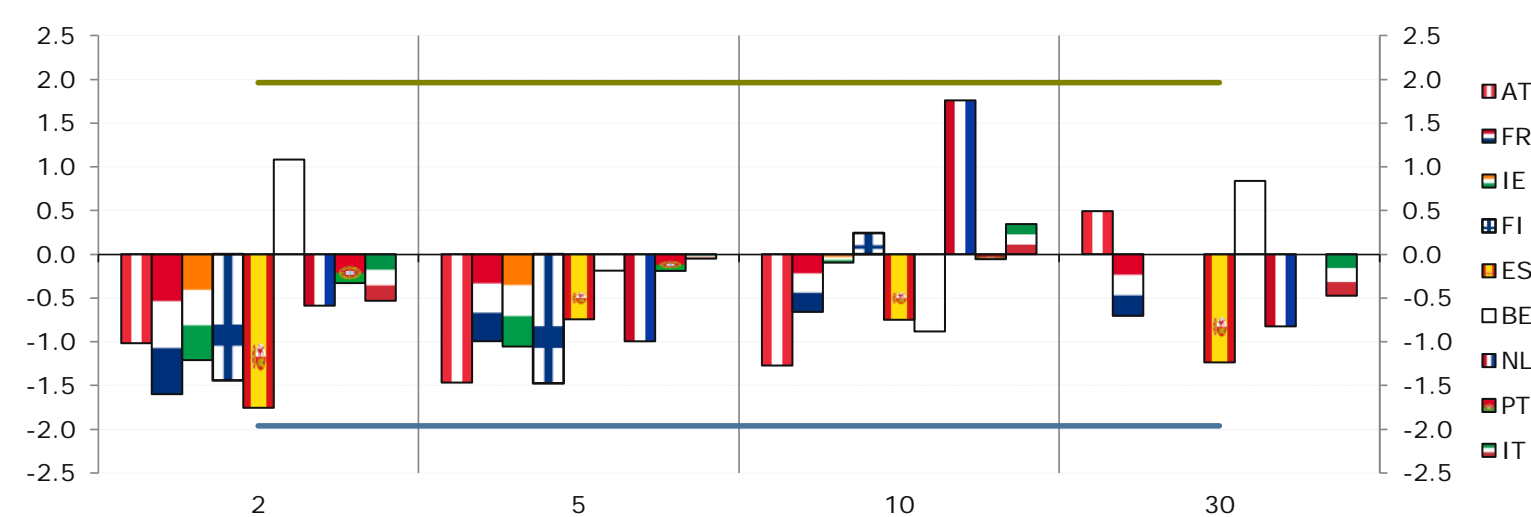
Benchmark spreads over the maturity-interpolated German par curve, bp



Z-scores of benchmark vs. Germany



Z-scores of benchmark vs. swap curve



The richest and cheapest benchmark bonds against Germany and the swap curve by sectors:

	Against German Curve					Against Swap Curve					
	Issue	Maturity	Coupon	Spread	Z-score	Issue	Maturity	Coupon	Spread	Z-score	
2Y: Rich	FI	15 Sep 18	1.125	4.1	-2.75	EIB	15 Mar 18	2.625	-20.5	-2.41	
	Cheap	DE	12 Apr 19	0.500	-12.2	1.22	DE	16 Mar 18	0.000	-33.5	0.29
5Y: Rich	FI	15 Apr 20	3.375	10.6	-1.57	FI	15 Apr 20	3.375	-25.5	-2.02	
	Cheap	DE	09 Apr 21	0.000	-16.5	1.07	DE	09 Apr 21	0.000	-35.7	0.34
7Y: Rich	AT	20 Oct 23	1.750	13.0	-2.67	AT	20 Oct 23	1.750	-25.7	-2.40	
	Cheap	DE	04 Jul 22	1.750	-21.9	1.48	DE	15 May 24	1.500	-40.5	0.75
10Y: Rich	EIB	13 Nov 26	1.250	20.9	-1.61	GR	24 Feb 25	3.000	569.5	-1.75	
	Cheap	DE	15 Feb 26	0.500	-28.9	1.19	GR	24 Feb 28	3.000	503.4	1.02
15Y: Rich	AT	23 May 34	2.400	25.8	-1.68	KfW	23 Apr 30	0.375	-11.3	-2.65	
	Cheap	KfW	31 Jul 35	1.375	21.4	1.11	GR	24 Feb 36	3.000	398.7	1.80
20Y: Rich	GR	24 Feb 42	3.000	532.5	-2.18	GR	24 Feb 42	3.000	352.4	-2.59	
	Cheap	BE	22 Jun 47	1.600	71.1	1.54	BE	22 Jun 47	1.600	51.4	0.81

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
--------	-------------

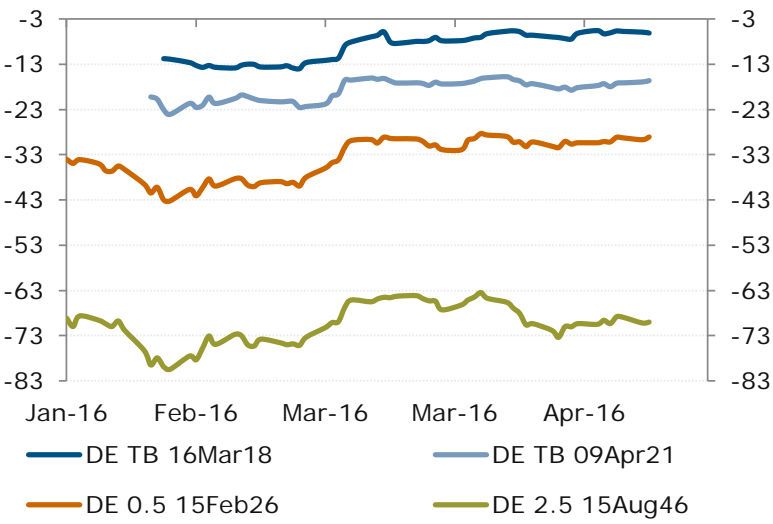
Moody's / S&P / Fitch

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

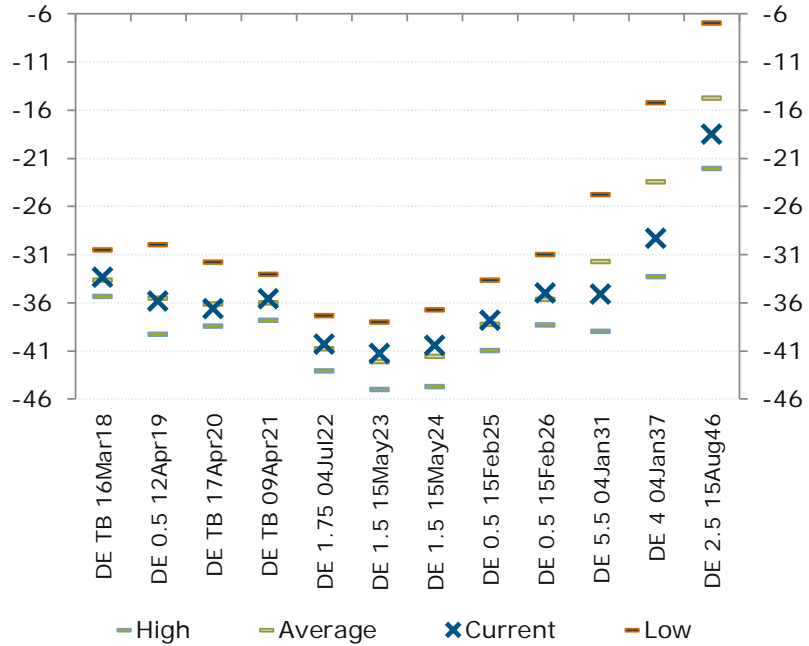
Germany

Benchmark Bonds				Spread vs. France				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	26-Apr	60D Avg.	Z-score	Δ B/E Spd 1Y	26-Apr	60D Avg.	Z-score
0.000	16 Mar 18	13.0B	-0.490	-6.0	-9.2	1.06	-0.5	-33.5	-33.8	0.29
0.500	12 Apr 19	16.0B	-0.473	-12.2	-14.4	1.22	-0.5	-35.9	-35.6	-0.18
0.000	17 Apr 20	20.0B	-0.401	-15.8	-17.2	0.81	-1.0	-36.7	-36.2	-0.31
0.000	09 Apr 21	13.0B	-0.290	-16.5	-18.7	1.07	42.8	-35.7	-36.1	0.34
1.750	04 Jul 22	24.0B	-0.195	-21.9	-25.9	1.48	-0.1	-40.4	-40.9	0.34
1.500	15 May 23	18.0B	-0.099	-24.3	-29.1	1.41	-0.3	-41.4	-42.2	0.53
1.500	15 May 24	18.0B	0.031	-26.5	-31.7	1.22	0.5	-40.5	-41.7	0.75
0.500	15 Feb 25	23.0B	0.154	-26.8	-31.5	1.08	1.0	-37.9	-38.3	0.28
0.500	15 Feb 26	18.0B	0.292	-28.9	-34.1	1.19	1.5	-35.1	-35.7	0.49
5.500	04 Jan 31	17.0B	0.594	-49.5	-51.8	0.58	0.7	-35.2	-31.8	-1.05
4.000	04 Jan 37	23.0B	0.842	-64.2	-63.6	-0.15	0.0	-29.4	-23.5	-1.29
2.500	15 Aug 46	15.0B	1.015	-69.9	-70.6	0.21	0.2	-18.6	-14.8	-1.15

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
--------	-----------

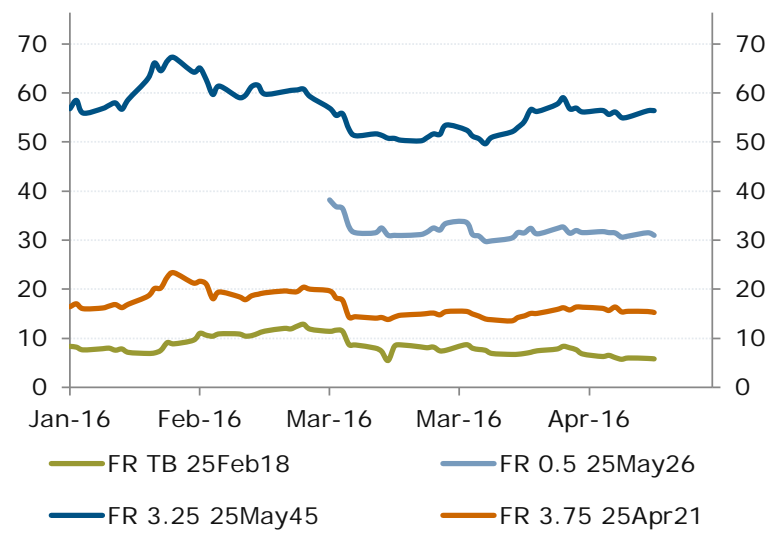
Moody's / S&P / Fitch

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

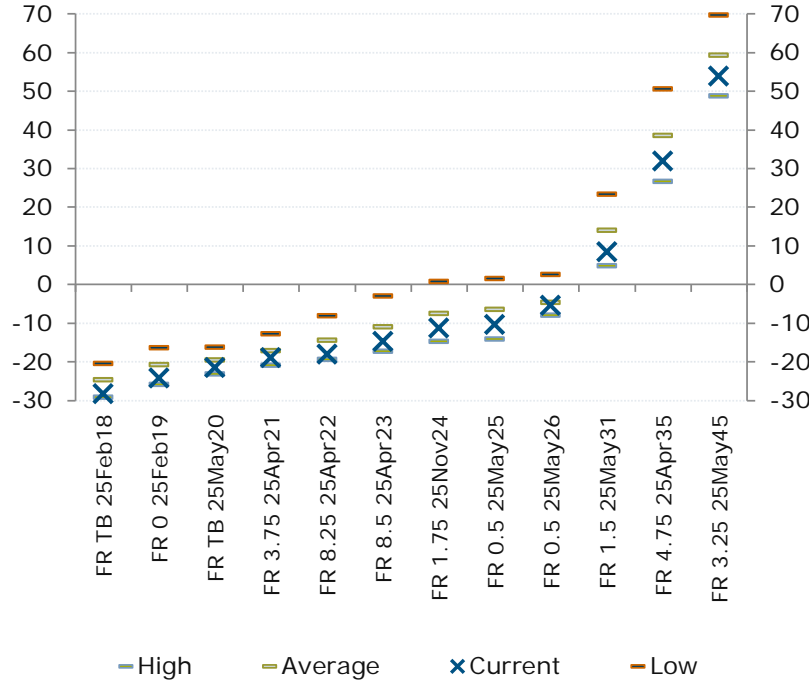
France

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	26-Apr	60D Avg.	Z-score	Δ B/E Spd 1Y	26-Apr	60D Avg.	Z-score
0.000	25 Feb 18	20.02B	-0.440	5.8	8.6	-1.69	-0.1	-28.3	-24.8	-1.69
0.000	25 Feb 19	9.48B	-0.366	10.8	14.0	-1.81	0.7	-24.3	-20.8	-1.52
0.000	25 May 20	22.01B	-0.234	15.5	16.8	-0.93	41.6	-21.5	-19.6	-1.16
3.750	25 Apr 21	37.03B	-0.136	15.2	17.0	-0.81	0.1	-19.1	-17.2	-0.93
8.250	25 Apr 22	1.99B	-0.047	15.5	18.6	-1.38	0.0	-18.1	-14.5	-1.19
8.500	25 Apr 23	10.03B	0.083	17.5	21.0	-1.55	0.6	-14.8	-11.0	-1.15
1.750	25 Nov 24	30.99B	0.372	24.7	28.8	-1.12	0.3	-11.3	-7.5	-0.92
0.500	25 May 25	32.97B	0.467	27.1	31.3	-0.97	0.0	-10.4	-6.6	-0.87
0.500	25 May 26	9.87B	0.627	31.0	31.9	-0.81	-0.3	-5.5	-4.7	-0.41
1.500	25 May 31	13.01B	1.112	44.2	45.7	-0.41	0.2	8.4	13.9	-0.99
4.750	25 Apr 35	25.03B	1.278	40.0	41.3	-0.35	0.1	31.9	38.5	-0.96
3.250	25 May 45	17.01B	1.619	56.4	57.0	-0.17	0.0	53.8	59.3	-0.93

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

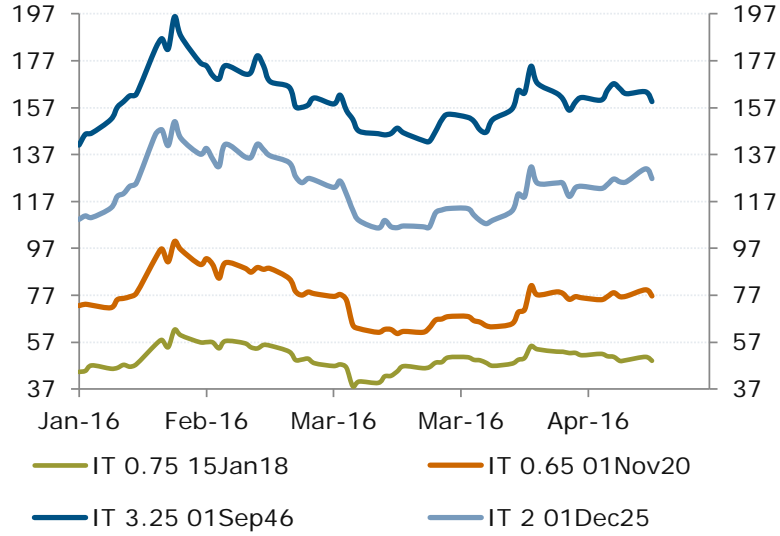
Rating	Baa2/BBB-/BBB+
Moody's / S&P / Fitch	

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

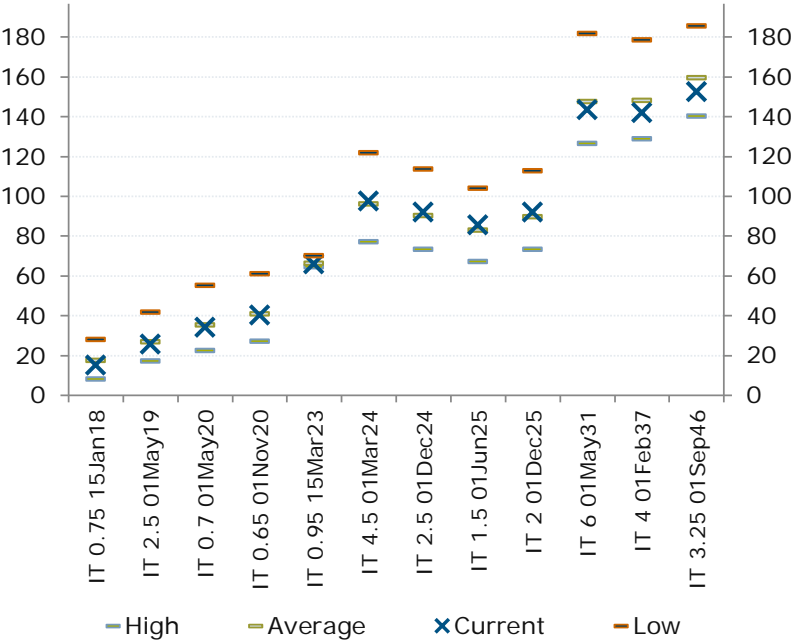
Italy

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	26-Apr	60D Avg.	Z-score	Δ B/E Spd 1Y	26-Apr	60D Avg.	Z-score
0.750	15 Jan 18	15.46B	-0.004	49.5	50.7	-0.29	-217.5	15.2	17.3	-0.66
2.500	01 May 19	18.01B	0.131	59.9	60.3	-0.09	-1.8	25.5	26.8	-0.26
0.700	01 May 20	15.99B	0.315	71.0	71.7	-0.09	-1.7	33.9	35.3	-0.20
0.650	01 Nov 20	14.02B	0.430	77.1	77.2	-0.01	-1.3	40.2	40.7	-0.07
0.950	15 Mar 23	8.02B	0.976	108.1	108.9	-0.58	-1.2	66.0	66.2	-0.12
4.500	01 Mar 24	23.71B	1.238	121.7	120.9	0.08	-0.9	97.4	95.9	0.15
2.500	01 Dec 24	20.99B	1.383	125.5	124.0	0.16	-7.5	91.8	90.3	0.16
1.500	01 Jun 25	19.99B	1.445	124.7	121.6	0.33	-0.8	85.6	82.9	0.33
2.000	01 Dec 25	17.01B	1.533	127.2	124.3	0.29	-0.1	91.9	89.6	0.26
6.000	01 May 31	29.75B	2.047	138.1	137.3	0.08	-0.2	143.2	147.4	-0.35
4.000	01 Feb 37	26.01B	2.392	145.9	147.0	-0.11	-0.5	141.7	148.2	-0.63
3.250	01 Sep 46	13.24B	2.660	160.0	162.0	-0.21	0.0	152.4	159.5	-0.83

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

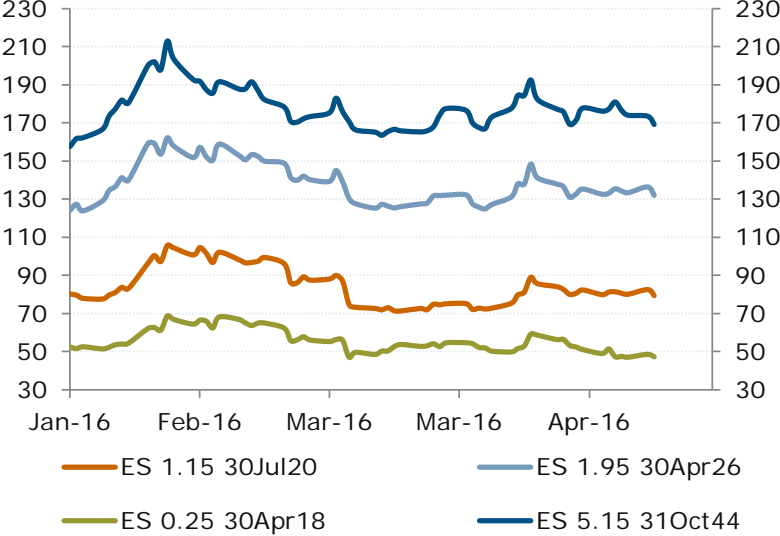
Rating	Baa2/BBB/BBB+
Moody's / S&P / Fitch	

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

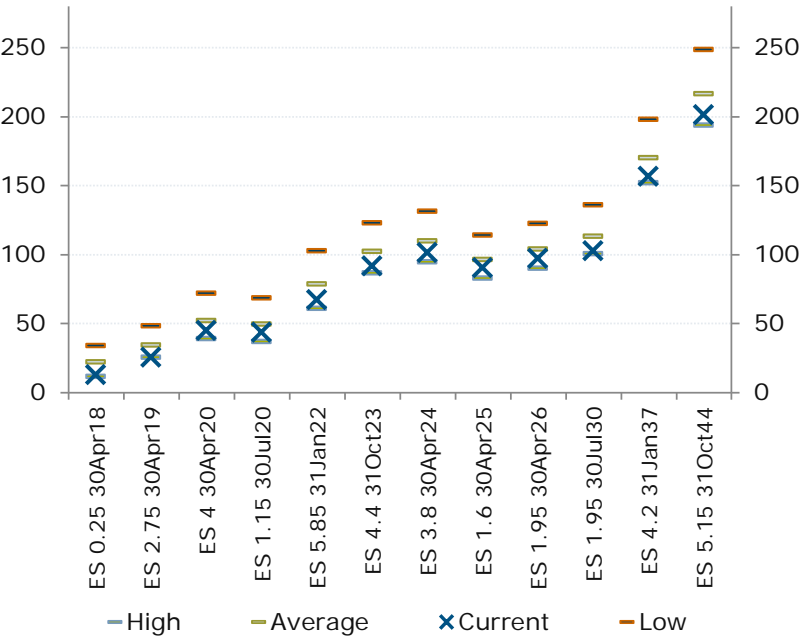
Spain

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	26-Apr	60D Avg.	Z-score	Δ B/E Spd 1Y	26-Apr	60D Avg.	Z-score
0.250	30 Apr 18	16.99B	-0.023	47.4	56.0	-1.67	-181.0	12.7	22.2	-1.89
2.750	30 Apr 19	22.98B	0.124	59.3	67.0	-1.38	-2.3	25.4	34.3	-1.55
4.000	30 Apr 20	23.01B	0.363	75.9	81.9	-0.70	-2.4	44.7	52.0	-0.85
1.150	30 Jul 20	17.02B	0.426	79.5	85.0	-0.63	40.4	43.6	49.6	-0.74
5.850	31 Jan 22	22.01B	0.686	90.8	100.9	-0.97	-0.8	67.2	78.4	-0.99
4.400	31 Oct 23	20.01B	1.143	116.6	126.9	-1.07	-1.2	91.7	102.1	-1.09
3.800	30 Apr 24	21.99B	1.324	128.0	136.5	-0.89	-0.5	101.4	109.7	-0.91
1.600	30 Apr 25	19.09B	1.474	128.7	134.8	-0.67	-0.5	90.4	96.1	-0.72
1.950	30 Apr 26	14.84B	1.632	132.1	139.2	-0.77	-13.3	97.1	104.0	-0.84
1.950	30 Jul 30	12.31B	2.058	143.7	151.4	-0.89	-14.9	102.4	113.2	-1.33
4.200	31 Jan 37	17.02B	2.502	156.8	165.3	-0.97	0.1	156.4	169.9	-1.54
5.150	31 Oct 44	11.23B	2.745	169.3	178.3	-0.97	0.1	201.1	216.3	-1.57

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

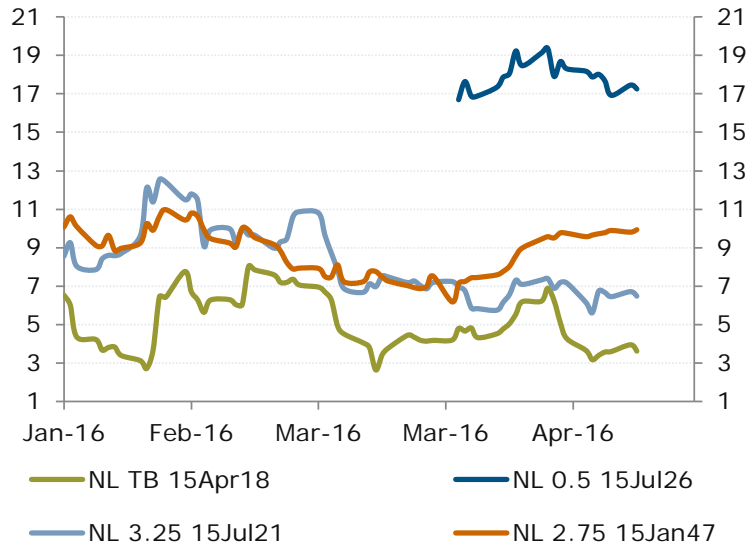
Rating	Aaa/AA+/AAA
Moody's / S&P / Fitch	

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

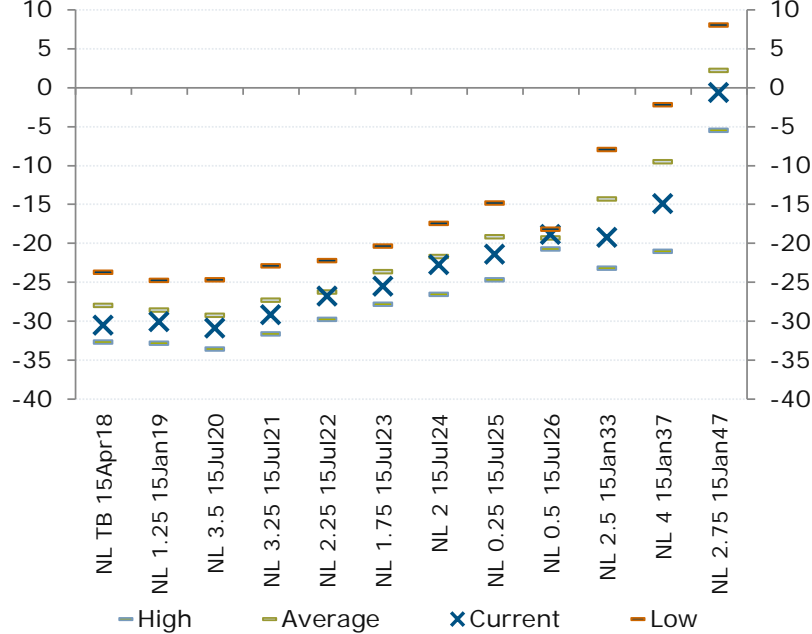
Netherlands

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	26-Apr	60D Avg.	Z-score	Δ B/E Spd 1Y	26-Apr	60D Avg.	Z-score
0.000	15 Apr 18	15.99B	-0.461	3.7	5.2	-1.17	-0.1	-30.6	-28.1	-1.66
1.250	15 Jan 19	15.01B	-0.429	4.8	5.8	-0.67	0.1	-30.1	-28.6	-0.72
3.500	15 Jul 20	15.02B	-0.321	5.2	6.2	-0.88	0.5	-31.0	-29.3	-0.90
3.250	15 Jul 21	16.99B	-0.204	6.5	8.4	-1.17	-0.1	-29.3	-27.4	-0.95
2.250	15 Jul 22	15.01B	-0.065	11.3	12.1	-0.55	0.1	-26.8	-26.3	-0.31
1.750	15 Jul 23	15.63B	0.072	13.5	15.9	-1.58	0.2	-25.5	-23.7	-1.01
2.000	15 Jul 24	15.32B	0.216	14.3	15.9	-1.08	-0.2	-22.8	-21.8	-0.53
0.250	15 Jul 25	15.01B	0.372	15.9	18.4	-1.07	-0.3	-21.5	-19.2	-0.83
0.500	15 Jul 26	5.51B	0.501	17.3	18.0	-1.11	-8.2	-18.9	-19.4	0.70
2.500	15 Jan 33	12.01B	0.867	10.0	10.6	-0.32	0.1	-19.3	-14.3	-1.13
4.000	15 Jan 37	13.99B	0.956	2.4	3.1	-0.35	0.1	-15.0	-9.6	-0.99
2.750	15 Jan 47	11.01B	1.162	10.0	8.9	1.02	-0.1	-0.7	2.2	-0.91

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

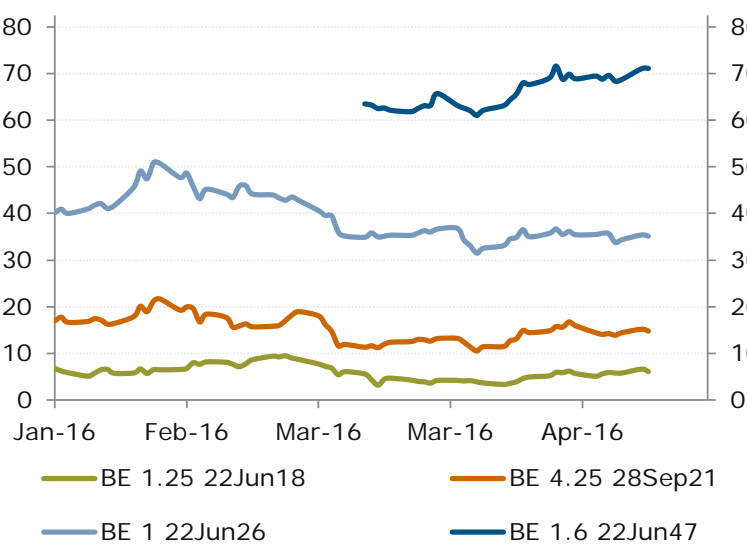
Rating	Aa3/AA/AA
Moody's / S&P / Fitch	

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

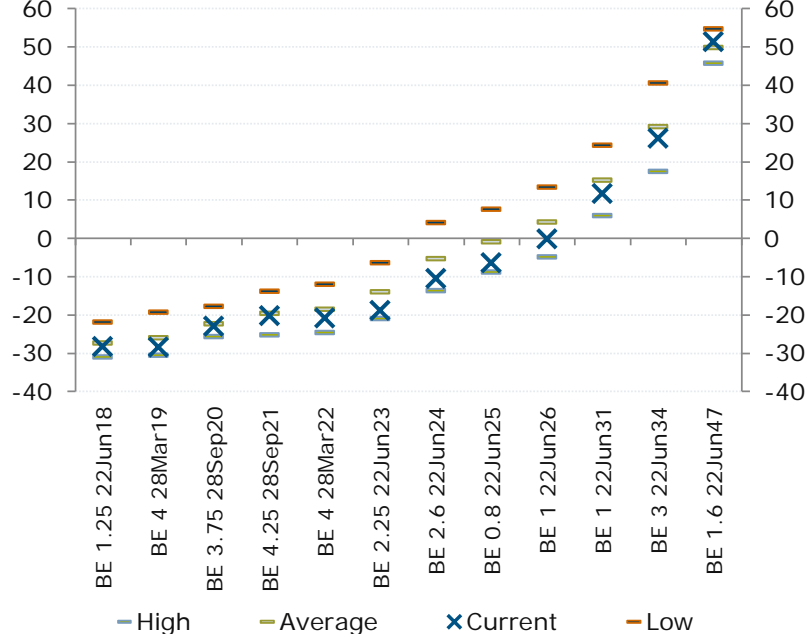
Belgium

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	26-Apr	60D Avg.	Z-score	Δ B/E Spd 1Y	26-Apr	60D Avg.	Z-score
1.250	22 Jun 18	11.01B	-0.432	6.1	6.1	0.03	-2.8	-28.2	-27.4	-0.41
4.000	28 Mar 19	12.37B	-0.400	7.1	8.8	-1.20	-0.6	-28.4	-26.0	-0.86
3.750	28 Sep 20	19.01B	-0.229	12.2	12.3	-0.06	1.6	-22.9	-22.3	-0.32
4.250	28 Sep 21	16.45B	-0.104	14.8	15.5	-0.29	1.3	-20.1	-19.6	-0.19
4.000	28 Mar 22	14.02B	-0.055	15.4	17.8	-0.94	0.7	-20.9	-18.5	-0.74
2.250	22 Jun 23	13.99B	0.123	19.5	24.6	-1.43	-0.2	-18.8	-13.9	-1.24
2.600	22 Jun 24	15.85B	0.317	25.3	30.7	-1.27	-1.1	-10.5	-5.4	-1.05
0.800	22 Jun 25	16.02B	0.510	30.5	36.3	-1.37	-1.8	-6.3	-0.8	-1.26
1.000	22 Jun 26	7.79B	0.674	35.1	39.6	-0.96	-1.7	-0.2	4.2	-0.92
1.000	22 Jun 31	5.59B	1.180	50.6	50.1	0.13	0.0	11.7	15.2	-0.79
3.000	22 Jun 34	6.47B	1.307	46.1	44.6	0.36	1.2	26.2	29.1	-0.52
1.600	22 Jun 47	3.5B	1.775	71.1	65.9	1.54	-0.6	51.4	49.8	0.81

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

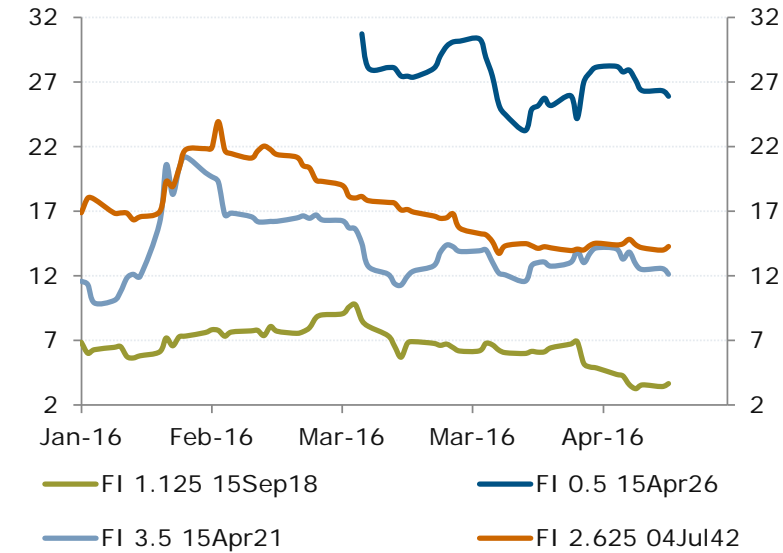
Rating	Aaa/AA+/AAA
Moody's / S&P / Fitch	

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

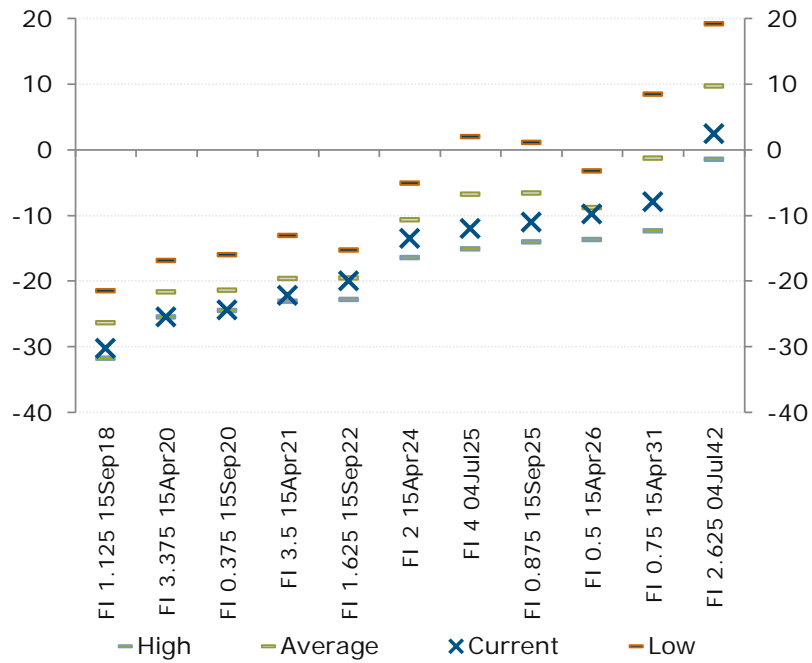
Finland

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	26-Apr	60D Avg.	Z-score	Δ B/E Spd 1Y	26-Apr	60D Avg.	Z-score
1.125	15 Sep 18	5.03B	-0.446	4.1	7.1	-2.75	0.5	-30.3	-26.4	-1.89
3.375	15 Apr 20	6.5B	-0.293	10.6	13.5	-1.57	-0.6	-25.5	-21.6	-2.02
0.375	15 Sep 20	6.03B	-0.237	11.7	14.3	-1.23	-0.2	-24.4	-21.4	-1.84
3.500	15 Apr 21	6.0B	-0.166	12.5	14.9	-1.01	-0.2	-22.2	-19.6	-1.40
1.625	15 Sep 22	5.0B	0.024	18.3	19.3	-0.41	-0.2	-20.0	-19.5	-0.32
2.000	15 Apr 24	5.0B	0.275	23.7	27.2	-1.29	0.2	-13.5	-10.7	-1.04
4.000	04 Jul 25	6.03B	0.392	18.3	23.3	-1.36	0.1	-12.0	-6.7	-1.10
0.875	15 Sep 25	4.03B	0.485	25.1	29.6	-1.26	0.2	-11.0	-6.6	-1.14
0.500	15 Apr 26	4.0B	0.570	26.3	27.4	-0.77	-0.2	-9.7	-8.8	-0.38
0.750	15 Apr 31	3.5B	0.970	30.7	33.8	-0.80	0.0	-7.9	-1.2	-1.10
2.625	04 Jul 42	4.03B	1.188	14.7	17.9	-1.32	0.0	2.4	9.7	-1.25

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

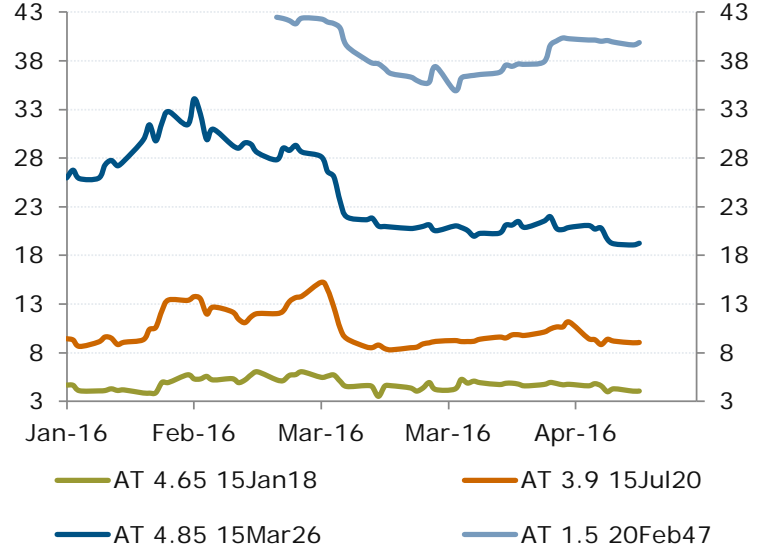
Rating	Aaa/AA+/AA+
Moody's / S&P / Fitch	

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

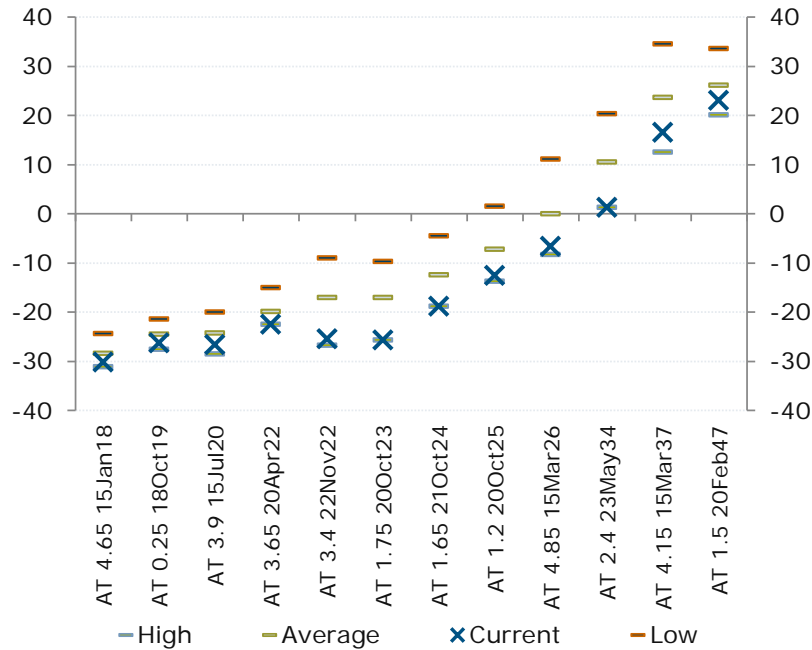
Austria

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	26-Apr	60D Avg.	Z-score	Δ B/E Spd 1Y	26-Apr	60D Avg.	Z-score
4.650	15 Jan 18	12.06B	-0.456	4.2	5.0	-1.54	0.7	-30.2	-28.4	-1.33
0.250	18 Oct 19	7.95B	-0.338	9.7	11.0	-0.84	6.1	-26.3	-24.5	-1.17
3.900	15 Jul 20	13.01B	-0.281	9.2	10.7	-0.95	6.7	-26.6	-24.3	-1.34
3.650	20 Apr 22	8.71B	-0.060	14.3	16.9	-1.56	0.8	-22.4	-19.8	-1.62
3.400	22 Nov 22	10.99B	-0.017	12.2	20.3	-2.61	-1.6	-25.5	-17.1	-2.36
1.750	20 Oct 23	9.99B	0.103	13.0	22.0	-2.67	0.0	-25.7	-17.1	-2.40
1.650	21 Oct 24	10.35B	0.291	17.9	24.5	-1.91	1.1	-18.8	-12.4	-1.60
1.200	20 Oct 25	9.28B	0.472	22.6	28.0	-1.39	1.7	-12.6	-7.2	-1.26
4.850	15 Mar 26	8.01B	0.491	19.4	25.2	-1.38	2.3	-6.6	0.0	-1.18
2.400	23 May 34	5.19B	1.102	25.8	30.6	-1.68	-4.0	1.3	10.6	-1.59
4.150	15 Mar 37	12.22B	1.209	27.1	29.0	-0.89	-4.1	16.5	23.6	-1.24
1.500	20 Feb 47	1.95B	1.463	40.0	39.2	0.41	0.7	23.1	26.1	-0.80

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

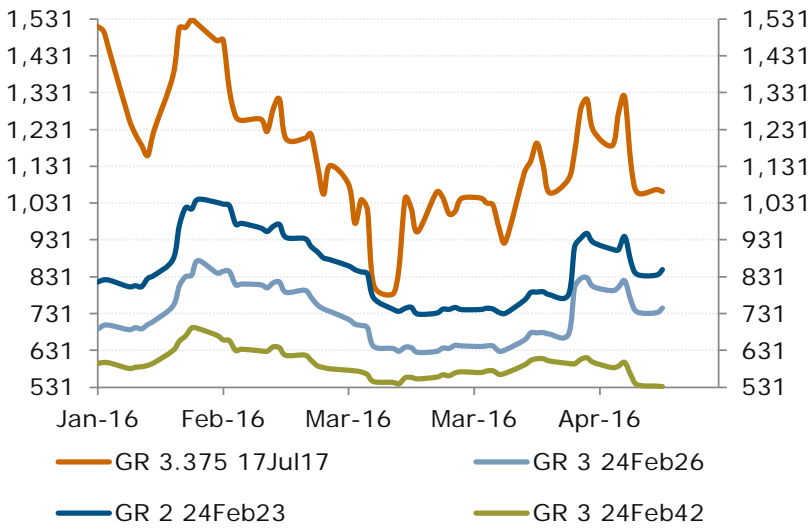
Rating	Caa1/B-/CCC
--------	-------------

Moody's / S&P / Fitch

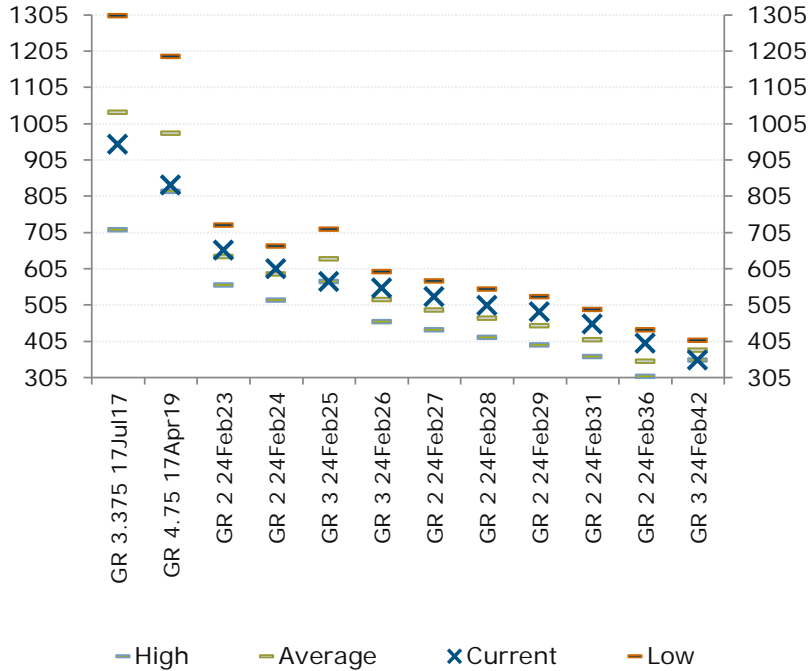
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	26-Apr	60D Avg.	Z-score	Δ B/E Spd 1Y	26-Apr	60D Avg.	Z-score
3.375	17 Jul 17	2.02B	10.125	1,062.4	1,177.8	-0.80	-155.2	946.7	1,035.2	-0.78
4.750	17 Apr 19	4.02B	9.054	952.4	1,153.1	-1.45	51.8	835.9	977.9	-1.48
3.000	24 Feb 23	1.04B	8.394	850.4	862.2	-0.14	58.7	656.3	638.2	0.37
3.000	24 Feb 24	1.25B	7.936	791.7	810.1	-0.24	3.1	604.2	589.2	0.33
3.000	24 Feb 25	1.84B	7.715	755.4	875.5	-1.60	-8.7	569.5	631.9	-1.75
3.000	24 Feb 26	1.37B	7.750	746.0	733.1	0.19	18.6	551.2	518.6	0.82
3.000	24 Feb 27	1.21B	7.643	726.8	705.8	0.33	8.4	527.2	490.7	0.99
3.000	24 Feb 28	1.84B	7.498	704.6	684.4	0.33	-10.8	503.4	467.8	1.02
3.000	24 Feb 29	1.48B	7.436	691.1	663.5	0.46	-4.7	485.4	447.1	1.11
3.000	24 Feb 31	1.29B	7.243	658.7	620.9	0.67	-15.7	452.1	408.8	1.37
3.000	24 Feb 36	1.33B	6.918	601.4	547.1	1.09	-6.2	398.7	348.6	1.80
3.000	24 Feb 42	1.05B	6.365	532.5	597.1	-2.18	-5.7	352.4	379.8	-2.59

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

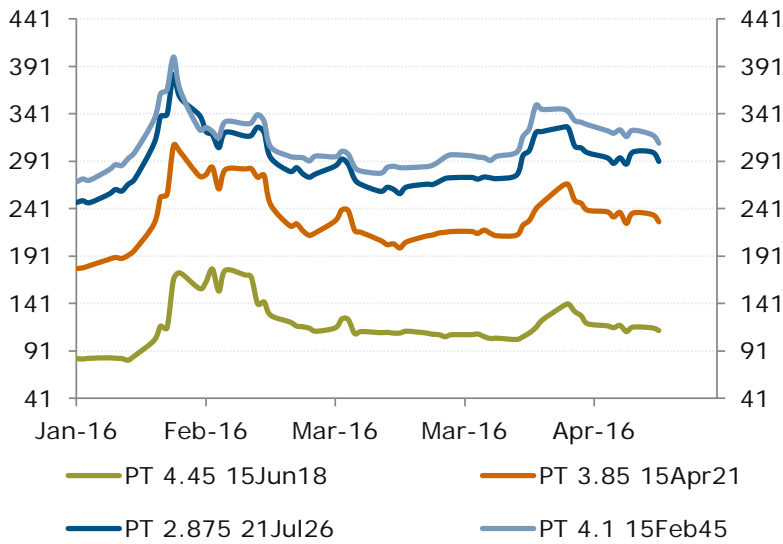
Rating	Ba1/BB/BB+
--------	------------

Moody's / S&P / Fitch

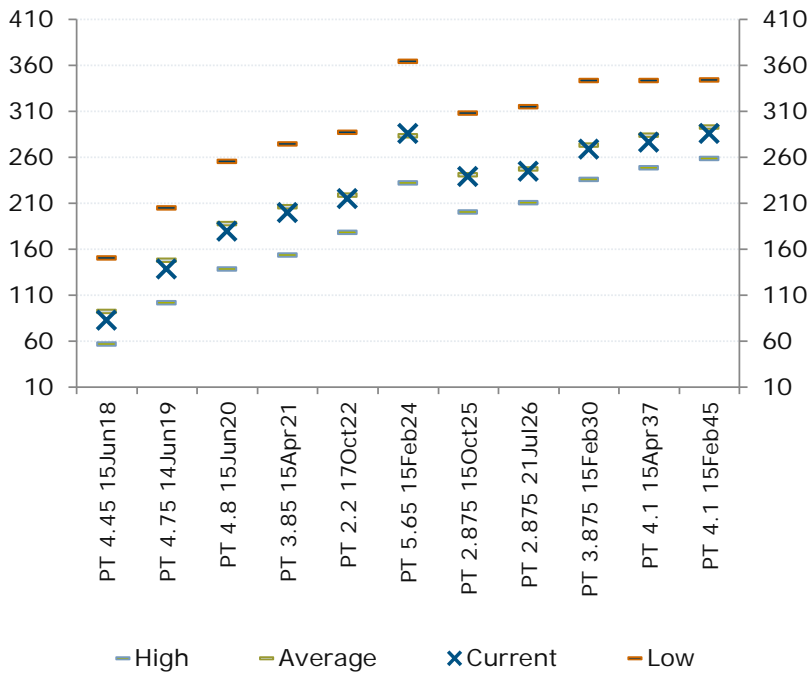
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	26-Apr	60D Avg.	Z-score	Δ B/E Spd 1Y	26-Apr	60D Avg.	Z-score
4.450	15 Jun 18	8.99B	0.626	112.0	119.7	-0.42	-3.2	82.4	91.6	-0.50
4.750	14 Jun 19	10.99B	1.188	164.8	173.1	-0.39	-3.0	138.1	147.6	-0.46
4.800	15 Jun 20	10.99B	1.642	202.4	209.8	-0.30	-5.2	178.7	187.1	-0.36
3.850	15 Apr 21	10.01B	1.975	226.6	232.3	-0.22	-3.4	199.5	205.3	-0.25
2.200	17 Oct 22	4.0B	2.450	259.9	264.2	-0.18	-3.4	214.5	218.0	-0.17
5.650	15 Feb 24	12.02B	2.982	296.6	294.7	0.07	-1.7	285.0	282.8	0.09
2.875	15 Oct 25	10.52B	3.061	281.6	283.0	-0.06	-0.8	238.3	240.1	-0.09
2.875	21 Jul 26	4.19B	3.232	290.3	292.3	-0.08	-1.0	244.3	246.8	-0.13
3.875	15 Feb 30	4.05B	3.663	307.1	306.9	0.01	-0.5	268.5	272.8	-0.23
4.100	15 Apr 37	8.02B	3.967	302.8	305.3	-0.11	-1.6	275.6	283.2	-0.46
4.100	15 Feb 45	3.0B	4.149	309.5	311.4	-0.08	-0.2	284.9	292.3	-0.49

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

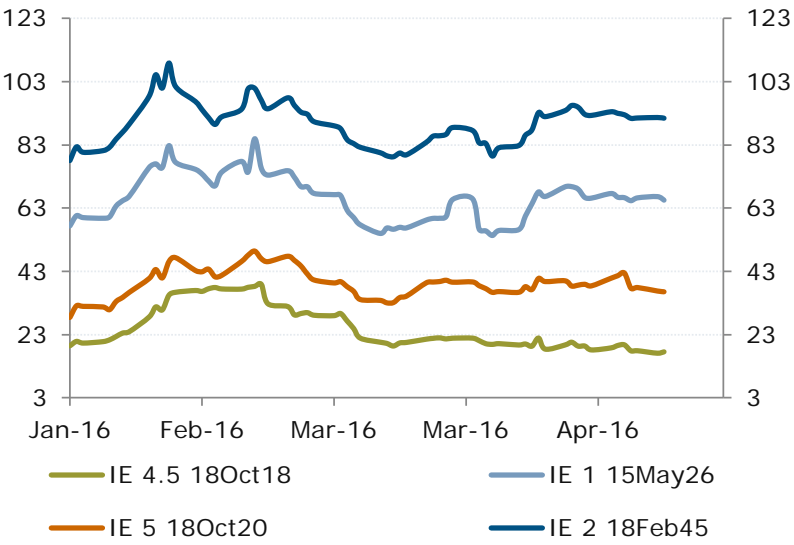
Rating	Baa1/A/A-
--------	-----------

Moody's / S&P / Fitch

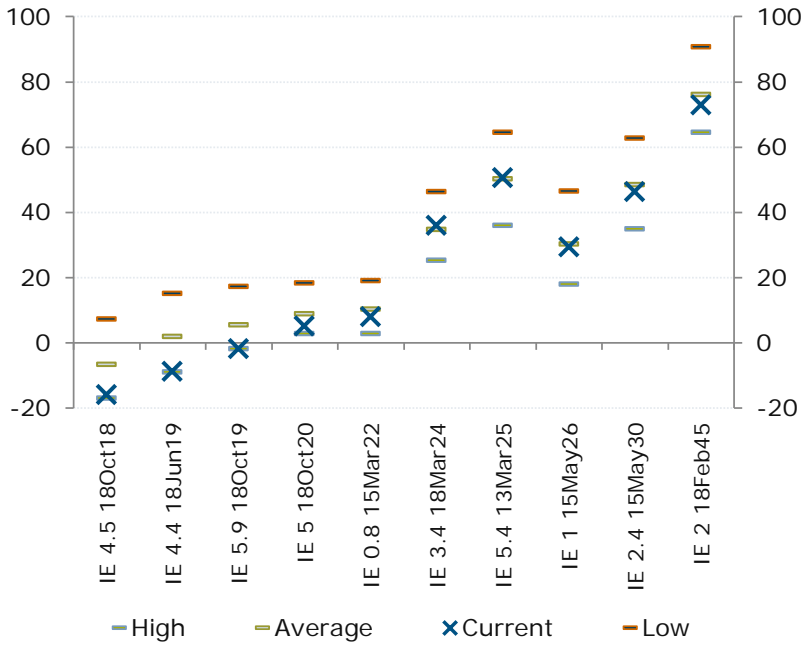
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	26-Apr	60D Avg.	Z-score	Δ B/E Spd 1Y	26-Apr	60D Avg.	Z-score
4.500	18 Oct 18	9.58B	-0.305	17.9	25.8	-1.25	0.5	-15.9	-6.6	-1.33
4.400	18 Jun 19	7.06B	-0.202	25.7	34.8	-1.61	0.7	-8.8	2.0	-1.68
5.900	18 Oct 19	6.58B	-0.122	31.3	37.0	-1.35	-1.1	-1.8	5.5	-1.55
5.000	18 Oct 20	8.99B	0.024	36.9	39.8	-0.80	0.6	5.0	8.9	-1.12
0.800	15 Mar 22	4.25B	0.250	46.2	48.8	-0.59	-1.4	7.9	10.2	-0.75
3.400	18 Mar 24	8.01B	0.701	67.4	67.1	0.07	-0.4	35.9	34.8	0.25
5.400	13 Mar 25	11.01B	0.869	70.1	70.0	0.01	-0.4	50.5	50.2	0.05
1.000	15 May 26	4.75B	0.973	65.8	66.7	-0.14	-9.1	29.4	30.3	-0.17
2.400	15 May 30	7.78B	1.390	78.2	76.2	0.31	1.1	46.4	48.4	-0.35
2.000	18 Feb 45	5.95B	1.971	91.7	90.3	0.25	1.2	72.9	76.1	-0.56

Spreads against the German curve, bp



Asset swap term structure, bp



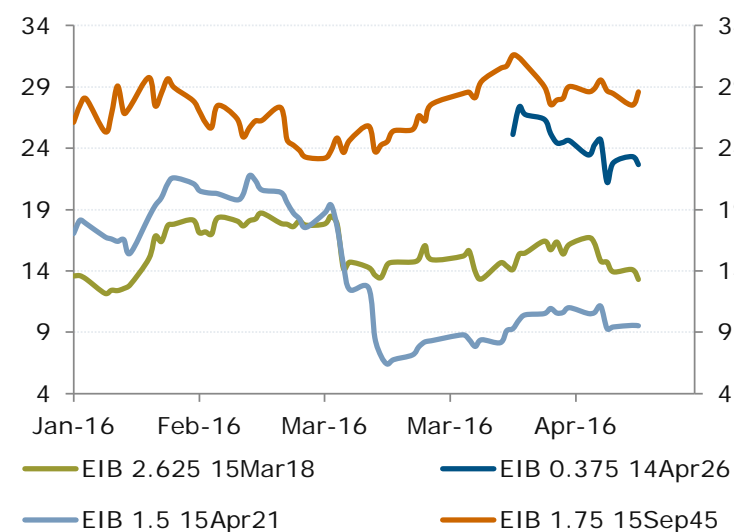


European Investment Bank (EIB)

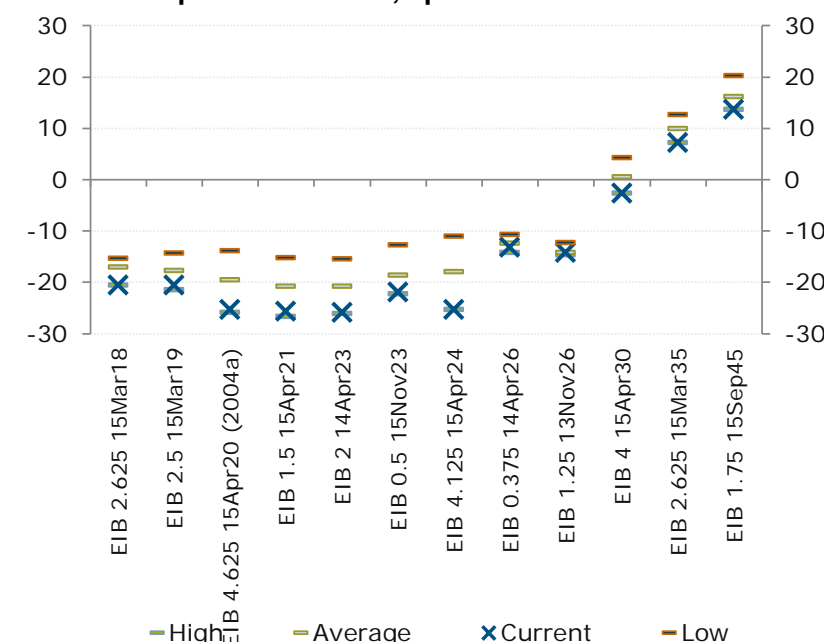
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	26-Apr	60D Avg.	Z-score	Δ B/E Spd 1Y	26-Apr	60D Avg.	Z-score
2.625	15 Mar 18	3.2B	-0.362	13.6	16.0	-1.45	-1.7	-20.5	-17.1	-2.41
2.500	15 Mar 19	2.9B	-0.328	14.5	16.7	-1.33	-0.1	-20.6	-17.7	-1.26
4.625	15 Apr 20	5.0B	-0.294	10.6	15.1	-1.13	0.1	-25.3	-19.6	-1.16
1.500	15 Apr 21	5.0B	-0.193	9.9	14.7	-0.98	-0.3	-25.7	-20.8	-1.05
2.000	14 Apr 23	5.0B	0.035	13.1	18.4	-1.36	0.0	-25.9	-20.8	-1.19
0.500	15 Nov 23	1.5B	0.162	18.0	21.9	-1.86	-0.3	-21.9	-18.6	-1.10
4.125	15 Apr 24	7.25B	0.141	10.4	17.7	-1.66	-0.3	-25.3	-18.0	-1.33
0.375	14 Apr 26	5.0B	0.537	23.0	24.9	-1.52	-1.0	-13.2	-12.4	-1.21
1.250	13 Nov 26	1.5B	0.563	20.9	22.2	-1.61	-0.4	-14.3	-14.2	-0.13
4.000	15 Apr 30	6.5B	0.847	24.3	23.8	0.30	-0.4	-2.7	0.5	-1.67
2.625	15 Mar 35	1.7B	1.164	29.1	27.4	0.74	-1.2	7.1	9.8	-2.01
1.750	15 Sep 45	1.3B	1.345	28.9	27.4	0.80	-0.6	13.6	16.1	-1.96

Spreads against the German curve, bp



Asset swap term structure, bp

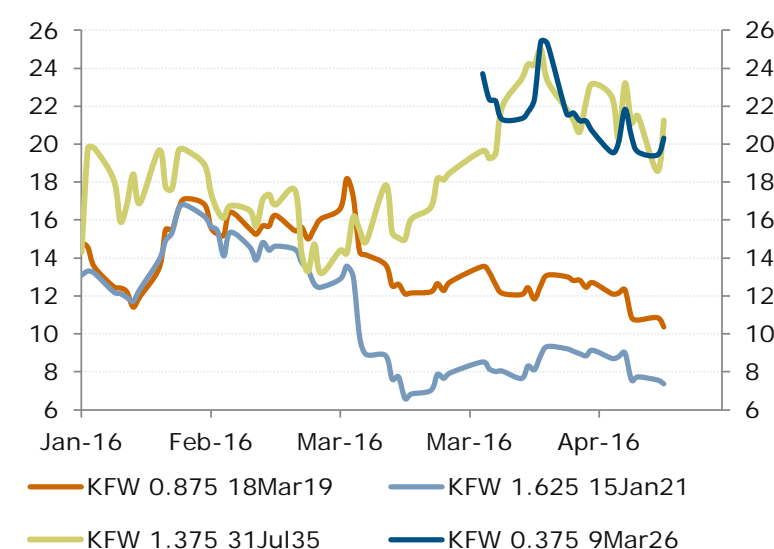


Kreditanstalt für Wiederaufbau (KfW)

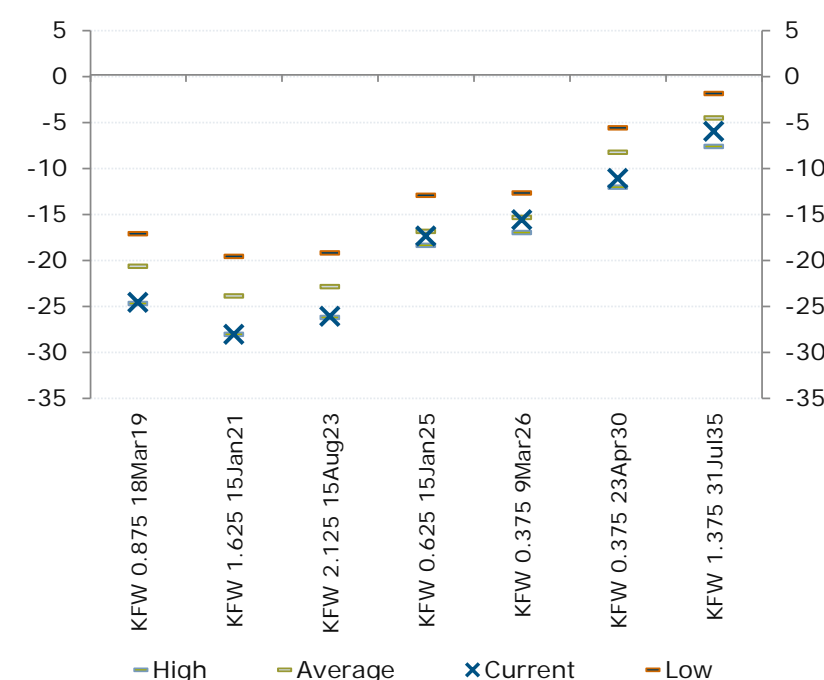
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	26-Apr	60D Avg.	Z-score	Δ B/E Spd 1Y	26-Apr	60D Avg.	Z-score
0.875	18 Mar 19	5.0B	-0.368	10.5	13.9	-2.05	-0.6	-24.8	-20.9	-1.62
1.625	15 Jan 21	5.0B	-0.243	7.5	11.2	-1.30	-0.4	-28.3	-24.1	-1.49
2.125	15 Aug 23	3.0B	0.071	12.2	16.0	-1.74	-0.2	-26.3	-23.1	-1.42
0.625	15 Jan 25	4.0B	0.348	20.3	21.0	-0.60	-0.7	-17.6	-17.0	-0.65
0.375	09 Mar 26	4.0B	0.499	20.4	21.8	-1.14	0.7	-15.8	-15.6	-0.29
0.375	23 Apr 30	2.0B	0.895	29.0	28.2	0.31	-0.4	-11.3	-8.5	-2.65
1.375	31 Jul 35	1.0B	1.100	21.4	18.6	1.11	1.2	-6.2	-4.8	-1.51

Spreads against the German curve, bp



Asset swap term structure, bp



Nordea Markets is the name of the Markets departments of Nordea Bank Norge ASA, Nordea Bank AB (publ), Nordea Bank Finland Plc and Nordea Bank Danmark A/S. The information provided herein is intended for background information only and for the sole use of the intended recipient. The views and other information provided herein are the current views of Nordea Markets as of the date of this document and are subject to change without notice. This notice is not an exhaustive description of the described product or the risks related to it, and it should not be relied on as such, nor is it a substitute for the judgement of the recipient. The information provided herein is not intended to constitute and does not constitute investment advice nor is the information intended as an offer or solicitation for the purchase or sale of any financial instrument. The information contained herein has no regard to the specific investment objectives, the financial situation or particular needs of any particular recipient. Relevant and specific professional advice should always be obtained before making any investment or credit decision. It is important to note that past performance is not indicative of future results. Nordea Markets is not and does not purport to be an adviser as to legal, taxation, accounting or regulatory matters in any jurisdiction. This document may not be reproduced, distributed or published for any purpose without the prior written consent from Nordea Markets.