

Euro Rates Update

Nordea Research, 20 May 2016

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US Treasury Yields				
	2Y	5Y	10Y	30Y
	0.88	1.38	1.85	2.65
Δ 1D	2.5	2.8	1.6	-1.4
Δ 1W	15.9	16.8	8.3	2.9

German Benchmark Yields				
	2Y	5Y	10Y	30Y
	-0.51	-0.35	0.17	0.88
Δ 1D	-0.2	-0.5	-1.1	-2.4
Δ 1W	0.2	2.3	5.0	7.3

German Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-15.0	-52.4	-67.4	-70.7
Δ 1D	-0.2	-0.7	-0.9	-1.3
Δ 1W	2.1	2.7	4.8	2.3

EUR Swap Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-17.3	-53.6	-70.9	-54.6
Δ 1D	-0.4	-0.7	-1.1	-0.5
Δ 1W	1.9	0.8	2.7	0.0

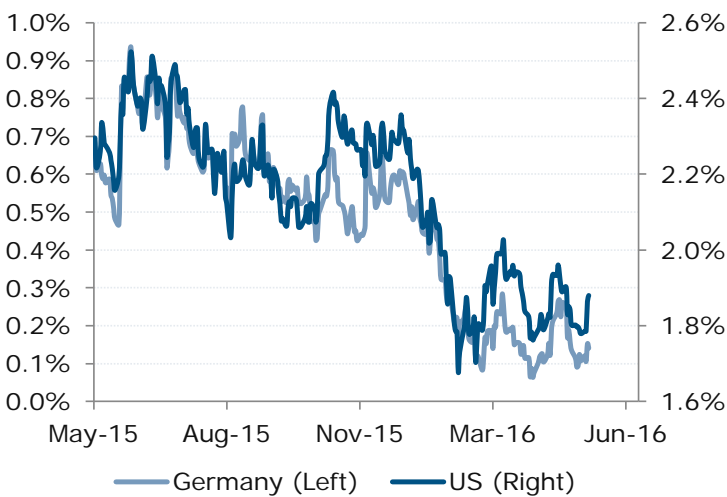
German Asset Swap Levels				
	2Y	5Y	10Y	30Y
	-35.6	-36.4	-36.0	-20.6
Δ 1D	0.0	0.4	0.2	-0.9
Δ 1W	-1.4	0.1	0.8	0.6

10Y Benchmark Yields				
	Yield	Δ 1D	Spread	Δ 1D
GER	0.169	-1.1	-	-
FRA	0.505	-2.0	31.3	-0.8
ITA	1.502	0.4	136.7	1.5
ESP	1.598	-0.3	141.3	0.9
BEL	0.547	-1.7	35.1	-0.5
HOL	0.385	-1.8	18.5	-0.5
AUT	0.359	-1.6	23.8	-0.4
GRE	6.599	1.7	643.6	2.9
POR	3.080	-1.9	287.8	-0.6
FIN	0.447	-0.8	26.7	0.4
IRL	0.851	-0.8	66.1	0.4

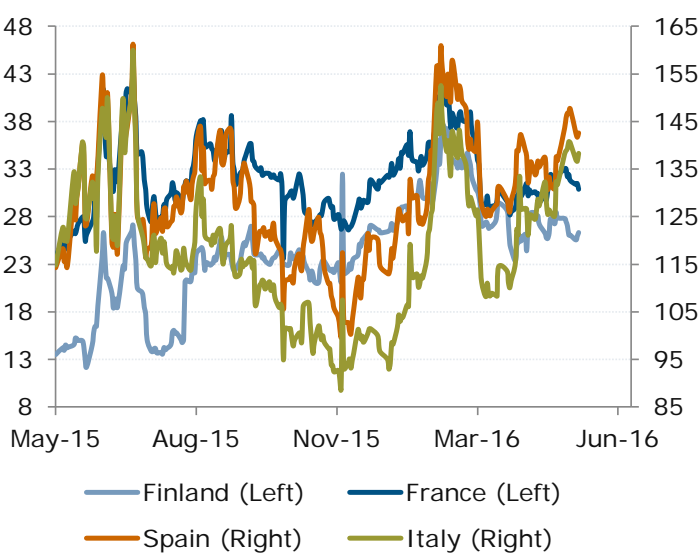
Spread = Maturity interpolated spread to German government par yield curve

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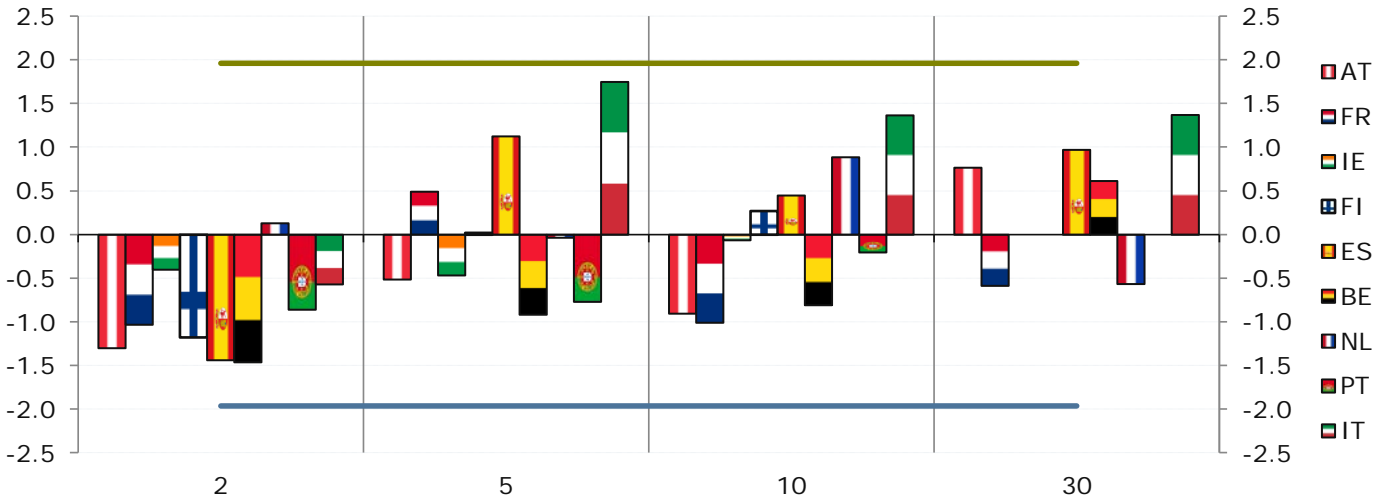
German & US 10-year benchmark yields, %



10 year spreads against Germany, bp



Z-scores of benchmark vs. Germany



Upcoming Issuance (source: Bloomberg)							
Date		Country		Coupon		Maturity	Amount (EURbn)
23 May		LN		2.10%		2024	
25 May		GE		2.50%		2044	1bn
26 May		IT					
30 May		IT					
30 May		LI					

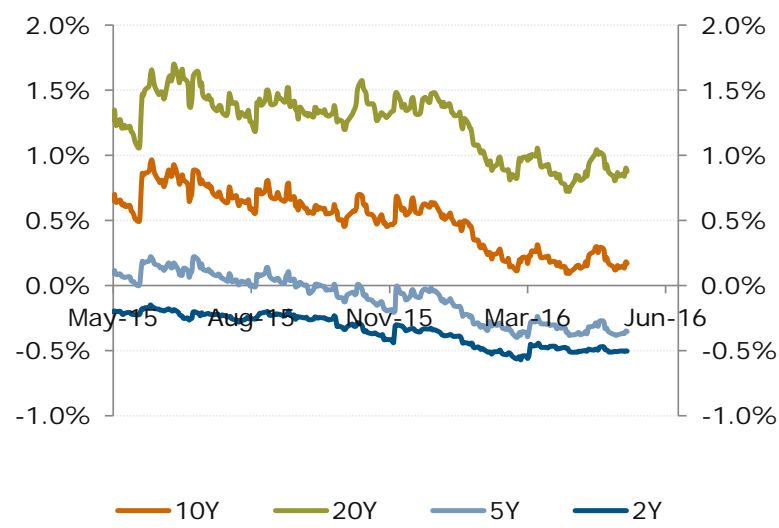
All bond quotes are taken at 16:15 CET.

## Bond Yields & Curves

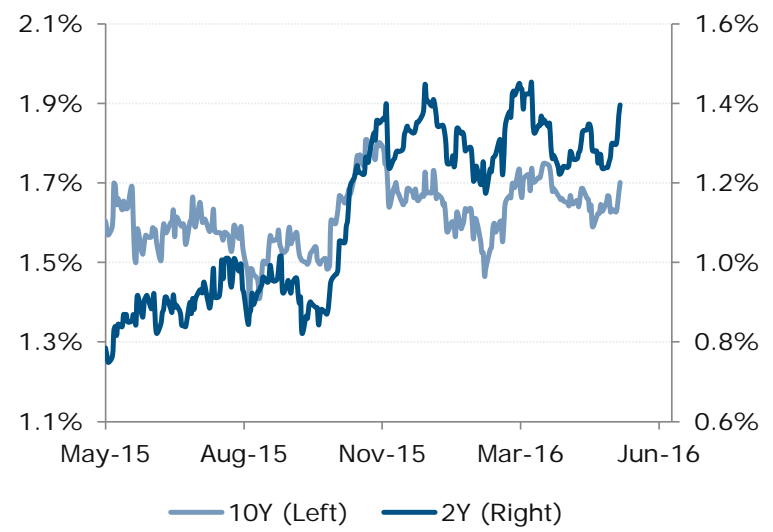
### Yield Levels

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

German benchmark bond yields, %



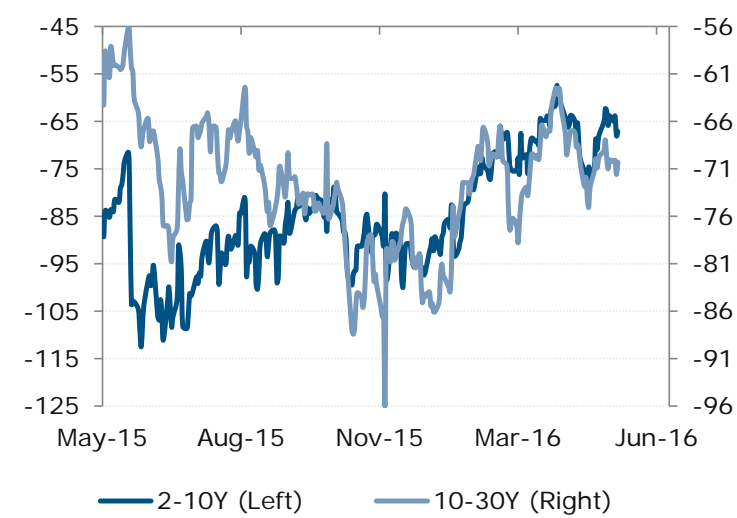
USA-Germany spreads, annualized yields, %



### Bond Curve Shape

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

German yield curve slopes, bp

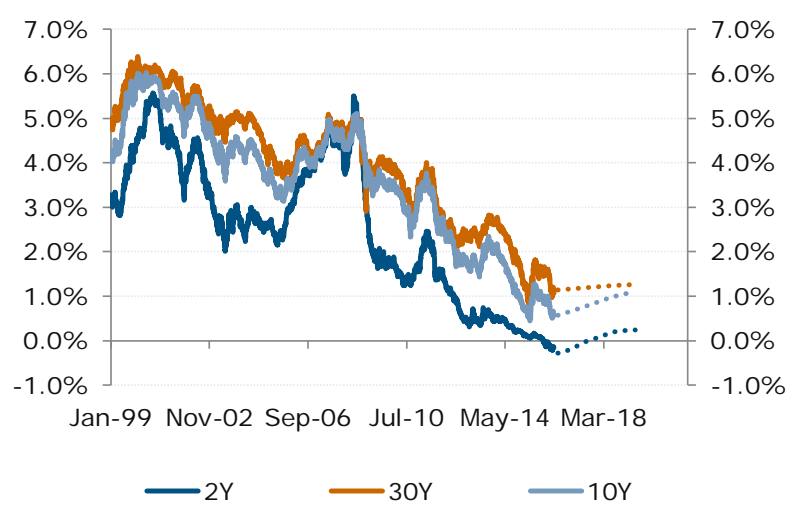


Bonds vs. equities



## Swaps and Forwards

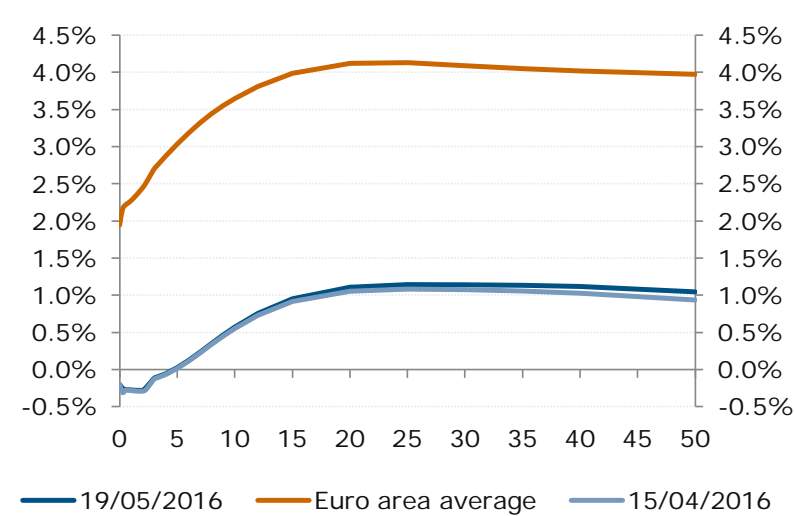
EUR swap rates and implied forwards, %



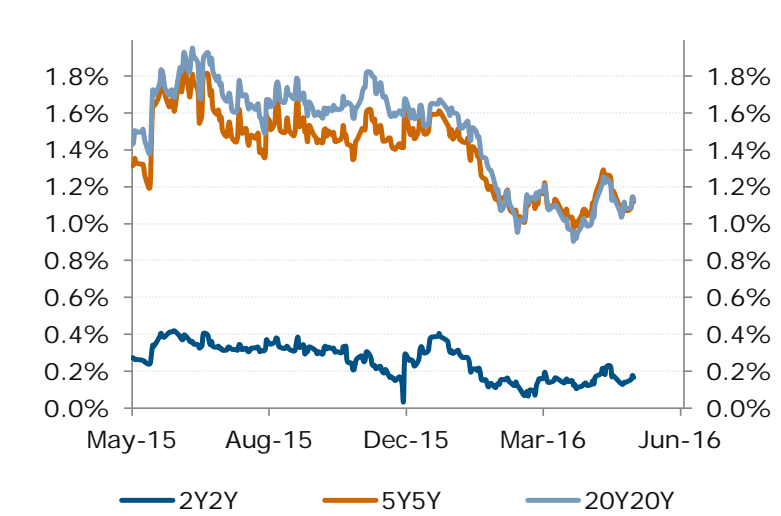
EUR-USD spreads and implied forwards, %



EUR swap curve shape vs. historical



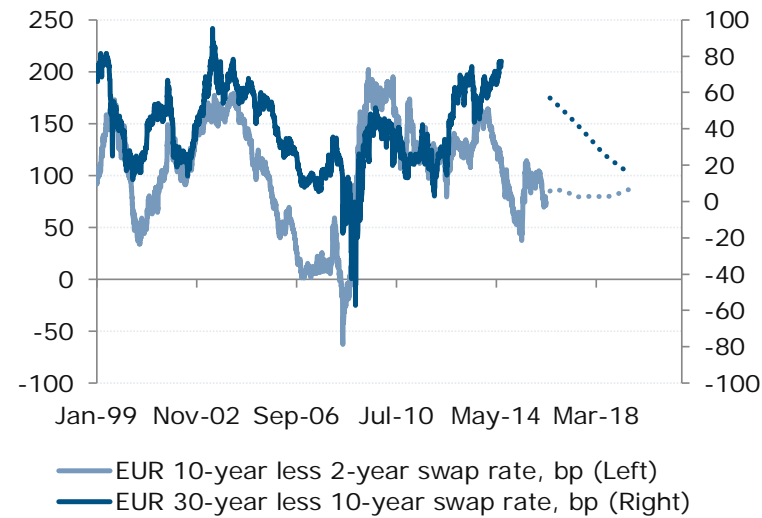
Historical forward rates, %



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

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

EUR swap curve slopes and forwards



Curvature (EUR swap curve)

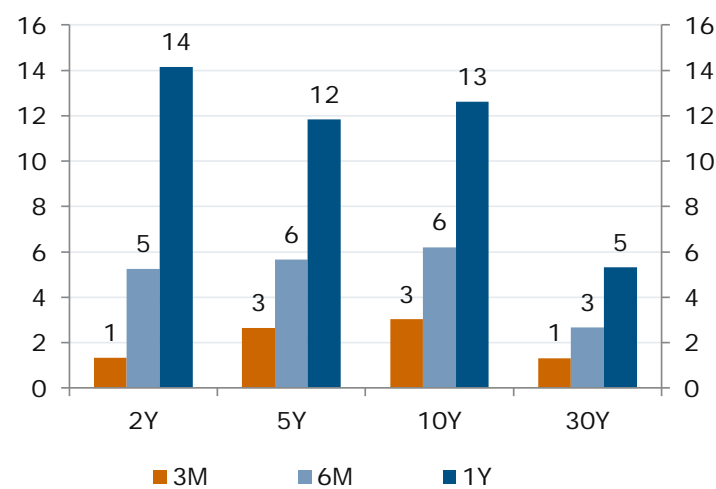


## Carry

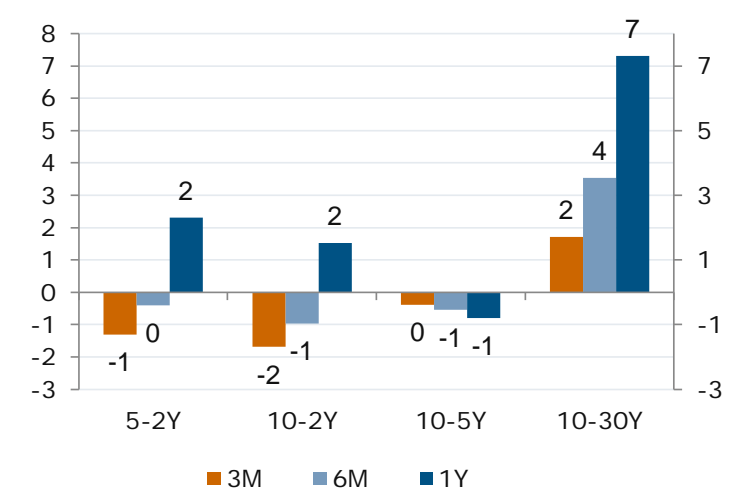
The carry on the given horizon illustrates how much the spot swap rate may rise for a receiver swap position in a forward-starting swap to result in zero profit.

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

Yield buffers for forward-starting swaps, bp



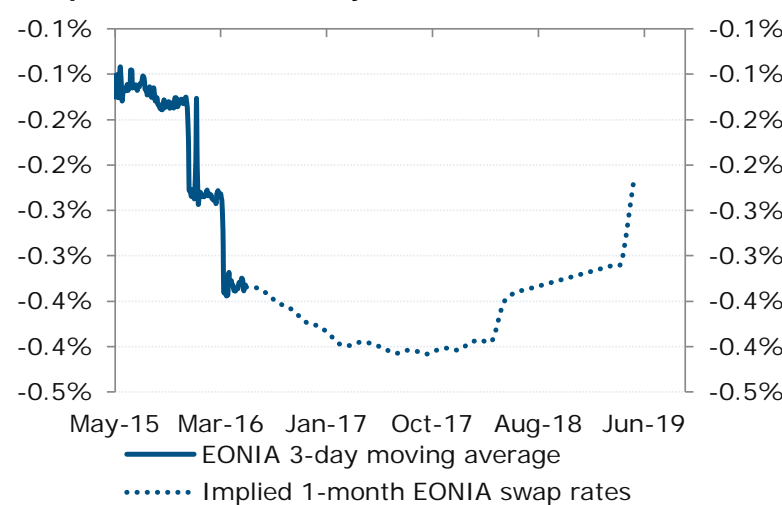
Yield buffers for duration-neutral steepeners, bp



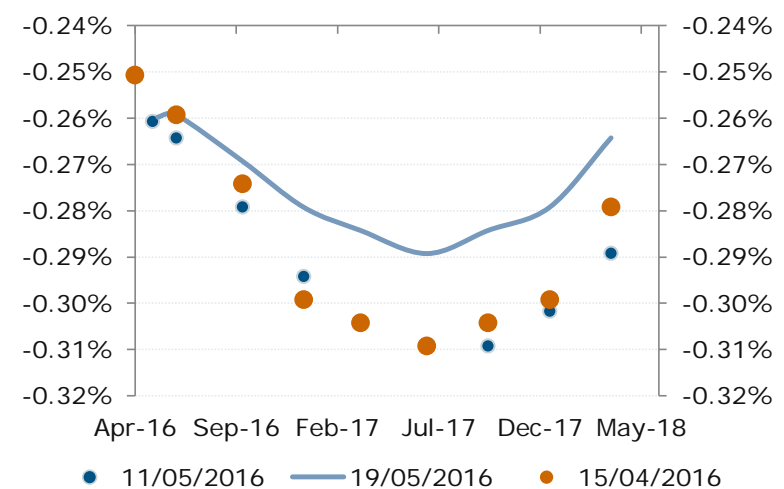
## Money Market Rates

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

Expectations and history for EONIA



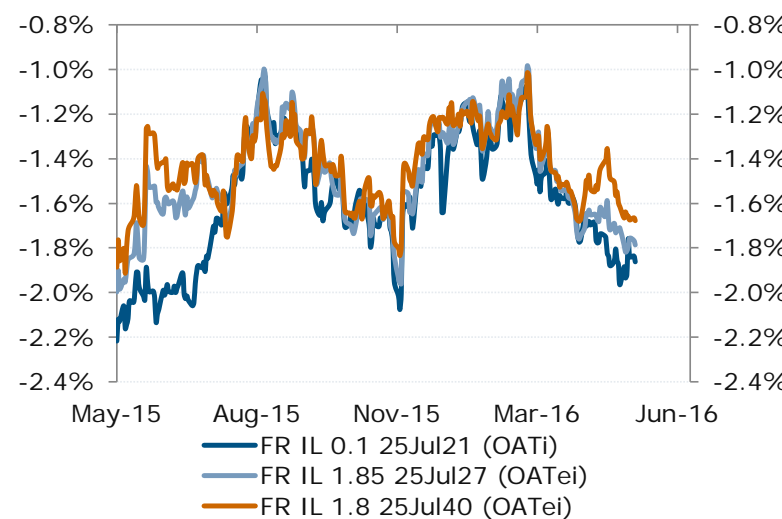
Euribor futures curve, now, 1 wk & 1M ago



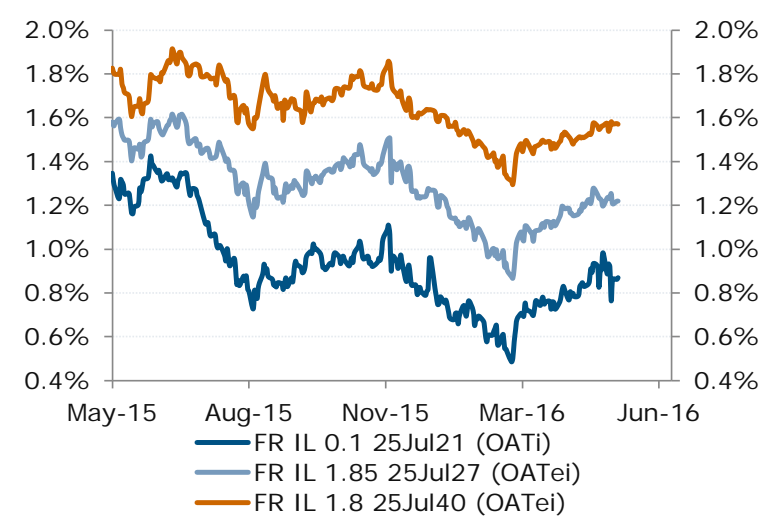
## Inflation-linked Bonds

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

Real yields, %



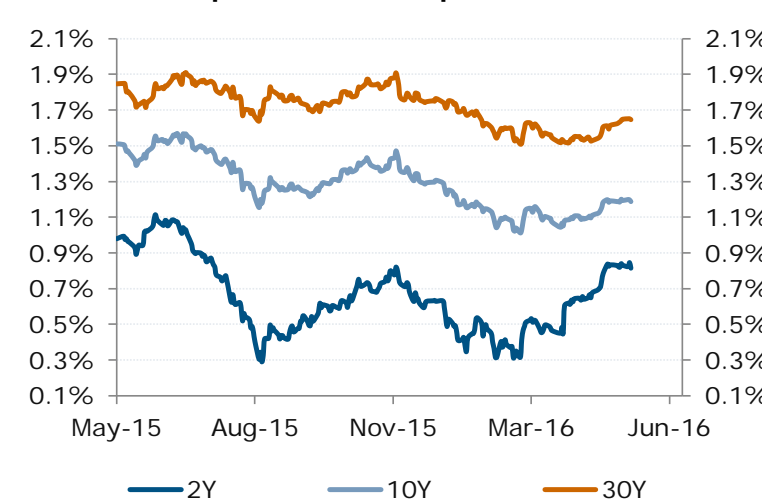
Break-even inflation history, %



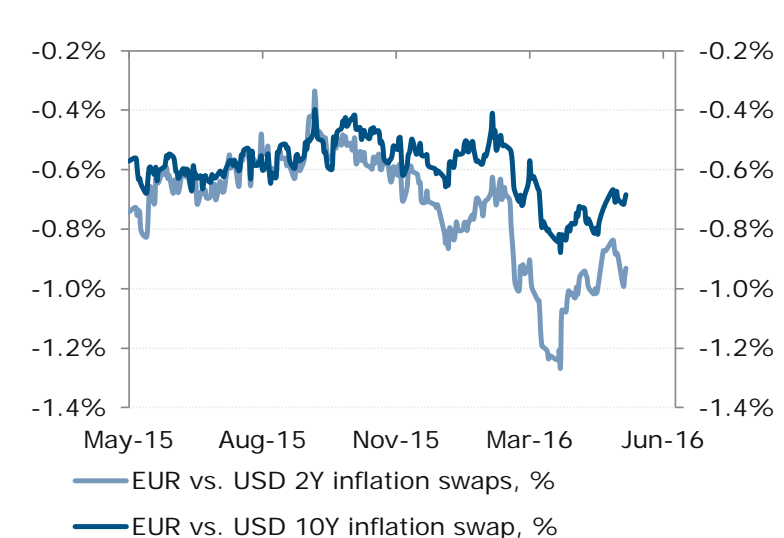
## Inflation Swaps

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

EUR zero-coupon inflation swaps



EUR vs. USD inflation swaps



## Credit & Money Market Spreads

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

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

**iTraxx® credit default swap spreads**



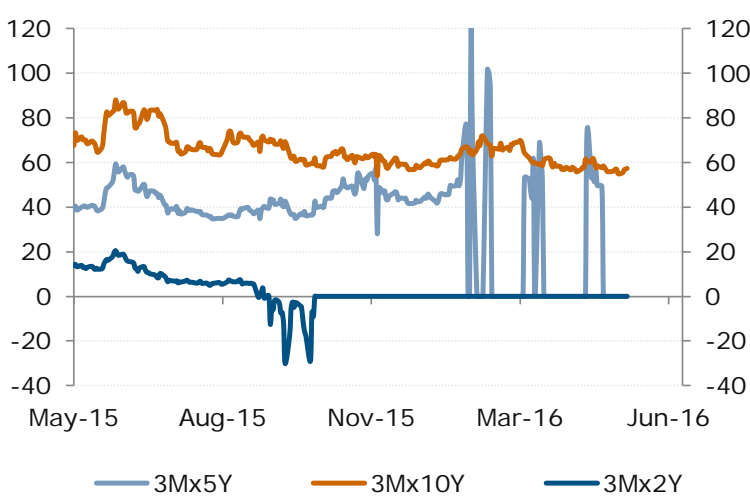
**Money market rates vs. EONIA swap rates**



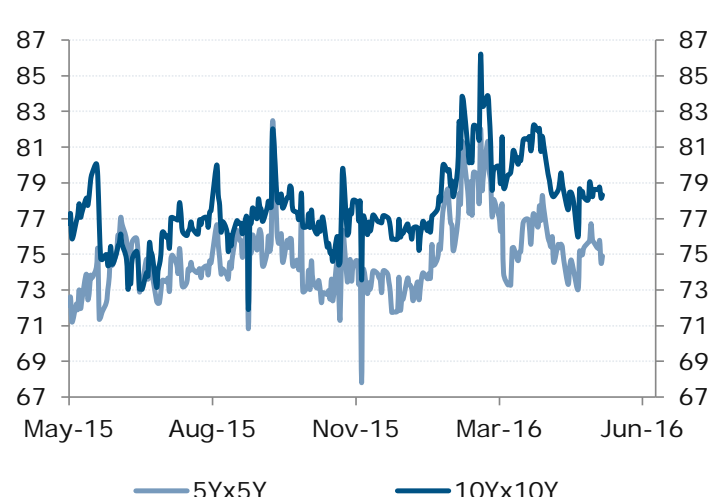
## Swaption Volatilities

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

**Short-dated ATMF swaption bp vol**



**Long-dated ATMF swaption bp vol**

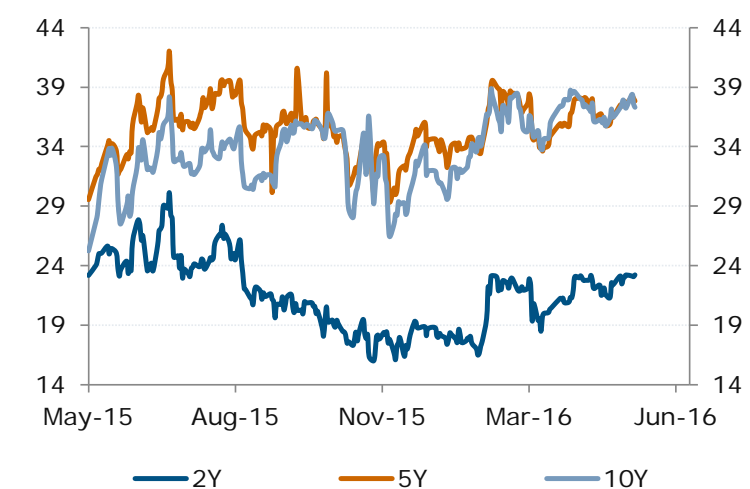


## Swap & Cross-country Spreads

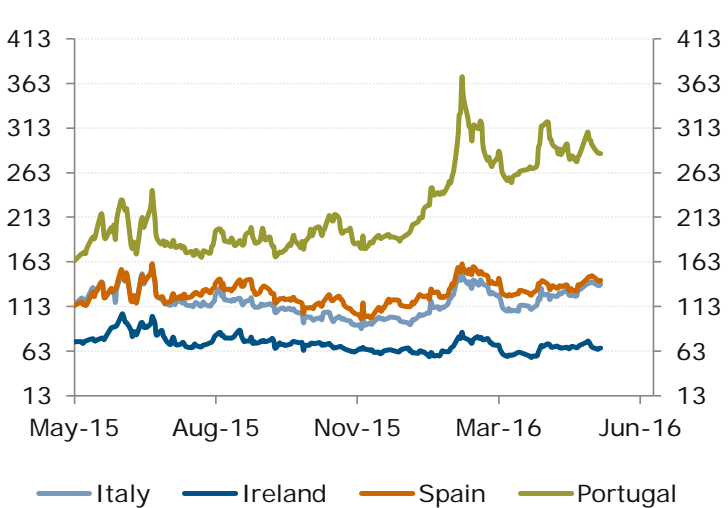
Swap spread:  
Benchmark bond's spread to EUR swap curve.

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

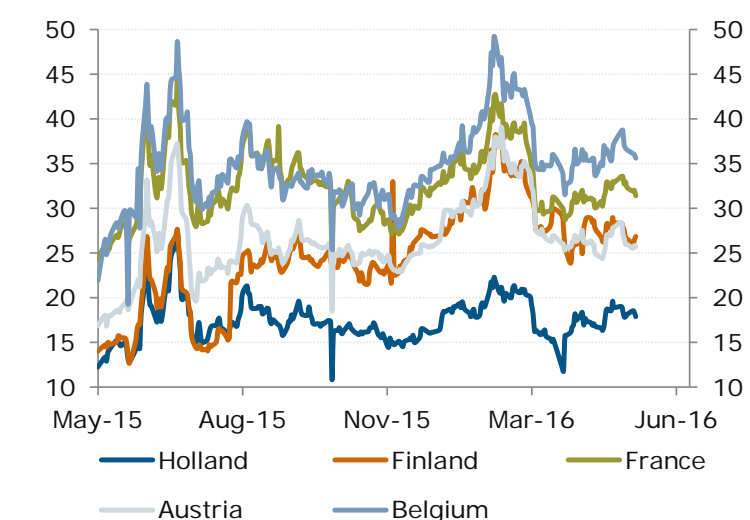
**German swap spreads, bp**



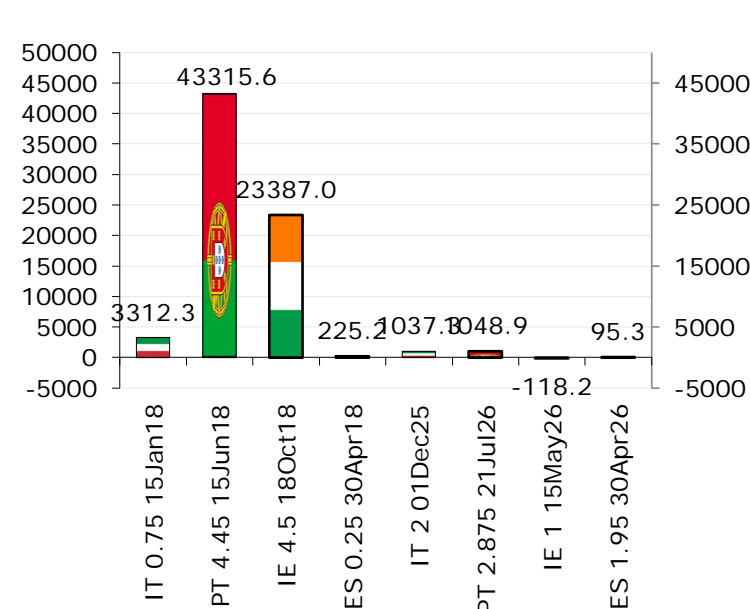
**10Y non-AAA spreads against Germany, bp**



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



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

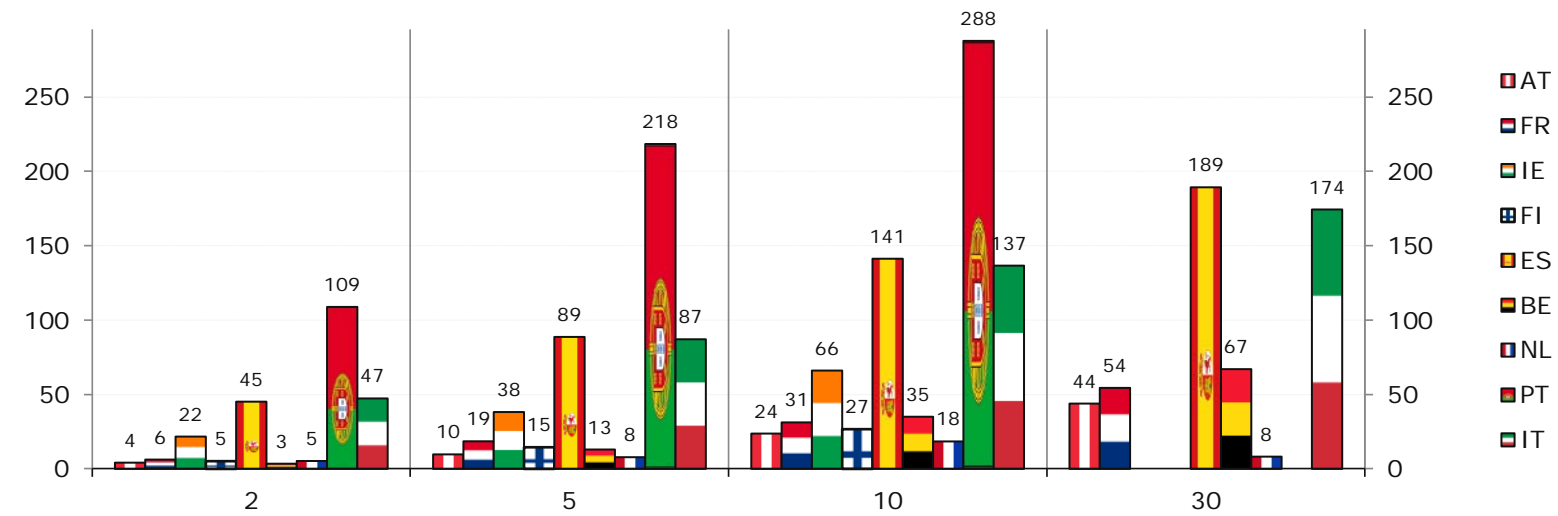




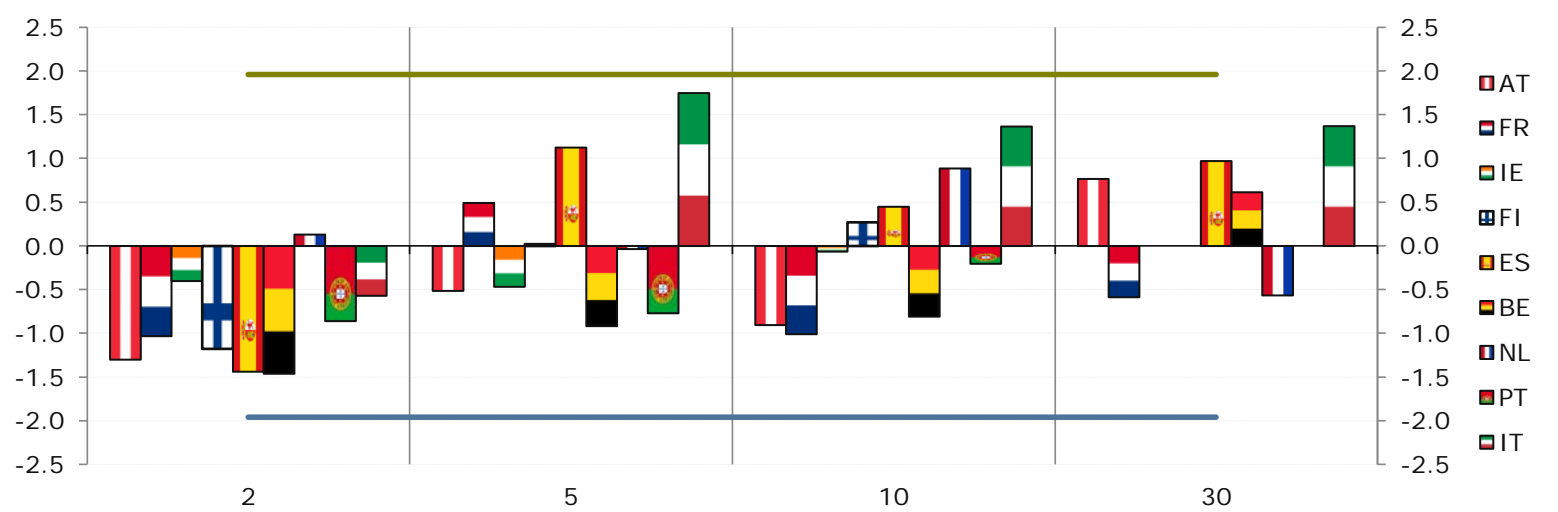


## Country Relative Value

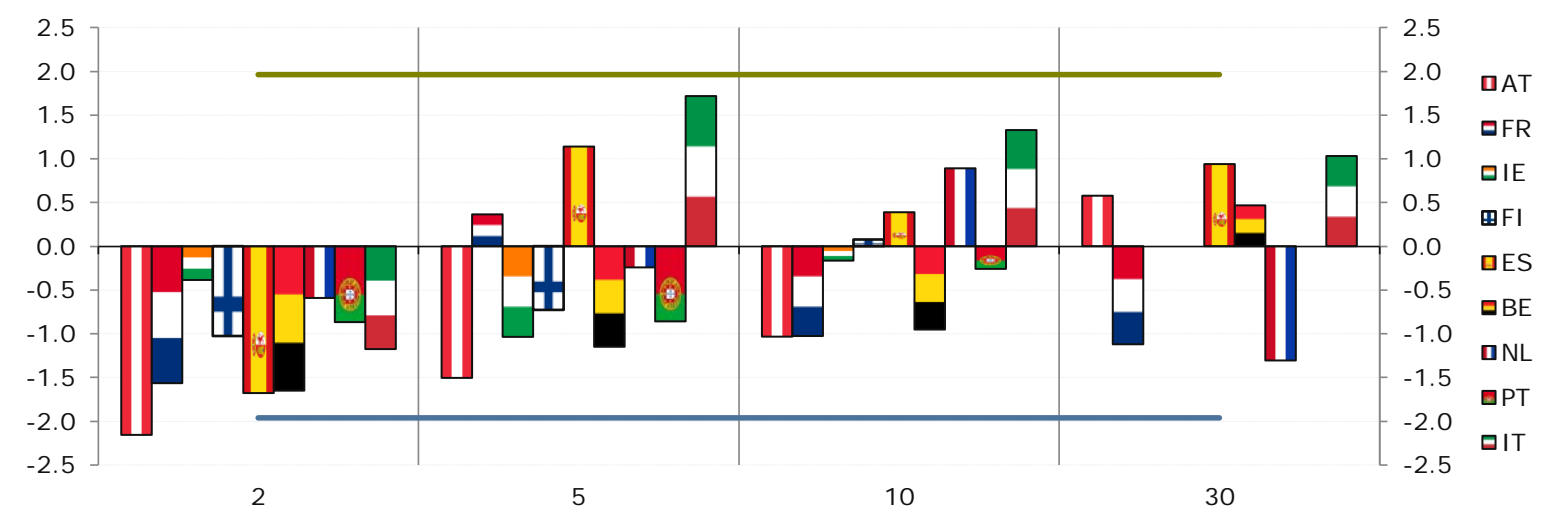
Benchmark spreads over the maturity-interpolated German par curve, bp



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	GR	17 Apr 19	4.750	797.7	-1.94	GR	17 Apr 19	4.750	713.7	-2.03
	Cheap	DE	12 Apr 19	0.500	-12.6	0.86	IT	01 May 19	2.500	23.3	-0.36
5Y:	Rich	AT	20 Apr 22	3.650	13.0	-2.00	BE	28 Sep 20	3.750	-27.0	-2.39
	Cheap	DE	17 Apr 20	0.000	-15.1	1.18	IT	01 Jun 21	0.450	48.7	1.00
7Y:	Rich	KfW	11 Jun 24	1.500	10.0	-2.59	KfW	11 Jun 24	1.500	-29.3	-2.68
	Cheap	DE	15 May 23	1.500	-24.0	1.33	IT	15 Mar 23	0.950	71.9	1.17
10Y:	Rich	KfW	15 Jan 25	0.625	17.6	-2.89	EIB	14 Apr 26	0.375	-15.5	-3.75
	Cheap	IT	01 Dec 25	2.000	136.7	1.38	IT	01 Dec 25	2.000	100.3	1.34
15Y:	Rich	FR	25 May 36	1.250	50.1	-1.87	FR	25 May 36	1.250	18.5	-2.35
	Cheap	KfW	23 Apr 30	0.375	37.3	2.58	KfW	23 Apr 30	0.375	-7.4	1.19
20Y:	Rich	GR	24 Feb 42	3.000	494.0	-2.34	GR	24 Feb 42	3.000	342.5	-2.25
	Cheap	AT	20 Feb 47	1.500	43.9	1.58	IT	01 Sep 46	3.250	165.9	0.90

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

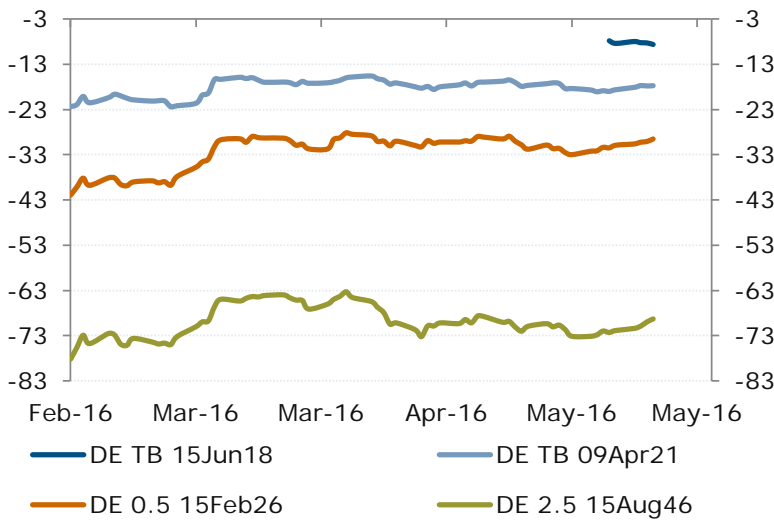
Rating	Aaa/AAA/AAA
Moody's / S&P / Fitch	

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

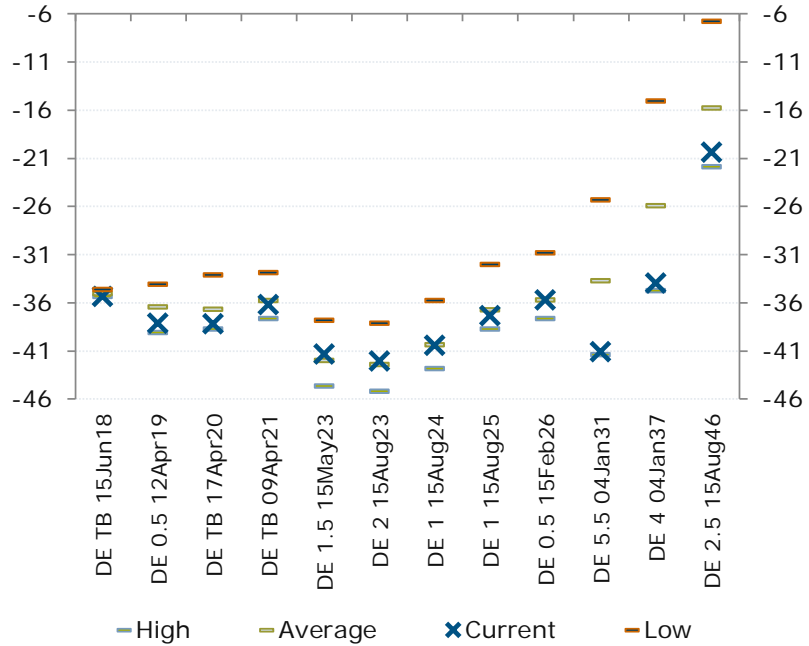
Germany

Benchmark Bonds				Spread vs. France				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	19-May	60D Avg.	Z-score	Δ B/E Spd 1Y	19-May	60D Avg.	Z-score
0.000	15 Jun 18	5.0B	-0.505	-8.7	-8.3	-1.46	-0.9	-35.6	-35.3	-0.65
0.500	12 Apr 19	16.0B	-0.507	-12.6	-14.1	0.86	23.6	-38.4	-36.7	-1.62
0.000	17 Apr 20	20.0B	-0.453	-15.1	-16.7	1.18	2.4	-38.5	-37.0	-1.33
0.000	09 Apr 21	17.0B	-0.355	-17.8	-18.2	0.30	-13.9	-36.4	-36.0	-0.36
1.500	15 May 23	18.0B	-0.191	-24.0	-27.4	1.33	21.2	-41.6	-42.2	0.55
2.000	15 Aug 23	18.0B	-0.171	-25.6	-28.5	1.14	30.9	-42.3	-42.7	0.30
1.000	15 Aug 24	18.0B	-0.041	-27.2	-29.8	0.90	12.5	-40.7	-40.6	-0.07
1.000	15 Aug 25	23.0B	0.097	-29.0	-31.2	0.70	9.8	-37.6	-37.0	-0.49
0.500	15 Feb 26	22.0B	0.169	-29.5	-32.4	0.89	3.8	-36.0	-36.0	-0.02
5.500	04 Jan 31	17.0B	0.432	-51.0	-51.0	-0.01	42.8	-41.3	-34.0	-1.97
4.000	04 Jan 37	23.0B	0.688	-60.6	-62.7	0.72	22.7	-34.2	-26.2	-1.40
2.500	15 Aug 46	16.0B	0.876	-69.3	-69.9	0.21	7.7	-20.6	-16.0	-1.11

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

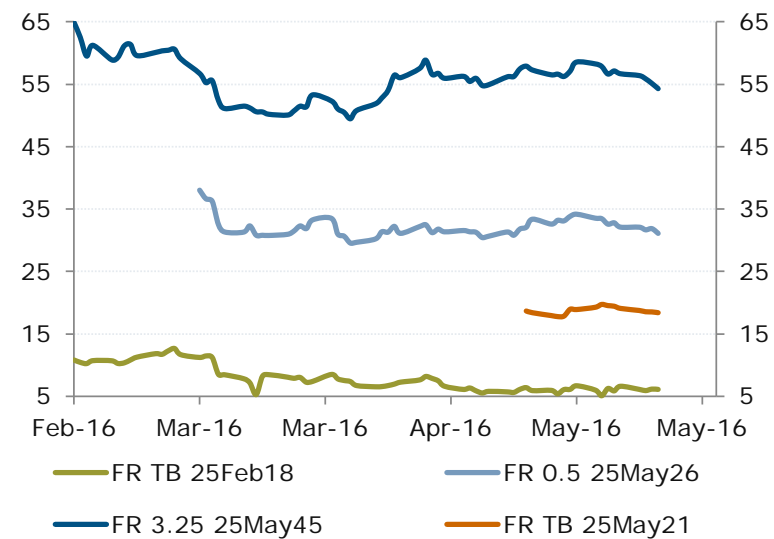
Rating	Aa1/AA/AA
Moody's / S&P / Fitch	

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

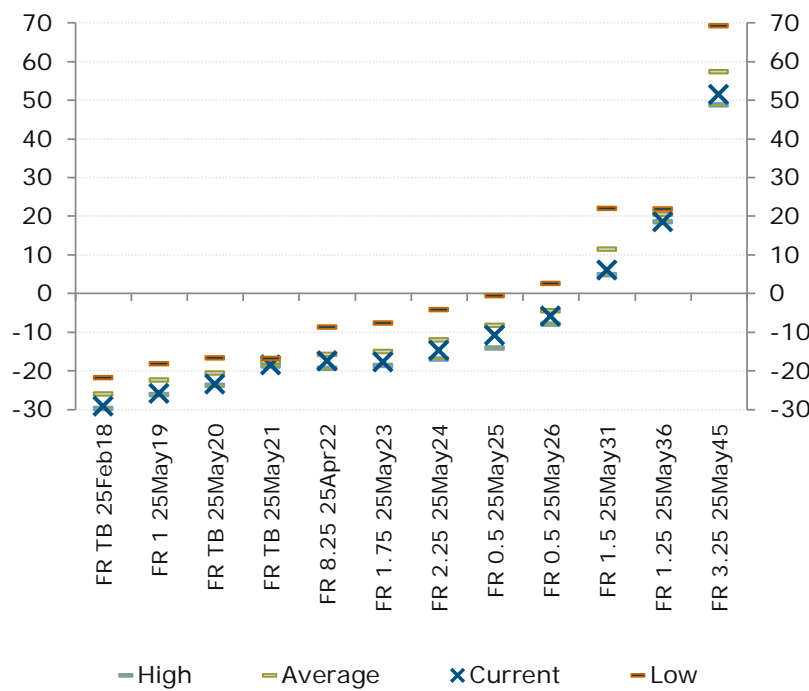
France

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	19-May	60D Avg.	Z-score	Δ B/E Spd 1Y	19-May	60D Avg.	Z-score
0.000	25 Feb 18	19.98B	-0.445	6.3	8.1	-1.01	2.4	-29.2	-26.1	-1.33
1.000	25 May 19	23.02B	-0.378	12.3	13.7	-1.12	62.5	-25.9	-22.5	-1.51
0.000	25 May 20	22.01B	-0.289	15.4	16.5	-0.98	-17.9	-23.5	-20.7	-1.82
0.000	25 May 21	7.29B	-0.163	18.6	18.9	-0.52	2.5	-18.5	-17.8	-1.28
8.250	25 Apr 22	1.99B	-0.110	16.1	17.9	-1.02	159.6	-17.5	-15.8	-0.81
1.750	25 May 23	33.97B	0.038	21.4	24.3	-1.32	22.8	-17.8	-15.1	-1.23
2.250	25 May 24	30.55B	0.172	23.2	25.5	-0.87	25.7	-14.9	-12.1	-0.97
0.500	25 May 25	32.97B	0.349	27.6	29.8	-0.72	1.0	-10.9	-8.3	-0.86
0.500	25 May 26	14.13B	0.505	31.3	32.2	-0.79	2.4	-5.9	-4.6	-0.79
1.500	25 May 31	16.99B	0.958	45.3	45.1	0.07	11.7	5.9	11.4	-1.26
1.250	25 May 36	6.0B	1.259	50.1	51.7	-1.87	7.3	18.5	20.5	-2.35
3.250	25 May 45	17.01B	1.464	54.5	56.0	-0.54	10.9	51.4	57.2	-1.12

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

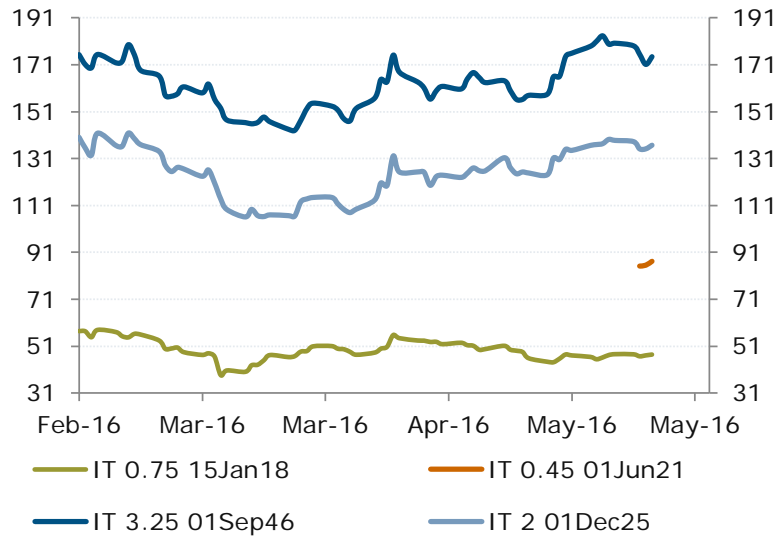
Rating	Baa2/BBB-/BBB+
Moody's / S&P / Fitch	

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

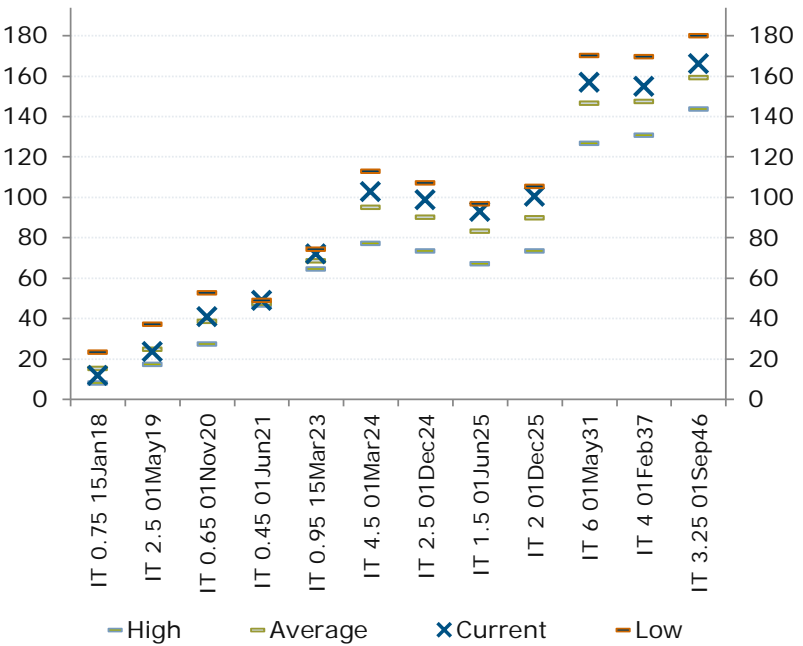
Italy

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	19-May	60D Avg.	Z-score	Δ B/E Spd 1Y	19-May	60D Avg.	Z-score
0.750	15 Jan 18	15.46B	-0.034	47.4	49.3	-0.54	112.0	11.7	15.1	-1.13
2.500	01 May 19	18.01B	0.098	60.0	59.4	0.18	106.6	23.3	24.6	-0.36
0.650	01 Nov 20	14.02B	0.388	79.0	75.2	0.59	15.0	40.9	38.4	0.47
0.450	01 Jun 21	6.96B	0.525	87.2	85.9	1.00	8.5	48.7	47.3	1.00
0.950	15 Mar 23	10.44B	0.944	113.8	110.7	1.04	14.4	71.9	68.5	1.17
4.500	01 Mar 24	23.71B	1.187	127.5	120.1	0.93	66.2	102.5	94.9	0.95
2.500	01 Dec 24	20.99B	1.342	133.3	123.9	1.14	34.2	98.6	89.9	1.12
1.500	01 Jun 25	19.99B	1.405	133.0	122.1	1.32	17.8	92.8	83.1	1.33
2.000	01 Dec 25	17.01B	1.502	136.7	124.6	1.38	22.8	100.3	89.7	1.34
6.000	01 May 31	29.75B	2.039	153.8	138.5	1.69	49.6	156.7	146.5	0.99
4.000	01 Feb 37	26.01B	2.391	161.1	147.5	1.51	24.8	154.7	147.3	0.86
3.250	01 Sep 46	13.24B	2.671	174.4	162.2	1.37	15.2	165.9	159.2	0.90

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

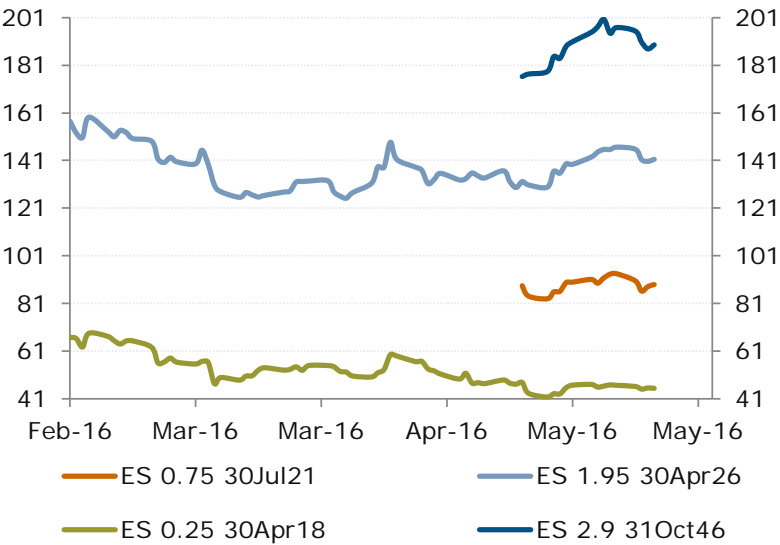
Rating	Baa2/BBB/BBB+
Moody's / S&P / Fitch	

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

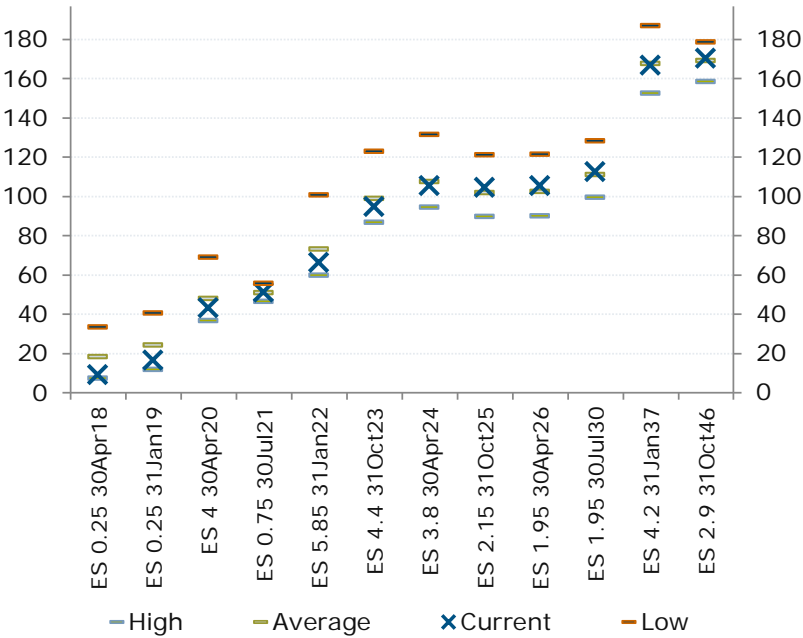
Spain

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	19-May	60D Avg.	Z-score	Δ B/E Spd 1Y	19-May	60D Avg.	Z-score
0.250	30 Apr 18	16.99B	-0.056	45.2	52.8	-1.41	8.2	9.1	18.0	-1.59
0.250	31 Jan 19	6.93B	0.036	53.9	60.3	-1.19	-4.7	16.4	24.1	-1.46
4.000	30 Apr 20	23.01B	0.315	76.3	78.7	-0.35	120.5	43.1	47.7	-0.64
0.750	30 Jul 21	3.02B	0.555	88.7	88.3	0.16	3.4	51.0	50.8	0.06
5.850	31 Jan 22	22.01B	0.608	89.8	96.3	-0.73	123.6	66.1	73.0	-0.74
4.400	31 Oct 23	20.01B	1.074	120.0	124.0	-0.52	70.9	94.6	98.8	-0.54
3.800	30 Apr 24	21.99B	1.258	132.6	134.4	-0.24	52.4	105.2	107.3	-0.28
2.150	31 Oct 25	20.96B	1.517	139.2	135.9	0.46	25.6	104.3	101.7	0.38
1.950	30 Apr 26	15.01B	1.598	141.3	137.6	0.50	23.0	105.4	102.4	0.46
1.950	30 Jul 30	13.21B	2.036	158.3	150.6	1.09	17.7	112.5	110.9	0.25
4.200	31 Jan 37	17.02B	2.469	168.9	164.1	0.67	25.6	166.5	167.5	-0.13
2.900	31 Oct 46	5.43B	2.821	189.4	188.4	0.13	17.1	170.1	168.9	0.20

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

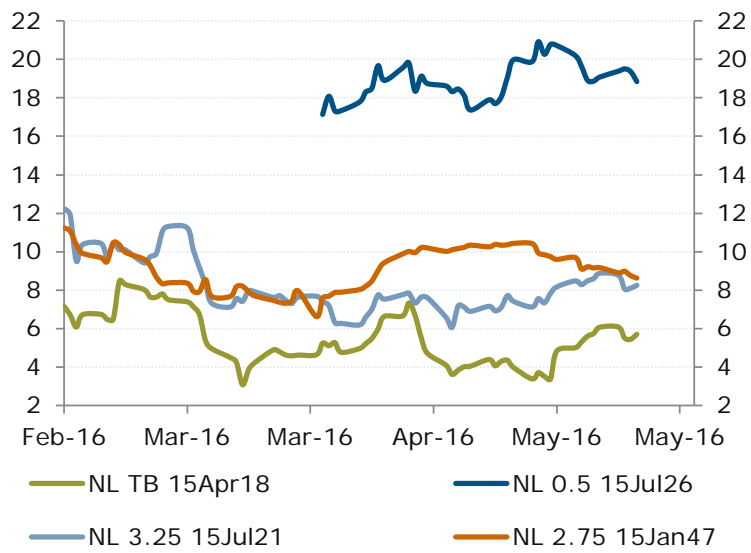
Rating	Aaa/AA+/AAA
Moody's / S&P / Fitch	

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

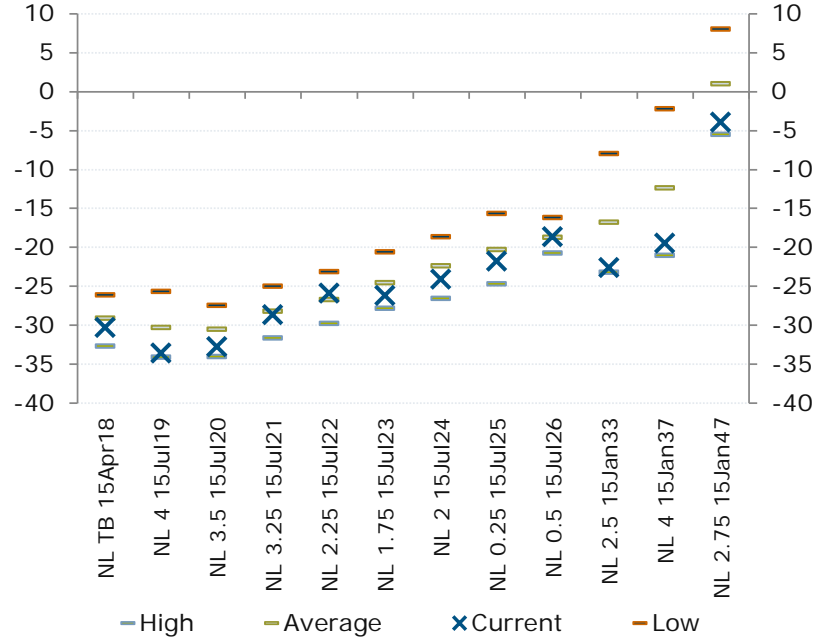
Netherlands

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	19-May	60D Avg.	Z-score	Δ B/E Spd 1Y	19-May	60D Avg.	Z-score
0.000	15 Apr 18	15.99B	-0.455	5.3	5.2	0.15	1.8	-30.3	-29.1	-0.84
4.000	15 Jul 19	14.98B	-0.442	5.1	6.2	-0.84	215.3	-33.6	-30.4	-1.38
3.500	15 Jul 20	15.02B	-0.376	5.4	5.7	-0.43	121.4	-32.8	-30.6	-1.50
3.250	15 Jul 21	16.99B	-0.258	7.9	7.9	0.02	82.8	-28.7	-28.2	-0.31
2.250	15 Jul 22	15.01B	-0.134	11.7	11.8	-0.07	43.4	-26.0	-26.7	0.56
1.750	15 Jul 23	15.63B	-0.027	13.4	15.2	-1.61	27.6	-26.2	-24.6	-1.09
2.000	15 Jul 24	15.32B	0.102	14.3	15.6	-1.10	26.1	-24.2	-22.5	-1.13
0.250	15 Jul 25	15.01B	0.256	16.6	17.6	-0.59	2.3	-21.9	-20.4	-0.69
0.500	15 Jul 26	8.51B	0.385	18.5	18.5	0.02	6.6	-18.7	-18.7	0.05
2.500	15 Jan 33	12.01B	0.713	10.6	10.3	0.17	15.3	-22.6	-16.8	-1.44
4.000	15 Jan 37	13.99B	0.801	2.3	2.4	-0.11	21.6	-19.5	-12.5	-1.31
2.750	15 Jan 47	11.01B	1.011	8.3	8.7	-0.53	10.0	-4.0	1.0	-1.32

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

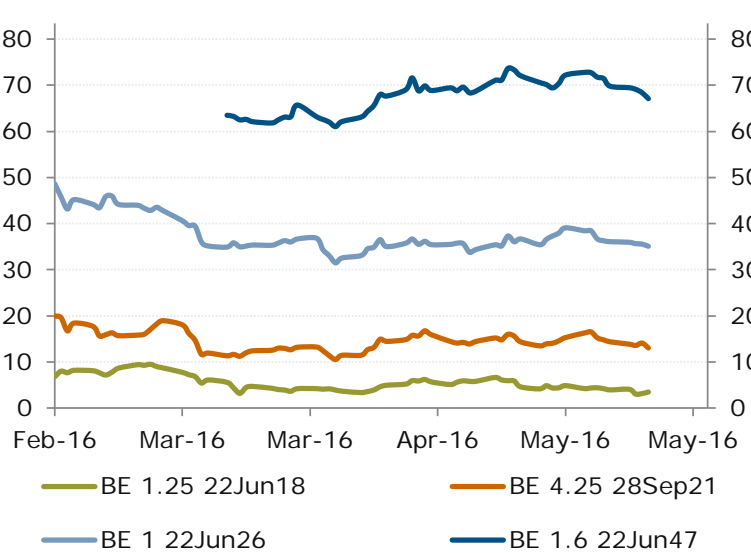
Rating	Aa3/AA/AA
Moody's / S&P / Fitch	

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

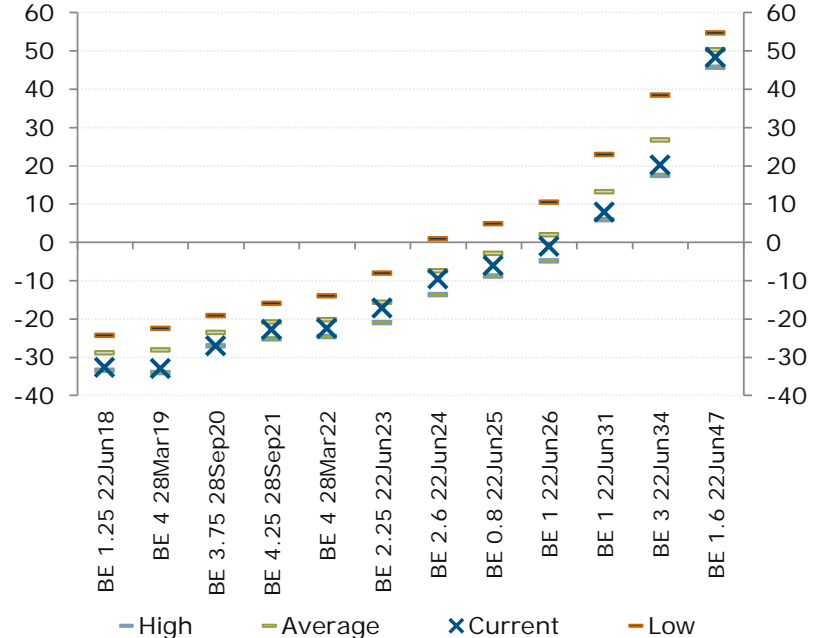
Belgium

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	19-May	60D Avg.	Z-score	Δ B/E Spd 1Y	19-May	60D Avg.	Z-score
1.250	22 Jun 18	11.01B	-0.473	3.5	5.6	-1.41	152.2	-32.6	-28.9	-1.84
4.000	28 Mar 19	12.37B	-0.451	5.2	8.0	-1.85	194.5	-32.9	-28.1	-1.96
3.750	28 Sep 20	19.01B	-0.308	10.2	11.9	-1.17	110.3	-27.0	-23.5	-2.39
4.250	28 Sep 21	16.45B	-0.189	13.0	14.6	-0.88	94.3	-22.7	-20.9	-1.22
4.000	28 Mar 22	14.02B	-0.139	13.8	16.5	-1.32	72.5	-22.5	-20.2	-1.29
2.250	22 Jun 23	13.99B	0.047	21.5	23.1	-0.63	34.5	-17.2	-15.7	-0.62
2.600	22 Jun 24	15.85B	0.226	27.5	29.1	-0.53	34.9	-9.5	-7.4	-0.66
0.800	22 Jun 25	16.02B	0.401	31.9	34.5	-0.84	8.2	-6.0	-2.9	-0.96
1.000	22 Jun 26	7.79B	0.547	35.1	37.6	-0.79	9.3	-1.1	2.0	-0.93
1.000	22 Jun 31	5.59B	1.009	49.9	49.9	-0.01	5.9	7.9	13.3	-1.45
3.000	22 Jun 34	6.47B	1.127	43.4	44.2	-0.23	15.7	20.2	26.8	-1.44
1.600	22 Jun 47	3.5B	1.601	67.1	67.5	-0.13	5.4	48.3	50.3	-1.11

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

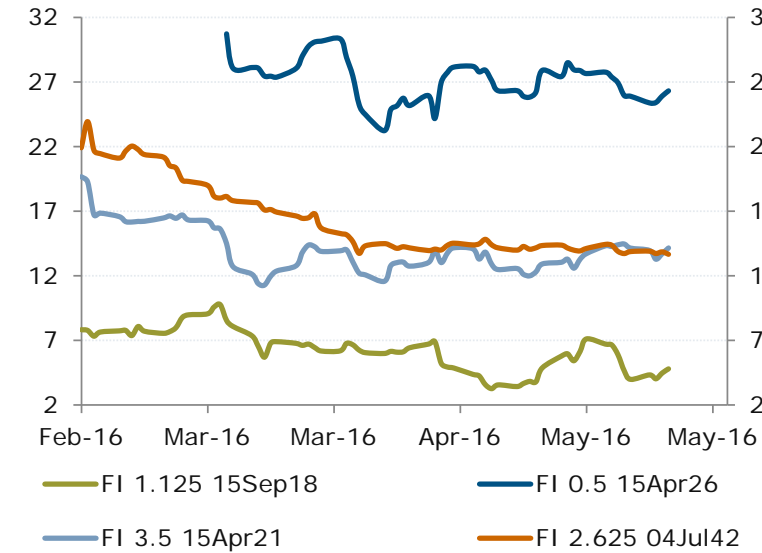
Rating	Aaa/AA+/AAA
Moody's / S&P / Fitch	

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

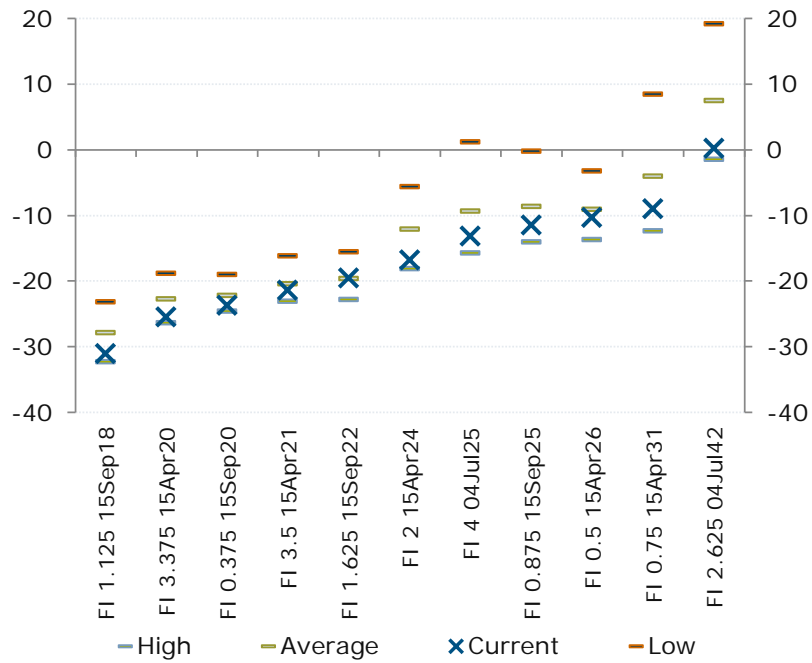
Finland

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	19-May	60D Avg.	Z-score	Δ B/E Spd 1Y	19-May	60D Avg.	Z-score
1.125	15 Sep 18	5.03B	-0.454	5.2	6.7	-1.13	97.5	-31.0	-27.9	-1.40
3.375	15 Apr 20	6.5B	-0.325	12.5	13.3	-0.63	100.9	-25.5	-22.7	-1.49
0.375	15 Sep 20	6.03B	-0.275	13.9	14.0	-0.11	9.5	-23.7	-22.2	-1.03
3.500	15 Apr 21	6.0B	-0.213	14.6	14.4	0.09	78.7	-21.3	-20.4	-0.68
1.625	15 Sep 22	5.0B	-0.052	18.4	19.2	-0.53	28.7	-19.5	-19.6	0.07
2.000	15 Apr 24	5.0B	0.144	21.7	26.1	-1.98	26.1	-16.8	-12.1	-1.76
4.000	04 Jul 25	6.03B	0.276	19.0	21.4	-0.83	53.3	-13.2	-9.4	-0.98
0.875	15 Sep 25	4.03B	0.368	25.8	28.0	-0.79	10.6	-11.4	-8.6	-0.93
0.500	15 Apr 26	4.0B	0.447	26.7	27.3	-0.50	6.1	-10.3	-9.1	-0.62
0.750	15 Apr 31	3.5B	0.830	33.3	32.8	0.15	5.0	-9.0	-4.0	-0.86
2.625	04 Jul 42	4.03B	1.044	14.1	16.8	-1.08	9.6	0.3	7.5	-1.04

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

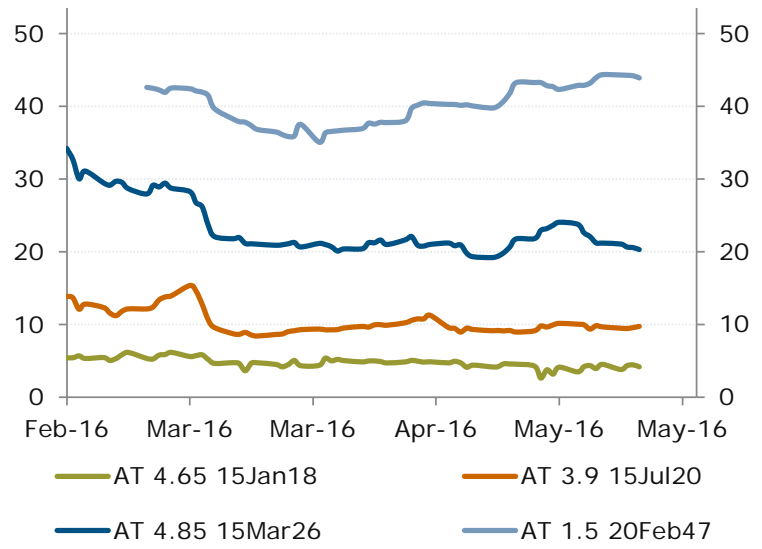
Rating	Aaa/AA+/AA+
Moody's / S&P / Fitch	

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

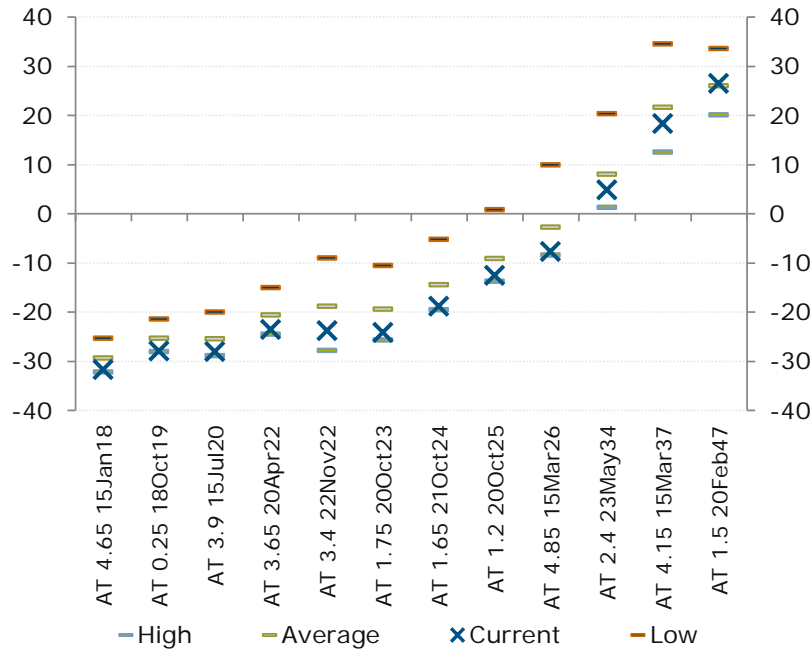
Austria

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	19-May	60D Avg.	Z-score	Δ B/E Spd 1Y	19-May	60D Avg.	Z-score
4.650	15 Jan 18	12.06B	-0.465	4.2	4.9	-1.26	783.7	-31.7	-29.3	-1.67
0.250	18 Oct 19	7.97B	-0.376	10.2	11.1	-0.75	-1.2	-27.9	-25.3	-1.52
3.900	15 Jul 20	13.01B	-0.333	9.8	10.4	-0.49	133.4	-28.1	-25.4	-1.45
3.650	20 Apr 22	8.71B	-0.141	13.0	16.4	-2.00	84.6	-23.5	-20.6	-1.82
3.400	22 Nov 22	10.99B	-0.083	13.8	18.9	-1.57	65.5	-23.7	-18.8	-1.40
1.750	20 Oct 23	9.99B	0.022	15.1	19.9	-1.51	35.6	-24.1	-19.4	-1.30
1.650	21 Oct 24	10.35B	0.186	19.2	22.9	-1.26	25.0	-18.8	-14.4	-1.22
1.200	20 Oct 25	9.28B	0.359	23.8	26.5	-0.89	12.6	-12.6	-9.1	-1.03
4.850	15 Mar 26	8.71B	0.373	20.3	23.4	-0.95	54.2	-7.7	-2.7	-1.16
2.400	23 May 34	6.16B	1.012	32.2	30.0	0.86	-1,728.3	4.9	8.1	-0.55
4.150	15 Mar 37	12.22B	1.102	31.8	29.0	1.38	19.0	18.4	21.6	-0.56
1.500	20 Feb 47	1.95B	1.368	43.9	40.3	1.58	0.1	26.5	26.0	0.17

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

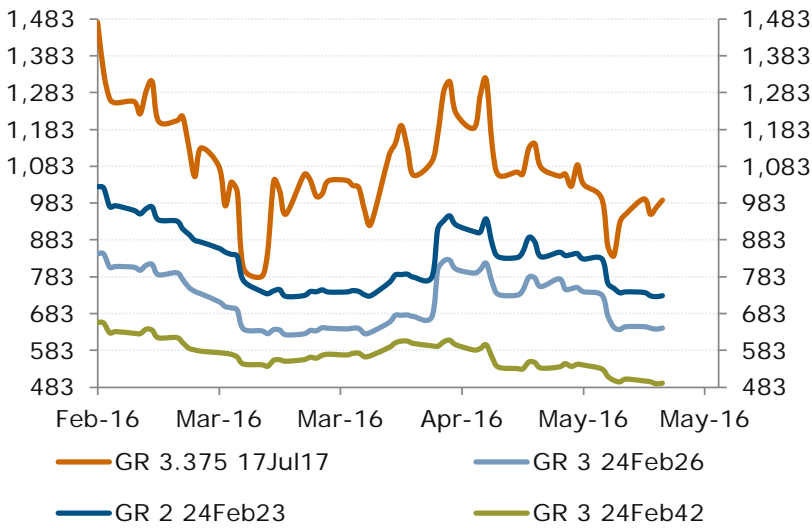
Source: European Commission, Winter 2015 forecast

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

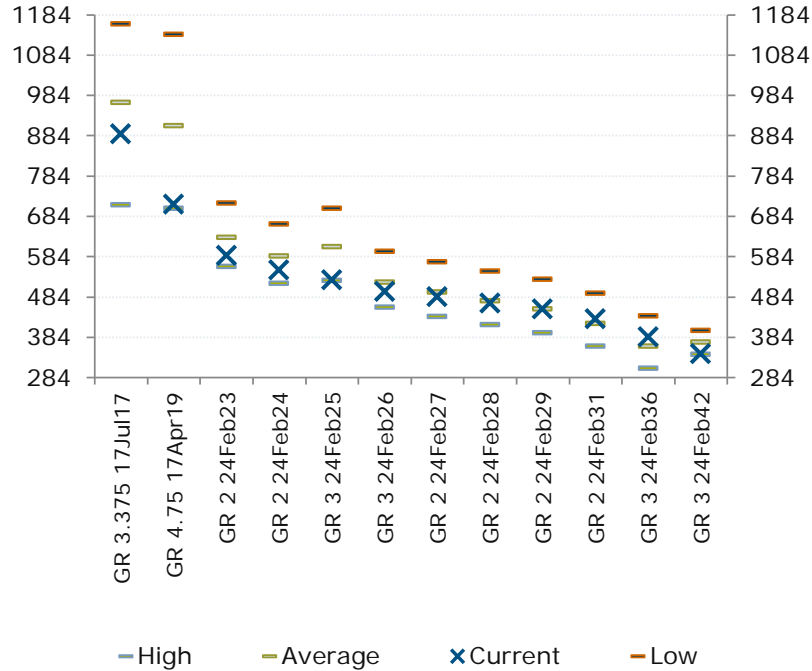
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	19-May	60D Avg.	Z-score	Δ B/E Spd 1Y	19-May	60D Avg.	Z-score
3.375	17 Jul 17	2.02B	9.408	991.3	1,088.4	-0.86	6,923.7	887.9	965.4	-0.85
4.750	17 Apr 19	4.02B	7.475	797.7	1,055.4	-1.94	265.3	713.7	908.0	-2.03
3.000	24 Feb 23	1.04B	7.117	731.6	836.6	-1.39	47.9	586.3	631.4	-0.97
3.000	24 Feb 24	1.25B	6.882	697.1	789.1	-1.30	42.5	550.5	585.6	-0.81
3.000	24 Feb 25	1.84B	6.776	673.6	828.0	-2.17	40.0	525.3	608.6	-2.29
3.000	24 Feb 26	1.37B	6.599	643.6	719.8	-1.15	43.3	497.5	520.0	-0.57
3.000	24 Feb 27	1.21B	6.624	638.6	697.9	-0.98	36.9	483.4	495.1	-0.32
3.000	24 Feb 28	1.84B	6.619	631.8	678.5	-0.83	55.1	468.7	473.3	-0.13
3.000	24 Feb 29	1.48B	6.578	621.4	660.9	-0.72	34.8	453.4	454.2	-0.02
3.000	24 Feb 31	1.29B	6.525	603.6	622.4	-0.36	33.0	429.2	418.1	0.32
3.000	24 Feb 36	1.33B	6.336	558.6	555.4	0.07	26.7	384.8	361.4	0.64
3.000	24 Feb 42	1.05B	5.842	494.0	571.9	-2.34	20.0	342.5	371.9	-2.25

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

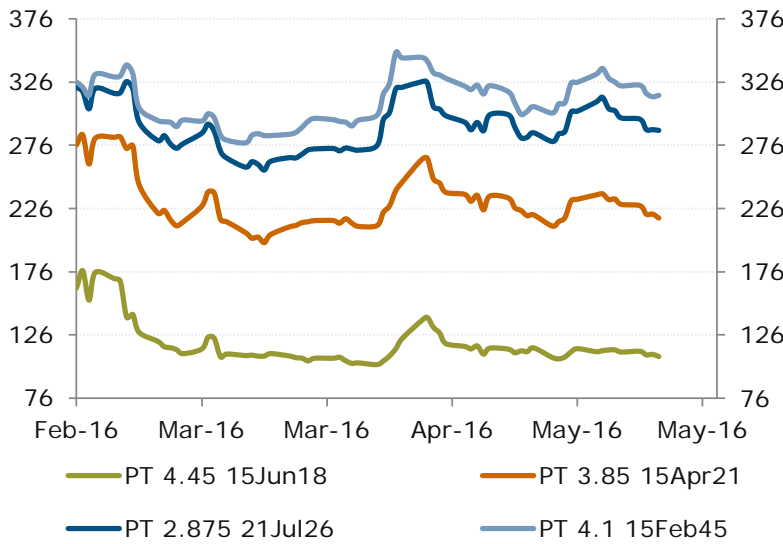
Source: European Commission, Winter 2015 forecast

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

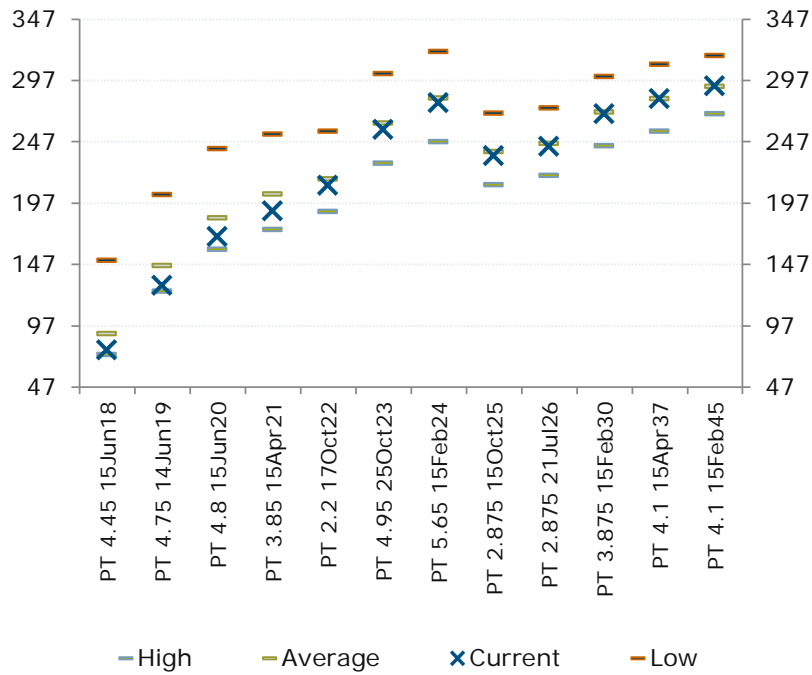
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	19-May	60D Avg.	Z-score	Δ B/E Spd 1Y	19-May	60D Avg.	Z-score
4.450	15 Jun 18	8.99B	0.581	108.9	119.6	-0.85	578.2	77.4	90.3	-1.01
4.750	14 Jun 19	10.99B	1.095	159.3	172.6	-0.89	281.6	129.8	145.8	-1.05
4.800	15 Jun 20	10.99B	1.519	195.6	208.3	-0.76	178.6	169.8	184.8	-0.92
3.850	15 Apr 21	10.01B	1.826	218.5	231.4	-0.74	88.1	190.8	204.2	-0.84
2.200	17 Oct 22	4.0B	2.325	255.4	262.6	-0.43	38.6	211.7	216.8	-0.37
4.950	25 Oct 23	8.02B	2.635	276.3	282.2	-0.32	81.2	257.0	262.3	-0.32
5.650	15 Feb 24	12.02B	2.811	290.3	294.5	-0.23	86.5	278.9	282.8	-0.23
2.875	15 Oct 25	10.52B	2.897	277.7	281.8	-0.26	34.6	235.6	239.2	-0.28
2.875	21 Jul 26	6.02B	3.080	287.8	290.6	-0.17	31.6	243.2	245.6	-0.19
3.875	15 Feb 30	4.05B	3.528	310.4	306.2	0.24	34.7	269.9	271.1	-0.09
4.100	15 Apr 37	8.02B	3.893	310.7	304.7	0.34	27.4	282.2	282.2	0.01
4.100	15 Feb 45	3.0B	4.073	315.5	310.7	0.28	21.1	292.3	291.9	0.04

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

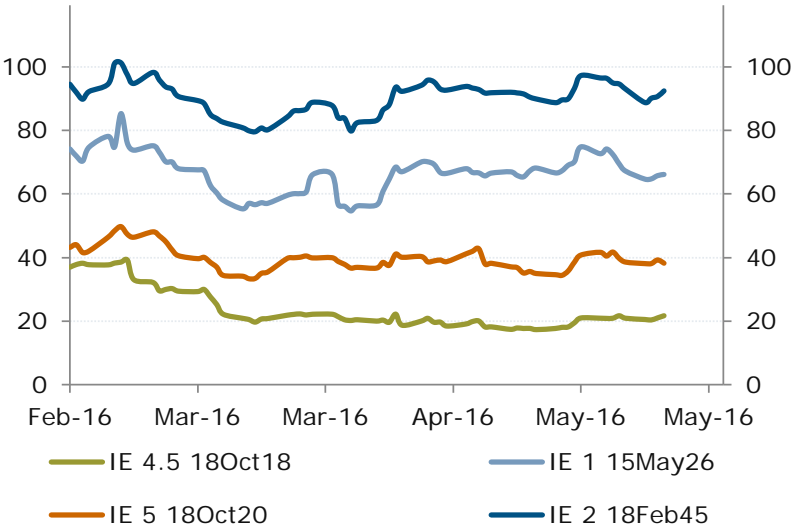
Rating	Baa1/A/A-
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Moody's / S&P / Fitch

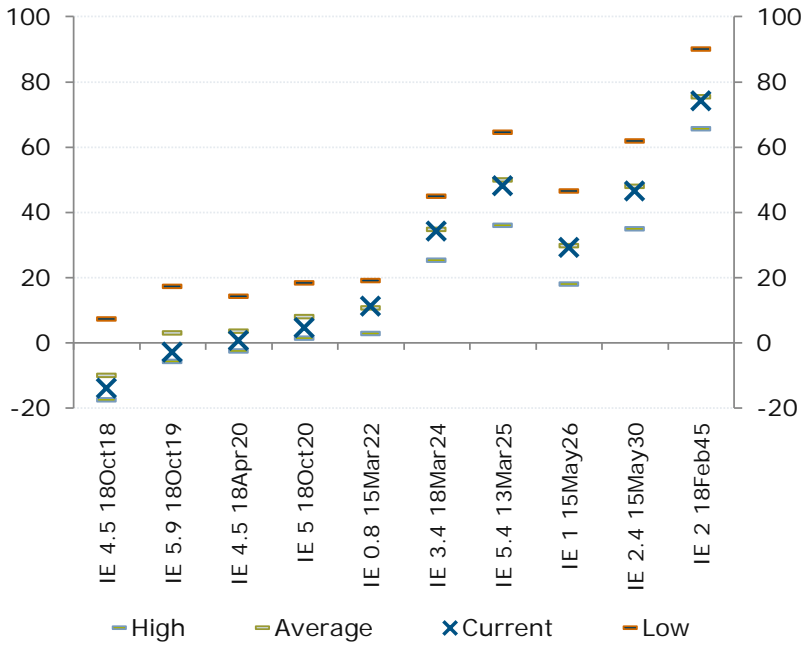
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	19-May	60D Avg.	Z-score	Δ B/E Spd 1Y	19-May	60D Avg.	Z-score
4.500	18 Oct 18	9.58B	-0.288	21.7	23.8	-0.38	358.6	-14.0	-10.0	-0.64
5.900	18 Oct 19	6.58B	-0.152	32.6	35.8	-0.84	265.2	-2.9	2.9	-1.25
4.500	18 Apr 20	11.77B	-0.087	36.3	37.1	-0.29	138.3	0.7	3.6	-0.92
5.000	18 Oct 20	8.99B	-0.023	38.2	39.6	-0.45	149.5	4.6	7.9	-1.04
0.800	15 Mar 22	5.25B	0.209	48.9	49.3	-0.10	14.1	11.2	10.6	0.21
3.400	18 Mar 24	8.01B	0.587	66.9	67.2	-0.09	48.5	34.3	34.7	-0.11
5.400	13 Mar 25	11.01B	0.743	69.7	70.2	-0.13	70.0	48.1	49.9	-0.36
1.000	15 May 26	4.75B	0.851	66.1	66.3	-0.04	12.4	29.2	29.7	-0.12
2.400	15 May 30	7.78B	1.262	82.2	77.6	0.87	17.0	46.4	47.9	-0.30
2.000	18 Feb 45	5.95B	1.842	92.4	90.1	0.51	11.0	74.1	75.4	-0.29

Spreads against the German curve, bp



Asset swap term structure, bp



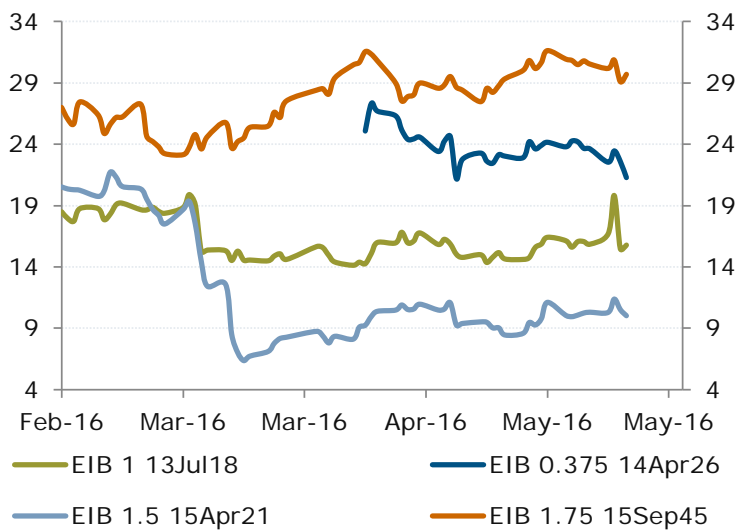


# European Investment Bank (EIB)

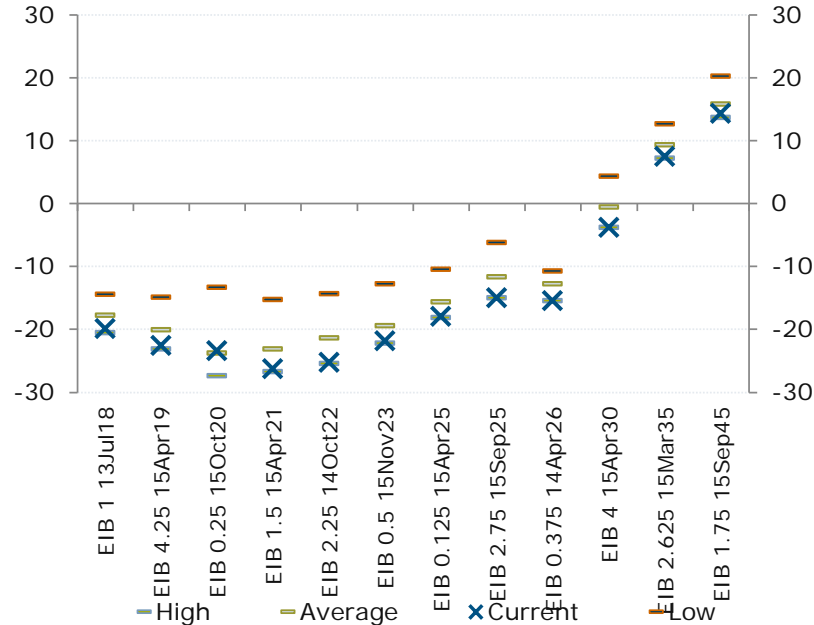
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	19-May	60D Avg.	Z-score	Δ B/E Spd 1Y	19-May	60D Avg.	Z-score
1.000	13 Jul 18	5.0B	-0.346	16.1	16.6	-0.34	111.1	-19.9	-17.8	-1.15
4.250	15 Apr 19	5.0B	-0.353	14.9	15.5	-0.32	197.1	-22.6	-20.1	-0.96
0.250	15 Oct 20	4.0B	-0.266	14.0	12.3	0.60	9.0	-23.5	-23.8	0.10
1.500	15 Apr 21	5.0B	-0.255	10.4	12.6	-0.55	32.6	-26.3	-23.1	-0.82
2.250	14 Oct 22	5.75B	-0.103	12.7	17.1	-1.14	39.6	-25.3	-21.4	-1.00
0.500	15 Nov 23	1.5B	0.065	18.6	21.0	-1.11	6.9	-21.8	-19.5	-0.86
0.125	15 Apr 25	3.0B	0.270	21.2	23.1	-0.79	-1.0	-18.0	-15.7	-0.90
2.750	15 Sep 25	5.75B	0.298	18.8	21.0	-1.00	31.0	-15.0	-11.7	-1.18
0.375	14 Apr 26	5.0B	0.396	21.6	24.3	-2.43	1.8	-15.5	-12.8	-3.75
4.000	15 Apr 30	6.5B	0.717	28.2	24.8	1.71	30.8	-3.9	-0.6	-1.67
2.625	15 Mar 35	1.7B	1.044	32.5	28.6	1.32	12.5	7.5	9.2	-1.49
1.750	15 Sep 45	1.55B	1.222	30.1	28.0	0.96	5.8	14.3	15.8	-1.16

Spreads against the German curve, bp



Asset swap term structure, bp

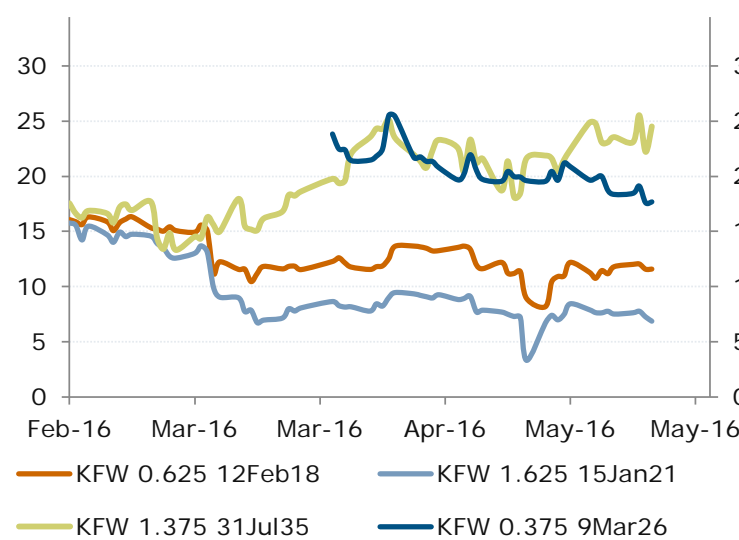


# Kreditanstalt für Wiederaufbau (KfW)

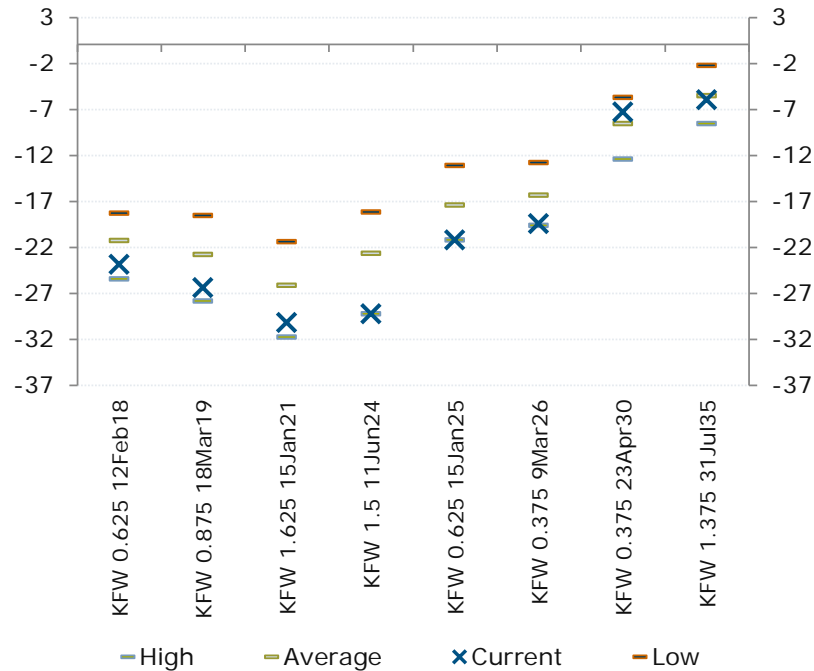
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	19-May	60D Avg.	Z-score	Δ B/E Spd 1Y	19-May	60D Avg.	Z-score
0.625	12 Feb 18	2.0B	-0.392	11.6	12.8	-0.75	86.0	-24.0	-21.3	-1.51
0.875	18 Mar 19	5.0B	-0.392	11.0	13.1	-1.18	42.8	-26.5	-22.8	-1.45
1.625	15 Jan 21	5.0B	-0.314	6.9	9.6	-1.12	40.7	-30.3	-26.2	-1.65
1.500	11 Jun 24	3.0B	0.047	10.0	16.1	-2.59	19.0	-29.3	-22.7	-2.68
0.625	15 Jan 25	4.0B	0.202	17.6	21.0	-2.89	6.6	-21.3	-17.5	-3.24
0.375	09 Mar 26	4.0B	0.345	17.7	20.8	-2.11	3.4	-19.5	-16.4	-2.66
0.375	23 Apr 30	2.0B	0.809	37.3	30.0	2.58	3.2	-7.4	-8.7	1.19
1.375	31 Jul 35	1.0B	0.977	24.5	19.5	1.59	9.0	-6.1	-5.6	-0.44

Spreads against the German curve, bp



Asset swap term structure, bp



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