

Euro Rates Update

Nordea Research, 24 maj 2016

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US Treasury Yields				
	2Y	5Y	10Y	30Y
	0,91	1,39	1,85	2,65
Δ 1D	0,8	0,0	-1,6	-2,7
Δ 1W	16,0	16,2	9,6	2,3

German Benchmark Yields				
	2Y	5Y	10Y	30Y
	-0,50	-0,34	0,19	0,91
Δ 1D	0,1	0,7	1,2	1,8
Δ 1W	0,7	3,8	3,4	3,9

German Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-16,0	-52,8	-68,8	-72,0
Δ 1D	0,6	0,5	1,1	0,6
Δ 1W	3,0	-0,4	2,7	0,6

EUR Swap Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-18,2	-54,8	-73,0	-56,3
Δ 1D	0,9	1,0	1,9	1,1
Δ 1W	2,5	2,0	4,5	1,2

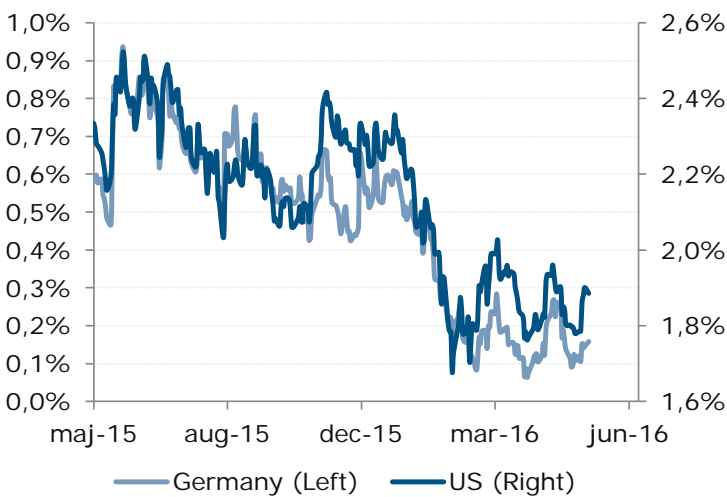
German Asset Swap Levels				
	2Y	5Y	10Y	30Y
	-35,1	-35,8	-35,7	-20,8
Δ 1D	0,4	0,4	0,1	-0,5
Δ 1W	-0,7	0,8	0,4	0,3

10Y Benchmark Yields				
	Yield	Δ 1D	Spread	Δ 1D
GER	0,186	1,2	-	-
FRA	0,517	0,7	30,8	-0,4
ITA	1,496	1,1	134,4	0,0
ESP	1,594	1,6	139,2	0,5
BEL	0,565	1,0	35,1	-0,1
HOL	0,399	1,0	18,1	-0,2
AUT	0,372	0,5	23,4	-0,6
GRE	6,377	-24,8	619,7	-25,9
POR	3,087	-1,6	286,8	-2,7
FIN	0,459	0,7	26,2	-0,4
IRL	0,859	0,6	65,2	-0,5

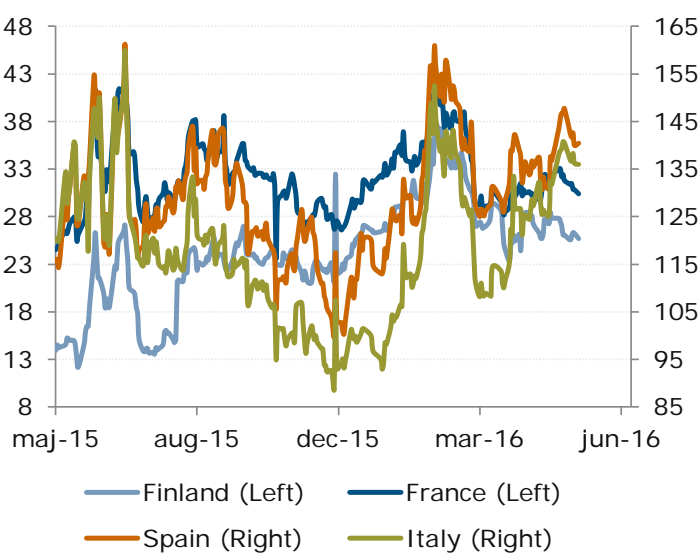
Spread = Maturity interpolated spread to German government par yield curve

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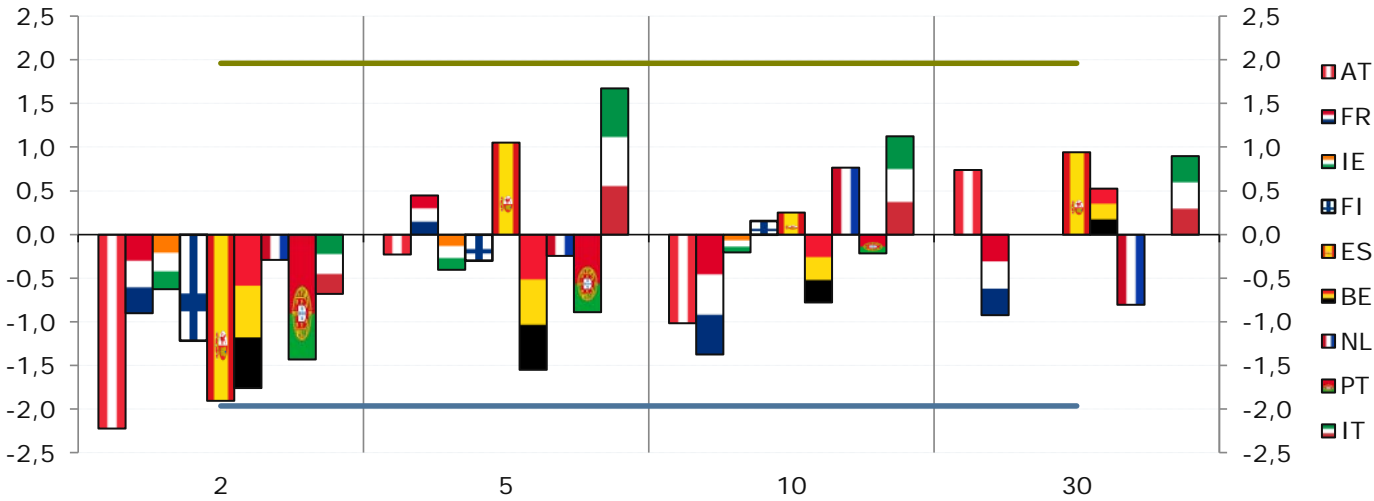
German & US 10-year benchmark yields, %



10 year spreads against Germany, bp



Z-scores of benchmark vs. Germany



Upcoming Issuance (source: Bloomberg)						
Date	Country	Coupon	Maturity	Amount (EURbn)		
25 maj	GE	2,50%	2044	1bn		
26 maj	IT					
30 maj	IT					
30 maj	LI					
01 jun	GE			4bn		

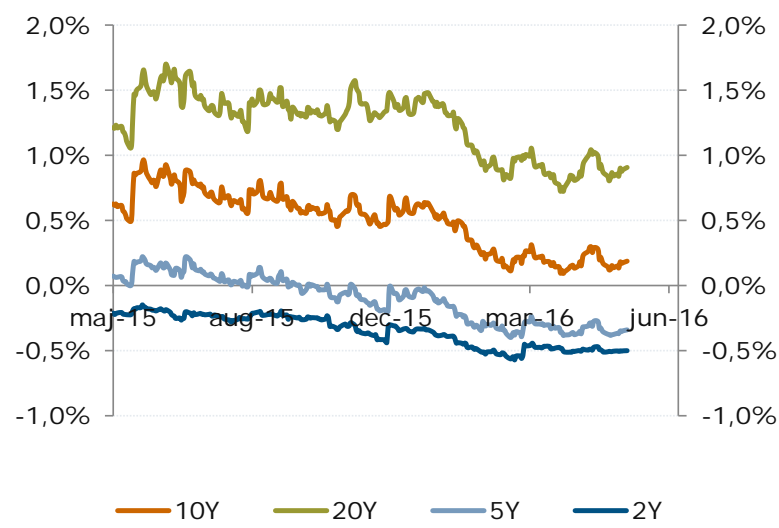
All bond quotes are taken at 16:15 CET.

Bond Yields & Curves

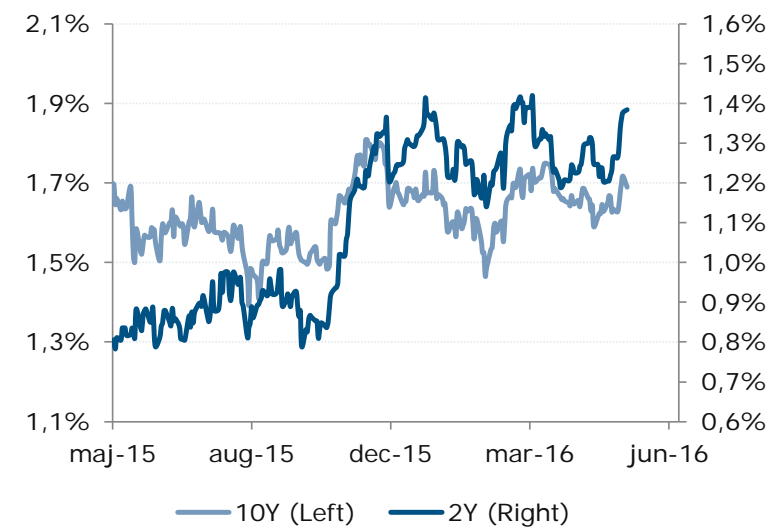
Yield Levels

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

German benchmark bond yields, %



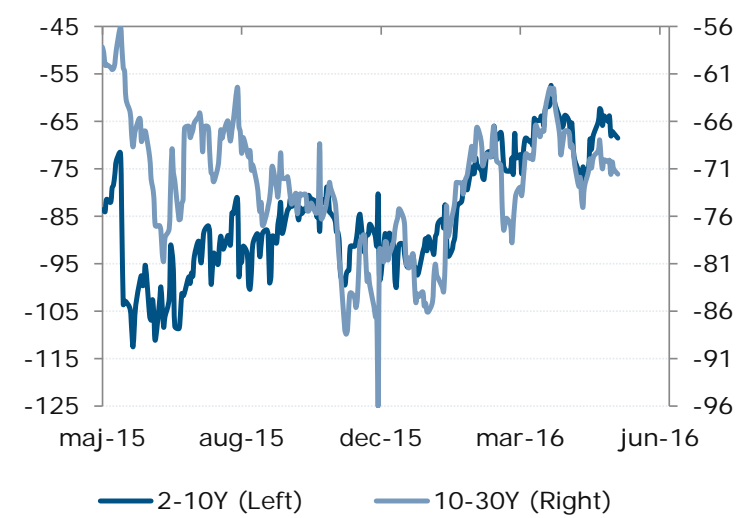
USA-Germany spreads, annualized yields, %



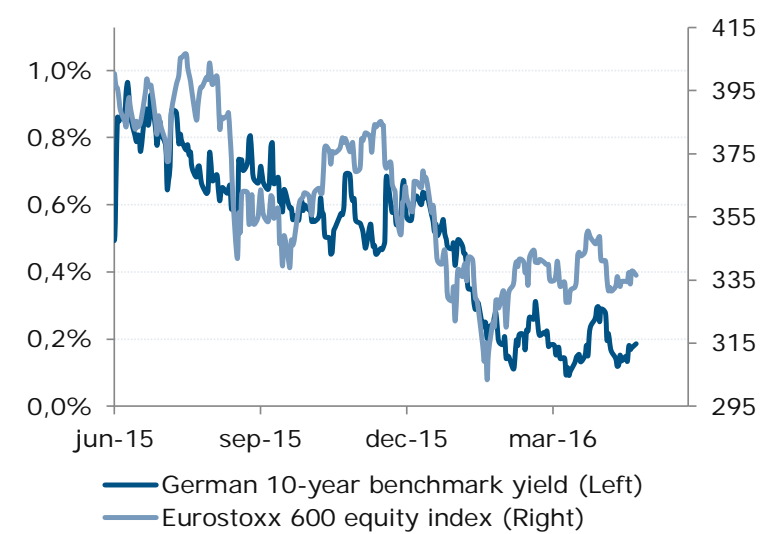
Bond Curve Shape

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

German yield curve slopes, bp

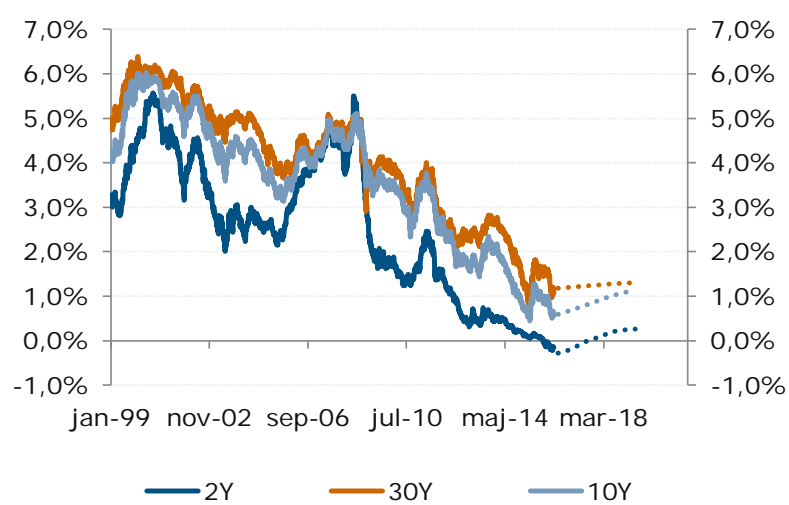


Bonds vs. equities



Swaps and Forwards

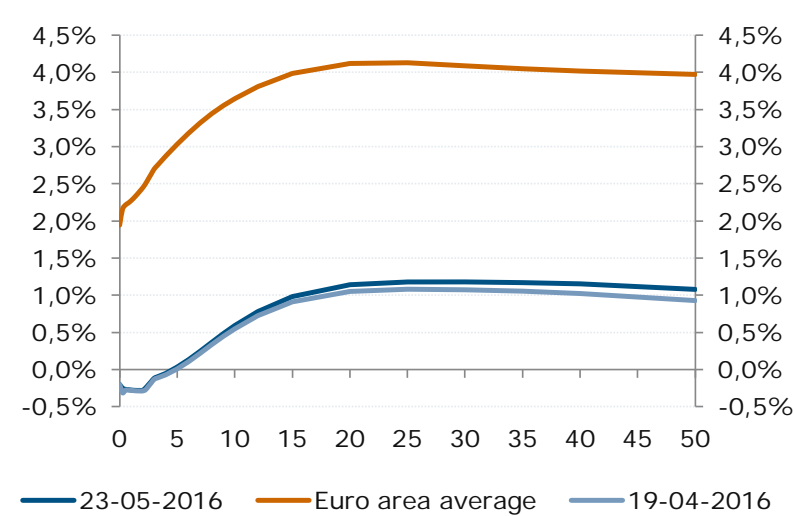
EUR swap rates and implied forwards, %



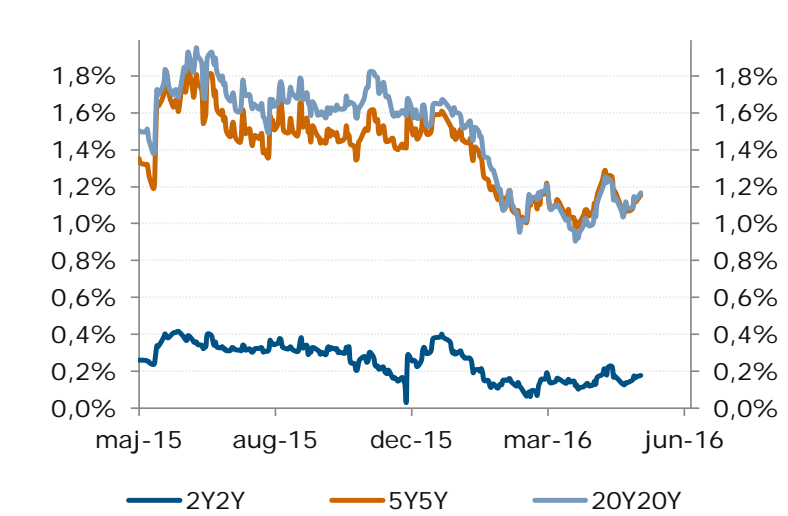
EUR-USD spreads and implied forwards, %



EUR swap curve shape vs. historical

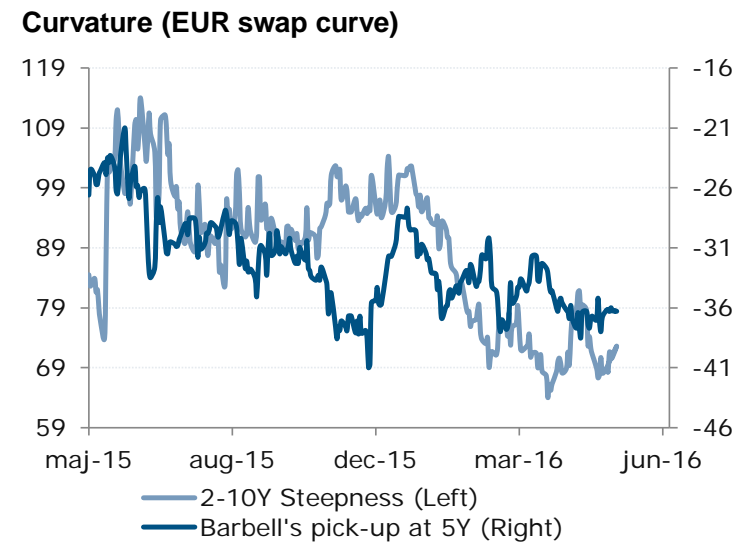
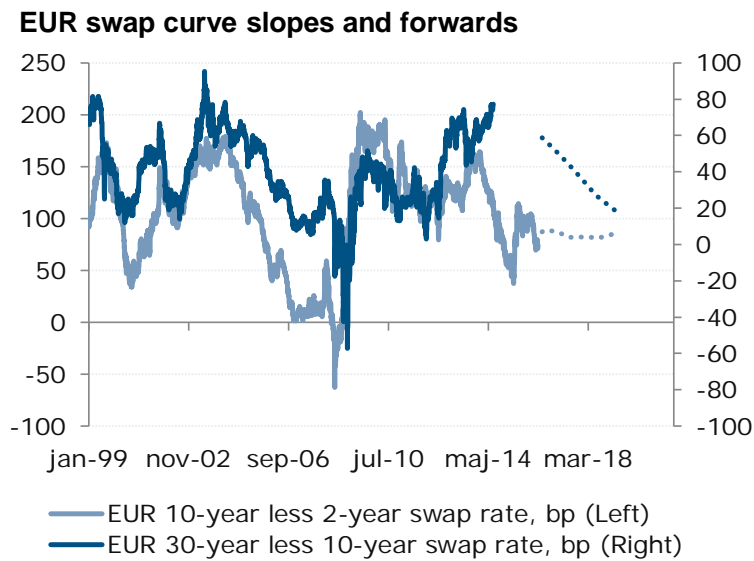


Historical forward rates, %



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.

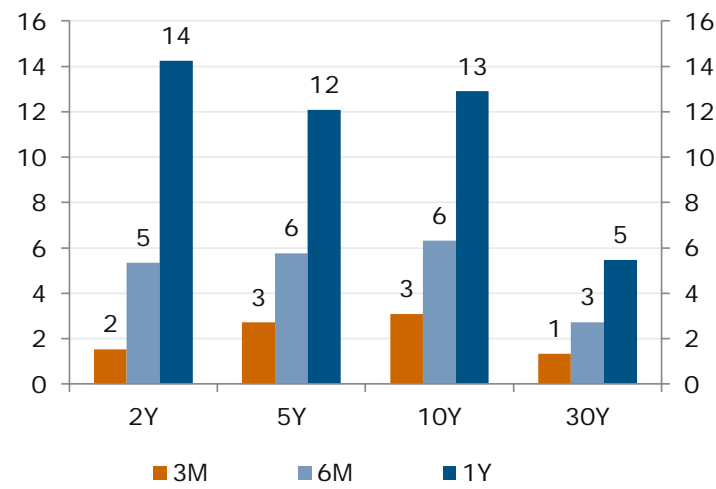


Carry

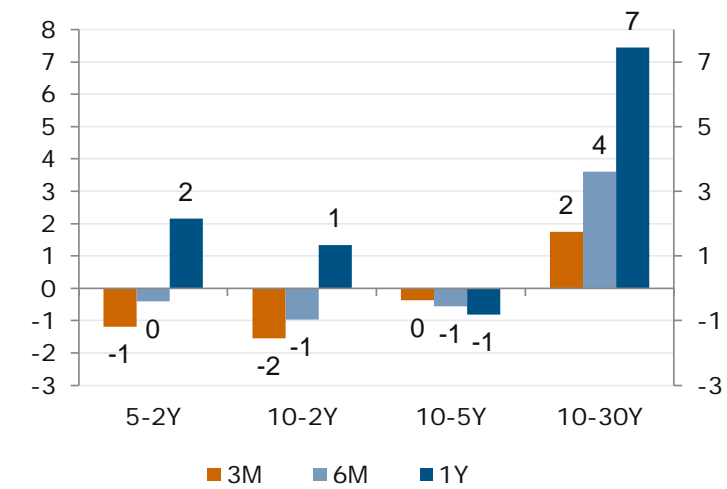
The carry on the given horizon illustrates how much the spot swap rate may rise for a receiver swap position in a forward-starting swap to result in zero profit.

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

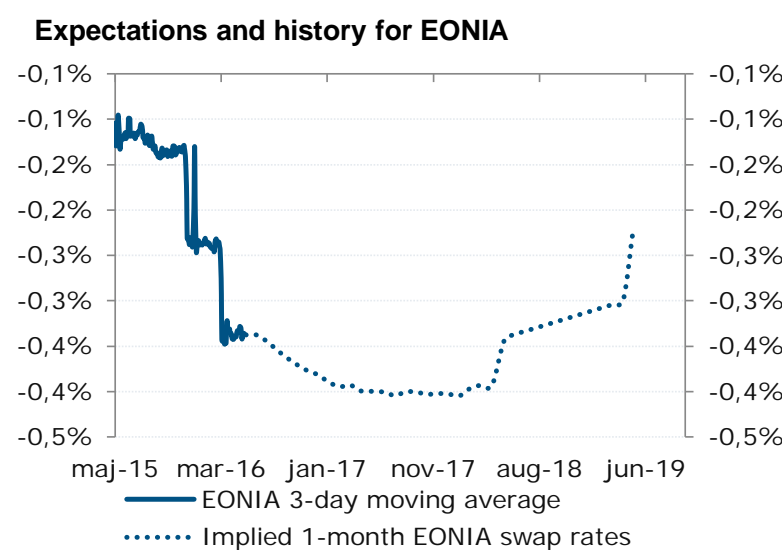


Yield buffers for duration-neutral steepeners, bp

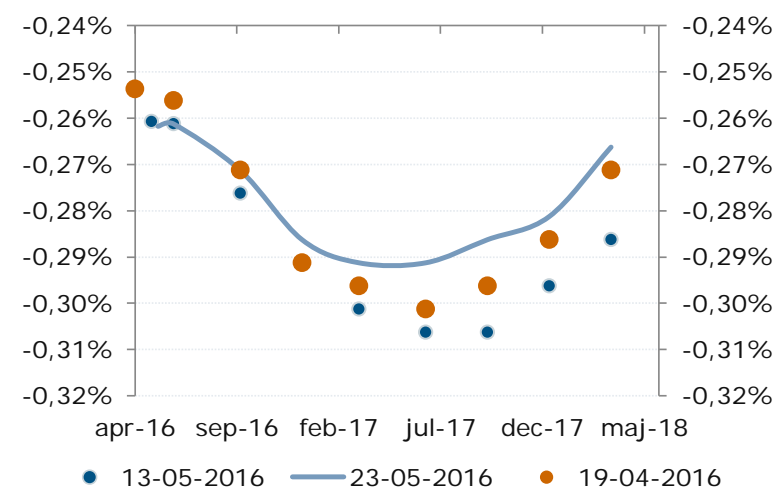


Money Market Rates

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

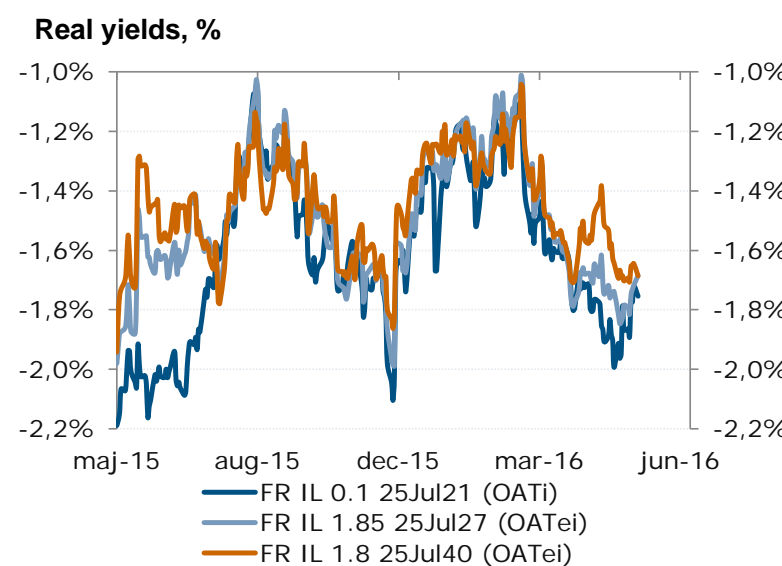


Euribor futures curve, now, 1 wk & 1M ago

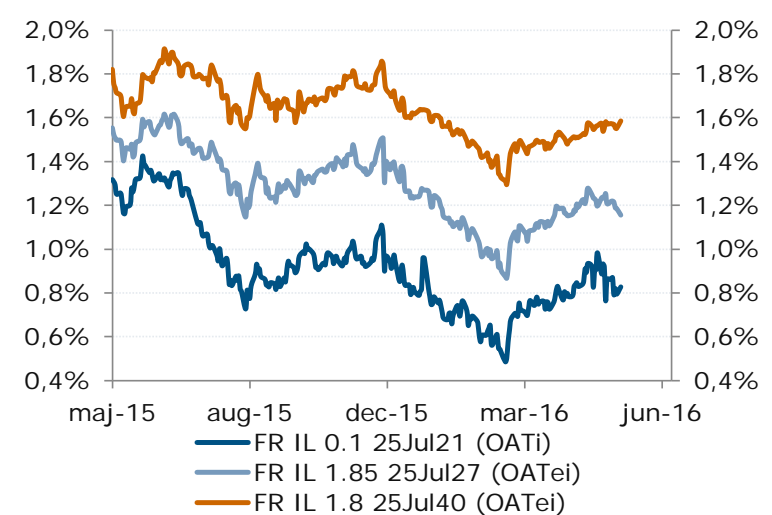


Inflation-linked Bonds

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



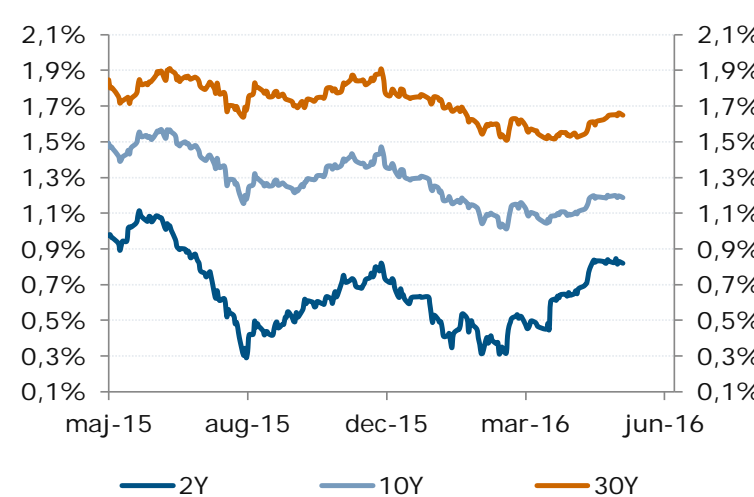
Break-even inflation history, %



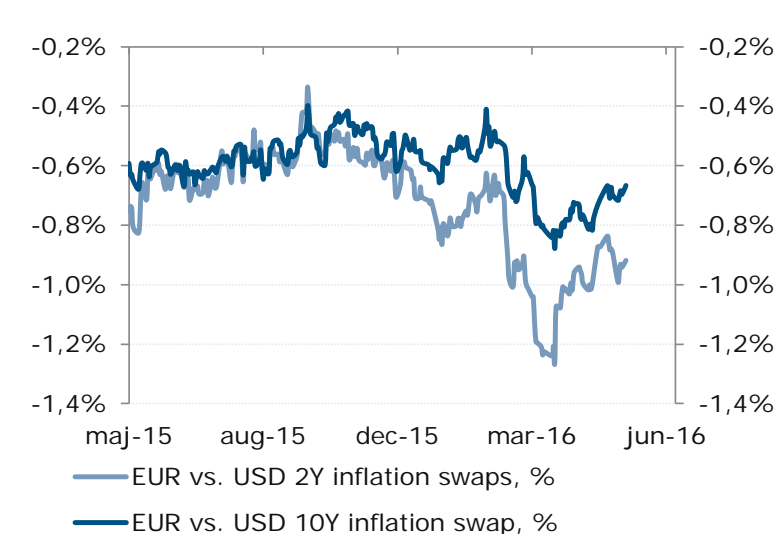
Inflation Swaps

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 zero-coupon inflation swaps



EUR vs. USD inflation swaps



Credit & Money Market Spreads

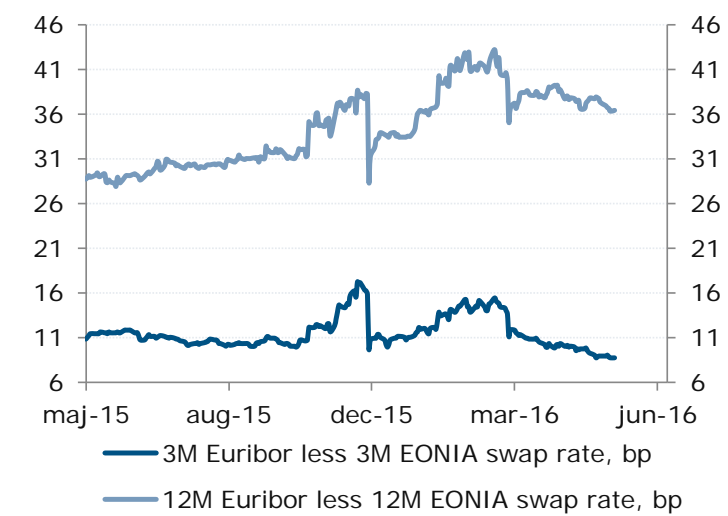
Credit default swap indices illustrate the annual cost of buying protection against a credit event of a company. iTraxx® Europe is comprised of the 125 most liquid CDS contracts referencing European investment grade credits, iTraxx® Crossover of 50 sub-investment grade credits.

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



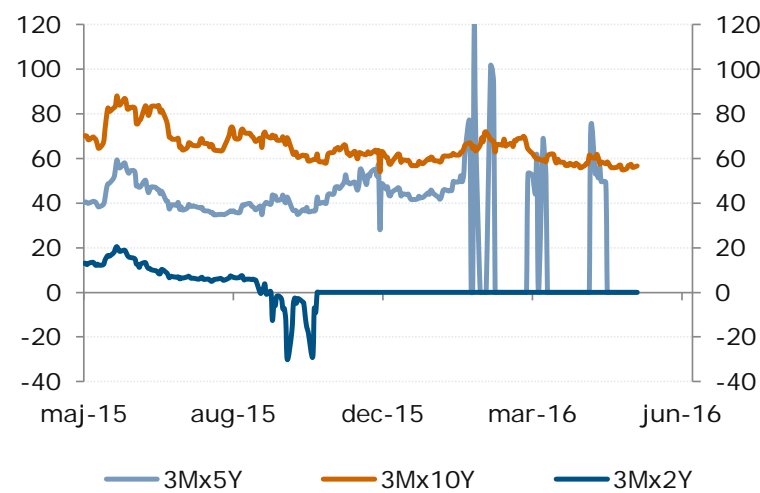
Money market rates vs. EONIA swap rates



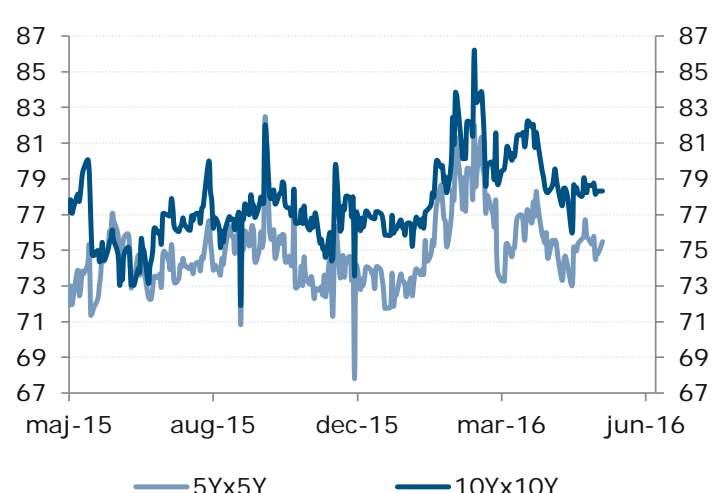
Swaption Volatilities

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

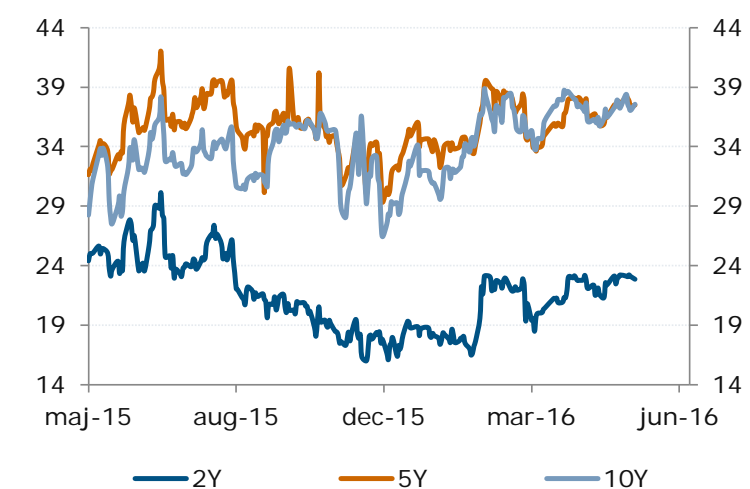
Swap spread:
Benchmark bond's spread to EUR swap curve.

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

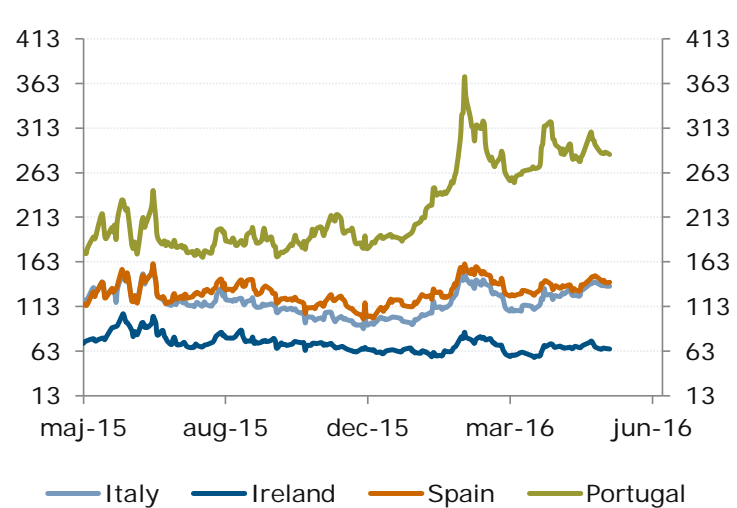
1Y break-even spread changes indicate how much a bond's spread against an equivalent bond trading on the German curve may widen in order to give the same return in one year.

The break-even spread change is based on the spread against the following two German benchmark bonds:
DE TB 15Jun18
DE 0.5 15Feb26

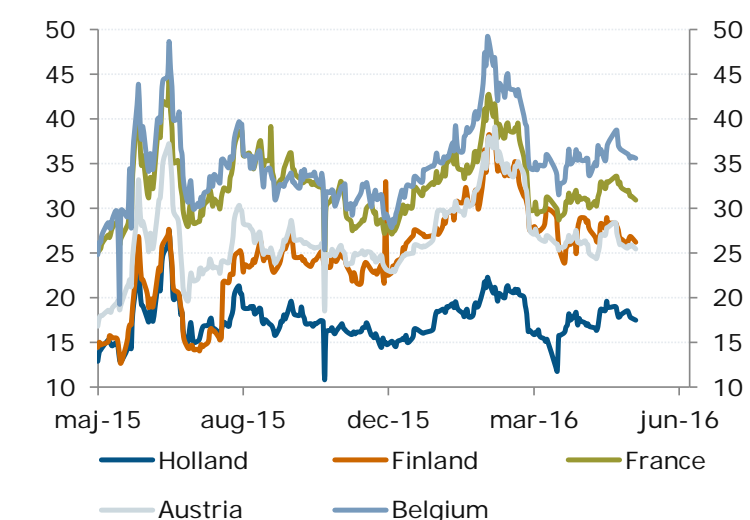
German swap spreads, bp



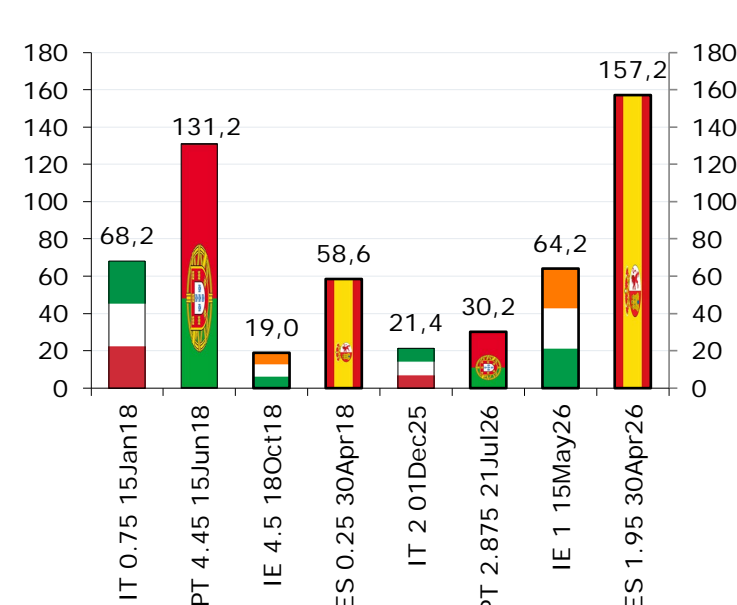
10Y non-AAA spreads against Germany, bp



10Y AAA/AA+ spreads to Germany, bp



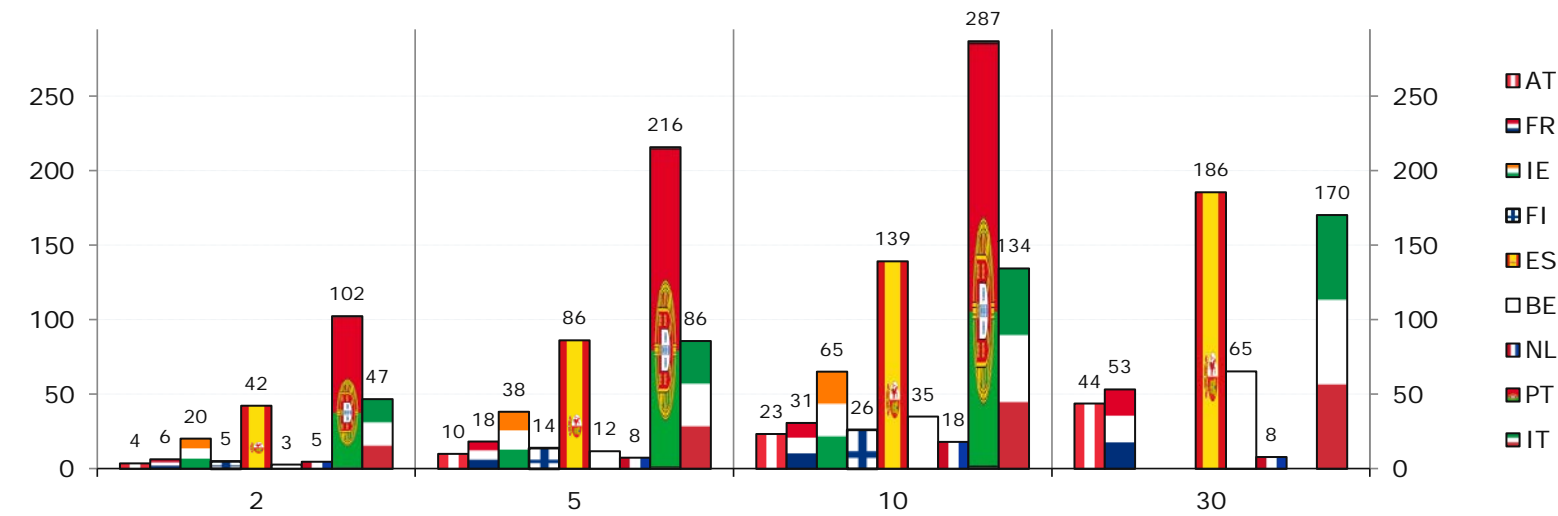
1Y B/E spread changes against Germany, bp



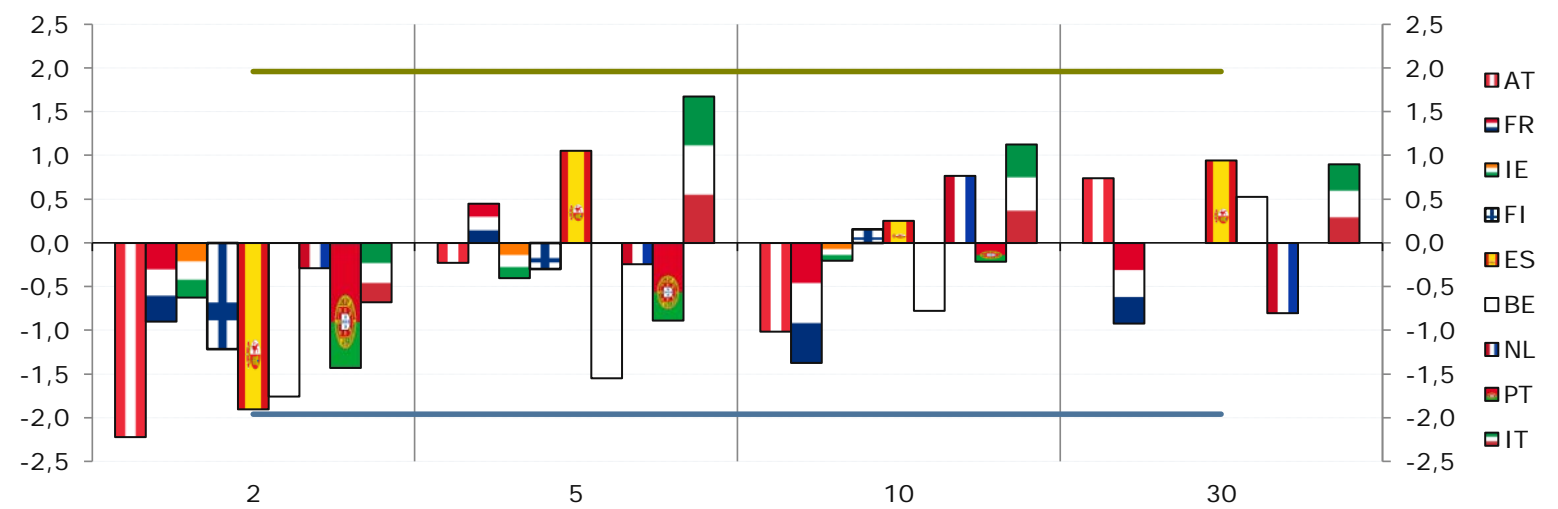


Country Relative Value

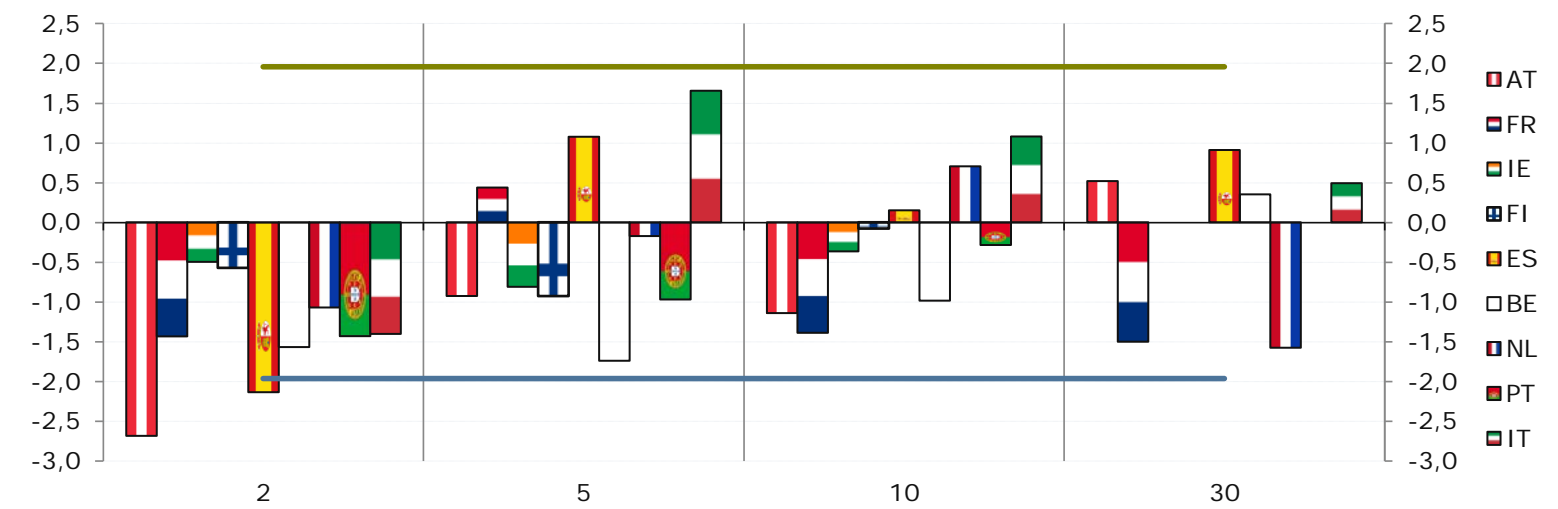
Benchmark spreads over the maturity-interpolated German par curve, bp



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	GR	17 apr 19	4,750	747,8	-2,25	GR	17 apr 19	4,750	673,4	-2,38
	Cheap	DE	12 apr 19	0,500	-12,2	1,06	DE	15 jun 18	0,000	-35,1	0,66
5Y:	Rich	BE	28 mar 22	4,000	12,1	-2,03	BE	28 sep 20	3,750	-27,8	-2,71
	Cheap	DE	17 apr 20	0,000	-14,6	1,53	IE	15 mar 22	0,800	12,3	0,58
7Y:	Rich	KfW	11 jun 24	1,500	8,5	-2,95	KfW	11 jun 24	1,500	-30,4	-2,85
	Cheap	DE	15 maj 23	1,500	-23,4	1,57	DE	15 maj 23	1,500	-40,9	1,06
10Y:	Rich	KfW	15 jan 25	0,625	16,0	-3,70	KfW	15 jan 25	0,625	-22,4	-3,63
	Cheap	IT	01 dec 25	2,000	134,4	1,12	IT	01 jun 25	1,500	91,3	1,12
15Y:	Rich	FR	25 maj 36	1,250	48,9	-2,34	KfW	23 apr 30	0,375	-15,0	-4,75
	Cheap	KfW	31 jul 35	1,375	24,5	1,51	IT	01 maj 31	6,000	153,4	0,71
20Y:	Rich	GR	24 feb 42	3,000	473,5	-2,75	GR	24 feb 42	3,000	332,9	-2,73
	Cheap	AT	20 feb 47	1,500	43,8	1,46	IT	01 sep 46	3,250	161,6	0,35

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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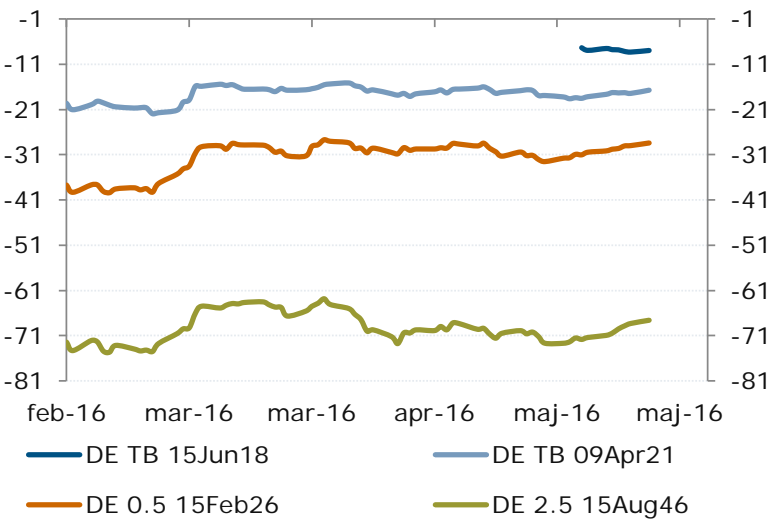
Moody's / S&P / Fitch

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

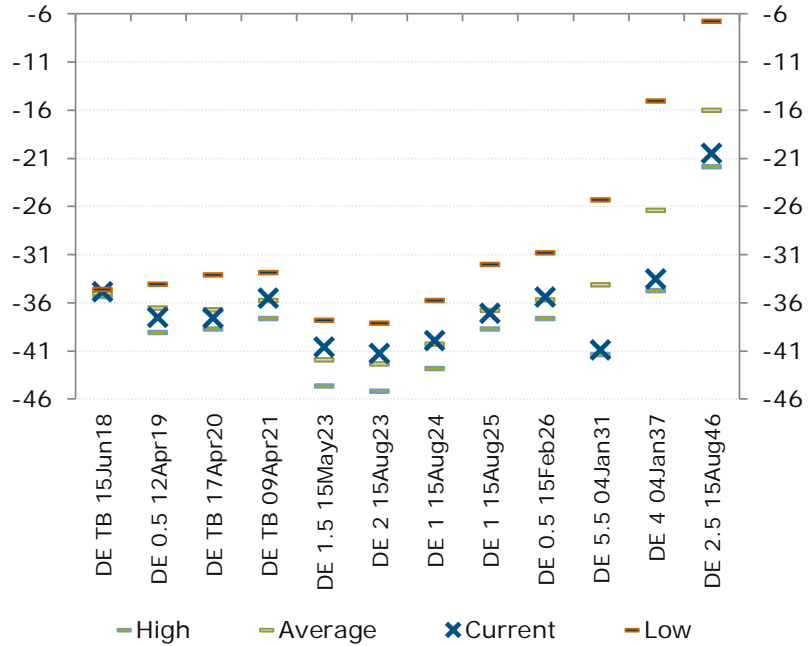
Germany

Benchmark Bonds				Spread vs. France				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	23-maj	60D Avg.	Z-score	Δ B/E Spd 1Y	23-maj	60D Avg.	Z-score
0,000	15 jun 18	5.0B	-0,502	-8,4	-8,4	-0,21	-2,0	-35,1	-35,3	0,66
0,500	12 apr 19	16.0B	-0,502	-12,2	-14,0	1,06	-0,8	-37,8	-36,8	-0,96
0,000	17 apr 20	20.0B	-0,443	-14,6	-16,6	1,53	0,3	-37,8	-37,0	-0,72
0,000	09 apr 21	17.0B	-0,342	-17,2	-18,1	0,63	-8,5	-35,8	-36,0	0,19
1,500	15 maj 23	18.0B	-0,176	-23,4	-27,1	1,57	0,0	-40,9	-42,2	1,06
2,000	15 aug 23	18.0B	-0,155	-24,8	-28,3	1,42	-0,1	-41,5	-42,6	0,98
1,000	15 aug 24	18.0B	-0,027	-26,6	-29,5	1,06	-0,6	-40,2	-40,6	0,31
1,000	15 aug 25	23.0B	0,111	-28,5	-30,9	0,81	-0,7	-37,4	-37,0	-0,29
0,500	15 feb 26	22.0B	0,186	-28,9	-32,0	1,08	-0,4	-35,7	-36,0	0,30
5,500	04 jan 31	17.0B	0,455	-50,3	-50,7	0,17	-0,3	-41,1	-34,4	-1,80
4,000	04 jan 37	23.0B	0,716	-59,4	-62,5	1,05	-0,2	-33,8	-26,7	-1,26
2,500	15 aug 46	16.0B	0,906	-68,1	-69,7	0,59	0,0	-20,8	-16,3	-1,08

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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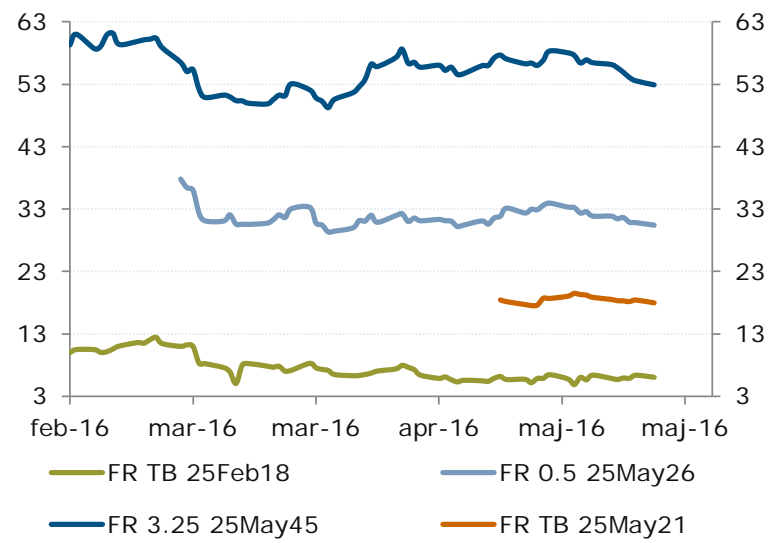
Moody's / S&P / Fitch

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

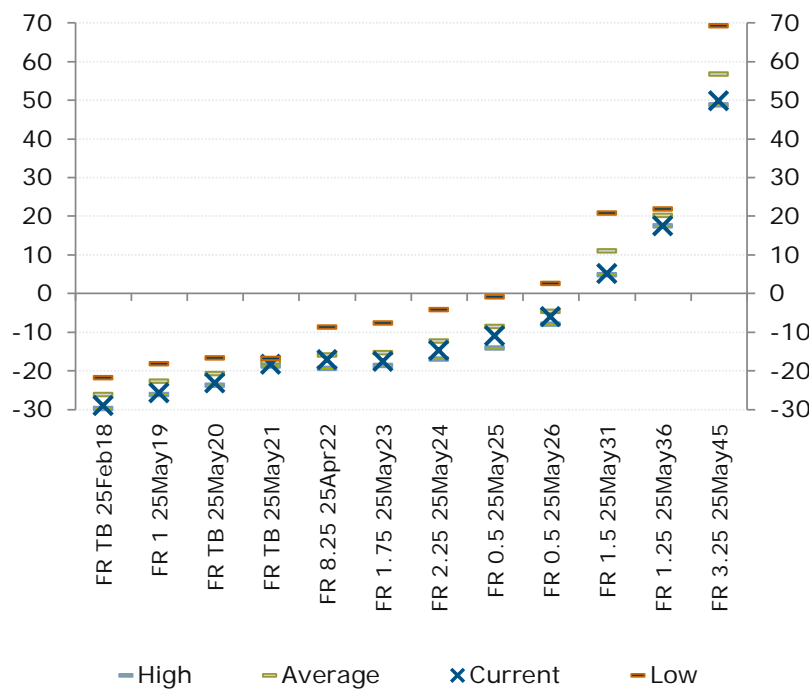
France

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	23-maj	60D Avg.	Z-score	Δ B/E Spd 1Y	23-maj	60D Avg.	Z-score
0,000	25 feb 18	19.98B	-0,445	6,4	8,0	-0,88	-1,7	-29,0	-26,2	-1,19
1,000	25 maj 19	23.02B	-0,376	11,9	13,6	-1,37	-1,7	-25,8	-22,7	-1,36
0,000	25 maj 20	22.01B	-0,283	15,2	16,4	-1,20	-11,9	-23,3	-20,8	-1,58
0,000	25 maj 21	8.99B	-0,154	18,4	18,8	-0,88	-6,5	-18,4	-17,9	-0,92
8,250	25 apr 22	1.99B	-0,100	15,7	17,7	-1,19	-3,4	-17,2	-16,0	-0,60
1,750	25 maj 23	33.97B	0,047	20,9	24,0	-1,52	-0,9	-17,7	-15,4	-1,12
2,250	25 maj 24	30.55B	0,181	22,7	25,2	-1,02	1,4	-14,8	-12,4	-0,92
0,500	25 maj 25	32.97B	0,359	27,0	29,5	-0,90	3,3	-11,1	-8,6	-0,87
0,500	25 maj 26	14.13B	0,517	30,8	32,1	-1,17	4,2	-6,1	-4,6	-0,92
1,500	25 maj 31	16.99B	0,974	44,5	44,9	-0,16	0,3	5,1	10,9	-1,45
1,250	25 maj 36	6.0B	1,276	48,9	51,3	-2,34	-3,5	17,4	20,1	-2,58
3,250	25 maj 45	17.01B	1,482	53,3	55,7	-0,88	1,2	49,7	56,7	-1,43

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

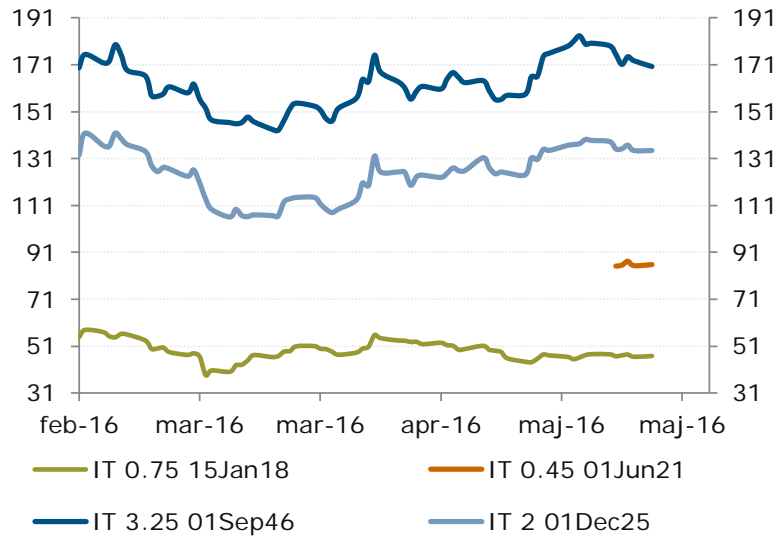
Rating	Baa2/BBB-/BBB+
Moody's / S&P / Fitch	

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

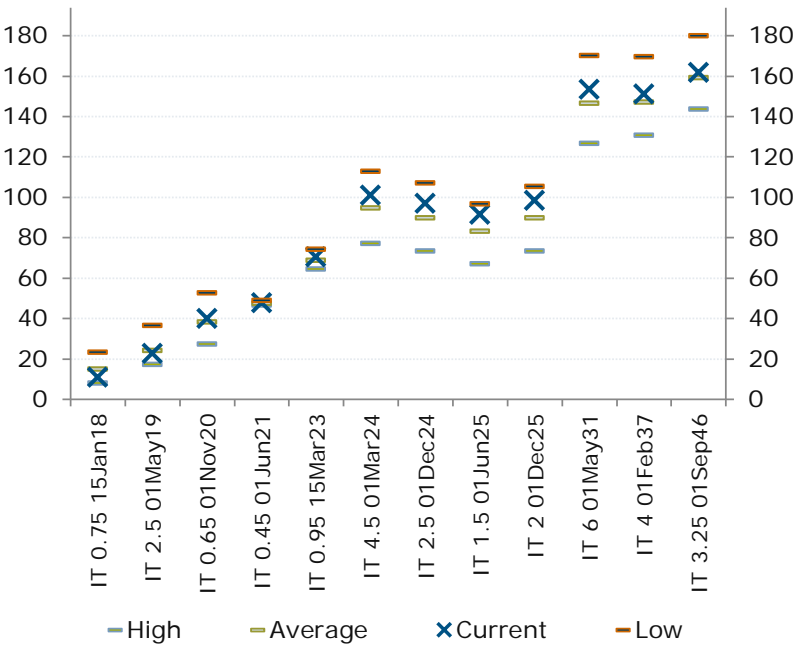
Italy

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	23-maj	60D Avg.	Z-score	Δ B/E Spd 1Y	23-maj	60D Avg.	Z-score
0,750	15 jan 18	15.46B	-0,044	46,8	49,0	-0,65	-7,8	10,9	14,7	-1,32
2,500	01 maj 19	18.01B	0,091	58,6	59,0	-0,14	-0,3	22,5	24,1	-0,51
0,650	01 nov 20	14.02B	0,382	77,4	74,9	0,41	1,3	39,7	38,0	0,34
0,450	01 jun 21	6.96B	0,521	85,8	85,8	-0,02	1,8	47,7	47,4	0,43
0,950	15 mar 23	10.44B	0,938	111,8	110,8	0,34	0,9	70,5	68,6	0,66
4,500	01 mar 24	23.71B	1,180	125,3	119,9	0,71	0,3	100,8	94,6	0,79
2,500	01 dec 24	20.99B	1,336	131,2	123,7	0,91	0,2	97,0	89,7	0,95
1,500	01 jun 25	19.99B	1,400	130,9	122,1	1,06	0,0	91,3	83,1	1,12
2,000	01 dec 25	17.01B	1,496	134,4	124,6	1,12	0,2	98,4	89,6	1,11
6,000	01 maj 31	29.75B	2,034	150,9	138,6	1,33	-0,8	153,4	146,3	0,71
4,000	01 feb 37	26.01B	2,383	157,3	147,6	1,07	0,1	151,0	147,1	0,47
3,250	01 sep 46	13.24B	2,658	170,2	162,2	0,90	0,2	161,6	159,0	0,35

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

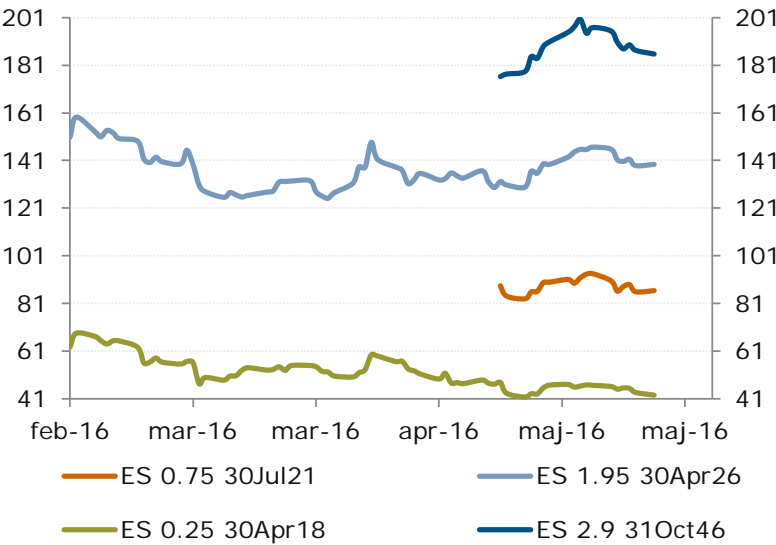
Rating	Baa2/BBB/BBB+
Moody's / S&P / Fitch	

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

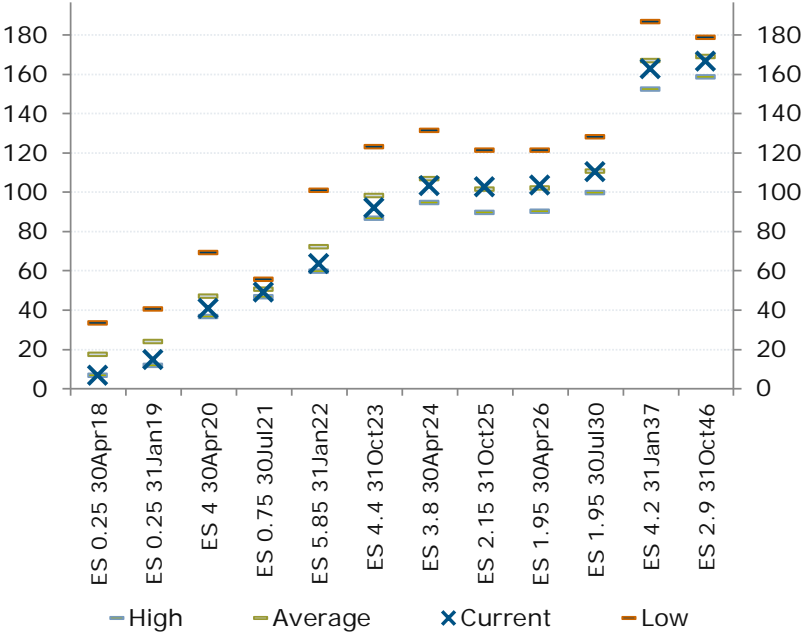
Spain

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	23-maj	60D Avg.	Z-score	Δ B/E Spd 1Y	23-maj	60D Avg.	Z-score
0,250	30 apr 18	16.99B	-0,083	42,4	52,1	-1,85	-11,3	6,6	17,3	-1,92
0,250	31 jan 19	6.93B	0,019	51,7	60,1	-1,54	-13,4	14,7	23,8	-1,66
4,000	30 apr 20	23.01B	0,295	73,4	78,0	-0,74	-2,1	40,5	46,9	-0,97
0,750	30 jul 21	3.02B	0,540	86,2	88,0	-0,63	-8,0	48,9	50,5	-0,66
5,850	31 jan 22	22.01B	0,591	86,8	95,3	-1,06	0,5	63,3	71,9	-1,04
4,400	31 okt 23	20.01B	1,057	116,9	123,2	-0,88	0,7	91,9	98,0	-0,86
3,800	30 apr 24	21.99B	1,246	130,0	133,7	-0,54	0,8	103,0	106,6	-0,54
2,150	31 okt 25	20.96B	1,511	136,9	135,5	0,21	1,4	102,4	101,3	0,17
1,950	30 apr 26	15.01B	1,594	139,2	137,2	0,29	2,1	103,5	102,0	0,25
1,950	30 jul 30	13.21B	2,035	155,8	150,4	0,80	0,3	110,2	110,5	-0,05
4,200	31 jan 37	17.02B	2,458	164,8	163,8	0,15	-0,4	162,5	166,9	-0,66
2,900	31 okt 46	5.43B	2,812	185,5	188,1	-0,40	-0,7	166,3	168,7	-0,42

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

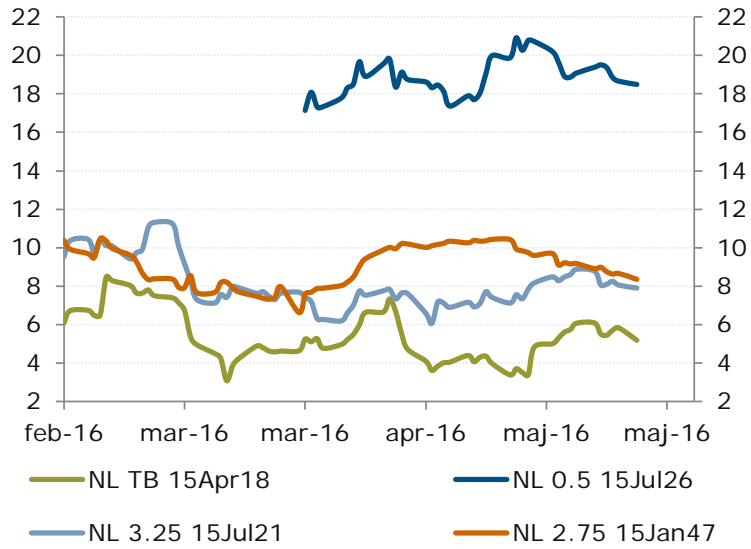
Rating	Aaa/AA+/AAA
Moody's / S&P / Fitch	

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

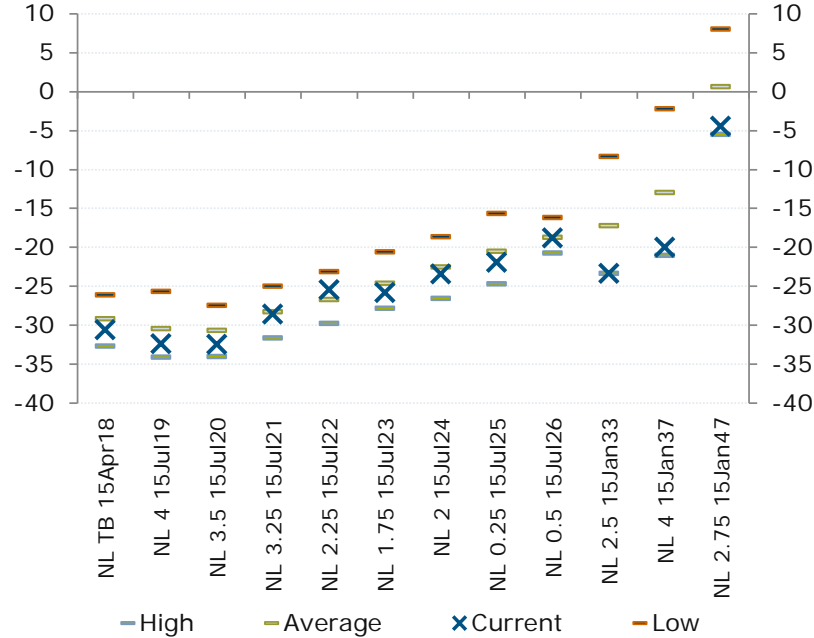
Netherlands

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	23-maj	60D Avg.	Z-score	Δ B/E Spd 1Y	23-maj	60D Avg.	Z-score
0,000	15 apr 18	15.99B	-0,459	4,8	5,1	-0,28	-0,7	-30,6	-29,2	-0,97
4,000	15 jul 19	14.98B	-0,429	5,7	6,1	-0,36	0,4	-32,4	-30,5	-0,81
3,500	15 jul 20	15.02B	-0,369	5,2	5,7	-0,57	-0,3	-32,5	-30,7	-1,20
3,250	15 jul 21	16.99B	-0,250	7,5	7,8	-0,22	-0,3	-28,6	-28,3	-0,23
2,250	15 jul 22	15.01B	-0,122	11,6	11,8	-0,20	-0,1	-25,5	-26,8	0,87
1,750	15 jul 23	15.63B	-0,015	13,1	15,1	-1,76	0,2	-25,8	-24,7	-0,78
2,000	15 jul 24	15.32B	0,117	14,4	15,5	-0,92	0,4	-23,5	-22,6	-0,61
0,250	15 jul 25	15.01B	0,266	16,0	17,5	-0,90	-0,4	-22,0	-20,5	-0,69
0,500	15 jul 26	8.51B	0,399	18,1	18,4	-0,45	1,4	-18,9	-18,7	-0,14
2,500	15 jan 33	12.01B	0,731	9,7	10,2	-0,31	-0,3	-23,4	-17,3	-1,61
4,000	15 jan 37	13.99B	0,824	1,6	2,3	-0,61	0,0	-20,0	-13,0	-1,37
2,750	15 jan 47	11.01B	1,038	8,0	8,7	-0,77	0,1	-4,5	0,6	-1,41

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

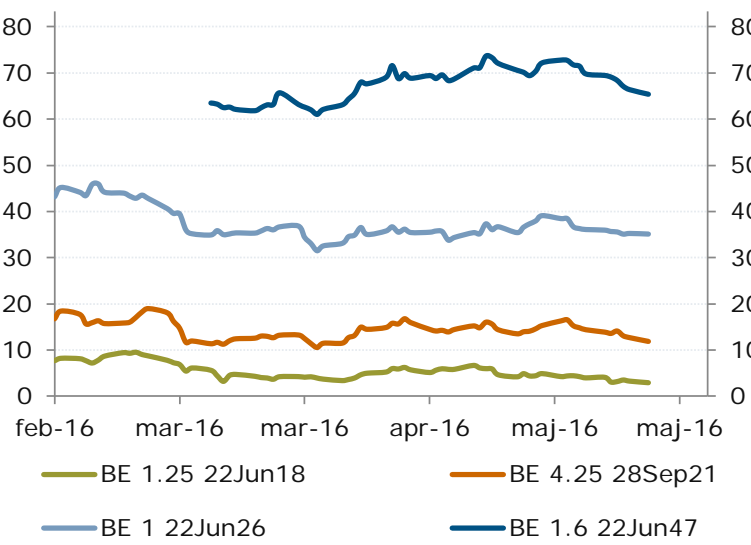
Rating	Aa3/AA/AA
Moody's / S&P / Fitch	

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

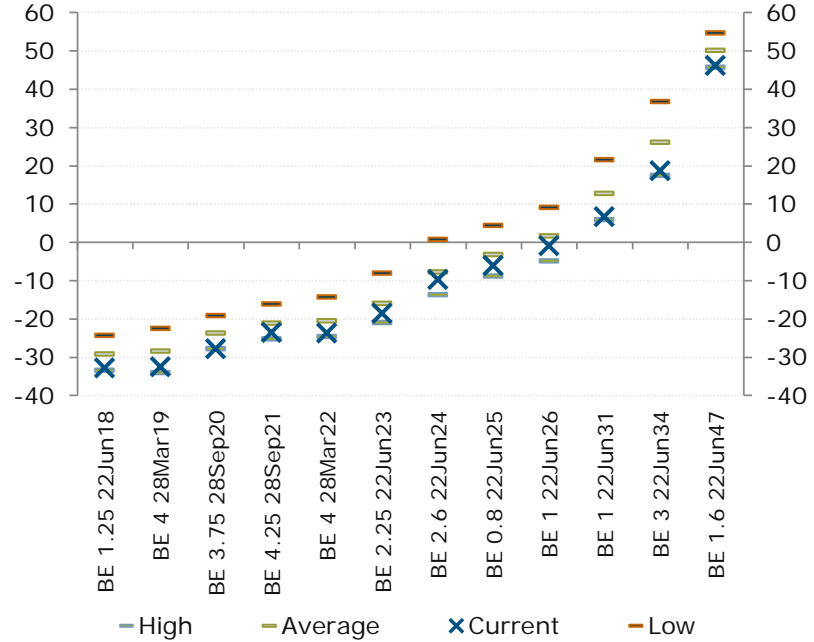
Belgium

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	23-maj	60D Avg.	Z-score	Δ B/E Spd 1Y	23-maj	60D Avg.	Z-score
1,250	22 jun 18	11.01B	-0,476	2,9	5,5	-1,70	-1,0	-32,7	-29,1	-1,80
4,000	28 mar 19	12.37B	-0,446	5,0	7,8	-1,88	0,3	-32,5	-28,4	-1,69
3,750	28 sep 20	19.01B	-0,311	9,1	11,7	-1,91	3,3	-27,8	-23,7	-2,71
4,250	28 sep 21	16.45B	-0,189	11,9	14,4	-1,49	2,4	-23,6	-21,1	-1,70
4,000	28 mar 22	14.02B	-0,143	12,1	16,2	-2,03	1,2	-23,7	-20,5	-1,94
2,250	22 jun 23	13.99B	0,043	19,6	22,8	-1,35	-0,4	-18,6	-16,0	-1,15
2,600	22 jun 24	15.85B	0,232	26,8	28,9	-0,76	-0,2	-9,7	-7,7	-0,70
0,800	22 jun 25	16.02B	0,412	31,4	34,2	-0,98	-0,6	-6,0	-3,2	-0,94
1,000	22 jun 26	7.79B	0,565	35,1	37,3	-0,76	-0,1	-0,9	1,7	-0,83
1,000	22 jun 31	5.59B	1,022	48,7	49,7	-0,35	0,0	6,7	12,8	-1,72
3,000	22 jun 34	6.47B	1,140	41,9	44,0	-0,62	0,1	18,7	26,2	-1,71
1,600	22 jun 47	3,5B	1,614	65,4	67,5	-0,61	0,1	46,3	50,1	-2,04

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

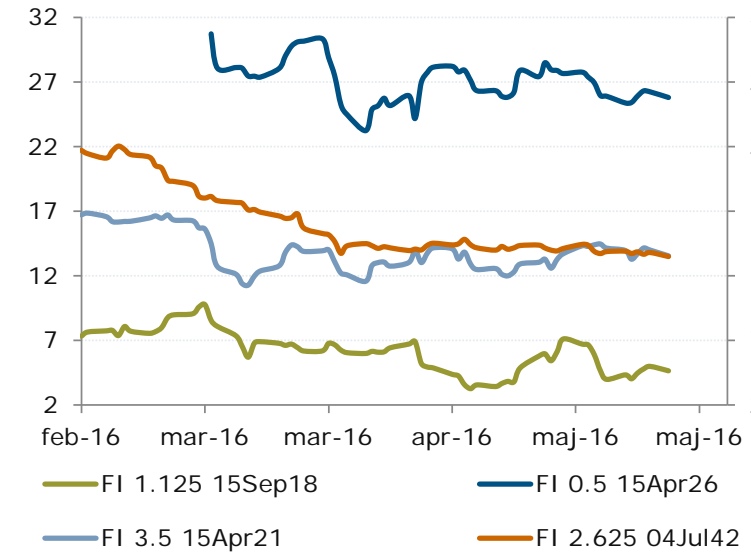
Rating	Aaa/AA+/AAA
Moody's / S&P / Fitch	

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

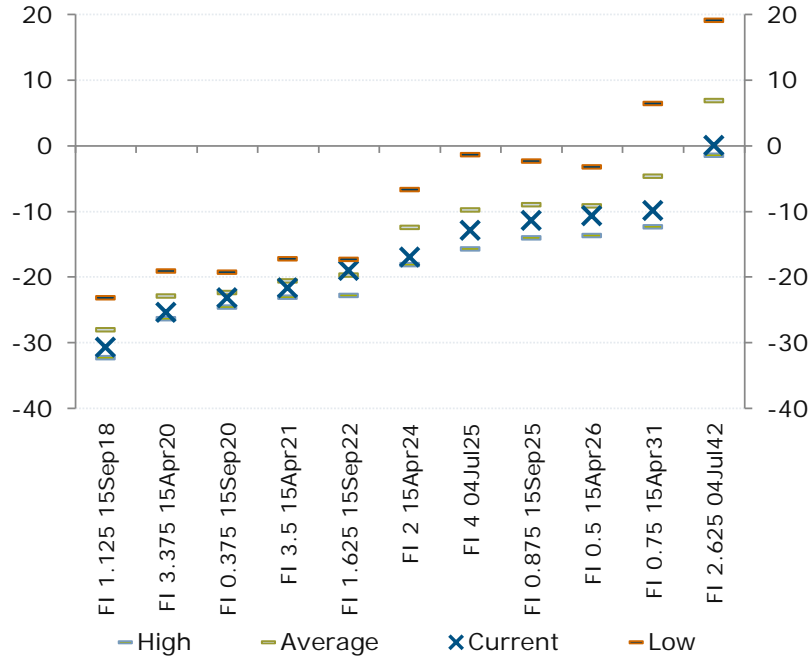
Finland

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	23-maj	60D Avg.	Z-score	Δ B/E Spd 1Y	23-maj	60D Avg.	Z-score
1,125	15 sep 18	5.03B	-0,452	5,0	6,6	-1,17	0,0	-30,7	-28,1	-1,16
3,375	15 apr 20	6.,5B	-0,321	12,1	13,2	-0,93	-2,1	-25,4	-22,9	-1,38
0,375	15 sep 20	6.03B	-0,265	14,0	13,9	0,03	-2,4	-23,2	-22,3	-0,63
3,500	15 apr 21	6.0B	-0,209	13,9	14,3	-0,27	-3,1	-21,6	-20,6	-0,83
1,625	15 sep 22	5.0B	-0,040	18,4	19,1	-0,54	-2,3	-19,0	-19,7	0,60
2,000	15 apr 24	5.0B	0,151	21,0	25,8	-2,29	-1,0	-17,0	-12,4	-1,72
4,000	04 jul 25	6.03B	0,290	18,8	21,1	-0,90	-0,3	-12,9	-9,8	-0,86
0,875	15 sep 25	4.03B	0,381	25,4	27,7	-0,92	-0,1	-11,4	-9,0	-0,88
0,500	15 apr 26	4.0B	0,459	26,2	27,3	-0,88	0,2	-10,7	-9,1	-0,77
0,750	15 apr 31	3.,5B	0,846	32,4	32,5	-0,04	0,6	-9,9	-4,6	-0,96
2,625	04 jul 42	4.03B	1,073	13,9	16,5	-1,11	0,3	0,1	6,9	-1,02

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

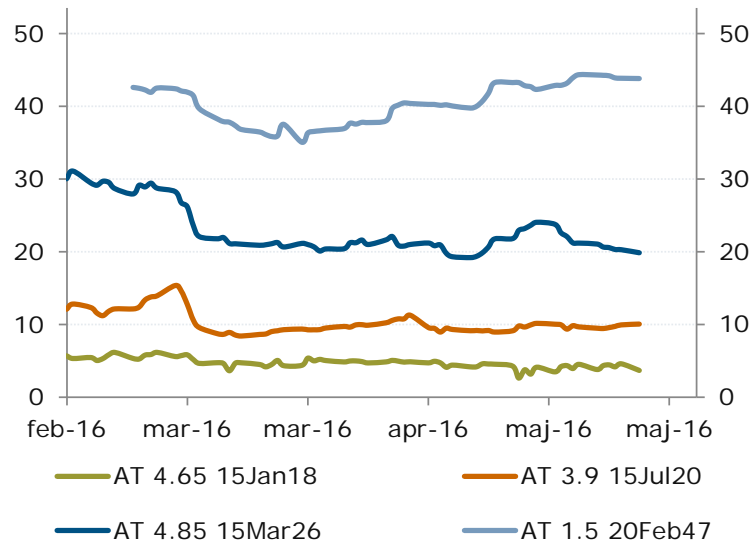
Rating	Aaa/AA+/AA+
Moody's / S&P / Fitch	

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

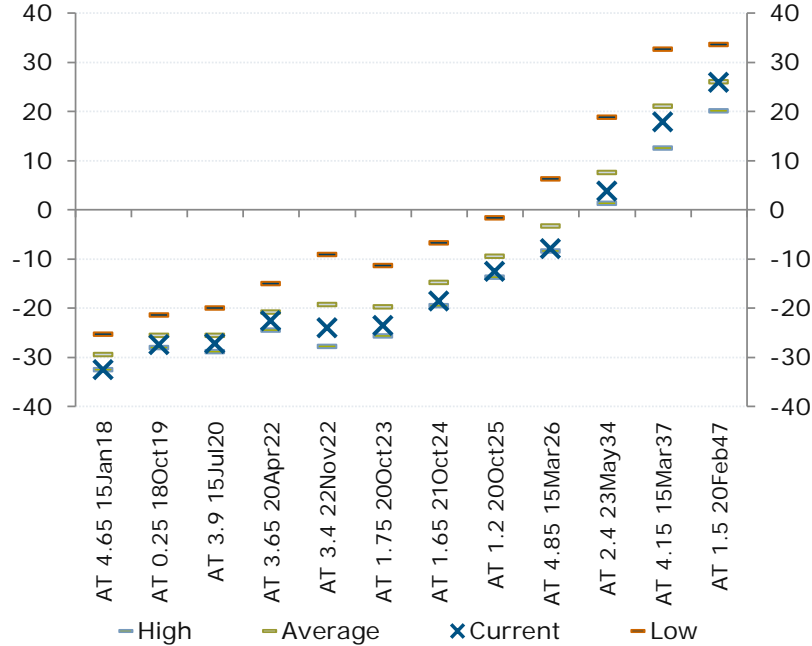
Austria

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	23-maj	60D Avg.	Z-score	Δ B/E Spd 1Y	23-maj	60D Avg.	Z-score
4,650	15 jan 18	12.06B	-0,474	3,7	4,8	-2,14	-3,7	-32,5	-29,5	-2,04
0,250	18 okt 19	7.97B	-0,370	10,1	11,0	-0,80	-12,1	-27,5	-25,5	-1,19
3,900	15 jul 20	13.01B	-0,320	10,1	10,4	-0,21	-26,6	-27,2	-25,6	-0,93
3,650	20 apr 22	8.71B	-0,125	13,3	16,2	-1,70	-9,4	-22,6	-20,8	-1,16
3,400	22 nov 22	10.99B	-0,078	12,9	18,4	-1,78	0,2	-24,0	-19,2	-1,42
1,750	20 okt 23	9.99B	0,036	15,1	19,5	-1,47	7,9	-23,6	-19,8	-1,09
1,650	21 okt 24	10.35B	0,197	18,8	22,6	-1,40	11,0	-18,6	-14,8	-1,13
1,200	20 okt 25	9.28B	0,372	23,4	26,1	-1,00	12,0	-12,6	-9,5	-0,99
4,850	15 mar 26	8.71B	0,385	19,9	23,0	-1,09	10,3	-7,9	-3,3	-1,18
2,400	23 maj 34	6.16B	1,028	30,9	29,8	0,47	3,0	3,8	7,5	-0,71
4,150	15 mar 37	12.22B	1,124	31,1	28,9	1,17	2,6	17,8	21,1	-0,61
1,500	20 feb 47	1.95B	1,397	43,8	40,4	1,46	-1,1	25,9	26,0	-0,01

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

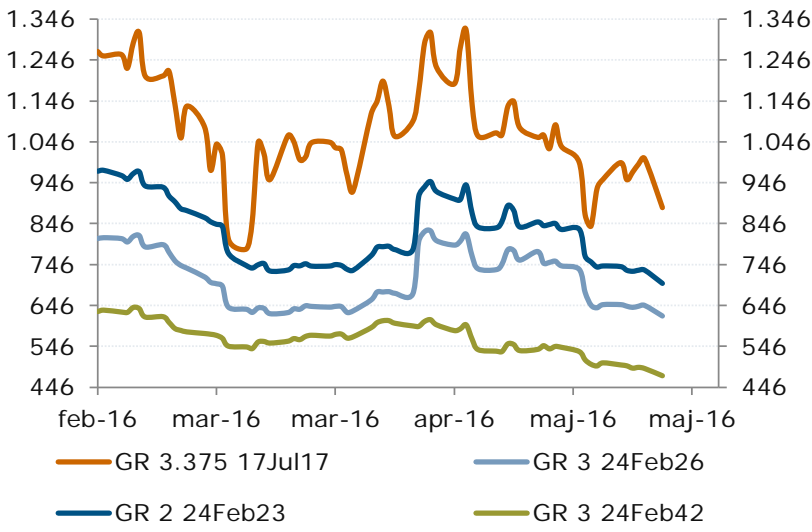
Source: European Commission, Winter 2015 forecast

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

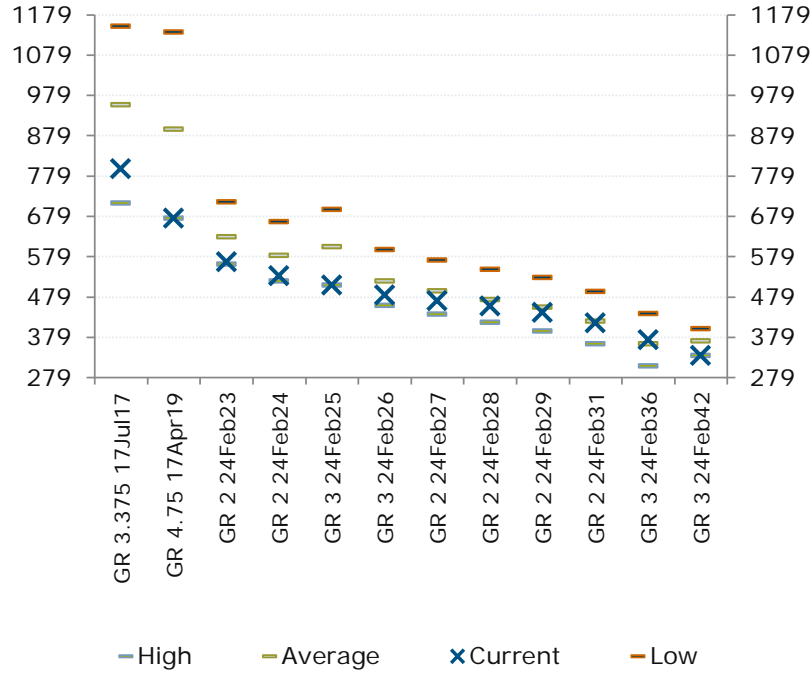
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	23-maj	60D Avg.	Z-score	Δ B/E Spd 1Y	23-maj	60D Avg.	Z-score
3,375	17 jul 17	2.02B	8,327	884,6	1.076,5	-1,77	-775,5	796,3	955,9	-1,81
4,750	17 apr 19	4.02B	6,982	747,8	1.037,0	-2,25	-116,4	673,4	894,6	-2,38
3,000	24 feb 23	1.04B	6,810	699,4	827,2	-1,72	-70,0	565,4	627,1	-1,35
3,000	24 feb 24	1.25B	6,597	667,1	780,7	-1,63	-59,2	531,6	582,2	-1,18
3,000	24 feb 25	1.84B	6,510	645,4	816,6	-2,46	-54,7	508,0	602,8	-2,62
3,000	24 feb 26	1.37B	6,377	619,7	713,3	-1,44	-52,4	483,0	517,8	-0,90
3,000	24 feb 27	1.21B	6,393	613,5	692,5	-1,33	-51,6	468,6	493,6	-0,69
3,000	24 feb 28	1.84B	6,413	609,1	674,0	-1,17	-47,1	455,8	472,2	-0,48
3,000	24 feb 29	1.48B	6,364	597,8	657,1	-1,09	-51,1	440,1	453,5	-0,40
3,000	24 feb 31	1.29B	6,276	576,3	619,8	-0,86	-66,8	414,7	418,1	-0,10
3,000	24 feb 36	1.33B	6,107	532,8	554,5	-0,44	-68,6	372,5	362,3	0,28
3,000	24 feb 42	1.05B	5,667	473,5	566,5	-2,75	-57,0	332,9	370,0	-2,73

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

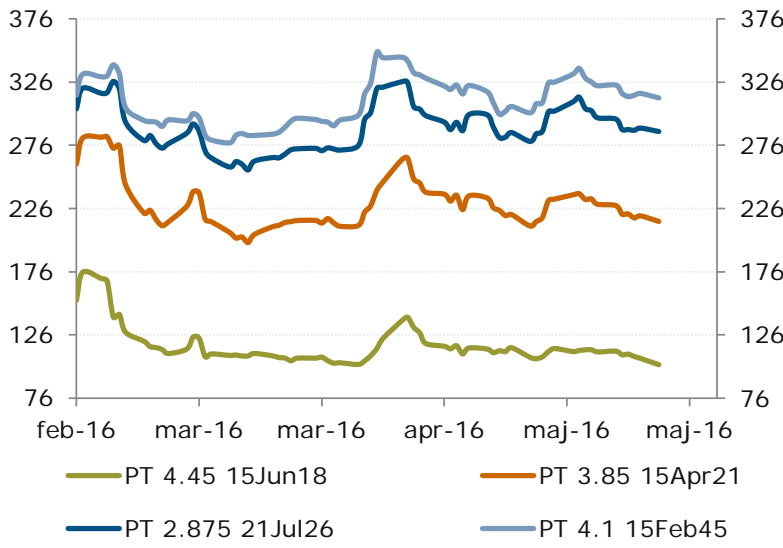
Source: European Commission, Winter 2015 forecast

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

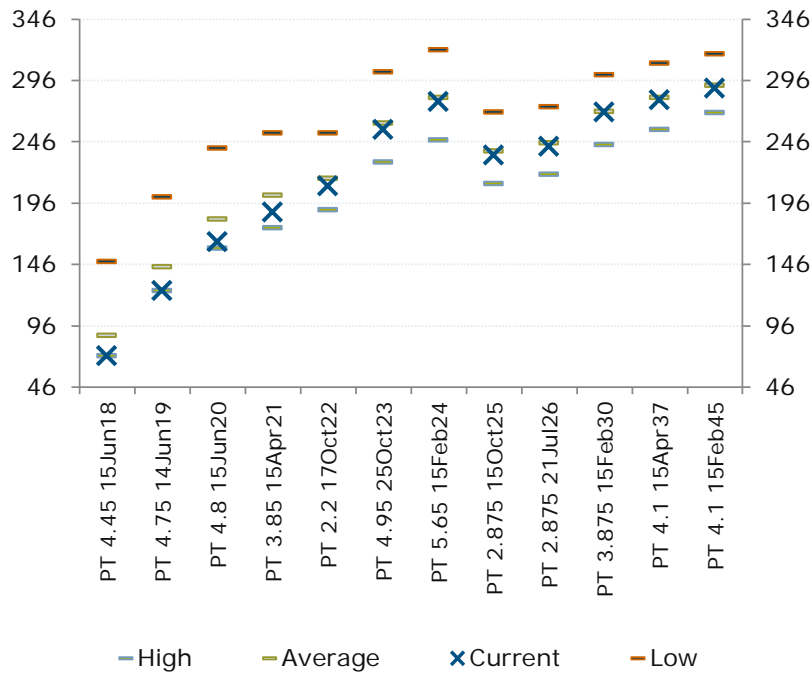
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	23-maj	60D Avg.	Z-score	Δ B/E Spd 1Y	23-maj	60D Avg.	Z-score
4,450	15 jun 18	8.99B	0,519	102,4	117,6	-1,45	-26,0	71,2	88,2	-1,60
4,750	14 jun 19	10.99B	1,046	153,7	170,6	-1,28	-11,4	124,6	143,7	-1,41
4,800	15 jun 20	10.99B	1,471	190,0	206,3	-1,06	-1,6	164,5	182,7	-1,22
3,850	15 apr 21	10.01B	1,809	215,7	229,5	-0,86	0,0	188,4	202,4	-0,95
2,200	17 okt 22	4.0B	2,314	252,9	261,3	-0,54	-1,3	209,9	215,8	-0,45
4,950	25 okt 23	8.02B	2,634	274,8	280,9	-0,36	-0,8	256,0	261,1	-0,33
5,650	15 feb 24	12.02B	2,817	289,5	293,4	-0,23	0,2	278,6	281,8	-0,21
2,875	15 okt 25	10.52B	2,904	276,8	280,9	-0,27	1,2	235,0	238,4	-0,28
2,875	21 jul 26	6.02B	3,087	286,8	289,9	-0,20	0,3	242,3	245,0	-0,22
3,875	15 feb 30	4.05B	3,556	310,8	306,0	0,29	-0,3	269,9	270,7	-0,06
4,100	15 apr 37	8.02B	3,900	308,5	304,6	0,22	-0,6	280,0	281,8	-0,15
4,100	15 feb 45	3.0B	4,082	313,4	310,6	0,16	-0,4	289,7	291,7	-0,18

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

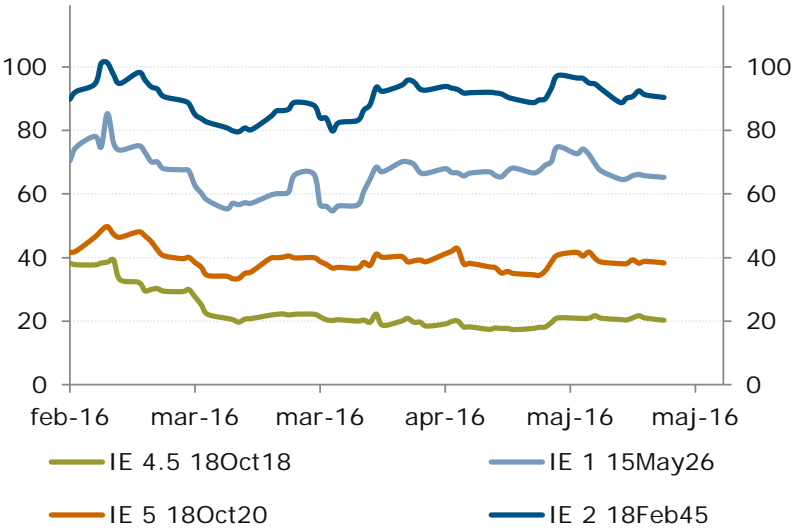
Rating	Baa1/A/A-
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Moody's / S&P / Fitch

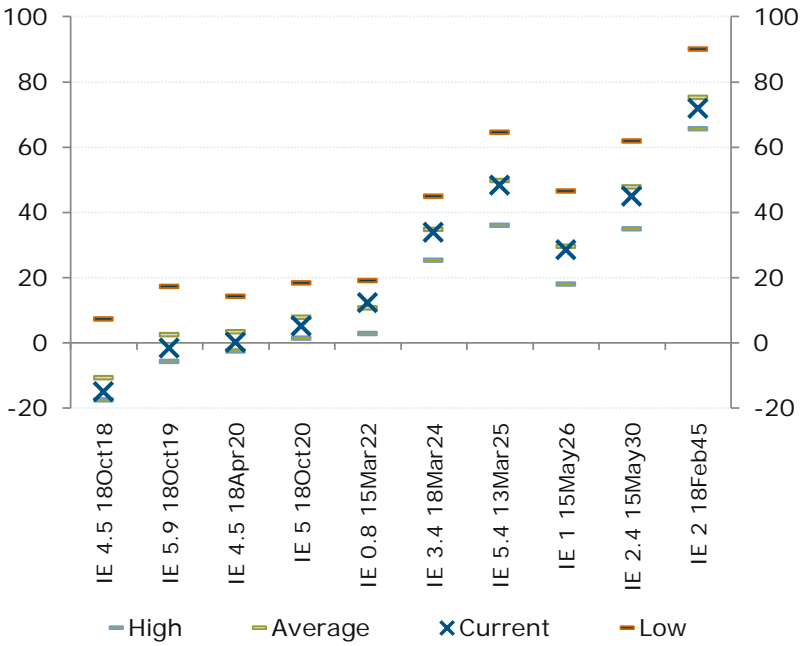
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	23-maj	60D Avg.	Z-score	Δ B/E Spd 1Y	23-maj	60D Avg.	Z-score
4,500	18 okt 18	9.58B	-0,298	20,3	23,2	-0,61	-1,7	-15,0	-10,7	-0,77
5,900	18 okt 19	6.58B	-0,139	33,1	35,5	-0,66	0,7	-1,7	2,5	-0,95
4,500	18 apr 20	11.77B	-0,089	35,2	37,0	-0,64	-1,1	0,1	3,3	-1,09
5,000	18 okt 20	8.99B	-0,013	38,3	39,5	-0,39	-0,4	5,2	7,7	-0,83
0,800	15 mar 22	5.25B	0,227	49,5	49,3	0,05	0,5	12,3	10,6	0,58
3,400	18 mar 24	8.01B	0,591	65,9	67,1	-0,30	-0,1	33,8	34,6	-0,20
5,400	13 mar 25	11.01B	0,756	69,4	70,1	-0,17	0,0	48,4	49,7	-0,27
1,000	15 maj 26	4.75B	0,859	65,2	66,1	-0,19	0,9	28,5	29,5	-0,25
2,400	15 maj 30	7.78B	1,270	80,7	77,8	0,55	0,0	44,9	47,7	-0,58
2,000	18 feb 45	5.95B	1,851	90,3	90,1	0,05	-0,3	71,7	75,2	-0,78

Spreads against the German curve, bp



Asset swap term structure, bp



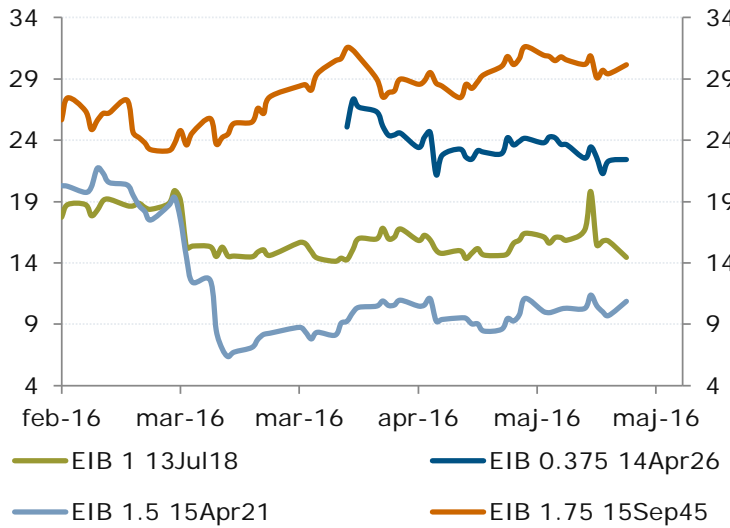


Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

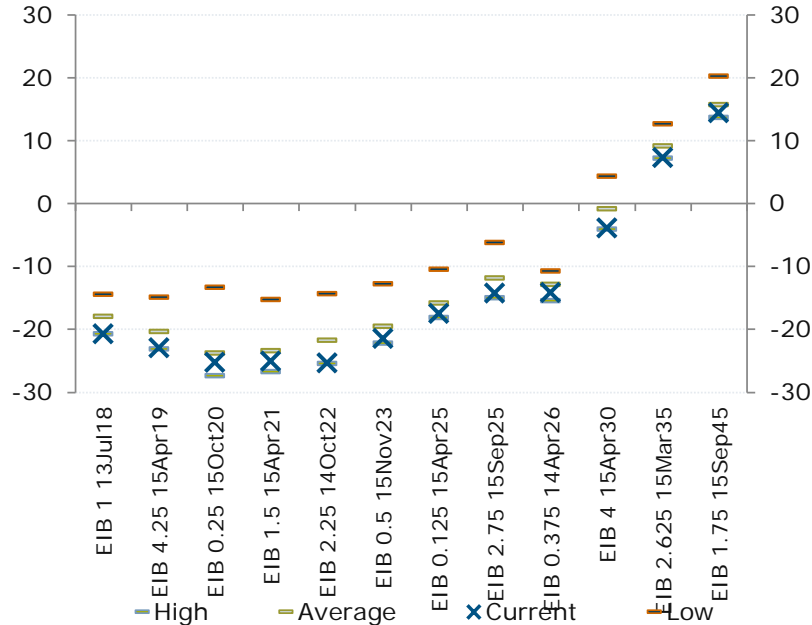
European Investment Bank (EIB)

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	23-maj	60D Avg.	Z-score	Δ B/E Spd 1Y	23-maj	60D Avg.	Z-score
1,000	13 jul 18	5.0B	-0,356	14,8	16,5	-1,24	-2,2	-20,7	-18,0	-1,57
4,250	15 apr 19	5.0B	-0,356	14,0	15,4	-0,85	-1,0	-23,0	-20,4	-1,07
0,250	15 okt 20	4.0B	-0,279	11,8	12,3	-0,20	-2,3	-25,3	-23,8	-0,52
1,500	15 apr 21	5.0B	-0,236	11,2	12,3	-0,28	2,0	-25,1	-23,5	-0,45
2,250	14 okt 22	5.75B	-0,095	12,1	16,8	-1,28	0,0	-25,3	-21,8	-0,97
0,500	15 nov 23	1.,5B	0,076	18,3	20,9	-1,17	0,5	-21,5	-19,6	-0,72
0,125	15 apr 25	3.0B	0,287	21,2	22,9	-0,74	0,7	-17,5	-15,9	-0,67
2,750	15 sep 25	5.75B	0,317	19,1	20,8	-0,83	1,1	-14,2	-11,9	-0,87
0,375	14 apr 26	5.0B	0,424	22,8	24,2	-1,26	0,5	-14,2	-12,9	-1,71
4,000	15 apr 30	6.,5B	0,738	28,0	24,9	1,47	0,2	-3,9	-0,8	-1,66
2,625	15 mar 35	1.,7B	1,068	32,0	28,8	1,08	-0,1	7,2	9,1	-1,65
1,750	15 sep 45	1.55B	1,256	30,5	28,1	1,11	0,4	14,4	15,7	-1,05

Spreads against the German curve, bp



Asset swap term structure, bp

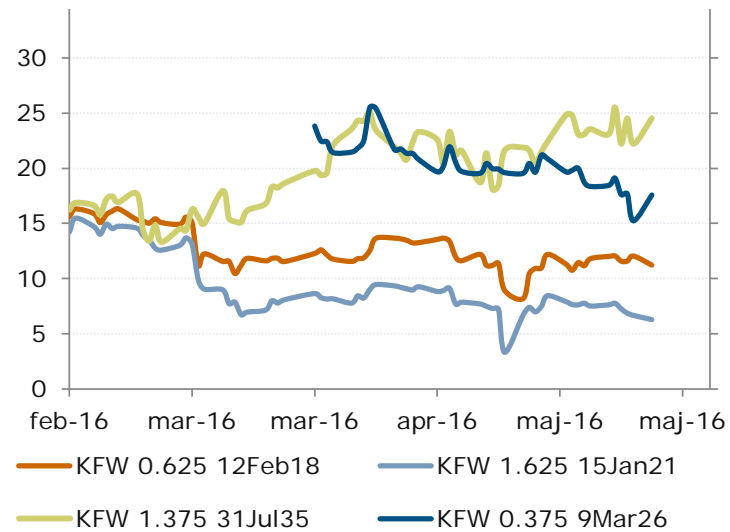


Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

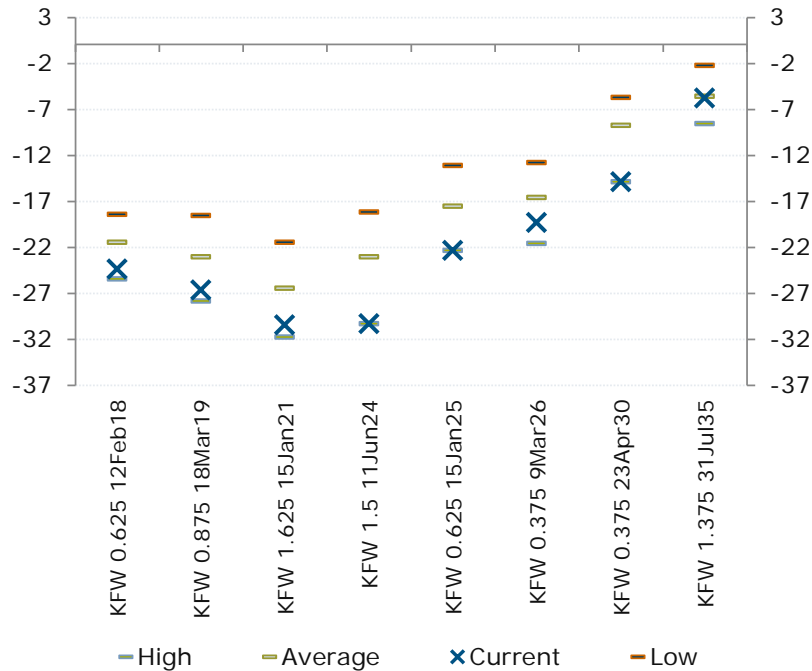
Kreditanstalt für Wiederaufbau (KfW)

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	23-maj	60D Avg.	Z-score	Δ B/E Spd 1Y	23-maj	60D Avg.	Z-score
0,625	12 feb 18	2.0B	-0,398	11,2	12,7	-0,94	-2,9	-24,4	-21,5	-1,69
0,875	18 mar 19	5.0B	-0,395	10,2	12,9	-1,60	-1,0	-26,7	-23,1	-1,47
1,625	15 jan 21	5.0B	-0,310	6,3	9,3	-1,37	0,0	-30,5	-26,5	-1,67
1,500	11 jun 24	3.0B	0,045	8,5	15,8	-2,95	-0,6	-30,4	-23,1	-2,85
0,625	15 jan 25	4.0B	0,201	16,0	20,8	-3,70	-1,0	-22,4	-17,7	-3,63
0,375	09 mar 26	4.0B	0,360	17,6	20,5	-1,86	3,0	-19,4	-16,7	-2,05
0,375	23 apr 30	2.0B	0,750	29,1	30,1	-0,36	-2,1	-15,0	-8,9	-4,75
1,375	31 jul 35	1.0B	1,006	24,5	19,7	1,51	2,6	-5,9	-5,7	-0,16

Spreads against the German curve, bp



Asset swap term structure, bp



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