

Euro Rates Update

Nordea Research, 27 May 2016

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US Treasury Yields				
	2Y	5Y	10Y	30Y
	0.89	1.38	1.86	2.65
Δ 1D	-2.5	-4.0	-2.1	-1.7
Δ 1W	3.6	3.1	2.5	-1.4

German Benchmark Yields				
	2Y	5Y	10Y	30Y
	-0.51	-0.37	0.15	0.86
Δ 1D	-0.6	-1.0	-1.3	-1.9
Δ 1W	-1.2	-1.9	-2.6	-3.8

German Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-14.5	-52.3	-66.8	-70.9
Δ 1D	-0.4	-0.3	-0.7	-0.6
Δ 1W	-0.7	-0.7	-1.4	-1.1

EUR Swap Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-16.6	-53.6	-70.2	-55.9
Δ 1D	-0.3	-0.8	-1.1	0.0
Δ 1W	-1.1	-0.7	-1.8	0.8

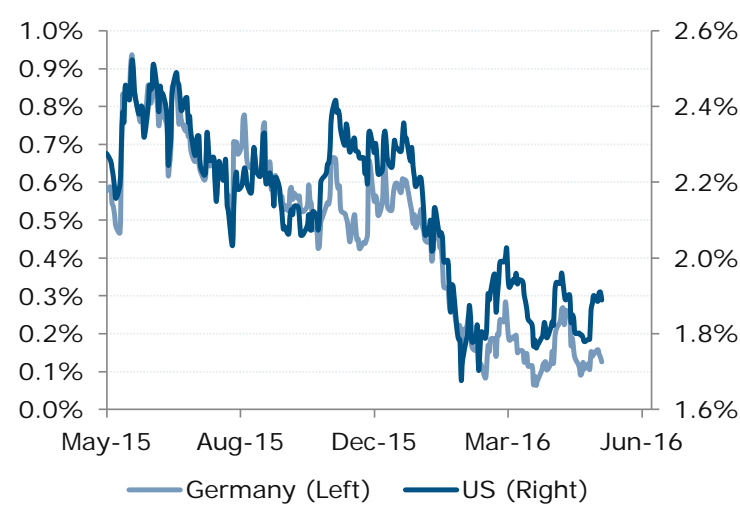
German Asset Swap Levels				
	2Y	5Y	10Y	30Y
	-35.5	-36.2	-35.6	-21.6
Δ 1D	-0.2	-0.1	0.2	-0.4
Δ 1W	0.0	0.7	0.5	-1.9

10Y Benchmark Yields				
	Yield	Δ 1D	Spread	Δ 1D
GER	0.154	-1.3	-	-
FRA	0.486	0.0	30.9	1.2
ITA	1.371	0.1	125.1	1.3
ESP	1.496	1.5	132.7	2.8
BEL	0.524	-0.1	34.1	1.1
HOL	0.365	-0.9	17.8	0.4
AUT	0.332	-0.9	22.6	0.4
GRE	6.333	2.9	618.5	4.1
POR	2.994	3.9	280.6	5.2
FIN	0.421	-1.0	25.7	0.3
IRL	0.787	-0.4	61.2	0.8

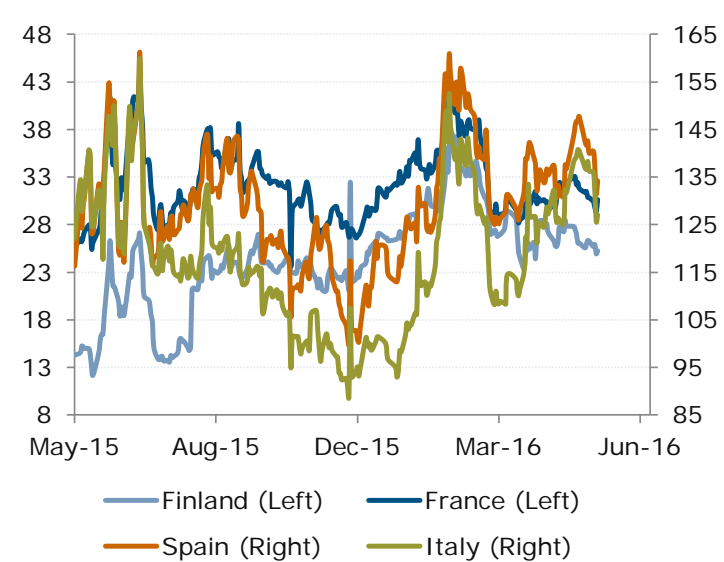
Spread = Maturity interpolated spread to German government par yield curve

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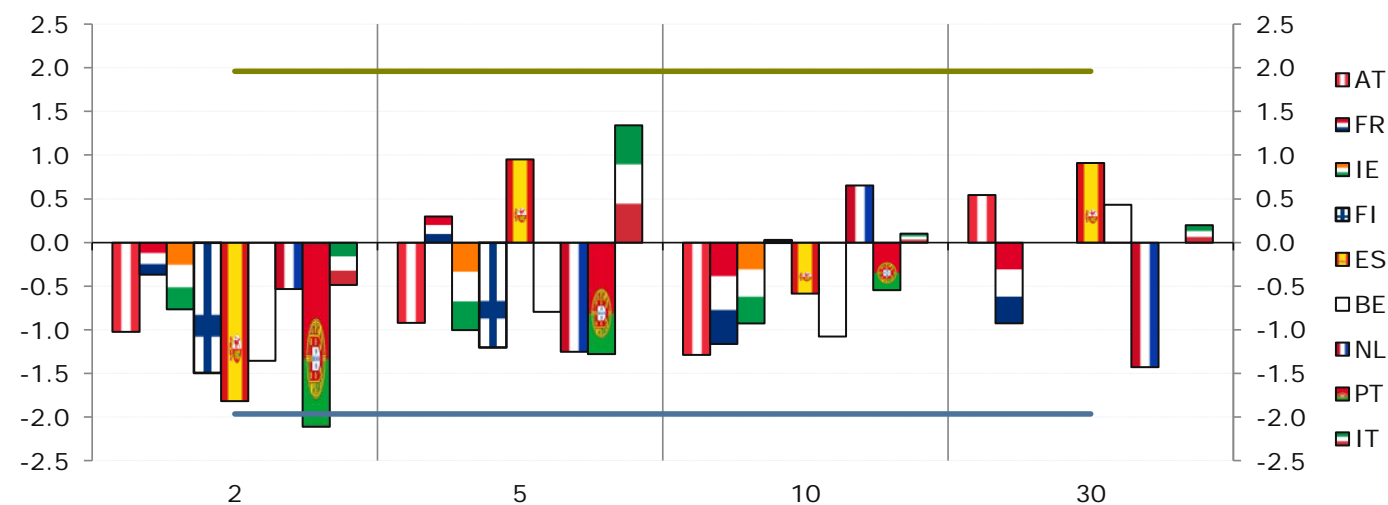
German & US 10-year benchmark yields, %



10 year spreads against Germany, bp



Z-scores of benchmark vs. Germany



Upcoming Issuance (source: Bloomberg)							
Date		Country	Coupon		Maturity		Amount (EURbn)
30 May		IT					
30 May		LI			2019		
01 Jun		GE	0.00%		2021		4bn
06 Jun		LN			2021		
07 Jun		AS					

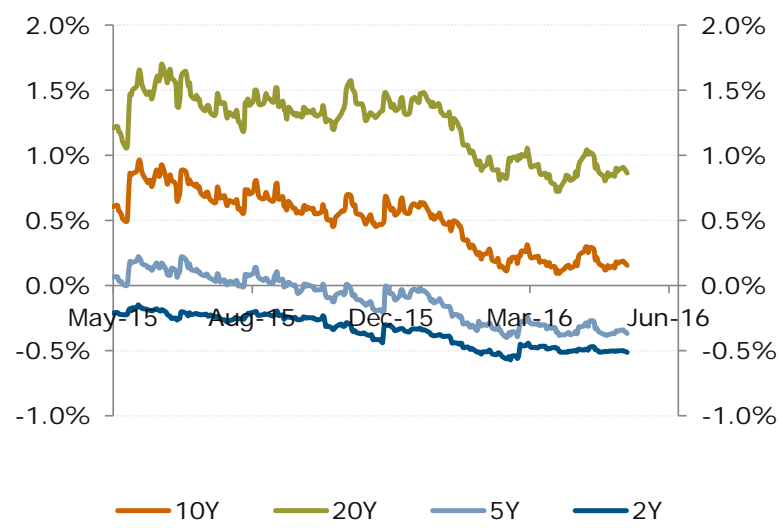
All bond quotes are taken at 16:15 CET.

Bond Yields & Curves

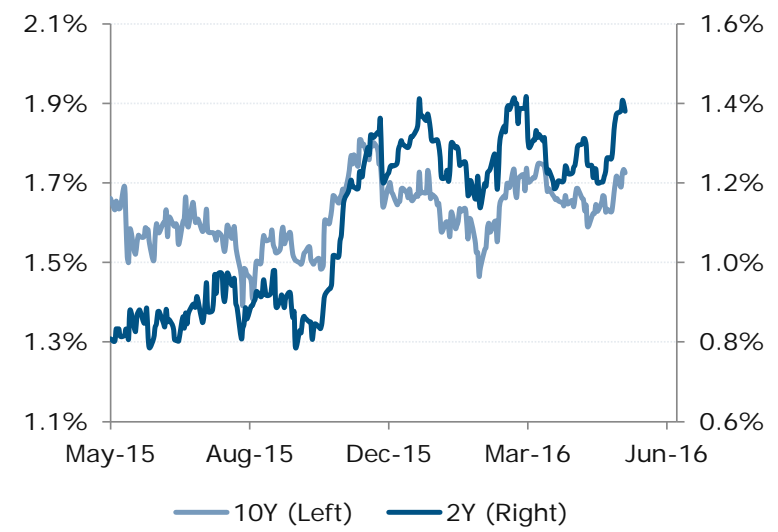
Yield Levels

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

German benchmark bond yields, %



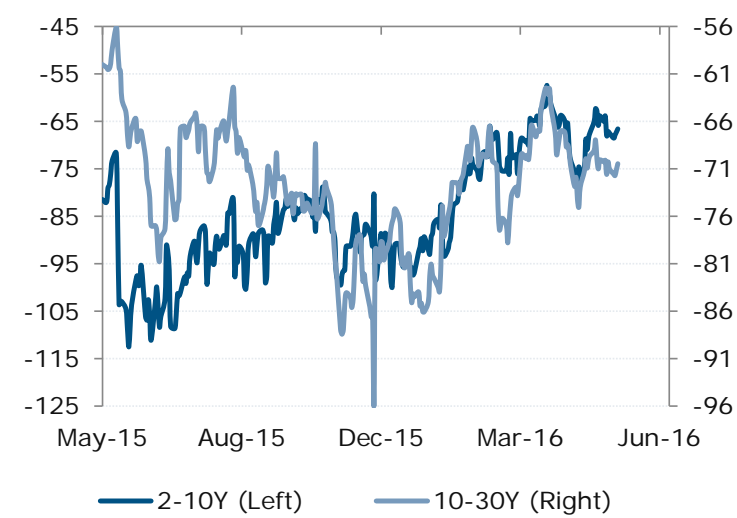
USA-Germany spreads, annualized yields, %



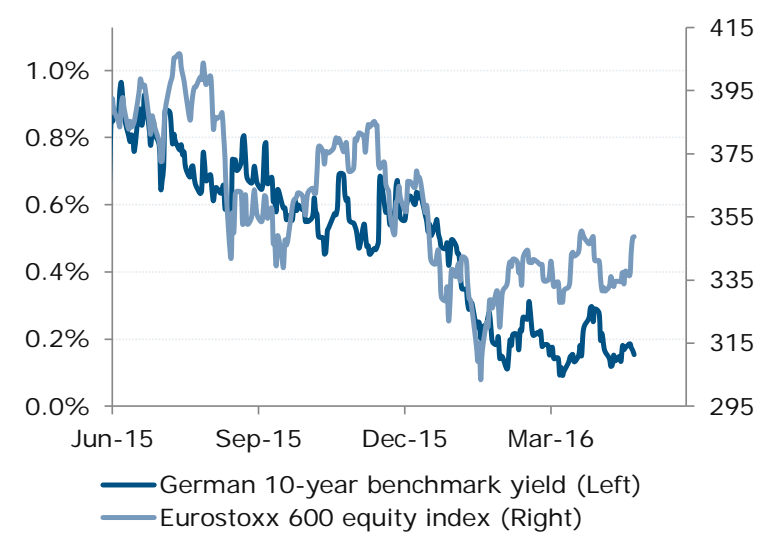
Bond Curve Shape

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

German yield curve slopes, bp



Bonds vs. equities



Swaps and Forwards

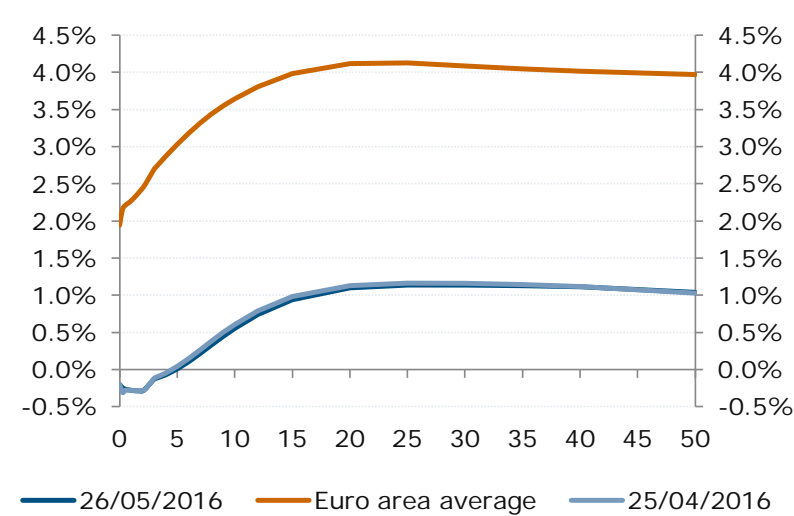
EUR swap rates and implied forwards, %



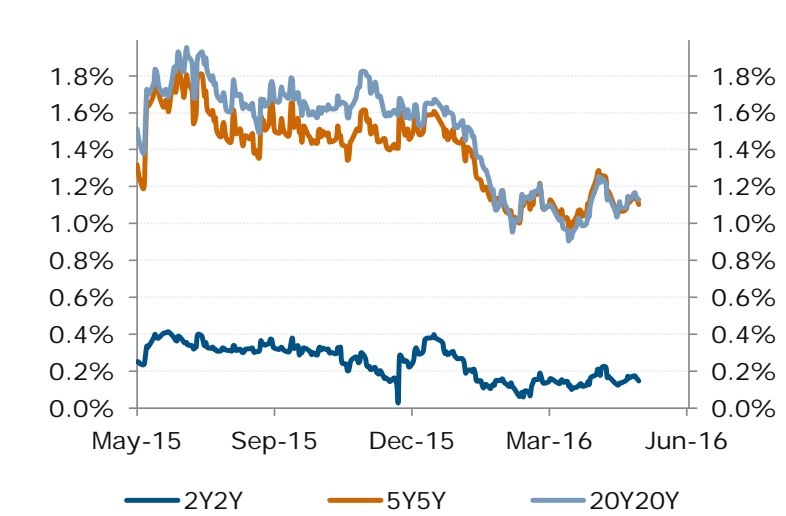
EUR-USD spreads and implied forwards, %



EUR swap curve shape vs. historical

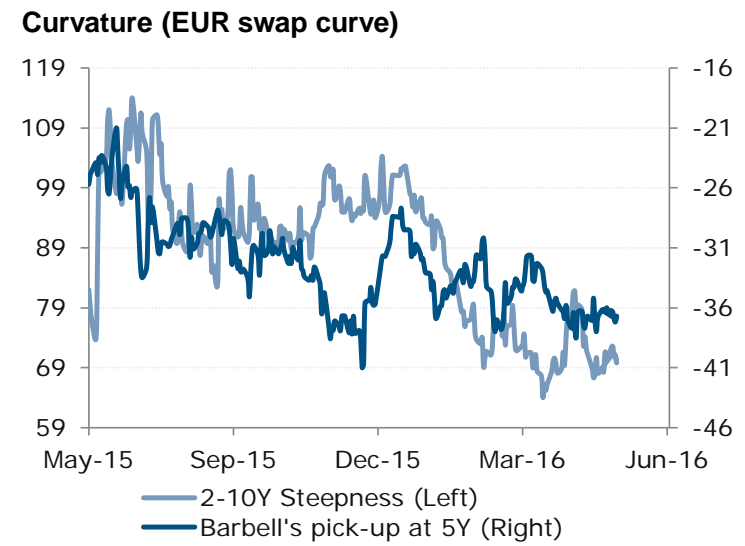


Historical forward rates, %



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

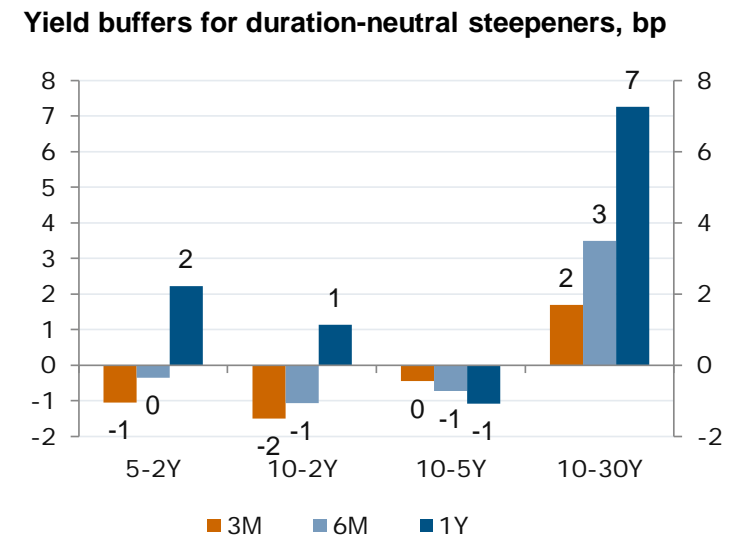
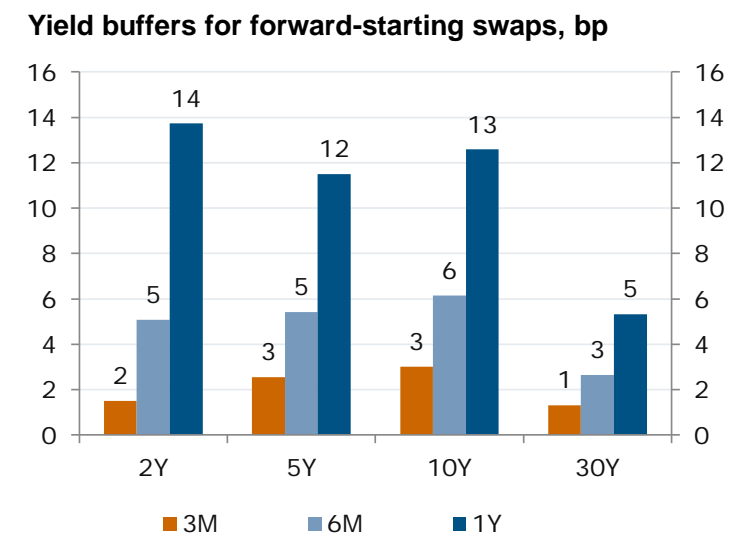
5Y pick-up over a duration and cash neutral 2-10Y EUR swap barbell.



Carry

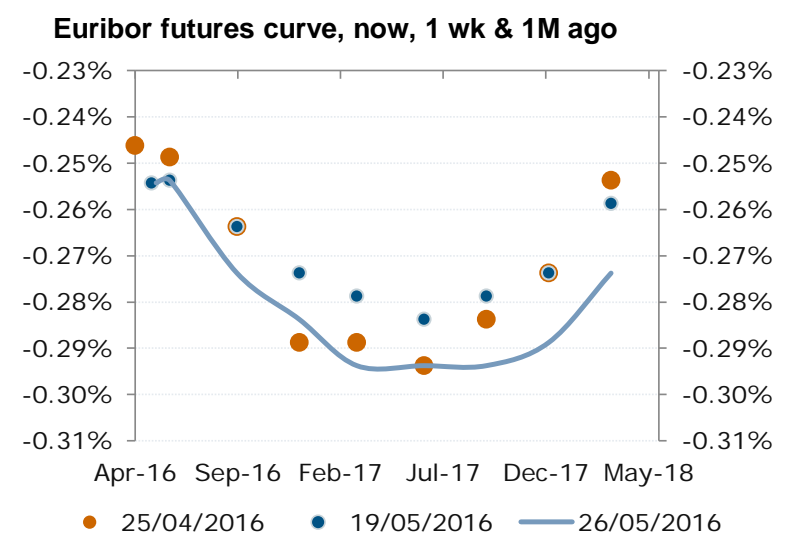
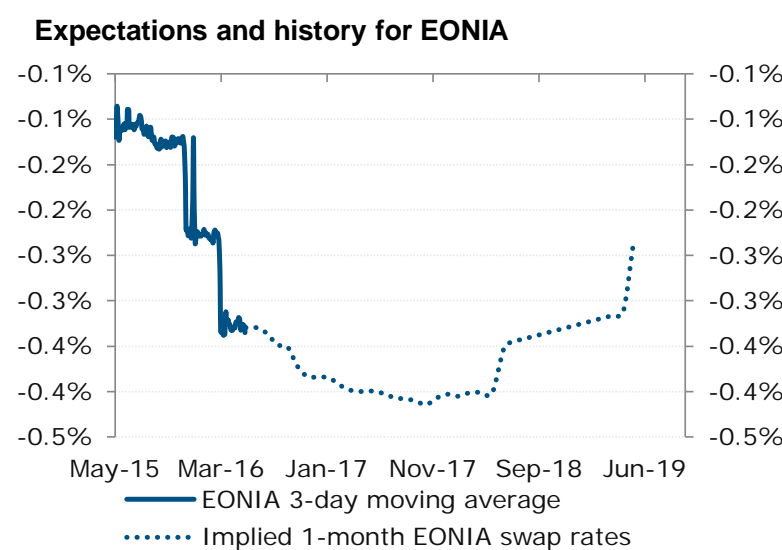
The carry on the given horizon illustrates how much the spot swap rate may rise for a receiver swap position in a forward-starting swap to result in zero profit.

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.



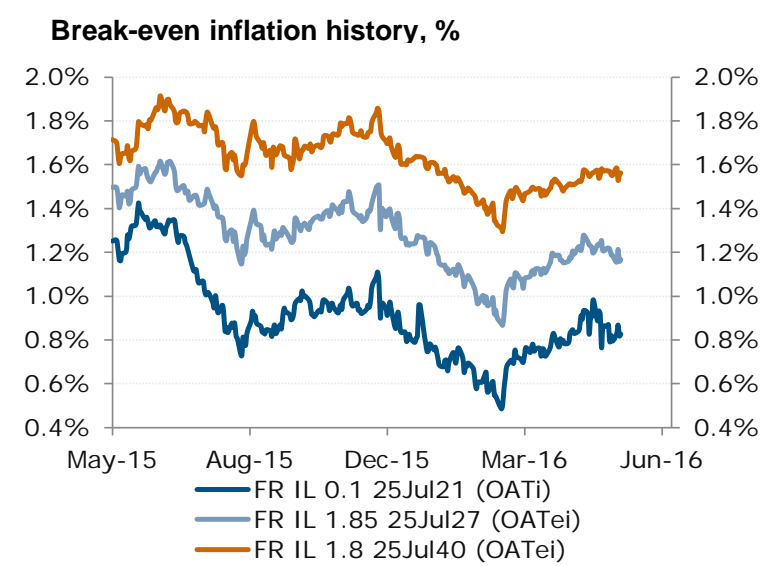
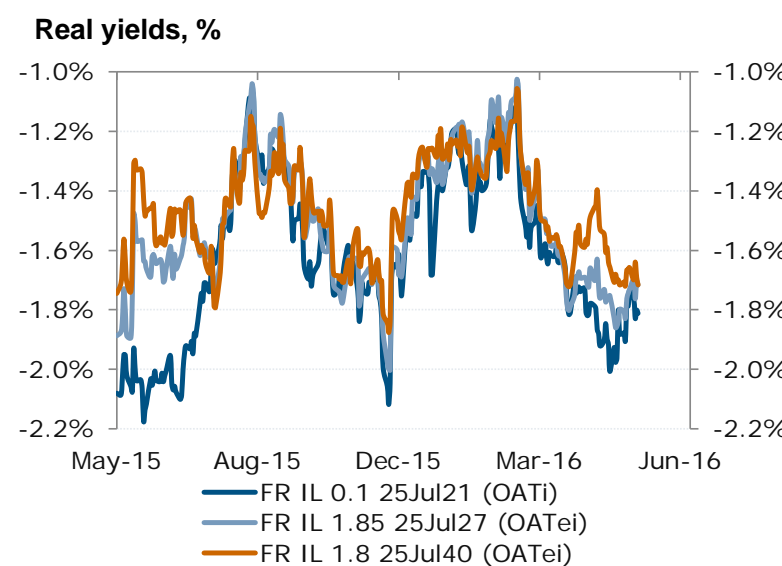
Money Market Rates

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



Inflation-linked Bonds

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



Inflation Swaps

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



Credit & Money Market Spreads

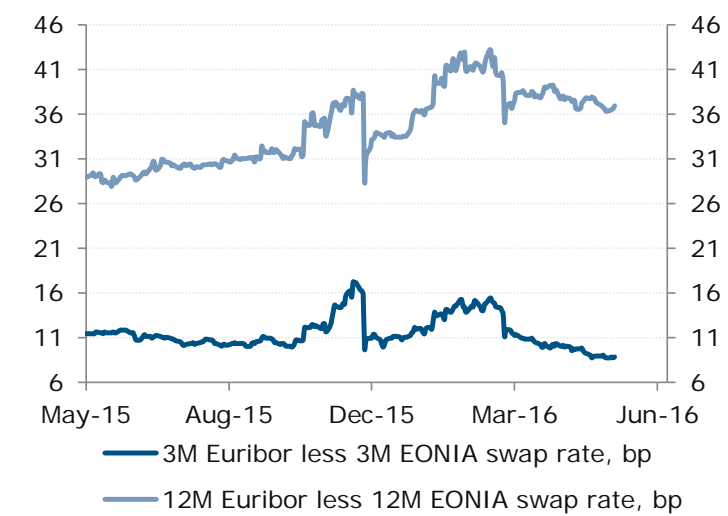
Credit default swap indices illustrate the annual cost of buying protection against a credit event of a company. iTraxx® Europe is comprised of the 125 most liquid CDS contracts referencing European investment grade credits, iTraxx® Crossover of 50 sub-investment grade credits.

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

iTraxx® credit default swap spreads



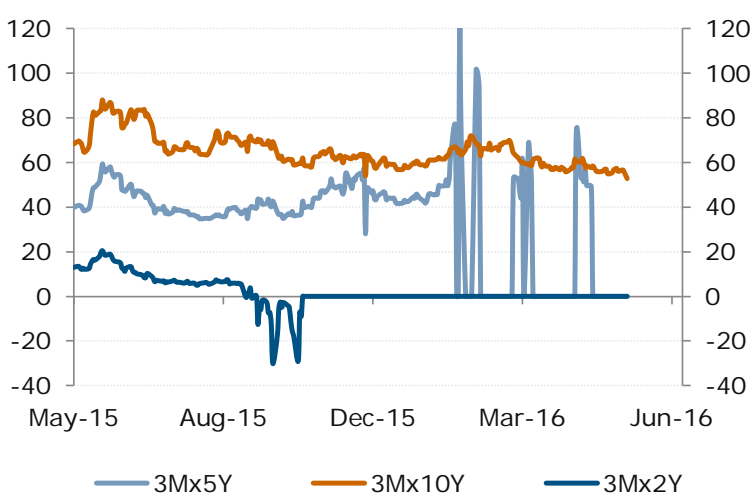
Money market rates vs. EONIA swap rates



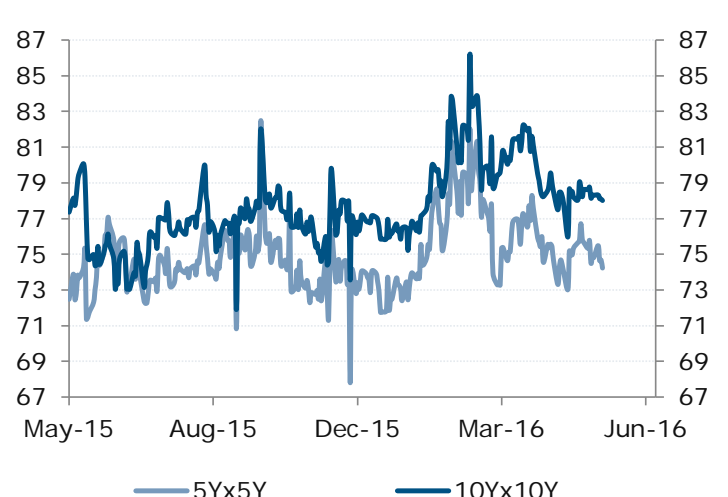
Swaption Volatilities

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

Short-dated ATMF swaption bp vol



Long-dated ATMF swaption bp vol

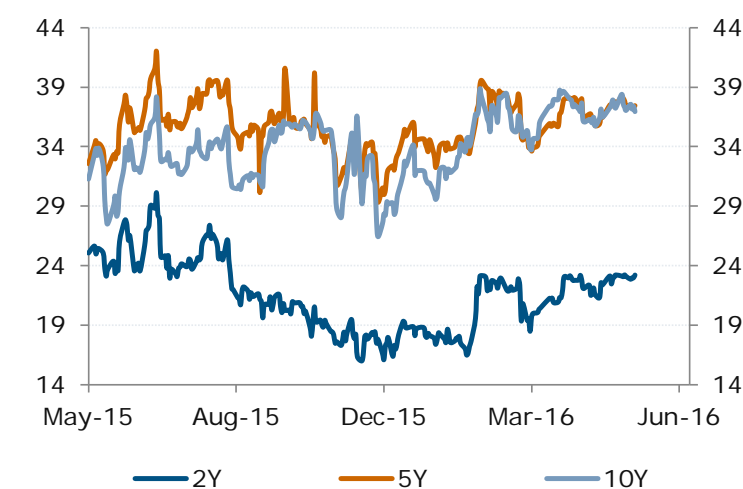


Swap & Cross-country Spreads

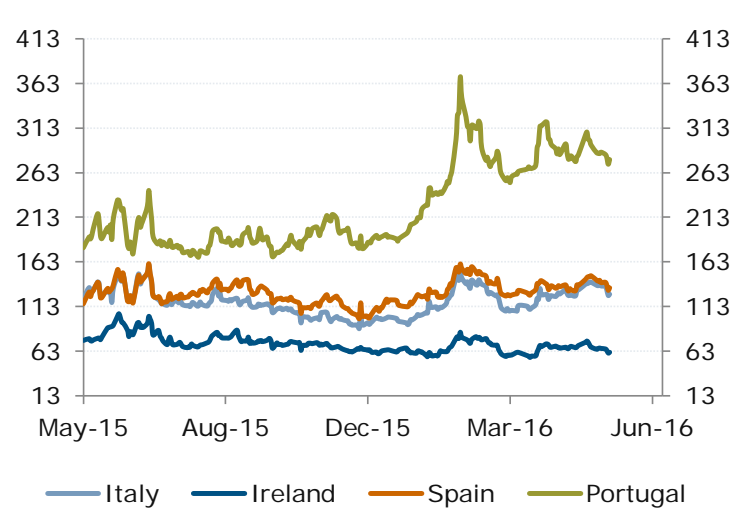
Swap spread:
Benchmark bond's spread to EUR swap curve.

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

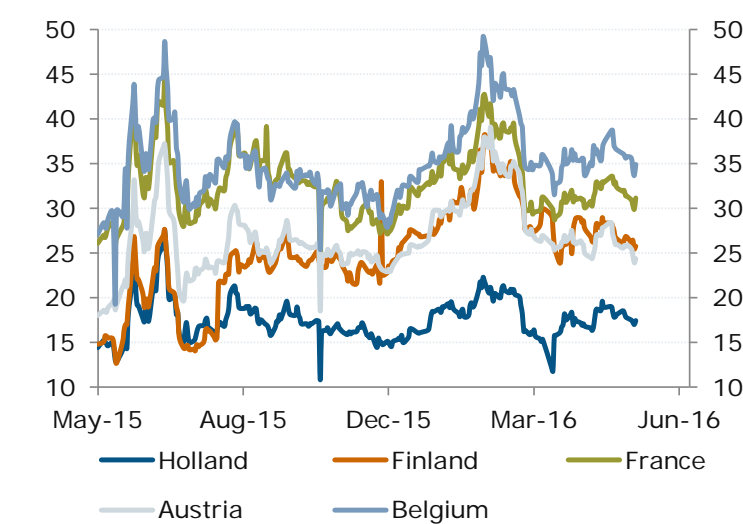
German swap spreads, bp



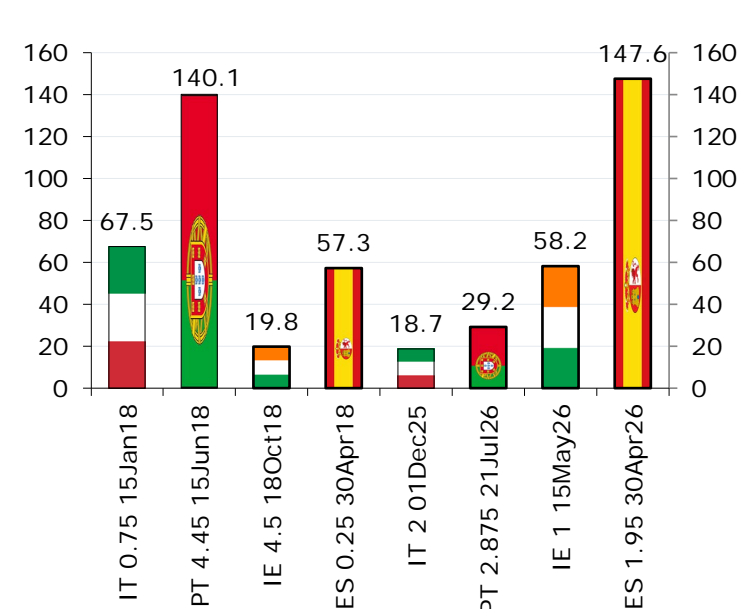
10Y non-AAA spreads against Germany, bp



10Y AAA/AA+ spreads to Germany, bp



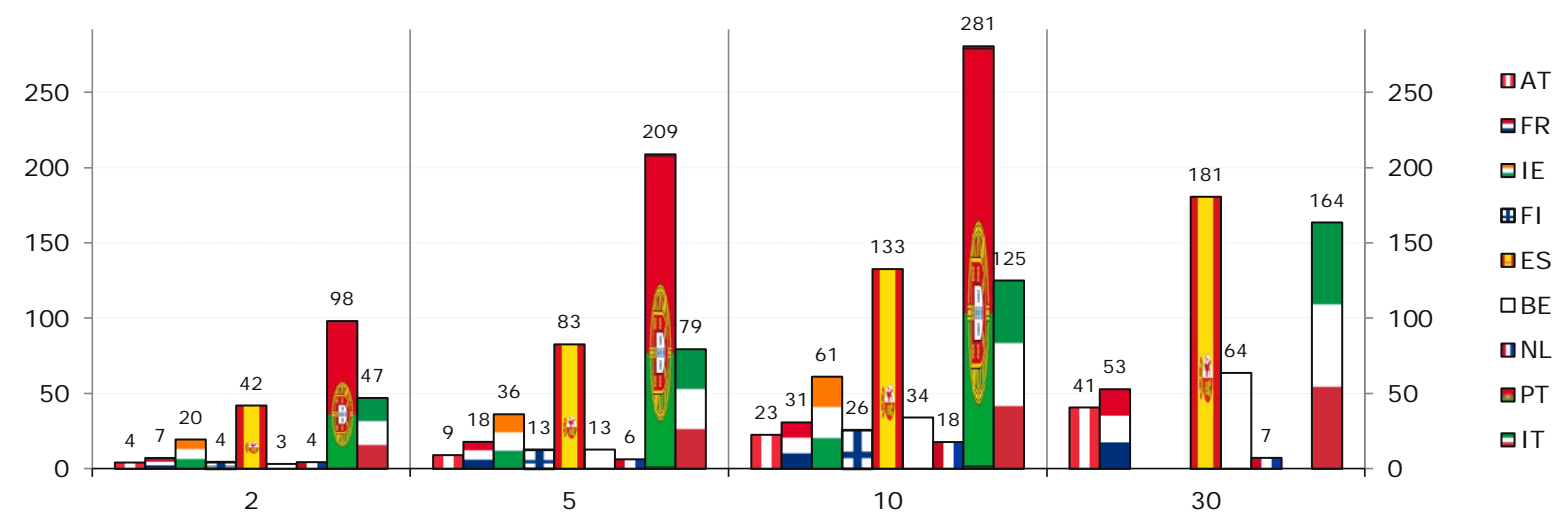
1Y B/E spread changes against Germany, bp



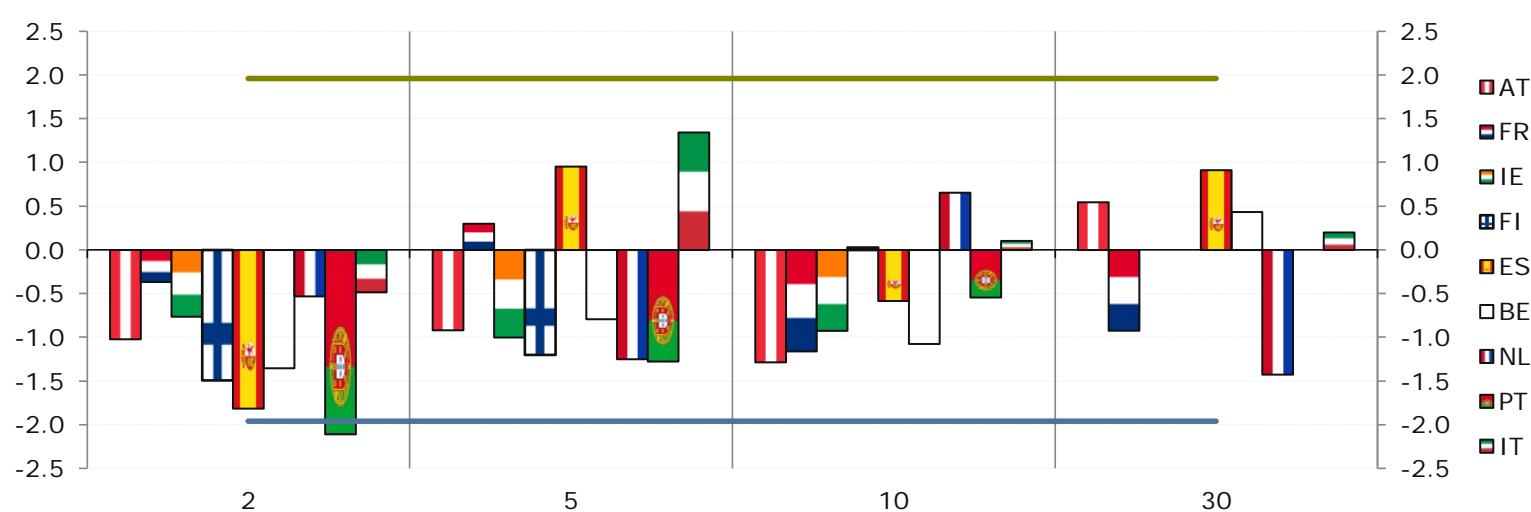


Country Relative Value

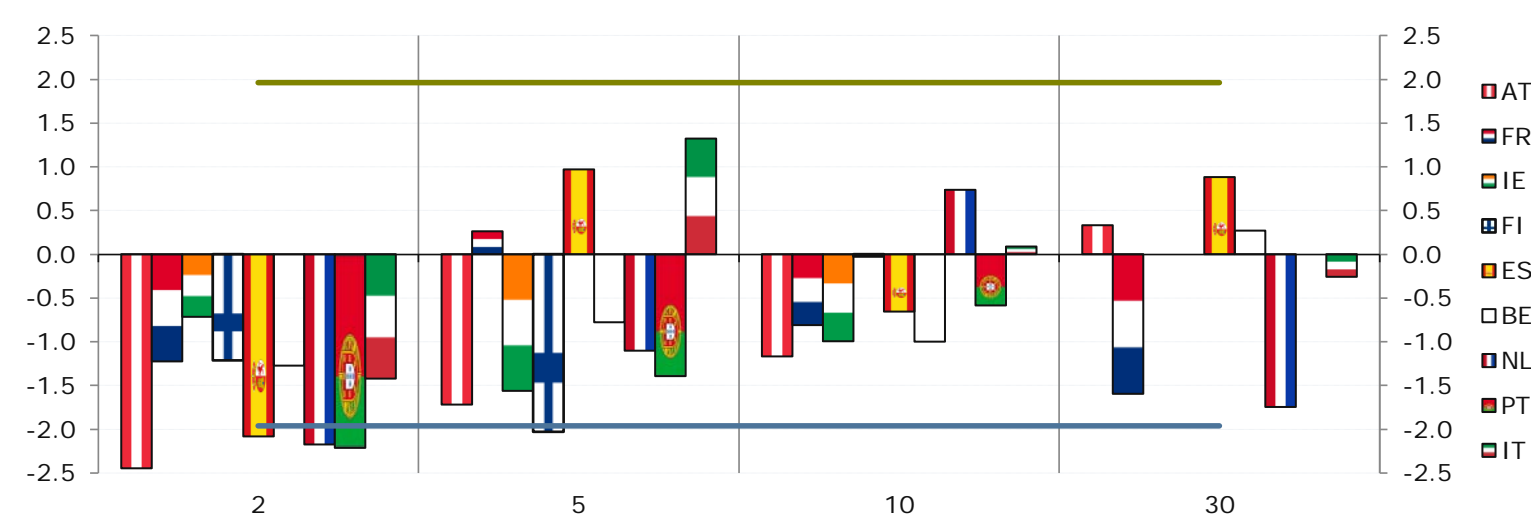
Benchmark spreads over the maturity-interpolated German par curve, bp



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 Jul 17	3.375	812.1	-2.24	PT	15 Jun 18	4.450	66.4	-2.53
	Cheap	DE	15 Jun 18	0.000	-7.7	DE	15 Jun 18	0.000	-35.5	-0.68
5Y: Rich	AT	20 Apr 22	3.650	11.9	-2.21	IE	18 Apr 20	4.500	-4.1	-2.47
	Cheap	DE	17 Apr 20	0.000	-14.5	DE	09 Apr 21	0.000	-36.2	-0.18
7Y: Rich	FI	15 Apr 24	2.000	19.3	-2.97	KfW	11 Jun 24	1.500	-31.2	-2.82
	Cheap	DE	04 Jul 22	1.750	-20.6	DE	04 Jul 22	1.750	-39.3	0.99
10Y: Rich	KfW	15 Jan 25	0.625	15.4	-3.32	EIB	13 Nov 26	1.250	-15.7	-4.07
	Cheap	DE	15 Feb 26	0.500	-29.2	DE	15 Feb 26	0.500	-35.6	0.32
15Y: Rich	NL	15 Jan 37	0.000	10.1	-1.42	KfW	23 Apr 30	0.375	-14.5	-3.64
	Cheap	EIB	15 Mar 35	2.625	32.8	GR	24 Feb 36	3.000	376.6	0.35
20Y: Rich	GR	24 Feb 42	3.000	481.3	-2.21	BE	22 Jun 47	1.600	44.7	-2.40
	Cheap	EIB	15 Sep 45	1.750	31.4	PT	15 Feb 45	4.100	288.6	-0.20

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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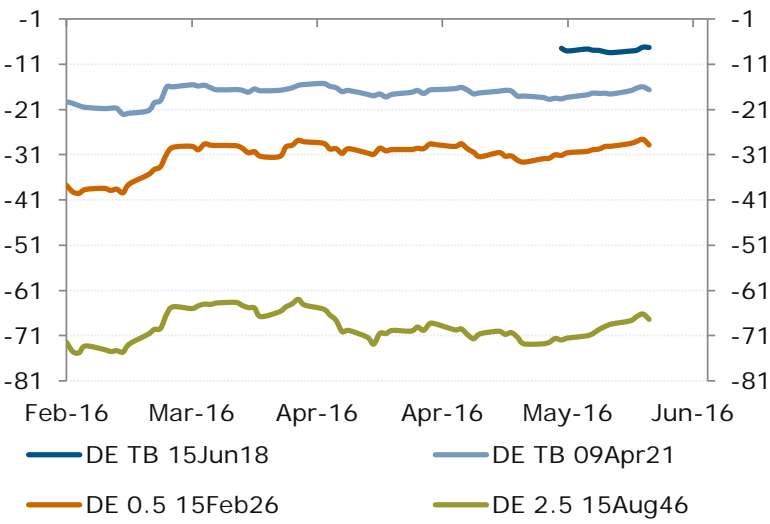
Moody's / S&P / Fitch

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

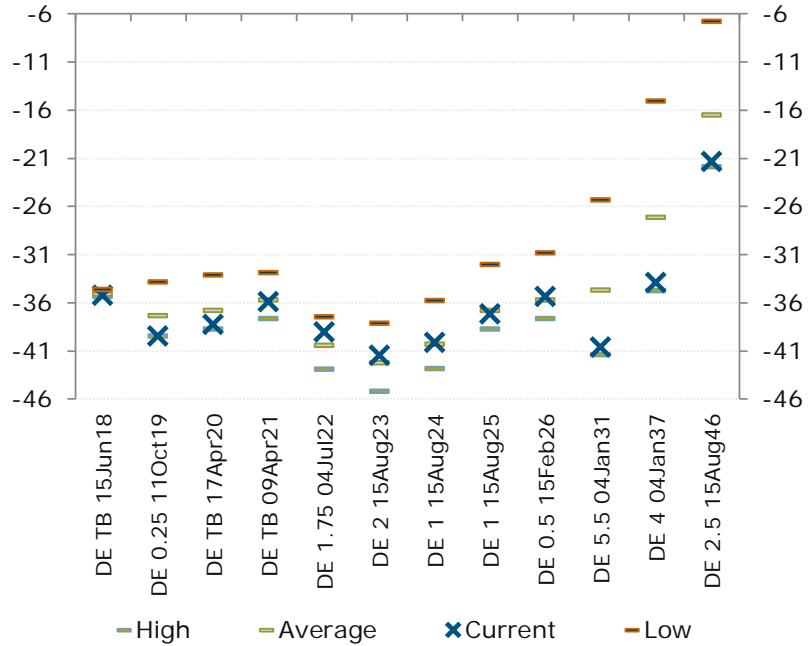
Germany

Benchmark Bonds				Spread vs. France				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	26-May	60D Avg.	Z-score	Δ B/E Spd 1Y	26-May	60D Avg.	Z-score
0.000	15 Jun 18	5.0B	-0.515	-7.7	-8.2	1.61	0.2	-35.5	-35.3	-0.68
0.250	11 Oct 19	16.0B	-0.508	-14.4	-15.7	0.98	0.0	-39.7	-37.6	-1.69
0.000	17 Apr 20	20.0B	-0.468	-14.5	-16.3	1.64	0.5	-38.5	-37.1	-1.23
0.000	09 Apr 21	17.0B	-0.369	-17.0	-17.9	0.70	-3.3	-36.2	-36.0	-0.18
1.750	04 Jul 22	24.0B	-0.282	-20.6	-23.9	1.79	1.3	-39.3	-40.7	0.99
2.000	15 Aug 23	18.0B	-0.184	-24.7	-27.8	1.43	1.0	-41.7	-42.5	0.69
1.000	15 Aug 24	18.0B	-0.058	-26.7	-29.0	0.97	-3.0	-40.4	-40.5	0.14
1.000	15 Aug 25	23.0B	0.079	-29.1	-30.4	0.53	0.4	-37.4	-37.0	-0.35
0.500	15 Feb 26	22.0B	0.154	-29.2	-31.5	0.93	0.7	-35.6	-35.9	0.32
5.500	04 Jan 31	17.0B	0.422	-50.0	-50.4	0.15	0.1	-40.9	-34.9	-1.58
4.000	04 Jan 37	23.0B	0.678	-59.1	-62.1	1.00	-0.1	-34.2	-27.4	-1.25
2.500	15 Aug 46	16.0B	0.863	-67.8	-69.4	0.58	-0.4	-21.6	-16.8	-1.22

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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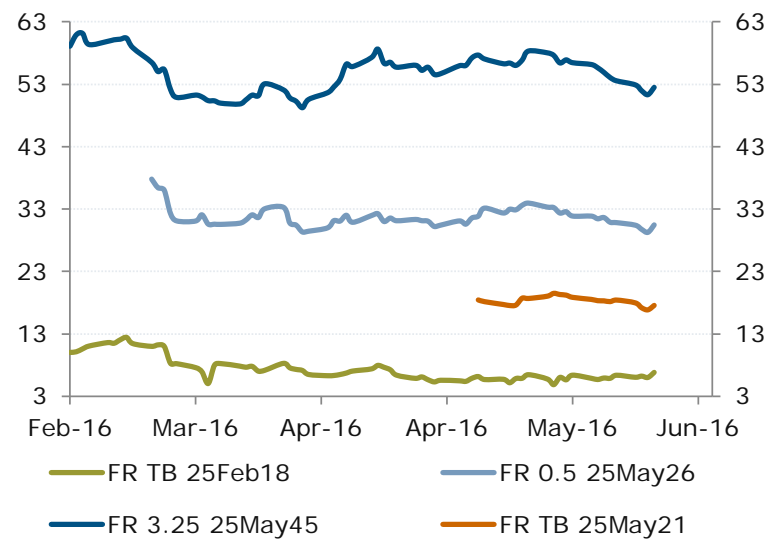
Moody's / S&P / Fitch

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

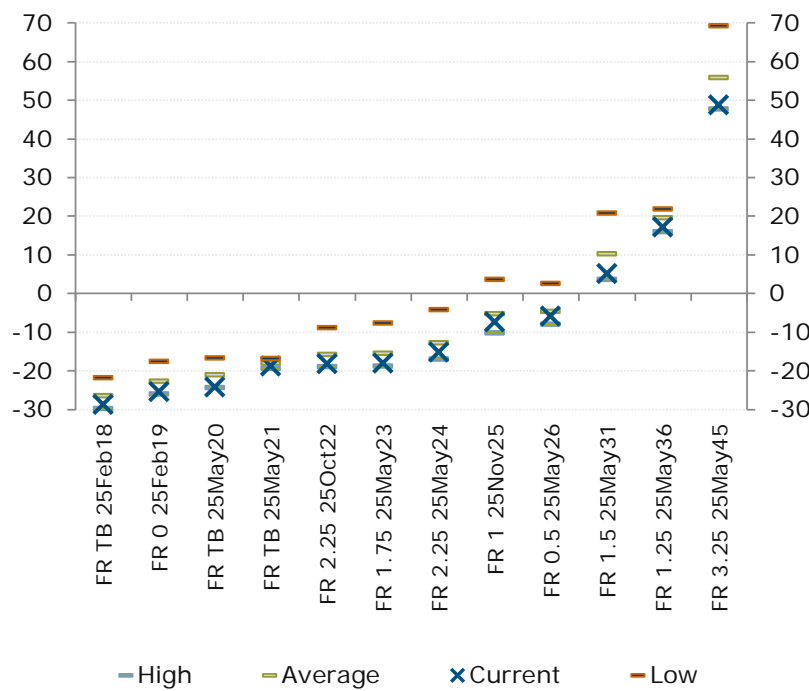
France

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	26-May	60D Avg.	Z-score	Δ B/E Spd 1Y	26-May	60D Avg.	Z-score
0.000	25 Feb 18	19.98B	-0.451	7.2	7.8	-0.34	2.0	-28.8	-26.5	-0.98
0.000	25 Feb 19	12.81B	-0.397	11.7	13.3	-0.92	0.5	-25.5	-22.8	-1.14
0.000	25 May 20	22.01B	-0.311	14.8	16.3	-1.42	-2.3	-24.2	-21.1	-1.97
0.000	25 May 21	8.99B	-0.184	18.0	18.6	-1.07	-0.4	-18.9	-18.1	-1.24
2.250	25 Oct 22	30.02B	-0.052	19.2	22.3	-1.83	-0.7	-18.2	-15.8	-1.36
1.750	25 May 23	33.97B	0.015	20.9	23.7	-1.49	-0.9	-18.1	-15.6	-1.21
2.250	25 May 24	30.55B	0.149	22.7	24.8	-0.94	-0.7	-15.2	-12.8	-0.94
1.000	25 Nov 25	25.99B	0.406	28.8	30.7	-0.75	-0.2	-7.5	-5.3	-0.81
0.500	25 May 26	14.13B	0.486	30.9	32.0	-1.01	-0.4	-5.9	-4.8	-0.70
1.500	25 May 31	16.99B	0.937	44.3	44.6	-0.13	0.0	5.1	10.1	-1.46
1.250	25 May 36	6.0B	1.235	48.9	50.8	-1.36	0.0	17.1	19.6	-1.62
3.250	25 May 45	17.01B	1.435	52.9	55.4	-0.89	-0.1	48.8	55.8	-1.59

Spreads against the German curve, bp



Asset swap term structure, bp





	15	16	17
GDP, %, y/y	-0.5	0.6	1.3
Public balance	-3.0	-2.6	-2.0
Debt/GDP	131.9	133.0	131.9

Source: European Commission, Winter 2015 forecast

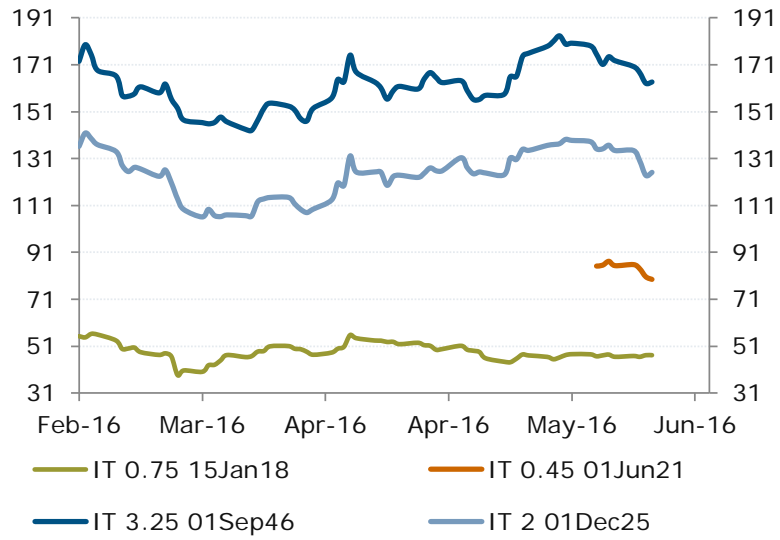
Rating	Baa2/BBB-/BBB+
Moody's / S&P / Fitch	

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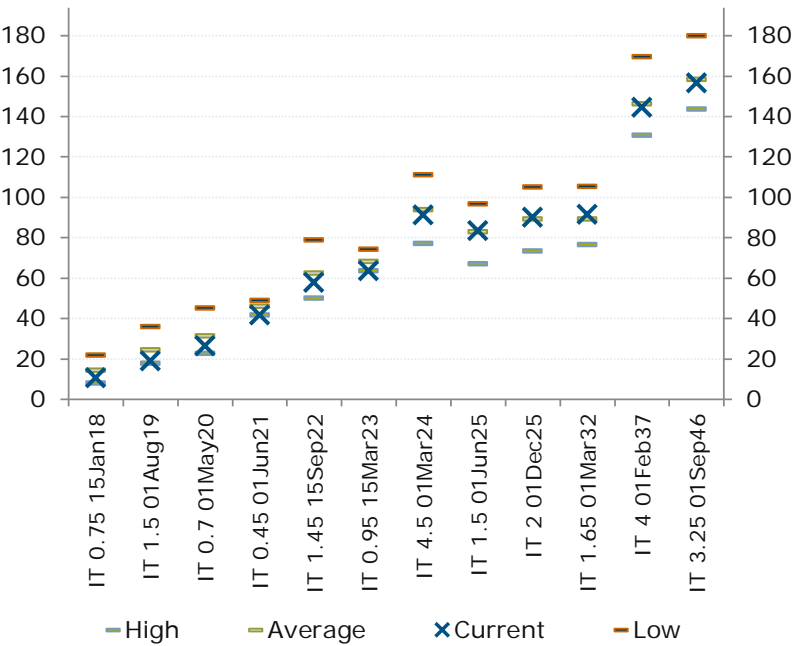
Italy

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	26-May	60D Avg.	Z-score	Δ B/E Spd 1Y	26-May	60D Avg.	Z-score
0.750	15 Jan 18	15.46B	-0.054	47.1	48.5	-0.45	-0.5	10.6	14.1	-1.30
1.500	01 Aug 19	16.01B	0.063	56.6	60.2	-1.06	-1.5	19.0	24.2	-1.66
0.700	01 May 20	15.99B	0.186	64.8	68.5	-0.70	-0.4	26.3	31.3	-1.18
0.450	01 Jun 21	6.96B	0.432	79.5	84.1	-1.97	-0.8	41.6	45.9	-2.03
1.450	15 Sep 22	17.03B	0.700	95.4	101.3	-0.91	0.1	57.6	62.3	-0.82
0.950	15 Mar 23	10.44B	0.834	104.5	110.3	-1.93	-0.5	63.4	68.2	-1.64
4.500	01 Mar 24	23.71B	1.060	116.5	119.0	-0.36	0.1	91.2	93.8	-0.36
1.500	01 Jun 25	19.99B	1.282	122.3	121.6	0.09	1.1	83.5	82.6	0.12
2.000	01 Dec 25	17.01B	1.371	125.1	124.0	0.13	0.3	89.9	89.1	0.12
1.650	01 Mar 32	17.01B	1.909	136.7	129.6	0.78	0.7	91.3	89.2	0.32
4.000	01 Feb 37	26.01B	2.273	150.5	147.2	0.37	0.0	144.4	146.2	-0.23
3.250	01 Sep 46	13.24B	2.550	163.7	161.8	0.22	0.0	156.5	158.3	-0.27

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

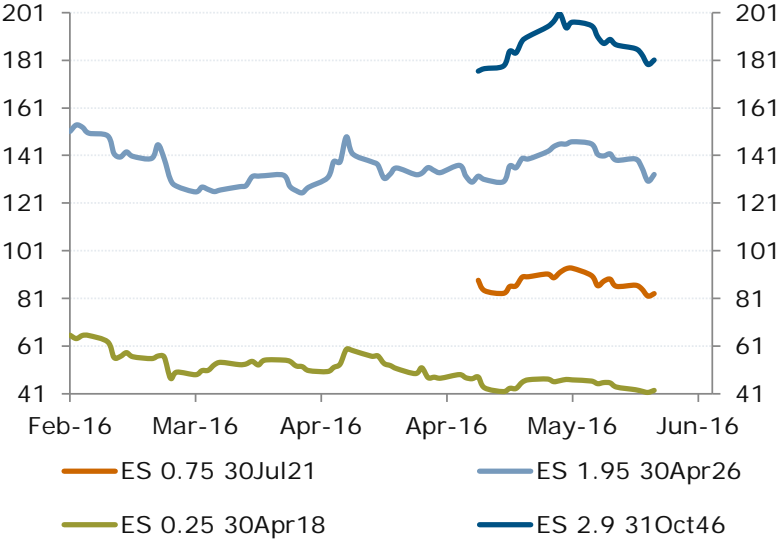
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Moody's / S&P / Fitch	

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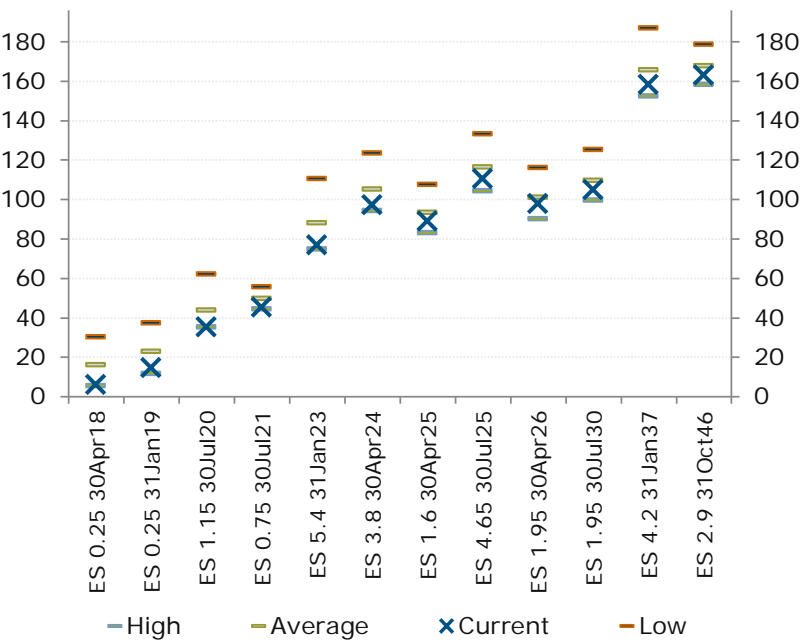
Spain

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	26-May	60D Avg.	Z-score	Δ B/E Spd 1Y	26-May	60D Avg.	Z-score
0.250	30 Apr 18	16.99B	-0.098	42.1	50.9	-1.77	0.5	6.0	15.9	-1.86
0.250	31 Jan 19	6.93B	0.005	51.9	59.1	-1.41	-1.2	14.4	22.8	-1.58
1.150	30 Jul 20	17.02B	0.284	72.5	79.7	-1.25	-2.7	35.1	43.6	-1.65
0.750	30 Jul 21	3.02B	0.478	82.7	87.1	-1.45	-1.7	45.4	49.7	-1.61
5.400	31 Jan 23	21.99B	0.781	100.2	110.8	-1.60	0.9	76.8	87.9	-1.63
3.800	30 Apr 24	21.99B	1.158	124.5	132.2	-1.32	1.3	97.1	105.1	-1.43
1.600	30 Apr 25	19.09B	1.317	126.9	132.0	-0.85	1.0	88.7	93.4	-0.90
4.650	30 Jul 25	20.02B	1.354	127.5	132.6	-0.85	0.8	110.5	116.3	-0.98
1.950	30 Apr 26	15.01B	1.496	132.7	136.1	-0.55	1.0	97.8	101.0	-0.60
1.950	30 Jul 30	13.21B	1.934	149.1	149.7	-0.09	1.1	104.8	109.5	-0.90
4.200	31 Jan 37	17.02B	2.370	160.2	163.0	-0.44	-0.3	158.1	165.6	-1.27
2.900	31 Oct 46	5.43B	2.721	180.7	186.9	-0.97	2.9	163.1	167.8	-0.86

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

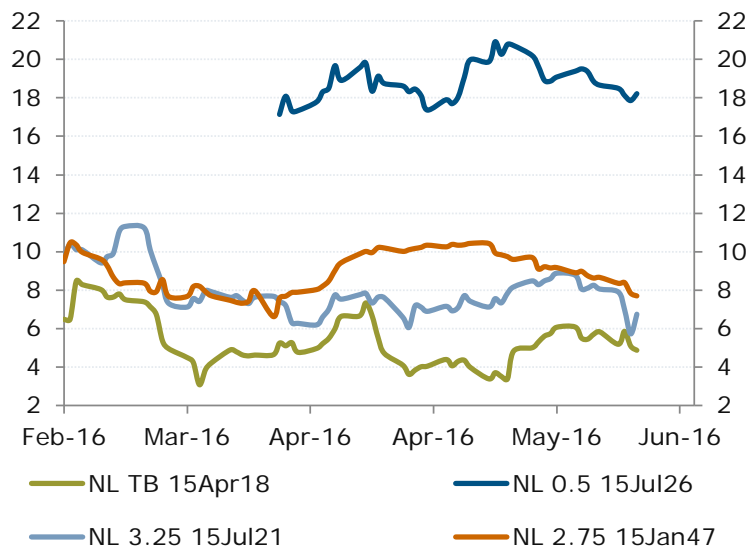
Rating	Aaa/AA+/AAA
Moody's / S&P / Fitch	

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

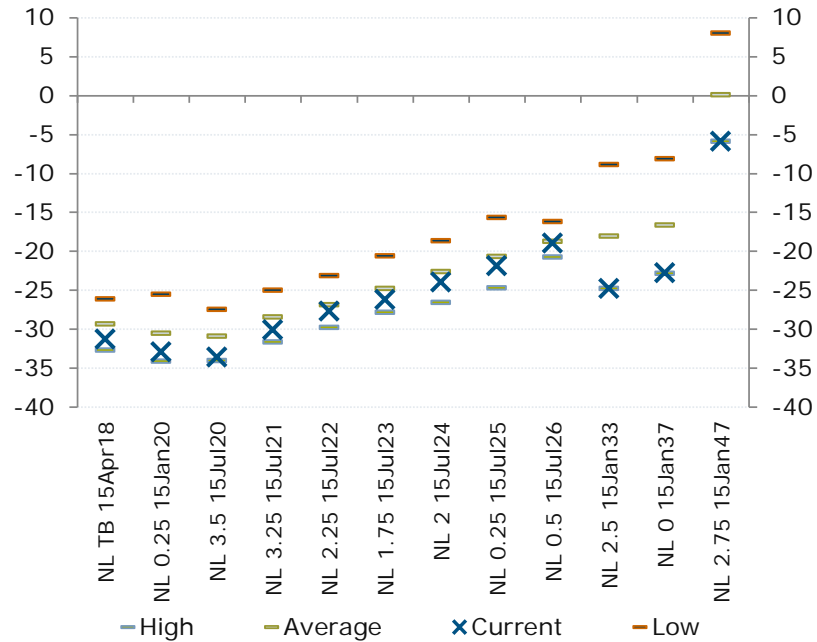
Netherlands

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	26-May	60D Avg.	Z-score	Δ B/E Spd 1Y	26-May	60D Avg.	Z-score
0.000	15 Apr 18	15.99B	-0.475	4.5	5.1	-0.51	-0.7	-31.3	-29.4	-1.36
0.250	15 Jan 20	15.84B	-0.426	5.2	6.2	-0.80	-2.5	-33.0	-30.6	-1.20
3.500	15 Jul 20	15.02B	-0.399	4.7	5.5	-1.27	-0.9	-33.6	-31.0	-1.78
3.250	15 Jul 21	16.99B	-0.289	6.4	7.6	-1.23	0.6	-30.1	-28.5	-1.25
2.250	15 Jul 22	15.01B	-0.171	9.8	11.6	-1.69	0.2	-27.8	-26.9	-0.64
1.750	15 Jul 23	15.63B	-0.046	13.1	14.8	-1.73	-0.3	-26.3	-24.8	-0.98
2.000	15 Jul 24	15.32B	0.083	14.2	15.3	-1.01	-0.1	-24.0	-22.7	-0.89
0.250	15 Jul 25	15.01B	0.235	16.1	17.2	-0.78	0.2	-21.9	-20.7	-0.60
0.500	15 Jul 26	8.51B	0.365	17.8	18.4	-0.74	-1.7	-19.0	-18.8	-0.21
2.500	15 Jan 33	12.01B	0.683	8.6	10.0	-0.98	0.0	-24.8	-18.1	-1.94
0.000	15 Jan 37	0.0B	0.868	10.1	12.2	-1.42	0.5	-22.8	-16.7	-1.61
2.750	15 Jan 47	11.01B	0.989	7.3	8.6	-1.37	-0.1	-6.0	0.0	-1.73

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

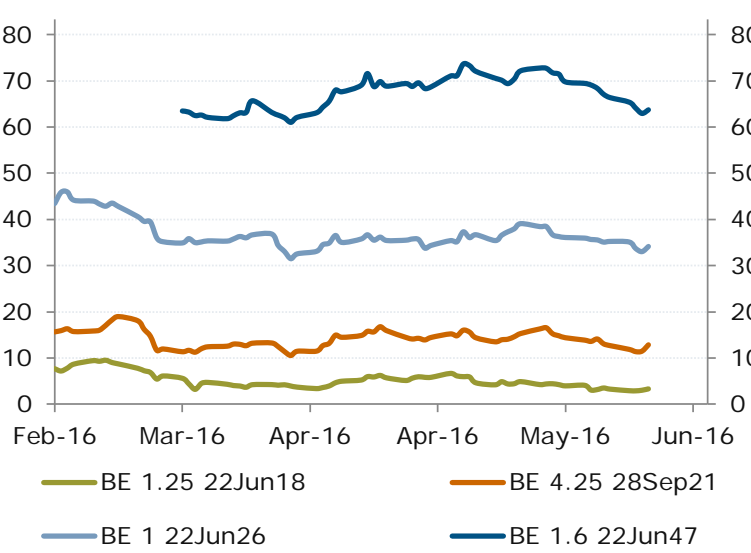
Rating	Aa3/AA/AA
Moody's / S&P / Fitch	

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

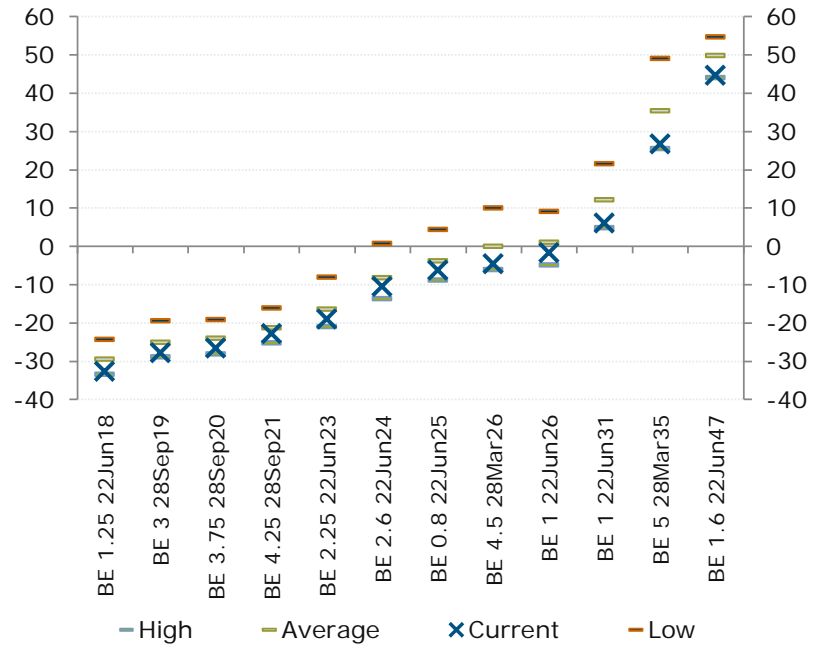
Belgium

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	26-May	60D Avg.	Z-score	Δ B/E Spd 1Y	26-May	60D Avg.	Z-score
1.250	22 Jun 18	11.01B	-0.484	3.3	5.2	-1.32	0.2	-32.7	-29.5	-1.63
3.000	28 Sep 19	12.01B	-0.391	10.4	11.3	-0.66	-1.2	-27.7	-25.0	-1.34
3.750	28 Sep 20	19.01B	-0.320	10.6	11.5	-0.67	-3.3	-26.6	-24.0	-1.64
4.250	28 Sep 21	16.45B	-0.207	12.8	14.1	-0.76	-3.3	-22.7	-21.3	-0.96
2.250	22 Jun 23	13.99B	0.011	19.6	22.4	-1.27	-1.7	-19.0	-16.4	-1.21
2.600	22 Jun 24	15.85B	0.196	26.4	28.4	-0.82	-1.0	-10.4	-8.1	-0.85
0.800	22 Jun 25	16.02B	0.378	31.2	33.7	-0.99	-0.2	-6.2	-3.7	-0.92
4.500	28 Mar 26	9.02B	0.391	23.3	26.5	-1.26	-0.7	-4.6	0.0	-1.38
1.000	22 Jun 26	7.79B	0.524	34.1	36.8	-1.07	-0.4	-1.6	1.1	-0.98
1.000	22 Jun 31	5.59B	0.977	47.8	49.5	-0.59	-0.2	6.0	12.1	-1.82
5.000	28 Mar 35	19.28B	1.091	38.2	40.3	-0.60	-0.4	26.8	35.4	-1.71
1.600	22 Jun 47	3.5B	1.556	63.7	67.2	-1.00	-0.2	44.7	49.8	-2.40

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

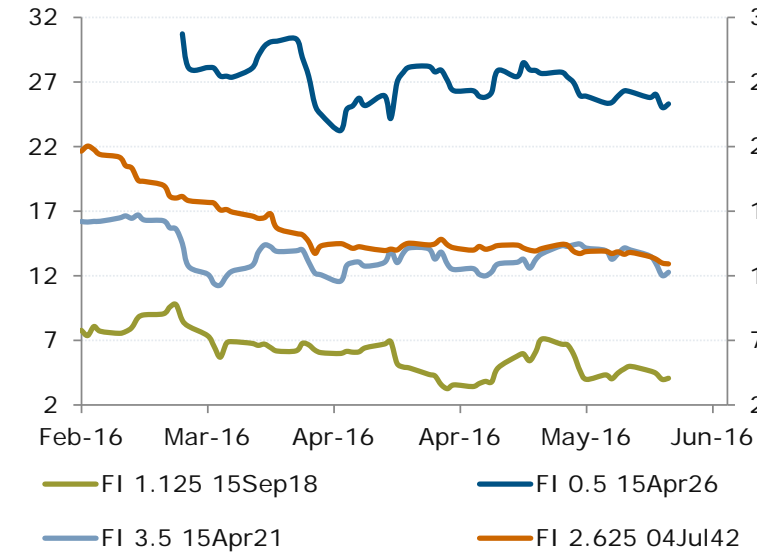
Rating	Aaa/AA+/AAA
Moody's / S&P / Fitch	

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

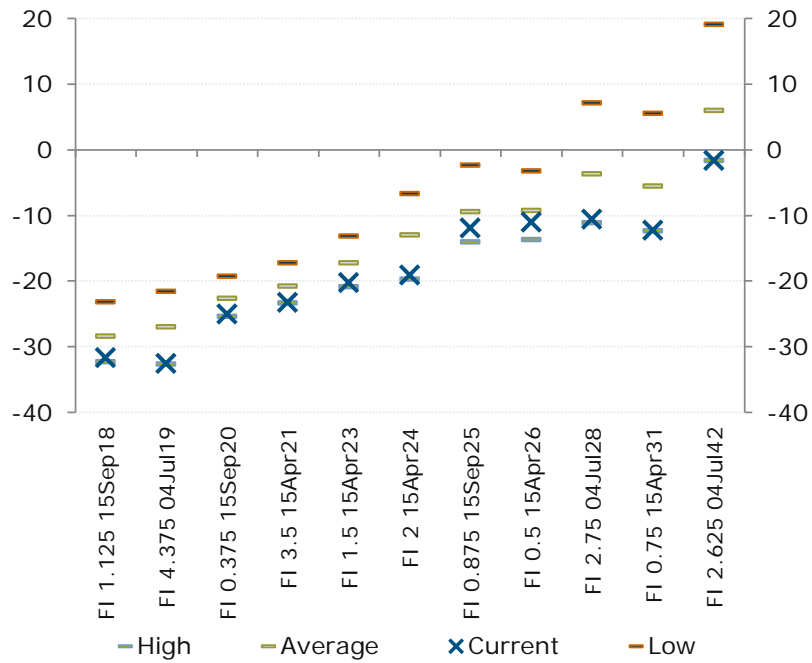
Finland

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	26-May	60D Avg.	Z-score	Δ B/E Spd 1Y	26-May	60D Avg.	Z-score
1.125	15 Sep 18	5.03B	-0.471	4.5	6.5	-1.44	0.6	-31.7	-28.4	-1.47
4.375	04 Jul 19	5.0B	-0.445	6.2	9.5	-2.03	0.2	-32.5	-27.0	-1.91
0.375	15 Sep 20	6.03B	-0.304	12.5	13.7	-1.06	0.2	-25.0	-22.6	-1.84
3.500	15 Apr 21	6.0B	-0.248	12.7	14.1	-1.17	-0.1	-23.3	-20.8	-1.96
1.500	15 Apr 23	5.0B	-0.015	18.9	22.5	-2.14	0.0	-20.3	-17.2	-1.79
2.000	15 Apr 24	5.0B	0.102	19.3	25.2	-2.97	0.0	-19.1	-12.9	-2.27
0.875	15 Sep 25	4.03B	0.343	24.9	27.2	-1.13	0.2	-11.9	-9.4	-1.00
0.500	15 Apr 26	4.0B	0.421	25.7	27.2	-1.18	-0.1	-11.0	-9.2	-0.90
2.750	04 Jul 28	5.0B	0.564	25.3	28.2	-1.33	-0.4	-10.6	-3.7	-1.41
0.750	15 Apr 31	3.5B	0.784	29.7	32.0	-0.92	-0.1	-12.3	-5.5	-1.35
2.625	04 Jul 42	4.03B	1.021	13.3	16.1	-1.30	-0.1	-1.6	6.0	-1.21

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

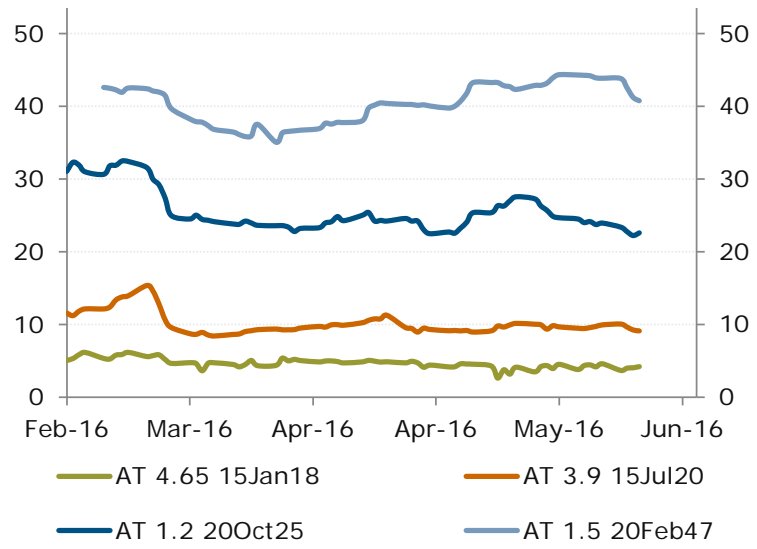
Rating	Aaa/AA+/AA+
Moody's / S&P / Fitch	

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

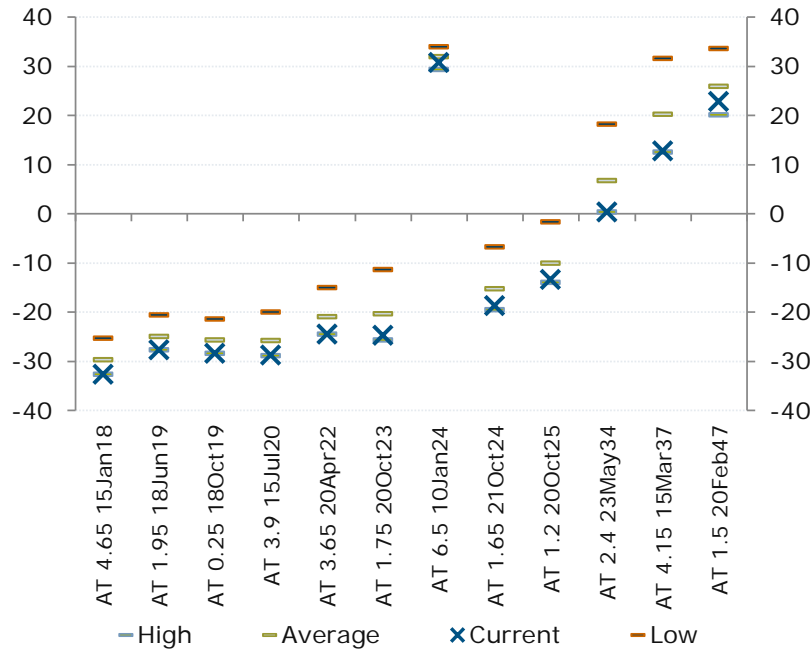
Austria

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	26-May	60D Avg.	Z-score	Δ B/E Spd 1Y	26-May	60D Avg.	Z-score
4.650	15 Jan 18	12.06B	-0.483	4.2	4.7	-0.99	-1.8	-32.6	-29.7	-1.84
1.950	18 Jun 19	7.21B	-0.403	10.6	11.5	-1.11	-9.2	-27.7	-25.0	-1.71
0.250	18 Oct 19	7.97B	-0.394	9.7	10.9	-1.07	-5.9	-28.4	-25.7	-1.64
3.900	15 Jul 20	13.01B	-0.354	9.1	10.2	-0.90	6.7	-28.8	-25.8	-1.71
3.650	20 Apr 22	8.71B	-0.170	11.9	16.0	-2.21	8.3	-24.5	-21.0	-2.21
1.750	20 Oct 23	9.99B	-0.003	14.4	18.9	-1.52	-2.2	-24.7	-20.3	-1.32
6.500	10 Jan 24	1.02B	0.439	56.0	56.9	-0.66	0.7	30.7	32.0	-1.37
1.650	21 Oct 24	10.35B	0.167	19.0	22.1	-1.32	-5.5	-18.6	-15.3	-1.07
1.200	20 Oct 25	9.28B	0.332	22.6	25.6	-1.28	-6.8	-13.3	-10.0	-1.18
2.400	23 May 34	6.16B	0.958	27.8	29.5	-0.79	-2.6	0.3	6.7	-1.35
4.150	15 Mar 37	12.22B	1.047	27.5	28.7	-0.67	-1.6	12.8	20.2	-1.55
1.500	20 Feb 47	1.95B	1.324	40.8	40.5	0.14	1.9	22.8	25.9	-1.12

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

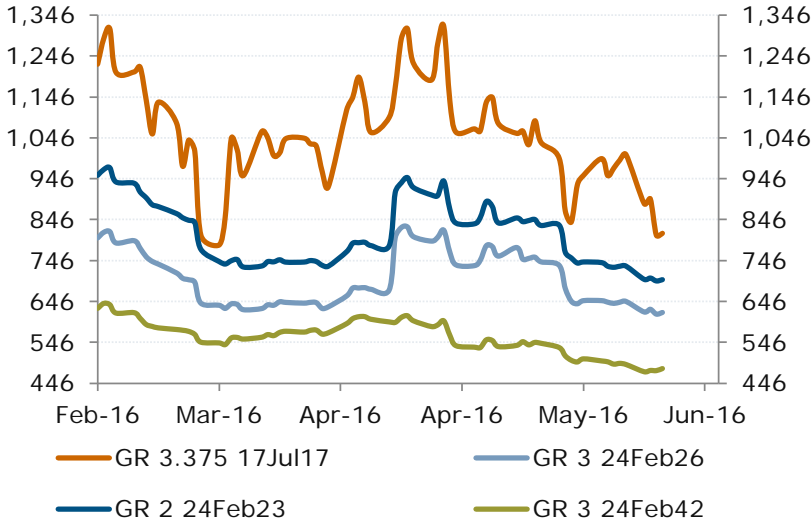
Rating	Caa1/B-/CCC
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Moody's / S&P / Fitch

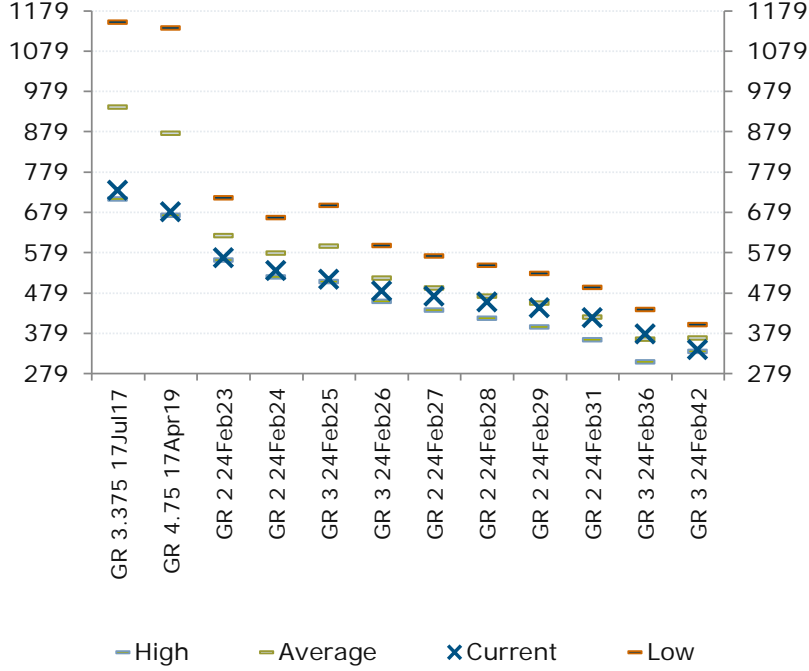
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	26-May	60D Avg.	Z-score	Δ B/E Spd 1Y	26-May	60D Avg.	Z-score
3.375	17 Jul 17	2.02B	7.584	812.1	1,056.1	-2.24	173.6	732.7	939.2	-2.31
4.750	17 Apr 19	4.02B	7.045	755.8	1,009.7	-2.05	23.3	680.0	874.4	-2.13
3.000	24 Feb 23	1.04B	6.772	698.7	813.9	-1.57	1.5	565.5	621.0	-1.22
3.000	24 Feb 24	1.25B	6.593	670.0	769.0	-1.45	4.5	534.1	577.1	-1.03
3.000	24 Feb 25	1.84B	6.523	650.0	799.4	-2.24	11.5	511.7	593.9	-2.32
3.000	24 Feb 26	1.37B	6.333	618.5	704.0	-1.34	4.3	483.3	514.5	-0.81
3.000	24 Feb 27	1.21B	6.380	615.6	684.8	-1.18	9.9	470.9	491.3	-0.57
3.000	24 Feb 28	1.84B	6.357	606.9	667.1	-1.11	17.9	455.7	470.4	-0.43
3.000	24 Feb 29	1.48B	6.336	598.4	651.7	-0.99	5.4	441.5	452.5	-0.32
3.000	24 Feb 31	1.29B	6.275	579.6	616.2	-0.72	7.0	417.6	418.0	-0.01
3.000	24 Feb 36	1.33B	6.135	539.6	553.4	-0.27	11.4	376.6	363.6	0.35
3.000	24 Feb 42	1.05B	5.699	481.3	558.9	-2.21	14.1	337.1	367.1	-2.10

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

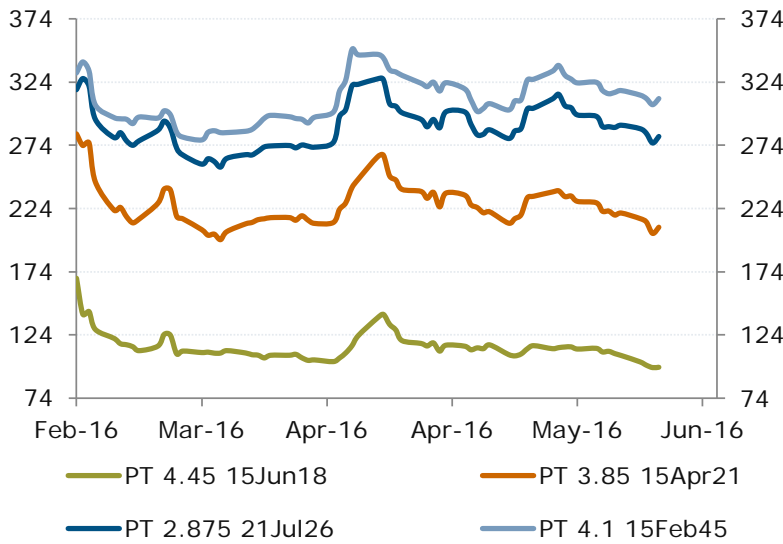
Rating	Ba1/BB/BB+
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Moody's / S&P / Fitch

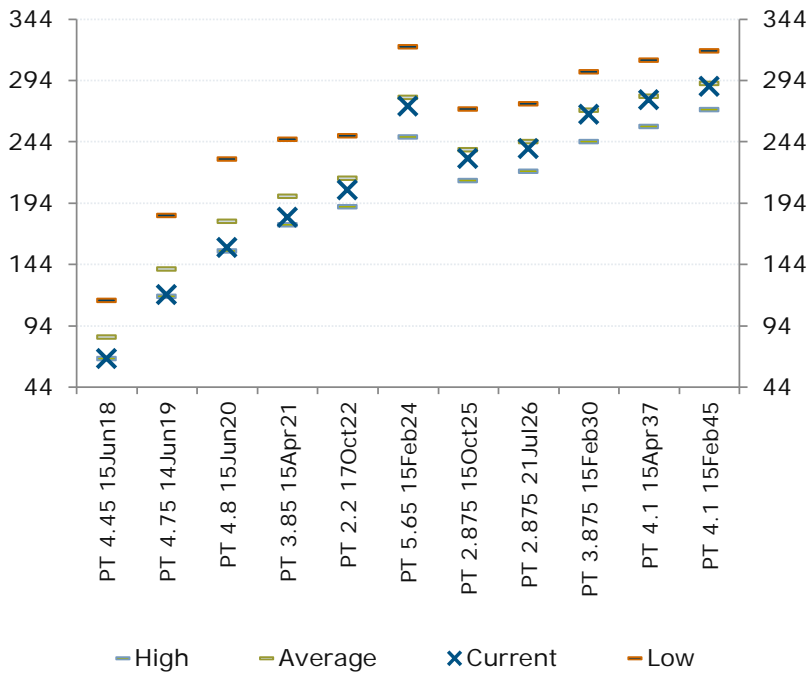
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	26-May	60D Avg.	Z-score	Δ B/E Spd 1Y	26-May	60D Avg.	Z-score
4.450	15 Jun 18	8.99B	0.464	98.2	114.0	-2.23	5.0	66.4	84.3	-2.53
4.750	14 Jun 19	10.99B	0.975	148.5	166.9	-1.80	4.1	118.6	139.7	-2.02
4.800	15 Jun 20	10.99B	1.381	183.4	202.3	-1.49	3.3	157.3	178.6	-1.74
3.850	15 Apr 21	10.01B	1.714	208.9	225.9	-1.27	2.9	181.6	198.9	-1.40
2.200	17 Oct 22	4.0B	2.221	246.7	258.5	-0.85	0.5	204.3	213.5	-0.79
5.650	15 Feb 24	12.02B	2.721	283.1	290.9	-0.52	0.1	272.2	279.5	-0.52
2.875	15 Oct 25	10.52B	2.804	270.0	278.7	-0.64	0.1	229.6	236.6	-0.63
2.875	21 Jul 26	6.02B	2.994	280.6	287.9	-0.52	-0.2	237.8	243.4	-0.50
3.875	15 Feb 30	4.05B	3.459	304.5	304.6	0.00	0.7	265.6	269.2	-0.32
4.100	15 Apr 37	8.02B	3.815	304.1	303.4	0.04	0.3	277.3	280.5	-0.30
4.100	15 Feb 45	3.0B	4.010	310.6	309.5	0.07	-0.1	288.6	290.6	-0.20

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

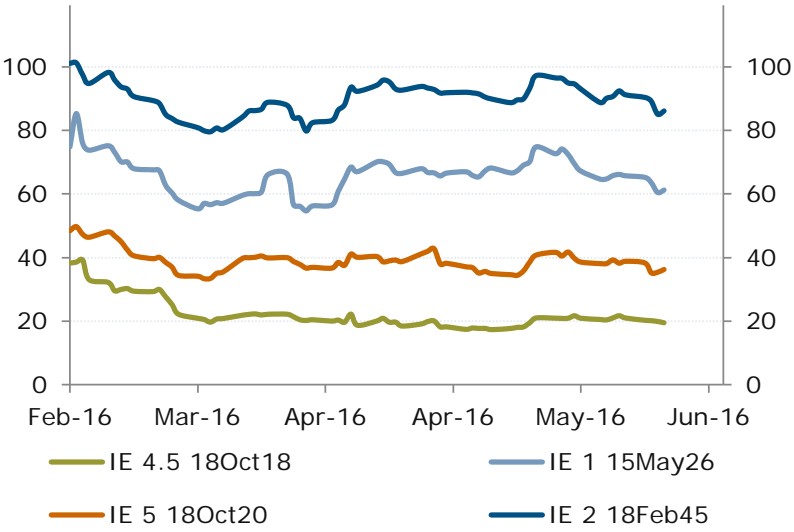
Rating	Baa1/A/A-
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Moody's / S&P / Fitch

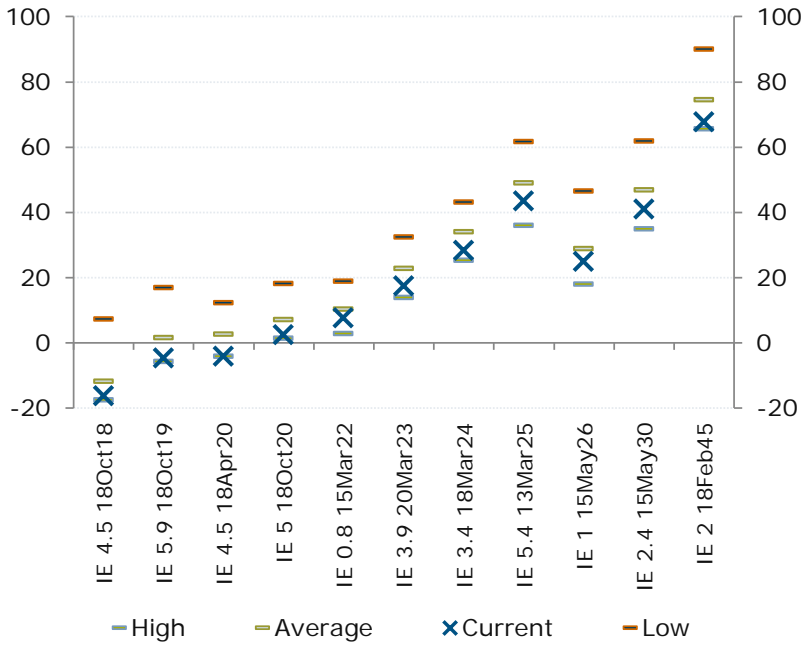
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	26-May	60D Avg.	Z-score	Δ B/E Spd 1Y	26-May	60D Avg.	Z-score
4.500	18 Oct 18	9.58B	-0.320	19.5	22.3	-0.76	2.3	-16.3	-11.8	-0.99
5.900	18 Oct 19	6.58B	-0.181	31.1	34.8	-1.19	-2.2	-4.6	1.6	-1.60
4.500	18 Apr 20	11.77B	-0.145	32.0	36.4	-1.80	-0.5	-4.1	2.6	-2.47
5.000	18 Oct 20	8.99B	-0.058	36.3	39.0	-0.98	1.7	2.4	7.1	-1.63
0.800	15 Mar 22	5.25B	0.153	45.0	48.7	-1.00	0.9	7.7	10.2	-0.95
3.900	20 Mar 23	5.95B	0.296	50.6	56.0	-1.41	-0.4	17.3	22.7	-1.47
3.400	18 Mar 24	8.01B	0.511	61.1	66.5	-1.30	-0.2	28.3	34.1	-1.37
5.400	13 Mar 25	11.01B	0.683	65.3	69.5	-0.97	0.2	43.4	49.0	-1.14
1.000	15 May 26	4.75B	0.787	61.2	65.4	-0.88	-1.4	24.9	28.9	-0.95
2.400	15 May 30	7.78B	1.194	76.5	77.4	-0.19	0.0	41.0	46.9	-1.30
2.000	18 Feb 45	5.95B	1.765	86.1	89.7	-0.82	1.2	67.8	74.4	-1.60

Spreads against the German curve, bp



Asset swap term structure, bp



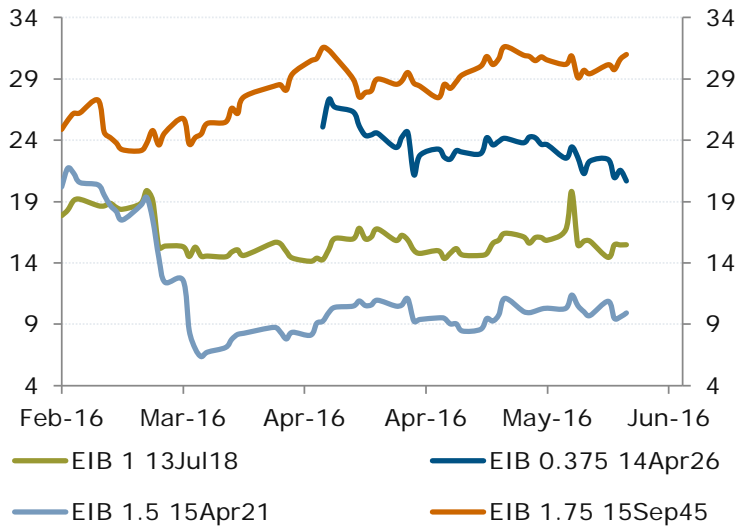


Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

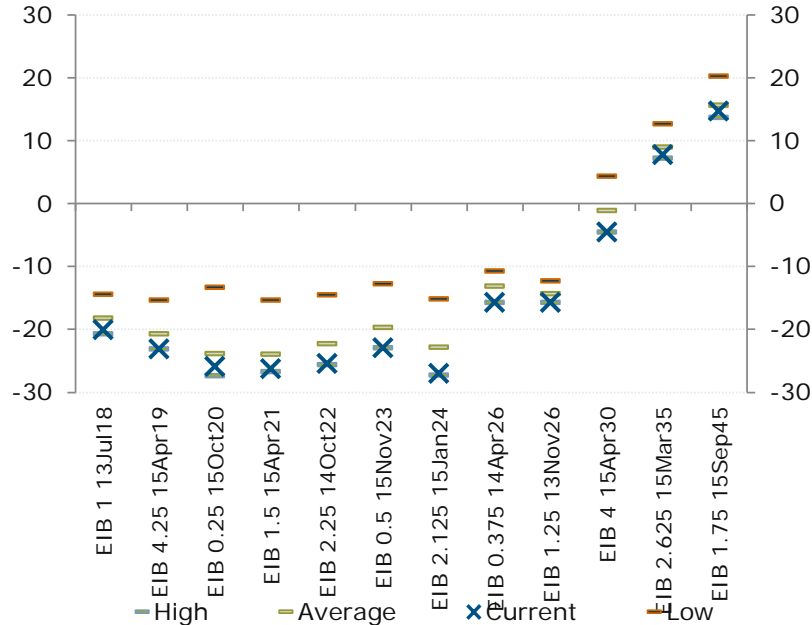
European Investment Bank (EIB)

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	26-May	60D Avg.	Z-score	Δ B/E Spd 1Y	26-May	60D Avg.	Z-score
1.000	13 Jul 18	5.0B	-0.359	15.8	16.4	-0.44	0.0	-20.1	-18.2	-1.11
4.250	15 Apr 19	5.0B	-0.369	14.4	15.2	-0.54	0.2	-23.1	-20.7	-1.12
0.250	15 Oct 20	4.0B	-0.307	11.5	12.3	-0.29	-0.3	-25.9	-23.9	-0.73
1.500	15 Apr 21	5.0B	-0.272	10.3	11.8	-0.47	0.3	-26.3	-24.0	-0.74
2.250	14 Oct 22	5.75B	-0.124	12.3	16.1	-1.20	-0.1	-25.5	-22.4	-0.98
0.500	15 Nov 23	1.5B	0.034	17.2	20.7	-1.55	-0.4	-22.9	-19.7	-1.21
2.125	15 Jan 24	5.0B	-0.001	11.8	16.0	-1.55	-0.1	-27.1	-22.9	-1.43
0.375	14 Apr 26	5.0B	0.374	21.0	23.9	-2.34	-0.9	-15.8	-13.2	-2.72
1.250	13 Nov 26	1.5B	0.412	20.5	21.9	-1.82	-1.3	-15.7	-14.4	-4.07
4.000	15 Apr 30	6.5B	0.697	27.3	25.1	1.04	-0.3	-4.6	-1.2	-1.94
2.625	15 Mar 35	1.7B	1.036	32.8	29.1	1.23	0.4	7.7	8.9	-1.18
1.750	15 Sep 45	1.55B	1.221	31.4	28.3	1.39	0.2	14.7	15.5	-0.74

Spreads against the German curve, bp



Asset swap term structure, bp

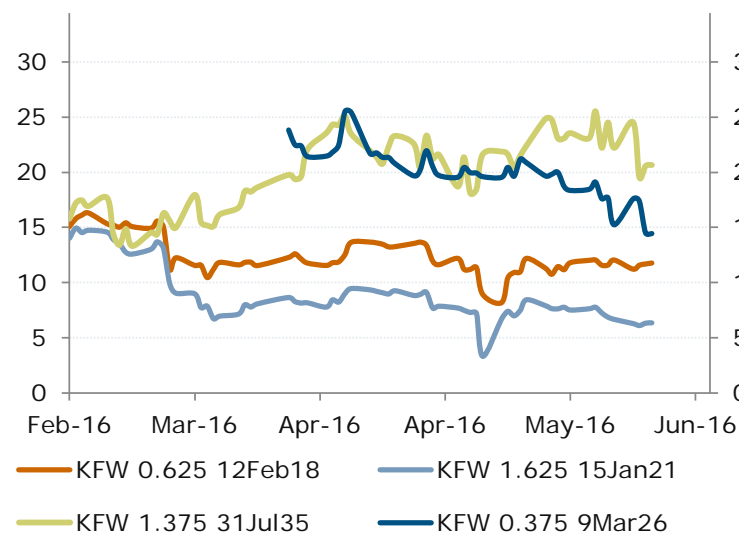


Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

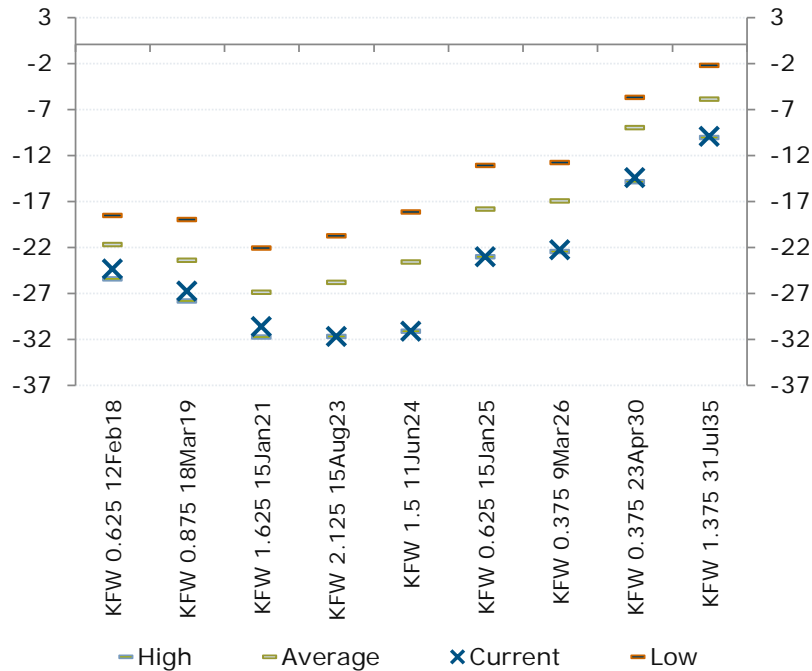
Kreditanstalt für Wiederaufbau (KfW)

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	26-May	60D Avg.	Z-score	Δ B/E Spd 1Y	26-May	60D Avg.	Z-score
0.625	12 Feb 18	2.0B	-0.406	11.8	12.5	-0.51	0.4	-24.4	-21.8	-1.56
0.875	18 Mar 19	5.0B	-0.408	10.6	12.7	-1.30	-0.1	-26.9	-23.5	-1.44
1.625	15 Jan 21	5.0B	-0.334	6.3	8.9	-1.32	-0.1	-30.7	-27.0	-1.68
2.125	15 Aug 23	3.0B	-0.092	7.6	13.4	-2.26	-0.4	-31.8	-25.9	-2.35
1.500	11 Jun 24	3.0B	0.008	8.0	15.2	-2.72	-0.4	-31.2	-23.7	-2.82
0.625	15 Jan 25	4.0B	0.163	15.4	20.5	-3.32	-0.4	-23.2	-18.0	-3.33
0.375	09 Mar 26	4.0B	0.296	14.4	20.1	-3.11	0.0	-22.4	-17.0	-3.11
0.375	23 Apr 30	2.0B	0.720	29.4	30.3	-0.31	-7.1	-14.5	-9.1	-3.64
1.375	31 Jul 35	1.0B	0.927	20.7	19.9	0.25	0.1	-10.0	-6.0	-3.14

Spreads against the German curve, bp



Asset swap term structure, bp



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