

Euro Rates Update

Nordea Research, 15 June 2016

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US Treasury Yields				
	2Y	5Y	10Y	30Y
	0.72	1.12	1.60	2.42
Δ 1D	-0.4	-3.1	-4.0	-4.9
Δ 1W	-9.4	-14.7	-14.2	-13.8

German Benchmark Yields				
	2Y	5Y	10Y	30Y
	-0.57	-0.47	0.00	0.55
Δ 1D	-2.5	-3.7	-2.8	-6.1
Δ 1W	-3.4	-6.2	-8.2	-19.3

German Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-10.4	-46.5	-56.9	-55.5
Δ 1D	-1.1	0.8	-0.3	-3.3
Δ 1W	-2.7	-2.0	-4.7	-11.1

EUR Swap Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-13.4	-49.8	-63.2	-47.6
Δ 1D	-0.5	0.2	-0.3	-1.1
Δ 1W	-2.5	-1.6	-4.1	-5.8

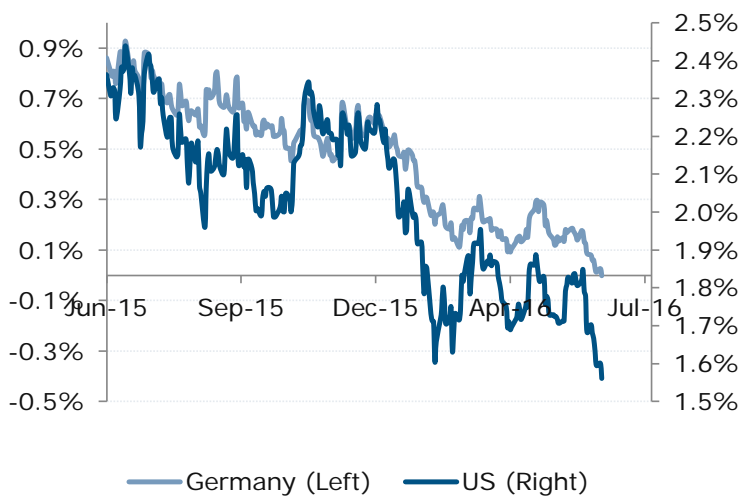
German Asset Swap Levels				
	2Y	5Y	10Y	30Y
	-39.9	-41.5	-42.6	-39.3
Δ 1D	-1.8	-2.5	-1.8	-5.0
Δ 1W	-3.2	-3.5	-3.8	-11.4

10Y Benchmark Yields				
	Yield	Δ 1D	Spread	Δ 1D
GER	-0.002	-2.8	-	-
FRA	0.410	0.5	39.9	3.4
ITA	1.427	4.7	146.5	7.7
ESP	1.551	4.5	154.8	7.4
BEL	0.452	0.7	43.6	3.7
HOL	0.250	-0.9	23.2	2.1
AUT	0.382	15.4	35.5	10.6
GRE	7.283	31.2	729.8	34.2
POR	3.344	13.5	332.5	16.5
FIN	0.338	-0.7	33.9	2.3
IRL	0.808	3.8	80.1	6.7

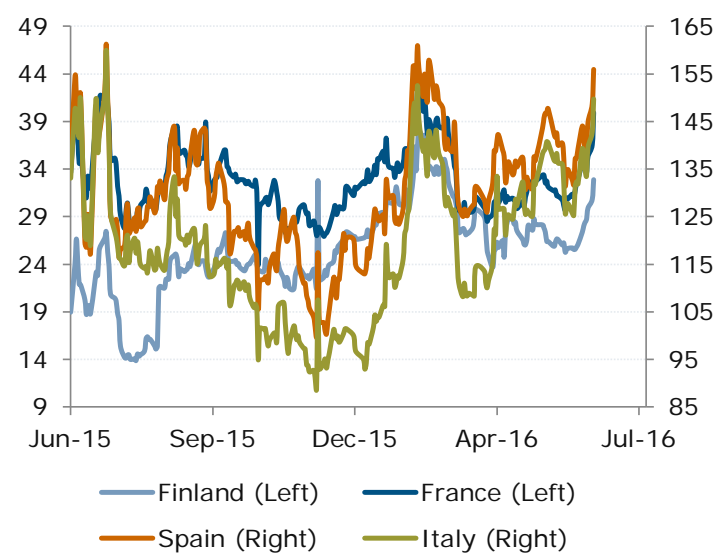
Spread = Maturity interpolated spread to German government par yield curve

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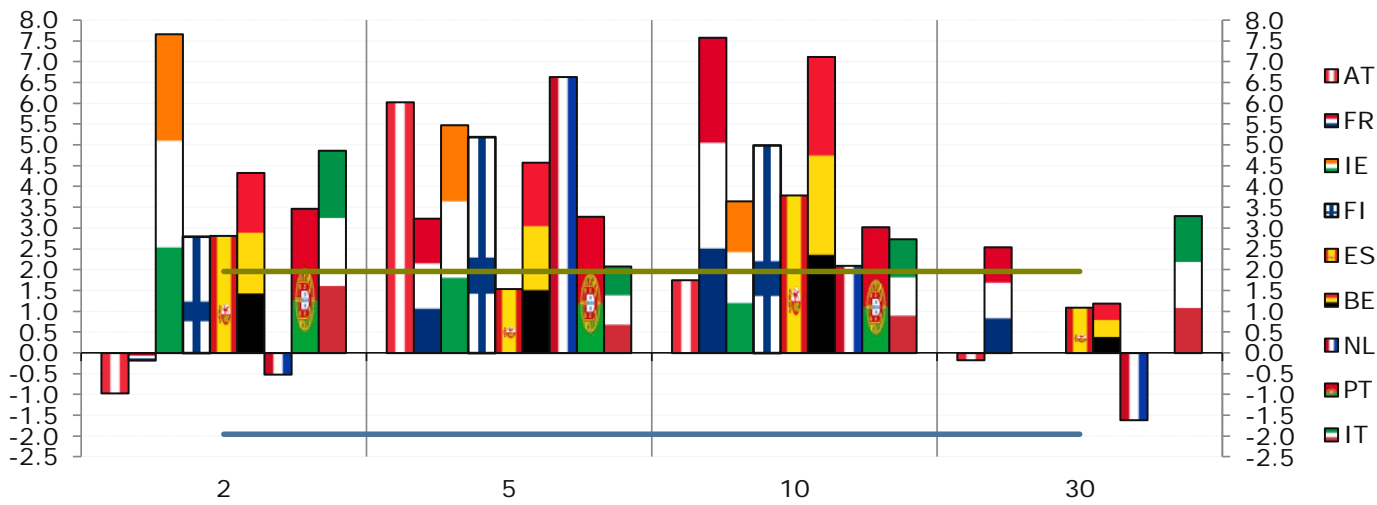
German & US 10-year benchmark yields, %



10 year spreads against Germany, bp



Z-scores of benchmark vs. Germany



Upcoming Issuance (source: Bloomberg)						
Date	Country	Coupon	Maturity	Amount (EURbn)		
15 Jun	GE			4bn		
16 Jun	FR					
20 Jun	SO	1.375%	2027			
21 Jun	GE			1bn		
27 Jun	IT					

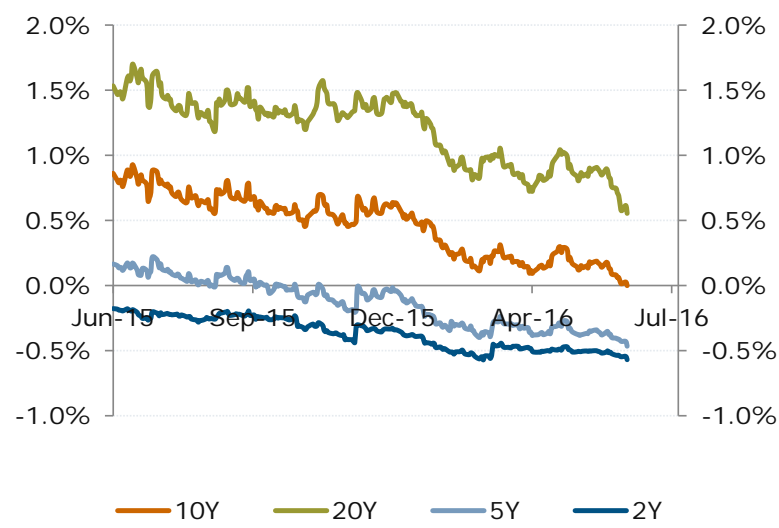
All bond quotes are taken at 16:15 CET.

Bond Yields & Curves

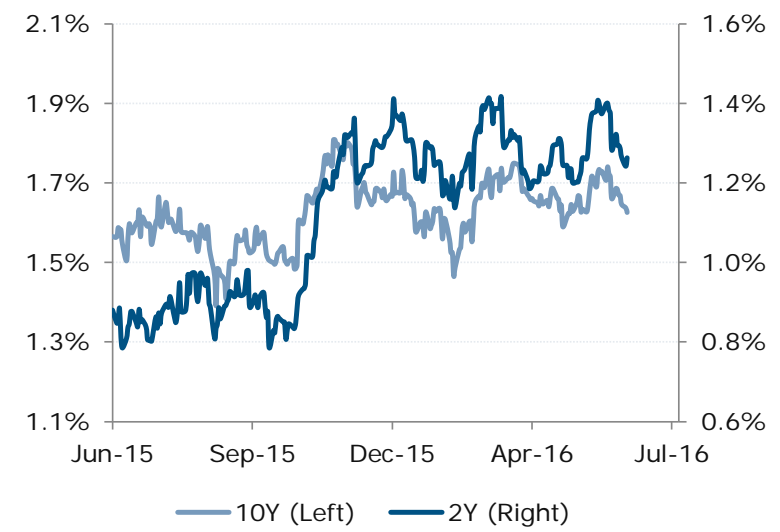
Yield Levels

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

German benchmark bond yields, %



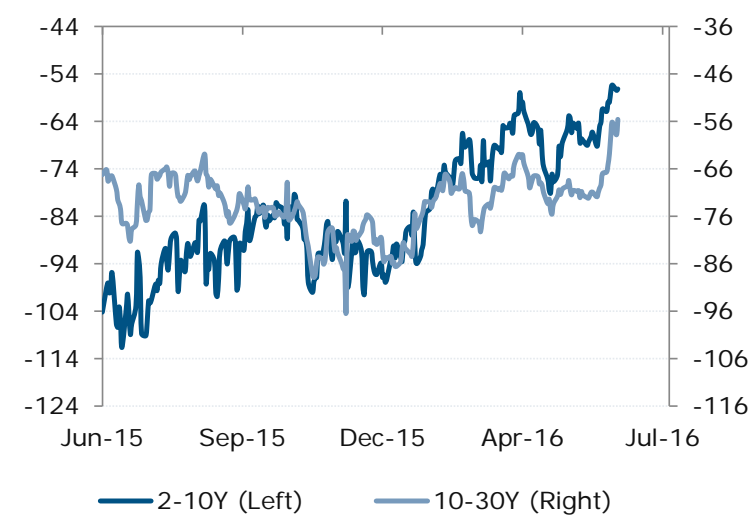
USA-Germany spreads, annualized yields, %



Bond Curve Shape

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

German yield curve slopes, bp



Bonds vs. equities



Swaps and Forwards

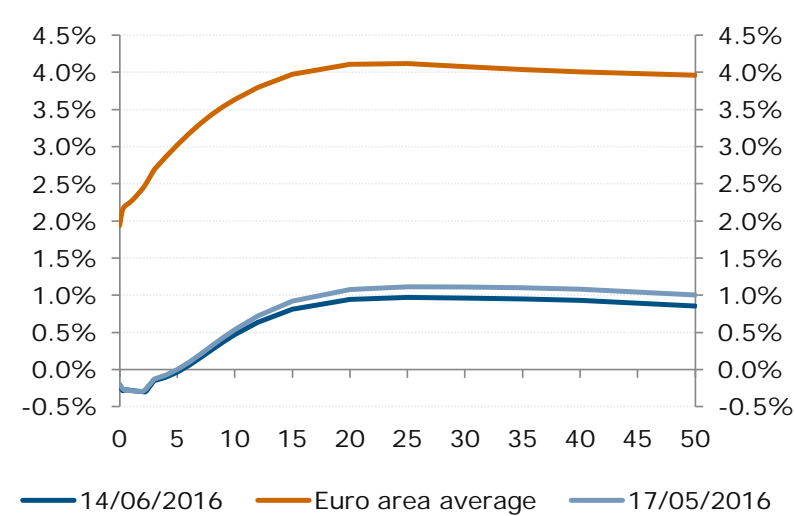
EUR swap rates and implied forwards, %



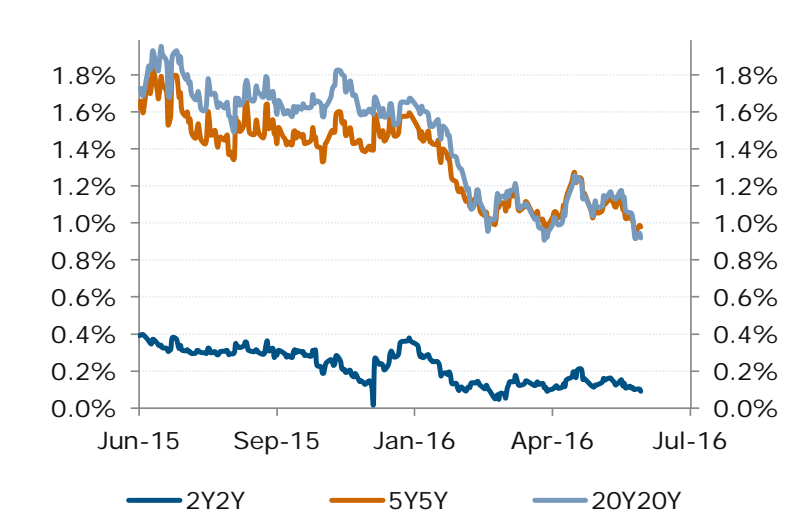
EUR-USD spreads and implied forwards, %



EUR swap curve shape vs. historical

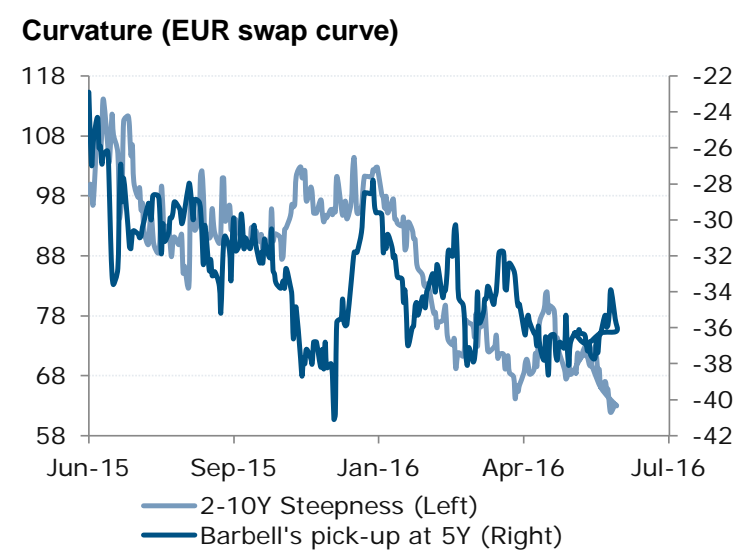


Historical forward rates, %



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

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

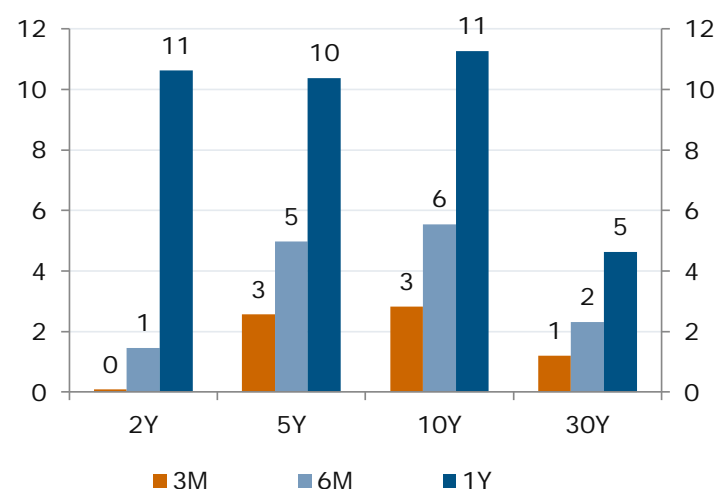


Carry

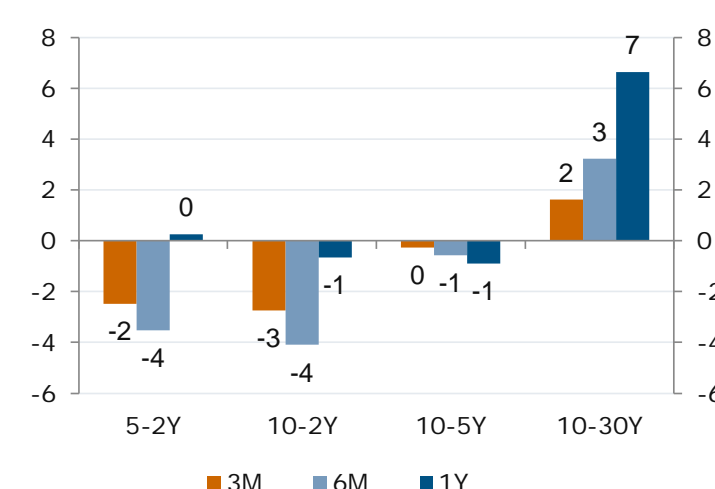
The carry on the given horizon illustrates how much the spot swap rate may rise for a receiver swap position in a forward-starting swap to result in zero profit.

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

Yield buffers for forward-starting swaps, bp

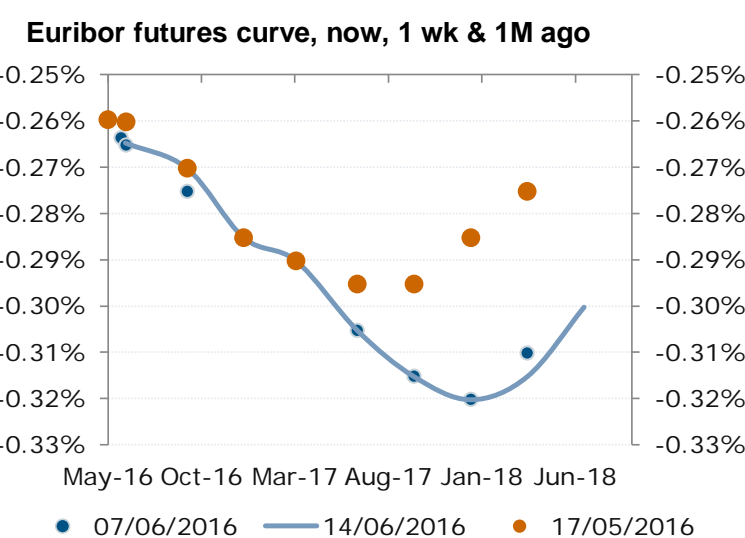
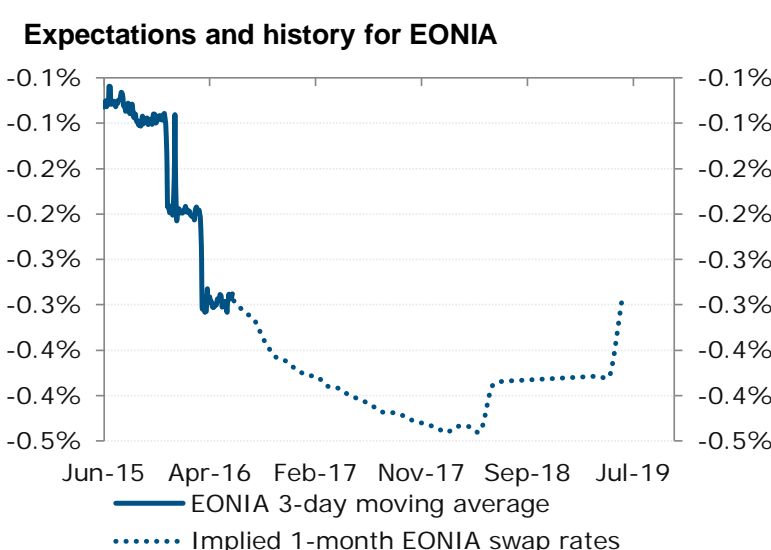


Yield buffers for duration-neutral steepeners, bp



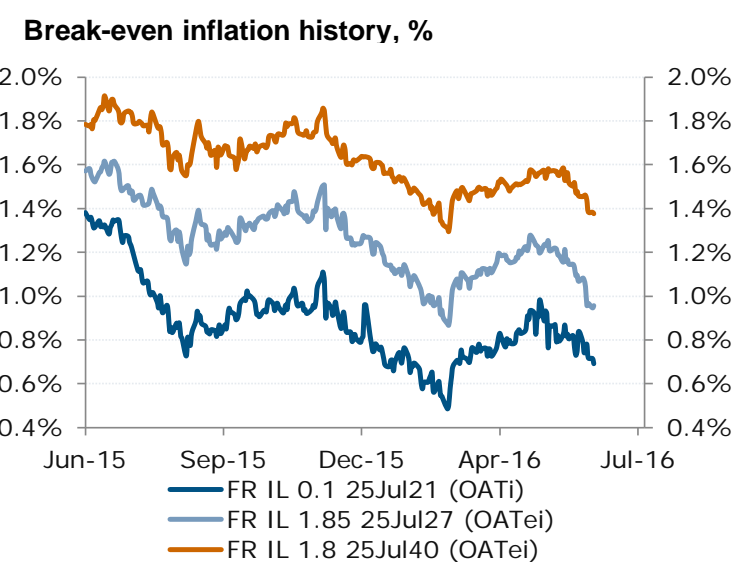
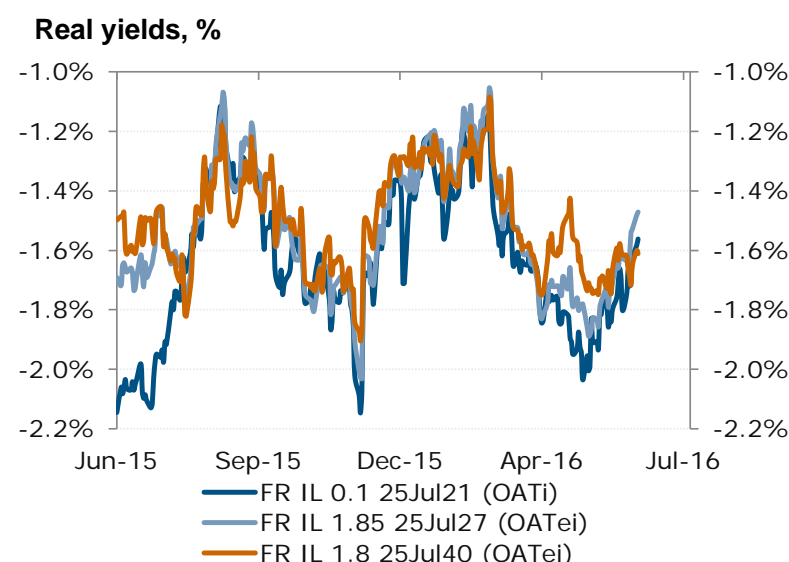
Money Market Rates

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



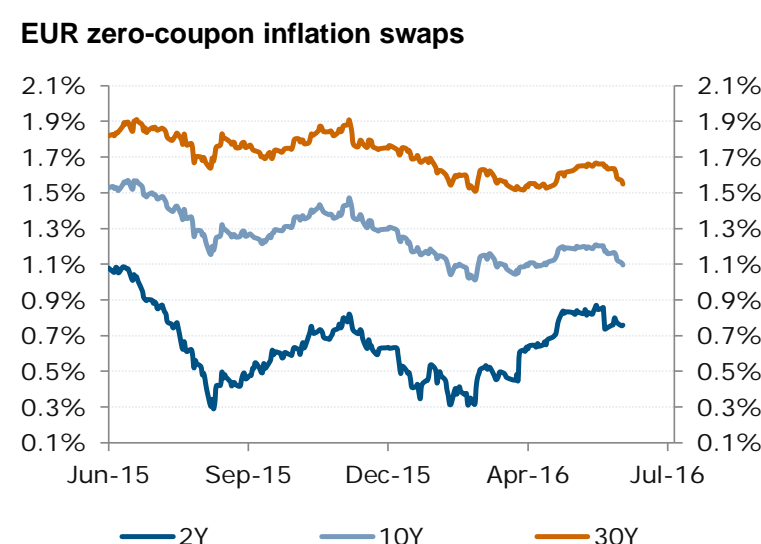
Inflation-linked Bonds

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



Inflation Swaps

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



Credit & Money Market Spreads

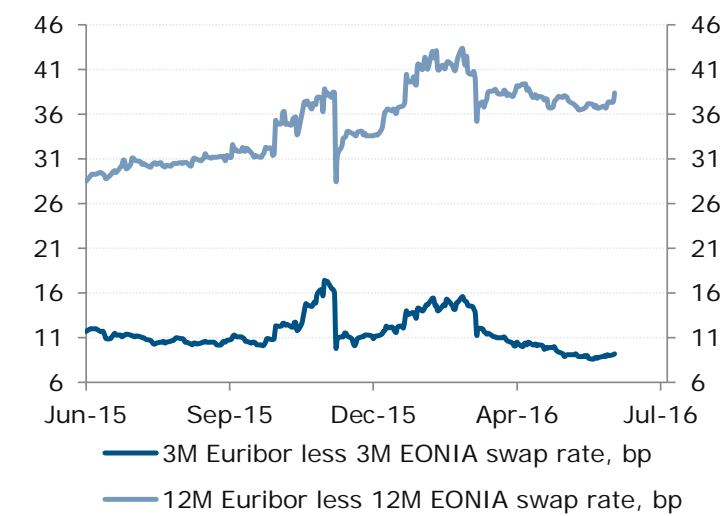
Credit default swap indices illustrate the annual cost of buying protection against a credit event of a company. iTraxx® Europe is comprised of the 125 most liquid CDS contracts referencing European investment grade credits, iTraxx® Crossover of 50 sub-investment grade credits.

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

iTraxx® credit default swap spreads



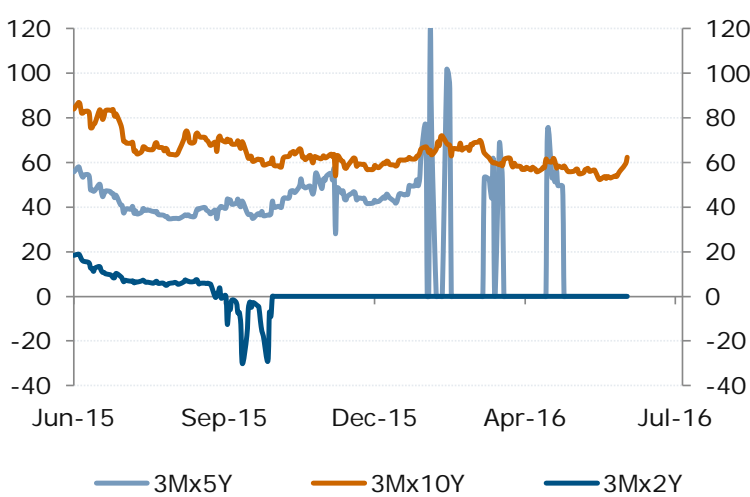
Money market rates vs. EONIA swap rates



Swaption Volatilities

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

Short-dated ATMF swaption bp vol



Long-dated ATMF swaption bp vol



Swap & Cross-country Spreads

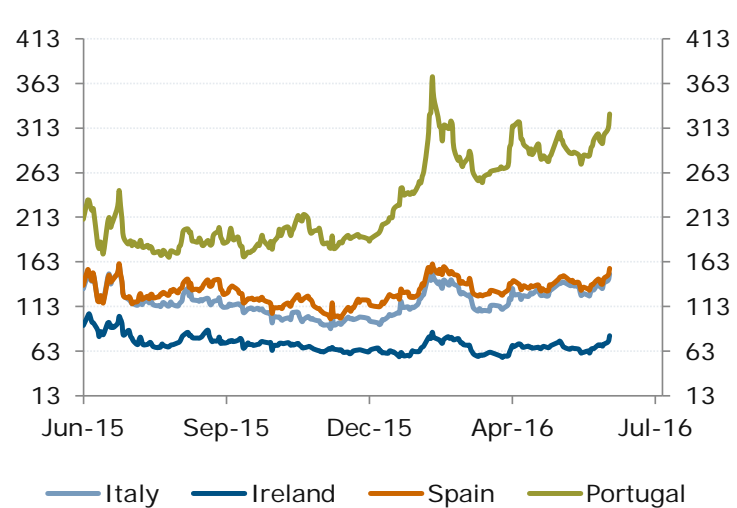
Swap spread:
Benchmark bond's spread to EUR swap curve.

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

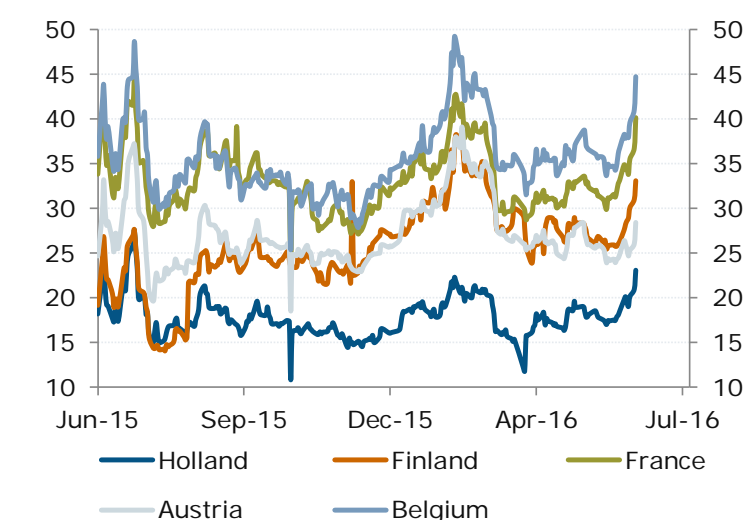
German swap spreads, bp



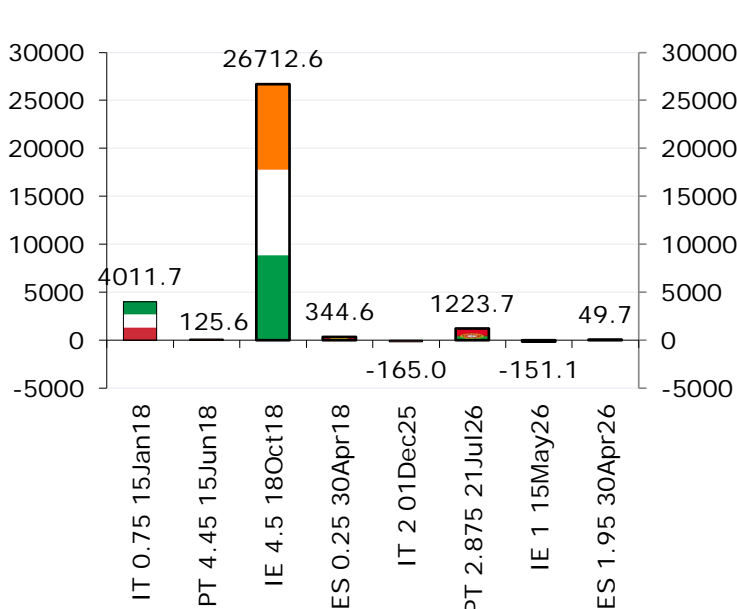
10Y non-AAA spreads against Germany, bp



10Y AAA/AA+ spreads to Germany, bp



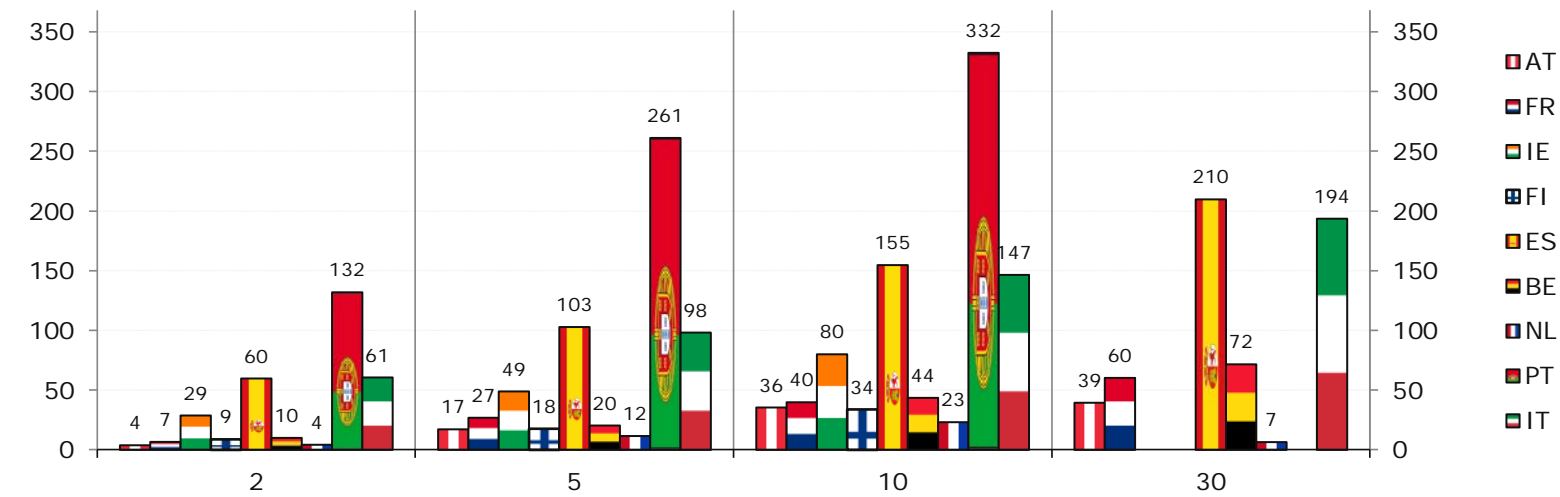
1Y B/E spread changes against Germany, bp



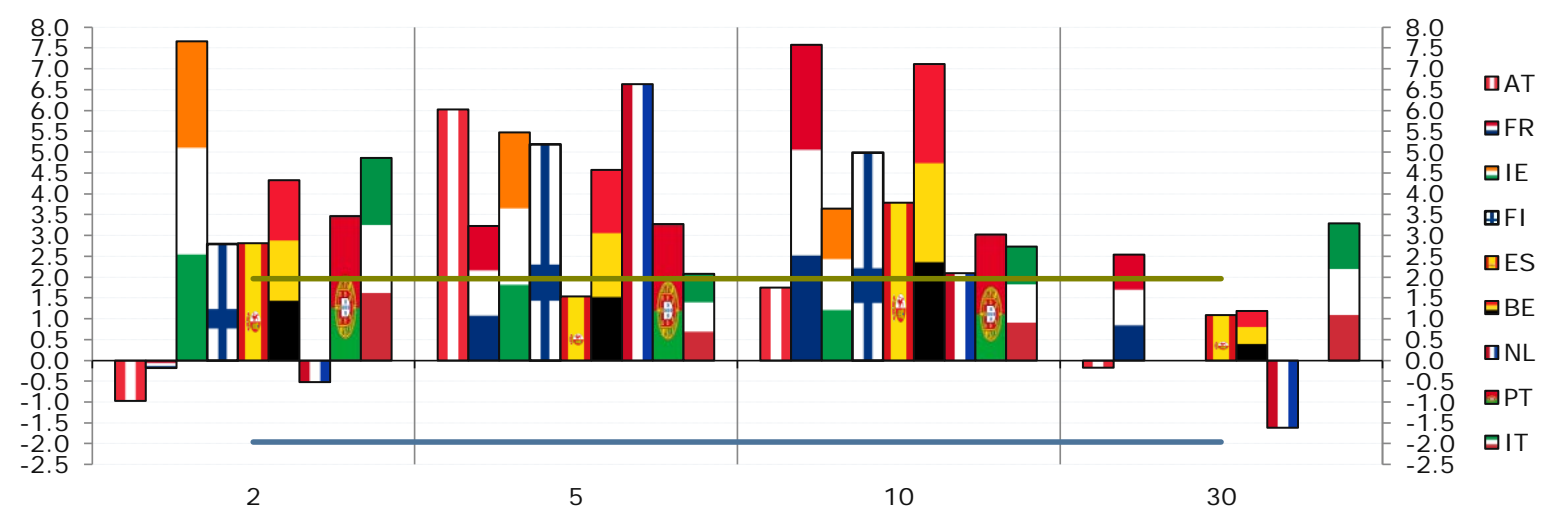


Country Relative Value

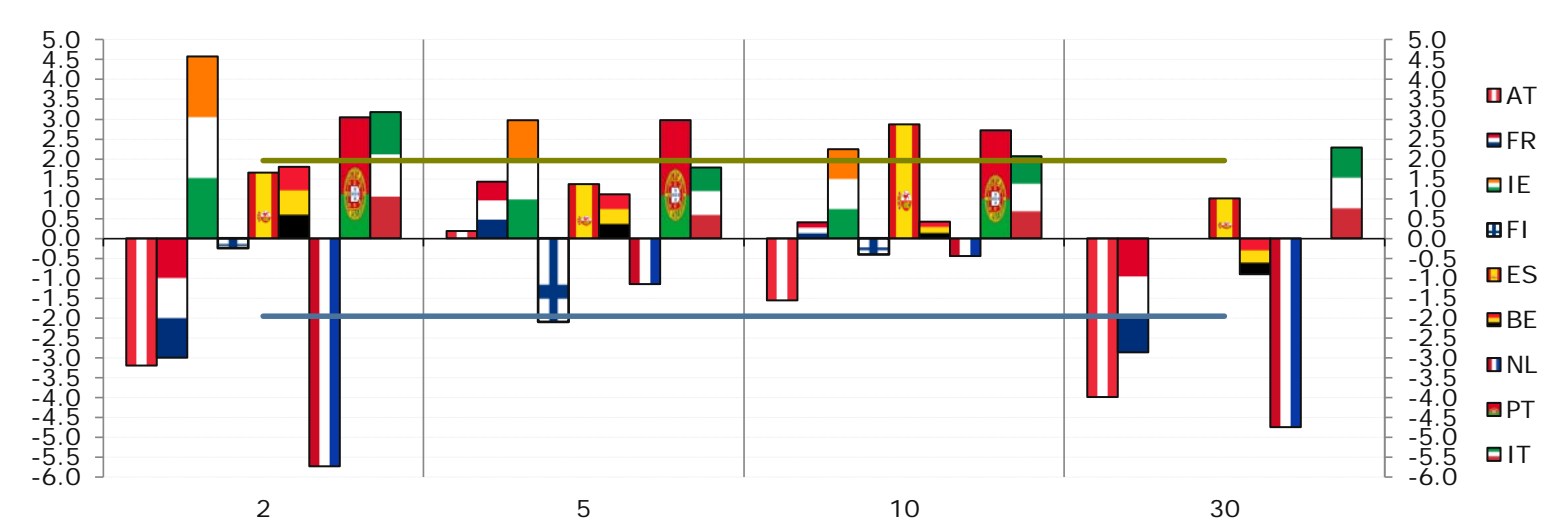
Benchmark spreads over the maturity-interpolated German par curve, bp



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	DE	04 Jul 19	3.500	-18.2	-7.03	NL	15 Apr 18	0.000	-34.9	-4.02
	Cheap	IE	18 Oct 18	4.500	28.8	6.89	IT	01 May 19	2.500	34.4
5Y: Rich	DE	04 Jul 20	3.000	-22.6	-7.01	DE	09 Apr 21	0.000	-41.5	-4.60
	Cheap	AT	15 Jul 20	3.900	13.4	7.09	ES	30 Jul 21	0.750	59.5
7Y: Rich	DE	15 May 23	1.500	-32.8	-5.66	DE	15 May 24	1.500	-48.4	-4.13
	Cheap	FR	25 May 23	1.750	30.4	5.90	IT	15 Mar 23	0.950	77.1
10Y: Rich	DE	15 Feb 26	0.500	-37.2	-5.92	DE	15 Aug 25	1.000	-44.3	-4.69
	Cheap	FR	25 May 26	0.500	39.9	6.50	ES	30 Apr 26	1.950	111.6
15Y: Rich	DE	04 Jan 31	5.500	-57.0	-3.64	NL	15 Jan 37	4.000	-42.1	-4.17
	Cheap	EIB	15 Apr 30	4.000	41.7	4.88	PT	15 Apr 37	4.100	312.0
20Y: Rich	DE	15 Aug 46	2.500	-75.7	-2.70	DE	15 Aug 46	2.500	-39.3	-4.65
	Cheap	EIB	15 Sep 45	1.750	45.3	4.84	PT	15 Feb 45	4.100	320.5

To exploit the historical cheapness/ richness of bonds, we calculate 60-day z-scores:

$$\text{Current spread} - \frac{\text{60-day average}}{\text{standard deviation}}$$

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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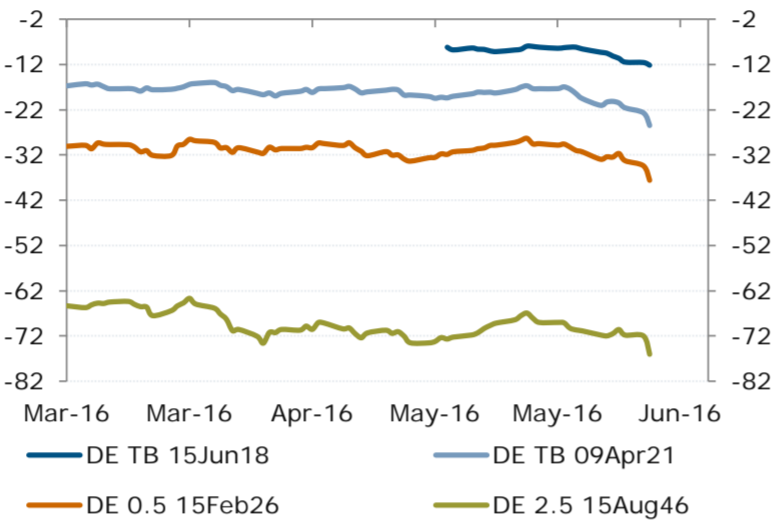
Moody's / S&P / Fitch

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

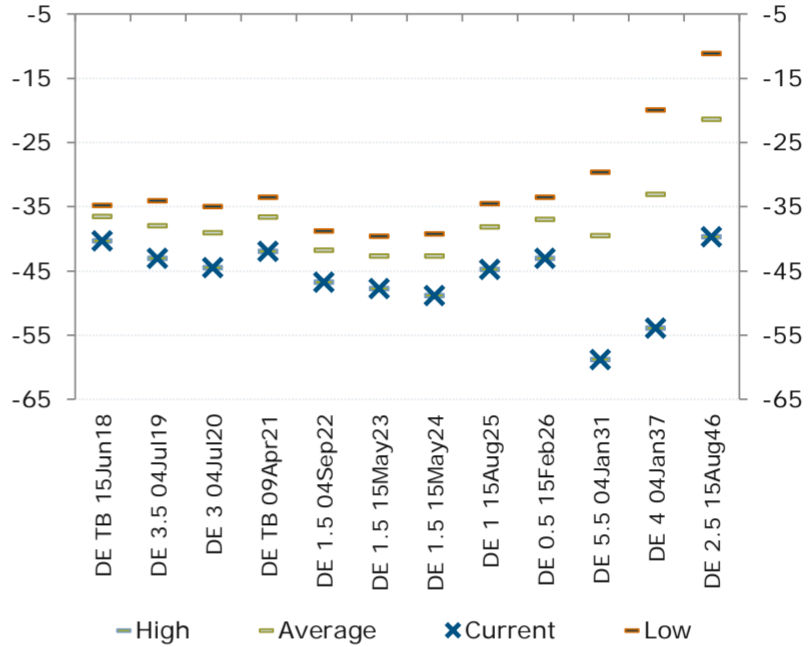
Germany

Benchmark Bonds				Spread vs. France				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	14-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	14-Jun	60D Avg.	Z-score
0.000	15 Jun 18	10.0B	-0.571	-11.8	-8.8	-3.08	3.9	-39.9	-36.1	-3.38
3.500	04 Jul 19	24.0B	-0.566	-18.2	-12.9	-7.03	65.5	-42.6	-37.5	-3.93
3.000	04 Jul 20	22.0B	-0.536	-22.6	-17.1	-7.01	33.5	-44.0	-38.7	-4.04
0.000	09 Apr 21	21.0B	-0.467	-25.1	-17.8	-6.30	0.4	-41.5	-36.2	-4.60
1.500	04 Sep 22	18.0B	-0.388	-30.5	-24.1	-5.55	8.5	-46.3	-41.4	-3.99
1.500	15 May 23	18.0B	-0.329	-32.8	-25.8	-5.66	6.5	-47.3	-42.2	-3.83
1.500	15 May 24	18.0B	-0.237	-36.0	-28.5	-4.81	6.0	-48.4	-42.2	-4.13
1.000	15 Aug 25	23.0B	-0.071	-37.1	-29.6	-5.14	3.3	-44.3	-37.8	-4.69
0.500	15 Feb 26	22.0B	-0.002	-37.2	-30.4	-5.92	1.4	-42.6	-36.5	-4.55
5.500	04 Jan 31	17.0B	0.172	-57.0	-49.8	-3.64	11.4	-58.4	-39.0	-4.03
4.000	04 Jan 37	23.0B	0.385	-66.4	-61.5	-1.94	4.8	-53.5	-32.6	-4.13
2.500	15 Aug 46	16.0B	0.553	-75.7	-69.1	-2.70	-0.1	-39.3	-21.0	-4.65

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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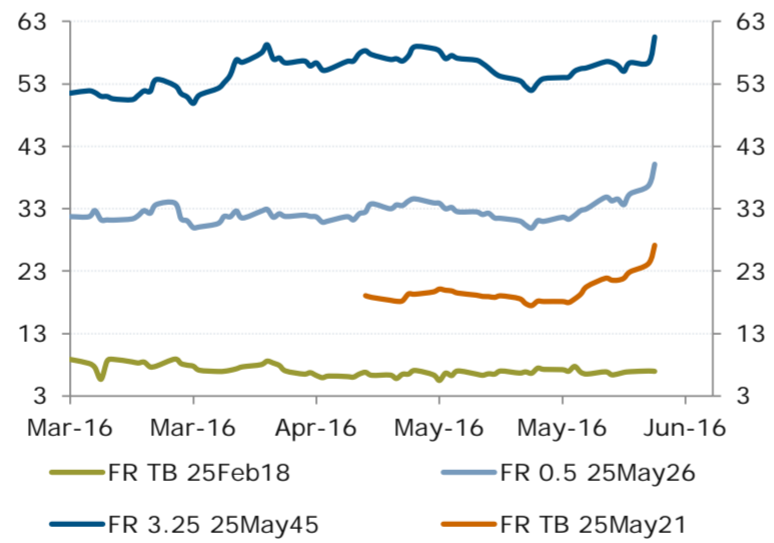
Moody's / S&P / Fitch

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

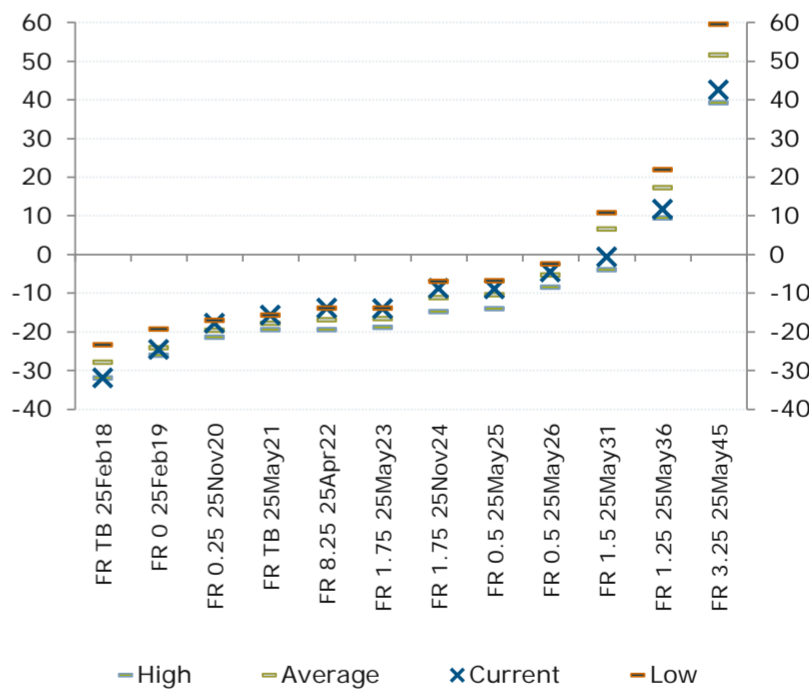
France

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	14-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	14-Jun	60D Avg.	Z-score
0.000	25 Feb 18	19.98B	-0.492	6.7	6.8	-0.14	-4.4	-32.0	-28.0	-2.61
0.000	25 Feb 19	12.81B	-0.409	16.9	12.5	4.47	2.1	-24.6	-24.1	-0.35
0.250	25 Nov 20	24.82B	-0.258	24.7	17.1	6.56	3.4	-17.8	-19.6	2.01
0.000	25 May 21	8.99B	-0.199	26.9	19.6	4.62	1.0	-15.7	-17.9	2.94
8.250	25 Apr 22	1.99B	-0.158	24.1	17.1	5.72	56.0	-14.0	-17.0	2.58
1.750	25 May 23	33.97B	-0.012	30.4	23.1	5.90	8.7	-14.1	-16.6	2.26
1.750	25 Nov 24	30.99B	0.191	34.7	26.4	5.02	7.7	-8.9	-11.2	1.79
0.500	25 May 25	32.97B	0.265	35.8	28.3	4.78	2.1	-9.0	-10.5	1.27
0.500	25 May 26	20.05B	0.410	39.9	32.1	6.50	1.9	-4.6	-5.5	0.77
1.500	25 May 31	16.99B	0.748	53.0	44.4	3.86	3.9	-0.7	6.5	-2.49
1.250	25 May 36	6.0B	1.019	58.0	51.2	4.31	2.5	11.7	17.2	-1.84
3.250	25 May 45	20.99B	1.200	60.3	54.8	2.47	4.5	42.5	51.4	-2.50

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

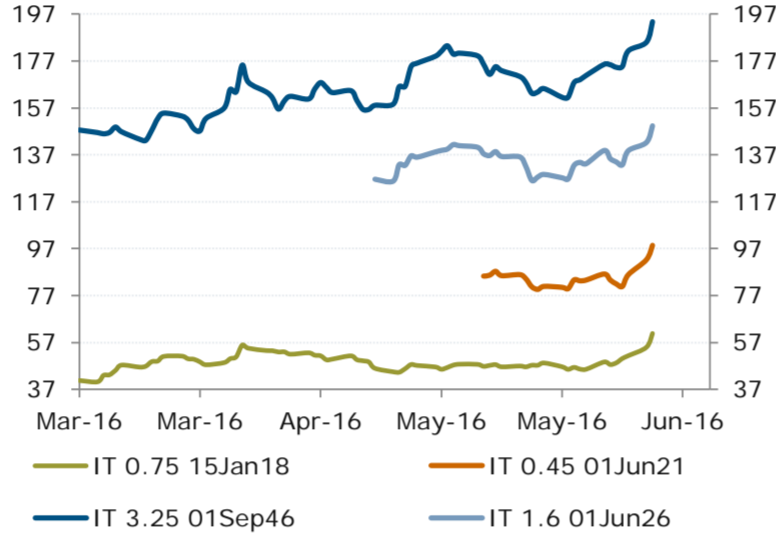
Rating	Baa2/BBB-/BBB+
Moody's / S&P / Fitch	

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

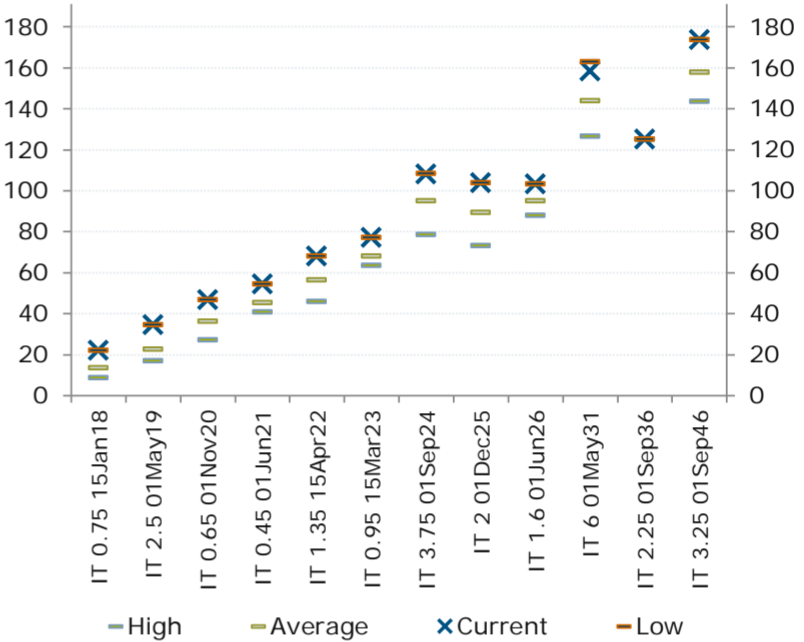
Italy

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	14-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	14-Jun	60D Avg.	Z-score
0.750	15 Jan 18	15.46B	0.052	60.7	48.4	4.52	51.0	21.9	13.5	3.25
2.500	01 May 19	18.01B	0.173	75.2	58.6	6.13	42.5	34.4	22.7	5.49
0.650	01 Nov 20	14.02B	0.391	90.1	73.5	3.36	6.8	46.7	36.2	2.65
0.450	01 Jun 21	9.03B	0.516	98.2	84.4	4.38	4.3	54.3	45.4	3.35
1.350	15 Apr 22	17.01B	0.713	111.4	94.9	3.20	9.0	68.1	56.3	2.63
0.950	15 Mar 23	13.44B	0.914	124.5	110.5	4.19	5.2	77.1	68.0	3.04
3.750	01 Sep 24	19.01B	1.232	141.8	123.1	2.62	17.9	108.0	94.9	1.97
2.000	01 Dec 25	17.01B	1.427	146.5	125.0	2.66	7.4	103.7	89.2	2.09
1.600	01 Jun 26	13.99B	1.505	149.2	134.5	3.12	5.7	103.2	94.9	2.11
6.000	01 May 31	29.75B	1.902	168.8	140.6	2.82	18.0	158.3	143.9	1.88
2.250	01 Sep 36	6.5B	2.184	173.7	173.7	0.00	4.9	125.0	125.0	0.00
3.250	01 Sep 46	13.24B	2.542	193.6	164.3	3.14	6.0	173.5	157.8	2.52

Spreads against the German curve, bp



Asset swap term structure, bp



	15	16	17
GDP, %, y/y	1.4	2.3	2.5
Public balance	-5.6	-4.5	-3.7
Debt/GDP	98.3	101.5	102.5

Source: European Commission, Winter 2015 forecast

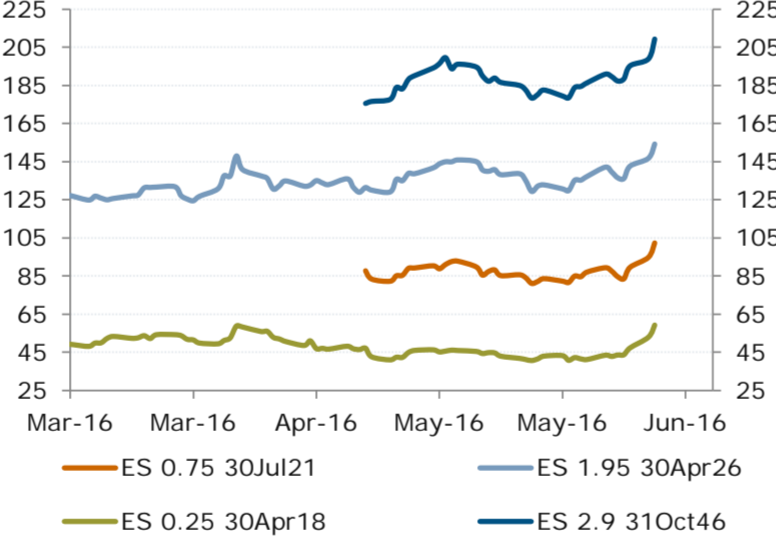
Rating	Baa2/BBB/BBB+
Moody's / S&P / Fitch	

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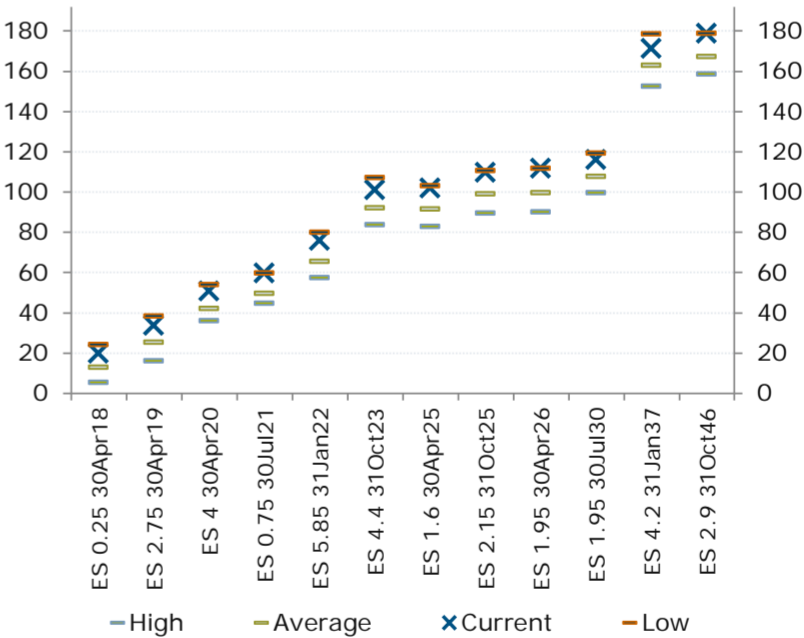
Spain

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	14-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	14-Jun	60D Avg.	Z-score
0.250	30 Apr 18	16.99B	0.032	59.8	48.3	2.66	13.4	19.9	12.8	1.43
2.750	30 Apr 19	22.98B	0.157	73.7	60.4	3.52	47.0	33.6	25.2	1.87
4.000	30 Apr 20	23.01B	0.337	88.0	74.4	4.06	44.2	50.6	42.1	2.77
0.750	30 Jul 21	6.02B	0.574	102.9	87.5	4.40	6.6	59.5	49.4	3.58
5.850	31 Jan 22	22.01B	0.619	103.5	89.5	3.94	46.7	75.7	65.4	2.83
4.400	31 Oct 23	20.01B	1.042	131.7	118.1	3.53	27.7	101.0	92.1	2.30
1.600	30 Apr 25	19.09B	1.370	147.1	130.6	3.40	6.5	101.7	91.4	2.57
2.150	31 Oct 25	20.96B	1.463	151.1	133.5	3.40	10.0	109.7	98.8	2.58
1.950	30 Apr 26	17.99B	1.551	154.8	135.4	3.58	7.2	111.6	99.6	2.76
1.950	30 Jul 30	13.21B	1.923	174.9	150.7	3.52	7.4	115.9	107.4	2.24
4.200	31 Jan 37	17.02B	2.329	187.0	163.8	3.58	10.5	171.1	162.7	1.73
2.900	31 Oct 46	6.87B	2.705	209.8	187.9	3.47	5.8	178.6	167.2	2.29

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

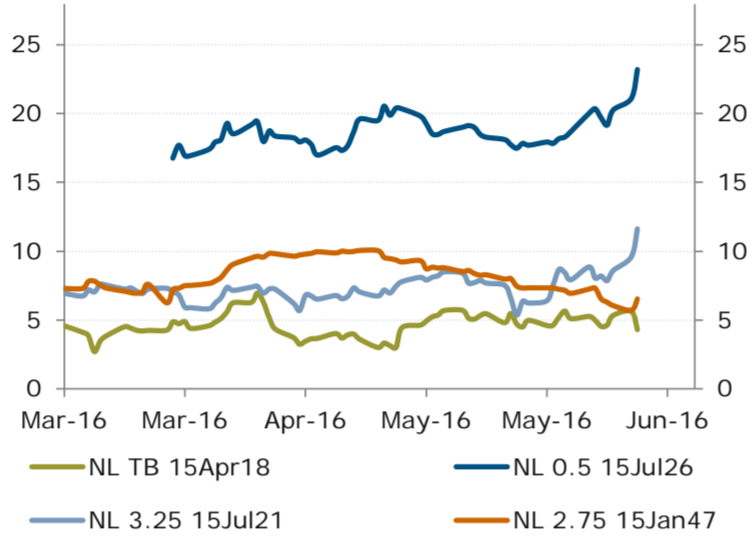
Rating	Aaa/AA+/AAA
Moody's / S&P / Fitch	

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

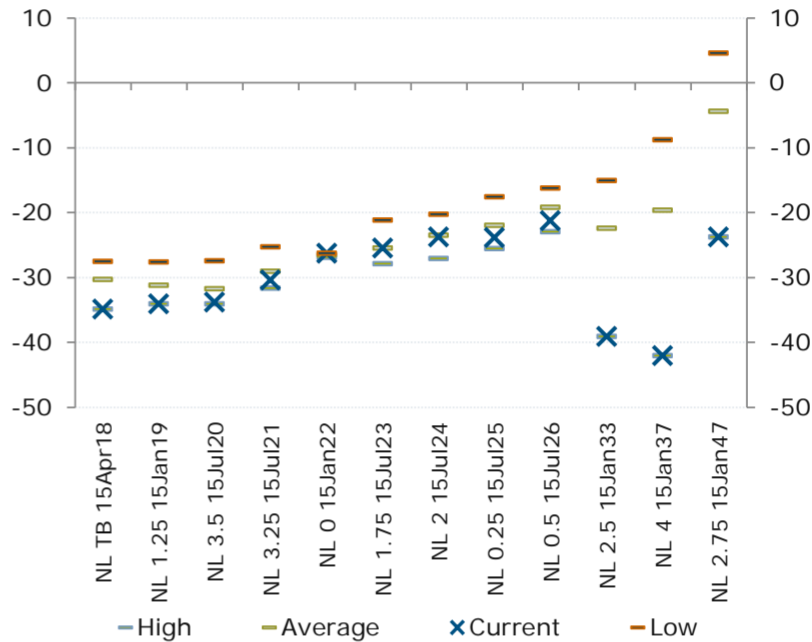
Netherlands

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	14-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	14-Jun	60D Avg.	Z-score
0.000	15 Apr 18	14.66B	-0.522	4.3	4.7	-0.51	3.2	-34.9	-30.3	-4.02
1.250	15 Jan 19	15.01B	-0.505	7.2	5.1	3.16	29.2	-34.1	-31.3	-2.69
3.500	15 Jul 20	15.02B	-0.440	9.2	5.5	6.79	42.0	-33.9	-31.8	-1.61
3.250	15 Jul 21	16.99B	-0.342	11.6	7.3	5.86	28.4	-30.5	-29.1	-1.14
0.000	15 Jan 22	4.12B	-0.251	16.9	15.1	1.00	0.7	-26.3	-26.5	0.66
1.750	15 Jul 23	15.63B	-0.106	19.8	14.7	5.75	9.7	-25.5	-25.5	-0.04
2.000	15 Jul 24	15.32B	0.009	21.2	15.3	5.61	9.9	-23.8	-23.5	-0.19
0.250	15 Jul 25	15.01B	0.132	20.9	16.7	5.16	1.2	-23.9	-22.0	-1.48
0.500	15 Jul 26	8.51B	0.250	23.2	18.6	5.02	1.9	-21.3	-19.2	-1.93
2.500	15 Jan 33	12.01B	0.420	11.5	9.8	1.33	4.8	-39.1	-22.4	-4.01
4.000	15 Jan 37	13.99B	0.470	1.2	1.6	-0.33	5.1	-42.1	-19.6	-4.17
2.750	15 Jan 47	11.01B	0.674	6.5	8.2	-1.58	1.8	-23.8	-4.4	-4.41

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

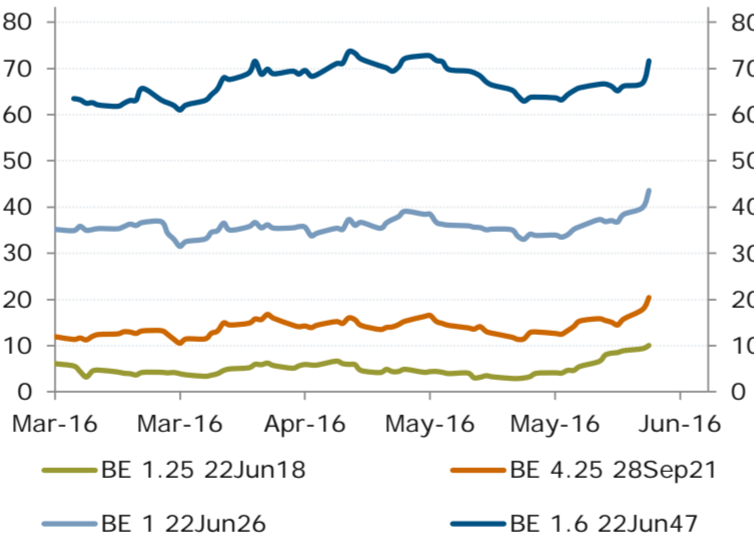
Rating	Aa3/AA/AA
Moody's / S&P / Fitch	

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

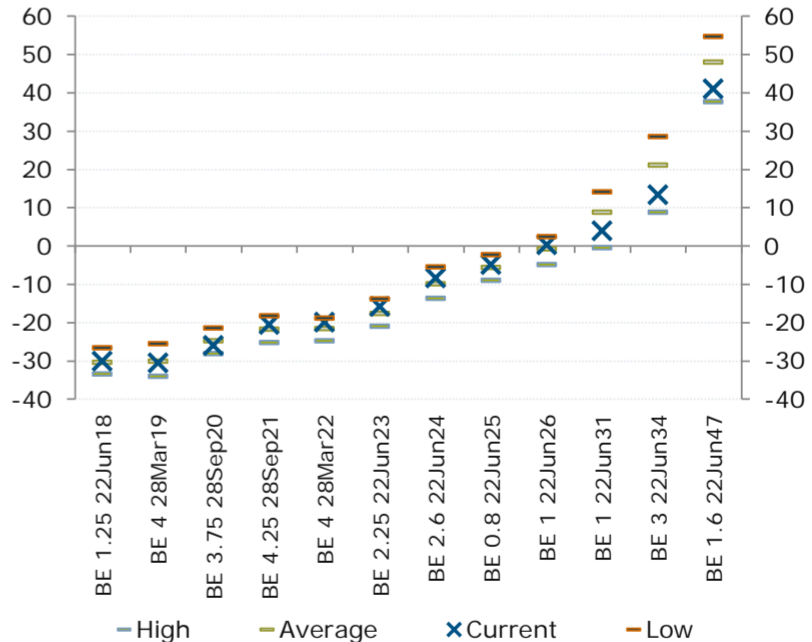
Belgium

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	14-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	14-Jun	60D Avg.	Z-score
1.250	22 Jun 18	11.01B	-0.471	10.1	5.0	4.00	69.5	-30.0	-30.4	0.30
4.000	28 Mar 19	12.37B	-0.462	11.6	7.2	3.96	72.4	-30.5	-30.0	-0.33
3.750	28 Sep 20	19.01B	-0.355	16.2	11.4	4.11	40.3	-26.0	-24.8	-0.80
4.250	28 Sep 21	16.45B	-0.238	20.4	13.9	4.28	34.6	-20.5	-21.8	0.93
4.000	28 Mar 22	14.02B	-0.191	21.4	15.2	4.13	26.4	-19.9	-21.6	1.40
2.250	22 Jun 23	13.99B	-0.026	28.4	21.7	4.31	13.0	-15.8	-17.6	1.28
2.600	22 Jun 24	15.85B	0.139	35.0	27.6	4.76	13.4	-8.4	-9.8	0.93
0.800	22 Jun 25	16.02B	0.309	39.3	32.5	5.99	3.5	-4.9	-5.6	0.60
1.000	22 Jun 26	7.79B	0.452	43.6	35.6	6.23	3.7	0.3	-0.8	0.76
1.000	22 Jun 31	5.59B	0.823	60.1	49.4	3.75	3.0	4.0	8.8	-1.50
3.000	22 Jun 34	6.47B	0.908	52.9	43.5	2.86	6.6	13.4	21.1	-1.81
1.600	22 Jun 47	3.5B	1.329	71.7	66.9	1.52	2.0	41.1	48.0	-1.96

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

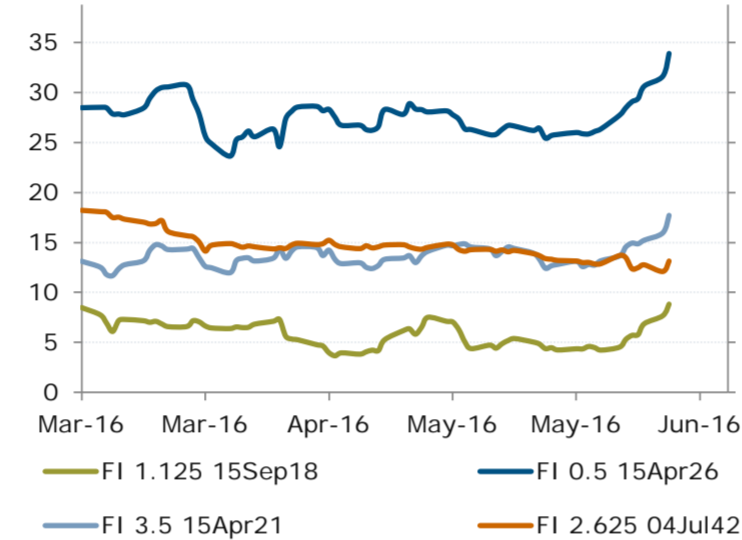
Rating	Aaa/AA+/AAA
Moody's / S&P / Fitch	

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

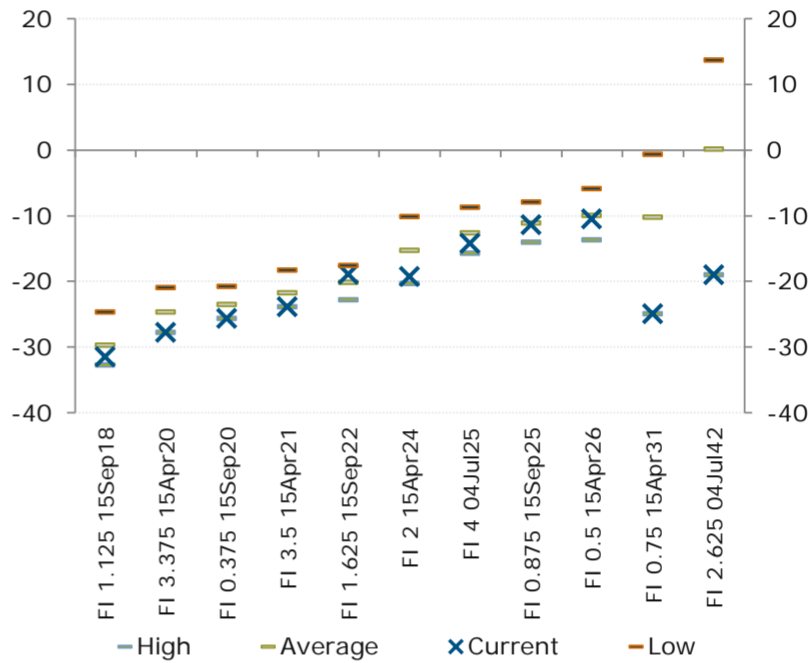
Finland

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	14-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	14-Jun	60D Avg.	Z-score
1.125	15 Sep 18	5.03B	-0.485	8.8	5.7	2.78	42.4	-31.5	-29.8	-0.97
3.375	15 Apr 20	6.5B	-0.395	15.0	12.4	3.10	36.9	-27.8	-24.7	-2.04
0.375	15 Sep 20	6.03B	-0.348	17.1	13.3	4.85	4.9	-25.6	-23.5	-2.01
3.500	15 Apr 21	6.0B	-0.299	17.7	13.6	4.68	28.4	-23.8	-21.7	-2.02
1.625	15 Sep 22	5.0B	-0.124	24.5	18.7	4.96	10.0	-18.9	-20.1	1.31
2.000	15 Apr 24	5.0B	0.027	25.7	23.7	1.18	9.0	-19.3	-15.3	-1.52
4.000	04 Jul 25	6.03B	0.164	24.4	19.6	5.41	17.8	-14.2	-12.6	-0.98
0.875	15 Sep 25	4.03B	0.264	32.5	26.3	5.78	3.6	-11.4	-11.1	-0.18
0.500	15 Apr 26	5.0B	0.338	33.9	27.3	4.61	1.9	-10.5	-9.9	-0.30
0.750	15 Apr 31	3.5B	0.523	31.1	30.6	0.37	2.2	-24.9	-10.2	-3.88
2.625	04 Jul 42	4.03B	0.709	13.1	14.5	-1.45	0.5	-19.0	0.2	-4.15

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

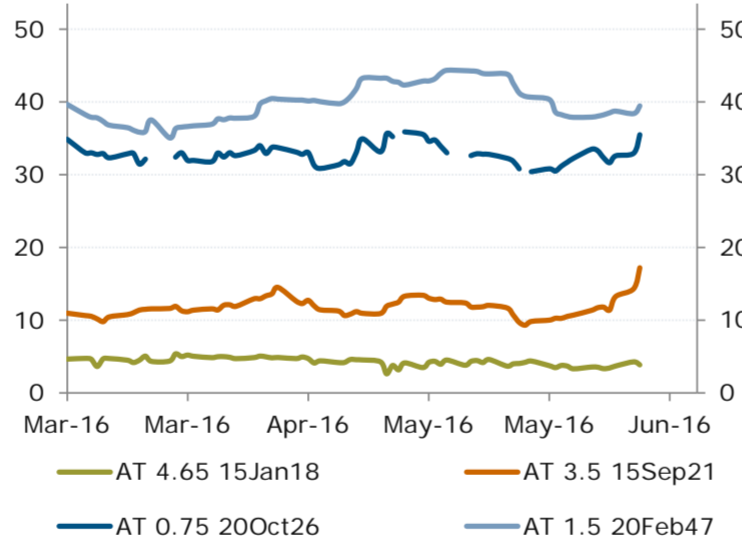
Rating	Aaa/AA+/AA+
Moody's / S&P / Fitch	

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

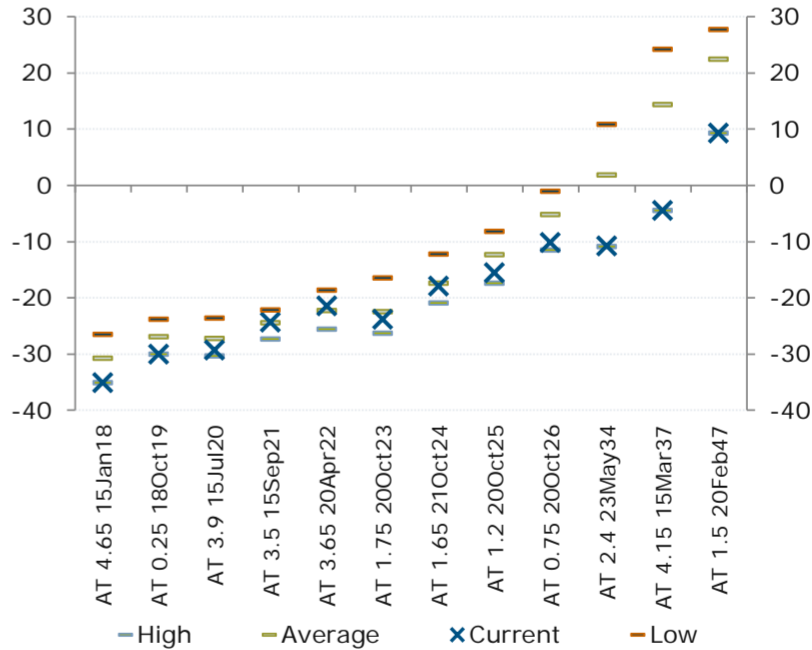
Austria

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	14-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	14-Jun	60D Avg.	Z-score
4.650	15 Jan 18	12.06B	-0.516	3.9	4.3	-0.93	361.2	-35.1	-30.8	-2.74
0.250	18 Oct 19	7.97B	-0.437	12.9	10.3	6.47	6.1	-30.1	-27.0	-2.84
3.900	15 Jul 20	13.01B	-0.398	13.4	9.6	7.09	48.0	-29.4	-27.2	-1.62
3.500	15 Sep 21	15.99B	-0.273	17.2	11.7	5.42	29.2	-24.4	-24.4	0.07
3.650	20 Apr 22	8.71B	-0.198	20.2	14.9	3.72	23.5	-21.5	-22.3	0.61
1.750	20 Oct 23	9.17B	-0.064	21.4	17.3	2.14	8.9	-23.9	-22.5	-0.72
1.650	21 Oct 24	10.35B	0.096	26.5	20.8	4.54	7.3	-17.9	-17.4	-0.30
1.200	20 Oct 25	9.28B	0.226	27.6	24.2	3.90	4.8	-15.5	-12.3	-1.95
0.750	20 Oct 26	5.69B	0.382	35.5	32.8	3.03	2.9	-10.2	-5.2	-2.70
2.400	23 May 34	6.69B	0.710	33.5	28.6	3.06	5.1	-10.8	1.8	-3.38
4.150	15 Mar 37	12.22B	0.756	29.4	27.9	0.88	7.0	-4.5	14.4	-3.57
1.500	20 Feb 47	1.95B	1.005	39.5	39.9	-0.17	1.6	9.3	22.5	-3.81

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

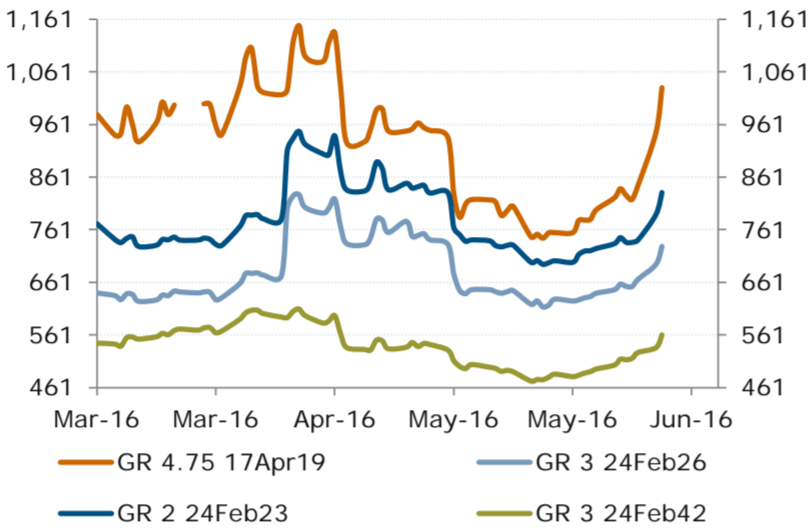
Rating	Caa1/B-/CCC
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Moody's / S&P / Fitch

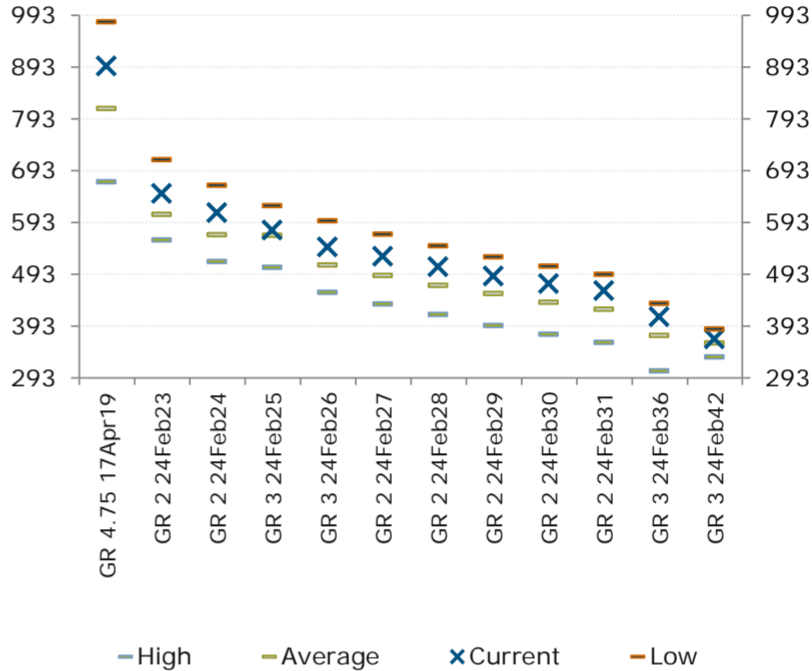
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	14-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	14-Jun	60D Avg.	Z-score
4.750	17 Apr 19	4.02B	9.736	1,031.5	925.4	1.03	134.3	894.9	812.5	1.04
3.000	24 Feb 23	1.04B	7.986	832.1	781.5	0.83	30.1	649.0	608.4	0.99
3.000	24 Feb 24	1.25B	7.742	798.6	743.2	0.97	27.1	611.5	569.2	1.11
3.000	24 Feb 25	1.84B	7.527	765.2	749.0	0.26	23.0	578.6	567.5	0.32
3.000	24 Feb 26	1.37B	7.283	729.8	684.4	0.80	21.4	546.1	510.9	0.96
3.000	24 Feb 27	1.21B	7.246	720.9	670.9	0.94	21.9	527.3	491.1	1.06
3.000	24 Feb 28	1.84B	7.158	709.1	656.8	1.04	20.0	507.6	472.0	1.09
3.000	24 Feb 29	1.48B	7.074	696.7	645.2	1.00	18.8	489.5	456.1	1.03
3.000	24 Feb 30	1.34B	7.023	687.0	629.8	1.15	18.5	475.1	439.2	1.12
3.000	24 Feb 31	1.29B	6.962	675.7	616.2	1.22	17.2	461.5	424.9	1.15
3.000	24 Feb 36	1.33B	6.674	624.3	562.9	1.31	16.4	411.4	375.0	1.15
3.000	24 Feb 42	1.05B	6.189	561.4	540.6	0.58	16.2	368.6	359.9	0.61

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

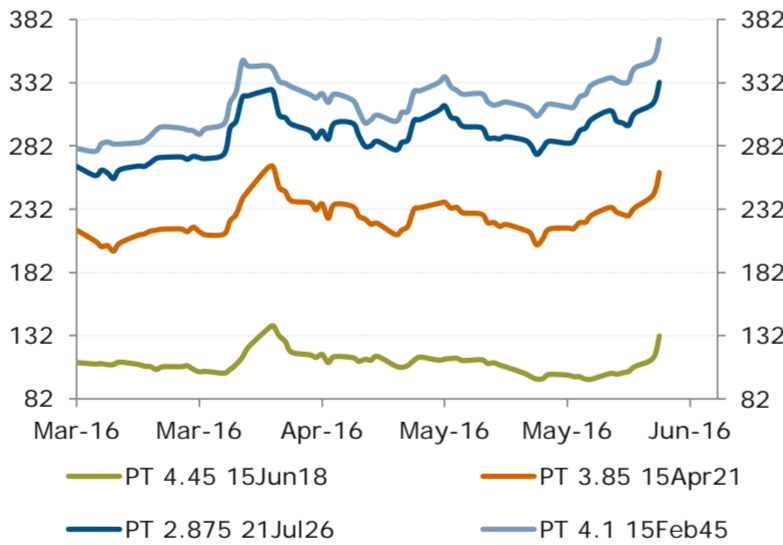
Rating	Ba1/BB/BB+
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Moody's / S&P / Fitch

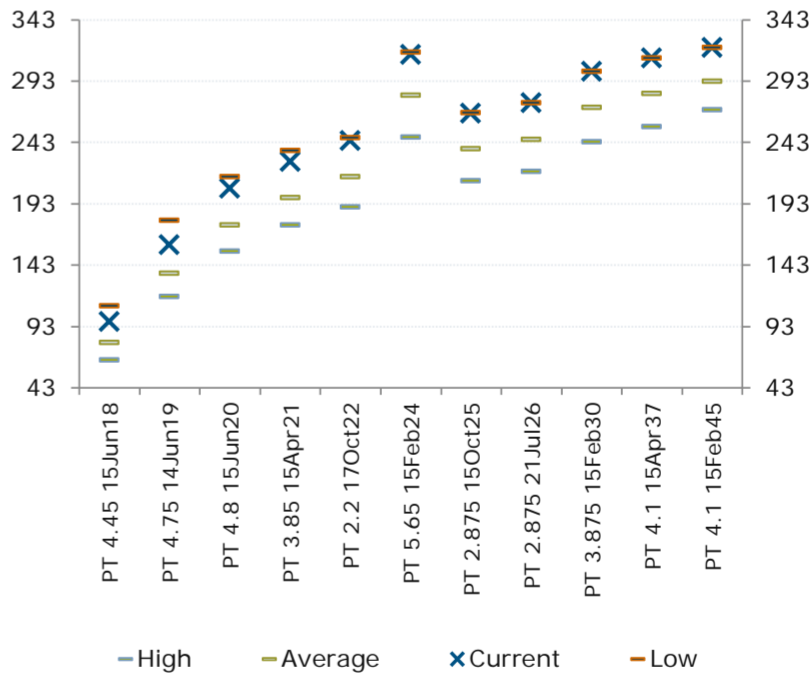
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	14-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	14-Jun	60D Avg.	Z-score
4.450	15 Jun 18	8.99B	0.749	132.0	110.5	3.20	130.8	96.9	79.9	2.42
4.750	14 Jun 19	10.99B	1.352	193.2	164.4	3.35	72.3	159.8	136.1	2.77
4.800	15 Jun 20	10.99B	1.820	235.8	200.1	3.34	49.0	205.6	175.5	3.02
3.850	15 Apr 21	11.01B	2.136	261.2	225.1	3.06	35.8	227.3	197.8	2.79
2.200	17 Oct 22	4.0B	2.610	297.2	260.1	2.91	20.5	244.6	215.0	2.79
5.650	15 Feb 24	12.02B	3.080	332.6	293.2	2.71	38.5	314.6	281.3	2.51
2.875	15 Oct 25	11.99B	3.151	320.3	280.7	2.86	18.3	267.0	237.8	2.61
2.875	21 Jul 26	6.02B	3.344	332.5	290.9	2.86	14.7	275.1	245.4	2.59
3.875	15 Feb 30	4.05B	3.752	360.0	310.7	3.06	15.7	300.7	271.6	2.53
4.100	15 Apr 37	8.02B	4.093	362.8	310.3	3.26	12.2	312.0	282.8	2.73
4.100	15 Feb 45	3.0B	4.261	366.5	316.2	3.17	13.9	320.5	293.0	2.70

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

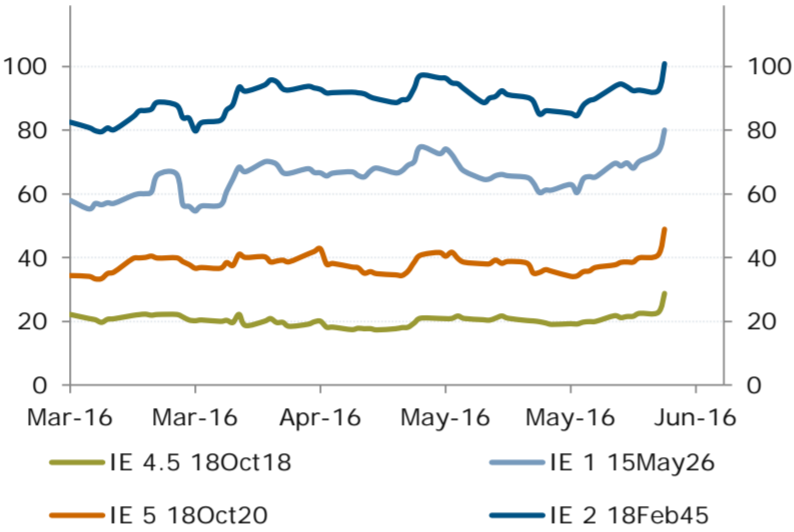
Rating	Baa1/A/A-
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Moody's / S&P / Fitch

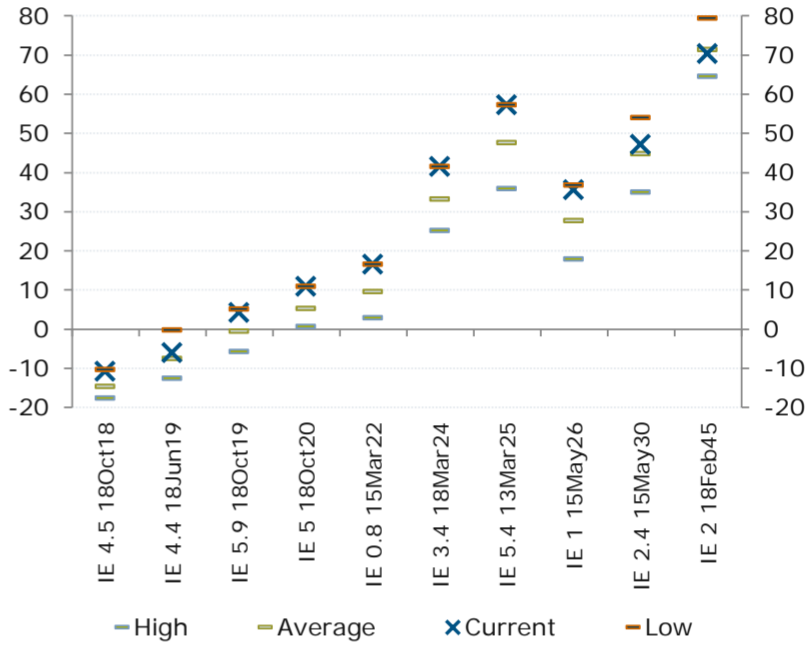
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	14-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	14-Jun	60D Avg.	Z-score
4.500	18 Oct 18	9.58B	-0.286	28.8	20.3	6.89	156.2	-10.8	-14.7	2.52
4.400	18 Jun 19	7.06B	-0.227	35.3	28.4	2.65	111.7	-6.0	-7.6	0.45
5.900	18 Oct 19	6.58B	-0.130	43.6	33.8	4.21	104.7	4.1	-0.5	2.04
5.000	18 Oct 20	8.99B	-0.023	49.0	38.0	5.08	61.6	10.9	5.3	2.67
0.800	15 Mar 22	5.25B	0.189	59.6	48.0	3.57	5.7	16.5	9.6	3.06
3.400	18 Mar 24	8.01B	0.560	79.8	66.3	3.33	16.9	41.5	33.2	2.24
5.400	13 Mar 25	11.01B	0.720	83.8	69.3	3.62	25.3	57.3	47.6	2.49
1.000	15 May 26	4.75B	0.808	80.1	65.0	3.52	3.6	35.6	27.7	2.28
2.400	15 May 30	7.78B	1.128	96.5	78.7	3.36	6.7	47.2	44.7	0.72
2.000	18 Feb 45	5.95B	1.605	100.9	89.5	2.78	3.4	70.3	71.4	-0.31

Spreads against the German curve, bp



Asset swap term structure, bp



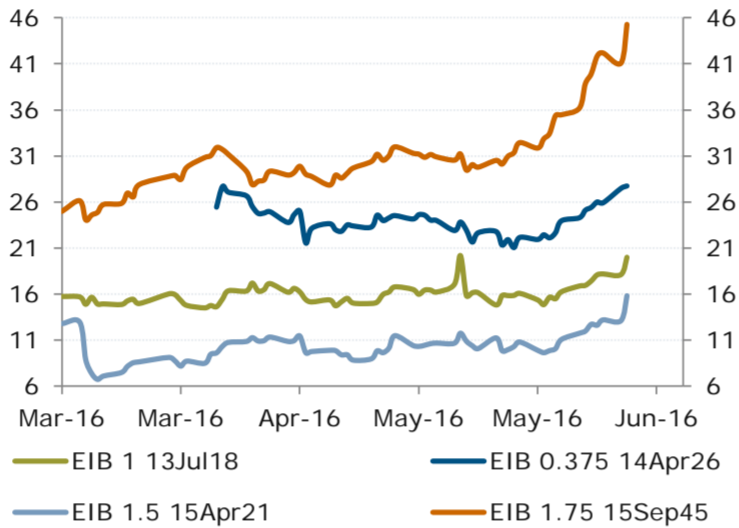


Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

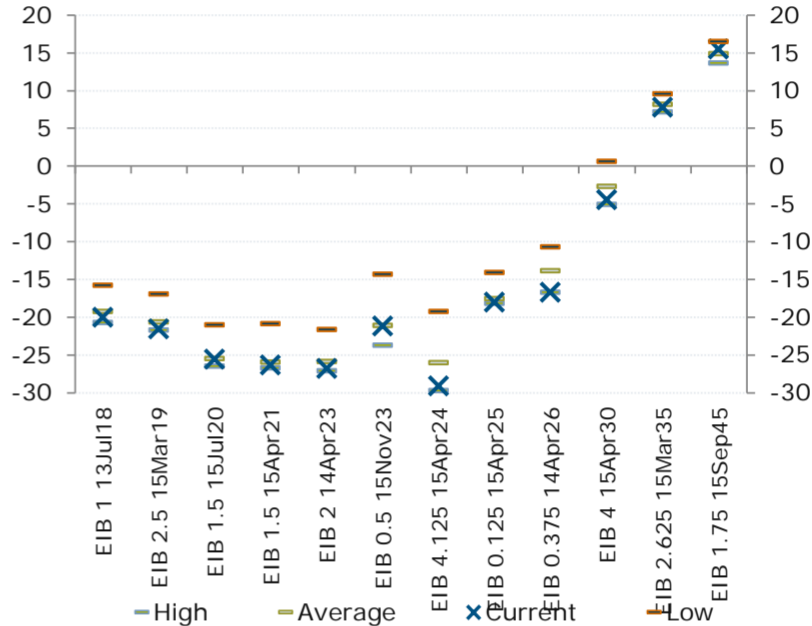
European Investment Bank (EIB)

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	14-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	14-Jun	60D Avg.	Z-score
1.000	13 Jul 18	5.0B	-0.372	20.0	16.0	4.77	51.9	-20.0	-19.3	-0.94
2.500	15 Mar 19	2.9B	-0.379	20.0	15.9	4.94	47.4	-21.6	-20.7	-1.17
1.500	15 Jul 20	6.0B	-0.361	17.1	11.5	5.85	18.6	-25.6	-25.5	-0.12
1.500	15 Apr 21	5.0B	-0.318	15.8	10.2	4.62	12.4	-26.4	-26.0	-1.07
2.000	14 Apr 23	5.0B	-0.145	18.0	14.0	3.35	10.3	-26.8	-25.9	-1.46
0.500	15 Nov 23	1.5B	-0.019	25.2	19.9	3.10	2.6	-21.2	-21.2	-0.05
4.125	15 Apr 24	7.25B	-0.081	14.9	11.7	1.81	19.2	-29.1	-26.0	-1.40
0.125	15 Apr 25	3.0B	0.168	27.6	21.8	4.65	0.6	-18.1	-17.6	-0.95
0.375	14 Apr 26	5.0B	0.276	27.7	24.1	2.66	1.5	-16.8	-13.9	-2.03
4.000	15 Apr 30	6.5B	0.577	41.7	27.3	4.88	11.1	-4.5	-2.7	-1.40
2.625	15 Mar 35	1.7B	0.887	48.5	32.3	4.60	5.2	7.8	8.1	-0.66
1.750	15 Sep 45	1.55B	1.053	45.3	31.0	4.84	1.9	15.4	14.9	1.28

Spreads against the German curve, bp



Asset swap term structure, bp

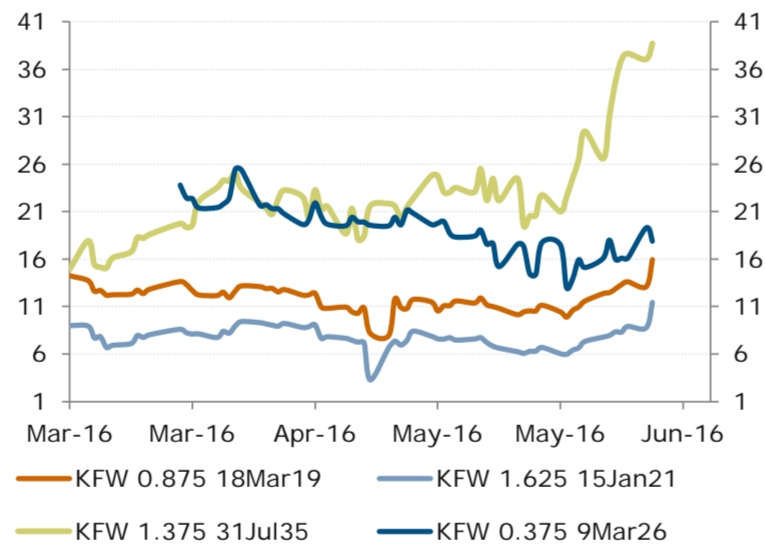


Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

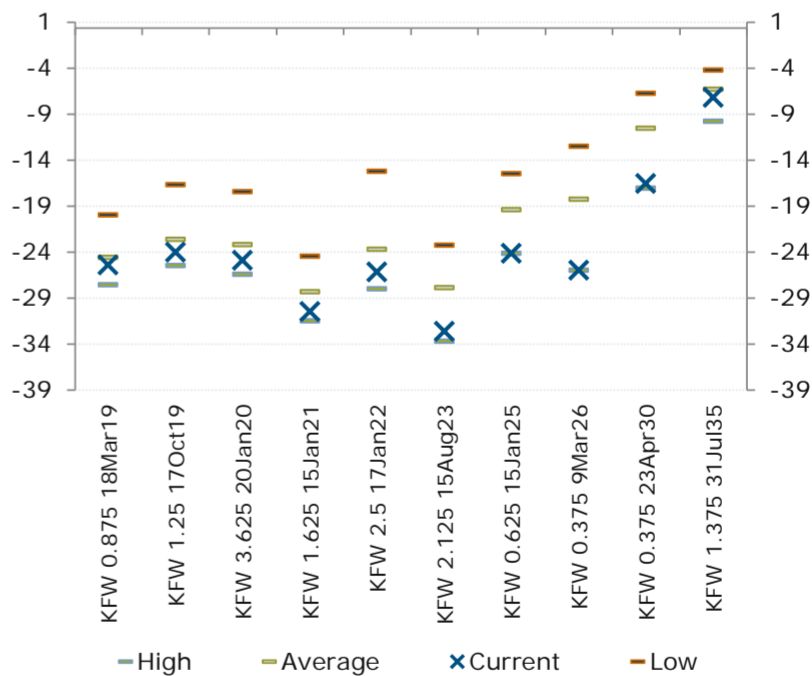
Kreditanstalt für Wiederaufbau (KfW)

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	14-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	14-Jun	60D Avg.	Z-score
0.875	18 Mar 19	5.0B	-0.419	16.0	11.9	3.83	17.4	-25.8	-25.0	-0.56
1.250	17 Oct 19	5.0B	-0.382	18.4	14.2	3.00	21.2	-24.4	-23.0	-1.02
3.625	20 Jan 20	5.0B	-0.383	17.2	13.4	3.05	47.8	-25.3	-23.6	-0.83
1.625	15 Jan 21	5.0B	-0.380	11.5	7.7	4.15	15.1	-30.9	-28.7	-1.40
2.500	17 Jan 22	4.0B	-0.262	15.7	13.2	1.25	17.5	-26.6	-24.1	-1.28
2.125	15 Aug 23	3.0B	-0.171	12.5	11.6	0.37	11.8	-33.0	-28.3	-1.66
0.625	15 Jan 25	4.0B	0.069	20.8	19.4	0.77	2.4	-24.5	-19.8	-1.94
0.375	09 Mar 26	4.0B	0.168	17.9	19.2	-0.56	1.5	-26.4	-18.7	-2.52
0.375	23 Apr 30	2.0B	0.570	40.9	31.8	3.17	1.6	-17.0	-10.9	-2.14
1.375	31 Jul 35	1.0B	0.802	38.8	23.1	4.27	2.1	-7.6	-6.7	-0.66

Spreads against the German curve, bp



Asset swap term structure, bp



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