

Euro Rates Update

Nordea Research, 23 June 2016

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US Treasury Yields				
	2Y	5Y	10Y	30Y
	0.76	1.20	1.71	2.53
Δ 1D	1.2	2.1	2.6	3.6
Δ 1W	3.7	8.0	11.4	11.6

German Benchmark Yields				
	2Y	5Y	10Y	30Y
	-0.58	-0.45	0.07	0.65
Δ 1D	0.2	1.5	1.2	1.2
Δ 1W	-0.8	1.7	6.8	10.0

German Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-12.9	-51.6	-64.5	-58.8
Δ 1D	1.4	-0.4	1.0	0.0
Δ 1W	2.5	5.1	7.5	3.2

EUR Swap Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-15.3	-53.9	-69.2	-51.4
Δ 1D	1.0	0.6	1.6	0.6
Δ 1W	1.9	4.1	6.0	3.8

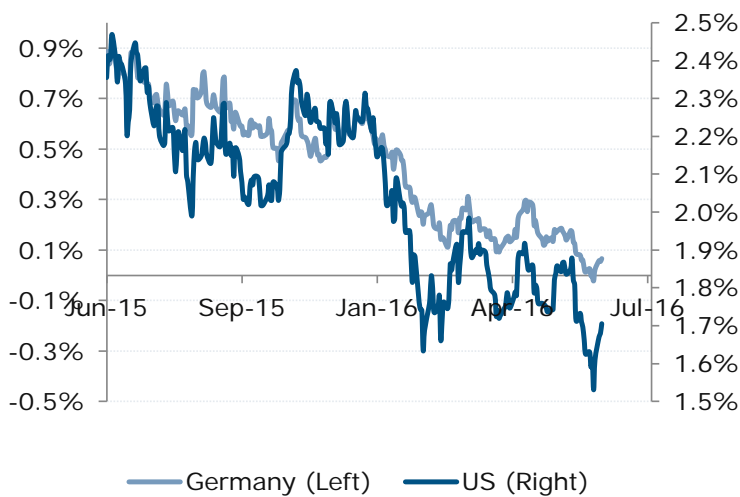
German Asset Swap Levels				
	2Y	5Y	10Y	30Y
	-39.3	-39.8	-40.1	-37.3
Δ 1D	-0.3	0.2	-0.9	-1.7
Δ 1W	0.6	1.6	2.5	2.0

10Y Benchmark Yields				
	Yield	Δ 1D	Spread	Δ 1D
GER	0.066	1.2	-	-
FRA	0.424	0.1	34.7	-1.0
ITA	1.362	-1.7	133.5	-2.8
ESP	1.500	-1.0	143.1	-2.1
BEL	0.454	0.7	37.0	-0.5
HOL	0.292	-0.3	20.5	-1.4
AUT	0.408	0.3	31.3	-0.8
GRE	7.015	-2.6	696.4	-3.7
POR	3.126	-2.6	303.9	-3.8
FIN	0.354	1.6	28.8	0.5
IRL	0.782	-0.5	70.8	-1.6

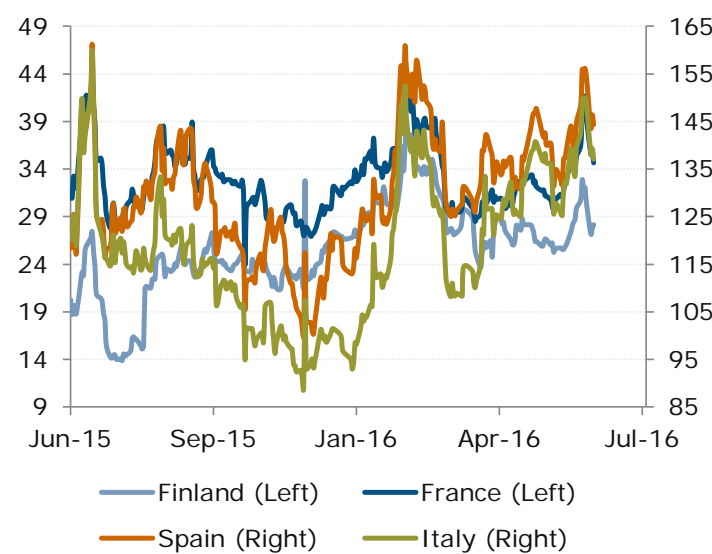
Spread = Maturity interpolated spread to German government par yield curve

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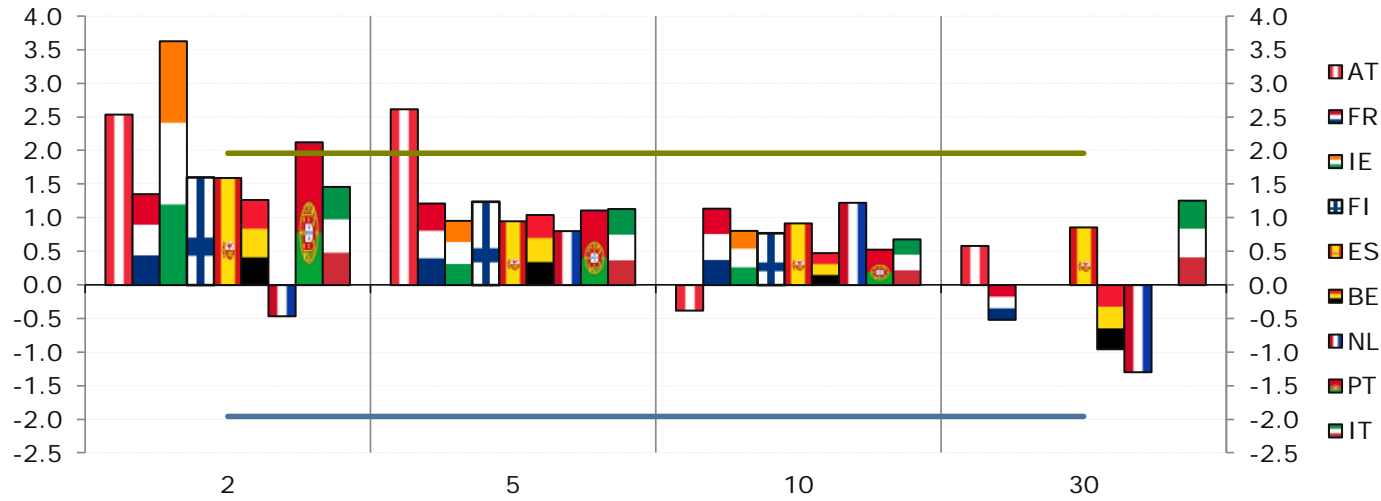
German & US 10-year benchmark yields, %



10 year spreads against Germany, bp



Z-scores of benchmark vs. Germany



Upcoming Issuance (source: Bloomberg)						
Date	Country	Coupon	Maturity	Amount (EURbn)		
27 Jun	IT			1bn		
27 Jun	LT		2023			
30 Jun	IT					
05 Jul	AS					
06 Jul	GE			4bn		

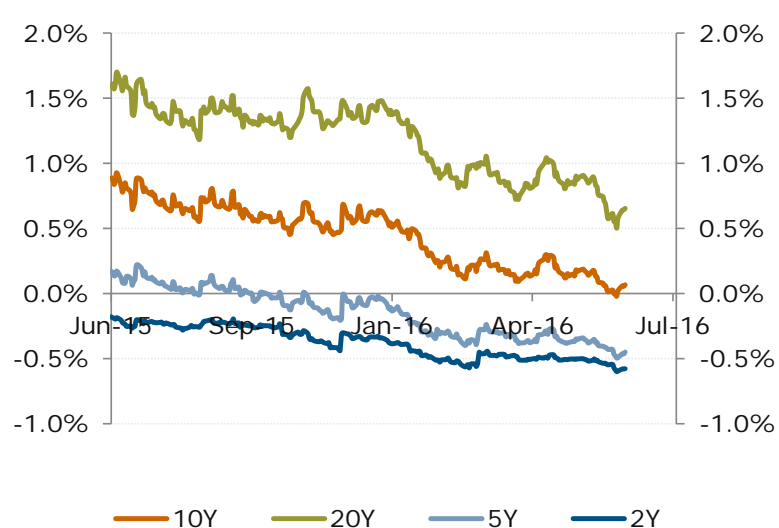
All bond quotes are taken at 16:15 CET.

Bond Yields & Curves

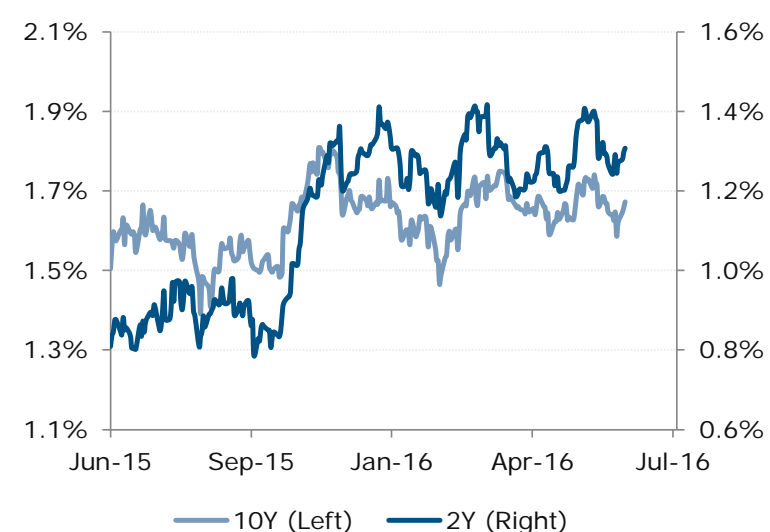
Yield Levels

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

German benchmark bond yields, %



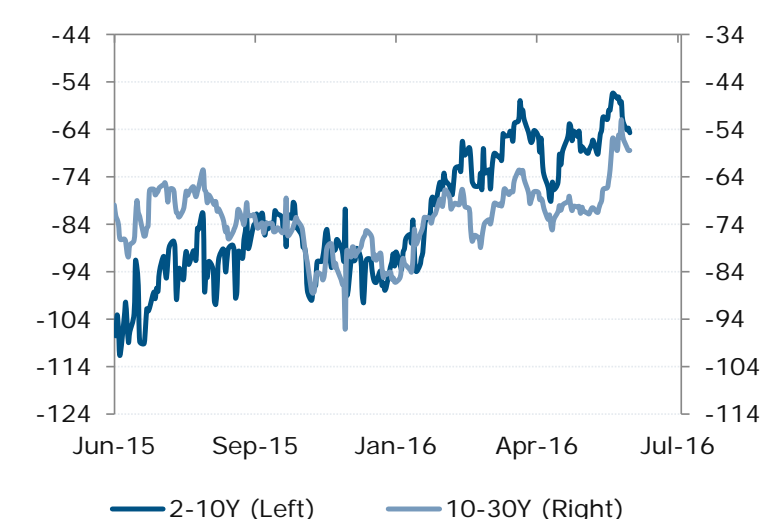
USA-Germany spreads, annualized yields, %



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

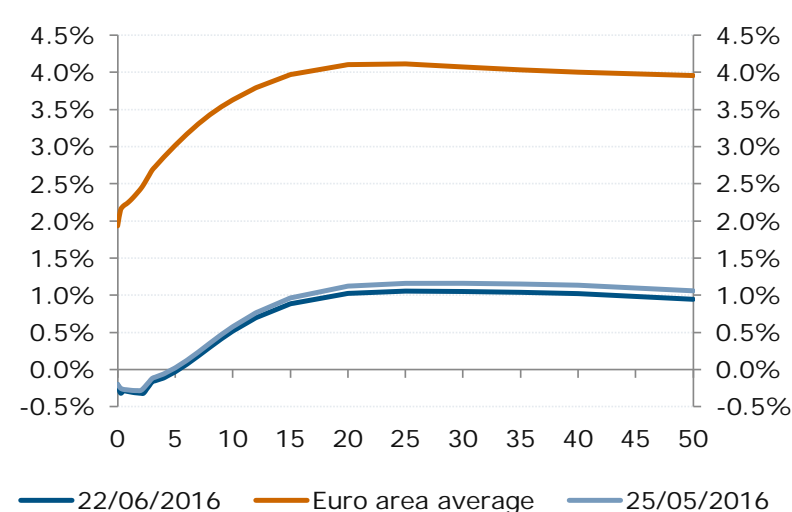
EUR swap rates and implied forwards, %



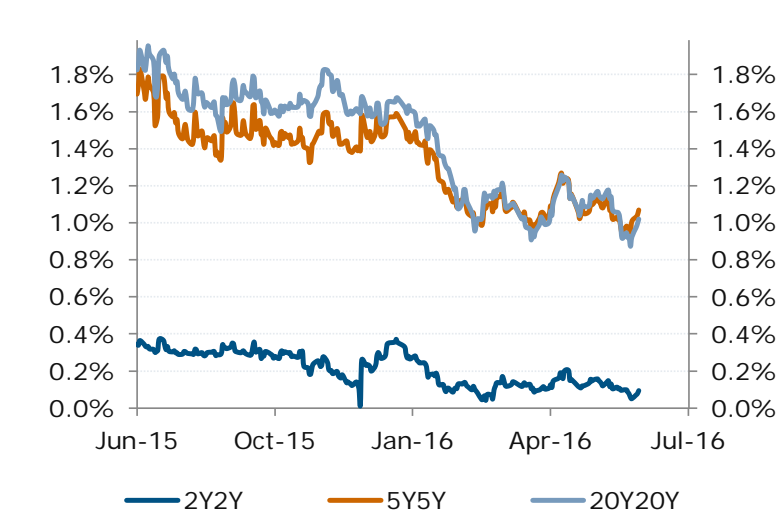
EUR-USD spreads and implied forwards, %



EUR swap curve shape vs. historical



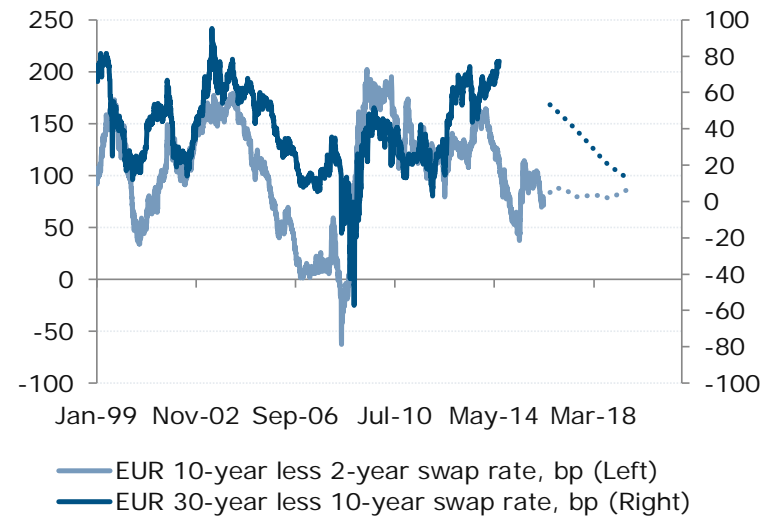
Historical forward rates, %



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.

EUR swap curve slopes and forwards



Curvature (EUR swap curve)

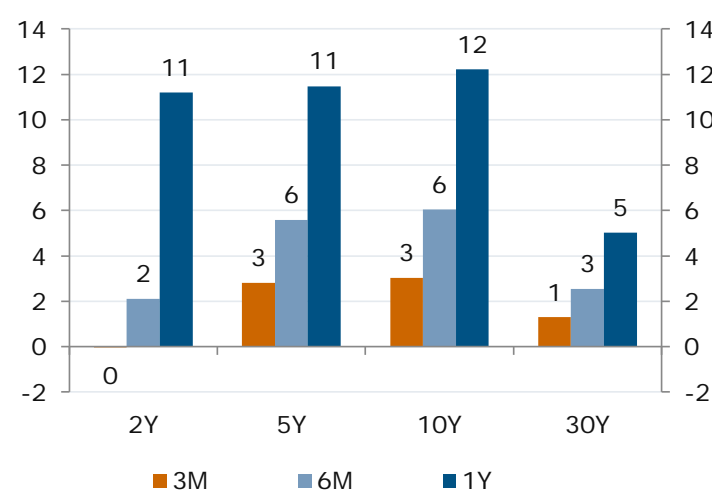


Carry

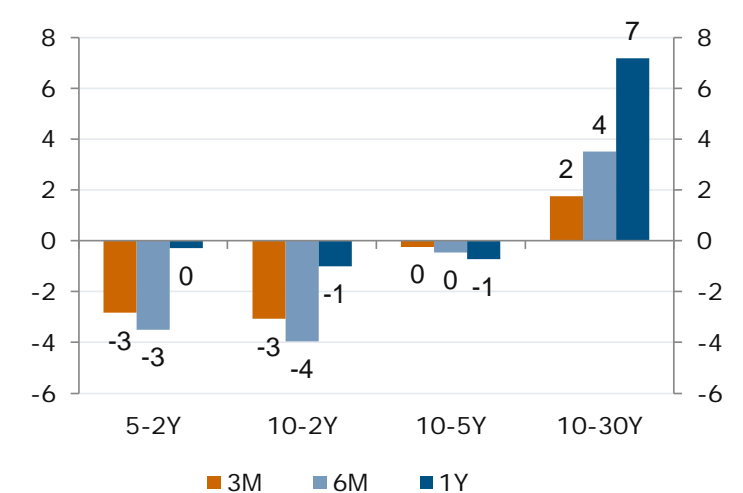
The carry on the given horizon illustrates how much the spot swap rate may rise for a receiver swap position in a forward-starting swap to result in zero profit.

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

Yield buffers for forward-starting swaps, bp



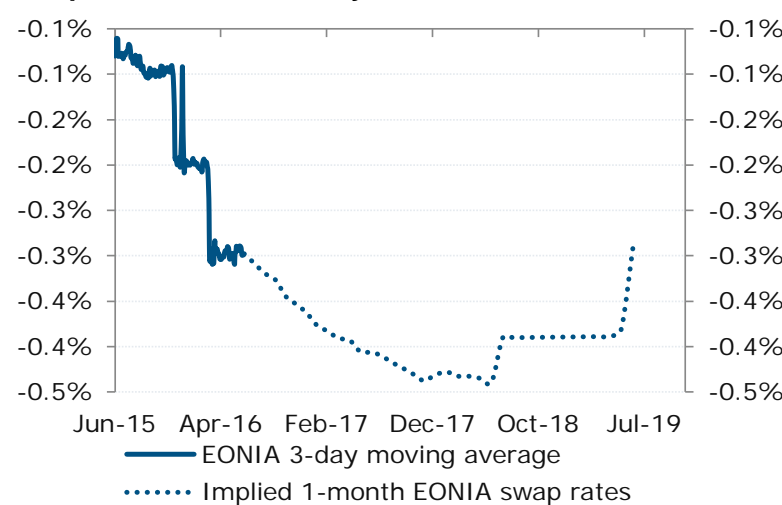
Yield buffers for duration-neutral steepeners, bp



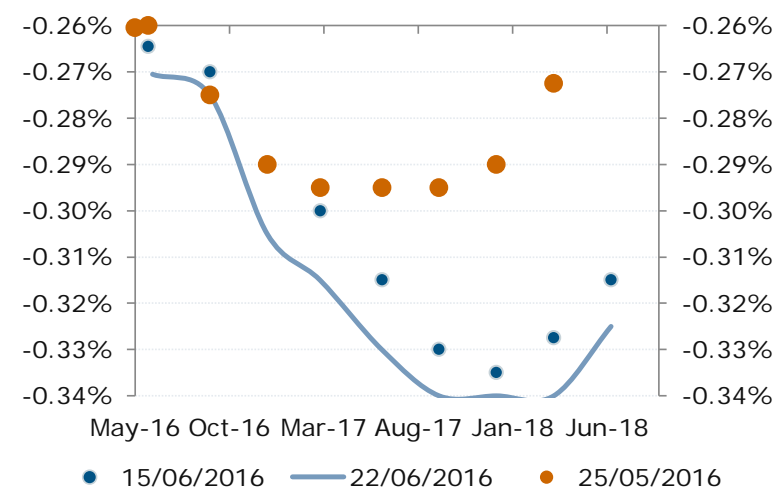
Money Market Rates

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

Expectations and history for EONIA



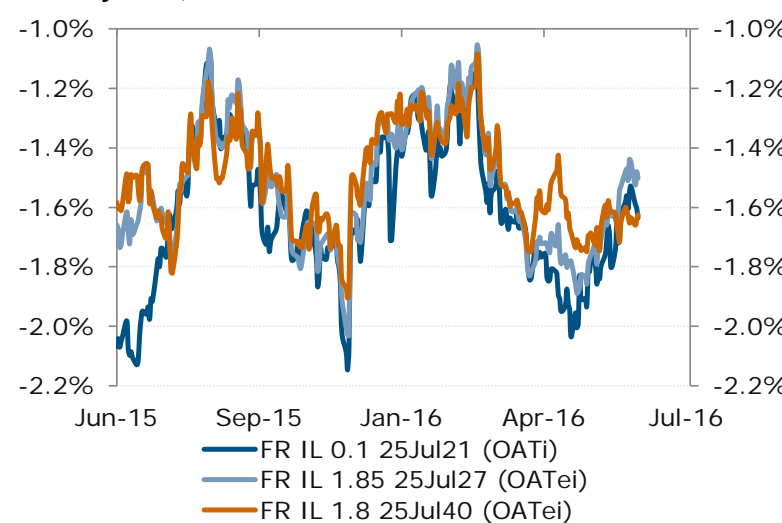
Euribor futures curve, now, 1 wk & 1M ago



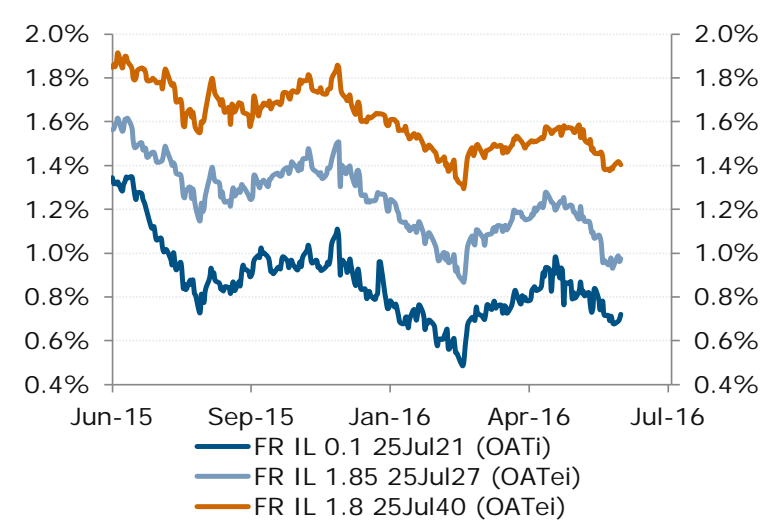
Inflation-linked Bonds

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

Real yields, %



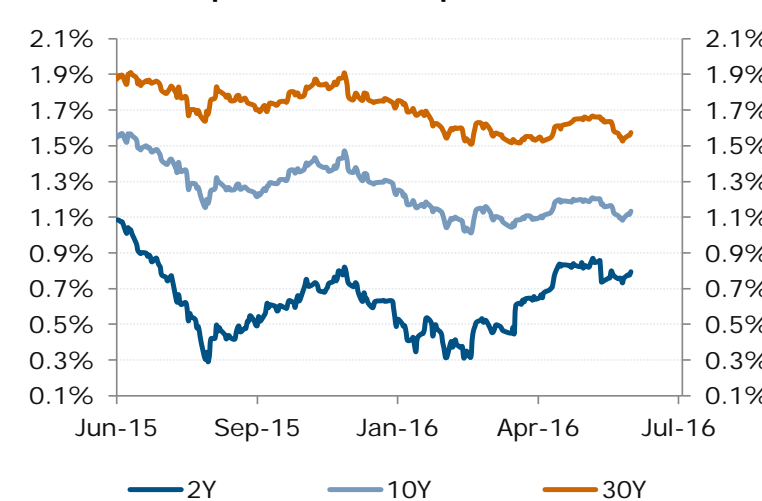
Break-even inflation history, %



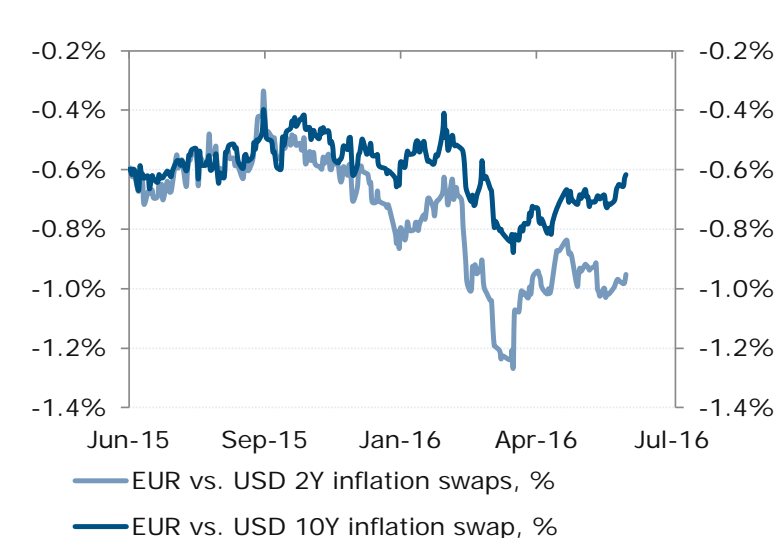
Inflation Swaps

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

EUR zero-coupon inflation swaps



EUR vs. USD inflation swaps



Credit & Money Market Spreads

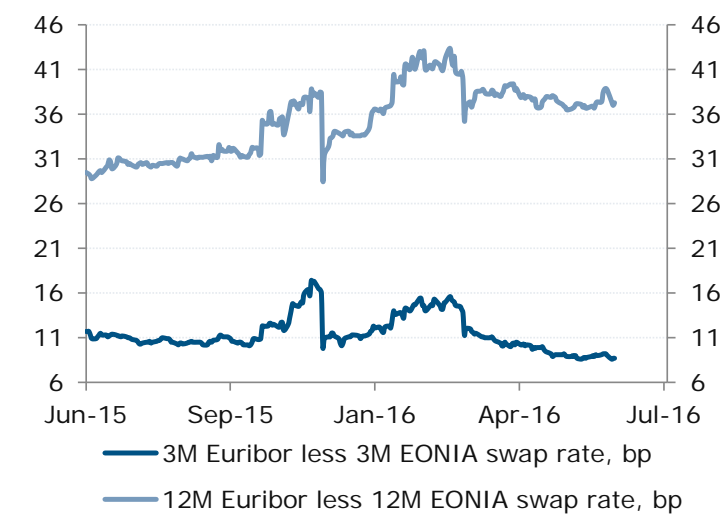
Credit default swap indices illustrate the annual cost of buying protection against a credit event of a company. iTraxx® Europe is comprised of the 125 most liquid CDS contracts referencing European investment grade credits, iTraxx® Crossover of 50 sub-investment grade credits.

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

iTraxx® credit default swap spreads



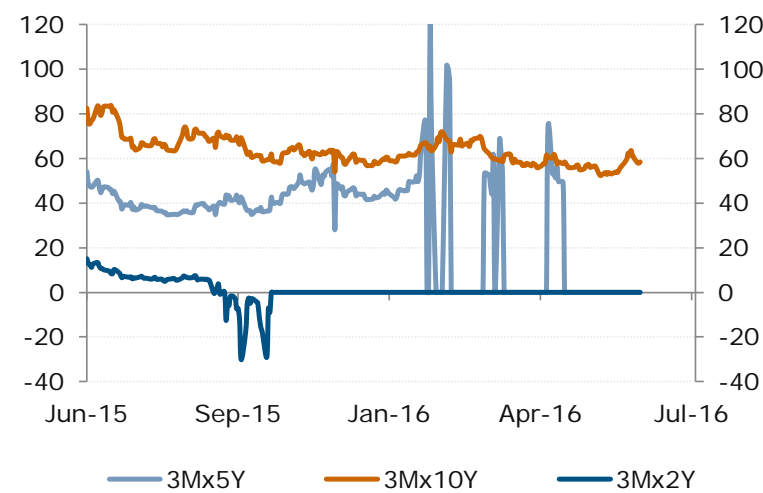
Money market rates vs. EONIA swap rates



Swaption Volatilities

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

Short-dated ATMF swaption bp vol



Long-dated ATMF swaption bp vol



Swap & Cross-country Spreads

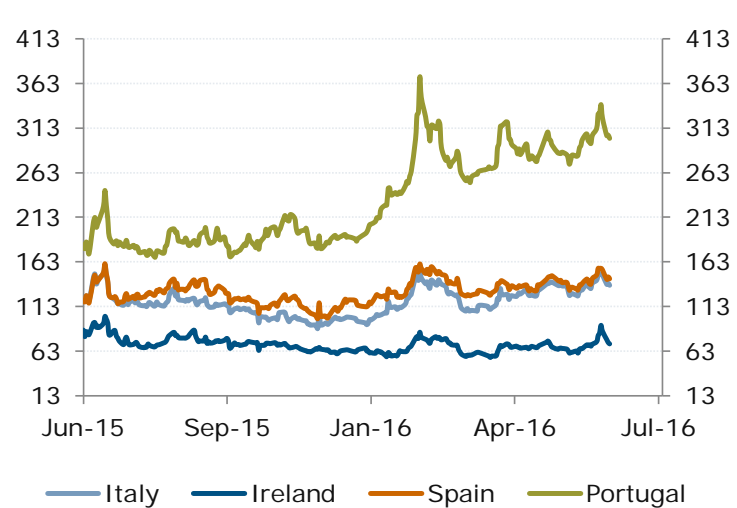
Swap spread:
Benchmark bond's spread to EUR swap curve.

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

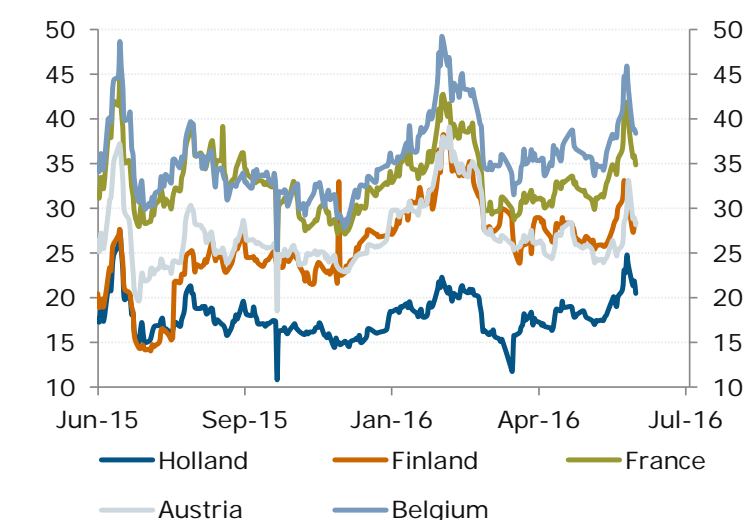
German swap spreads, bp



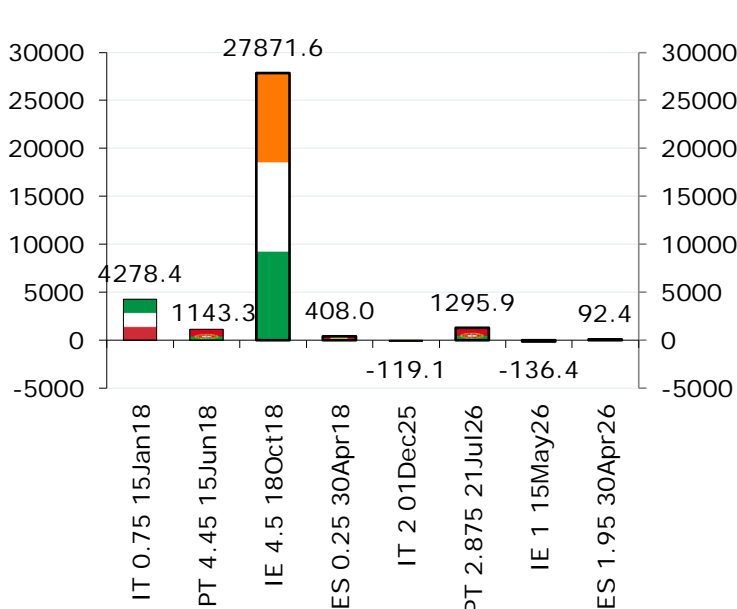
10Y non-AAA spreads against Germany, bp



10Y AAA/AA+ spreads to Germany, bp



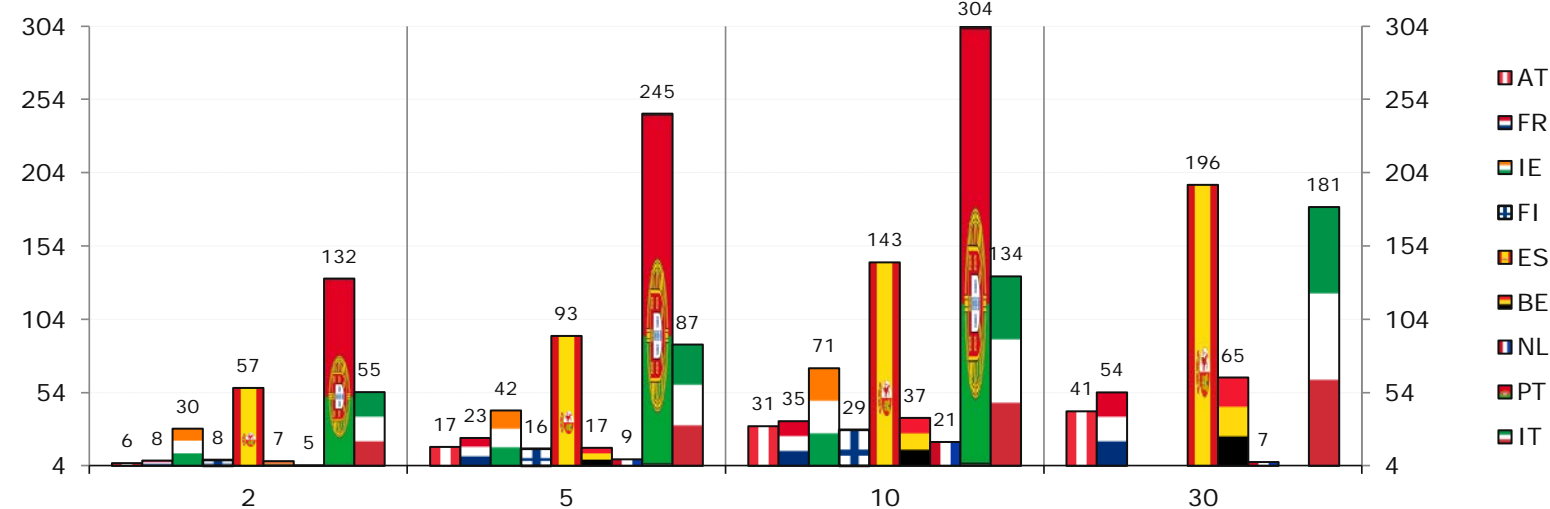
1Y B/E spread changes against Germany, bp



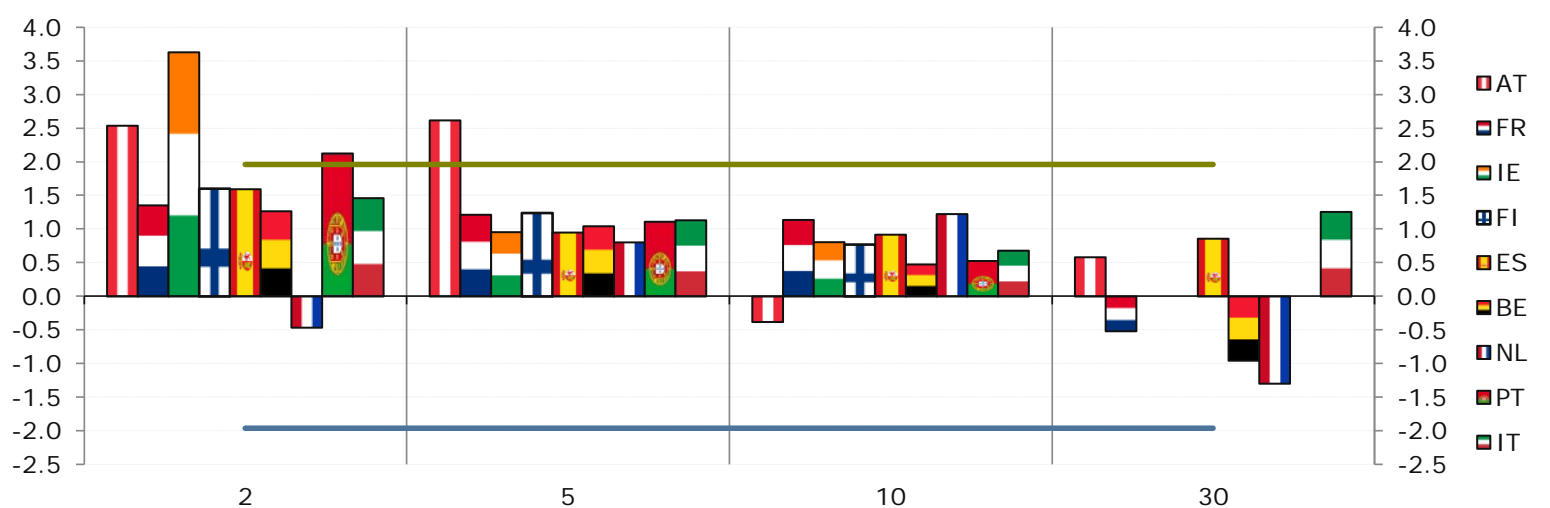


Country Relative Value

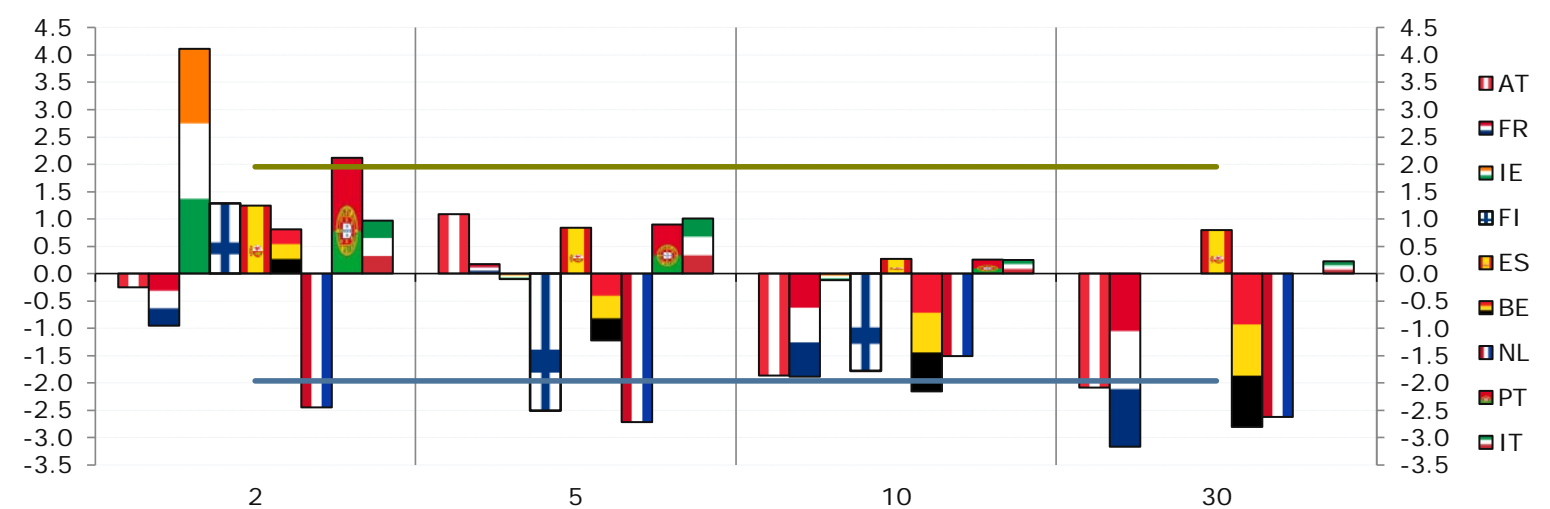
Benchmark spreads over the maturity-interpolated German par curve, bp



Z-scores of benchmark vs. Germany



Z-scores of benchmark vs. swap curve



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

	Against German Curve					Against Swap Curve				
	Issue	Maturity	Coupon	Spread	Z-score	Issue	Maturity	Coupon	Spread	Z-score
2Y: Rich	DE	04 Jul 19	3.500	-15.5	-1.51	NL	15 Apr 18	0.000	-33.9	-2.63
	Cheap	IE	18 Oct 18	4.500	29.6	3.31	IE	18 Oct 18	4.500	-8.6
5Y: Rich	DE	09 Apr 21	0.000	-21.4	-1.38	FI	15 Sep 20	0.375	-26.3	-2.75
	Cheap	AT	15 Jul 20	3.900	15.4	3.38	EIB	15 Jul 20	1.500	-24.9
7Y: Rich	NL	15 Jul 23	1.750	13.4	-1.16	NL	15 Jul 23	1.750	-30.1	-4.64
	Cheap	EIB	15 Nov 23	0.500	22.8	1.75	PT	17 Oct 22	2.200	228.8
10Y: Rich	KfW	09 Mar 26	0.375	15.2	-1.49	AT	20 Oct 25	1.200	-17.9	-3.30
	Cheap	EIB	15 Apr 25	0.125	24.9	1.73	GR	24 Feb 28	3.000	491.1
15Y: Rich	IT	01 Sep 36	2.250	160.6	-1.08	KfW	31 Jul 35	1.375	-19.2	-5.11
	Cheap	EIB	15 Mar 35	2.625	47.8	2.74	GR	24 Feb 36	3.000	395.9
20Y: Rich	NL	15 Jan 47	2.750	6.8	-1.29	FR	25 May 45	3.250	36.7	-3.14
	Cheap	EIB	15 Sep 45	1.750	43.7	2.57	EIB	15 Sep 45	1.750	15.0

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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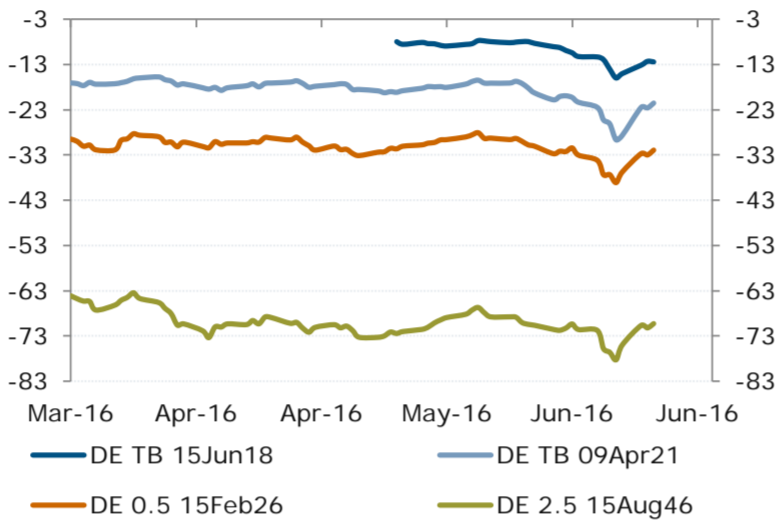
Moody's / S&P / Fitch

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

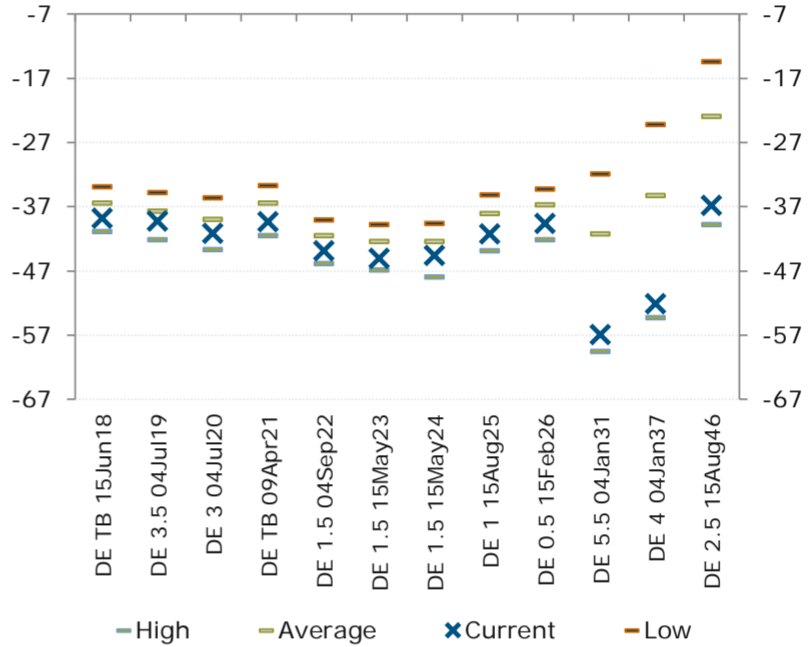
Germany

Benchmark Bonds				Spread vs. France				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	22-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	22-Jun	60D Avg.	Z-score
0.000	15 Jun 18	10.0B	-0.579	-12.3	-9.8	-1.22	-0.7	-39.3	-36.9	-1.32
3.500	04 Jul 19	24.0B	-0.554	-15.5	-13.4	-1.51	76.4	-39.7	-38.2	-1.28
3.000	04 Jul 20	22.0B	-0.523	-19.5	-17.7	-1.32	39.5	-41.6	-39.4	-1.73
0.000	09 Apr 21	21.0B	-0.450	-21.4	-18.6	-1.38	-0.2	-39.8	-36.9	-2.16
1.500	04 Sep 22	18.0B	-0.355	-26.2	-24.7	-0.91	9.9	-44.4	-42.0	-1.78
1.500	15 May 23	18.0B	-0.290	-27.9	-26.4	-0.82	7.6	-45.5	-42.9	-1.82
1.500	15 May 24	18.0B	-0.176	-30.0	-29.1	-0.42	6.4	-45.1	-42.9	-1.37
1.000	15 Aug 25	23.0B	-0.007	-32.1	-30.3	-0.93	4.1	-41.7	-38.5	-1.95
0.500	15 Feb 26	26.0B	0.066	-31.8	-31.0	-0.53	1.8	-40.1	-37.1	-1.91
5.500	04 Jan 31	17.0B	0.243	-51.6	-50.8	-0.42	15.8	-57.4	-41.7	-2.62
4.000	04 Jan 37	23.0B	0.468	-60.2	-62.2	0.81	7.9	-52.6	-35.7	-2.66
2.500	15 Aug 46	17.0B	0.653	-70.1	-70.0	-0.05	3.8	-37.3	-23.4	-2.53

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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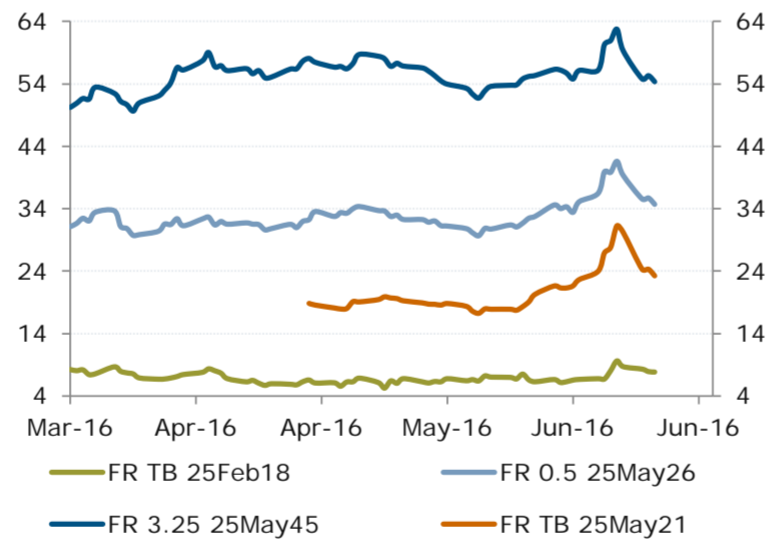
Moody's / S&P / Fitch

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

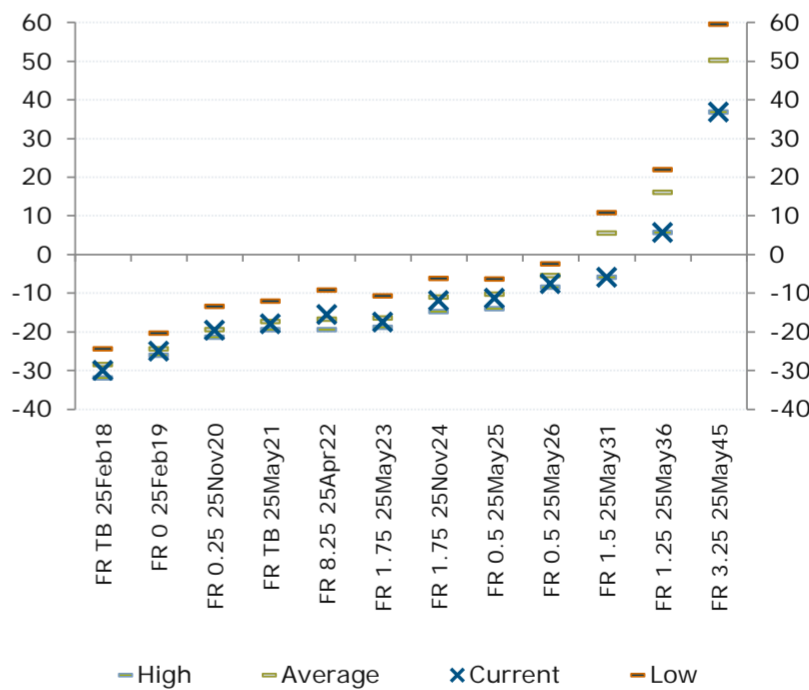
France

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	22-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	22-Jun	60D Avg.	Z-score
0.000	25 Feb 18	19.22B	-0.485	7.8	6.9	1.38	0.2	-30.0	-28.6	-1.20
0.000	25 Feb 19	12.81B	-0.427	14.3	12.8	1.09	-0.6	-25.1	-24.5	-0.58
0.250	25 Nov 20	24.82B	-0.281	20.9	18.0	1.44	1.5	-19.6	-19.5	-0.11
0.000	25 May 21	10.99B	-0.220	23.3	20.7	0.89	-0.9	-18.1	-17.5	-0.58
8.250	25 Apr 22	1.99B	-0.160	21.6	17.9	1.88	56.5	-15.7	-16.8	0.74
1.750	25 May 23	35.02B	-0.023	25.3	23.7	0.81	8.4	-17.6	-16.6	-0.85
1.750	25 Nov 24	30.99B	0.194	28.7	27.1	0.74	7.4	-12.0	-11.1	-0.64
0.500	25 May 25	32.97B	0.279	30.8	29.1	0.88	1.6	-11.4	-10.4	-0.82
0.500	25 May 26	20.05B	0.424	34.7	32.8	1.09	1.6	-7.6	-5.6	-1.89
1.500	25 May 31	16.99B	0.766	46.9	45.5	0.60	3.3	-6.0	5.4	-3.29
1.250	25 May 36	6.0B	1.035	51.4	51.9	-0.27	2.0	5.5	16.0	-2.85
3.250	25 May 45	20.99B	1.241	54.4	55.5	-0.57	4.5	36.7	50.2	-3.14

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

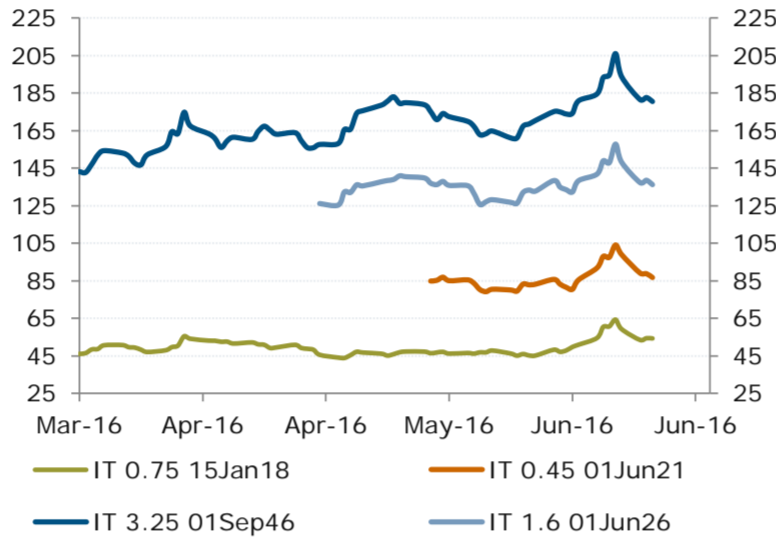
Rating	Baa2/BBB-/BBB+
Moody's / S&P / Fitch	

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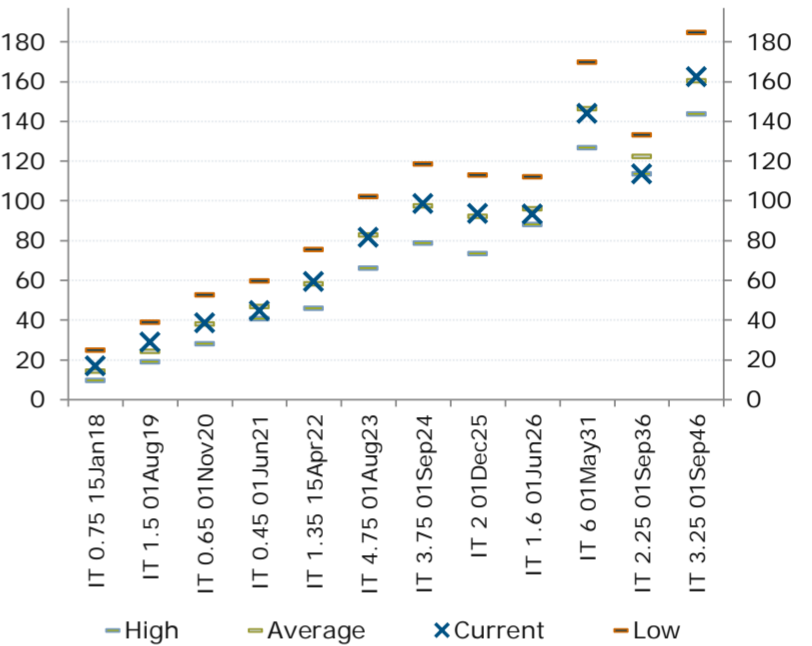
Italy

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	22-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	22-Jun	60D Avg.	Z-score
0.750	15 Jan 18	15.46B	-0.012	54.5	49.8	1.40	65.4	16.8	14.2	0.88
1.500	01 Aug 19	16.01B	0.121	68.2	61.5	1.75	23.2	28.8	24.0	1.45
0.650	01 Nov 20	14.02B	0.300	79.5	76.0	0.80	4.6	38.4	37.9	0.17
0.450	01 Jun 21	9.03B	0.419	87.0	86.6	0.08	2.3	44.7	46.7	-0.58
1.350	15 Apr 22	17.01B	0.633	101.1	97.3	0.79	8.2	59.2	58.1	0.27
4.750	01 Aug 23	24.99B	0.859	111.4	109.8	0.32	25.5	81.6	82.5	-0.19
3.750	01 Sep 24	19.01B	1.171	129.4	126.2	0.50	16.3	98.4	97.4	0.16
2.000	01 Dec 25	17.01B	1.362	133.5	128.5	0.65	7.1	93.5	91.9	0.25
1.600	01 Jun 26	13.99B	1.444	136.5	136.2	0.06	5.4	93.3	95.9	-0.61
6.000	01 May 31	29.75B	1.847	155.3	144.8	1.01	16.1	143.8	146.2	-0.32
2.250	01 Sep 36	6.5B	2.136	160.6	169.4	-1.08	3.9	113.5	122.1	-1.35
3.250	01 Sep 46	13.24B	2.515	180.8	168.7	1.21	4.4	162.3	160.2	0.33

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

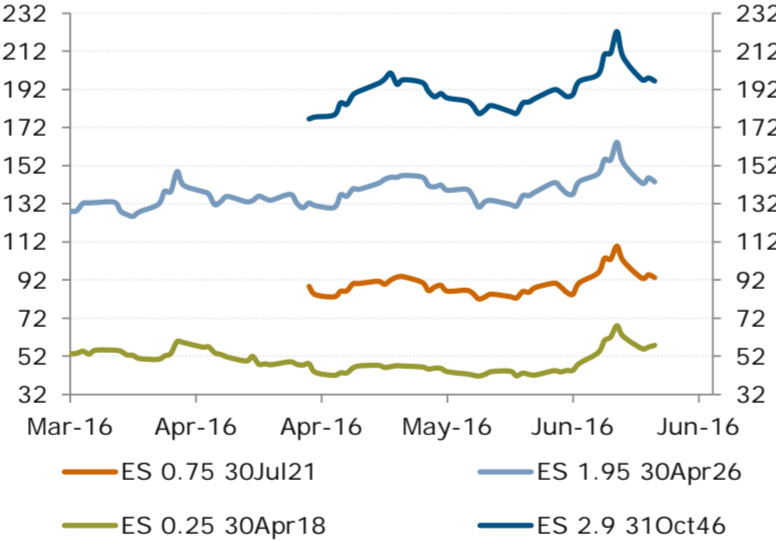
Rating	Baa2/BBB/BBB+
Moody's / S&P / Fitch	

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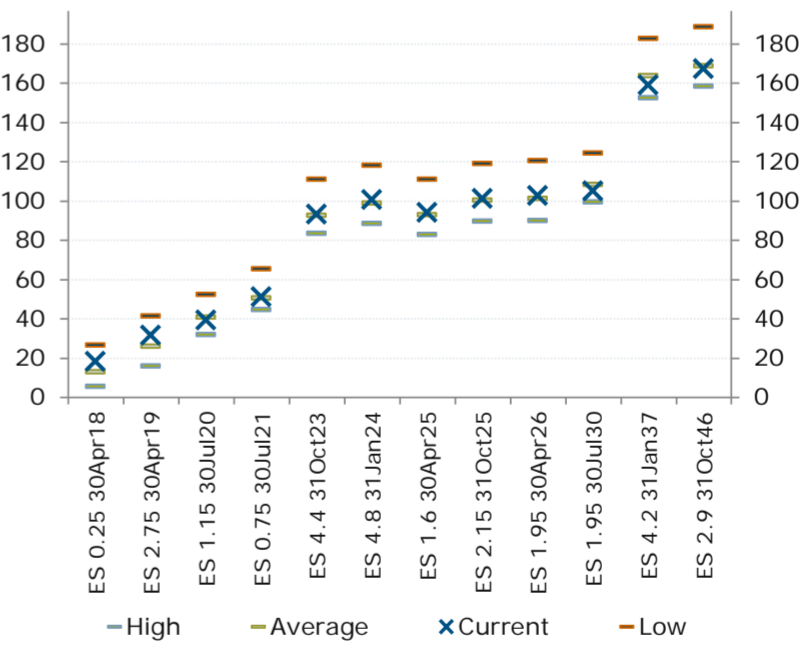
Spain

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	22-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	22-Jun	60D Avg.	Z-score
0.250	30 Apr 18	16.99B	0.002	57.4	49.1	1.55	9.2	18.3	12.9	1.05
2.750	30 Apr 19	22.98B	0.122	68.9	61.6	1.46	44.9	31.5	25.7	1.13
1.150	30 Jul 20	17.02B	0.278	79.2	78.0	0.30	13.0	39.3	40.6	-0.33
0.750	30 Jul 21	7.93B	0.490	92.9	89.3	0.71	4.7	51.0	50.5	0.13
4.400	31 Oct 23	20.01B	0.994	121.9	119.2	0.57	23.9	93.0	92.7	0.08
4.800	31 Jan 24	16.34B	1.067	126.2	122.6	0.75	24.4	100.4	98.8	0.34
1.600	30 Apr 25	19.09B	1.328	136.6	132.6	0.75	6.0	94.2	92.8	0.31
2.150	31 Oct 25	20.96B	1.418	140.0	135.8	0.76	8.4	101.3	100.3	0.22
1.950	30 Apr 26	19.99B	1.500	143.1	137.8	0.88	6.8	102.5	101.2	0.28
1.950	30 Jul 30	13.21B	1.872	161.9	153.6	1.06	4.9	104.9	108.3	-0.80
4.200	31 Jan 37	17.02B	2.293	174.9	166.8	1.09	8.3	158.8	163.6	-0.87
2.900	31 Oct 46	6.87B	2.668	196.0	190.7	0.63	3.1	167.3	168.7	-0.25

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

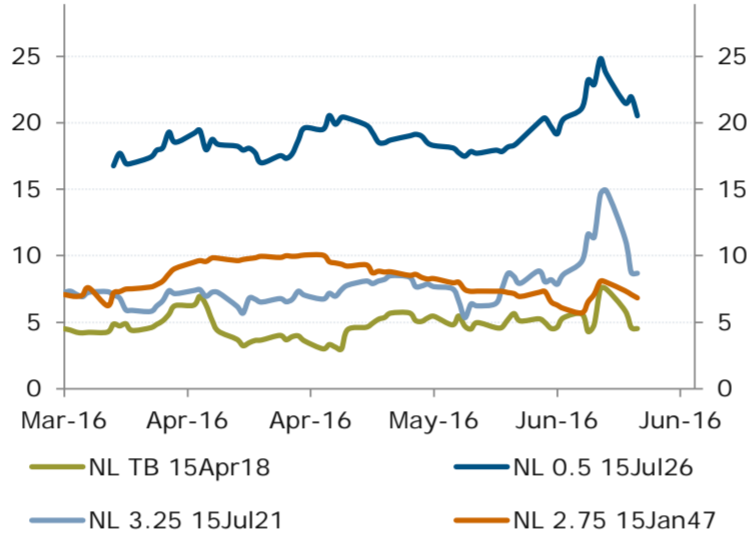
Rating	Aaa/AA+/AAA
Moody's / S&P / Fitch	

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

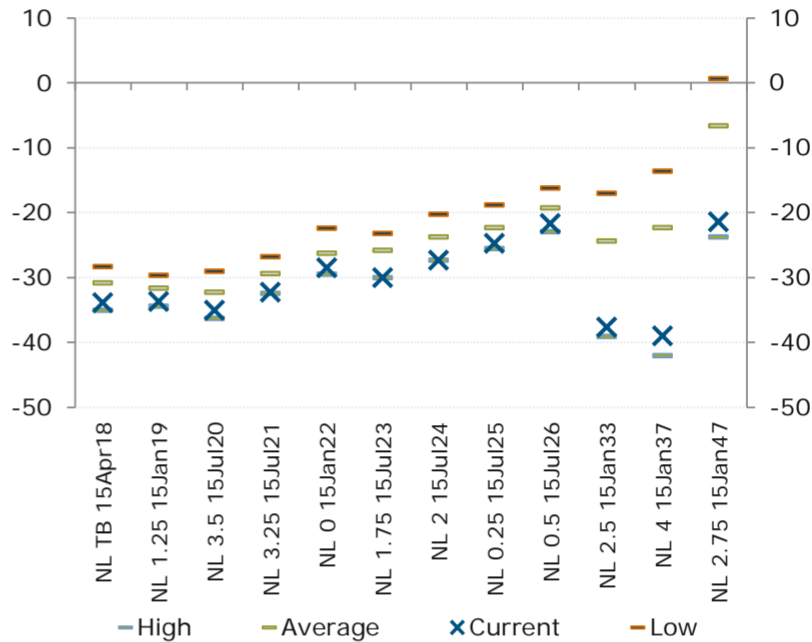
Netherlands

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	22-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	22-Jun	60D Avg.	Z-score
0.000	15 Apr 18	14.66B	-0.524	4.5	4.9	-0.46	0.0	-33.9	-30.9	-2.63
1.250	15 Jan 19	15.01B	-0.516	5.6	5.3	0.26	28.2	-33.8	-31.7	-2.16
3.500	15 Jul 20	15.02B	-0.459	5.8	5.8	0.02	46.6	-35.1	-32.3	-2.54
3.250	15 Jul 21	16.99B	-0.355	8.7	7.8	0.77	30.4	-32.4	-29.4	-2.66
0.000	15 Jan 22	4.12B	-0.265	13.4	15.9	-0.90	-0.3	-28.6	-26.3	-1.25
1.750	15 Jul 23	15.63B	-0.127	13.4	14.9	-1.16	9.8	-30.1	-25.9	-4.64
2.000	15 Jul 24	15.32B	0.006	14.6	15.7	-0.82	9.6	-27.3	-23.8	-3.01
0.250	15 Jul 25	15.01B	0.161	17.3	17.0	0.31	0.8	-24.8	-22.4	-2.28
0.500	15 Jul 26	8.51B	0.292	20.5	19.1	1.14	1.5	-21.7	-19.3	-2.33
2.500	15 Jan 33	12.01B	0.504	12.0	10.3	1.30	5.5	-37.7	-24.5	-2.42
4.000	15 Jan 37	13.99B	0.569	2.7	1.8	0.81	8.1	-39.1	-22.4	-2.35
2.750	15 Jan 47	11.01B	0.778	6.8	8.2	-1.29	3.9	-21.5	-6.7	-2.47

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

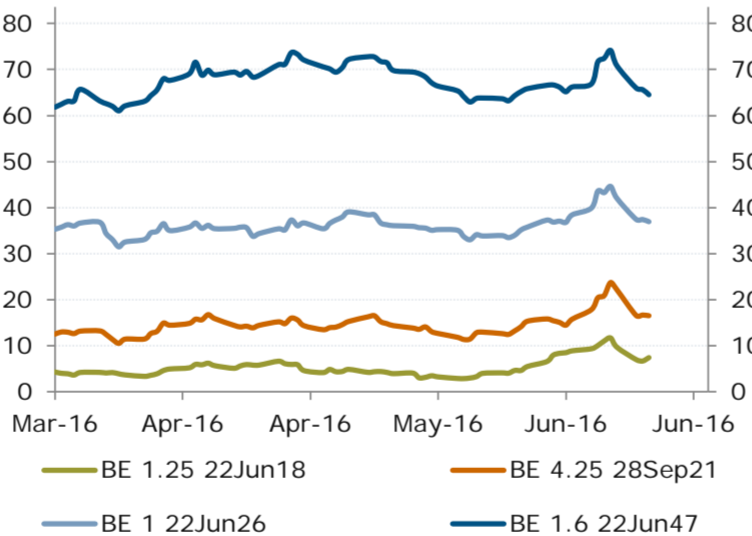
Rating	Aa3/AA/AA
Moody's / S&P / Fitch	

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

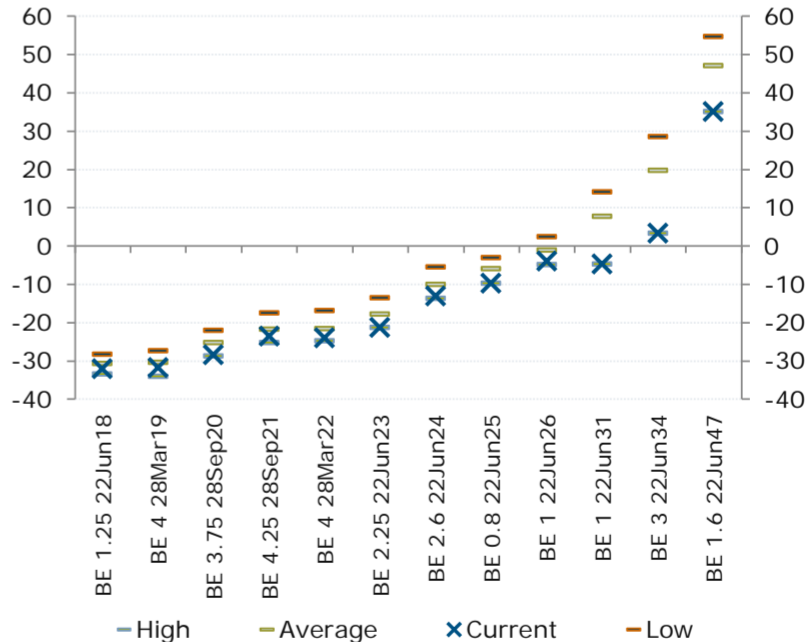
Belgium

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	22-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	22-Jun	60D Avg.	Z-score
1.250	22 Jun 18	11.01B	-0.505	7.4	5.4	1.22	33.9	-32.0	-30.7	-1.19
4.000	28 Mar 19	12.37B	-0.487	8.2	7.5	0.50	73.3	-31.7	-30.4	-1.01
3.750	28 Sep 20	19.01B	-0.382	11.9	11.8	0.08	42.3	-28.4	-25.2	-2.27
4.250	28 Sep 21	16.45B	-0.259	16.5	14.7	1.01	36.2	-23.6	-21.8	-1.23
4.000	28 Mar 22	14.02B	-0.217	16.5	15.9	0.38	26.5	-24.0	-21.6	-1.83
2.250	22 Jun 23	13.99B	-0.055	21.4	22.2	-0.42	10.7	-21.3	-17.7	-2.37
2.600	22 Jun 24	15.85B	0.126	27.4	28.1	-0.36	11.0	-13.1	-10.0	-1.91
0.800	22 Jun 25	16.02B	0.297	31.7	32.8	-0.77	2.7	-9.7	-6.0	-3.11
1.000	22 Jun 26	8.99B	0.454	37.0	36.2	0.46	3.1	-4.0	-1.1	-2.04
1.000	22 Jun 31	7.74B	0.804	50.3	50.5	-0.10	2.1	-4.7	7.7	-3.43
3.000	22 Jun 34	6.47B	0.894	43.5	44.6	-0.38	6.0	3.4	19.8	-3.25
1.600	22 Jun 47	3.5B	1.358	64.5	67.5	-0.98	5.6	35.2	47.0	-2.84

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

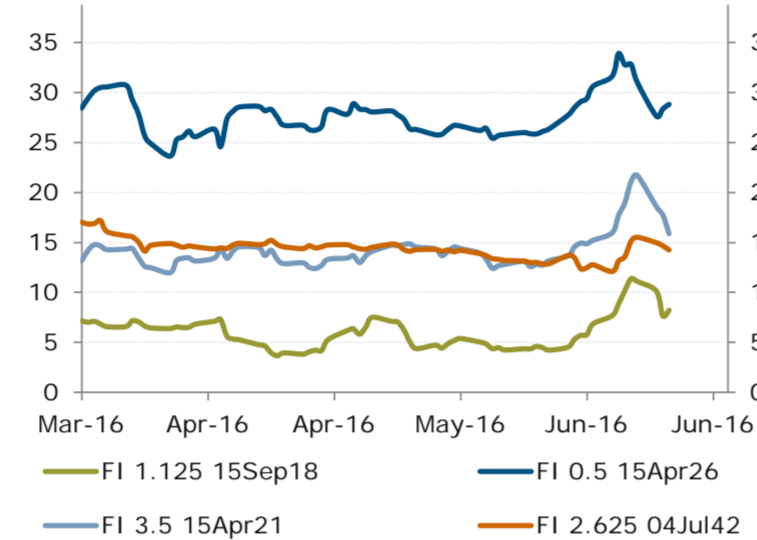
Rating	Aaa/AA+/AAA
Moody's / S&P / Fitch	

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

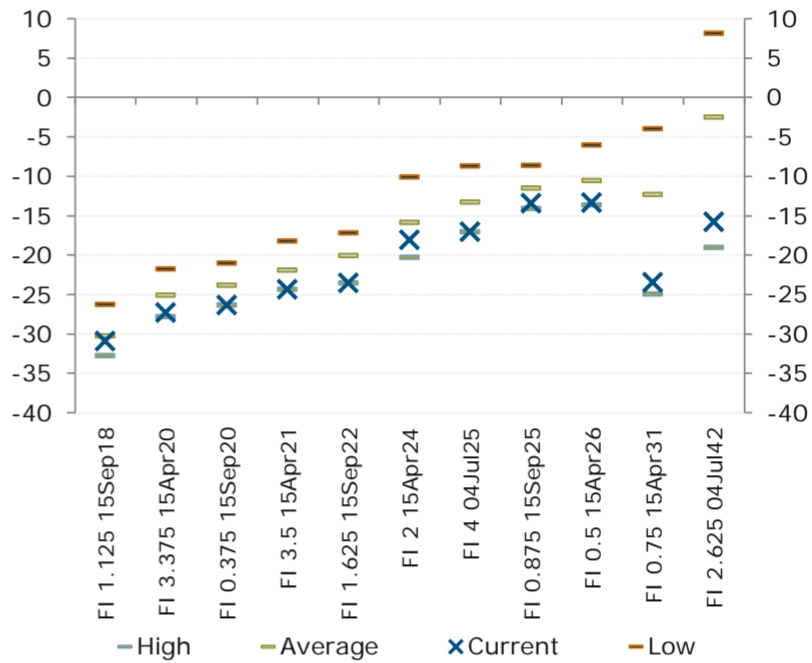
Finland

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	22-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	22-Jun	60D Avg.	Z-score
1.125	15 Sep 18	5.03B	-0.494	8.2	6.0	1.57	41.1	-30.9	-30.2	-0.54
3.375	15 Apr 20	6.5B	-0.401	12.9	12.8	0.13	35.7	-27.3	-25.1	-1.65
0.375	15 Sep 20	6.03B	-0.362	14.2	13.9	0.33	3.0	-26.3	-23.8	-2.75
3.500	15 Apr 21	6.0B	-0.302	15.9	14.3	1.19	27.2	-24.3	-21.9	-2.42
1.625	15 Sep 22	5.0B	-0.153	18.7	19.3	-0.45	10.2	-23.5	-20.1	-3.05
2.000	15 Apr 24	5.0B	0.067	23.8	23.7	0.03	8.9	-18.1	-15.8	-0.97
4.000	04 Jul 25	6.03B	0.176	19.2	19.7	-0.51	19.7	-17.1	-13.3	-2.73
0.875	15 Sep 25	4.03B	0.284	27.9	26.6	0.91	3.4	-13.4	-11.5	-1.76
0.500	15 Apr 26	5.0B	0.354	28.8	27.6	0.76	1.6	-13.3	-10.5	-1.90
0.750	15 Apr 31	3.5B	0.609	31.8	30.6	0.76	1.6	-23.5	-12.3	-2.48
2.625	04 Jul 42	4.03B	0.819	14.3	14.3	0.00	4.2	-15.8	-2.5	-2.33

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

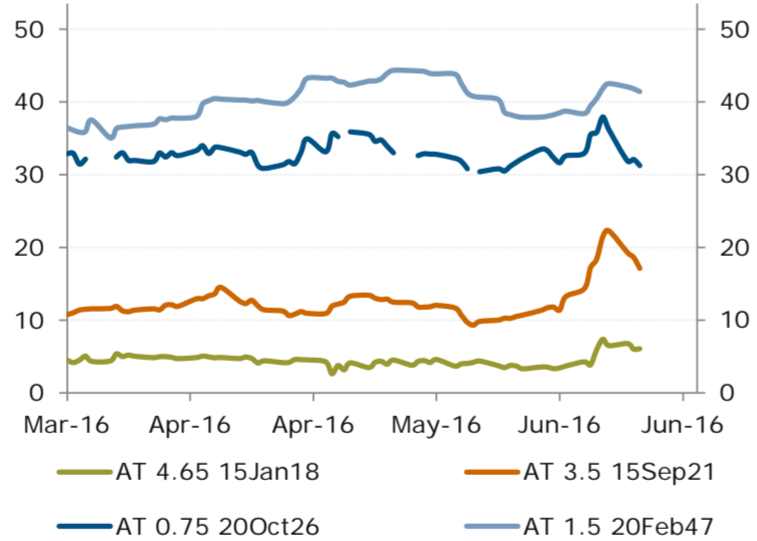
Rating	Aaa/AA+/AA+
Moody's / S&P / Fitch	

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

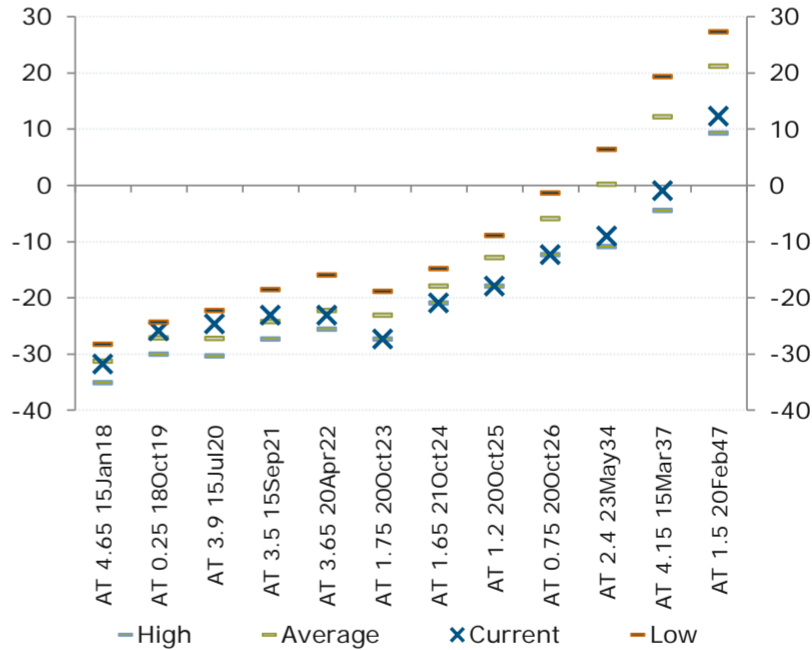
Austria

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	22-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	22-Jun	60D Avg.	Z-score
4.650	15 Jan 18	12.06B	-0.496	6.1	4.5	2.39	408.9	-31.8	-31.3	-0.42
0.250	18 Oct 19	7.97B	-0.410	14.1	10.9	3.14	3.1	-25.9	-27.1	1.20
3.900	15 Jul 20	13.01B	-0.364	15.4	10.4	3.38	50.4	-24.6	-27.2	1.98
3.500	15 Sep 21	15.99B	-0.256	17.2	12.6	2.44	28.8	-23.2	-24.3	0.93
3.650	20 Apr 22	8.71B	-0.201	17.6	15.5	1.01	23.1	-23.1	-22.3	-0.60
1.750	20 Oct 23	9.17B	-0.071	15.8	17.3	-0.77	8.8	-27.3	-23.1	-2.90
1.650	21 Oct 24	10.35B	0.100	20.5	21.0	-0.31	7.2	-21.0	-17.9	-2.76
1.200	20 Oct 25	9.28B	0.242	22.7	24.3	-1.42	4.7	-17.9	-12.9	-3.30
0.750	20 Oct 26	5.69B	0.408	31.3	33.0	-1.48	2.3	-12.3	-6.0	-3.18
2.400	23 May 34	6.69B	0.802	34.7	29.4	2.20	4.7	-9.1	0.2	-2.13
4.150	15 Mar 37	12.22B	0.862	31.5	28.4	1.54	8.2	-1.0	12.2	-2.05
1.500	20 Feb 47	1.95B	1.125	41.4	40.3	0.56	1.8	12.3	21.1	-2.07

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

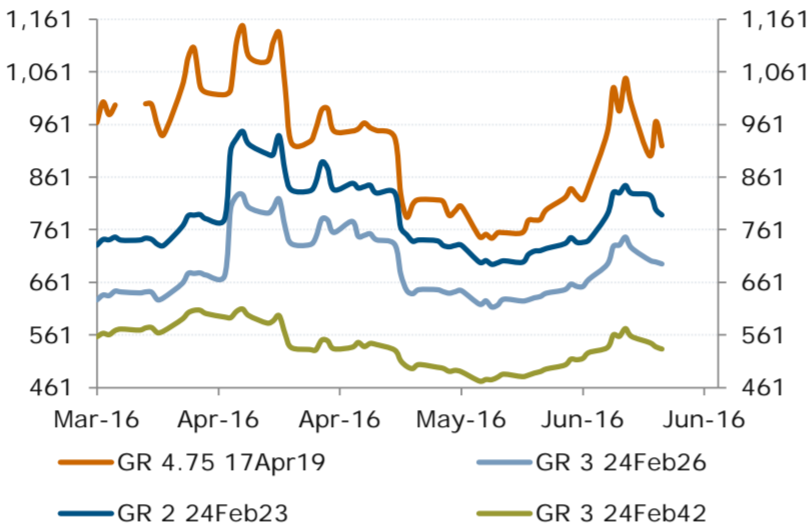
Source: European Commission, Winter 2015 forecast

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

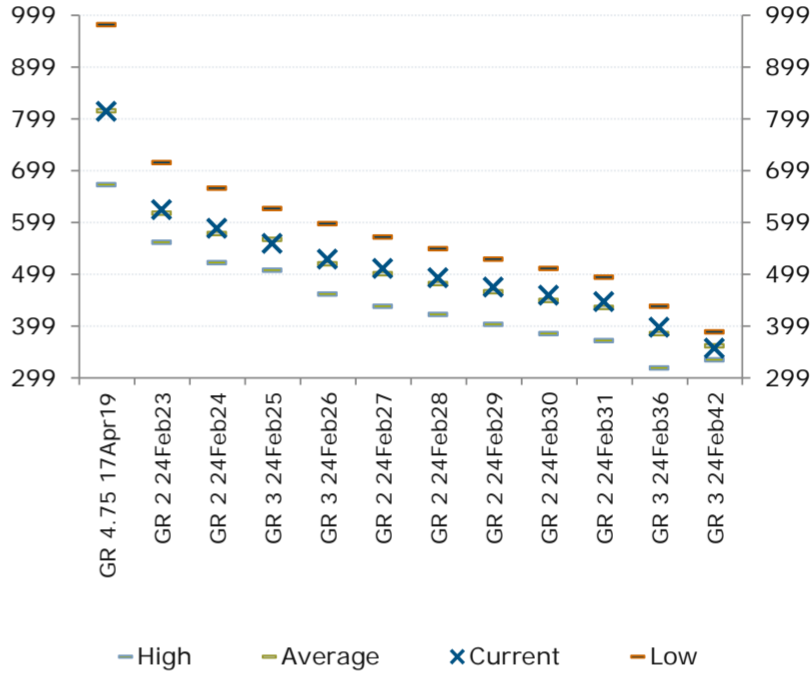
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	22-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	22-Jun	60D Avg.	Z-score
4.750	17 Apr 19	4.02B	8.641	920.8	926.9	-0.06	63.1	812.8	813.8	-0.01
3.000	24 Feb 23	1.04B	7.596	789.5	789.7	0.00	15.7	623.2	616.3	0.17
3.000	24 Feb 24	1.25B	7.373	756.1	751.9	0.07	13.7	587.1	577.3	0.26
3.000	24 Feb 25	1.84B	7.225	728.6	745.8	-0.29	12.6	558.1	566.1	-0.24
3.000	24 Feb 26	1.37B	7.015	696.4	692.9	0.06	12.1	527.4	518.8	0.24
3.000	24 Feb 27	1.21B	6.999	689.3	680.8	0.16	11.0	509.8	499.5	0.32
3.000	24 Feb 28	1.84B	6.932	679.2	667.1	0.24	9.4	491.1	480.4	0.35
3.000	24 Feb 29	1.48B	6.859	667.6	656.5	0.22	8.2	473.6	464.7	0.30
3.000	24 Feb 30	1.34B	6.784	655.2	641.7	0.28	7.5	458.1	448.0	0.35
3.000	24 Feb 31	1.29B	6.730	644.6	628.7	0.33	7.3	445.0	433.9	0.39
3.000	24 Feb 36	1.33B	6.443	592.9	576.5	0.37	3.7	395.9	384.3	0.46
3.000	24 Feb 42	1.05B	6.020	534.6	540.6	-0.17	3.3	356.1	359.9	-0.26

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

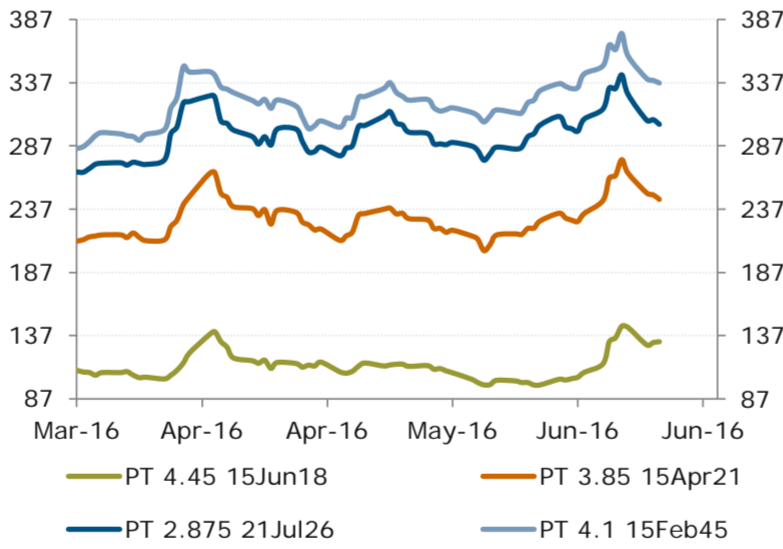
Source: European Commission, Winter 2015 forecast

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

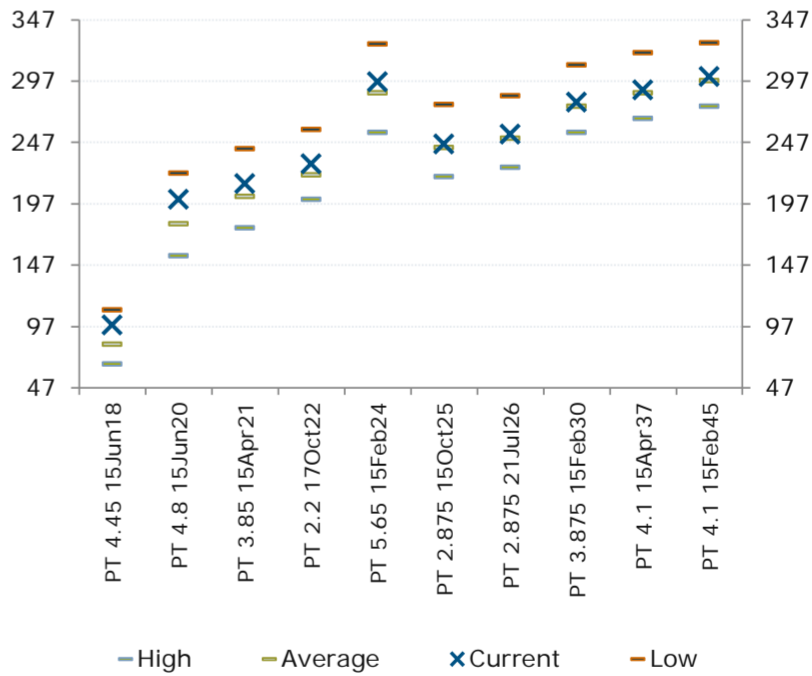
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	22-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	22-Jun	60D Avg.	Z-score
4.450	15 Jun 18	8.99B	0.742	132.0	113.1	2.01	130.7	97.6	81.7	1.76
4.800	15 Jun 20	10.99B	1.753	227.5	205.3	1.69	47.5	199.8	179.9	1.60
3.850	15 Apr 21	11.01B	1.984	244.5	230.4	1.07	30.4	212.5	202.2	0.87
2.200	17 Oct 22	4.0B	2.448	278.0	265.8	0.92	13.2	228.8	219.7	0.82
5.650	15 Feb 24	12.02B	2.916	310.6	299.5	0.81	28.7	295.8	286.9	0.72
2.875	15 Oct 25	11.99B	2.937	292.4	286.4	0.45	10.4	245.1	242.3	0.27
2.875	21 Jul 26	6.02B	3.126	303.9	296.8	0.50	9.8	253.0	249.8	0.29
3.875	15 Feb 30	4.05B	3.557	332.7	317.9	0.92	10.4	279.0	276.0	0.28
4.100	15 Apr 37	8.02B	3.877	332.8	317.7	0.94	8.1	289.2	287.0	0.22
4.100	15 Feb 45	3.0B	4.061	336.5	323.1	0.85	7.2	300.0	296.8	0.32

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

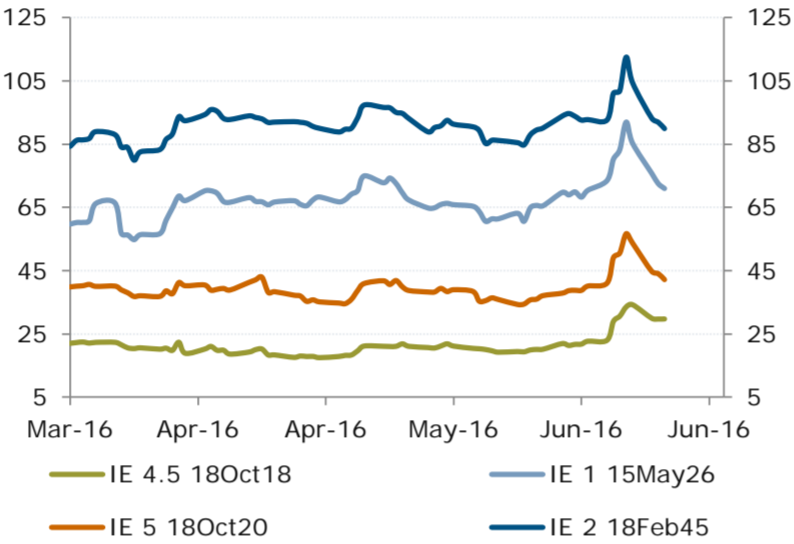
Rating	Baa1/A/A-
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Moody's / S&P / Fitch

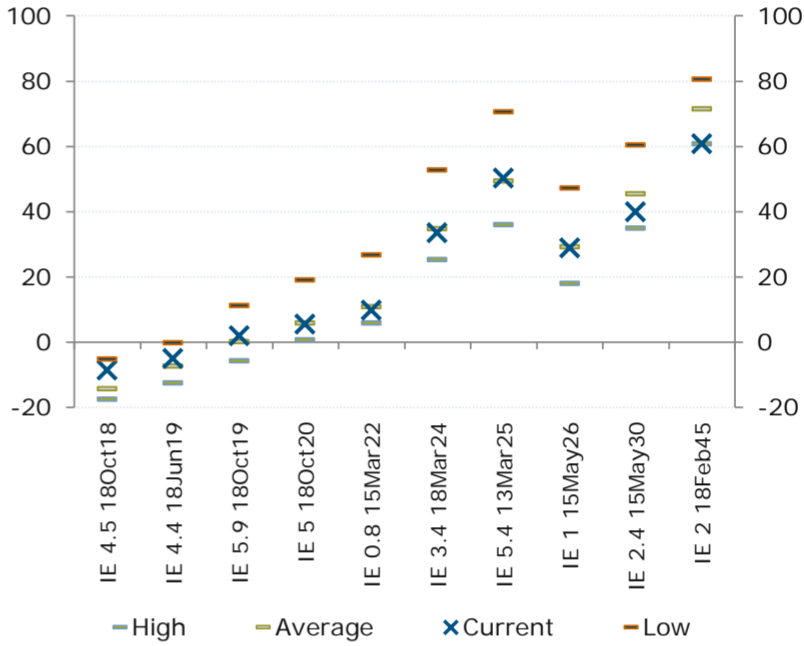
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	22-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	22-Jun	60D Avg.	Z-score
4.500	18 Oct 18	9.58B	-0.278	29.6	21.4	3.31	149.5	-8.6	-14.4	2.90
4.400	18 Jun 19	7.06B	-0.234	33.1	29.2	1.18	62.8	-5.1	-7.4	0.64
5.900	18 Oct 19	6.58B	-0.163	38.9	35.1	1.26	95.7	1.9	0.1	0.61
5.000	18 Oct 20	8.99B	-0.077	42.0	39.3	0.93	53.2	5.4	5.8	-0.14
0.800	15 Mar 22	5.25B	0.131	51.6	49.8	0.48	4.8	9.7	10.8	-0.40
3.400	18 Mar 24	8.01B	0.514	69.4	68.3	0.26	15.7	33.5	34.6	-0.30
5.400	13 Mar 25	11.01B	0.695	75.0	71.4	0.79	23.3	50.3	49.3	0.23
1.000	15 May 26	4.75B	0.782	70.8	67.2	0.77	3.3	28.7	29.1	-0.11
2.400	15 May 30	7.78B	1.124	88.1	81.5	1.14	5.9	39.9	45.4	-1.50
2.000	18 Feb 45	5.95B	1.593	89.8	91.3	-0.40	2.0	60.7	71.4	-2.90

Spreads against the German curve, bp



Asset swap term structure, bp



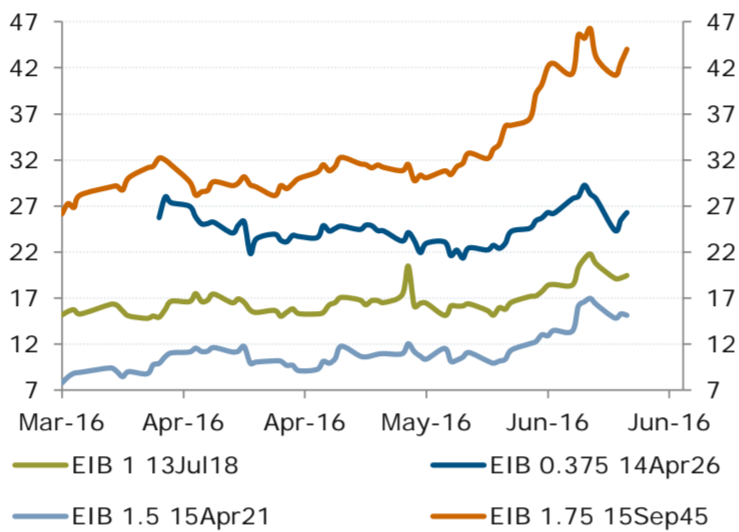


Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

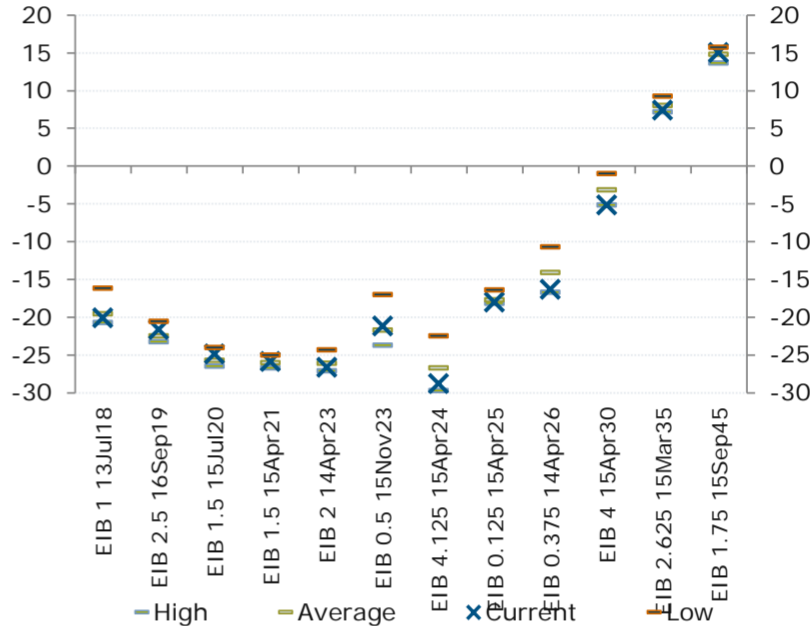
European Investment Bank (EIB)

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	22-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	22-Jun	60D Avg.	Z-score
1.000	13 Jul 18	5.0B	-0.387	19.2	16.5	2.18	49.7	-20.1	-19.6	-1.05
2.500	16 Sep 19	4.7B	-0.373	18.2	15.3	2.13	43.5	-21.7	-22.5	2.53
1.500	15 Jul 20	6.0B	-0.363	15.4	12.1	2.41	18.0	-24.9	-25.7	2.06
1.500	15 Apr 21	5.0B	-0.313	14.8	10.9	2.57	10.9	-25.9	-26.1	0.56
2.000	14 Apr 23	5.0B	-0.123	16.3	14.3	1.50	10.3	-26.7	-26.2	-1.07
0.500	15 Nov 23	1.5B	0.008	22.8	19.9	1.75	2.4	-21.2	-21.8	0.64
4.125	15 Apr 24	7.25B	-0.050	12.1	11.7	0.22	19.6	-28.8	-26.8	-1.04
0.125	15 Apr 25	3.0B	0.206	24.9	22.3	1.73	0.3	-18.0	-17.8	-0.94
0.375	14 Apr 26	5.0B	0.325	26.0	24.4	1.07	1.2	-16.4	-14.1	-1.55
4.000	15 Apr 30	6.5B	0.635	39.6	29.2	2.55	11.1	-5.2	-3.2	-1.66
2.625	15 Mar 35	1.7B	0.961	47.8	34.5	2.74	5.5	7.3	8.0	-1.25
1.750	15 Sep 45	1.55B	1.138	43.7	32.8	2.57	3.0	15.0	14.8	0.47

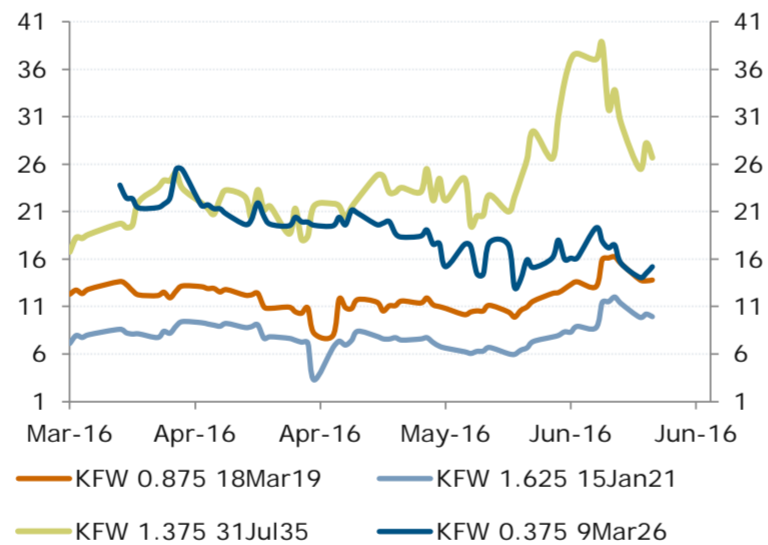
Spreads against the German curve, bp



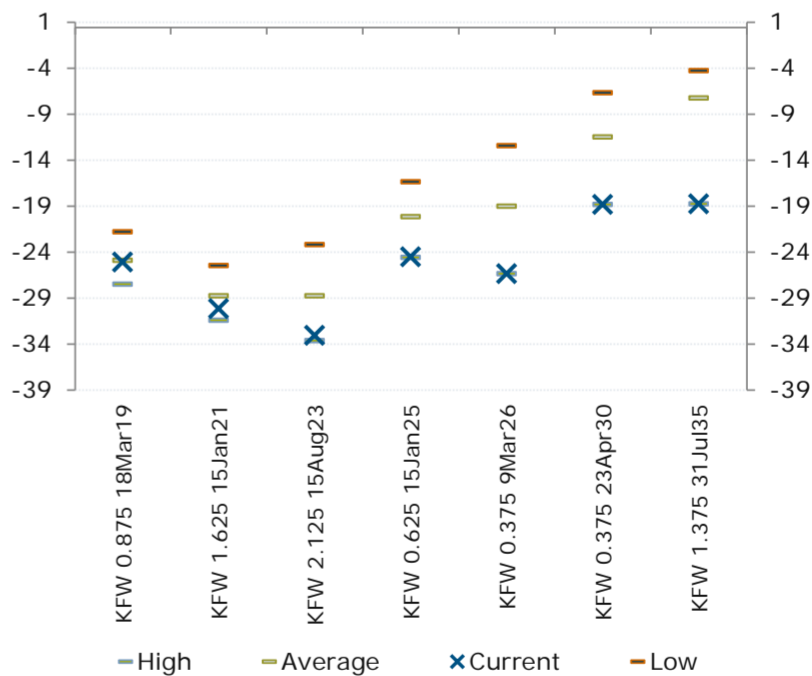
Asset swap term structure, bp



Kreditanstalt für Wiederaufbau (KfW)

[illegible]**Spreads against the German curve, bp**

Asset swap term structure, bp



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