

Euro Rates Update

Nordea Research, 27 June 2016

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US Treasury Yields				
	2Y	5Y	10Y	30Y
	0.77	1.22	1.59	2.45
Δ 1D	1.4	2.1	-14.2	-9.6
Δ 1W	3.9	8.6	4.8	8.1

German Benchmark Yields				
	2Y	5Y	10Y	30Y
	-0.65	-0.55	-0.05	0.50
Δ 1D	-8.4	-12.1	-14.2	-20.1
Δ 1W	-4.7	-5.4	-3.2	0.1

German Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-9.8	-49.7	-59.5	-55.5
Δ 1D	-3.7	-2.1	-5.8	-5.9
Δ 1W	-0.6	2.2	1.5	3.2

EUR Swap Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-13.1	-52.3	-65.4	-45.1
Δ 1D	-3.3	-1.9	-5.2	-7.8
Δ 1W	0.5	2.4	2.9	-0.2

German Asset Swap Levels				
	2Y	5Y	10Y	30Y
	-42.5	-43.8	-44.3	-39.1
Δ 1D	-3.8	-4.1	-4.3	-3.1
Δ 1W	-1.2	-1.8	-2.2	1.1

10Y Benchmark Yields				
	Yield	Δ 1D	Spread	Δ 1D
GER	-0.054	-14.2	-	-
FRA	0.368	-7.6	41.0	6.6
ITA	1.470	13.3	155.9	27.2
ESP	1.619	14.7	166.8	28.8
BEL	0.401	-7.0	43.6	7.2
HOL	0.215	-9.3	24.8	5.0
AUT	0.328	-9.7	35.4	4.8
GRE	7.724	79.6	779.0	93.7
POR	3.331	25.8	336.4	40.1
FIN	0.280	-9.7	33.3	4.4
IRL	0.838	7.9	88.3	22.1

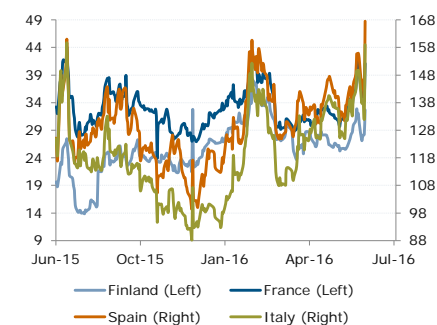
Spread = Maturity interpolated spread to German government par yield curve

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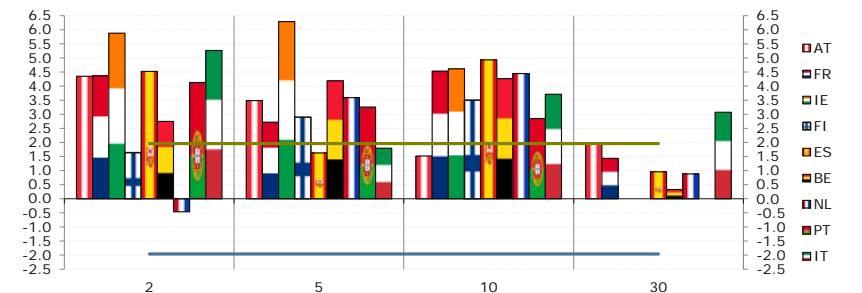
German & US 10-year benchmark yields, %



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					
30 Jun	IT					
05 Jul	AS					
06 Jul	GE			4bn		

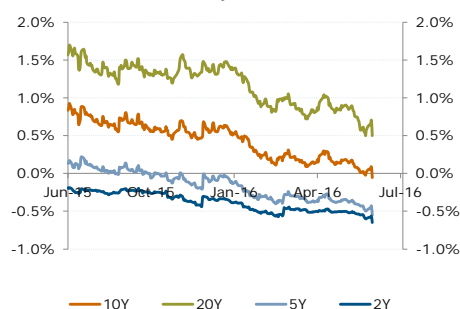
All bond quotes are taken at 16:15 CET.

Bond Yields & Curves

Yield Levels

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

German benchmark bond yields, %



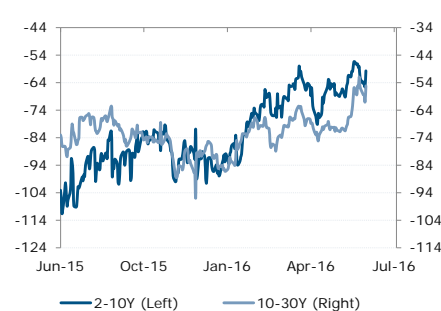
USA-Germany spreads, annualized yields, %



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

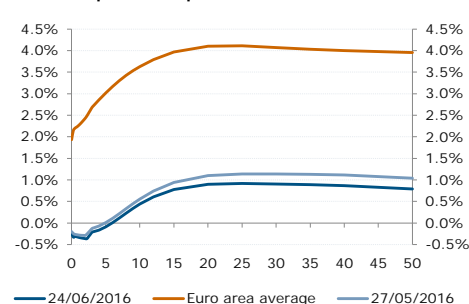
EUR swap rates and implied forwards, %



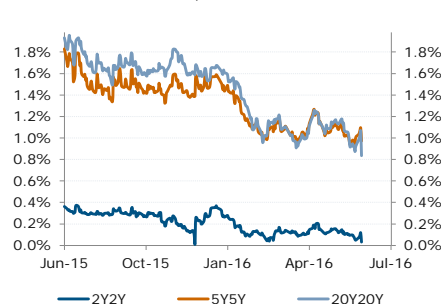
EUR-USD spreads and implied forwards, %



EUR swap curve shape vs. historical

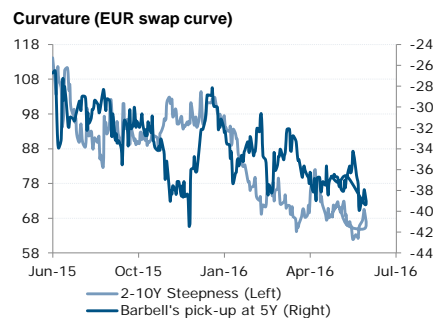
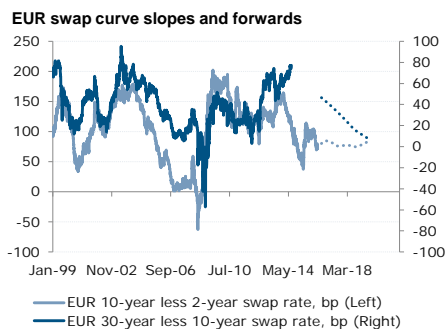


Historical forward rates, %



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

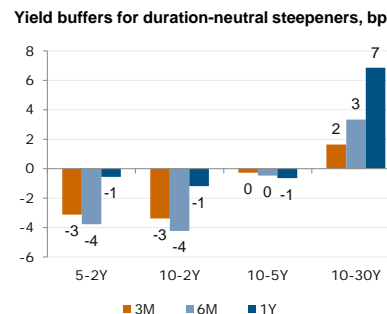
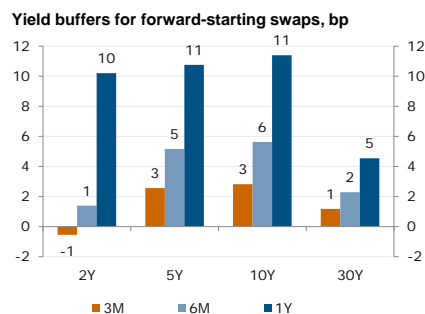
5Y pick-up over a duration and cash neutral 2-10Y EUR swap barbell.



Carry

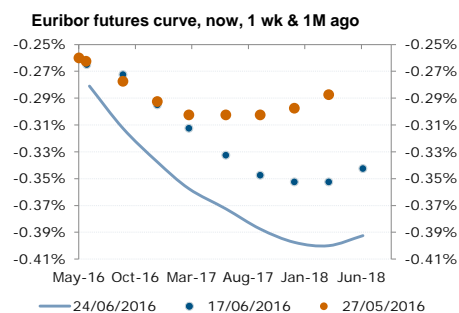
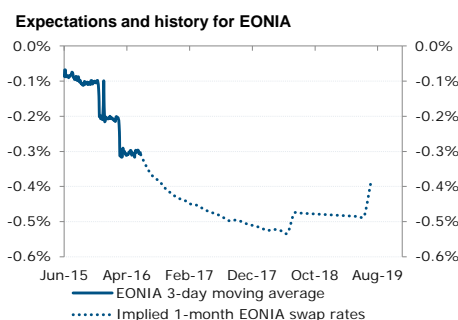
The carry on the given horizon illustrates how much the spot swap rate may rise for a receiver swap position in a forward-starting swap to result in zero profit.

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.



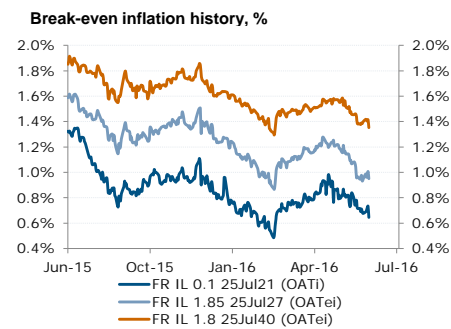
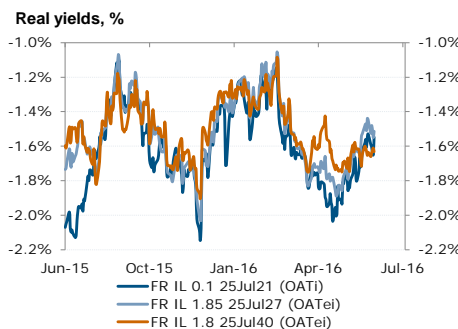
Money Market Rates

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



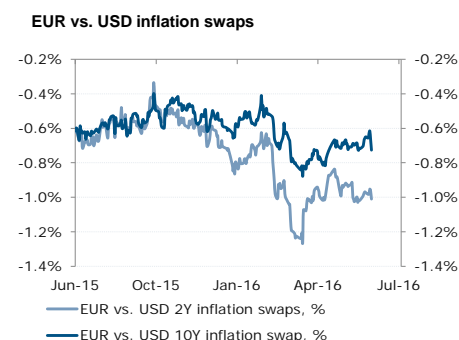
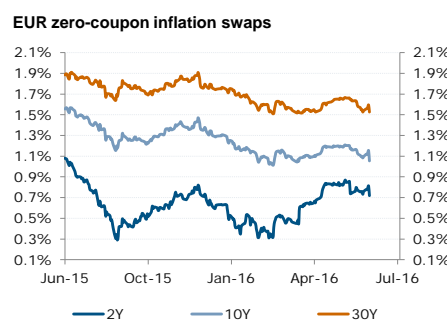
Inflation-linked Bonds

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

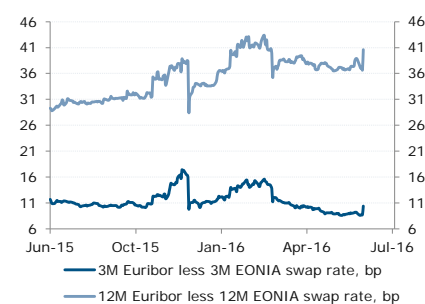
Credit default swap indices illustrate the annual cost of buying protection against a credit event of a company. iTraxx Europe is comprised of the 125 most liquid CDS contracts referencing European investment grade credits, iTraxx Crossover of 50 sub-investment grade credits.

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



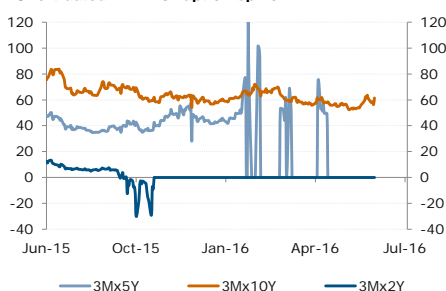
Money market rates vs. EONIA swap rates



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

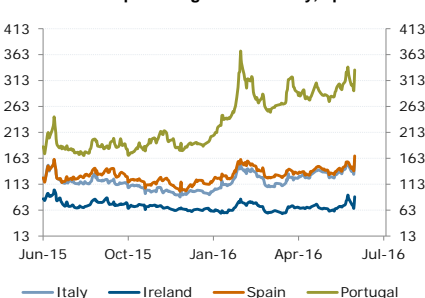
Swap spread:
Benchmark bond's spread to EUR swap curve.

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

German swap spreads, bp



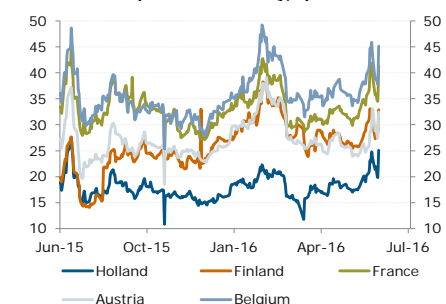
10Y non-AAA spreads against Germany, bp



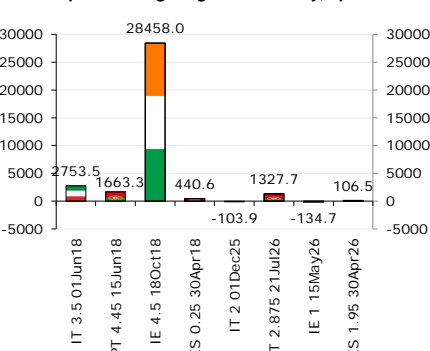
1Y break-even spread changes indicate how much a bond's spread against an equivalent bond trading on the German curve may widen in order to give the same return in one year.

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

10Y AAA/AA+ spreads to Germany, bp



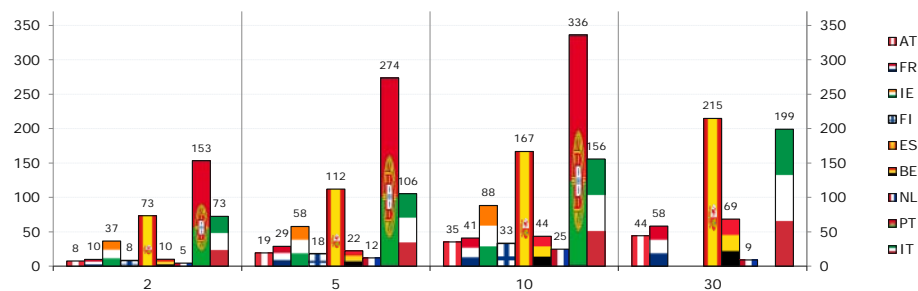
1Y B/E spread changes against Germany, bp



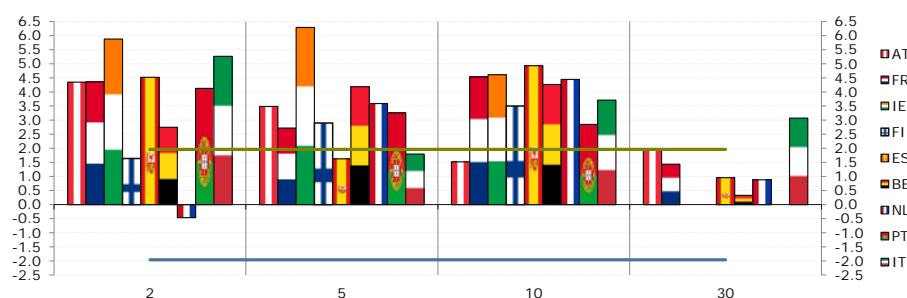


Country Relative Value

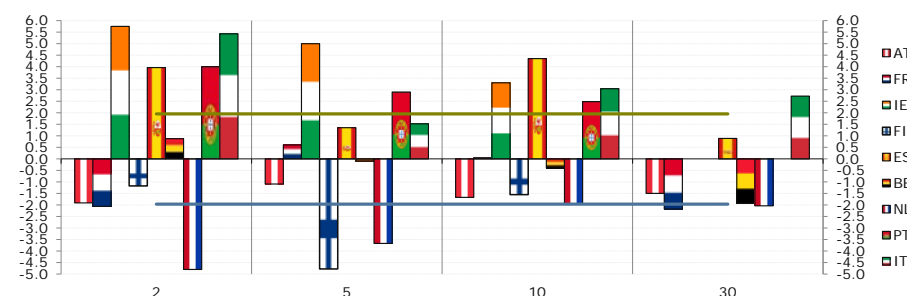
Benchmark spreads over the maturity-interpolated German par curve, bp



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	11 Oct 19	0.250	-21.5	-3.34	NL	15 Apr 18	0.000	-37.6	-5.11
	Cheap	IE	18 Oct 19	5.900	53.4	5.54	IE	18 Oct 19	5.900	14.4
5Y: Rich	DE	17 Apr 20	0.000	-23.1	-3.52	DE	09 Apr 21	0.000	-43.8	-4.41
	Cheap	IE	18 Apr 20	4.500	58.3	6.29	EIB	15 Apr 21	1.500	-24.2
7Y: Rich	DE	04 Jul 22	1.750	-31.3	-4.07	DE	15 Aug 23	2.000	-51.6	-4.65
	Cheap	ES	31 Jan 23	5.400	131.4	4.74	ES	31 Jan 23	5.400	102.7
10Y: Rich	DE	15 Feb 26	0.500	-38.5	-4.31	DE	15 Feb 26	0.500	-44.3	-4.07
	Cheap	ES	30 Apr 25	1.600	159.2	4.62	ES	30 Apr 25	1.600	111.8
15Y: Rich	DE	04 Jan 31	5.500	-56.3	-2.58	KfW	31 Jul 35	1.375	-16.5	-3.20
	Cheap	IE	15 May 30	2.400	105.8	3.87	EIB	15 Mar 35	2.625	9.7
20Y: Rich	DE	15 Aug 46	2.500	-74.2	-1.99	DE	15 Aug 46	2.500	-39.1	-2.50
	Cheap	IE	18 Feb 45	2.000	105.4	3.48	IT	01 Sep 46	3.250	179.8

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.



Germany

	15	16	17
GDP, %, y/y	1.5	1.5	2.0
Public balance	0.4	0.2	0.2
Debt/GDP	74.2	71.9	68.9

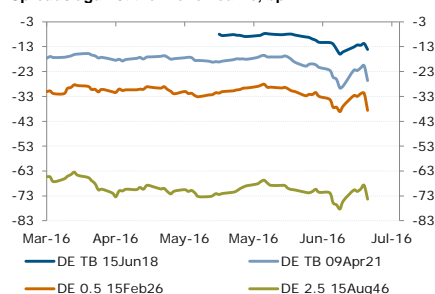
Source: European Commission, Winter 2015 forecast

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

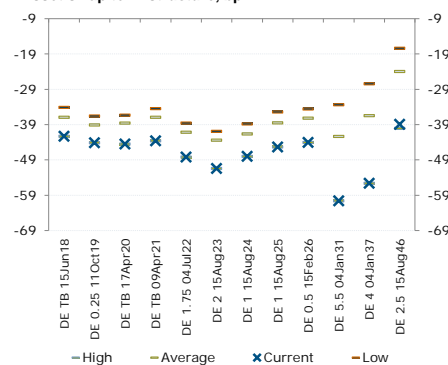
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the French curve.

Benchmark Bonds				Spread vs. France				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	24-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	24-Jun	60D Avg.	Z-score
0.000	15 Jun 18	10.0B	-0.648	-14.0	-10.0	-1.86	7.1	-42.5	-37.1	-2.70
0.250	11 Oct 19	16.0B	-0.645	-21.5	-16.0	-3.34	5.4	-44.4	-39.3	-3.56
0.000	17 Apr 20	20.0B	-0.627	-23.1	-16.8	-3.52	2.4	-44.7	-38.8	-4.00
0.000	09 Apr 21	21.0B	-0.551	-26.5	-18.8	-3.49	1.6	-43.8	-37.1	-4.41
1.750	04 Jul 22	24.0B	-0.477	-31.3	-23.8	-4.07	8.0	-48.4	-41.4	-4.32
2.000	15 Aug 23	18.0B	-0.390	-36.1	-27.8	-3.87	6.6	-51.6	-43.6	-4.65
1.000	15 Aug 24	18.0B	-0.249	-36.1	-29.0	-3.48	3.2	-48.2	-41.9	-3.83
1.000	15 Aug 25	23.0B	-0.119	-38.5	-30.5	-3.75	3.2	-45.5	-38.7	-3.70
0.500	15 Feb 26	26.0B	-0.054	-38.5	-31.1	-4.31	2.8	-44.3	-37.4	-4.07
5.500	04 Jan 31	17.0B	0.116	-56.3	-51.0	-2.58	3.8	-60.8	-42.6	-2.76
4.000	04 Jan 37	23.0B	0.323	-64.8	-62.3	-1.09	-1.5	-55.8	-36.7	-2.74
2.500	15 Aug 46	17.0B	0.501	-74.2	-70.3	-1.99	-8.0	-39.1	-24.2	-2.50

Spreads against the French curve, bp



Asset swap term structure, bp



France

	15	16	17
GDP, %, y/y	0.4	1.0	1.8
Public balance	-4.3	-4.1	-4.1
Debt/GDP	95.3	97.1	98.2

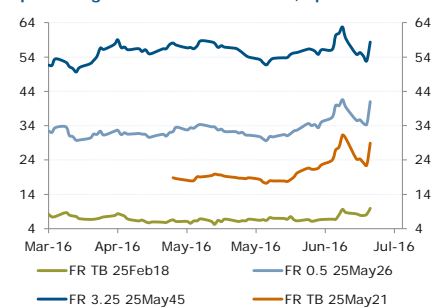
Source: European Commission, Winter 2015 forecast

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

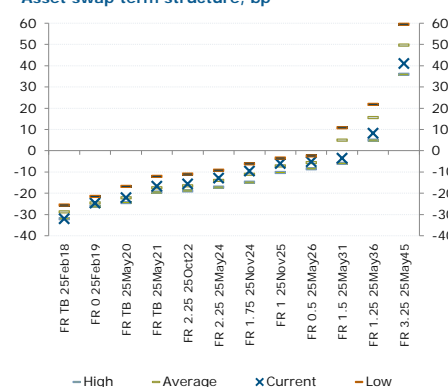
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	24-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	24-Jun	60D Avg.	Z-score
0.000	25 Feb 18	19.22B	-0.540	9.9	6.9	4.10	12.8	-32.0	-28.8	-2.94
0.000	25 Feb 19	12.81B	-0.471	17.6	12.8	3.41	6.0	-24.7	-24.6	-0.07
0.000	25 May 20	22.01B	-0.388	23.0	16.9	3.64	5.2	-22.1	-22.2	0.03
0.000	25 May 21	10.99B	-0.269	28.9	21.0	2.64	4.4	-16.7	-17.5	0.70
2.250	25 Oct 22	30.02B	-0.140	30.0	22.5	3.80	13.8	-15.7	-16.6	0.81
2.250	25 May 24	33.98B	0.052	32.4	25.2	3.14	11.4	-12.9	-14.0	0.72
1.750	25 Nov 24	30.99B	0.144	35.1	27.3	3.39	8.0	-9.6	-11.1	1.06
1.000	25 Nov 25	25.99B	0.297	38.8	30.6	4.06	5.0	-6.0	-7.2	0.92
0.500	25 May 26	20.05B	0.368	41.0	33.0	4.06	3.8	-5.3	-5.7	0.38
1.500	25 May 31	16.99B	0.681	51.4	45.8	2.53	4.7	-3.6	5.0	-2.26
1.250	25 May 36	6.0B	0.935	55.3	51.9	1.65	3.3	8.2	15.5	-1.82
3.250	25 May 45	20.99B	1.131	58.4	55.6	1.40	3.7	41.0	49.7	-1.89

Spreads against the German curve, bp



Asset swap term structure, bp





Italy

	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

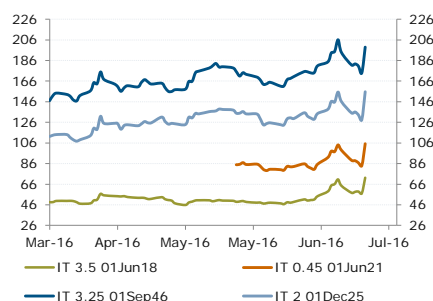
Source: European Commission, Winter 2015 forecast

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

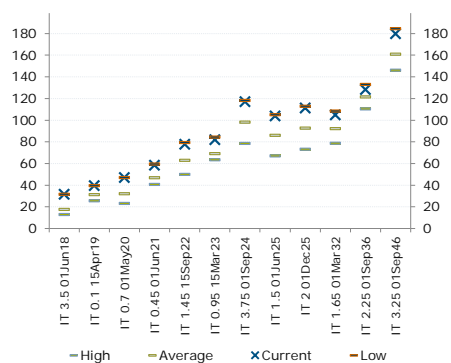
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Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	24-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	24-Jun	60D Avg.	Z-score
3.500	01 Jun 18	19.01B	0.078	72.5	52.7	4.69	125.3	31.6	17.7	4.16
0.100	15 Apr 19	8.02B	0.184	83.1	72.9	1.69	7.8	39.6	31.2	1.88
0.700	01 May 20	15.99B	0.297	91.7	71.0	5.07	12.9	47.0	32.2	4.39
0.450	01 Jun 21	9.03B	0.498	105.5	87.2	3.28	7.9	58.4	46.9	3.00
1.450	15 Sep 22	17.03B	0.795	124.5	102.9	4.66	12.3	77.8	63.1	3.63
0.950	15 Mar 23	13.44B	0.916	132.1	112.2	4.29	8.1	82.0	69.1	3.45
3.750	01 Sep 24	19.01B	1.277	151.4	127.1	3.86	23.5	117.0	98.2	3.24
1.500	01 Jun 25	19.99B	1.377	151.7	126.7	3.65	7.6	103.9	86.1	3.08
2.000	01 Dec 25	17.01B	1.470	155.9	129.6	3.54	9.6	111.2	92.7	2.97
1.650	01 Mar 32	17.01B	1.881	167.4	139.4	2.55	5.8	104.9	92.2	2.14
2.250	01 Sep 36	6.5B	2.170	177.9	168.9	1.02	5.8	128.4	121.5	0.97
3.250	01 Sep 46	13.24B	2.549	199.2	170.1	2.92	6.8	179.8	161.0	2.92

Spreads against the German curve, bp



Asset swap term structure, bp



Spain

	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

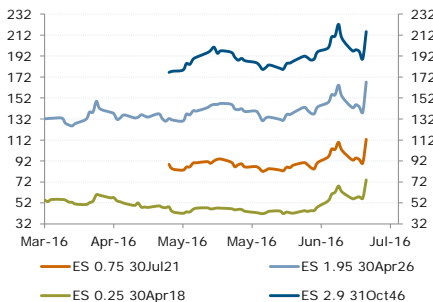
Source: European Commission, Winter 2015 forecast

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

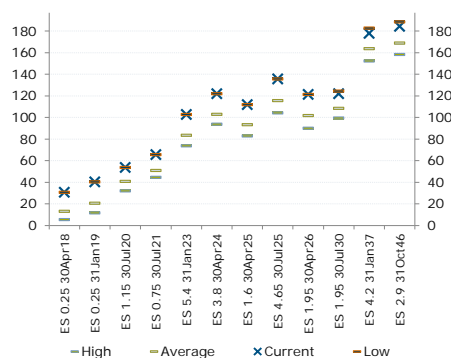
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Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	24-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	24-Jun	60D Avg.	Z-score
0.250	30 Apr 18	16.99B	0.090	73.5	49.5	4.17	20.9	30.6	13.0	3.37
0.250	31 Jan 19	8.99B	0.186	83.3	58.3	4.22	12.6	40.3	20.6	3.57
1.150	30 Jul 20	17.02B	0.367	97.7	78.4	4.33	22.3	53.7	40.8	3.17
0.750	30 Jul 21	7.93B	0.576	112.2	89.9	4.07	10.5	65.5	50.8	3.75
5.400	31 Jan 23	21.99B	0.898	131.4	107.7	4.74	44.5	102.7	83.4	4.08
3.800	30 Apr 24	21.99B	1.277	155.6	131.5	4.59	21.9	121.9	102.9	3.98
1.600	30 Apr 25	19.09B	1.440	159.2	133.3	4.62	8.6	111.8	93.2	4.05
4.650	30 Jul 25	20.02B	1.463	158.5	133.7	4.47	41.2	135.6	115.6	3.81
1.950	30 Apr 26	19.99B	1.619	166.8	138.5	4.46	9.7	121.3	101.7	3.98
1.950	30 Jul 30	13.21B	1.954	182.8	154.5	3.53	10.2	121.9	108.4	2.98
4.200	31 Jan 37	17.02B	2.344	194.1	167.6	3.46	12.9	177.8	163.7	2.44
2.900	31 Oct 46	6.87B	2.707	214.9	191.3	2.73	7.2	184.3	168.9	2.58

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

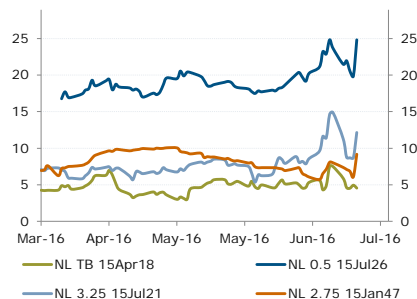
Rating	Aaa/AA+/AAA
Moody's / S&P / Fitch	

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

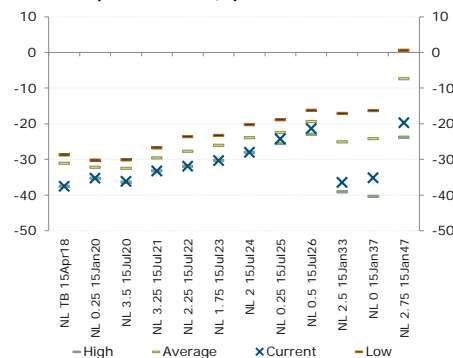
Netherlands

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	24-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	24-Jun	60D Avg.	Z-score
0.000	15 Apr 18	14.66B	-0.598	4.5	4.9	-0.47	10.6	-37.6	-31.1	-5.11
0.250	15 Jan 20	15.84B	-0.544	8.5	6.1	2.08	8.1	-35.3	-32.2	-2.83
3.500	15 Jul 20	15.02B	-0.525	8.7	5.8	3.03	37.4	-36.2	-32.5	-3.39
3.250	15 Jul 21	16.99B	-0.427	12.1	7.9	3.31	23.8	-33.3	-29.6	-3.24
2.250	15 Jul 22	15.01B	-0.321	14.5	11.7	2.63	13.1	-31.9	-27.7	-2.84
1.750	15 Jul 23	15.63B	-0.199	17.5	14.9	1.97	8.5	-30.4	-26.1	-4.17
2.000	15 Jul 24	15.32B	-0.073	18.1	15.8	1.77	7.6	-28.0	-24.0	-3.13
0.250	15 Jul 25	15.01B	0.091	21.8	17.1	4.01	2.6	-24.3	-22.5	-1.57
0.500	15 Jul 26	8.51B	0.215	24.8	19.2	4.11	3.6	-21.4	-19.4	-1.79
2.500	15 Jan 33	12.01B	0.404	15.3	10.4	3.74	3.6	-36.5	-25.1	-1.93
0.000	15 Jan 37	0.0B	0.528	12.6	10.6	0.97	1.5	-35.2	-24.2	-1.76
2.750	15 Jan 47	11.01B	0.651	9.2	8.2	0.85	-2.0	-19.8	-7.4	-1.91

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

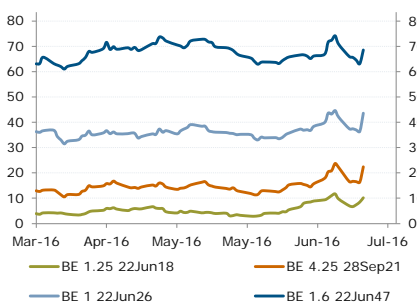
Rating	Aa3/AA/AA
Moody's / S&P / Fitch	

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

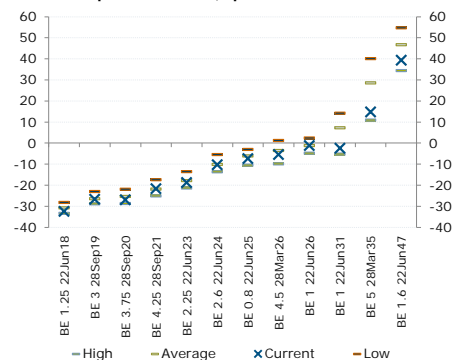
Belgium

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	24-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	24-Jun	60D Avg.	Z-score
1.250	22 Jun 18	11.01B	-0.547	10.2	5.6	2.59	44.0	-32.5	-30.8	-1.56
3.000	28 Sep 19	12.01B	-0.473	16.5	11.7	3.05	48.1	-26.7	-26.5	-0.23
3.750	28 Sep 20	19.01B	-0.428	17.2	12.0	3.54	40.3	-26.9	-25.4	-1.11
4.250	28 Sep 21	16.45B	-0.308	22.4	14.9	3.86	32.9	-21.7	-21.8	0.09
2.250	22 Jun 23	13.99B	-0.101	28.0	22.2	2.89	13.1	-18.8	-17.8	-0.61
2.600	22 Jun 24	15.85B	0.078	34.1	28.2	2.96	13.0	-10.4	-10.1	-0.15
0.800	22 Jun 25	16.02B	0.246	37.8	32.8	3.16	4.7	-7.4	-6.2	-1.02
4.500	28 Mar 26	9.02B	0.256	31.4	25.6	3.51	16.8	-5.4	-3.5	-0.91
1.000	22 Jun 26	9.06B	0.401	43.6	36.3	3.88	5.3	-1.2	-1.2	-0.04
1.000	22 Jun 31	7.5B	0.718	54.7	50.8	1.48	3.8	-2.4	7.3	-2.46
5.000	28 Mar 35	19.28B	0.805	45.8	41.9	1.40	6.3	14.7	28.6	-2.21
1.600	22 Jun 47	3.5B	1.249	68.6	67.6	0.31	2.6	39.4	46.7	-1.63

Spreads against the German curve, bp



Asset swap term structure, bp





Finland

	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

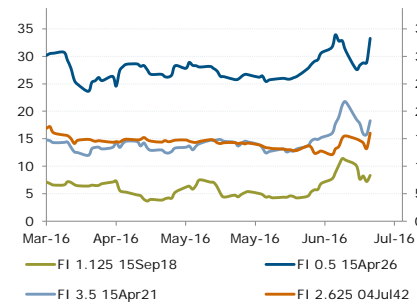
Source: European Commission, Winter 2015 forecast

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

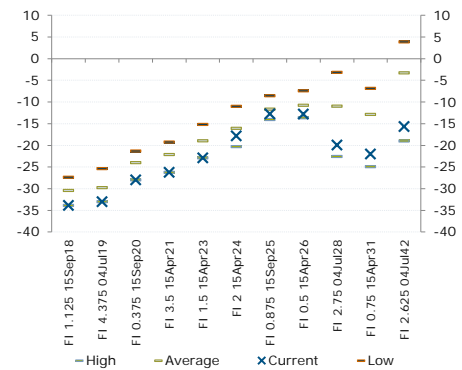
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	24-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	24-Jun	60D Avg.	Z-score
1.125	15 Sep 18	5.03B	-0.565	8.3	6.0	1.60	43.4	-33.9	-30.4	-2.80
4.375	04 Jul 19	5.0B	-0.541	10.5	8.7	1.39	80.9	-33.0	-29.8	-1.99
0.375	15 Sep 20	6.03B	-0.436	16.6	13.9	2.22	8.0	-28.0	-24.0	-4.28
3.500	15 Apr 21	6.0B	-0.383	18.3	14.4	2.72	30.0	-26.2	-22.2	-4.14
1.500	15 Apr 23	5.0B	-0.153	24.6	21.8	1.85	9.4	-22.9	-19.0	-3.70
2.000	15 Apr 24	5.0B	-0.003	28.2	23.7	2.56	10.2	-17.8	-16.1	-0.80
0.875	15 Sep 25	4.03B	0.214	32.3	26.7	3.83	4.3	-12.7	-11.7	-1.02
0.500	15 Apr 26	5.0B	0.280	33.3	27.6	3.36	3.7	-12.8	-10.8	-1.47
2.750	04 Jul 28	5.0B	0.334	31.0	26.5	3.01	3.3	-20.0	-11.0	-1.89
0.750	15 Apr 31	3.5B	0.517	35.5	30.7	2.94	3.1	-22.0	-12.9	-1.91
2.625	04 Jul 42	4.03B	0.684	16.0	14.2	2.65	-7.8	-15.7	-3.3	-2.04

Spreads against the German curve, bp



Asset swap term structure, bp



Austria

	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

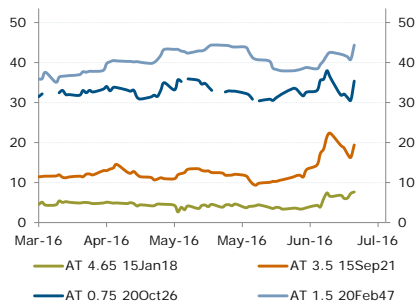
Source: European Commission, Winter 2015 forecast

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

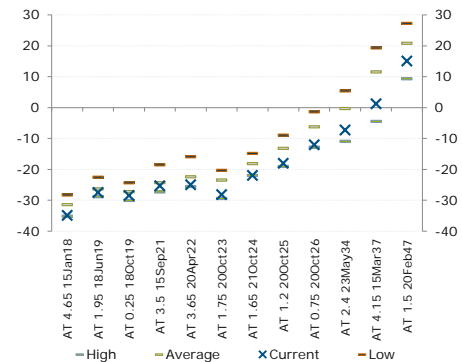
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	24-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	24-Jun	60D Avg.	Z-score
4.650	15 Jan 18	12.06B	-0.559	7.6	4.6	3.96	404.5	-34.9	-31.4	-2.78
1.950	18 Jun 19	7.21B	-0.491	15.6	11.9	2.93	33.5	-27.5	-26.3	-1.05
0.250	18 Oct 19	7.97B	-0.487	15.0	11.1	3.32	8.8	-28.5	-27.2	-1.34
3.500	15 Sep 21	15.99B	-0.341	19.4	12.9	3.19	22.8	-25.3	-24.3	-0.85
3.650	20 Apr 22	8.71B	-0.285	20.1	15.6	2.10	24.1	-25.0	-22.4	-1.88
1.750	20 Oct 23	9.17B	-0.150	19.2	17.2	1.00	8.6	-28.2	-23.4	-3.17
1.650	21 Oct 24	10.35B	0.017	23.6	21.0	1.74	6.7	-21.9	-18.1	-3.37
1.200	20 Oct 25	9.28B	0.164	26.5	24.3	1.77	4.6	-18.0	-13.2	-2.95
0.750	20 Oct 26	5.69B	0.328	35.4	33.0	2.00	4.2	-12.1	-6.3	-2.64
2.400	23 May 34	6.69B	0.700	38.1	29.7	3.23	5.5	-7.3	-0.3	-1.52
4.150	15 Mar 37	12.22B	0.753	34.7	28.7	2.97	4.6	1.2	11.5	-1.52
1.500	20 Feb 47	1.95B	1.004	44.4	40.5	1.91	1.0	15.0	20.8	-1.28

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

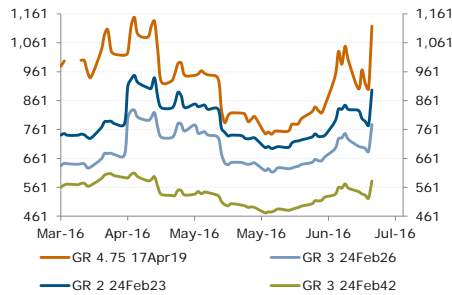
Source: European Commission, Winter 2015 forecast

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

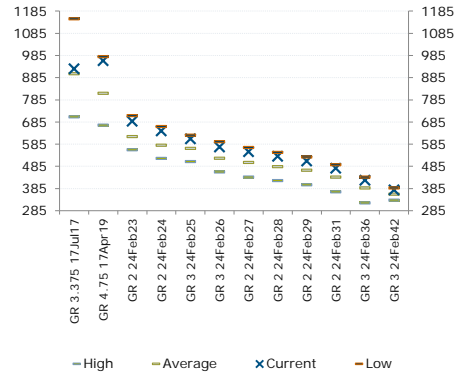
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	24-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	24-Jun	60D Avg.	Z-score
3.375	17 Jul 17	2.02B	9.768	1,038.8	1,011.8	0.21	37,790.1	924.6	902.5	0.21
4.750	17 Apr 19	4.02B	10.543	1,119.0	927.5	1.80	234.1	961.8	814.3	1.80
3.000	24 Feb 23	1.04B	8.570	898.1	792.8	1.69	57.8	688.4	619.1	1.68
3.000	24 Feb 24	1.25B	8.257	855.8	755.3	1.72	50.0	644.9	580.2	1.70
3.000	24 Feb 25	1.84B	8.018	819.3	745.2	1.22	43.8	609.1	565.8	1.28
3.000	24 Feb 26	1.37B	7.724	779.0	696.1	1.47	39.7	572.7	521.5	1.47
3.000	24 Feb 27	1.21B	7.648	766.3	684.3	1.56	38.9	550.7	502.4	1.52
3.000	24 Feb 28	1.84B	7.560	754.6	670.9	1.67	37.6	530.3	483.3	1.58
3.000	24 Feb 29	1.48B	7.416	736.1	660.2	1.52	34.9	508.6	467.5	1.44
3.000	24 Feb 31	1.29B	7.226	707.1	632.7	1.58	32.7	476.3	436.8	1.48
3.000	24 Feb 36	1.33B	6.859	648.4	580.7	1.59	31.3	422.2	387.2	1.50
3.000	24 Feb 42	1.05B	6.354	583.2	540.3	1.18	30.3	378.6	359.7	1.30

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

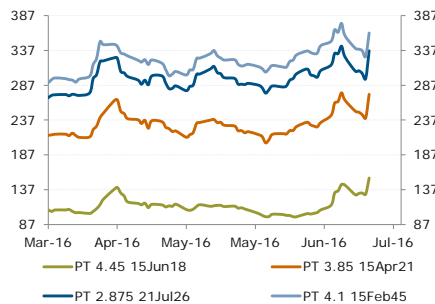
Source: European Commission, Winter 2015 forecast

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

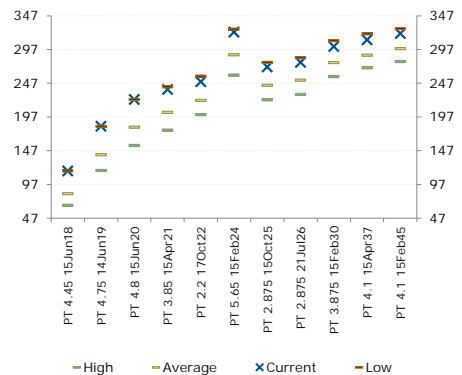
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	24-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	24-Jun	60D Avg.	Z-score
4.450	15 Jun 18	8.99B	0.887	153.5	114.2	3.77	145.9	116.4	82.6	3.42
4.750	14 Jun 19	10.99B	1.510	215.7	169.4	3.47	80.1	182.6	140.3	3.26
4.800	15 Jun 20	10.99B	1.918	253.4	206.9	3.35	55.5	222.2	181.2	3.10
3.850	15 Apr 21	11.01B	2.173	273.8	231.8	3.05	43.3	237.1	203.3	2.76
2.200	17 Oct 22	4.0B	2.600	304.2	267.3	2.79	28.2	248.7	220.9	2.55
5.650	15 Feb 24	12.02B	3.111	341.5	301.3	2.98	51.7	322.2	288.5	2.77
2.875	15 Oct 25	11.99B	3.153	325.4	288.0	2.82	28.8	270.5	243.4	2.55
2.875	21 Jul 26	6.02B	3.331	336.4	298.5	2.72	21.5	277.3	251.0	2.44
3.875	15 Feb 30	4.05B	3.708	360.5	319.9	2.56	21.3	300.7	277.1	2.23
4.100	15 Apr 37	8.02B	4.007	359.8	319.7	2.54	14.3	310.7	288.0	2.26
4.100	15 Feb 45	3.0B	4.163	361.9	325.0	2.39	14.5	319.9	297.8	2.27

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

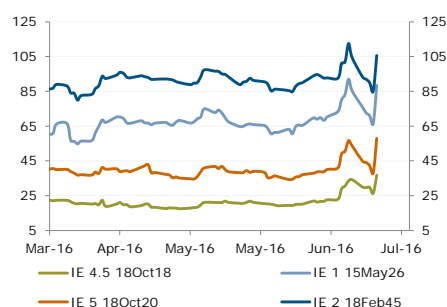
Rating	Baa1/A/A-
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Moody's / S&P / Fitch

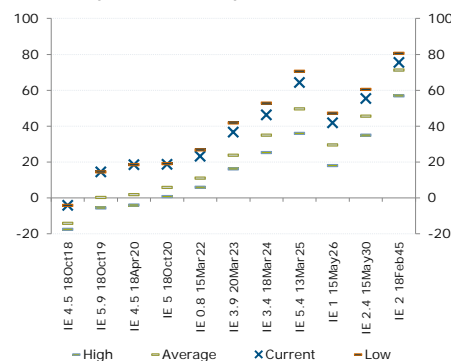
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	24-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	24-Jun	60D Avg.	Z-score
4.500	18 Oct 18	9.58B	-0.282	36.6	21.7	5.10	161.9	-4.2	-14.3	4.75
5.900	18 Oct 19	6.58B	-0.103	53.4	35.4	5.54	122.3	14.4	0.2	4.79
4.500	18 Apr 20	11.77B	-0.038	58.3	37.4	6.29	58.3	18.4	1.7	5.67
5.000	18 Oct 20	8.99B	-0.018	57.8	39.6	5.45	71.8	18.6	5.8	4.62
0.800	15 Mar 22	5.25B	0.199	69.3	50.2	4.84	9.1	23.1	11.0	4.13
3.900	20 Mar 23	5.95B	0.356	76.1	58.0	4.22	26.0	36.5	23.7	3.38
3.400	18 Mar 24	8.01B	0.558	85.2	68.7	3.75	19.4	46.2	34.9	2.80
5.400	13 Mar 25	11.01B	0.738	90.6	71.9	3.99	27.9	64.3	49.6	3.23
1.000	15 May 26	4.75B	0.838	88.3	67.8	4.22	5.5	41.8	29.4	3.28
2.400	15 May 30	7.78B	1.173	105.8	82.3	3.87	7.9	55.4	45.5	2.46
2.000	18 Feb 45	5.95B	1.599	105.4	91.6	3.48	3.7	75.4	71.2	1.06

Spreads against the German curve, bp



Asset swap term structure, bp



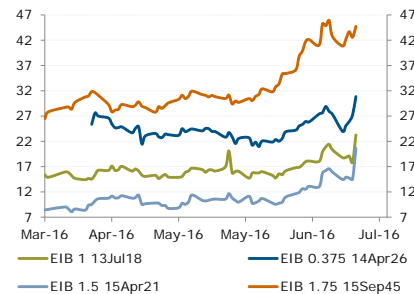


European Investment Bank (EIB)

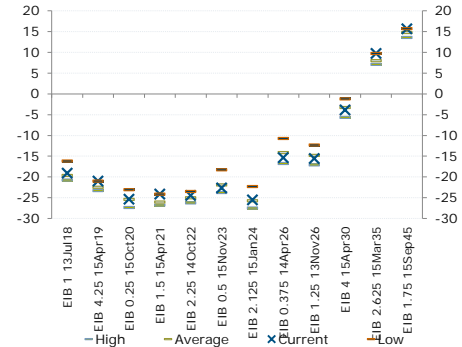
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	24-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	24-Jun	60D Avg.	Z-score
1.000	13 Jul 18	5.0B	-0.416	23.3	16.7	4.78	56.3	-19.1	-19.6	1.14
4.250	15 Apr 19	5.0B	-0.436	21.1	15.1	5.40	77.6	-21.0	-22.5	3.37
0.250	15 Oct 20	4.0B	-0.404	19.2	12.4	3.35	6.8	-25.4	-25.4	0.06
1.500	15 Apr 21	5.0B	-0.358	20.7	11.3	5.41	15.5	-24.2	-26.1	6.65
2.250	14 Oct 22	5.75B	-0.226	21.7	14.6	4.55	13.5	-24.5	-25.0	1.03
0.500	15 Nov 23	1.5B	-0.078	25.6	19.9	3.25	4.2	-22.7	-21.9	-1.00
2.125	15 Jan 24	5.0B	-0.104	21.1	14.6	3.73	10.5	-25.6	-25.7	0.16
0.375	14 Apr 26	5.0B	0.256	30.9	24.5	3.86	3.4	-15.4	-14.1	-0.84
1.250	13 Nov 26	1.5B	0.286	31.0	23.2	3.84	4.8	-15.6	-14.8	-1.05
4.000	15 Apr 30	6.5B	0.544	43.3	29.8	2.97	9.7	-3.9	-3.3	-0.50
2.625	15 Mar 35	1.7B	0.860	51.5	35.2	3.00	4.0	9.7	8.0	3.26
1.750	15 Sep 45	1.55B	0.997	44.8	33.4	2.46	-2.8	15.7	14.8	2.27

Spreads against the German curve, bp



Asset swap term structure, bp

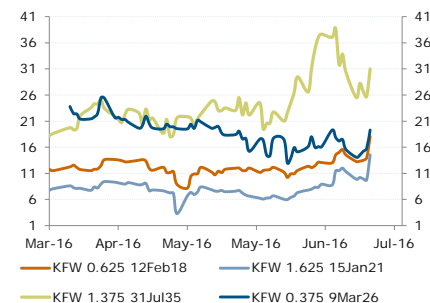


Kreditanstalt für Wiederaufbau (KfW)

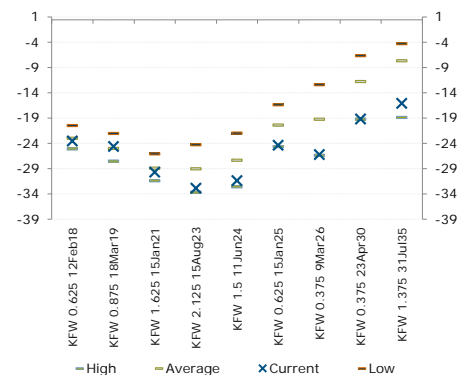
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	24-Jun	60D Avg.	Z-score	Δ B/E Spd 1Y	24-Jun	60D Avg.	Z-score
0.625	12 Feb 18	2.0B	-0.457	18.1	12.3	4.90	54.6	-24.0	-23.4	-0.55
0.875	18 Mar 19	5.0B	-0.475	17.3	12.2	3.70	21.2	-25.1	-25.5	0.39
1.625	15 Jan 21	5.0B	-0.435	14.6	8.2	4.91	17.3	-30.1	-29.4	-0.60
2.125	15 Aug 23	3.0B	-0.220	14.4	11.3	1.38	9.8	-33.3	-29.5	-1.36
1.500	11 Jun 24	3.0B	-0.114	15.2	12.8	0.93	8.2	-31.8	-27.8	-1.17
0.625	15 Jan 25	4.0B	0.028	21.6	19.3	1.26	3.9	-24.8	-20.8	-1.44
0.375	09 Mar 26	4.0B	0.130	19.3	18.8	0.22	3.3	-26.7	-19.7	-1.83
0.375	23 Apr 30	2.0B	0.506	39.4	33.2	2.01	2.6	-19.6	-12.3	-2.06
1.375	31 Jul 35	1.0B	0.668	31.0	24.7	1.64	1.1	-16.5	-8.1	-3.20

Spreads against the German curve, bp



Asset swap term structure, bp



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