

# Swedish Government Bonds QuantPack

Mats Hydén  
Chief Analyst  
+46 8 407 91 04  
[mats.hyden@nordea.com](mailto:mats.hyden@nordea.com)

*Completion timestamp: 12 Dec 2019 12:20 CET*  
*Dissemination timestamp: 12 Dec 2019 12:35 CET*



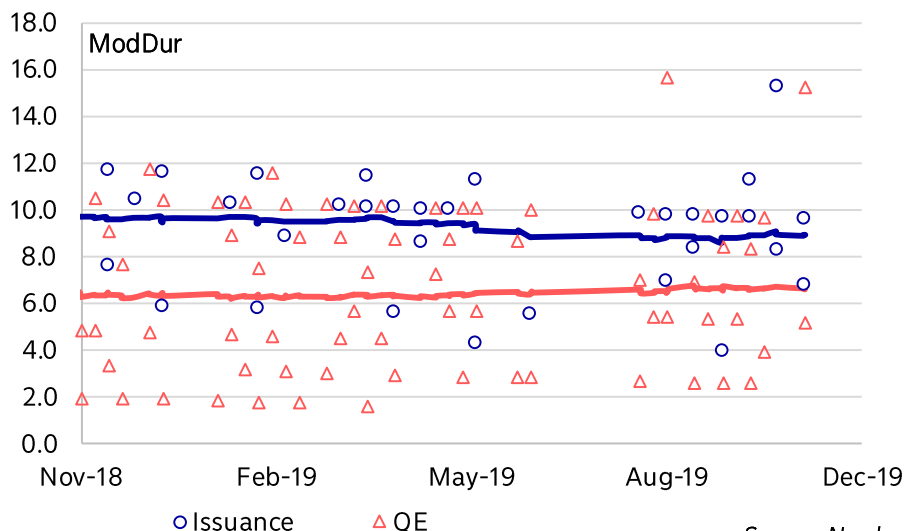
# SGBs – Issuance & QE

Calculated on close: 11-Dec-2019

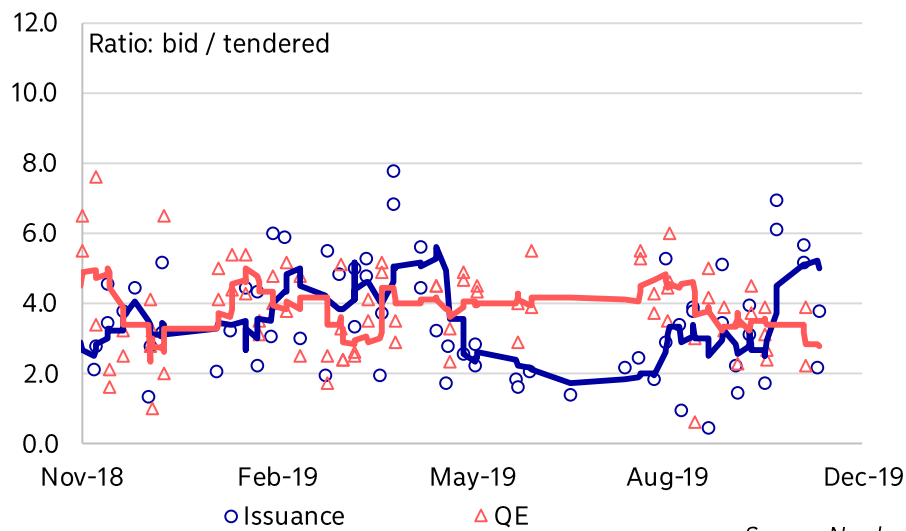
Calculated on close: 11-Dec-2019										Issuance (bn SEK)								YTD	QE YTD	OutAmt	RB owns	Div
Cpn	Maturity	ISIN	#	Yld	1w repo	ASW	vs Ger	Dec	Nov	Oct	Sep	Aug	Jul									
SGB	5	2020-12-01	SE0001149311	1047	-0.31	-0.58	-44.7	35.4								-2.5	96.1	64%				
SGB	3.5	2022-06-01	SE0003784461	1054	-0.33	-0.58	-52.6	32.5								-6.2	103.6	61%	Z9,H0			
SGB	1.5	2023-11-13	SE0004869071	1057	-0.29	-0.63	-53.5	33.1	1.0			0.5			2.5	-3.5	83.4	65%				
SGB	2.5	2025-05-12	SE0005676608	1058	-0.24	-0.60	-56.0	31.3		0.5					3.8	-4.5	65.1	59%	Z9,H0			
SGB	1	2026-11-12	SE0007125927	1059	-0.16	-0.58	-56.3	32.4		0.5			0.5		1.0	-2.3	60.2	57%				
SGB	0.75	2028-05-12	SE0009496367	1060	-0.07	-0.43	-55.5	30.7			1.0	0.5			3.5	-4.5	45.5	40%				
SGB	0.75	2029-11-12	SE0011281922	1061	0.03	-0.48	-52.7	32.9	0.5	2.0	1.0	2.0	2.5		15.3	-8.4	46.2	27%	Z9,H0			
SGB	2.25	2032-06-01	SE0004517290	1056	0.20	-0.43	-47.3	38.3			0.5				2.0	-1.3	21.0	11%				
SGB	3.5	2039-03-30	SE0002829192	1053	0.42	-0.43	-42.2	37.4			0.5				0.5	-1.0	45.8	12%				

**ASW:** maturity-matched swap spread. **Vs Ger:** spread to maturity-matched, generic German government bonds. **Issuance:** gross-issuance by Debt Office, bn SEK **QE** **YTD:** gross amount of bonds bought by Riksbank year-to-date, bn SEK **Div:** bond deliverable in bond future contract according to contract code. H, M, U, Z stand for March, June, Sept, Dec respectively.

## 1. Duration of bonds in recent auctions & QE buy-backs



## 2. Ratio of bids to tendered volumes in auctions and QE buy-backs



# SGBs –Pricing & relative value

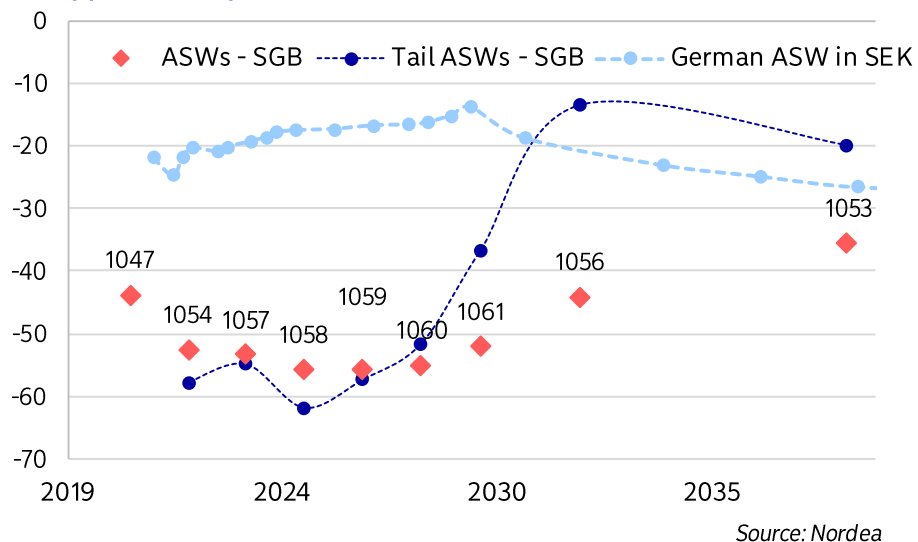
Calculated on close: 11-Dec-2019

Calculated on close: 11-Dec-2019

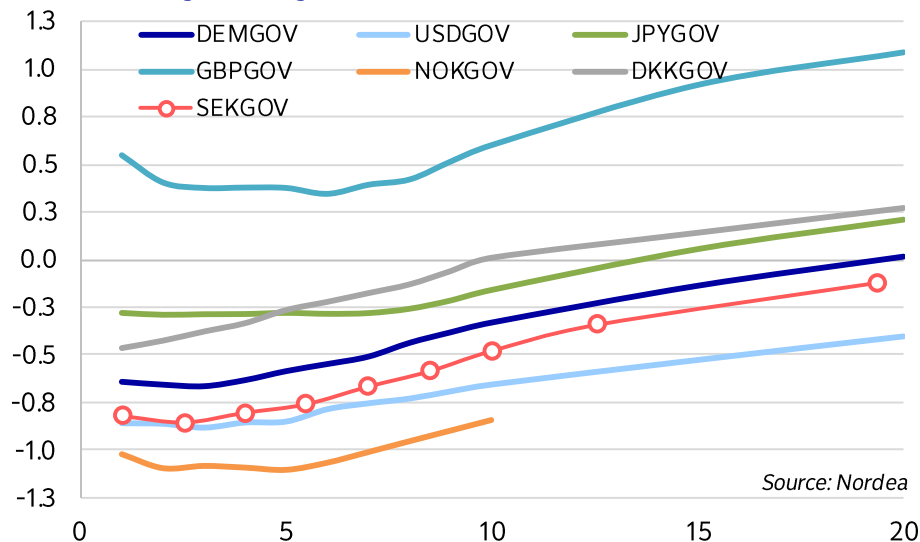
Bond	#	Maturity	Mdur	Last	Outright			Last	ASW (mm)				Spr to Ger		1w repos	
					Chg 3m	HzRet 12m	ExtRet/yr		Chg 3m	R&C 3m	Tail	Chg 3m	Last	minus Stib3m		
SGB	1047	01-Dec-2020	0.97	-0.306	30.9			-44.7	9.0			35.4	29.2	-0.575	-59.9	
SGB	1054	01-Jun-2022	2.38	-0.329	27.4	-0.349		-52.6	-0.5	-0.41	-57.7	32.5	12.6	-0.575	-59.9	
SGB	1057	13-Nov-2023	3.84	-0.291	27.9	-0.216	9	-53.5	-0.4	0.59	-54.9	33.1	9.5	-0.625	-64.9	
SGB	1058	12-May-2025	5.10	-0.242	25.8	-0.106	9	-56.0	-2.3	-0.13	-61.8	31.3	4.9	-0.600	-62.4	
SGB	1059	12-Nov-2026	6.73	-0.163	23.7	0.131	15	-56.3	-2.2	0.02	-57.3	32.4	0.7	-0.575	-59.9	
SGB	1060	12-May-2028	8.17	-0.074	23.5	0.348	15	-55.5	-0.6	0.00	-51.5	30.7	-1.0	-0.425	-44.9	
SGB	1061	12-Nov-2029	9.60	0.028	23.7	0.611	18	-52.7	1.8	0.43	-36.7	32.9	0.5	-0.475	-49.9	
SGB	1056	01-Jun-2032	11.07	0.196	22.4	0.906	20	-47.3	4.3	0.86	-13.4	38.3	-2.0	-0.425	-44.9	
SGB	1053	30-Mar-2039	15.17	0.418	17.1	0.895	0	-42.2	3.3	0.73	-19.8	37.4	-3.8	-0.425	-44.9	

**Mdur:** modified duration. **Outright H2Ret 12m:** 12 month horizon return in % assuming a fixed yield curve and no repo funding. **Outright ExtRet/yr:** extension return per duration year going from the next shortest bond on the curve. **ASW (mm) R&C 3m:** rolldown and carry in bps on the swap spread curve over 3 months for a repo funded position. **ASW (mm) Tail:** forward swap spread between bonds. **Spr to Ger:** spread to maturity-matched, generic German government bonds. **1w repo minus Stib3m:** 1 week mid repo rate minus 3m Stibor.

## 1. Swap spread curve for SGB compared to German ASW (xCCY swapped to SEK)

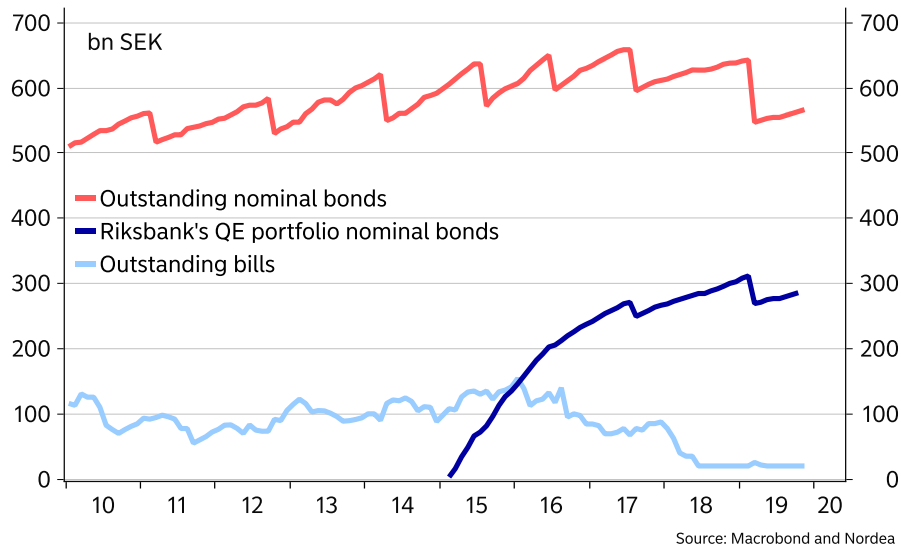


## 2. Yield curve for SGBs compared to other govie markets, adjusted for a 3m rolling FX hedge to EUR

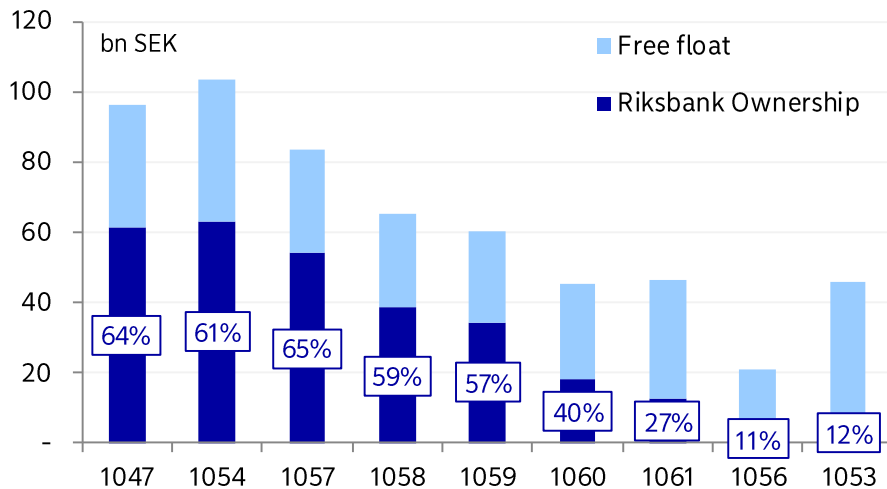


# SGBs – Outstanding amounts, budget outlook and issuance

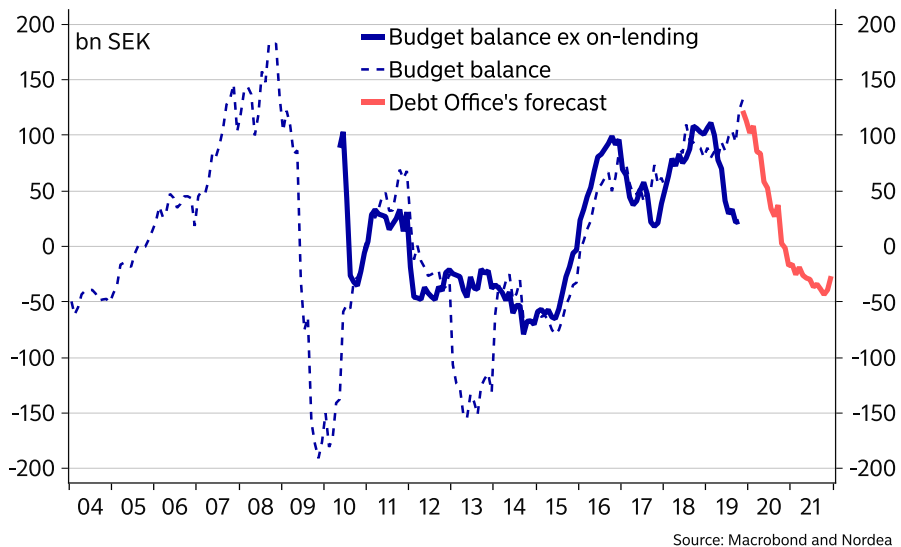
## 1. Stocks of nominal bonds and Riksbank's QE portfolio



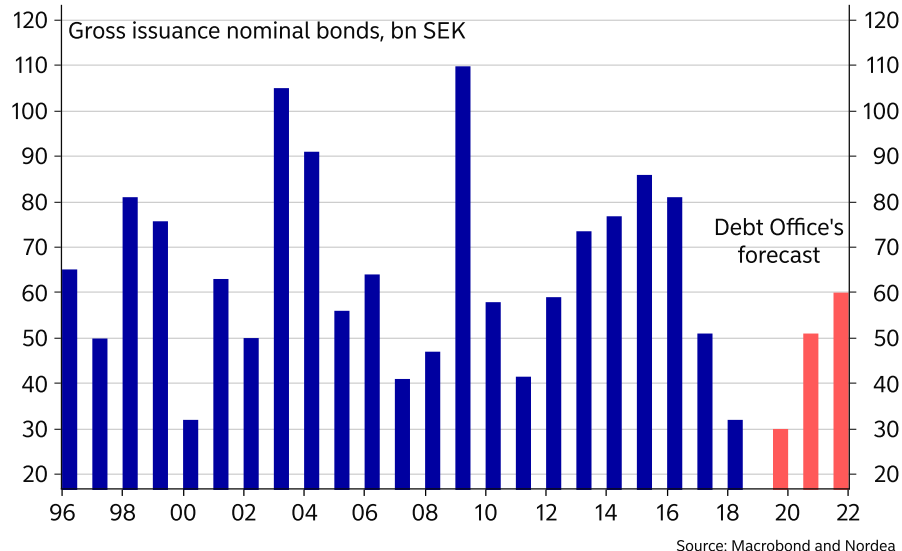
## 2. Outstanding amounts and what the Riksbank owns



## 3. Government's budget balance and Debt Office's forecast



## 3. Gross issuance of nominal bonds and Debt Office's forecast



# Disclaimer and legal disclosures

## Origin of the publication or report

This publication or report originates from: Nordea Bank Abp, including its branches Nordea Danmark, Filial af Nordea Bank Abp, Finland, Nordea Bank Abp, filial i Norge and Nordea Bank Abp, filial i Sverige (together "Nordea") acting through their unit Nordea Markets.

Nordea Bank Abp is supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the branches are supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the Financial Supervisory Authorities in their respective countries.

## Content of the publication or report

This publication or report has been prepared solely by Nordea Markets.

Opinions or suggestions from Nordea Markets may deviate from recommendations or opinions presented by other departments in Nordea. The reason may typically be the result of differing time horizons, methodologies, contexts or other factors.

Opinions and price targets are based on one or more methods of valuation, for instance cash flow analysis, use of multiples, behavioural technical analyses of underlying market movements in combination with considerations of the market situation and the time horizon. Key assumptions of forecasts, price targets and projections in research cited or reproduced appear in the research material from the named sources. The date of publication appears from the research material cited or reproduced. Opinions and estimates may be updated in subsequent versions of the publication or report, provided that the relevant company/issuer is treated anew in such later versions of the publication or report.

## Validity of the publication or report

All opinions and estimates in this publication or report are, regardless of source, given in good faith, and may only be valid as of the stated date of this publication or report and are subject to change without notice.

## No individual investment or tax advice

The publication or report is intended only to provide general and preliminary information to investors and shall not be construed as the basis for any investment decision. This publication or report has been prepared by Nordea Markets as general information for private use of investors to whom the publication or report has been distributed, but it is not intended as a personal recommendation of particular financial instruments or strategies and thus it does not provide individually tailored investment advice, and does not take into account the individual investor's particular financial situation, existing holdings or liabilities, investment knowledge and experience, investment objective and horizon or risk profile and preferences. The investor must particularly ensure the suitability of an investment as regards his/her financial and fiscal situation and investment objectives. The investor bears the risk of losses in connection with an investment.

Before acting on any information in this publication or report, it is recommendable to consult one's financial advisor.

The information contained in this publication or report does not constitute advice on the tax consequences of making any particular investment decision. Each investor shall make his/her own appraisal of the tax and other financial merits of his/her investment.

## Sources

This publication or report may be based on or contain information, such as opinions, recommendations, estimates, price targets and valuations which emanate from:

Nordea Markets' analysts or representatives,  
Publicly available information,  
Information from other units of Nordea, or  
Other named sources.

To the extent this publication or report is based on or contain information emanating from other sources ("Other Sources") than Nordea Markets ("External Information"), Nordea Markets has deemed the Other Sources to be reliable but neither Nordea, others associated or affiliated with Nordea nor any other person, do guarantee the accuracy, adequacy or completeness of the External Information.

The perception of opinions or recommendations such as Buy or Sell or similar expressions may vary and the definition is therefore shown in the research material or on the website of each named source.

## Limitation of liability

Nordea or other associated and affiliated companies assume no liability as regards to any investment, divestment or retention decision taken by the investor on the basis of this publication or report. In no event will Nordea or other associated and affiliated companies be liable for direct, indirect or incidental, special or consequential damages resulting from the information in this publication or report.

## Risk information

The risk of investing in certain financial instruments, including those mentioned in this document, is generally high, as their market value is exposed to a lot of different factors such as the operational and financial conditions of the relevant company, growth prospects, change in interest rates, the economic and political environment, foreign exchange rates, shifts in market sentiments etc. Where an investment or security is denominated in a different currency to the investor's currency of reference, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. Past performance is not a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. When investing in individual shares, the investor may lose all or part of the investments.

## Conflicts of interest

Nordea, affiliates or staff in Nordea, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the publication or report.

To limit possible conflicts of interest and counter the abuse of inside knowledge, the analysts of Nordea Markets are subject to internal rules on sound ethical conduct, the management of inside information, handling of unpublished research material, contact with other units of Nordea and personal account dealing. The internal rules have been prepared in accordance with applicable legislation and relevant industry standards. The object of the internal rules is for example to ensure that no analyst will abuse or cause others to abuse confidential information. It is the policy of Nordea Markets that no direct link exists between revenues from capital markets activities and individual analyst remuneration. Research analysts are remunerated in part based on the overall profitability of Nordea Bank, which includes Markets revenues, but do not receive bonuses or other remuneration linked to specific capital markets transactions. Nordea and the branches are members of national stockbrokers' associations in each of the countries in which Nordea has head offices. Internal rules have been developed in accordance with recommendations issued by the stockbrokers associations. This material has been prepared following the Nordea Conflict of Interest Policy, which may be viewed at [www.nordea.com/mifid](http://www.nordea.com/mifid)

Important disclosures of interests regarding this research material as well as recommendation changes in the past 12 months are available at: <https://research.nordea.com/FICC>

## Distribution restrictions

The securities referred to in this publication or report may not be eligible for sale in some jurisdictions. This research report is not intended for, and must not be distributed to private customers in Great Britain or the United States.

In the United States, to the extent that this publication or report includes an analysis of the price or market for any derivative and is not otherwise exempt from the applicable U.S. Commodity Futures Trading Commission (CFTC) regulations, it is approved for distribution in the United States to US persons that are eligible contract participants from a CFTC perspective. Nordea Bank Abp is a provisionally registered swap dealer with the CFTC. Any derivatives transactions with US persons must be effected in accordance with the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

In Singapore, this research report is intended only for, and may be distributed only to, accredited investors, expert investors or institutional investors who may contact Nordea Bank Singapore Branch of 138 Market Street, #09-01 CapitaGreen, Singapore 048946.

This publication or report may be distributed by Nordea Bank Luxembourg S.A., 562 rue de Neudorf, L-2015 Luxembourg which is subject to the supervision of the Commission de Surveillance du Secteur Financier.

This publication or report may be distributed by Nordea Bank Abp Singapore Branch, which is subject to the supervision of the European Central Bank, the Finnish Financial Supervisory Authority and the Monetary Authority of Singapore.

This publication or report may be distributed in the UK to institutional investors by Nordea Bank Abp London Branch of 6th Floor, 5 Aldermanbury Square, London, EC2V 7AZ, which is under supervision of the European Central Bank, Finanssivalvonta (Financial Supervisory Authority) in Finland and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority in the United Kingdom. Details about the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available from us on request.

This publication or report may not be mechanically duplicated, photocopied or otherwise reproduced, in full or in part, under applicable copyright laws.

Nordea Bank Abp, Satamaradankatu 5, FI-00020 NORDEA, Finland, domicile Helsinki, Business ID 2858394-9

Further information on Nordea available on [www.nordea.com](http://www.nordea.com)