

Euro Rates Update

Nordea Research, 17 May 2016

Contents

Government bond yields, curve slopes and spreads.....	1
Swaps and Forwards.....	2
- Carry.....	3
- Money market rates.....	3
- Inflation linked bonds.....	3
- Inflation swaps.....	3
Credit & money market spreads.....	4
Swaption volatilities.....	4
Swap & cross-country spreads.....	4
Country relative value.....	5
- Overview of rich & cheap bonds.....	5
- Individual country overviews.....	5

US Treasury Yields				
	2Y	5Y	10Y	30Y
	0.78	1.25	1.75	2.60
Δ 1D	3.6	2.4	-1.0	-2.7
Δ 1W	3.6	0.7	-5.1	-7.1

German Benchmark Yields				
	2Y	5Y	10Y	30Y
	-0.51	-0.38	0.14	0.84
Δ 1D	0.3	0.2	-1.7	-2.7
Δ 1W	-1.3	-4.5	-6.2	-6.0

German Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-12.8	-51.3	-64.1	-70.5
Δ 1D	-0.1	-1.9	-2.0	-0.9
Δ 1W	-3.3	-1.7	-4.9	0.2

EUR Swap Curve Slopes				
	2-5Y	5-10Y	2-10Y	10-30Y
	-15.7	-52.8	-68.5	-55.1
Δ 1D	-0.7	-1.9	-2.6	-1.0
Δ 1W	-2.0	-2.1	-4.1	-0.1

German Asset Swap Levels				
	2Y	5Y	10Y	30Y
	-34.4	-36.6	-36.0	-21.1
Δ 1D	-0.1	0.2	0.3	0.5
Δ 1W	0.5	0.6	2.2	3.2

10Y Benchmark Yields				
	Yield	Δ 1D	Spread	Δ 1D
GER	0.135	-1.7	-	-
FRA	0.483	-2.5	32.3	-0.7
ITA	1.491	-2.1	138.7	-0.4
ESP	1.618	-0.8	146.4	1.0
BEL	0.526	-2.0	36.1	-0.2
HOL	0.356	-1.6	18.7	0.2
AUT	0.337	-1.9	24.7	-0.2
GRE	6.606	5.9	647.4	7.6
POR	3.147	-7.5	297.7	-5.7
FIN	0.412	-1.8	26.3	0.0
IRL	0.830	-4.0	67.2	-2.2

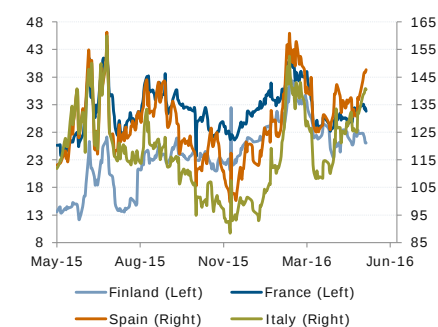
Spread = Maturity interpolated spread to German government par yield curve

Global Research
nordearesearch@nordea.com
+45 33 33 61 02

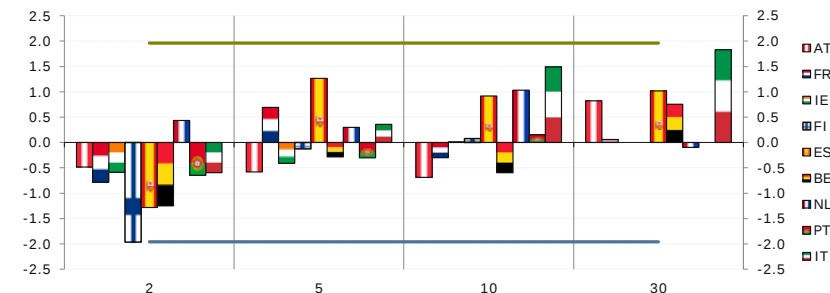
German & US 10-year benchmark yields, %



10 year spreads against Germany, bp



Z-scores of benchmark vs. Germany



Upcoming Issuance (source: Bloomberg)						
Date	Country	Coupon	Maturity	Amount (EURbn)		
18 May	GE	0.50%	2026	4bn		
19 May	SP					
19 May	FR					
23 May	LN	2.10%	2024			
25 May	GE			1bn		

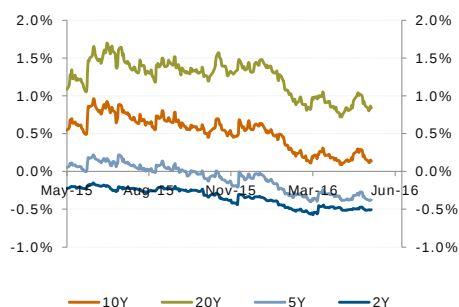
All bond quotes are taken at 16:15 CET.

Bond Yields & Curves

Yield Levels

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

German benchmark bond yields, %



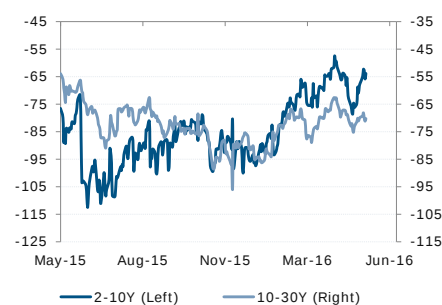
USA-Germany spreads, annualized yields, %



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

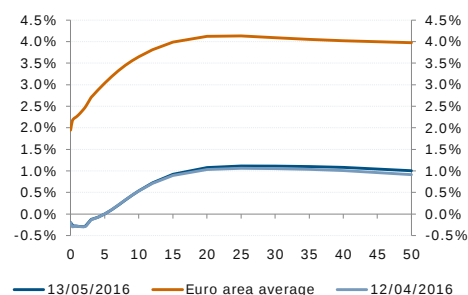
EUR swap rates and implied forwards, %



EUR-USD spreads and implied forwards, %



EUR swap curve shape vs. historical

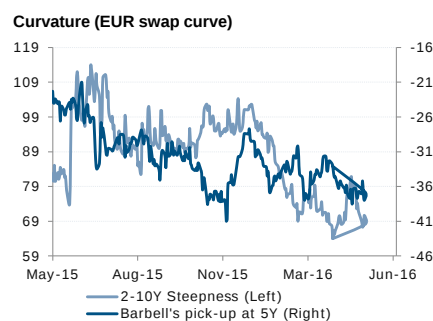
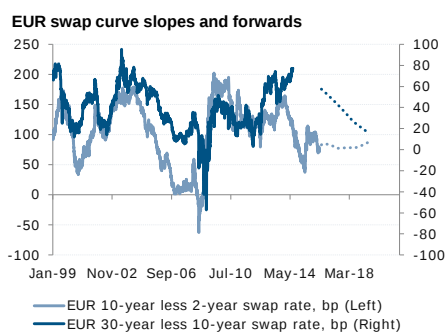


Historical forward rates, %



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

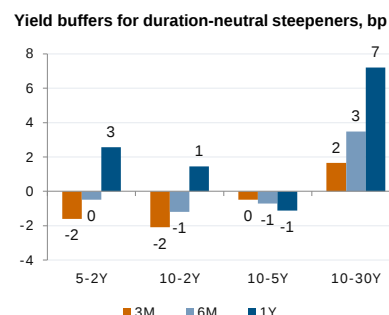
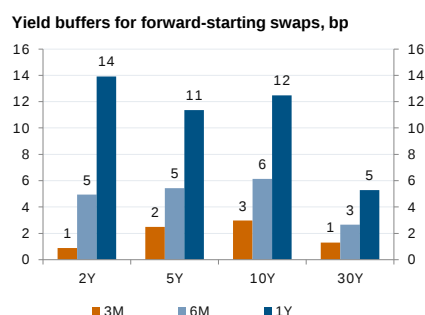
5Y pick-up over a duration and cash neutral 2-10Y EUR swap barbell.



Carry

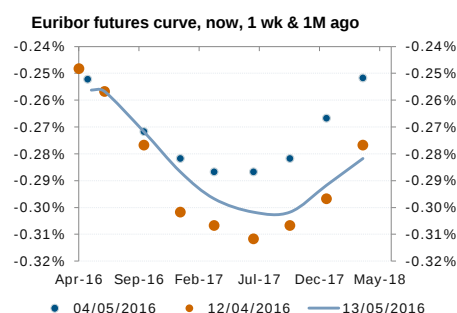
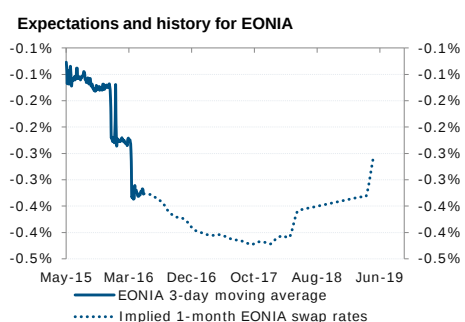
The carry on the given horizon illustrates how much the spot swap rate may rise for a receiver swap position in a forward-starting swap to result in zero profit.

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.



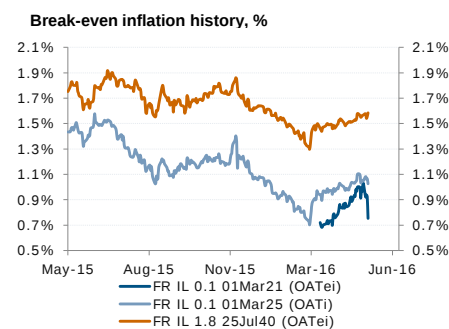
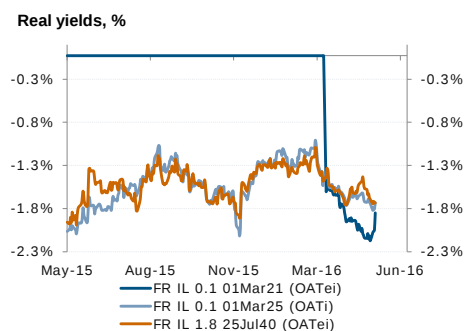
Money Market Rates

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



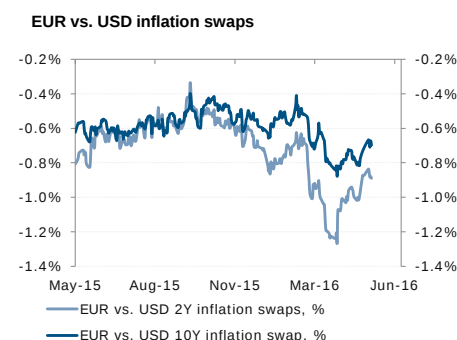
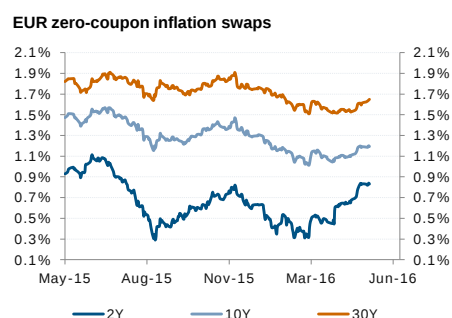
Inflation-linked Bonds

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

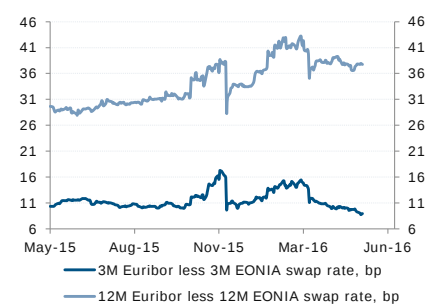
Credit default swap indices illustrate the annual cost of buying protection against a credit event of a company. iTraxx ® Europe is comprised of the 125 most liquid CDS contracts referencing European investment grade credits, iTraxx ® Crossover of 50 sub-investment grade credits.

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



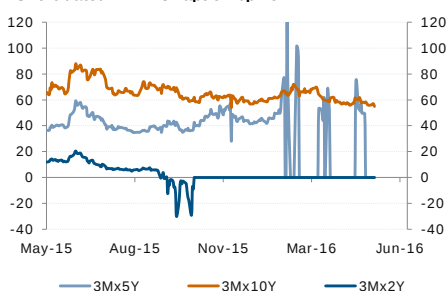
Money market rates vs. EONIA swap rates



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

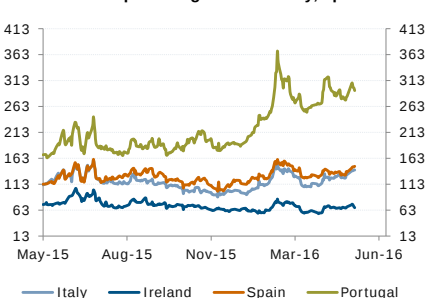
Swap spread:
Benchmark bond's spread to
EUR swap curve.

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

German swap spreads, bp



10Y non-AAA spreads against Germany, bp

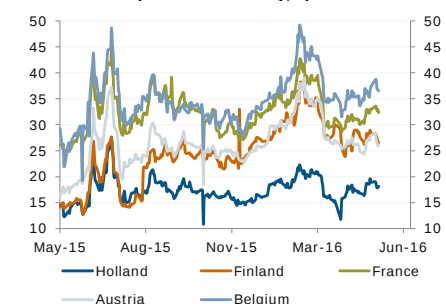


1Y break-even spread changes
indicate how much a bond's
spread against an equivalent bond
trading on the German curve may widen
in order to give the same return in one
year.

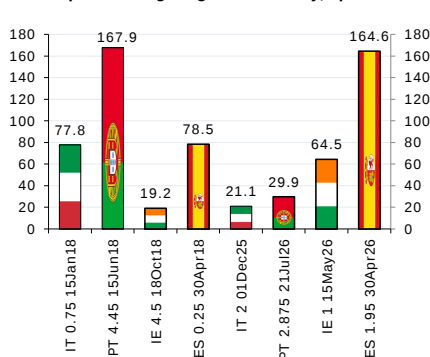
The break-even spread change is
based on the spread against the
following two German benchmark
bonds:

DE TB 16Mar18
DE 0.5 15Feb26

10Y AAA/AA+ spreads to Germany, bp



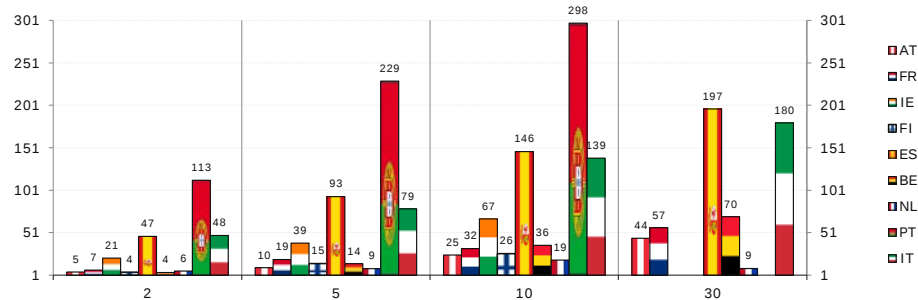
1Y B/E spread changes against Germany, bp



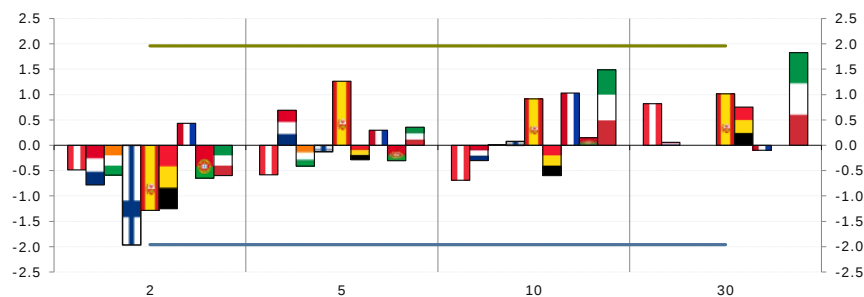


Country Relative Value

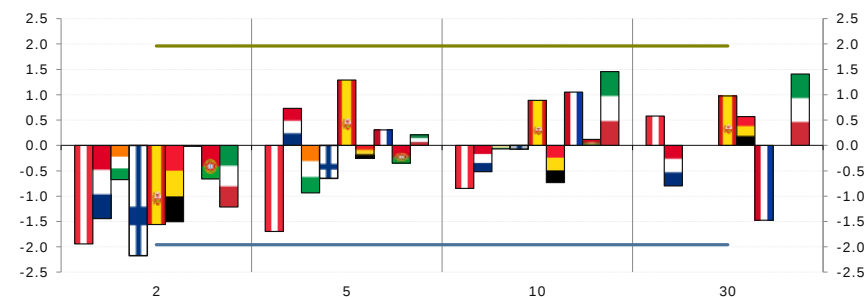
Benchmark spreads over the maturity-interpolated German par curve, bp



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	GR	17 Apr 19	4.750	818.8	-1.89	FI	15 Sep 18	1.125	-32.2	-2.15
	Cheap	DE	11 Oct 19	0.250	-15.0	0.72	IT	01 Aug 19	1.500	23.1
5Y: Rich	KfW	17 Jan 22	2.500	11.4	-1.71	KfW	17 Jan 22	2.500	-25.8	-1.85
	Cheap	ES	30 Jul 21	0.750	93.4	1.39	ES	30 Jul 21	0.750	55.4
7Y: Rich	KfW	15 Aug 23	2.125	10.1	-1.92	KfW	11 Jun 24	1.500	-27.5	-2.19
	Cheap	IT	15 Mar 23	0.950	115.6	1.67	IT	15 Mar 23	0.950	73.3
10Y: Rich	KfW	15 Jan 25	0.625	18.5	-2.50	KfW	15 Jan 25	0.625	-20.5	-3.22
	Cheap	IT	01 Jun 25	1.500	135.4	1.56	IT	01 Jun 25	1.500	95.3
15Y: Rich	GR	24 Feb 29	3.000	630.7	-0.64	DE	04 Jan 31	5.500	-40.0	-1.87
	Cheap	KfW	23 Apr 30	0.375	36.7	2.83	IT	01 Mar 32	1.650	102.7
20Y: Rich	GR	24 Feb 42	3.000	505.1	-2.20	GR	24 Feb 42	3.000	347.6	-2.14
	Cheap	AT	20 Feb 47	1.500	44.4	1.95	IT	01 Sep 46	3.250	170.9

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

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

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.



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

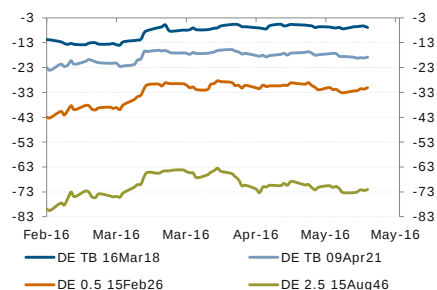
Source: European Commission, Winter 2015 forecast

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

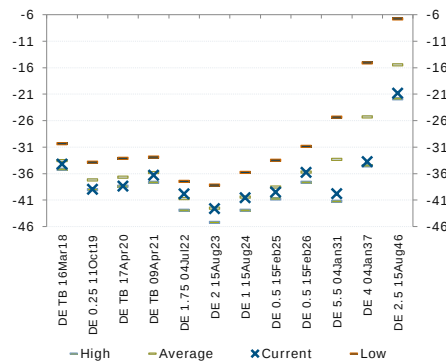
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the French curve.

Benchmark Bonds				Spread vs. France				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	13-May	60D Avg.	Z-score	Δ B/E Spd 1Y	13-May	60D Avg.	Z-score
0.000	16 Mar 18	13.0B	-0.506	-6.8	-8.6	0.68	0.9	-34.4	-33.8	-0.72
0.250	11 Oct 19	16.0B	-0.503	-15.0	-16.4	0.72	-2.1	-39.2	-37.5	-1.61
0.000	17 Apr 20	20.0B	-0.470	-16.2	-17.0	0.52	-4.2	-38.6	-36.9	-1.56
0.000	09 Apr 21	17.0B	-0.378	-18.7	-18.5	-0.10	-44.7	-36.6	-36.1	-0.43
1.750	04 Jul 22	24.0B	-0.296	-23.2	-25.0	0.76	-4.2	-40.1	-41.0	0.71
2.000	15 Aug 23	18.0B	-0.204	-27.3	-29.1	0.59	-2.1	-42.9	-42.8	-0.10
1.000	15 Aug 24	18.0B	-0.072	-29.1	-30.4	0.38	7.0	-40.8	-40.7	-0.11
0.500	15 Feb 25	23.0B	-0.004	-30.0	-30.5	0.14	-0.5	-39.8	-38.8	-0.81
0.500	15 Feb 26	18.0B	0.135	-30.9	-33.0	0.54	0.6	-36.0	-36.0	-0.07
5.500	04 Jan 31	17.0B	0.408	-52.2	-51.4	-0.23	0.8	-40.0	-33.6	-1.87
4.000	04 Jan 37	23.0B	0.656	-62.5	-63.2	0.23	-0.8	-34.0	-25.6	-1.51
2.500	15 Aug 46	16.0B	0.840	-71.9	-70.4	-0.47	1.3	-21.1	-15.7	-1.34

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

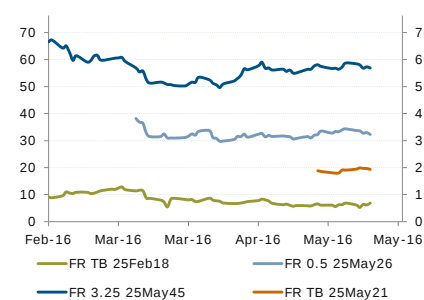
Source: European Commission, Winter 2015 forecast

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

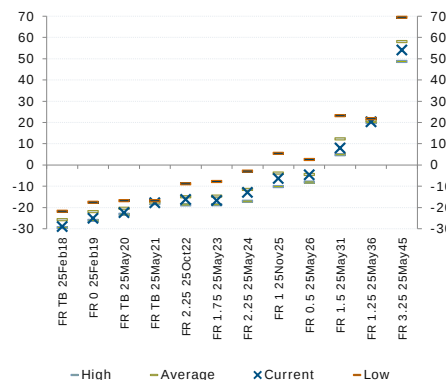
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	13-May	60D Avg.	Z-score	Δ B/E Spd 1Y	13-May	60D Avg.	Z-score
0.000	25 Feb 18	19.98B	-0.453	6.9	8.3	-0.76	0.4	-29.0	-25.8	-1.43
0.000	25 Feb 19	9.48B	-0.393	12.7	13.8	-0.58	5.7	-25.1	-22.0	-1.22
0.000	25 May 20	22.01B	-0.296	16.6	16.7	-0.13	-45.6	-22.5	-20.4	-1.40
0.000	25 May 21	4.02B	-0.178	19.3	19.0	0.52	-3.3	-17.8	-17.5	-0.75
2.250	25 Oct 22	30.02B	-0.042	21.7	23.3	-0.71	-11.9	-16.2	-15.0	-0.61
1.750	25 May 23	33.97B	0.019	22.8	24.7	-0.75	-12.3	-16.8	-14.7	-0.88
2.250	25 May 24	30.55B	0.159	25.5	26.1	-0.19	-9.5	-12.9	-11.5	-0.43
1.000	25 Nov 25	25.99B	0.403	30.1	32.1	-0.53	-3.9	-6.4	-3.8	-0.67
0.500	25 May 26	14.13B	0.483	32.3	32.2	0.07	-2.1	-4.7	-4.5	-0.12
1.500	25 May 31	16.99B	0.947	46.8	45.6	0.37	4.6	8.0	12.2	-0.86
1.250	25 May 36	6.0B	1.245	51.8	51.8	-0.08	3.6	20.2	20.8	-0.78
3.250	25 May 45	17.01B	1.453	56.9	56.5	0.11	-0.7	54.1	58.0	-0.70

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

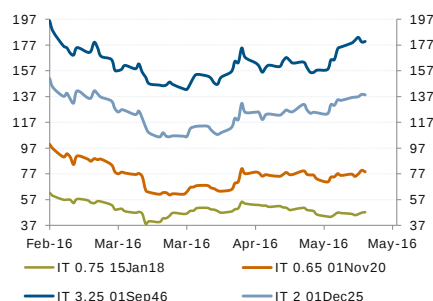
Source: European Commission, Winter 2015 forecast

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

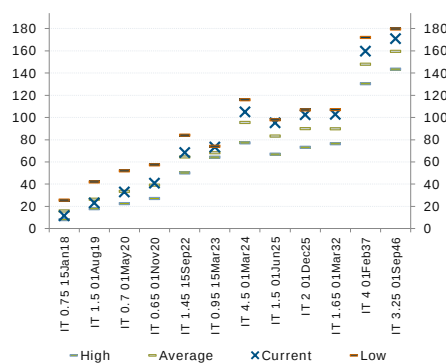
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Coupon	Maturity	Volume	Yield	13-May	60D Avg.	Z-score	Δ B/E Spd 1Y	13-May	60D Avg.	Z-score
0.750	15 Jan 18	15.46B	-0.044	47.7	49.8	-0.56	428.1	11.6	15.8	-1.29
1.500	01 Aug 19	16.01B	0.105	61.2	62.1	-0.19	0.5	23.1	26.4	-0.69
0.700	01 May 20	15.99B	0.252	71.8	70.6	0.18	2.2	33.0	33.6	-0.10
0.650	01 Nov 20	14.02B	0.368	79.0	76.0	0.42	3.6	40.9	39.1	0.29
1.450	15 Sep 22	17.03B	0.804	107.2	103.8	0.41	3.3	68.5	64.4	0.55
0.950	15 Mar 23	10.44B	0.930	115.6	110.4	1.67	2.5	73.3	68.2	1.66
4.500	01 Mar 24	23.71B	1.179	130.2	120.8	1.11	1.4	105.0	95.5	1.11
1.500	01 Jun 25	19.99B	1.397	135.4	122.3	1.56	0.0	95.3	83.3	1.60
2.000	01 Dec 25	17.01B	1.491	138.7	124.9	1.55	-0.2	102.5	89.9	1.55
1.650	01 Mar 32	17.01B	2.025	149.9	129.1	2.47	11.2	102.7	89.8	1.84
4.000	01 Feb 37	26.01B	2.406	165.7	147.8	1.91	0.1	159.6	147.9	1.26
3.250	01 Sep 46	13.24B	2.693	180.2	162.5	1.91	-0.8	170.9	159.6	1.43

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

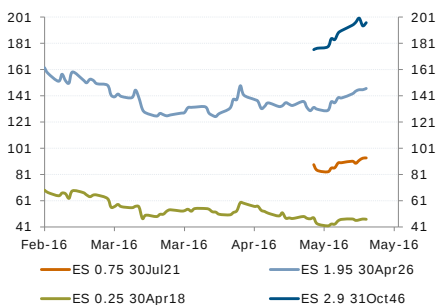
Source: European Commission, Winter 2015 forecast

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

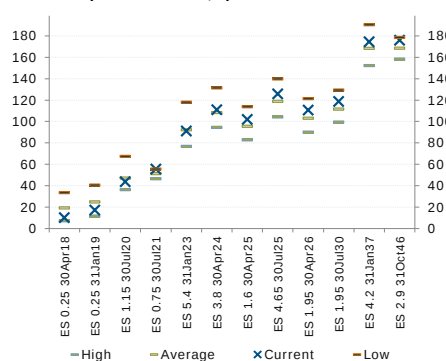
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Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	13-May	60D Avg.	Z-score	Δ B/E Spd 1Y	13-May	60D Avg.	Z-score
0.250	30 Apr 18	16.99B	-0.057	46.6	53.9	-1.26	350.2	10.0	19.1	-1.58
0.250	31 Jan 19	5.46B	0.031	55.1	60.7	-1.05	116.7	17.1	24.6	-1.46
1.150	30 Jul 20	17.02B	0.367	81.2	83.1	-0.23	-47.8	43.7	47.1	-0.44
0.750	30 Jul 21	3.02B	0.577	93.4	88.5	1.39	-40.3	55.4	51.2	1.48
5.400	31 Jan 23	21.99B	0.899	113.6	114.8	-0.13	0.5	91.0	92.2	-0.12
3.800	30 Apr 24	21.99B	1.282	138.6	135.4	0.38	-0.4	111.0	108.3	0.34
1.600	30 Apr 25	19.09B	1.446	141.5	134.4	0.90	0.0	101.9	95.5	0.91
4.650	30 Jul 25	20.02B	1.483	142.1	134.9	0.91	-0.8	125.7	118.9	0.84
1.950	30 Apr 26	15.01B	1.618	146.4	138.3	0.98	16.0	110.5	103.0	1.02
1.950	30 Jul 30	13.11B	2.072	164.4	151.1	1.73	18.9	118.7	111.7	0.98
4.200	31 Jan 37	17.02B	2.514	176.5	164.7	1.49	0.4	174.4	168.4	0.76
2.900	31 Oct 46	5.43B	2.858	196.6	188.2	0.91	-1.2	175.9	168.6	0.92

Spreads against the German curve, bp



Asset swap term structure, bp





Netherlands

	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

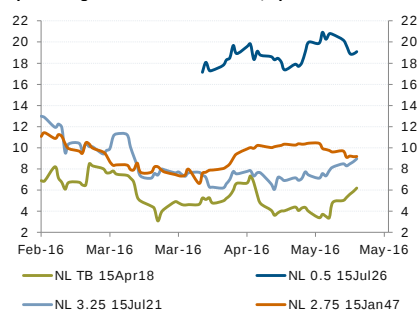
Rating	Aaa/AA+/AAA
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Moody's / S&P / Fitch

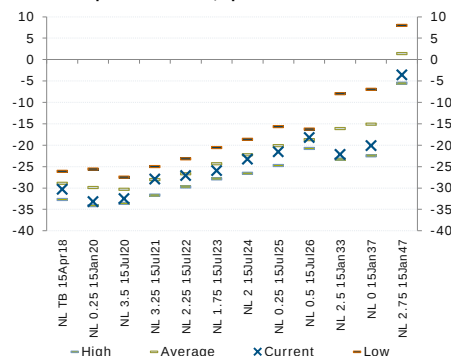
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	13-May	60D Avg.	Z-score	Δ B/E Spd 1Y	13-May	60D Avg.	Z-score
0.000	15 Apr 18	15.99B	-0.465	5.8	5.2	0.45	-0.9	-30.4	-28.9	-0.97
0.250	15 Jan 20	15.84B	-0.429	5.3	6.7	-0.94	-27.8	-33.2	-29.9	-1.67
3.500	15 Jul 20	15.02B	-0.391	5.8	5.9	-0.13	0.2	-32.5	-30.3	-1.50
3.250	15 Jul 21	16.99B	-0.274	8.6	8.1	0.36	0.3	-28.0	-28.1	0.07
2.250	15 Jul 22	15.01B	-0.172	11.0	11.9	-0.69	0.6	-27.1	-26.7	-0.30
1.750	15 Jul 23	15.63B	-0.053	14.1	15.5	-1.05	0.2	-26.0	-24.4	-1.02
2.000	15 Jul 24	15.32B	0.079	15.5	15.8	-0.18	-0.4	-23.3	-22.3	-0.65
0.250	15 Jul 25	15.01B	0.226	16.9	17.8	-0.50	0.0	-21.6	-20.1	-0.64
0.500	15 Jul 26	8.51B	0.356	18.7	18.4	0.37	14.1	-18.3	-18.8	0.52
2.500	15 Jan 33	12.01B	0.686	10.7	10.5	0.12	-0.1	-22.2	-16.2	-1.41
0.000	15 Jan 37	0.0B	0.875	12.7	12.8	-0.03	0.6	-20.1	-15.1	-1.18
2.750	15 Jan 47	11.01B	0.981	8.8	8.9	-0.07	0.0	-3.6	1.4	-1.34

Spreads against the German curve, bp



Asset swap term structure, bp



Belgium

	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

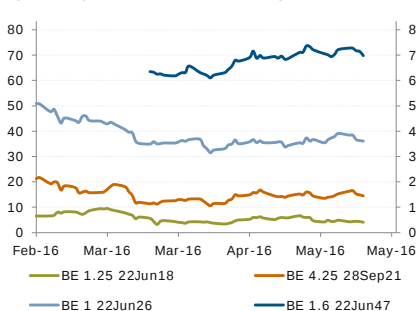
Rating	Aa3/AA/AA
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Moody's / S&P / Fitch

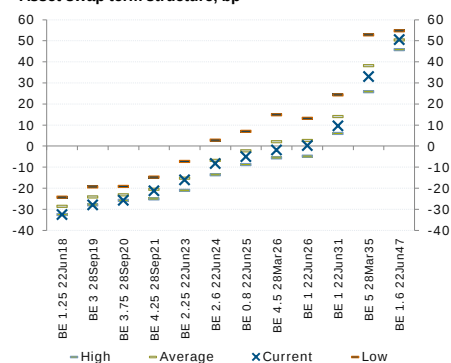
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	13-May	60D Avg.	Z-score	Δ B/E Spd 1Y	13-May	60D Avg.	Z-score
1.250	22 Jun 18	11.01B	-0.483	4.1	5.8	-1.21	-1.9	-32.5	-28.6	-2.08
3.000	28 Sep 19	12.01B	-0.393	10.5	11.8	-0.87	1.0	-27.9	-24.2	-2.06
3.750	28 Sep 20	19.01B	-0.316	11.4	12.1	-0.49	-2.3	-25.8	-23.2	-1.83
4.250	28 Sep 21	16.45B	-0.200	14.5	14.9	-0.24	-2.3	-21.3	-20.5	-0.43
2.250	22 Jun 23	13.99B	0.029	23.0	23.6	-0.20	-1.5	-16.0	-15.2	-0.29
2.600	22 Jun 24	15.85B	0.205	29.0	29.7	-0.19	-1.4	-8.3	-6.8	-0.41
0.800	22 Jun 25	16.02B	0.378	32.8	35.1	-0.62	-0.5	-5.0	-2.3	-0.74
4.500	28 Mar 26	9.02B	0.398	25.5	28.0	-0.65	-0.6	-1.9	2.1	-0.83
1.000	22 Jun 26	7.79B	0.526	36.1	38.3	-0.57	0.2	0.2	2.7	-0.65
1.000	22 Jun 31	5.59B	0.995	51.1	50.4	0.25	0.5	9.6	14.0	-1.06
5.000	28 Mar 35	19.28B	1.116	42.7	41.2	0.37	0.2	33.0	38.1	-0.84
1.600	22 Jun 47	3.5B	1.593	69.8	67.5	0.62	-0.9	50.6	50.4	0.10

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

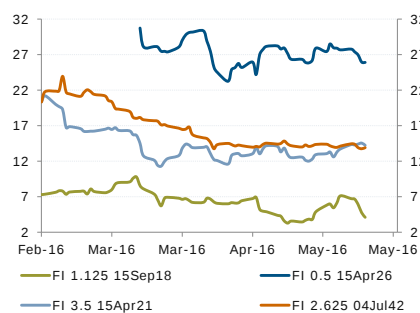
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Moody's / S&P / Fitch

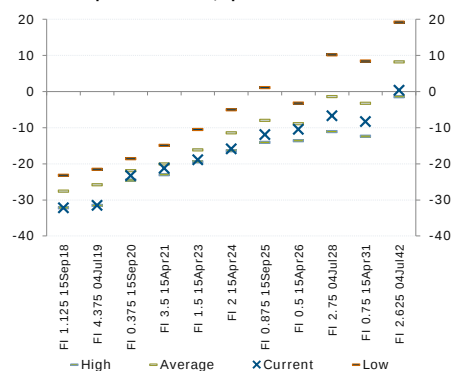
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	13-May	60D Avg.	Z-score	Δ B/E Spd 1Y	13-May	60D Avg.	Z-score
1.125	15 Sep 18	5.03B	-0.477	4.5	6.9	-1.87	-2.4	-32.2	-27.6	-2.15
4.375	04 Jul 19	5.0B	-0.435	7.5	10.2	-1.78	-1.0	-31.5	-25.8	-2.10
0.375	15 Sep 20	6.03B	-0.290	14.4	14.3	0.04	1.3	-23.3	-21.9	-0.89
3.500	15 Apr 21	6.0B	-0.234	14.6	14.8	-0.08	1.2	-21.2	-20.1	-0.74
1.500	15 Apr 23	5.0B	-0.011	20.9	23.7	-1.24	-0.3	-18.9	-16.2	-1.33
2.000	15 Apr 24	5.0B	0.122	23.1	26.7	-1.44	-1.5	-15.9	-11.5	-1.59
0.875	15 Sep 25	4.03B	0.330	25.1	28.6	-1.03	-1.7	-11.9	-8.0	-1.15
0.500	15 Apr 26	4.0B	0.412	26.3	27.4	-0.89	-1.4	-10.5	-8.9	-0.78
2.750	04 Jul 28	5.0B	0.581	28.3	29.4	-0.35	-0.2	-6.7	-1.4	-0.89
0.750	15 Apr 31	3.5B	0.806	33.4	33.2	0.05	2.1	-8.3	-3.3	-0.83
2.625	04 Jul 42	4.03B	1.013	14.3	17.2	-1.07	-0.3	0.4	8.2	-1.12

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

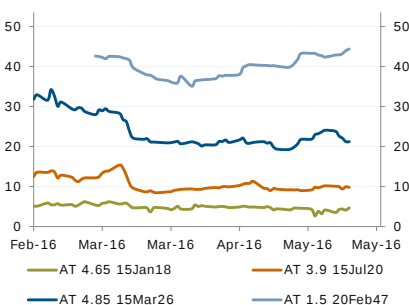
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Moody's / S&P / Fitch

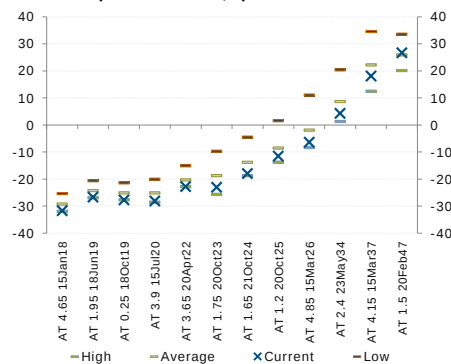
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	13-May	60D Avg.	Z-score	Δ B/E Spd 1Y	13-May	60D Avg.	Z-score
4.650	15 Jan 18	12.06B	-0.474	4.7	4.9	-0.47	3.6	-31.7	-29.2	-1.94
1.950	18 Jun 19	7.21B	-0.392	12.1	11.8	0.25	-4.5	-26.7	-24.3	-1.41
0.250	18 Oct 19	7.97B	-0.388	10.7	11.2	-0.36	1.0	-27.7	-25.1	-1.55
3.900	15 Jul 20	13.01B	-0.351	9.8	10.7	-0.56	21.6	-28.1	-25.1	-1.65
3.650	20 Apr 22	8.71B	-0.161	14.1	16.8	-1.57	18.6	-22.8	-20.3	-1.49
1.750	20 Oct 23	9.99B	0.003	16.7	20.6	-1.08	-3.3	-23.0	-18.8	-1.10
1.650	21 Oct 24	10.35B	0.163	20.2	23.6	-0.96	-11.4	-17.9	-13.8	-1.09
1.200	20 Oct 25	9.28B	0.337	24.7	27.1	-0.67	-15.5	-11.5	-8.5	-0.80
4.850	15 Mar 26	8.71B	0.350	21.2	24.0	-0.74	-13.7	-6.3	-1.9	-0.92
2.400	23 May 34	6.16B	0.974	31.5	30.2	0.44	-6.4	4.3	8.7	-0.71
4.150	15 Mar 37	12.22B	1.066	31.3	29.1	1.00	-4.4	18.1	22.2	-0.66
1.500	20 Feb 47	1.95B	1.337	44.4	40.1	1.95	1.0	26.7	25.9	0.25

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

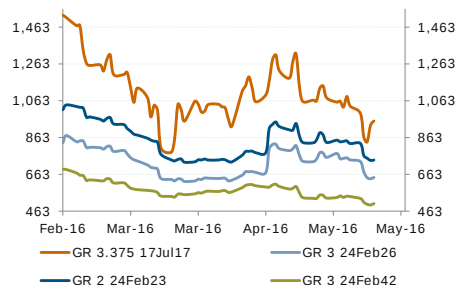
Source: European Commission, Winter 2015 forecast

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

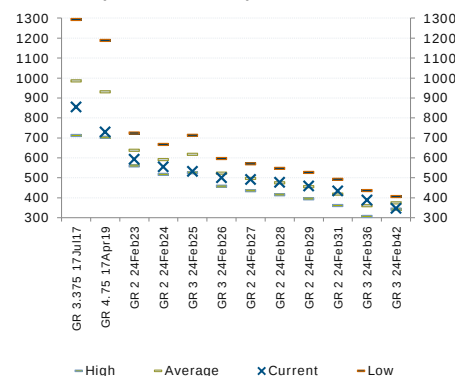
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	13-May	60D Avg.	Z-score	Δ B/E Spd 1Y	13-May	60D Avg.	Z-score
3.375	17 Jul 17	2.02B	9.021	953.7	1,114.2	-1.26	611.9	855.6	985.5	-1.27
4.750	17 Apr 19	4.02B	7.669	818.8	1,088.2	-1.89	18.1	730.3	931.2	-1.99
3.000	24 Feb 23	1.04B	7.189	742.0	851.8	-1.38	-6.8	593.2	638.2	-0.94
3.000	24 Feb 24	1.25B	6.917	704.1	802.5	-1.32	15.7	555.1	591.2	-0.80
3.000	24 Feb 25	1.84B	6.846	683.8	846.5	-2.08	37.5	532.0	617.7	-2.24
3.000	24 Feb 26	1.37B	6.606	647.4	730.4	-1.22	39.2	500.6	523.6	-0.57
3.000	24 Feb 27	1.21B	6.732	652.3	706.3	-0.86	41.0	492.0	497.5	-0.15
3.000	24 Feb 28	1.84B	6.738	646.4	686.2	-0.68	55.3	477.7	475.1	0.07
3.000	24 Feb 29	1.48B	6.646	630.7	667.3	-0.64	42.4	459.4	455.4	0.11
3.000	24 Feb 31	1.29B	6.590	612.6	627.3	-0.27	43.7	434.7	418.3	0.47
3.000	24 Feb 36	1.33B	6.365	564.5	557.4	0.14	27.2	388.2	360.2	0.79
3.000	24 Feb 42	1.05B	5.919	505.1	580.9	-2.20	22.9	347.6	374.8	-2.14

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

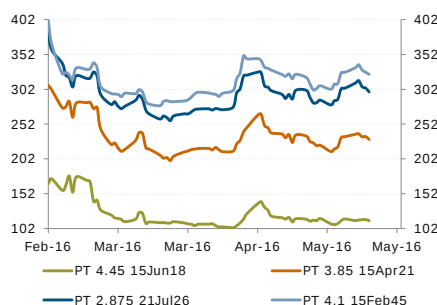
Source: European Commission, Winter 2015 forecast

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

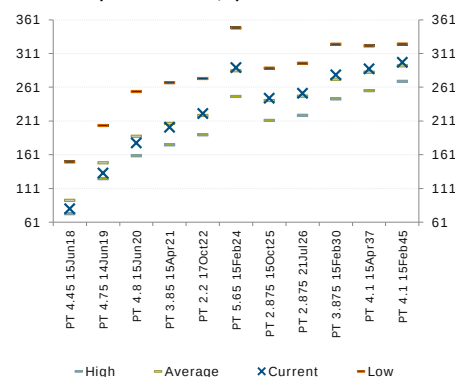
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	13-May	60D Avg.	Z-score	Δ B/E Spd 1Y	13-May	60D Avg.	Z-score
4.450	15 Jun 18	8.99B	0.604	112.7	122.3	-0.63	-1.6	80.8	93.2	-0.79
4.750	14 Jun 19	10.99B	1.121	163.4	175.4	-0.69	6.4	133.7	148.8	-0.85
4.800	15 Jun 20	10.99B	1.584	204.0	211.6	-0.39	-2.3	178.4	188.2	-0.51
3.850	15 Apr 21	10.01B	1.914	229.4	234.5	-0.26	-2.5	201.6	207.2	-0.30
2.200	17 Oct 22	4.0B	2.409	267.0	265.4	0.08	-1.5	221.9	219.1	0.17
5.650	15 Feb 24	12.02B	2.890	301.8	297.3	0.22	-2.4	289.9	285.4	0.24
2.875	15 Oct 25	10.52B	2.965	287.7	284.2	0.19	-1.8	244.6	241.1	0.23
2.875	21 Jul 26	6.02B	3.147	297.7	293.2	0.24	-2.9	251.9	247.6	0.29
3.875	15 Feb 30	4.05B	3.604	320.3	308.1	0.63	1.1	279.2	272.8	0.44
4.100	15 Apr 37	8.02B	3.933	317.8	306.0	0.63	0.1	288.2	283.3	0.38
4.100	15 Feb 45	3.0B	4.113	323.0	311.9	0.61	-0.7	297.8	292.7	0.43

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

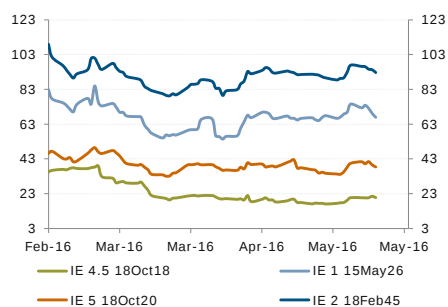
Rating	Baa1/A/A-
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Moody's / S&P / Fitch

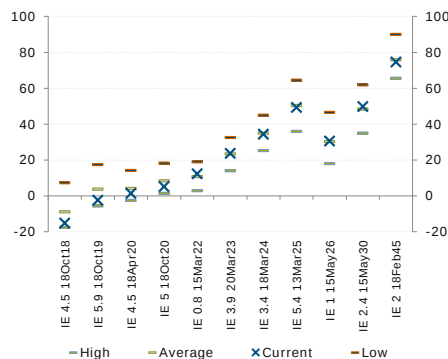
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	13-May	60D Avg.	Z-score	Δ B/E Spd 1Y	13-May	60D Avg.	Z-score
4.500	18 Oct 18	9.58B	-0.311	21.0	24.6	-0.57	-1.9	-15.2	-9.0	-0.87
5.900	18 Oct 19	6.58B	-0.162	33.3	36.4	-0.75	0.0	-2.5	3.7	-1.25
4.500	18 Apr 20	11.77B	-0.098	37.1	37.5	-0.14	-0.1	1.4	4.1	-0.79
5.000	18 Oct 20	8.99B	-0.038	38.7	39.9	-0.38	-1.1	5.1	8.3	-0.97
0.800	15 Mar 22	5.25B	0.193	50.2	49.4	0.19	1.6	12.2	10.7	0.53
3.900	20 Mar 23	5.95B	0.344	57.0	56.8	0.04	-2.0	23.7	23.4	0.08
3.400	18 Mar 24	8.01B	0.556	67.3	67.5	-0.04	-1.0	34.3	34.9	-0.15
5.400	13 Mar 25	11.01B	0.720	70.6	70.6	0.01	-0.5	49.3	50.3	-0.21
1.000	15 May 26	4.75B	0.830	67.2	66.8	0.06	11.5	30.5	30.2	0.06
2.400	15 May 30	7.78B	1.260	84.4	77.7	1.26	-0.1	49.7	48.3	0.27
2.000	18 Feb 45	5.95B	1.813	92.9	90.5	0.52	-6.5	74.6	75.8	-0.27

Spreads against the German curve, bp



Asset swap term structure, bp



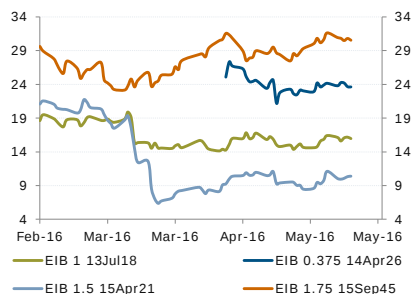


European Investment Bank (EIB)

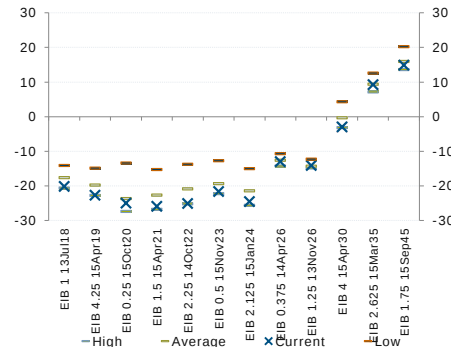
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	13-May	60D Avg.	Z-score	Δ B/E Spd 1Y	13-May	60D Avg.	Z-score
1.000	13 Jul 18	5.0B	-0.360	16.3	16.7	-0.27	-2.3	-20.2	-17.6	-1.37
4.250	15 Apr 19	5.0B	-0.365	15.4	15.7	-0.16	0.7	-22.7	-19.8	-1.06
0.250	15 Oct 20	4.0B	-0.301	12.5	12.3	0.08	0.1	-25.0	-23.7	-0.43
1.500	15 Apr 21	5.0B	-0.273	10.8	13.1	-0.52	-0.1	-25.9	-22.7	-0.78
2.250	14 Oct 22	5.75B	-0.128	13.3	17.8	-1.04	-0.1	-25.1	-20.9	-1.01
0.500	15 Nov 23	1.5B	0.037	19.3	21.2	-0.86	0.4	-21.6	-19.3	-0.83
2.125	15 Jan 24	5.0B	0.012	14.9	17.5	-0.76	0.9	-24.6	-21.5	-0.87
0.375	14 Apr 26	5.0B	0.388	24.0	24.5	-0.46	0.1	-13.0	-12.6	-0.71
1.250	13 Nov 26	1.5B	0.413	22.2	21.9	0.34	0.1	-14.1	-14.3	0.64
4.000	15 Apr 30	6.5B	0.690	27.9	24.6	1.74	-0.2	-3.0	-0.3	-1.33
2.625	15 Mar 35	1.7B	1.027	33.8	28.3	1.98	0.8	9.2	9.4	-0.13
1.750	15 Sep 45	1.55B	1.195	30.9	27.9	1.44	-0.1	14.9	15.9	-0.80

Spreads against the German curve, bp



Asset swap term structure, bp

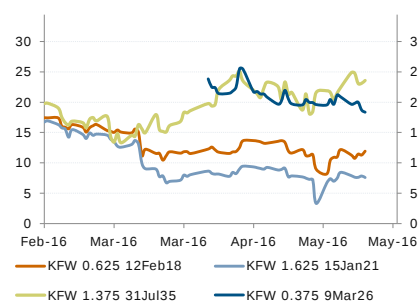


Kreditanstalt für Wiederaufbau (KfW)

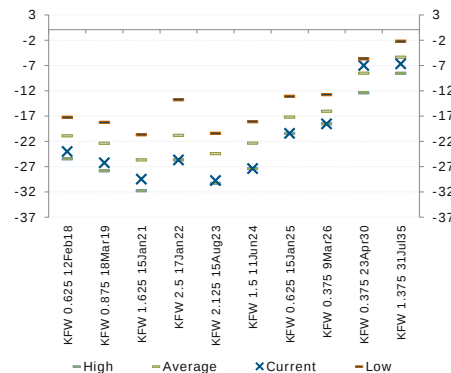
Δ B/E Spd 1Y is calculated as a spread to a synthetically created par bond trading on the German curve.

Benchmark Bonds				Spread vs. Germany				Asset Swap Spread		
Coupon	Maturity	Volume	Yield	13-May	60D Avg.	Z-score	Δ B/E Spd 1Y	13-May	60D Avg.	Z-score
0.625	12 Feb 18	2.0B	-0.402	11.9	13.1	-0.64	0.4	-24.1	-21.0	-1.72
0.875	18 Mar 19	5.0B	-0.402	11.7	13.4	-0.87	0.7	-26.3	-22.5	-1.52
1.625	15 Jan 21	5.0B	-0.327	7.6	10.1	-0.88	-0.7	-29.6	-25.8	-1.46
2.500	17 Jan 22	4.0B	-0.207	11.4	16.3	-1.71	-2.8	-25.8	-20.9	-1.85
2.125	15 Aug 23	3.0B	-0.084	10.1	14.9	-1.92	-0.5	-29.8	-24.5	-2.16
1.500	11 Jun 24	3.0B	0.034	12.3	16.4	-1.83	-0.2	-27.5	-22.4	-2.19
0.625	15 Jan 25	4.0B	0.178	18.5	21.1	-2.50	-0.4	-20.5	-17.3	-3.22
0.375	09 Mar 26	4.0B	0.320	18.3	21.0	-1.95	-0.3	-18.6	-16.1	-2.56
0.375	23 Apr 30	2.0B	0.779	36.7	29.6	2.83	5.3	-7.1	-8.6	1.40
1.375	31 Jul 35	1.0B	0.937	23.6	19.2	1.47	1.2	-6.8	-5.5	-1.18

Spreads against the German curve, bp



Asset swap term structure, bp



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