

SEPTEMBER 2015

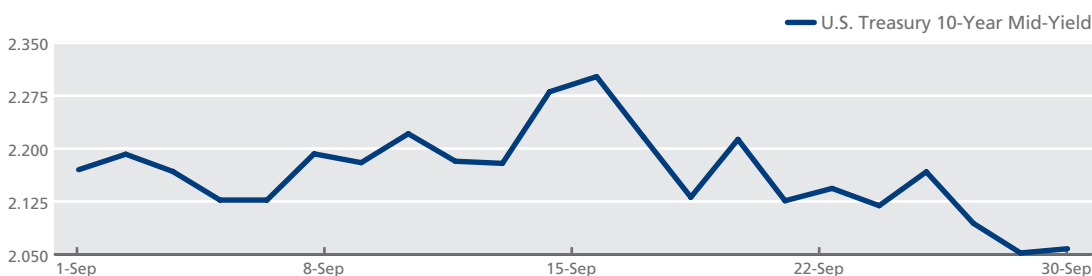
Tradeweb Government Bond Update

Key Points:

- U.S. Fed keeps interest rates on hold
- Eurozone inflation turns negative
- S&P downgrades Japan from AA- to A+

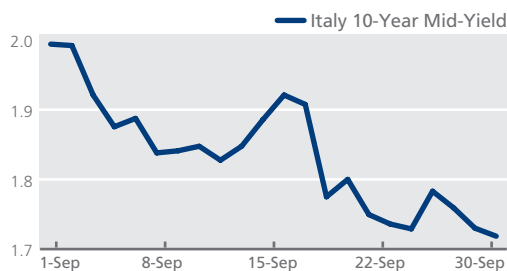
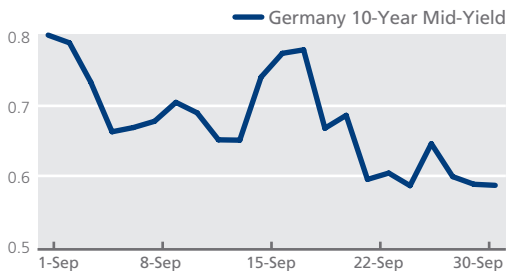
The U.S. Federal Reserve opted to maintain its benchmark interest rate at near zero levels in September, despite talk of a hike from regional Fed presidents during the summer. Earlier in the month, data published by the U.S. Bureau of Labor Statistics had shown that total nonfarm payroll employment increased by 173,000 in August. In addition, job gains in June and July were revised upwards by a combined 44,000. The Treasury 10-year mid-yield ended the month at 2.06%, after closing at 2.30% on September 16 – the highest market close value since July 22, 2015.

U.S. Treasury 10-Year Mid-Yield



European government bonds rallied in September with the exception of Swedish debt; the country's 10-year bond mid-yield finished the month at 0.71%, almost 3 basis points higher than the August 31 close. Sweden's central bank kept its monetary policy unchanged, but said it remained ready to provide further stimulus to combat deflation. In the euro area, consumer prices dipped 0.1% in September, while the jobless rate stayed flat at 11% during August. The mid-yield on the 10-year Bund fell by 20 basis points over the month to close at 0.59%. Italy's 10-year benchmark bond mid-yield had a similar trajectory, ending the month 22 basis points lower at 1.72%. The country's unemployment rate decreased to 11.9% in August – the lowest since February 2013. Meanwhile, Alexis Tsipras was sworn in as Greece's prime minister for the second time this year, after his party Syriza was voted back into power in September's snap election. Through the course of the month, the Greek 10-year bond mid-yield dropped 83 basis points to 8.15%.

Germany and Italy 10-Year Mid-Yields



**FOR MORE INFORMATION,
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ABOUT DATA POINTS

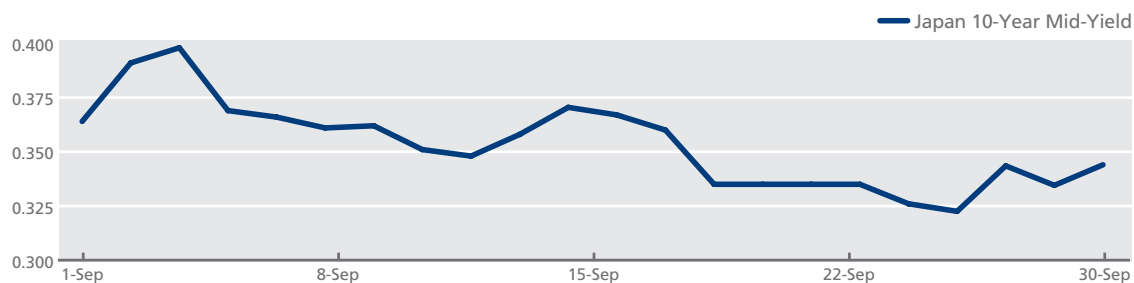
Data Points is a monthly report that aggregates information from the Tradeweb fixed income and derivatives markets, and the world's largest liquidity providers.

ABOUT TRADEWEB

Tradeweb is a leading global provider of institutional markets, driving the evolution of electronic trading in fixed income and derivatives. Tradeweb applies technology with flexible trading protocols to enhance workflow efficiency and increase market transparency.

Standard & Poor's cut Japan's credit rating to A+ from AA- amid concerns over the government's economic revival strategy. Prime minister Shinzo Abe, who was re-elected as leader of the ruling Liberal Democratic Party on September 24, announced that his Abenomics program was entering its second stage and pledged to increase nominal GDP to 600 trillion yen. The mid-yield on the Japanese 10-year benchmark bond ended the month 3.2 basis points lower at 0.34%.

Japan 10-Year Mid-Yield



Ten-Year Benchmark Government Bond Data

Global government bonds rallied in September

| | SEPTEMBER 2015 | | | | 3yr yield high | 3yr yield high date |
|----------------|-------------------|--------------------------------|---------------------------|----------------------------|----------------|---------------------|
| | Closing yield (%) | Change on previous month (bps) | Yield low (current month) | Yield high (current month) | | |
| Australia | 2.61 | -3.34 | 2.61 | 2.86 | 4.32 | 09-Jan-14 |
| Austria | 0.89 | -20.55 | 0.87 | 1.10 | 2.47 | 10-Sep-13 |
| Belgium | 0.90 | -22.90 | 0.90 | 1.15 | 2.91 | 10-Sep-13 |
| Canada | 1.44 | -4.85 | 1.43 | 1.59 | 2.81 | 10-Sep-13 |
| Denmark | 0.86 | -10.45 | 0.83 | 1.05 | 2.23 | 10-Sep-13 |
| Finland | 0.77 | -18.35 | 0.76 | 0.98 | 2.31 | 10-Sep-13 |
| France | 0.90 | -23.90 | 0.90 | 1.16 | 2.63 | 10-Sep-13 |
| Germany | 0.59 | -20.05 | 0.59 | 0.80 | 2.04 | 05-Sep-13 |
| Greece | 8.15 | -82.80 | 8.01 | 9.22 | 19.13 | 01-Oct-12 |
| Ireland | 1.23 | -20.40 | 1.20 | 1.45 | 5.02 | 01-Oct-12 |
| Italy | 1.72 | -22.30 | 1.72 | 1.99 | 5.12 | 04-Oct-12 |
| Japan | 0.34 | -3.20 | 0.32 | 0.40 | 0.93 | 29-May-13 |
| Netherlands | 0.78 | -20.00 | 0.77 | 1.00 | 2.50 | 26-Dec-13 |
| Portugal | 2.39 | -22.65 | 2.39 | 2.72 | 8.79 | 01-Oct-12 |
| Spain | 1.88 | -20.40 | 1.88 | 2.14 | 5.92 | 14-Nov-12 |
| Sweden | 0.71 | 2.75 | 0.62 | 0.85 | 2.73 | 05-Sep-13 |
| United Kingdom | 1.77 | -18.05 | 1.74 | 1.95 | 3.07 | 27-Dec-13 |
| United States | 2.06 | -14.10 | 2.05 | 2.30 | 3.01 | 01-Jan-14 |

Source: Tradeweb Markets LLC, October 1, 2015

All yields cited in this report are mid-yields.