

FEBRUARY 2015

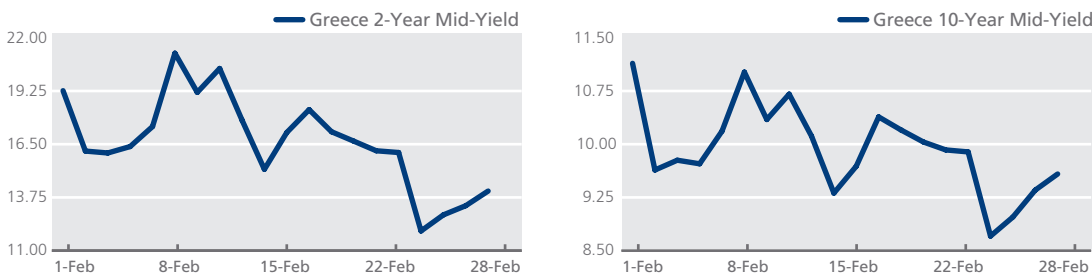
Tradeweb Government Bond Update

Key Points:

- Greek bailout extended by four months
- Eurozone government debt rallies
- Sweden cuts rates and launches QE
- U.S. Fed signals shift in monetary policy

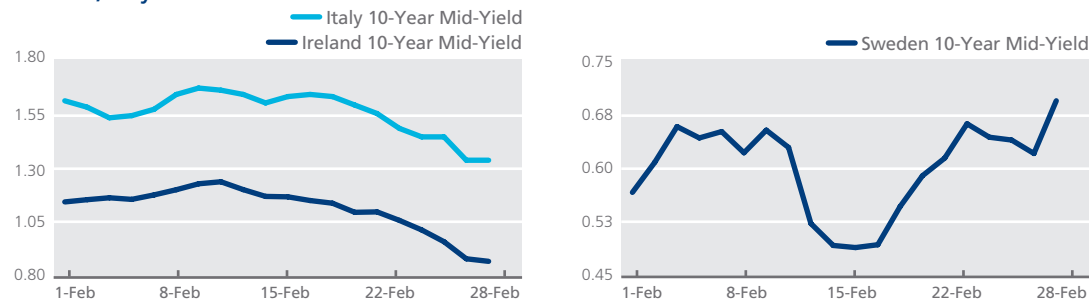
Following lengthy negotiations between Greece's new government and eurozone finance ministers, a four-month extension of the country's bailout program was agreed on February 20. The mid-yield on the Greek 10-year government bond closed at 11.14% on February 2, its highest value since July 2013, before finishing the month 156 basis points lower at 9.58%. Meanwhile, the country's government bond yield curve continued to invert. On February 9, mid-yields closed at 21.20% on the 2-year bond, 16.17% on the 5-year bond and 11.02% on the 10-year bond.

Greece 2-Year and Greece 10-Year Mid-Yields



Eurozone GDP data released by Eurostat on February 13 showed that the region's economy had expanded by 0.3% in Q4 2014, powered by growth of 0.7% in Germany and Spain. As month end approached, government bond yields dropped to fresh lows across the region, including Europe's peripheral economies. On February 25, Ireland's 10-year government bond mid-yield dipped below 1% for the first time on record, while the spread of Italy's 10-year bond mid-yield over its German counterpart ended the month barely above 100 basis points.

Ireland, Italy and Sweden 10-Year Mid-Yields



Elsewhere in Europe, the Office for National Statistics announced on February 17 that the UK inflation rate had fallen to a record low of 0.3% in January. The following day, the mid-yield on the 10-year gilt closed at 1.85%, hitting a year-to-date high. In Sweden, January's inflation rate was negative for the sixth month in a row at -0.2%. On February 12, the country's central bank cut its benchmark lending rate to -0.1% and launched a government bond buying program designed to boost inflation. The Swedish 10-year government bond mid-yield declined to a record low of 0.49% on February 16.

**FOR MORE INFORMATION,
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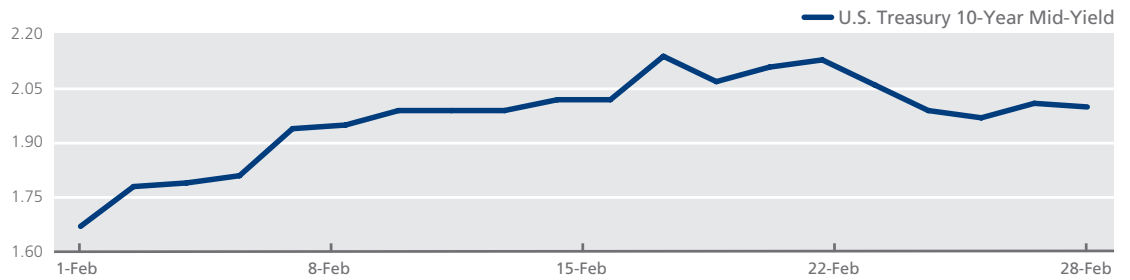
ABOUT DATA POINTS

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.

U.S. Treasury 10-Year Mid-Yield



In her testimony before the U.S. Senate Banking Committee on February 24, Federal Reserve chair Janet Yellen signalled that an interest rate hike could take place as early as June 2015. Earlier in the month, the Labor Department had announced an increase of 257,000 in January's nonfarm payrolls, and revised upwards numbers for November and December 2014 by 147,000. The mid-yield on the 10-year Treasury ended the month at 2%, 33 basis points higher than its February 2 value of 1.67%, the lowest since May 2013.

Eurozone government bonds continued to rally in February

Ten-Year Benchmark Government Bond Data

	FEBRUARY 2015				3yr yield high	3yr yield high date
	Closing yield (%)	Change on previous month (bps)	Yield low (current month)	Yield high (current month)		
Australia	2.50	8.71	2.39	2.61	4.32	09-Jan-14
Austria	0.39	0.95	0.37	0.48	2.93	29-Feb-12
Belgium	0.56	-4.55	0.54	0.71	3.60	23-Apr-12
Canada	1.30	5.50	1.24	1.50	2.81	10-Sep-13
Denmark	0.28	-6.35	0.06	0.28	2.23	10-Sep-13
Finland	0.34	-0.85	0.32	0.44	2.46	16-Mar-12
France	0.54	-0.05	0.51	0.65	3.09	23-Apr-12
Germany	0.33	1.95	0.30	0.38	2.06	16-Mar-12
Greece	9.58	-148.55	8.71	11.14	37.46	07-Mar-12
Ireland	0.86	-26.50	0.86	1.24	7.30	21-May-12
Italy	1.34	-26.80	1.34	1.68	6.54	24-Jul-12
Japan	0.34	5.45	0.28	0.45	1.05	15-Mar-12
Netherlands	0.37	-0.20	0.35	0.46	2.55	16-Mar-12
Portugal	1.82	-56.70	1.82	2.55	13.56	09-Mar-12
Spain	1.27	-16.70	1.27	1.62	7.56	24-Jul-12
Sweden	0.70	5.90	0.49	0.70	2.73	05-Sep-13
United Kingdom	1.79	45.70	1.38	1.85	3.07	27-Dec-13
United States	2.00	32.30	1.67	2.14	3.01	01-Jan-14

Source: Tradeweb Markets LLC, March 1, 2015

All yields cited in this report are mid-yields.