

AUGUST 2014

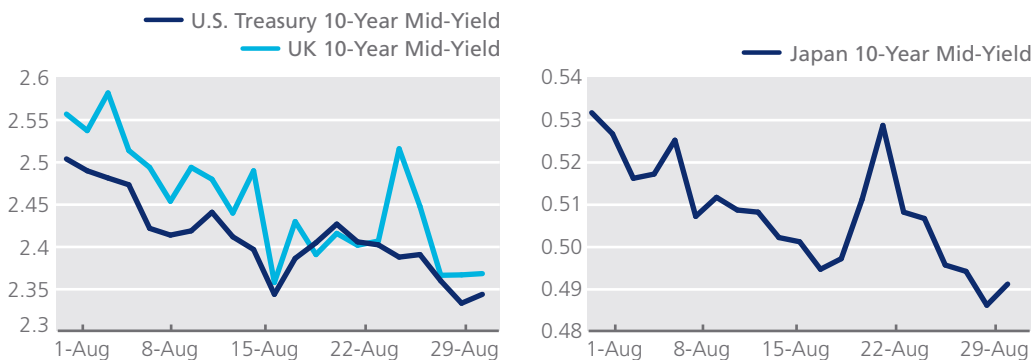
Tradeweb Government Bond Update

Key Points:

- Yields Fall in Core Economies
- Eurozone Yields Hit All-Time Lows

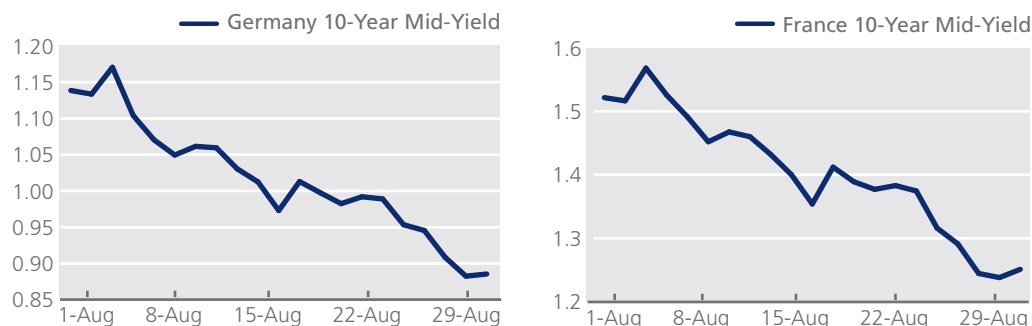
In the second quarter, the U.S. GDP expanded at a 4.2% annual rate instead of the 4% rate initially reported, according to the Commerce Department. In a speech, Federal Reserve Chairwoman Janet Yellen noted that while the economy was improving, the agency was waiting for an indication on the health of the labor market before making a decision on raising interest rates. The 10-year Treasury yields fell during the month, with mid-yields starting at 2.56% and dipping 21 basis points to end at 2.34%. Mid-yields on U.S. long-term debt hit 2014 lows in August, opening at 3.31% and closing at 3.08%. The U.K. also saw strong economic data as the country's GDP grew by 3.2% during the second quarter. Ten-year gilts, which rallied during the month, started at 2.62%, and dropped 25 basis points to close at 2.37% at month end. Conversely, Japan's economy contracted by an annualized 6.8% and household spending plunged. Mid-yields on the country's 10-year benchmark bond decreased 4 basis points to end the month at 0.49%.

U.S., UK and Japan 10-Year Mid-Yields



Government bond yields continued their decline across Europe in August in spite of the release of soft economic data, and persistent geopolitical tensions in Eastern Europe and the Middle East. European Central Bank President Mario Draghi spoke at an annual meeting of central bankers at Jackson Hole, Wyoming, stating that the ECB was prepared to respond to falling inflation with all available tools. Inflation in the eurozone decreased to 0.3% in August, well under the ECB's 2% target, while GDP numbers showed that the largest economies, Germany and France performed below expectations. However, mid-yields on Germany's 10-year sovereign bond closed the month at 0.89% after plummeting 29 basis points from the beginning of August. France's 10-year bond yields also fell over the course of the month, with mid-yields starting at 1.55% and closing at 1.25%.

Germany and France 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.

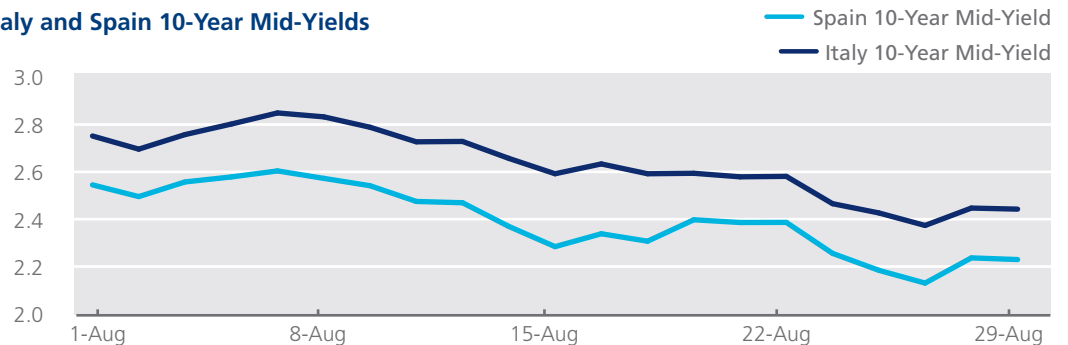
ABOUT TRADEWEB

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.

Elsewhere in the eurozone, yields for Austria, Belgium, Finland, Italy, Netherlands, Portugal and Spain hit fresh lows. In Italy, the 10-year benchmark bond opened at 2.69% and fell 25 basis points by month end after hitting a high of 2.85% on August 7. Spain's 10-year bond mid-yields also dropped 27 basis points from the start of the month, touching 2.23% at the end of August. On the other hand, in Eastern Europe, yields on the Ukrainian USD-denominated bond maturing in April 2023 climbed 166 basis points during the month to close at 10.03%.

Inflation in the eurozone decreased to 0.3% in August, below the ECB's 2% target

Italy and Spain 10-Year Mid-Yields



Ten-Year Benchmark Government Bond Data

		AUGUST 2014				3yr yield high (%)	3yr yield high date
		Closing yield (%)	Change on previous month (bps)	Current month yield low (%)	Current month yield high (%)		
Australia	AU	3.29	-21.74	3.29	3.50	4.56	28-Oct-11
Austria	AT	1.12	-28.40	1.11	1.42	3.82	25-Nov-11
Belgium	BE	1.22	-32.90	1.21	1.57	5.82	25-Nov-11
Canada	CAN	2.00	-16.25	2.00	2.11	2.81	10-Sep-13
Denmark	DK	1.19	-34.55	1.19	1.53	2.41	31-Aug-11
Finland	FI	1.04	-25.60	1.03	1.30	2.98	25-Nov-11
France	FR	1.25	-29.50	1.24	1.57	3.71	24-Nov-11
Germany	DE	0.89	-28.60	0.88	1.17	2.28	29-Nov-11
Greece	GR	5.79	-18.85	5.57	6.48	37.46	7-Mar-12
Ireland	IE	1.77	-44.00	1.76	2.25	9.51	25-Nov-11
Italy	IT	2.44	-24.70	2.37	2.85	7.25	25-Nov-11
Japan	JP	0.49	-4.05	0.49	0.53	1.07	30-Nov-11
Netherlands	NL	1.05	-30.50	1.04	1.36	2.74	25-Nov-11
Portugal	PT	3.20	-40.90	3.02	3.84	16.38	30-Jan-12
Spain	ES	2.23	-26.95	2.13	2.60	7.56	24-Jul-12
Sweden	SE	1.39	-31.85	1.39	1.72	2.73	5-Sep-13
United Kingdom	UK	2.37	-5.20	2.54	2.76	3.39	1-Jul-11
United States	USA	2.34	-21.30	2.33	2.50	3.01	1-Jan-14

Source: Tradeweb Markets LLC, September 1, 2014

All yields cited in this report are mid-yields.