

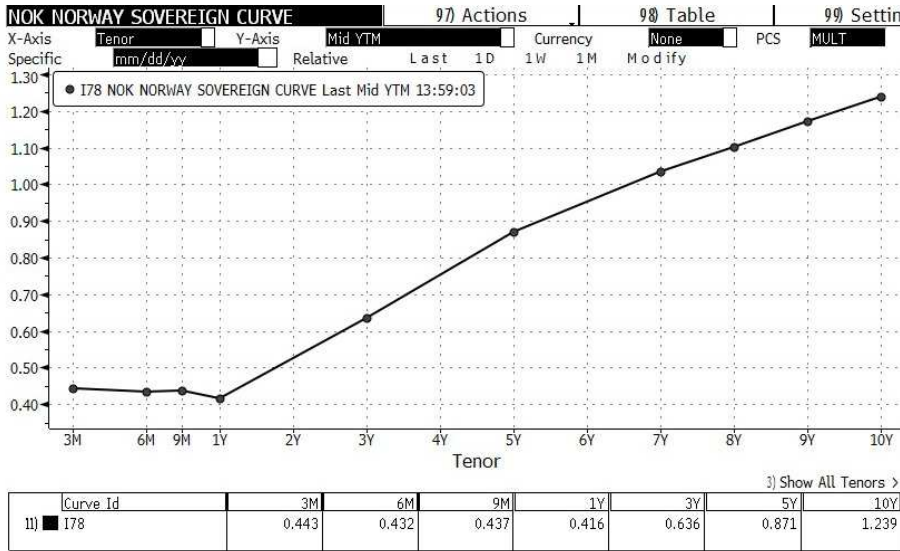
Group Discussion

Part 1

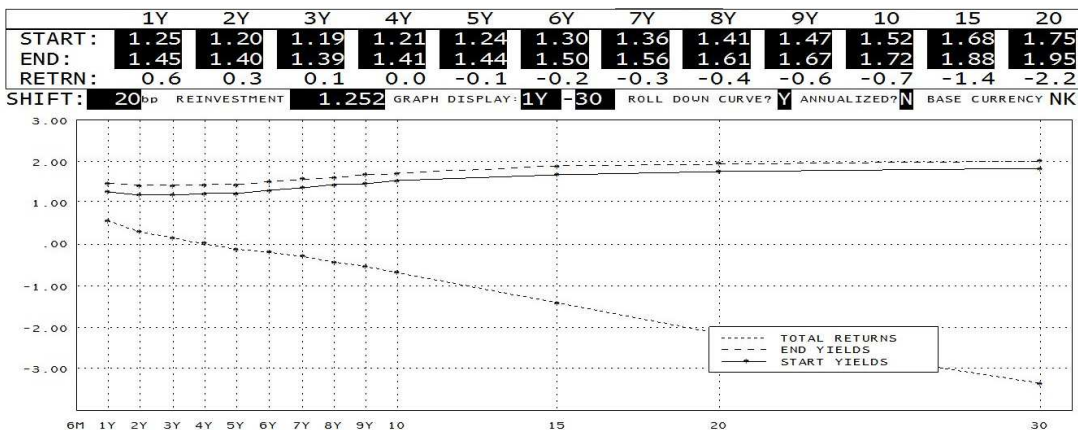
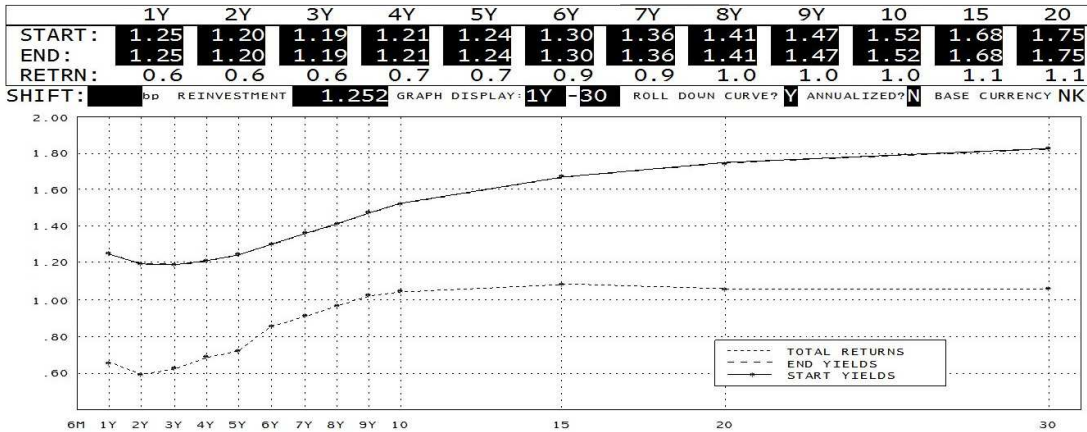
Do you think that 10-year bonds in NOK will outperform money market over a 6-month, 1-year and 3-year horizon?

- Confront the forward curve with your own assessment?
- What curve trades might make sense today?
- What would you do if you were an insurance company with long-dated liabilities?

Norway Yield Curve 20-Sep-2016



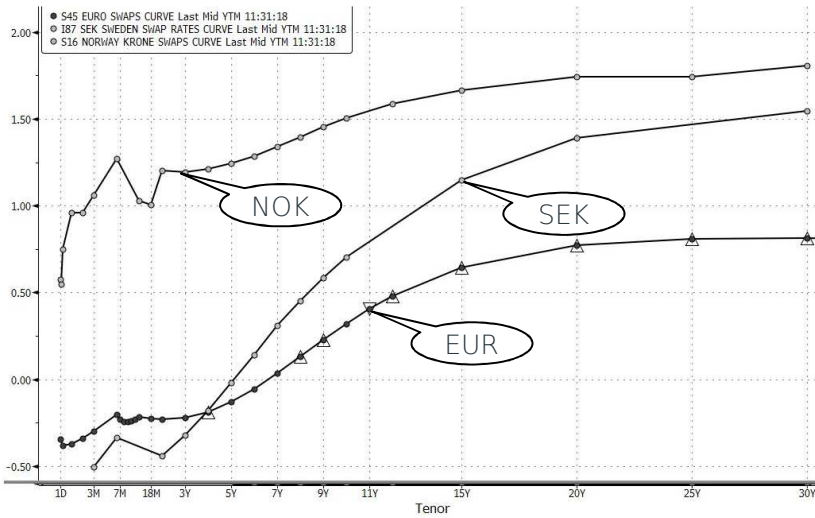
Scenarios: unchanged and parallel shift of 20 bps



Part 3

What segment of the market looks most attractive to you?

- Compare the different roll-down and link them to the marco-economic outlook
- Translate your assessment into an investment strategy (e.g. using futures)



Part 2

How do you interpret the implied policy rates?

- What could be the reason why the implied rates did not change after the latest FOMC decision?
- Do you think the path of short term rates priced in by the market is reasonable?

7/11 World Map		7/11 Refresh		Market Implied Policy Rates										
Regional		Policy			Implied Policy					Analyze 1Y		Range Historical		
Country	Rate	Effctv	Basis	Meeting	3M	6M	1Y	2Y	3Y	Curve	Total Change 1Y	1Y Over 30 Days		
												Low	Range	High
1) Americas														
10) United States	0.38	0.400	2.5	09/21	0.49	0.55	0.64	0.76	0.87		26	0.62		0.71
11) Canada	0.50	0.497	-0.3	10/19	0.49	0.49	0.47	0.51	0.69		-3	0.45		0.51
12) Mexico	4.25	4.595	34.5	09/29	4.76	4.93	5.25	5.65	5.92		100	4.98		5.44
13) Chile	3.50	3.500	0.0	10/18	3.46	3.38	3.30	3.45	3.71		-20	3.25		3.52
14) Colombia	7.75	7.368	-38.2	09/30	7.58	7.10	6.38	5.92	6.10		-137	6.38		6.84
2) EMEA														
20) Eurozone	0.00	-0.347	-34.7	10/20	-0.01	-0.04	-0.09	-0.12	-0.07		-9	-0.12		-0.07
21) United Kingdom	0.25	0.213	-3.7	11/03	0.18	0.14	0.13	0.16	0.25		-12	0.03		0.19
22) Switzerland	-0.75	-0.746	0.4	12/15	-0.78	-0.81	-0.81	-0.74	-0.72		-6	-0.86		-0.78
23) Norway	0.50	1.080	58.0	09/22	0.41	0.37	0.35	0.38	0.52		-16	0.26		0.36
24) Sweden	-0.50	-0.501	-0.1	10/27	-0.57	-0.54	-0.46	-0.20	0.07		4	-0.47		-0.41
25) Denmark	0.00	0.006	0.6	07/23	-0.49	-0.47	-0.47	-0.43	-0.35		-47	-0.53		0.76
26) Czech Republic	0.05	0.290	24.0	09/29	0.02	-0.01	-0.04	0.00	0.11		-9	-0.06		-0.03
27) Hungary	0.90	0.880	-2.0	10/25	0.70	0.66	0.66	0.79	1.07		-24	0.63		0.75
28) Poland	1.50	1.710	21.0	10/05	1.48	1.45	1.42	1.52	1.80		-8	1.23		1.47
3) Asia/Pacific														
30) Australia	1.50	1.500	0.0	10/04	1.44	1.37	1.34	1.41	1.64		-17	1.17		1.44
31) New Zealand	2.00	2.000	0.0	09/21	1.86	1.78	1.77	1.89	2.02		-23	1.56		1.78
32) Japan	-0.06	-0.060	0.0	09/21	-0.15	-0.19	-0.23	-0.28	-0.27		-17	-0.29		-0.17
33) China	1.50	2.700	120.0	07/23	1.33	1.34	1.33	1.41	1.65		-17	1.30		1.70
34) India	6.50	6.550	5.0	10/04	6.27	6.23	6.06	6.13	6.26		-44	5.98		6.18
35) Korea	1.25	1.340	9.0	10/13	1.20	1.19	1.17	1.18	1.24		-8	1.08		1.19

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