

Government Bonds Weekly, 26 January – 2 February 2018
Still more value in Spain - buy new 10Y bond

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Next week's supply: long end supply from France

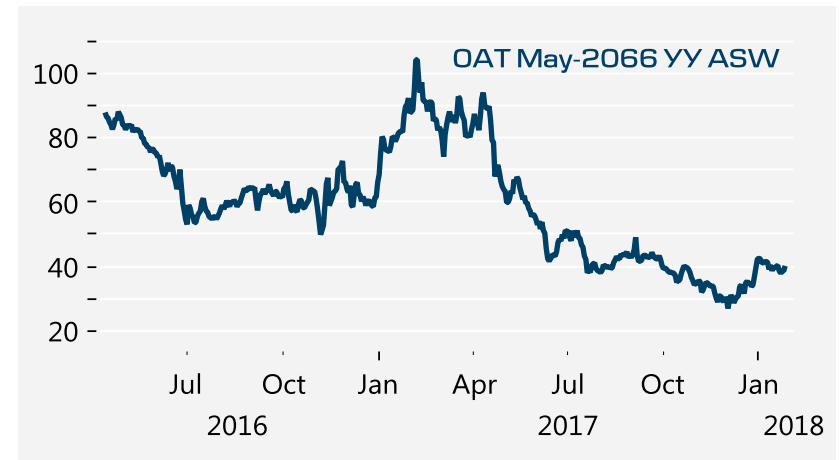
Supply and cash flow

- The net cash flow turns strongly positive next week given big redemptions and coupons of more than EUR52bn from Italy and Spain. All in all, we have an estimated EUR32bn coming to the market.
- The January syndication season is more or less coming to an end. The last potential syndication is the new 15Y Finland, which could be launched in the coming weeks.
- We have a lot of long duration coming to the market from France, with taps in the 10Y benchmark bonds 50Y bond and not least the introduction of a new 16Y bond.
- Germany is due to open a new 5Y OBL and finally Spain will tap in the 23Y, 8Y and 3Y bonds and in the 10Y linker.
- In Scandinavia, Norway is in the market. It might opt for shorter maturities to 'save demand' ahead of the new 10Y benchmark bond due to be launched in Q2.

Rating

- We have the Netherland's up for review by Moody's (Aaa/stable). No change in rating or outlook expected.

50Y France has performed vs swap

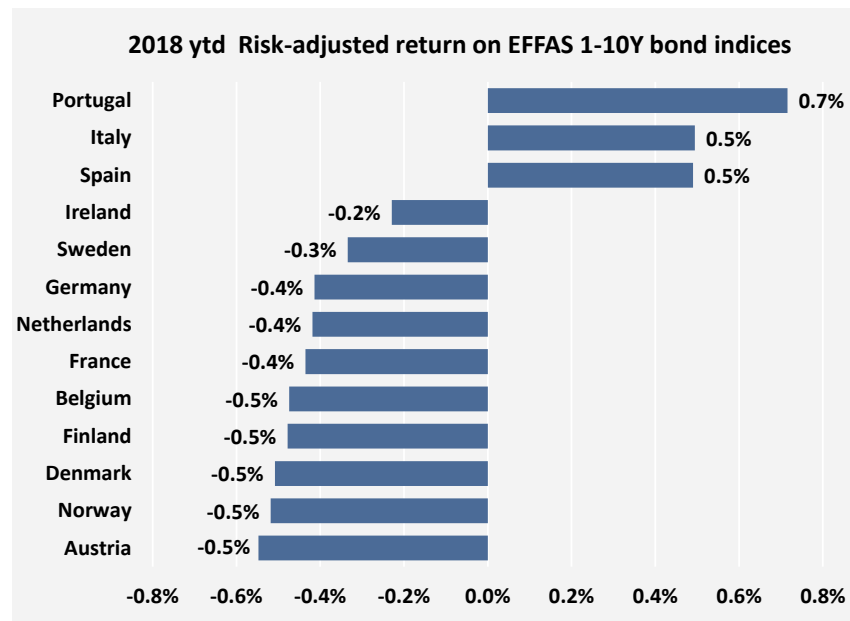


Source: Bloomberg, Danske Bank,

Trade overview: Spain and Italy joining Portugal as top performers despite rising yields. We add 10Y SPGB to the portfolio.

- The new **10Y Irish** has continued to perform slowly despite the recent market jitters and it now performed 3bp against the swap. The focus on US companies repatriating funds from abroad, including Ireland, has not affected performance. We still like Ireland and still see potential for higher QE purchases going forward as debt, for example, is moved away from i.e. promissory notes to QE eligible debt.
- We also recommended to buy **the new 10Y PGB** against swaps at the syndication at MS+ 114bp. It was launched on 10 January and it trades currently @ 85bp against swaps. Hence, we have reached our target at +90bp. However, after the latest Spanish rating upgrade and continued improvement in European growth data, we see room for further performance and lower our target to +70bp vs swaps.
- Note that we now add 10Y SPGB to our periphery portfolio
- Our long 5Y SGB has performed a few bps and our DKK 6y break-even inflation has lost a few bps last week, but is still well in the money supported by the general move higher in global break-even rates recently.

Strong performance in the peripheral markets continues



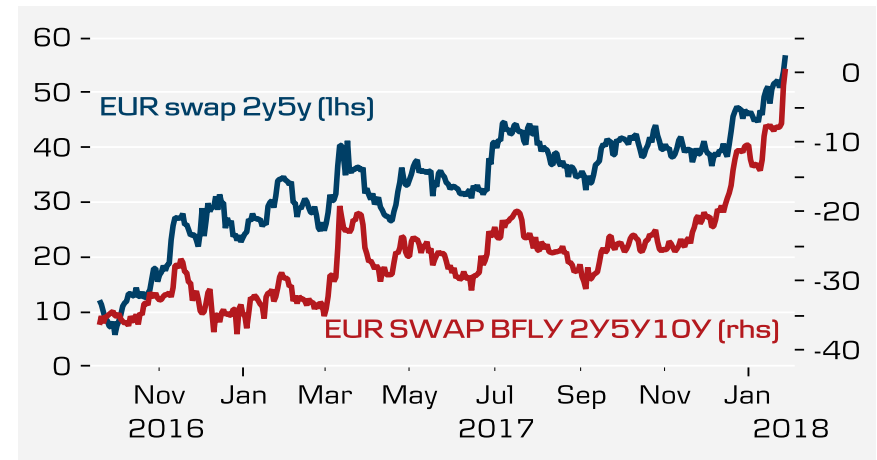
Note. We calculate the risk-adjusted return, as there are small differences in the duration of the EFFAS 1-10Y for the individual countries; we scale all countries to the duration of Germany, so countries with a higher duration than Germany will have the absolute return 'scaled down' and vice versa; this should give a more accurate picture of the 'league table'

Source: EFFAS, Danske Bank, Bloomberg

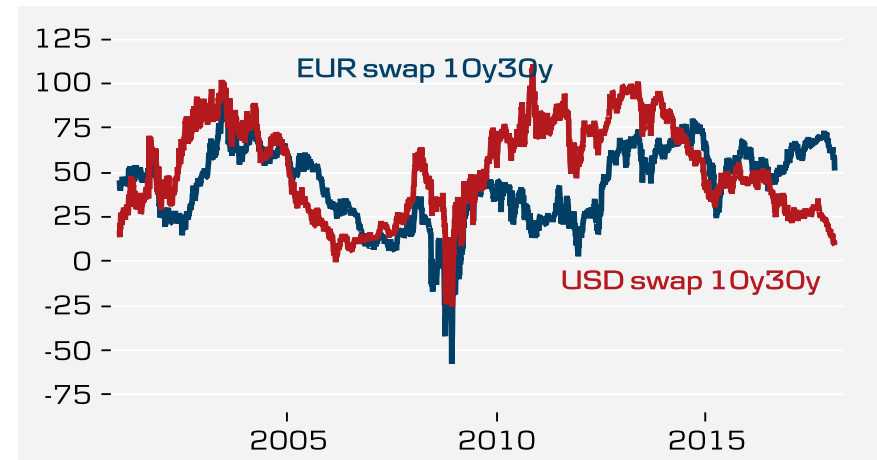
ECB sparks a further sell-off in the monetary policy sensitive 5Y segment of the curve

- The ECB turned out to be less of a non-event than expected. The market took its cue from the upbeat comments on especially European growth and increasing confidence that inflation will eventually pick-up. See our reviews [here](#) and [here](#).
- The comment from Draghi that the accumulated QE deviation from the Capital Key is EUR18bn in Germany also added to the bearish pressure on Bunds. The market fears that Bund buying could slow down. Most analysts including us estimate the deviation in Germany to be below EUR10bn.
- The result was a textbook reaction in the market, where especially the monetary-sensitive 5Y point on the curve came under severe pressure.
- More noteworthy is the significant flattening of the 10Y30Y curve we have witnessed in the aftermath of the ECB.
- It might reflect positioning, but it also a reflection that the market is now pricing a US style rate cycle. Yes, the rate hikes have now become more certain, but the end-point or the neutral rate is still low around 1.5% as our economist sees it. See more in
- [Strategy: The big EUR curve flattening has started.](#) We argue that the flattening of the 5y10 and 10y30y curve will continue in 2018.

The 5Y point under pressure

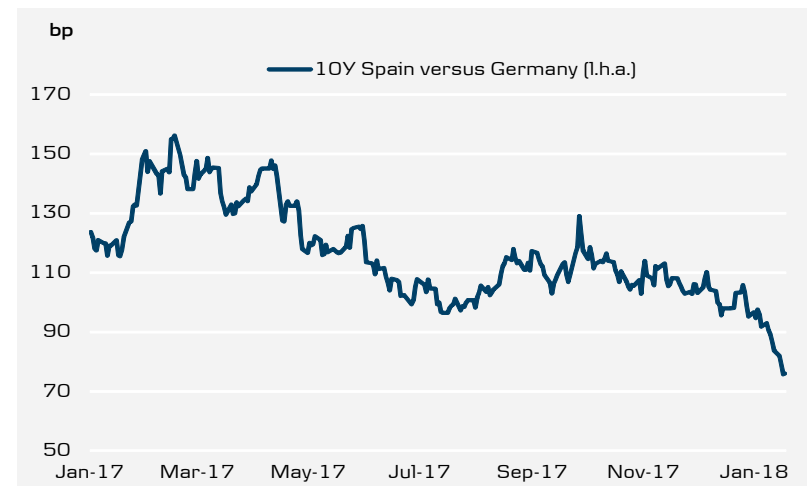
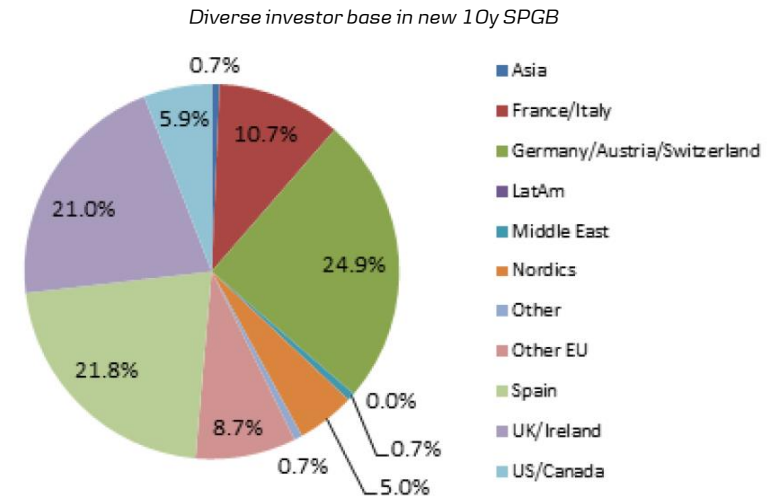


The EUR curve flattening has gained momentum after the ECB



We recommend buying the new 10Y SPGB vs swaps even though we have seen a solid performance since late last year

- The introduction of the new 10YSPGB was a major success for the Spanish DMO. The book was an impressive EUR43bn and the bond was sold at MS+46bp.
- This was the largest ever order book in the history of Spanish government syndications. There was strong demand from international clients, as shown in the chart on the right. Banks took 31.8%, life insurance/pension took 29.8%, while fund managers took 24%. Hedge funds took a modest 7.40%.
- We see further upside for the Spanish bond over the coming months despite the significant tightening versus core-EU and swaps. We expect a rating upgrade from S&P on 23 March, as it has Spain on positive outlook.
- The funding for 2018 is lower than in 2017 - gross issuance is reduced from EUR140bn in 2017 to EUR125bn in 2018.
- There is a positive growth outlook and with a decline in the unemployment rate, the public finances are likely to surprise positively in 2018. Currently, the expectation is a deficit of 2.5%.
- **Buy SPGB 1.4% 04/28 @ 44bp to midswaps.**



Source (both charts): Spanish DMO

Supply: New 16Y and 50Y supply from France. Possible 15Y Finnish syndication

week 5		issuer	type	maturity	coupon	size
Tuesday	30/01	Italy	BTPS			EUR 8.5bn
Wednesday	31/01	Norway	NGB	10Y		NOK 3bn
		Germany	Bobl	Apr-2023	TBA	EUR 4bn
Thursday	01/02	France	FRTR	May-2028	0.8%	EUR 8-9bn
		France	FRTR	May-2034	1.3%	
		France	FRTR	May-2066	1.8%	
		Spain	SPGB	Jul-2041	4.7%	EUR 3.5-4.5bn
		Spain	SPGB	Oct-2025	2.2%	
		Spain	SPGB	Jan-2021	0.1%	
		Spain	SPGBi	Nov-2027	0.7%	
		Sweden	SGBi	Jun-2026	0.1%	SEK 0.75

Source: Danske Bank

- The January syndication-season is coming to an end and the only potential syndication, as we see it, is the new 15Y Finland that has been announced for Q1. It is probably due this week or the week after.
- We have a lot of long duration coming to the market from France, that first of which to introduce a new 16Y OAT. On top of that France will tap in the 10Y benchmark bond and the 50Y bond 1.8% May 2066. It will be the fourth tap in the May 2066 bond since it was launched in April 2016 and the first tap since March 2017.
- Germany will open a new 5Y OBL and finally Spain will tap in the 23Y, 8Y and 3Y bonds and in the 10Y linker.
- In Scandinavia, Norway is in the market. It might opt for shorter maturities to 'save demand' ahead of the new 10Y benchmark bond that will be launched in Q2.

*The busy issuance start to the year is coming to an end
- we only have 15Y Finland and new 12Y DGB linker left*

Date	Issuer	Maturity	Amount	Pricing	Current price
04/01/2018	Ireland	10Y	EUR 4bn	ms +2bp	ms-1bp
10/01/2018	Germany	10Y	EUR 4.025bn	ms-39bp	ms-41bp
10/01/2018	Italy	20Y	EUR 9bn	ms +150bp	ms+127bp
11/01/2018	EF SF	7Y	EUR 6bn	ms-16bp	ms-18bp
10/01/2018	Portugal	10Y	EUR 4bn	ms+114bp	ms+84bp
16/01/2018	Belgium	10Y	EUR 5bn	ms -17bp	ms-17bp
18/01/2018	Austria	10Y	EUR 4bn	ms-18bp	ms-20bp
18/01/2018	France*	3Y	EUR 4bn*	ms-29bp	ms-29bp
23/01/2018	Spain	10Y	EUR 10bn	ms+46bp	ms+45bp
24/01/2018	EF SF (syndicated tap)	5y	EUR2bn	ms-21bp	ms+-21bp
24/01/2018	EF SF(syndicated tap)	22Y	EUR2.0bn	ms+3bp	ms+-1bp
Week 5/6	Finland	15Y	EUR 3bn		
07/02/2018	Denmark	12Y linker	DKK 3-5bn*		

Strong positive net cash flow next week given redemptions and coupons of more than EUR52bn from Italy and Spain

Coupon + Redemption	Week 5	Week 6	Week 7	Week 8	Week 9
Germany	0.0	0.0	0.9	17.2	0.0
France					13.8
Italy	27.2	0.0	0.0	0.0	9.2
Spain	25.1				0.0
Portugal	0.0	0.0	1.1	0.0	0.0
Belgium					
Netherlands	0.0	0.0	0.0	0.0	0.0
Austria				0.1	
Finland	0.0	0.0	0.0	0.0	0.0
Ireland				0.2	
Slovakia	0.0	0.1	0.0	0.0	0.1
Greece	0.8	0.0	0.0		0.1
EFSF	0.0	5.2	0.1	0.1	0.1
ESM					0.0
Total - EUR	53.1	5.2	2.0	17.6	23.2
Denmark					
Sweden	0.0	0.0	0.0	0.0	0.0
Norway				1.2	

Note: all values are millions, local currency

Expected issuance	Week 5	Week 6	Week 7	Week 8	Week 9
Germany	4.0	3.0	1.5	5.0	3.0
France	9.0		9.0		9.0
Italy	8.5	0.0	8.5	4.0	8.5
Spain			4.0		4.0
Portugal	0.0	0.0	4.0	0.0	0.0
Belgium			3.0		
Netherlands	0.0	0.0	0.0	0.0	0.0
Austria		1.0		5.0	
Finland	0.0	0.0	0.0	0.0	0.0
Ireland		1.5			
Slovakia	0.0	0.0	0.0	0.0	0.0
Greece					
EFSF	0.0	0.0	0.0	0.0	0.0
ESM					
Total - EUR	21.5	5.5	30.0	14.0	24.5
Denmark		4.0		3.0	
Sweden	0.8	2.0	0.0	2.0	0.0
Norway	3.0	3.0			

Note: all values are millions, local currency

Net cash flow	Week 5	Week 6	Week 7	Week 8	Week 9
Germany	-4.0	-3.0	-0.6	12.2	-3.0
France	-9.0		-9.0		4.8
Italy	18.7		-8.5	-4.0	0.7
Spain	25.1		-4.0		-4.0
Portugal	0.0		-2.9		
Belgium			-3.0		
Netherlands					
Austria		-1.0		-4.9	
Finland					
Ireland		-1.5		0.2	
Slovakia		0.1			0.1
Greece	0.8	0.0	0.0		0.1
EFSF	0.0	5.2	0.1	0.1	0.1
ESM					0.0
Total - EUR	31.6	-0.3	-28.0	3.6	-1.3
Denmark		-4.0		-3.0	
Sweden	-0.8	-2.0		-2.0	
Norway	-3.0	-3.0		1.2	

Note: All volumes are in billions, local currency.

Note: Negative means more issuance than coupon and redemption

Source: Danske Bank

Supply over the past two weeks

week 3		issuer	type	maturity	coupon	sold	b-t-c	avg. Yield
Tuesday	16/01	Belgium	BGB	Jun-2028	0.8%	5,000	3.1	mid-swaps -17bp
		Sweden	SWED	Apr-2023	0.1%	4,000	1.8	mid-swaps-27bp
Wednesday	17/01	Germany	Bund	Aug-2048	1.3%	1,261	1.4	1.28%
Thursday	18/01	Sweden	SGBi	Jun-2026	0.1%	500	2.3	-1.28%
		Austria	RAGB	Feb-2028		4,000	3.9	mid-swaps -18bp
		Spain	SPGB	Oct-2022	0.5%	1,050	3.6	0.3%
		Spain	SPGB	Jul-2033	2.4%	1,392	1.5	2.1%
		Spain	SPGB	Oct-2046	2.9%	1,653	1.4	2.69%
		France	FRTR	Feb-2021	0.0%	3,539	2.0	-0.24%
		France	FRTR	Mar-2023	0.0%	2,680	2.1	0.10%
		France	FRTR	May-2024	2.3%	1,287	2.5	0.24%
		France	FRTRi	Jul-2024	0.3%	783	2.0	-1.12%
		France	FRTRi	Mar-2028	0.1%	377	2.9	-0.58%
		France	FRTRi	Jul-2030	0.7%	585	2.0	-0.52%
week 4		issuer	type	maturity	coupon	sold	b-t-c	avg. Yield
Monday	22/01	BGB		Cancelled				
Tuesday	23/01	Spain	SPGB	Apr-2030	1.4%	10,000		ms+43bp
		Germany	Schatz	Dec-2019	0.0%	4,033		-0.61%
Wednesday	24/01	Denmark	DGB	Nov-2020	0.3%	1,500		-0.37%
		Denmark	DGB	Nov-2027	0.5%	780		0.59%
		Sweden	SGB	Dec-2028	0.8%	2,000		0.84%
		EFSF	EFSF	Oct-2023	0.1%	2,000		ms-21bp
		EFSF	EFSF	Sep-2040	1.5%	2,500		ms+3bp
Friday	26/01	Italy	CTZ	Oct-2019	0.0%	2,000		-0.26%
		Italy	BTPei	May-2022	0.1%	914		-0.51%
		Italy	BTPei	Sep-2032	1.3%	836		1.06%

Source: Bloomberg, Danske Bank

Supply of government bonds relative to the funding target for 2018

Expected issuance (Bn)	Expected gross bond issuance 2018		Gross issuance 2018 YtD	Bonds maturing 2018	Net issuance 2018 YtD	Expected net issuance 2018	% issued YtD of expected gross	
	Official estimate*	Danske Markets					Official estimate	Danske Markets
Germany	155.0	155.0	12.0	160.0	-8.0	-5.0	8%	8%
France	210.0	210.0	21.7	115.9	21.7	94.1	10%	10%
Italy	240.0	240.0	15.4	180.9	0.1	59.1	6%	6%
Spain	140.0	140.0	20.6	78.5	20.6	61.5	15%	15%
Portugal	15.0	15.0	4.0	6.6	4.0	8.4	27%	27%
Greece	5.0	5.0		1.9		3.1		
Belgium	31.0	31.0	5.0	21.1	5.0	9.9	16%	16%
Netherlands	26.0	26.0	1.9	38.8	-11.4	-12.8	7%	7%
Austria	21.0	21.0	5.4	19.3	-6.9	1.7	26%	26%
Finland	11.0	11.0		5.0		6.0		
Ireland	15.0	15.0	4.2	8.8	4.2	6.2	28%	28%
EU	2.0	2.0		5.9		-3.9		
EFSF	28.0	28.0	10.5	23.9	10.5	4.1	38%	38%
ESM	23.0	23.0		13.0		10.0		
Total - EUR	922.0	922.0	100.7	679.5	39.8	242.5	11%	11%
Denmark*	65.0	65.0	5.8	53.4	5.8	11.7	9%	9%
Sweden	49.0	49.0	2.8		2.8	49.0	6%	6%
Norway	50.0	50.0	3.0	0.0	3.0	50.0	6%	6%

*Denmark numbers are notional levels – i.e. not taking into account the additional revenue from sale of bonds trading above 100.

Source: Danske Bank

Current trades

Open strategies						
Type	Trade	Idea	Risk	Target & P/L	Target & P/L	
Buy new 10Y IRISH benchmark	Buy IRISH 05/28 versus swaps @ +2bp	We expect that Ireland will "converge" to France as there is strong fundamentals relative to France/Belgium and a positive rating story, where Ireland is expected to be upgraded to the "AA-range"	Brexit risk escalates - where the outlook for an upgrade is diminished	Target	-10bp	
				Currently	-0.2bp	
				Opened	2bp	
				P&L (bp)	2bp	
				Opened	03-Jan-18	
Buy the Bund ASW spread	Buy the Bund ASW spread @46bp	There is a negative net supply of German government bonds in Q1, this is usually very supportive for the Bund ASW-spread, and we see a widener of the Bund spread of approx. 10bp from mid-January	Heavy issuance that is hedged by Bunds or a sharp sell-off as seen in 2015	Target	55bp	
				Currently	43bp	
				Opened	46bp	
				P&L (bp)	-3bp	
				Opened	06-Dec-17	
Buy DKK Break-even inflation	Buy DGBi 0.1% 11/23 vs. DGB 1.5% 11/23 @ 1.1%	The monthly inflation fixings in Denmark is expected to be higher than 1.1% in the first half of 2018. Furthermore, the Danish Central Bank will launch a new 12Y linker, and we expect there will be switches between the old and the new linker	A decline in inflation	Target	1.30%	
				Currently	1.17%	
				Opened	1.10%	
				P&L (bp)	7	
				Opened	06-Dec-17	
Buy Denmark versus Germany or Netherlands	Buy DGB 0.50% 11/27 vs. DBR 08/27 @6bp or DGB 0.50% 11/27 vs. Nether 0.75% 07/27 @ -2bp	Low supply of DGBs, buy-backs and switches from the Debt Management Office is supportive for the Danish government bond market. Furthermore, investors that cannot buy Danish mortgage bond can buy govts as a substitute	ECB QE as well as low supply and cheap funding rates for Germany and Netherlands	Target	0bp/-8bp	
				Currently	8bp/-3bp	
				Opened	6bp/-2bp	
				P&L (bp)	-2bp/1bp	
				Opened	06-Dec-17	
Buy 5Y Sweden vs. Germany	Buy SGB 1.5% 11/23 versus OBL 0% 10/22 @38bp	The combination of a steep curve as well as scarcity in the SGB market due to the Riksbank frontloading reinvestments in 2018 and very modest supply is positive for SGBs	The Riksbank turns more hawkish as the inflation rise more than expected and housing market stabilises	Target	15bp	
				Currently	35bp	
				Opened	38bp	
				P&L (bp)	3bp	
				Opened	06-Dec-17	
Buy nthe new 10Y Portuguese benchmark	Buy PGB 2.125% 10/28 versus swaps @+114bp	Solid fundamentals and the possibility of a further upgrade is very supportive for the Portuguese government bonds.	Fiscal slippage in the Portuguese economy and increased political risk in Spain	Target	90	
				Currently	85	
				Opened	114	
				P&L (bp)	29	
				Opened	12-Jan-18	
Buy 5Y Finland/KfW vs. Belgium	Buy RFGB 1.5% 04/23 (or KfW 0.375% 03/23) versus BGB 2.25% 16/23 @0bp (@-4bp)	The fundamental outlook and the possibility of an upgrade is better in Finland than in Belgium. Furthermore, scaling down QE will diminish the purchase in BGBs. Political uncertainty in Belgium	Upward revision of the borrowing requirement in Finland. QE purchase in BGB continues to be above the capital key	Target	-6bp/-10bp	
				Currently	0bp/-4bp	
				Opened	0bp/-4bp	
				P&L (bp)	0bp/0bp	
				Opened	12-Jan-18	

An overview of the 12M carry in selected EU government bonds – 5Y segment provides the best carry in the EU curves

GERMANY		Segment					
12mth horizon	2	5	10	15	20	30	
"Coupon" Carry	-0.58%	-0.05%	0.56%	0.86%	1.05%	1.29%	
Roll-down	0.13%	0.61%	0.97%	0.98%	0.73%	-0.03%	
Total carry	-0.46%	0.56%	1.53%	1.84%	1.79%	1.26%	
Total carry + funding	0.20%	1.32%	2.13%	2.57%	2.18%	1.89%	
Total carry + funding (riskadjusted)	0.10%	0.25%	0.17%	0.14%	0.09%	0.06%	
Funding rate	-0.66%	-0.76%	-0.60%	-0.73%	-0.90%	-0.63%	

NETHERLANDS		Segment					
12mth horizon	2	5	10	15	20	30	
"Coupon" Carry	-0.55%	0.00%	0.65%	0.97%	1.08%	1.35%	
Roll-down	0.06%	0.66%	0.68%	0.95%	0.48%	0.75%	
Total carry	-0.49%	0.66%	1.33%	1.92%	1.57%	2.10%	
Total carry + funding	0.05%	1.21%	1.87%	2.52%	2.28%	2.86%	
Total carry + funding (riskadjusted)	0.02%	0.22%	0.15%	0.16%	0.10%	0.10%	
Funding rate	-0.54%	-0.55%	-0.54%	-0.61%	-0.71%	-0.69%	

FRANCE		Segment					
12mth horizon	2	5	10	15	20	30	
"Coupon" Carry	-0.46%	0.09%	0.81%	1.14%	1.42%	1.78%	
Roll-down	0.13%	0.89%	1.21%	0.09%	0.71%	0.85%	
Total carry	-0.32%	0.98%	2.02%	1.23%	2.14%	2.63%	
Total carry + funding	0.18%	1.48%	2.52%	1.73%	2.64%	3.13%	
Total carry + funding (riskadjusted)	0.09%	0.29%	0.25%	0.09%	0.14%	0.13%	
Funding rate	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%	

BELGIUM		Segment					
12mth horizon	2	5	10	15	20	30	
"Coupon" Carry	-0.46%	0.04%	0.80%	1.13%	1.44%	1.75%	
Roll-down	0.13%	0.83%	1.17%	0.23%	0.93%	1.28%	
Total carry	-0.33%	0.86%	1.97%	1.37%	2.37%	3.03%	
Total carry + funding	0.17%	1.34%	2.52%	2.04%	2.90%	3.53%	
Total carry + funding (riskadjusted)	0.07%	0.24%	0.26%	0.12%	0.16%	0.15%	
Funding rate	-0.50%	-0.47%	-0.55%	-0.68%	-0.53%	-0.50%	

SPAIN		Segment					
12mth horizon	2	5	10	15	20	30	
"Coupon" Carry	-0.27%	0.37%	1.41%	1.93%	2.21%	2.61%	
Roll-down	0.15%	1.22%	1.54%	1.61%	0.73%	0.75%	
Total carry	-0.11%	1.59%	2.94%	3.55%	2.94%	3.36%	
Total carry + funding	0.35%	2.04%	3.41%	4.03%	3.47%	3.78%	
Total carry + funding (riskadjusted)	0.17%	0.36%	0.33%	0.28%	0.18%	0.18%	
Funding rate	-0.46%	-0.46%	-0.47%	-0.48%	-0.53%	-0.42%	

IRELAND		Segment					
12mth horizon	2	5	10	15	20	30	
"Coupon" Carry	-0.46%	0.11%	0.99%	1.32%	1.60%	1.87%	
Roll-down	0.06%	0.82%	1.35%	0.80%	0.91%	0.43%	
Total carry	-0.40%	0.94%	2.34%	2.12%	2.51%	2.30%	
Total carry + funding	0.04%	1.69%	2.75%	2.73%	3.28%	2.63%	
Total carry + funding (riskadjusted)	0.02%	0.31%	0.29%	0.19%	0.19%	0.10%	
Funding rate	-0.44%	-0.75%	-0.41%	-0.60%	-0.77%	-0.34%	

ITALY		Segment					
12mth horizon	2	5	10	15	20	30	
"Coupon" Carry	-0.16%	0.77%	1.75%	2.70%	2.96%	3.04%	
Roll-down	0.26%	1.37%	1.61%	0.85%	1.07%	0.30%	
Total carry	0.09%	2.14%	3.36%	3.55%	4.03%	3.34%	
Total carry + funding	0.53%	2.60%	4.05%	3.75%	4.27%	3.96%	
Total carry + funding (riskadjusted)	0.25%	0.51%	0.42%	0.28%	0.26%	0.21%	
Funding rate	-0.43%	-0.47%	-0.46%	-0.44%	-0.46%	-0.61%	

PORTUGAL		Segment					
12mth horizon	2	5	10	15	20	30	
"Coupon" Carry	-0.19%	0.47%	1.80%	2.35%	2.64%	3.05%	
Roll-down	0.14%	1.11%	1.69%	1.66%	0.99%	0.76%	
Total carry	-0.05%	1.58%	3.49%	4.01%	3.63%	3.81%	
Total carry + funding	0.41%	2.47%	4.01%	4.44%	4.06%	4.23%	
Total carry + funding (riskadjusted)	0.19%	0.46%	0.41%	0.33%	0.23%	0.18%	
Funding rate	-0.46%	-0.89%	-0.53%	-0.43%	-0.43%	-0.42%	

Note. The funding rate is an indicative price for the repo rate for the bonds
 Source. Danske Bank

Netherlands – Moody’s

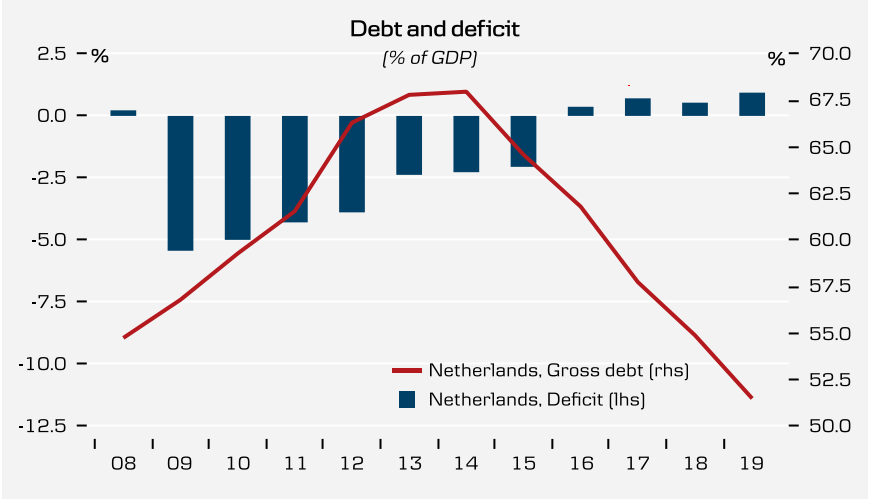
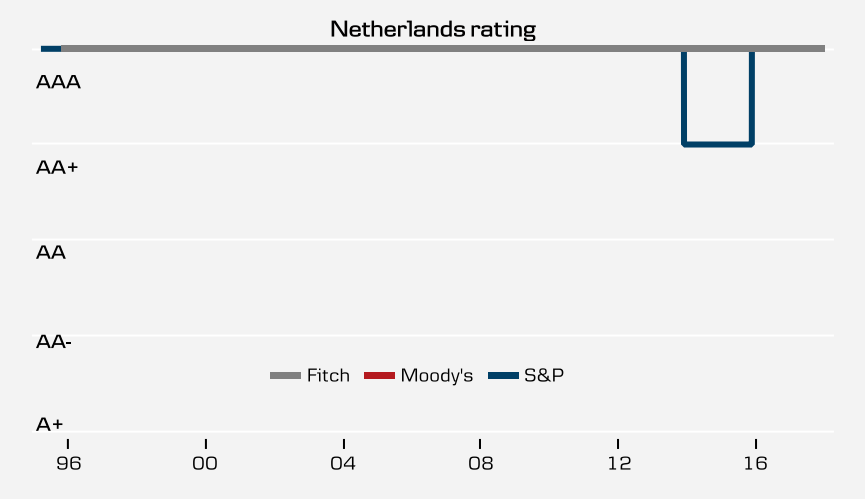
Moody’s: 02 February

Netherlands	Moody's	S&P	Fitch
Rating	Aaa	AAA	AAA
Outlook	Stable	Stable	Stable
Potential rating decision	02 February 2018	18 May 2018	27 April 2018
Requirement for upgrade			
Requirement for downgrade	<p>Downward pressure upon the rating might occur if we were to observe persistent economic weakness or if we were to conclude that fiscal metrics were likely to deteriorate significantly, with the deficit, the overall debt burden or debt-financing costs on a rising trend. Separately, a significant rise in the risk of euro area fragmentation, particularly prompted by events in core countries such as France (Aa2 stable) or Italy (Baa2 negative), which suggested a sharp rise in the risk of their exit from the euro area, would be negative for all euro area member countries and would exert pressure upon the rating of the Netherlands.</p>	<p>We could lower the ratings if, contrary to our current expectations, The Netherlands' economic growth prospects significantly worsened or if external or budgetary positions unexpectedly deteriorated, weakening the economy's capacity to absorb exogenous shocks.</p>	<p>-Weak economic growth or fiscal easing that reverses the downward trajectory in public debt. -Crystallisation of sizeable contingent liabilities, for example from the national mortgage/social housing guarantee schemes, or eurozone bail-out packages.</p>

Source: Fitch, S&P, Moody's

Netherlands - Moody's

Moody's: 02 February



Source: Fitch, S&P, Moody's, European Commission

Current rating and outlook

	Fitch	Moody's	S&P	DBRS
Germany	AAA	Aaa	AAAu	AAA
Finland	AA+	Aa1	AA+	AAH
Netherlands	AAA	Aaa	AAAu	AAA
Austria	AA+	Aa1	AA+	AAA
Belgium	AA-	Aa3	AAu	AAH
France	AA	Aa2	AAu	AAA
Ireland	A+	A2	A+	AH
Italy	BBB	Baa2	BBBu	BBBH
Spain	A-	Baa2	BBB+u	AL
Portugal	BBB	Ba1	BBB-u	BBBL
UK	AA	Aa2	AAu	AAA
Denmark	AAA	Aaa	AAA	AAA
Sweden	AAA	Aaa	AAAu	AAA
Norway	AAA	Aaa	AAA	AAA
Slovenia	A-	Baa1	A+	A
Cyprus	BB	Ba3	BB+	BBL
Greece	B-	Caa2	B	CCCH
EFSF	AA	Aa1	AA	WR
ESM	AAA	Aa1	---	---
EU	AAA	Aaa	---	---

Source: Moody's, Fitch, Standard & Poor's, DBRS

	Fitch	Moody's	S&P	DBRS
Germany	STABLE	STABLE	STABLE	STABLE
Finland	STABLE	STABLE	STABLE	STABLE
Netherlands	STABLE	STABLE	STABLE	STABLE
Austria	STABLE	STABLE	STABLE	STABLE
Belgium	STABLE	STABLE	STABLE	STABLE
France	STABLE	STABLE	STABLE	STABLE
Ireland	STABLE	STABLE	STABLE	STABLE
Italy	STABLE	NEG	STABLE	STABLE
Spain	STABLE	STABLE	POS	STABLE
Portugal	STABLE	POS	STABLE	STABLE
UK	NEG	STABLE	NEG	STABLE
Denmark	STABLE	STABLE	STABLE	STABLE
Sweden	STABLE	STABLE	STABLE	STABLE
Norway	STABLE	STABLE	STABLE	STABLE
Slovenia	STABLE	STABLE	STABLE	STABLE
Cyprus	POS	POS	POS	POS
Greece	POS	POS	POS	POS
EFSF	STABLE	STABLE	STABLE	STABLE
ESM	STABLE	STABLE	---	STABLE
EU	STABLE	STABLE	STABLE	STABLE

Source: Moody's, Fitch, Standard & Poor's, DBRS

Rating calendar for 2018

Moody's	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Germany	19						13					
France					4					26		
Italy			16						7			
Spain				13						5		
Portugal				20						12		
Greece			30						21			
Belgium				27						19		
Netherlands		2					27					
Austria					25						16	
Finland				27						19		
Ireland				13						5		
Denmark					18						9	
Sweden			2					24				
Norway												Not scheduled

Source: Moody's, Fitch, Standard & Poor's, DBRS

Fitch	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Germany		9						3				
France	26						20					
Italy			16					31				
Spain	19						13					
Portugal						1					30	
Greece		16						10				
Belgium						1					30	
Netherlands				27						26		
Austria	26						20					
Finland		9						3				
Ireland						15						14
Denmark	19					15						14
Sweden		2					27					
Norway			23						21			

Source: Moody's, Fitch, Standard & Poor's, DBRS

S&P	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Germany				27						26		
France				6						5		
Italy				27						6		
Spain				23						21		
Portugal				16						14		
Greece	19						20					
Belgium	12		23							21		
Netherlands					18						16	
Austria				16						14		
Finland				16						14		
Ireland						1					30	
Denmark				16						14		
Sweden			2					31				
Norway				23						21		

Source: Moody's, Fitch, Standard & Poor's, DBRS

DBRS	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Germany						8						7
France			16		11						9	
Italy	12						13					
Spain				6					28			
Portugal				20						12		
Greece					4		20					
Belgium		16							17			
Netherlands		9						10				
Austria			23						21			
Finland		2					20					
Ireland		16						10				
Denmark	12						6					14
Sweden					4					26		
Norway				27						26		

Source: Moody's, Fitch, Standard & Poor's, DBRS

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