

MARCH 2015

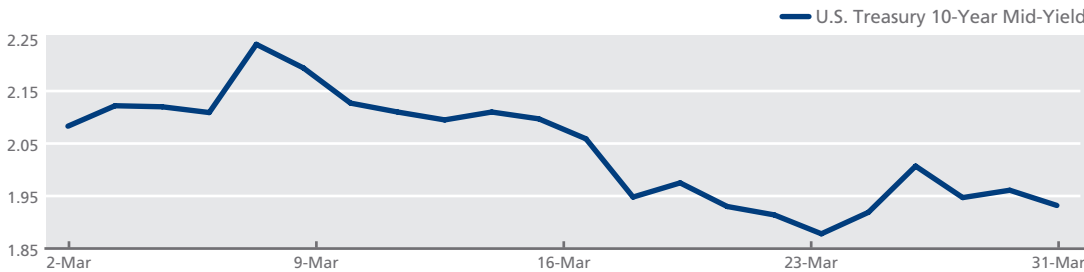
Tradeweb Government Bond Update

Key Points:

- Fed no longer “patient” on keeping rates low
- ECB starts government bond purchases
- Eurozone government debt continues to rally
- UK inflation rate and Japan core CPI drop to 0%

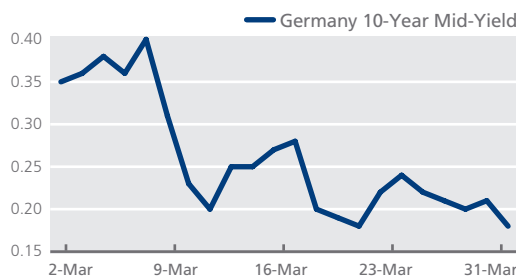
According to figures released by the Bureau of Labor Statistics on March 6, the U.S. economy added 295,000 jobs in February, while the unemployment rate slipped to 5.5%. Wage growth, however, missed estimates at just 0.1% on a month-on-month basis. The mid-yield on the 10-year Treasury closed the day at a month-high of 2.24%. On March 18, the U.S. Federal Reserve removed language describing the agency’s stance on raising interest rates as “patient” from its Federal Open Market Committee statement based on current macroeconomic growth data. The 10-year Treasury mid-yield fell below 2% that day and finished the month at 1.93%.

U.S. Treasury 10-Year Mid-Yield



As previously announced, the European Central Bank launched its expanded stimulus program on March 9. Two days later, eurozone government bond yields closed at fresh record lows, including those for France (0.42%), Ireland (0.70%), Italy (1.13%) and Spain (1.08%). Portugal’s equivalent followed suit with 1.54% on March 16. Greece was the exception; the mid-yield on its 10-year benchmark bond closed at a near two-year high of 11.89% on March 19, having climbed by over 83 basis points through the day. Meanwhile, eurozone inflation rose to -0.1% in March, up from -0.3% in February, according to a flash estimate published by Eurostat on March 31. Germany’s 10-year Bund yield dipped to 0.18% at market close that day, its lowest closing value on record.

Greece and Germany 10-Year Mid-Yields



**FOR MORE INFORMATION,
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ABOUT DATA POINTS

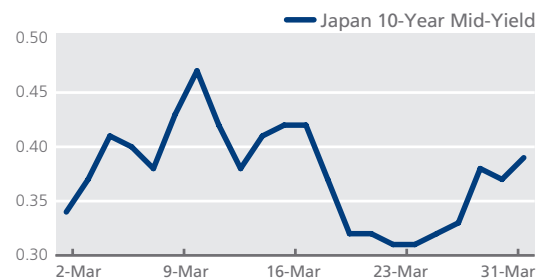
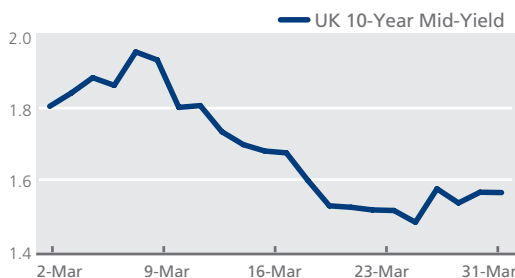
Data Points is a monthly report that aggregates information from the Tradeweb fixed income and derivatives markets, and the world’s largest liquidity providers.

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.

The Office for National Statistics announced on March 24 that the UK had experienced no inflation in February – the first time since comparable records began in 1989. The following day, the 10-year gilt mid-yield closed at the month’s low of 1.48%. Elsewhere, the Danish central bank resumed its sales of T-bills on March 30 after a two-month suspension, signalling that the pressure on the crown’s peg to the euro had eased.

UK and Japan 10-Year Mid-Yields



For the first time in nearly two years, Japan’s core consumer price inflation was flat in February year-on-year, as data from its Statistics Bureau revealed on March 27. The mid-yield on the country’s 10-year government bond ended the day at 0.38%, almost five basis points higher from the previous market close.

New record lows for eurozone bond yields, as the ECB starts QE

Ten-Year Benchmark Government Bond Data

	MARCH 2015				3yr yield high	3yr yield high date
	Closing yield (%)	Change on previous month (bps)	Yield low (current month)	Yield high (current month)		
Australia	2.32	-17.57	2.32	2.75	4.32	09-Jan-14
Austria	0.32	-7.40	0.28	0.47	2.85	23-Apr-12
Belgium	0.45	-11.15	0.41	0.64	3.60	23-Apr-12
Canada	1.36	5.80	1.30	1.61	2.81	10-Sep-13
Denmark	0.27	-0.75	0.24	0.40	2.23	10-Sep-13
Finland	0.26	-8.35	0.21	0.41	2.31	10-Sep-13
France	0.48	-5.85	0.42	0.64	3.09	23-Apr-12
Germany	0.18	-14.25	0.18	0.40	2.04	05-Sep-13
Greece	11.45	186.55	9.29	11.89	29.69	01-Jun-12
Ireland	0.75	-11.70	0.70	0.91	7.30	21-May-12
Italy	1.25	-9.05	1.13	1.40	6.54	24-Jul-12
Japan	0.39	5.85	0.31	0.47	1.03	03-Apr-12
Netherlands	0.26	-10.55	0.25	0.45	2.50	26-Dec-13
Portugal	1.68	-13.80	1.54	1.90	12.48	16-Apr-12
Spain	1.21	-5.80	1.08	1.32	7.56	24-Jul-12
Sweden	0.42	-28.10	0.38	0.84	2.73	05-Sep-13
United Kingdom	1.56	-22.90	1.48	1.96	3.07	27-Dec-13
United States	1.93	-6.90	1.88	2.24	3.01	01-Jan-14

Source: Tradeweb Markets LLC, April 1, 2015

All yields cited in this report are mid-yields.