

VBMA NEWSLETTER

March 2022



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MARKET NEWS

Government bond auction results in March 2022

No.	Bond code	Issuer	Tenor (year)	Auction Date	Offering Value (VND bn)	Bidding Value (VND bn)	Winning Volume (VND bn)	Winning Yield (%/y)
1	TD2232105	State Treasury	10	09/03/2022	2,000	4,901	-	-
2	TD2237118	State Treasury	15	09/03/2022	2,000	3,750	-	-
3	TD2242128	State Treasury	20	09/03/2022	1,000	300	-	-
4	TD2227091	State Treasury	5	09/03/2022	1,000	1,850	-	-
5	TD2237118	State Treasury	15	16/03/2022	2,000	5,300	1,000	2.47
6	TD2232105	State Treasury	10	16/03/2022	2,000	6,500	1,500	2.17
7	TD2229104	State Treasury	7	16/03/2022	500	1,050	-	-
8	TD2252132	State Treasury	30	16/03/2022	2,000	780	280	3
9	TD2237118	State Treasury	15	23/03/2022	2,000	5,200	1,000	2.5
10	TD2252132	State Treasury	30	23/03/2022	1,000	790	40	3
11	TD2232105	State Treasury	10	23/03/2022	2,000	6,101	1,500	2.2
12	TD2242128	State Treasury	20	23/03/2022	1,000	700	-	-
13	TD2252132	State Treasury	30	30/03/2022	500	1,150	-	-
14	TD2237118	State Treasury	15	30/03/2022	2,500	5,650	-	-
15	TD2232106	State Treasury	10	30/03/2022	2,000	6,001	-	-
16	TD2237118	State Treasury	15	02/03/2022	2,000	3,550	1,000	2.45
17	TD2232105	State Treasury	10	02/03/2022	2,000	4,051	1,500	2.15
18	TD2252132	State Treasury	30	02/03/2022	1,000	1,458	1,000	3

Sources: HNX, VBMA consolidated

Government Bond Payment Schedule in April 2022

No.	Bond code	Tenor (year)	Issuer	Repayment date	Value	Coupon Rate	Coupon Payment	Principal Payment	Total Payment
1	BVDB13062	10	05/04/2013	05/04/2022	4,000,000	9.4	38	-	38
2	BVDB13063	10	16/04/2013	16/04/2022	2,000,000	9.4	19	-	19
3	BVDB13064	10	24/04/2013	24/04/2022	1,000,000	9.4	9	-	9
4	QH072219	15	19/04/2007	19/04/2022	10,000,000	7.6	76	1,000	1,076
5	TD1631462	15	14/04/2016	14/04/2022	62,890,000	7.6	478	-	478
6	TD1732403	15	27/04/2017	27/04/2022	58,000,000	6.7	389	-	389
7	TD1747411	30	07/04/2017	07/04/2022	56,650,000	7.8	442	-	442
8	TD1747430	30	20/04/2017	20/04/2022	58,792,000	7.6	447	-	447
9	TD2126002	5	23/04/2021	23/04/2022	36,690,000	1.1	40	-	40
10	TD2131013	10	08/04/2021	08/04/2022	141,500,000	2.3	325	-	325
11	TD2136026	15	15/04/2021	15/04/2022	83,230,000	2.5	208	-	208

Sources: HNX, VBMA consolidated

In March 2022, the State Treasury of Vietnam called for 18 auctions of government bonds with the total offering value of VND 28,500 billion, the winning rate was 30.9%

The State Treasury of Vietnam called for 18 auctions of government bonds with the offering of VND 28,500 billion, the bidding value was VND 59,082 billion. In which, the winning value was VND 8,820 billion, the winning rate was 30.9%. 10-year and 15-year bonds had the highest offering value (VND 4,500 billion and VND 3,000 billion respectively), the winning rate was 45% for 10-year tenor and 28.6% for 15-year tenor. 5-year, 7-year and 20-year bonds were not successfully issued. Compared to last month, the average winning yields of 10-year tenor increased by 6 points, 15-year tenor up 5 points and 30-year tenor increased by 1 point.

Since the beginning of the year, STV has issued VND 41,282 billion of government bonds, equivalent to 10% of 2022 plan (VND 400,000 billion). Specifically, the total issuing value of 10-year tenor was VND 18,642 billion (reached 13% of 2022 plan), 15-year tenor was VND 12,950 billion (reached 9% of 2022 plan), 20-year tenor was VND 1,685 billion (reached 6% of 2022 plan) and 30-year tenor was VND 8,005 billion (reached 23% of 2022 plan). 5-year and 7-year bonds were not successfully issued. Compared to the same period last year, the issuing value of 10-year tenor increased by VND 3,742 billion, 15-year tenor increased by VND 369 billion, 20-year decreased by VND 455 billion, 30-year tenor increased by VND 4,552 billion.

In April 2022, there will be about VND 6,543 billion of government bonds reaching maturity, accounting for about 12.86% of bonds matured in the year

The value of Outright reached VND 180,021 billion (increased by 31.4% compared to last month) and Repo transactions reached VND 95,247 billion (increased by 8.4% compared to last month)

On the secondary market, the value of Outright reached VND 180,021 billion (increased by 31.4% compared to last month) and Repo transactions reached VND 95,427 billion (increased by 8.4%

compared to last month). The average daily Outright transaction value decreased by 8.6% to VND 7,827 billion per day, and the average daily Repo transaction value also decreased to VND 4,149 billion per day, 24.6% lower than the last month. Compared to the same period in 2021, March 2022 outright volume increased by 7.79% and repo volume increased by 31.6%. 10-year and 15-year tenors were traded the most.

Foreign investors net bought a total of VND 465 billion in March 2022, therefore, they have net sold VND 485 billion since the beginning of the year.

Compared to February 2022, Government bond yields (according to VBMA outright trading room) increased at all tenors

Government bond yields were up about 6.3 to 70.5 points in all tenors compared to the previous month's average. Compared to last year's yields, the figures for tenors of 1-year tenor increased by 120 points, 2-year tenor increased by 109 points, 3-year tenor increased by 96 points, 4-year tenor increased by 76 points, 5-year tenor increased by 56 points, 7-year tenor increased by 36 points, 10-year decreased by 4 points, 15-year tenor increased by 6 points, 20-year tenor down 10 points and 30-year tenor decreased by 9 points. In recent months, the yield curve tended to flatten as bond yields from 1 to 7 years moved relatively higher while remained stable at longer tenors. In March, 3-year and 7-year government bonds were traded the most with trading volume of VND 3,700 billion (accounting for 32.03%) and VND 2,400 billion (accounting for 20.77%), respectively.

Vietnam government bond yields remained low in the ASEAN region, reached 2.399% at 10-year tenor by the end of the month, 4.35% lower than Indonesia's yield, 1.48% lower than Malaysia's and 0.01% lower than Thailand's. The yield spread between Vietnam and the US since the beginning of March until now has tended to extend at short term tenors while narrow at long term tenors as the US yields was increasing faster than VN yields. According to S&P, Fitch and Moody's, the US currently has the rating of AA+ stable, AAA negative, and Aaa stable, respectively while the rating of Vietnam from these institutions is BB positive, BB positive and Ba3 positive.

In March 2022, there were 2 corporate bond issuances through public offering and 10 issuances under private placement with a total value of VND 3,621 billion.

According to data consolidated by VBMA, as of March 04, 2022, there was 2 issuances through public offerings of VNDirect Securities JSC (VND 1,000 billion) and TNS Holdings Trading Service JSC (VND 490.8 billion) along with 10 issuances under private placement with a total value of VND 2,130 billion in March.

Real Estate and Securities were the 2 leading sectors in terms of total issuing value with VND 1,691 billion and VND 1,000 billion, respectively, accounting for 46.7% and 27.6% of the total issuing value. In the Real Estate sector, Hano-vid was the biggest issuer with 2 issuances under private placement of VND 1,000 billion of 7-year bonds.

In the Securities sector, VNDirect Securities JSC issued 3 bond codes at tenors of 1 year, 2 years and 3 years, coupon rate of 8%/year, 8.2%/year and 8.4%/year, respectively with a total value of VND 1,000 billion.

VBMA RECENT ACTIVITIES

HDBank and OCB become VBMA Market Makers in 2022 for Outright transaction

VBMA is pleased to welcome HDBank and OCB to join the Market Maker Agreement for Outright transaction in 2022 after VBMA has completed the evaluation and approval procedures for members registering to participate in MMA Outright 2022.

With the participation of 2 new market makers, the number of market makers of VBMA in 2022 is 15, including: Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV), Vietnam Maritime Commercial Joint Stock Bank (MSB), Vietnam Technological Commercial Joint Stock Bank (Techcombank), Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank), ANZ Bank (Vietnam) Ltd (ANZ), Sai Gon Thuong Tin Commercial Joint Stock Bank (Sacombank), Military Commercial Joint Stock Bank (MB), Vietnam International Commercial Joint Stock Bank (VIB), Vietnam Prosperity Joint Stock Commercial Bank (VPBank), Sai Gon Joint Stock Commercial Commercial Bank (SCB), Standard Chartered Bank (Vietnam) Limited, Asia Joint Stock Commercial Bank (ACB), Vietnam Joint Stock Commercial Bank For Industry And Trade (Vietinbank), Orient Commercial Joint Stock Bank (OCB), Ho Chi Minh Development Commercial Joint Stock Bank (HDBank).

VBMA attended a meeting to appraise the Draft Decree amending and supplementing a number of articles of Decree 95/2018/ND-CP

On March 28, 2022, VBMA representatives attended a meeting to appraise the Draft Decree amending and supplementing a number of articles of Decree 95/2018/ND-CP at the Ministry of Justice. VBMA collected comments from members and discussed a number of major issues at the meeting.

VBMA's Steering Committee Meeting

On March 30, 2022, VBMA Steering Committee held a meeting at the headquarter of VCB to implement the operation plan for 2022 approved by the Executive Board of VBMA.

VBMA collected comments on several problems

1. Problems and difficulties when implementing Circular 107/2020/TT-BTC
2. VBMA Master Repurchase Agreement
3. Building MMA for FI Bond transaction

VBMA UPCOMING EVENTS

Webinar: Understanding Credit Ratings with Moody's

Vietnam Bond market has been inevitably become an increasingly important source of financial resources for both Government and Enterprises. The market now is at a critical juncture of development to step up to next level of market development. More and more tasks need to be done such as legal framework updated, investor base diversify and market infrastructure development and credit rating agency plays a role for the market development.

According to Decree 155/2020/ND-CP guiding the Securities Law, mandatory regulation on credit rating for issuers or bond issued under public offering will take effect from Jan 2023. In order to provide a solid understanding of what credit ratings are, how they are determined and what can cause them to change, VBMA in collaboration with Moodys organize a Webinar on Understanding Credit Ratings with Moodys on April 28th Thursday 9:00-10:30am Hanoi time.

Following topics will be covered:

- Introduction to Moody's credit ratings, rating scale and rating process
- Overview of Moody's rating methodologies; case studies on banks and property developers

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We would like to thank you for your contribution

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