

# VBMA NEWSLETTER

January 2022



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## MARKET NEWS

### Government bond auction results in January 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	TD2242128	State Treasury	20	05/01/2022	1,000	1,385	335	2.75
2	TD2232105	State Treasury	10	05/01/2022	3,000	8,483	2,132	0.83-0.83
3	TD2237118	State Treasury	15	05/01/2022	3,000	6,850	2,750	2.35
4	TD2229101	State Treasury	7	12/01/2022	500	1,450	-	-
5	TD2252132	State Treasury	30	12/01/2022	1,500	3,676	1,500	2.96
6	TD2232105	State Treasury	10	12/01/2022	2,500	6,085	1,935	2.08
7	TD2237118	State Treasury	15	12/01/2022	2,500	4,900	1,500	2.36
8	TD2242128	State Treasury	20	19/01/2022	1,000	1,350	750	2.75
9	TD2237118	State Treasury	15	19/01/2022	2,000	3,650	1,000	2.36
10	TD2252132	State Treasury	30	19/01/2022	1,500	3,814	1,500	0.76-0.76
11	TD2232105	State Treasury	10	19/01/2022	3,000	8,586	3,000	2.08
12	TD2237118	State Treasury	15	26/01/2022	2,000	4,400	1,700	2.37
13	TD2232105	State Treasury	10	26/01/2022	4,000	6,595	3,560	2.08
14	TD2252132	State Treasury	30	26/01/2022	2,000	3,437	1,420	0.76-0.76

Sources: HNX, VBMA consolidated

### Government Bond Payment Schedule in February 2022

No.	Bond code	Tenor (year)	Issuer	Repayment date	Value	Coupon Rate	Coupon Payment	Principal Payment	Total Payment
1	BVDB17216	5	08/02/2017	08/02/2022	20,000,000	5.4	108	2,000	2,108
2	BVDB17217	5	14/02/2017	14/02/2022	15,000,000	5.3	80	1,500	1,580
3	BVDB17267	10	08/02/2017	08/02/2022	15,000,000	6.7	101	-	101
4	BVDB17268	10	14/02/2017	14/02/2022	25,000,000	6.6	165	-	165
5	BVDB17316	15	08/02/2017	08/02/2022	5,000,000	7.6	38	-	38
6	BVDB17317	15	14/02/2017	14/02/2022	10,500,000	7.6	80	-	80
7	QH072216	15	12/02/2007	12/02/2022	10,000,000	8.8	88	1,000	1,088
8	TD1222012	10	20/02/2012	20/02/2022	9,500,000	11.1	105	950	1,055
9	TD1424091	10	28/02/2014	28/02/2022	50,000,000	8.8	440	-	440
10	TD1525279	10	28/02/2015	28/02/2022	11,428,000	6.4	73	-	73
11	TD1530287	15	28/02/2015	28/02/2022	100,365,964	7.5	753	-	753
12	TD1722378	5	16/02/2017	16/02/2022	50,720,000	5.0	254	5,072	5,326
13	TD1727396	10	16/02/2017	16/02/2022	61,360,000	6.0	368	-	368
14	TD1828113	10	08/02/2018	08/02/2022	77,500,000	4.3	333	-	333
15	TD1838132	20	01/02/2018	01/02/2022	75,650,000	5.2	393	-	393
16	TD1934188	15	21/02/2019	21/02/2022	123,000,000	5.0	615	-	615

**Sources: HNX, VBMA consolidated**

**In January 2022, the State Treasury of Vietnam called for 14 auctions of government bonds with the total offering value of VND 29,500 billion, the winning rate was 78.2%.**

The State Treasury of Vietnam called for 14 auctions of government bonds with a total value of VND 29,500 billion, the total winning value was VND 23,082 billion, the winning rate was 78.2%. The two tenors with the highest offering value were 10-year tenor and 15-year tenor (VND 12,500 billion and VND 9,500 billion respectively), and the winning rate was 85% (10-year tenor) and 73.2% (15-year tenor). 5-year and 7-year bonds were not successfully issued. Average winning interest rates of almost all tenors increased compared to December 2021, except for 30-year tenor remaining unchanged.

STV announced the plan to issued VND 400,000 billion of Government bond in 2022, in which there is VND 105,000 billion in Q1/2022. Until 28/1/2022, STV has issued VND 23,082 billion of government bonds, equivalent to 6% of 2022 plan and 22% of Q1/2022 plan. Specifically, since the beginning of the year, the issuing values of 10, 15, 20 and 30-year tenors are VND 10,627 billion (reaching 7.6% of the 2022 plan), VND 6,950 billion (reaching 4.6% of the 2022 plan), VND 1,085 billion (reaching 3.6% of the 2022 plan), VND 4,420 billion (reaching 12.6% of the 2022 plan), respectively. 5-year and 7-year bonds have not been issued.

In February 2022, there will be about VND 10,522 billion of government bonds reaching maturity, accounting for about 20.6% of bonds matured in the year.

**The value of Outright and Repo transactions reached VND 153,579 billion and VND 100,964 billion, decreased by 6.8% and 17.9% compared to December 2021, respectively.**

On the secondary market, the value of Outright and Repo transactions reached VND 153,579 billion and VND 100,964 billion, decreased by 6.8% and 17.9% compared to December 2021, respectively.

The average daily Outright transaction value increased to VND 7,679 billion per day (+7.22% MoM), and the average daily Repo transaction value also rose to VND 5,048 billion per day (-5.61% MoM). Compared to the same period in 2021, January outright and repo volume decreased by 24.02% and 0.38%, respectively. 10-year and 15-year tenors were traded the most.

Foreign investors net sold a total of VND 1,245 billion in January 2022.

**Compared to December 2021, Government bond yields (according to VBMA outright trading room) increased slightly at almost all tenors.**

Government bond yields were up about 0.93-8.99 points at almost all tenors compared to the previous month's average, except 10-year and 30-year tenors decreased by 0.63 and 0.15 points, respectively. Compared to last year's interest rate level, the yield for tenors from 5 years to 30 years was currently 4.7-19.5 points lower, while the yields for tenors from 1 to 3 years was 10-28 points higher. Yields tended to increase at tenors from 1 to 7 years and remained stable at other tenors. 7-year and 10-year government bonds were traded the most with trading volume of VND 3,800 billion (each accounting for 28%).

Government bond yields in Vietnam are relatively low in the region, reaching 2.09% at 10-year tenor, 4.4%, 1.64% and 0.6% lower than the figure for Indonesia, Malaysia and Thailand, respectively. The yield spread between Vietnam and the US from the beginning of January until now has tended to extend by 14-38 points for tenors from 2 years to 7 years while 10 years to 30 years narrowed 18-27 points, 1-year tenor declined to -27 points from 16.7 points. According to S&P, Fitch and Moody's, the US currently has the rating of AA+, AAA and Aaa, respectively while the rating of Vietnam from these three institutions is BB, BB and Ba3.

**In January 2022, there were 7 domestic corporate bond issuances under public offering and 19 issuances under private placement with a total value of VND 25,214 billion.**

According to data consolidated by VBMA from SSC, HNX, there were 7 issuances through public offerings of 5 companies: Thanh Thanh Cong Tourist JSC (VND 500 billion), Nova Land Corporation (VND 1,300 billion), Coteccons Construction JSC (VND 500 billion), Bamboo Capital JSC (VND 500 billion), Joint Stock Commercial Bank for Investment and Development of Vietnam (VND 2,209 billion) with the total issuing value of VND 5,009 billion and 19 issuances under private placement with a total issuing value of VND 20,205 billion.

Real Estate and Construction were the 2 leading sectors in terms of issuing value with VND 14,470 billion and VND 7,130 billion, respectively, accounting for 57.3% and 28.3% of the total issuing value.

In the Real Estate sector, Eagle Side Development and Investment Corporation JSC was the biggest issuer (VND 3,930 billion) with tenor of 1 year, Hung Thinh Investment JSC. ranked second with VND 2,000 billion of 7-year bonds. In the Construction sector, Minh Truong Phu Construction JSC and Tuong Khai Construction Investment Corporation issued VND 2,950 billion and VND 2,990 billion, respectively, these 2 bond codes both had tenor of 1 year.

The Banking sector also had some notable issuances: 3 issuances of Joint Stock Commercial Bank for Investment and Development of Vietnam (VND 2,209 billion) with floating coupon rate (reference rate

is the average VND 12-month deposit rate of 4 banks (Agribank, Vietinbank, Vietcombank, BIDV) plus 0.5-1%), tenors from 7 to 10 years to increase tier 2 capital.

## VBMA RECENT ACTIVITIES

### ANZ Bank and Vietinbank officially become Market Makers in 2022 for FX Swap transaction

VBMA is pleased to welcome ANZ Bank and Vietinbank to join the Market Maker Agreement for FX Swap in 2022 after VBMA has completed the evaluation and approval procedures for members registering to participate in MMA for FX Swap in 2022.

With the participation of 2 new market makers, the number of market makers of VBMA in 2022 is 15, including:

1. Vietnam Technological and Commercial Joint Stock Bank
2. Military Commercial Joint Stock Bank
3. Vietnam Prosperity Joint Stock Commercial Bank
4. Vietnam International Commercial Joint Stock Bank
5. Tien Phong Commercial Joint Stock Bank
6. Southeast Asia Commercial Joint Stock Bank
7. Saigon Thuong Tin Commercial Joint Stock Bank
8. Vietnam Maritime Commercial Joint Stock Bank
9. Orient Commercial Joint Stock Bank
10. Ho Chi Minh City Development Commercial Joint Stock Bank
11. An Binh Commercial Joint Stock Bank
12. Asia Commercial Joint Stock Bank
13. Lien Viet Post Commercial Joint Stock Bank
14. Joint Stock Commercial Bank for Industry and Trade of Vietnam
15. ANZ Bank

## **VBMA sent a Letter of Comment on the Draft Circular on the organization for trading corporate bond issued under private placement (updated version)**

VBMA has sent a Letter of Comment on the Draft Circular on the organization for trading corporate bond issued under private placement (updated version) to the State Securities Commission (SSC) after holding a meeting to reach agreement on the comments on 12/1/2022. SSC then returned some responses to VBMA's comments. VBMA has sent these responses back to the members along with the revised Draft Circular to continue seeking comments from the members.

## **VBMA's Executive Committee meeting**

On January 14, 2022, VBMA held a meeting of the Executive Board to review the activities of 2021 and reach agreement on the plan for 2022. Issues discussed and agreed include: Agreeing and approving the report of operating results in 2021 as well as the financial statements of 2021; Agreeing and approving the 2022 Operational Plan and the 2022 Financial Plan; Agreeing and approving the Salary Framework applied to VBMA in the period of 2021-2026; Agreeing on amending the charter in the direction of expanding operations to the foreign exchange, currency and derivatives markets; Agreeing on personnel issues, specifically, Mr. Nguyen Anh Tuan is the representative of Vietinbank, replacing Ms. Bui Thu Trang at the Executive Board and Standing Committee of VBMA.

Thank you for reading this issue of VBMA monthly newsletter

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We would like to thank you for your contribution

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