

VBMA NEWSLETTER

January 2024



In this issue,

MARKET NEWS

VBMA RECENT ACTIVITIES

MARKET NEWS

Government bond auction results in January 2024

No.	Bond code	Issuer	Tenor (year)	Auction date	Offering value (VND bn)	Bidding value (VND bn)	Winning value (VND bn)	Winning yield (%/year)
1	TD2434018	State Treasury	10	3/1/2024	2,000	3,301	0	
2	TD2454041	State Treasury	30	3/1/2024	500	1,000	0	
3	TD2429006	State Treasury	5	3/1/2024	500	500	0	
4	TD2439028	State Treasury	15	3/1/2024	2,000	3,050	0	
5	TD2439029	State Treasury	15	10/1/2024	3,000	5,999	2,189	2.35
6	TD2434019	State Treasury	10	10/1/2024	3,000	8,514	3,000	2.15
7	TD2454042	State Treasury	30	10/1/2024	500	1,500	0	
8	TD2429007	State Treasury	5	10/1/2024	750	2,850	750	1.5
9	TD2439029	State Treasury	15	17/01/2024	3,000	3,617	967	2.4
10	TD2434019	State Treasury	10	17/01/2024	3,000	3,487	786	2.2
11	TD2454043	State Treasury	30	17/01/2024	750	1,800	550	2.85
12	TD2429007	State Treasury	5	17/01/2024	1,500	3,782	1,016	1.39
13	TD2444038	State Treasury	20	24/01/2024	1,000	3,200	1,000	2.65
14	TD2454043	State Treasury	30	24/01/2024	1,500	3,000	1,500	2.85
15	TD2434019	State Treasury	10	24/01/2024	2,000	5,702	2,000	2.23
16	TD2439029	State Treasury	15	24/01/2024	2,000	3,510	1,110	2.43
17	TD2429007	State Treasury	5	24/01/2024	2,000	6,934	1,634	1.37
18	TD2429007	State Treasury	5	31/01/2024	3,500	3,050	350	1.39
19	TD2439029	State Treasury	15	31/01/2024	3,000	4,200	950	2.48
20	TD2454043	State Treasury	30	31/01/2024	500	1,165	165	2.85
21	TD2434019	State Treasury	10	31/01/2024	3,000	7,493	1,542	2.28

Sources: HNX, collected by VBMA

In January 2024, the State Treasury of Vietnam (STV) called for 21 auctions of government bonds with the total offering value of VND 39,000 billion, the winning rate was 50%.

The STV called for auction of G-bonds at 5-year, 10-year, 15-year, 20-year and 30-year. The 10 and 15-year bonds continued to account for most of the winning value with VND 7,328 billion and VND 5,216 billion, respectively. The 5-year, 20-year and 30-year tenor were issued VND 3,750 billion (winning rate of 45.5%), VND 1,000 billion (winning rate of 100%), and VND 2,215 billion (winning rate of 59.1%). The average winning yield slightly reduced compared to the previous month.

The total issued value of government bonds by STV through auctions in January 2024 was VND 19,509 billion, equivalent to almost 5% of 2024's plan (VND 400,000 billion) and 15.3% of the Q1/2024 plan (VND 127,000 billion).

The value of Outright transactions was VND 149,885 billion (decreased by 33.4% compared to the previous month) and Repo transactions was VND 51,423 billion (declined by 7.7%).

The average daily Outright transaction value was VND 6,813 billion, and the average daily Repo transaction value was VND 2,337 billion. Compared to 2023's same period, January 2024's average outright transaction value climbed by 257% and the average repo transaction value rose by 42%.

In January, foreign investors net bought VND 438 billion, ending a series of net selling in 2023.

Vietnamese government bond yields (according to VBMA's outright trading room) continue to go down at short tenors and slightly increased at long tenors.

Yields for tenors under 7 years maintained the downward trend, decreasing from 13 bps to 42 bps, 30-year bonds' yields went sideways, while 10 and 15-year bonds jumped by approximately 46-58 bps compared to the end of last month. In January, the State Bank of Vietnam did not issue SBV bills. However, at the beginning of the month, the SBV bought 7-day valuable papers with a value of VND 1 billion.

Corporate bonds issued in 2024:

According to data consolidated by VBMA as of 02/02/2024, there were 2 issuances of corporate bond through private placement in January 2024 with the issuing value of VND 1,650 billion, and one public offering worth VND 2,000 billion. Compared to the previous months, the issuance value decreased significantly from an average of about VND 43 trillion, equivalent to a decrease of 91%. The issuances had an average coupon rate of 10.7%/year, the average tenor was 5.25 years.

In January 2024, corporates redeemed VND 7,394 billion of corporate bonds, 30.1% lower compared to the same period of 2023. In 2024, there will be VND 279,219 billion of corporate bonds reaching maturity, in which real estate bonds account for the largest share, VND 115,663 billion, equivalent to 41.4%.

*The data consolidated by VBMA was collected from website of HNX according to the issuing date and redemption date. This data might subject to change from time to time based on the information disclosure from HNX and SSC. The corporate bond data is collected as of 02 February 2024.

VBMA ACTIVITIES IN JANUARY 2024

VBMA continues to implement and expand market makers agreements in 2024

The Vietnam Bond Market Association (VBMA) is implementing four market makers agreements, including the Government Bond Outright Trading Agreement since April 2012, the Government Bond Repo Trading Agreement since June 2020, the USD/VND Interest Rate Swap (FX Swap) Trading Agreement since September 2021, and the Financial Institution Bond and Certificate of Deposit (FI Bond & CD) Trading Agreement since September 2023.

On January, after the evaluation and approval process, VBMA is pleased to announce the participation of members:

- Sacombank (Saigon Thuong Tin Commercial Joint Stock Bank) participating in the FI Bond & CD Trading Agreement from January 2nd, 2024, bringing the total number of market makers to 13.
- TPBank (Tien Phong Commercial Joint Stock Bank) participating in the Government Bond Outright Trading Agreement from January 5th, 2024, increasing the total number of market makers to 14.
- VIB (Vietnam International Commercial Joint Stock Bank) participating in the Repo Trading Agreement from January 8th, 2024, raising the total number of market makers to 12.

The FX Swap Trading Agreement maintains 15 market makers as in 2023.

VBMA organized a meeting to discuss the Market Makers Agreement for G-bond Outright Trading

On January 12th, 2024, VBMA and 14 market makers (MMs) representatives had a meeting to discuss outstanding issues in the G-bond Outright chatroom. VBMA and all market makers agreed on the following issues: the bid-ask spread, the number of minimum firm quotes, the minimum annual trading volume, and the membership screening rules.

The amended Market Makers Agreement was then sent to 14 MMs for signing and is expected to be officially carried out in February.

VBMA had a meeting with The International Monetary Fund (IMF)

From January 11th to January 19th, 2024, a delegation from the International Monetary Fund (IMF) visited Vietnam as part of a periodical activity to evaluate the macroeconomic, fiscal – monetary, and banking situations in recent past and assess future outlook, thereby making appropriate policy recommendations to the Vietnamese government.

On January 15th, 2024, VBMA had a discussion with the IMF delegation about the government and corporate bonds markets.

VBMA compiled members' opinions on the difficulties encountered during the registration, depositing, and registration of trading of privately-placed corporate bonds

In January, VBMA received feedback from several members regarding the challenges encountered during the registration of trading of privately-placed corporate bonds. VBMA later collected additional related opinions from members to summarize and send an official letter to relevant regulatory agencies regarding the obstacles in registering, depositing, and registering of trading privately-placed corporate bonds, as well as some other issues.

VBMA had a meeting with Bloomberg

On January 26th 2024, VBMA's representatives had a meeting with Bloomberg's representatives to discuss matters related to VBMA FX Swap Fixing.

At the meeting, Bloomberg's representatives wanted to know more about VBMA FX Swap Fixing and discussed future opportunities to cooperate between the two sides.



SPONSORS FOR INTERBANK OFFSITE 2023

Diamond Sponsor:



Platinum Sponsors:



Thank you for reading this issue of VBMA monthly newsletter
If you want to sign up to receive this newsletter, please contact us at:
info@vbma.org.vn

We would like to thank you for your contribution

Vietnam Bond Market Association

Floor 17, Gelex Tower, 52 Le Dai Hanh Street, Hanoi Phone: (84-24) 39748781 Fax: (84-4) 39748782

www.vbma.org.vn