

VBMA NEWSLETTER

December 2021



In this issue,

MARKET NEWS

VBMA RECENT ACTIVITIES

VBMA UPCOMING EVENTS

MARKET NEWS

Government bond auction results in December 2021

No.	Bond code	Issuer	Tenor (year)	Auction Date	Offering Value (VND bn)	Bidding Value (VND bn)	Winning Volume (VND bn)	Winning Yield (%/y)
1	TD2126162	State Treasury	5	01/12/2021	500	600	0	-
2	TD2131019	State Treasury	10	01/12/2021	2000	7594	2000	0.83-0.83
3	TD2151043	State Treasury	30	01/12/2021	3000	9263	3000	2.98
4	TD2128008	State Treasury	7	01/12/2021	500	500	0	-
5	TD2136030	State Treasury	15	01/12/2021	4500	9033	4500	2.36
6	TD2141039	State Treasury	20	08/12/2021	3750	11105	3750	2.78
7	TD2131019	State Treasury	10	08/12/2021	2000	7889	2000	2.08
8	TD2126162	State Treasury	5	08/12/2021	500	750	0	-
9	TD2136030	State Treasury	15	08/12/2021	3000	10366	3000	2.36
10	TD2126162	State Treasury	5	15/12/2021	500	1050	0	0.76-0.76
11	TD2136030	State Treasury	15	15/12/2021	3000	6218	3000	2.34
12	TD2151043	State Treasury	30	15/12/2021	2000	2455	2000	2.98
13	TD2141039	State Treasury	20	15/12/2021	2000	5750	2000	2.77
14	TD2131019	State Treasury	10	22/12/2021	2000	5360	1779	0.76-0.76
15	TD2126162	State Treasury	5	22/12/2021	500	900	0	-
16	TD2136030	State Treasury	15	22/12/2021	3000	5014	2564	0.83-0.83
17	TD2141039	State Treasury	20	22/12/2021	2000	1207	7	0.83-0.84
18	TD2136030	State Treasury	15	29/12/2021	2000	3610	0	0.83-0.85
19	TD2151043	State Treasury	30	29/12/2021	1000	1685	620	0.83-0.86
20	TD2126162	State Treasury	5	29/12/2021	500	1000	0	0.83-0.87
21	TD2128008	State Treasury	7	29/12/2021	500	500	0	0.83-0.88

Sources: HNX, VBMA consolidated

Government Bond Payment Schedule in January 2022

No.	Bond code	Tenor (year)	Issuer	Repayment date	Value	Coupon Rate	Coupon Payment	Principal Payment	Total Payment
1	BVBS15141	15	19/01/2015	19/01/2022	1,367,000	8.0	11	-	11
2	BVBS17052	10	24/01/2017	24/01/2022	1,500,000	6.8	10	-	10
3	BVBS17081	15	10/01/2017	10/01/2022	2,500,000	7.6	19	-	19
4	BVBS17082	15	17/01/2017	17/01/2022	3,000,000	7.7	23	-	23
5	BVBS17083	15	24/01/2017	24/01/2022	1,000,000	7.6	8	-	8
6	BVDB14149	10	27/01/2014	27/01/2022	600,000	9.2	6	-	6
7	BVDB16205	15	06/01/2016	06/01/2022	1,500,000	8.0	12	-	12
8	BVDB17215	5	23/01/2017	23/01/2022	2,000,000	5.5	11	200	211
9	BVDB17265	10	16/01/2017	16/01/2022	5,000,000	6.8	34	-	34
10	BVDB17266	10	23/01/2017	23/01/2022	11,500,000	6.8	78	-	78
11	BVDB17315	15	23/01/2017	23/01/2022	5,000,000	7.6	38	-	38
12	QH072205	15	17/01/2007	17/01/2022	2,000,000	9.0	18	200	218
13	QH072209	15	11/01/2007	11/01/2022	1,000,000	9.0	9	100	109
14	QH072213	15	23/01/2007	23/01/2022	1,500,000	9.0	14	150	164
15	TD1323031	10	31/01/2013	31/01/2022	31,040,565	9.1	282	-	282
16	TD1525278	10	31/01/2015	31/01/2022	36,591,400	6.5	238	-	238
17	TD1530258	15	31/01/2015	31/01/2022	90,490,000	7.6	688	-	688
18	TD1631461	15	07/01/2016	07/01/2022	80,459,000	7.6	611	-	611
19	TD1636466	20	21/01/2016	21/01/2022	12,314,800	7.7	95	-	95
20	TD1646468	30	28/01/2016	28/01/2022	59,658,956	8.0	477	-	477
21	TD1722377	5	12/01/2017	12/01/2022	70,840,000	5.2	368	7,084	7,452
22	TD1724412	7	12/01/2017	12/01/2022	58,800,000	5.5	323	-	323
23	TD1732401	15	05/01/2017	05/01/2022	59,533,000	7.2	429	-	429
24	TD1737406	20	19/01/2017	19/01/2022	58,500,000	7.7	450	-	450
25	TD1747409	30	12/01/2017	12/01/2022	54,501,593	7.9	431	-	431
26	TD1823087	5	04/01/2018	04/01/2022	70,290,000	4.3	302	-	302
27	TD1825102	7	11/01/2018	11/01/2022	56,100,000	4.3	241	-	241
28	TD1828112	10	04/01/2018	04/01/2022	81,000,000	5.1	413	-	413
29	TD1833122	15	11/01/2018	11/01/2022	83,890,000	5.2	436	-	436
30	TD1848138	30	18/01/2018	18/01/2022	58,230,000	5.4	314	-	314
31	TD1924163	5	17/01/2019	17/01/2022	63,060,000	3.8	240	-	240
32	TD1926170	7	10/01/2019	10/01/2022	41,000,000	4.3	176	-	176
33	TD1929175	10	03/01/2019	03/01/2022	126,500,000	5.1	645	-	645
34	TD1929178	10	31/01/2019	31/01/2022	127,500,000	4.8	612	-	612
35	TD1934187	15	03/01/2019	03/01/2022	125,000,000	5.3	663	-	663
36	TD1934189	15	24/01/2019	24/01/2022	128,050,000	5.1	653	-	653
37	TD1939200	20	17/01/2019	17/01/2022	101,415,000	5.6	568	-	568
38	TD1949205	30	24/01/2019	24/01/2022	79,500,000	5.8	461	-	461
39	TD2025003	5	09/01/2020	09/01/2022	5,900,000	1.8	11	-	11
40	TD2027008	7	16/01/2020	16/01/2022	14,800,000	2.2	33	-	33
41	TD2030011	10	09/01/2020	09/01/2022	122,290,000	3.1	379	-	379
42	TD2035021	15	09/01/2020	09/01/2022	131,970,000	3.2	422	-	422
43	TD2040031	20	09/01/2020	09/01/2022	128,000,000	3.6	461	-	461
44	TD2050035	30	16/01/2020	16/01/2022	138,790,000	3.8	527	-	527
45	TD2126001	5	28/01/2021	28/01/2022	53,500,000	1.0	54	-	54
46	TD2131012	10	14/01/2021	14/01/2022	149,000,000	2.2	328	-	328
47	TD2136025	15	14/01/2021	14/01/2022	164,310,000	2.4	394	-	394
48	TD2141038	20	14/01/2021	14/01/2022	29,900,000	2.8	84	-	84
49	TD2151042	30	14/01/2021	14/01/2022	57,630,000	3.1	179	-	179
50	VDB111010	15	28/01/2011	28/01/2022	2,600,000	11.5	30	-	30

Sources: HNX, VBMA consolidated

In December, the State Treasury of Vietnam called for 21 auctions of government bonds with the total offering value of VND 38,750 billion, the winning rate was 78%.

In December, the State Treasury of Vietnam called for 21 auctions of government bonds with a total value of VND 38,750 billion, the total winning value was VND 30,220 billion, the winning rate was 78%. The two tenors with the highest offering value were 15-year tenor and 20-year tenor (VND 15,500 billion and VND 7,750 billion respectively), and the winning rate was 84.3% (15-year tenor) and 74.3% (20-year tenor).

During the month, 5-year and 7-year bonds were not successfully issued. Average winning interest rates of almost all tenors decreased compared to last month, except for 20-year tenor.

In December, STV adjusted the government issuing plan's value to VND 86,000 billion from VND 135,000 billion, including tenors of 5 years (VND 1,500 billion), 7 years (VND 500 billion), 10 years (VND 28,000 billion), 15 years (VND 31,000 billion), 20 years (14,000 billion VND) and 30 years (11,000 billion VND). Since the beginning of Q4, STV has issued VND 80,499 billion of government bonds, equivalent to 94% issuing plan. Since the beginning of the year, STV has issued VND 318,213 billion, equivalent to 98% of the adjusted annual plan. In January 2022, there will be about VND 7,734 billion of government bonds reaching maturity, about 15% of bonds matured in the year.

In December, the Vietnam Development Bank called for 9 auctions of Government-Guaranteed bonds with the total value of VND 11,000 billion, of which the winning rate was 77.3%.

In December, the Vietnam Development Bank called for 9 auctions with total value of VND 11,000 billion, the bid/offer ratio reached 144.1%. In which, the winning volume reached VND 8,500 billion (equivalent to the winning rate of 77.2%) at 3 tenors of 5-year (VND 1,000 billion), 7-year (VND 700 billion) and 10-year (VND 6,800 billion). The winning rate for 5-year tenor was 50%, 7-year tenor was 35% and 10-year tenor was 97%. Winning yields for 5-year, 7-year and 10-year tenors were 1.12%, 1.5% and 2.39%, respectively, and were 28bps, 40bps and 31 bps higher than the winning yields of government bonds at the same tenors.

The value of Outright and Repo transactions reached VND 164,718 billion (-9.4% MoM) and VND 123,011 billion (+23% MoM).

On the secondary market, the average daily Outright transaction value increased to VND 7,162 billion per day (-13.3% MoM), and the average daily Repo transaction value also climbed to VND 5,348 billion per day (+17.6% MoM). Compared to the same period last year, December outright volume decreased by 22.9% and Repo volume increased by 12.9%. During the month, the 10-year and 15-year tenors were traded the most.

In December 2021, foreign investors net sold a total of VND 1,600 billion, thus, accumulated from the beginning of 2021, foreign investors have net bought VND 10,212 billion.

Compared to the previous month, Government bond yields (according to VBMA outright trading room) increased slightly at almost all tenors.

Government bond yields were up modestly about 1-7 points in tenors from 1 year to 30 years compared to the previous month's average. Compared to last year's interest rate level, the yield for tenors from 5 years to 30 years was currently 15-28 bps lower, while the yields for tenors from 1-3 years was 29-35 bps higher. In recent months, the yield curve remained static at all tenors. In December, 5-year and 10-year government bonds were traded the most with trading volume of VND 3,750 billion (accounting for 64%) and VND 900 billion (accounting for 15%).

Government bond yields in Vietnam are relatively low in the region. The yield spread between Vietnam and the US from the beginning of November until now has tended to narrow by 2-14 bps for tenors of 1 year, 3 years and 10 years to 30 years while widening slightly for tenors of 5 years and 7 years.

In 2021, there were a total of 964 domestic corporate bond issuances with a total value of VND 595 trillion, of which there were 937 issuances under private placement and 23 issuances under public offering, 4 bond issuances on international market with a total value of USD 1.425 billion.

In 2021, there were 964 private placements with a total value of VND 570 trillion (accounting for 95.8% of total issuing value), 23 issuances under public offering with a value of VND 26.34 trillion (accounting for 4.6% of total issuing value), and 4 issuances of bonds on the international markets with a total value of USD 1.425 billion.

In the year, the group of Banking company ranked first with a total issuing value of VND 223.01 trillion, account for 37% of total issuing value. In which, there were VND 55.3 trillion of Tier 2-capital raising bonds (accounting for 25%), 73% of bonds issued with short tenors of 2-4 years. Vietnam Prosperity Joint Stock Commercial Bank was the most notable issuer in 2021 with total issuing value of VND 17,030 billion, Sai Gon - Hanoi Joint Stock Commercial Bank was also an outstanding issuer with VND 13,350 billion. In the banking sector, December was the month with the highest issuing value (VND 46,926 billion) (accounting for over 1/5 total issued value of 2021).

Real Estate sector ranked second with a total issuing value of VND 214.44 trillion, account for 36% of total issuing value. In which, about 29% of bonds issued were unsecured or secured by common shares. Issuing interest rates ranged from 8-13%/year with some companies whose issuing interest rates were only around 5-6%/year. 1-3 years tenor accounted for the majority of the issuing value in 2021 with VND 142,389 billion (accounted for 67.33%).

Since the beginning of 2021, there were 4 issuances of bonds on the international market, including: Vingroup (USD 500 million), green bonds of BIM Real Estate Joint Stock Company (USD 200 million), convertible bonds of Novaland (USD 300 million) and sustainable bonds issued by Vinpearl.

VBMA RECENT ACTIVITIES

VBMA sent members updated version of the Handbook on corporate bond issuance
On December 31, 2021 VBMA sent members the latest update of VBMA Handbook on corporate bond issuance.

The new VBMA Handbook on the issuance of corporate bonds has been updated with the legal regulations governing the issuance of corporate bonds.

VBMA sent a Letter of Comment on the Draft Decree supplementing and amending Decree 153/2020/ND-CP

VBMA collected comments from VBMA Members on the Draft Decree supplementing and amending Decree 153/2020/ND-CP and organized a meeting to reach consensus amongst members on these comments on December 21, 2021. After the meeting, VBMA sent an official Letter of comments on the draft Decree to the Ministry of Finance on December 27, 2021.

Deploying the newly signed MMA for FX Swap from December 8, 2021

VBMA completed the signing process of the new MMA for FX Swap and sent back the amended and supplemented MMA to market makers for FX Swap trading and this new MMA has been in place since Wednesday, December 8, 2021. Accordingly, market makers will start trading SPOT and 3W tenors and the trading volumes of these tenors will be recorded.

VBMA sent Invitations to join VBMA Market Maker Agreements in 2022 to members

With the effort to develop Government Bond Yield Curve for Vietnam Bond Market, Short-term Benchmark Curve for Vietnam Money Market and FX Swap Curve, VBMA has introduced the Market Maker Agreement (MMA) for Outright transaction (since 2012), Repo transaction (since 2020) and FX Swap transaction (since 2021) and stated the conditions and criteria for selecting market makers. For 2021, there are currently 13 market makers for Outright transaction, 11 market makers for Repo transaction and 14 market makers for FX Swap transaction.

Annually, VBMA conducts a review and evaluation to select organizations that wish to participate in MMA and meet the criteria to participate in MMA. On November 30th, 2021, VBMA sent invitations to join VBMA Market Maker Agreements for Outright, Repo and FX Swap transactions in 2022 to members including criteria, rights and obligations as well as MMs screening mechanism.

The Ministry of Finance issued Letters of Guarantee of VDB and VBSP for Q3/2021

On June 24, 2020, due to the need and to support VBMA members in using Government-guaranteed bonds of the Vietnam Development Bank and the Bank for Social Policies for transactions on secondary market, VBMA sent the Letter No. 0920/HHTTTP to the Vietnam Development Bank and the Ministry of Finance, requesting to provide a letter of guarantee from the Ministry of Finance for the bonds issued by the Vietnam Development Bank and the Letter. No. 1020/HHTTTP to the Bank for Social Policies and the Ministry of Finance to request the issuance of a letter of guarantee from the Ministry of Finance for bonds issued by the Bank for Social Policies after receiving feedbacks from members on the transaction of Government-guaranteed bonds encountering difficulties when some members only

accept the use of Government-guaranteed bonds in transactions if the counterparty can provide a Letter of Guarantee from the Ministry of Finance.

On November 30, 2021, the Ministry of Finance issued the Letter No. 13369/BTC-QLN confirming the guaranteed obligation in the 3rd Quarter of 2021 of the Vietnam Development Bank and the Letter No. 13370/BTC-QLN confirming the guaranteed obligation in the 3rd quarter of 2021 of the Bank for Social Policies. Starting from the third quarter of 2021, these Letters will be posted on the website of the Stock Exchange and will be sent to members by VBMA as soon as information is available.

According to Decision 1393/QD-TTg and Decision 945/QD-TTg, the maximum limit in 2021 for issuing Government-guaranteed bonds of the Vietnam Development Bank is VND 17,156 billion and the maximum limit of the Bank for Social Policies is VND 11,024 billion. In the third quarter of 2021, the Bank for Social Policies has issued a maximum limit value of VND 11,024 billion of Government-guaranteed bonds while from the beginning of the year until now, the Vietnam Development Bank has issued VND 10,500 billion of Government-guaranteed bonds (accounting for 61% of the maximum limit).

VBMA held a meeting with the Ministry of Finance on developing Vietnam's bond market

On November 19, 2021, the Board of Directors of VBMA had a meeting with Mr. Nguyen Duc Chi, Deputy Minister of Finance and leading representatives of the Finance Department, Legal Department, SSC, HNX and VSD regarding the development issues of Vietnam's bond market in general and corporate bond market in particular. The opinions of VBMA members were collected, exchanged and discussed at the meeting with leaders of the Ministry of Finance.

VBMA supported the State Treasury to get comments on pilot implementation of issuing Government bonds in multi-price method

VBMA supported the State Treasury in asking for comments of PDs in 2021 on the pilot implementation of issuing Government bonds in multi-price method with 5-year bonds since October 2021. VBMA sent the survey to members to give answers back to the State Treasury.

In December 2021, VBMA sought comments from members on the following Drafts:

- Draft Decree amending and supplementing several articles of Decree No. 153/2020/ND-CP dated December 31, 2020 on prescribing private placement and trading of privately placed corporate bonds in domestic market and offering of corporate bonds in international market.
- Draft Official Dispatch guiding the obligations, benefits and evaluation criterias for market makers of Government debt instruments in 2022.
- Draft Circular on organizing for privately placed corporate bond trading.

Thank you for reading this issue of VBMA monthly newsletter

If you want to sign up to receive this newsletter, please contact us at:

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We would like to thank you for your contribution

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