

# VBMA NEWSLETTER

December 2023



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MARKET NEWS

VBMA RECENT ACTIVITIES

## MARKET NEWS

### Government bond auction results in December 2023

No.	Bond code	Issuer	Tenor (year)	Auction date	Offering value (VND bn)	Bidding value (VND bn)	Winning value (VND bn)	Winning yield (%/year)
1	KHAD23156	People's Committee of Khanh Hoa province	10	4/12/2023	500	-	-	-
2	BVBS23273	Vietnam Bank for Social Policies	15	4/12/2023	3,922	15,571	3,101	3.1
3	TD2328101	State Treasury	5	6/12/2023	500	650	200	1.58
4	TD2338137	State Treasury	15	6/12/2023	2,000	5,500	1,500	2.45
5	TD2333122	State Treasury	10	6/12/2023	2,000	7,451	1,500	2.25
6	TD2353151	State Treasury	30	6/12/2023	500	399	-	-
7	KHAD23157	People's Committee of Khanh Hoa province	10	8/12/2023	500	200	-	-
8	TD2338137	State Treasury	15	13/12/2023	2,250	5,950	2,250	2.45
9	TD2353151	State Treasury	30	13/12/2023	500	1,010	500	3.03
10	TD2333122	State Treasury	10	13/12/2023	2,250	6,601	2,250	2.25
11	TD2328101	State Treasury	5	13/12/2023	500	850	400	1.58
12	TD2353151	State Treasury	30	20/12/2023	750	2,243	750	3
13	TD2328101	State Treasury	5	20/12/2023	1,000	500	-	-
14	TD2338137	State Treasury	15	20/12/2023	2,000	6,050	1,600	2.4
15	TD2333122	State Treasury	10	20/12/2023	2,250	5,423	1,722	2.2
16	TD2333122	State Treasury	10	27/12/2023	1,500	5,269	1,018	2.2
17	TD2338137	State Treasury	15	27/12/2023	1,500	3,450	-	-
18	TD2328101	State Treasury	5	27/12/2023	500	1,000	-	-
19	TD2353151	State Treasury	30	27/12/2023	1,000	1,780	780	3

Sources: HNX, collected by VBMA

**In December 2023, the State Treasury of Vietnam (STV) called for 16 auctions of government bonds with the total offering value of VND 21,000 billion, the winning rate was 68.9%.**

The STV called for auction of G-bonds at 5-year, 10-year, 15-year, and 30-year, in which the 10 and 15-year tenors accounted for most of the winning value with VND 6,490 billion and VND 5,350 billion, respectively. The 5-year and 30-year tenor were issued VND 600 billion (winning rate of 24%), and VND 2,030 billion (winning rate of 73.8%). The average winning yield slightly reduced compared to last month.

The total issued value of government bonds by STV through auctions in 2023 was VND 298,476 billion, equivalent to more than 97.86% of 2023's adjusted plan (VND 305,000 billion).

During the month, the Vietnam Bank for Social Policies called for 1 auction of government guaranteed bonds with the winning value of VND 3,101 billion at tenor 15 years. The People's Committee of Khanh Hoa province called for 2 auctions of municipal bonds at tenor 10 years but there was no winning bid.

**The value of Outright transactions was VND 225,101 billion (99% higher than November) and Repo transactions was VND 55,694 billion (163% higher than November).**

In the secondary market, the average daily Outright transaction value was VND 10,719 billion, while the average daily Repo transaction value was VND 2,652 billion. Compared to 2022's same period, December 2023 outright volume soared 288% and repo volume jumped 97%.

In December, the buying and selling value of foreign investors were both VND 176 billion, so the net sold value of the year remained VND 4,772 billion.

**In December 2023, Vietnamese government bond yields (according to VBMA's outright trading room) tended to go down at all tenors.**

The SBV stopped issuing bills in December. As of December 6, the last batch of SBV-bills matured, bringing the circulating volume to 0. On December 29, the SBV bought valuable papers with a 7-day term, pumping more than VND 4,551 billion into the system amid the increased demand for credit at the end of the year along with credit stimulus policies of the Government and the State Bank of Vietnam.

#### **Corporate bonds issued in 2023:**

According to data consolidated by VBMA as of 31/12/2023, there were 55 issuances through private placement of corporate bond in December 2023 with the total issuing value of VND 42,806 billion. The average issuing coupon rate was 7.06%/year and average tenor was 5.97 years. In 2023, the total issuing value of corporate bond was VND 311,240 billion.

In December, corporates redeemed VND 32,677 billion of corporate bonds, 50.4% lower compared to the same period of 2022. In 2024, there will be VND 277,065 billion of corporate bonds reaching maturity.

\*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 31 December 2023.

## VBMA ACTIVITIES IN DECEMBER 2023

### **VBMA representative participated in the 16th ASF Tokyo Roundtable**

In 5 days from December 4 to December 8, 2023, VBMA representatives participated in the 16th ASF Tokyo Roundtable event. After a three-year hiatus due to the COVID-19 pandemic, the annual ASF Tokyo Roundtable event was held again at the Japanese capital to facilitate capital market exchanges between countries in the region.

### **VBMA invited members to join the Market Makers Agreement (MMA) for Repo, Outright, FI Bond and Fx Swap transactions in 2024**

On December 7<sup>th</sup>, VBMA sent invitations to members to join the Market Makers Agreements (MMA) for Repo, Outright, FI Bond and Fx Swap transactions in 2024.

After the evaluation process, VBMA has identified three banks that meet the criteria for joining from the beginning of 2024, including: Saigon Thuong Tin Commercial Joint Stock Bank (Sacombank) participating in the Agreement for FI Bond & CD, Tien Phong Commercial Joint Stock Bank (TPBank) participating in the Agreement for Government Bond Outright Transactions; and Vietnam International Commercial Joint Stock Bank (VIB) participating in the Agreement for Government Bond Repo Transactions.

In recent years, the implementation of these agreements has helped provide benchmark rates for transactions in the Vietnamese financial markets, promoting liquidity and improving market transparency.

In the coming time, VBMA will continue to implement existing MMAs as well as develop new agreements based on members' needs with the aim of supporting market development.

### **VBMA's representatives participated in the meeting of Credit Guarantee & Investment Facility (CGIF)**

On December 13<sup>th</sup>, Mrs. Pham Phuong Lan - VBMA's Vice Chairwoman participated in the meeting of Credit Guarantee & Investment Facility (CGIF). In the meeting, Mrs Lan presented the current situation of Vietnam bond market and discussed cooperation opportunities between VBMA and CGIF in the upcoming year, 2024.

### **VBMA's representatives met with World Bank**

On December 14<sup>th</sup>, VBMA representatives had a meeting with World Bank to discuss the opportunities for both sides to coordinate in 2024.

### **VBMA coordinated with ADB to conduct the "Liquidity survey"**

On December 19<sup>th</sup>, VBMA coordinated with ADB to conduct the "Liquidity survey" with countries in the ASEAN+3 group. By participating in this survey, members will help potential foreign investors access the necessary information easier.

## **VBMA sent an official correspondence on the Decree No. 08/2023/ND-CP**

At the review conference of bond market activities in 2023 organized by the Hanoi Stock Exchange on November 9<sup>th</sup>, 2023, and at the meeting to gather opinions to evaluate the implementation of Decree No. 08/2023/ND-CP and future policy orientation hosted by the Ministry of Finance on the afternoon of November 28<sup>th</sup>, 2023, VBMA and market members raised several questions relating to the bond market. Within the framework of these events, not all of these questions were thoroughly addressed.

Therefore, on December 20<sup>th</sup>, 2023, VBMA sent an official correspondence summarizing all members' queries on the Decree No. 08/2023/ND-CP to the Ministry of Finance, State Bank of Vietnam, SSC, HNX and VSDC.



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We would like to thank you for your contribution

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