

VBMA NEWSLETTER

JUNE 2021



In this issue,

MARKET NEWS

VBMA RECENT ACTIVITIES

VBMA UPCOMING EVENTS

MARKET NEWS

Government bond auction results in June 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	TD2141038	State Treasury	20	02/06/2021	1000	2070	370	2.91
2	TD2128007	State Treasury	7	02/06/2021	1000	3250	500	1.36
3	TD2131015	State Treasury	10	02/06/2021	9000	18130	9000	2.2
4	TD2136026	State Treasury	15	02/06/2021	4500	11445	3920	2.45
5	TD2136027	State Treasury	15	09/06/2021	4000	9350	2450	2.46
6	TD2131016	State Treasury	10	09/06/2021	7000	15451	5800	2.21
7	TD2151042	State Treasury	30	09/06/2021	1500	1420	520	3.05
8	TD2141038	State Treasury	20	16/06/2021	1000	1130	0	-
9	TD2136027	State Treasury	15	16/06/2021	3000	8101	0	-
10	TD2128007	State Treasury	7	16/06/2021	1000	2550	0	-
11	TD2151042	State Treasury	30	23/06/2021	1000	975	275	3.05
12	TD2131016	State Treasury	10	23/06/2021	3000	6900	3000	2.2
13	TD2126002	State Treasury	5	23/06/2021	1000	2700	1000	1.1
14	TD2136027	State Treasury	15	23/06/2021	2000	5050	2000	2.46
15	TD2128007	State Treasury	7	30/06/2021	500	1600	0	-
16	TD2136027	State Treasury	15	30/06/2021	2000	5112	112	2.46
17	TD2141038	State Treasury	20	30/06/2021	500	700	0	-
18	TD2131016	State Treasury	10	30/06/2021	3000	6757	2856	2.2

Sources: HNX, VBMA consolidated

Government Bond Payment Schedule in July 2021

No.	Bond code	Tenor (year)	Issuer	Repayment date	Value	Coupon Rate	Coupon Payment	Prin Payment	Total Payment
1	BVBS15155	15	08/07/2015	08/07/2021	100	7.8	8	-	8
2	BVBS16322	5	05/07/2016	05/07/2021	400	6.5	26	400	426
3	BVBS16323	5	12/07/2016	12/07/2021	100	6.5	7	100	107
4	BVBS16324	5	19/07/2016	19/07/2021	800	6.5	52	800	852
5	BVBS18160	5	17/07/2018	17/07/2021	200	4.0	8	-	8
6	BVBS18161	5	24/07/2018	24/07/2021	150	4.1	6	-	6
7	BVDB16107	5	04/07/2016	04/07/2021	1600	6.3	101	1600	1701
8	QH062104	15	17/07/2006	17/07/2021	50	9.3	5	50	55
9	QH062107	15	31/07/2006	31/07/2021	50	9.3	5	50	55
10	QH072223	15	26/07/2007	26/07/2021	400	8.4	34	-	34
11	QH072224	15	17/07/2007	17/07/2021	100	8.4	8	-	8
12	QHD0823023	15	18/07/2008	18/07/2021	7	15.0	1	-	1
13	TD1621473	5	25/05/2016	04/07/2021	5930	6.1	362	5930	6292
14	TD1621474	5	27/05/2016	11/07/2021	4050	6.1	247	4050	4297
15	TD1621479	5	07/07/2016	07/07/2021	4485	6.1	274	4485	4759
16	TD1621485	5	21/07/2016	21/07/2021	5470	6.1	334	5470	5804
17	TD1623481	7	07/07/2016	07/07/2021	5185	6.6	342	-	342
18	TD1722383	5	20/07/2017	20/07/2021	3936	4.4	173	-	173
19	TD1724417	7	06/07/2017	06/07/2021	4850	5.1	247	-	247
20	TD1727398	10	13/07/2017	13/07/2021	5350	5.3	284	-	284
21	TD1732405	15	20/07/2017	20/07/2021	2116	5.7	121	-	121
22	TD1737427	20	20/07/2017	20/07/2021	2401	6.0	144	-	144
23	TD1747432	30	27/07/2017	27/07/2021	2100	6.2	130	-	130
24	TD1828116	10	26/07/2018	26/07/2021	8450	4.4	372	-	372
25	TD1929179	10	25/07/2019	25/07/2021	13476.903	4.4	593	-	593
26	TD1934191	15	25/07/2019	25/07/2021	14473.237	4.6	666	-	666
27	TD2030014	10	02/07/2020	02/07/2021	15573	2.9	452	-	452
28	TD2030015	10	09/07/2020	09/07/2021	13615.599	2.8	381	-	381
29	TD2030016	10	16/07/2020	16/07/2021	13298	2.7	359	-	359
30	TD2035024	15	09/07/2020	09/07/2021	13707	3.0	411	-	411
31	TL1535299	20	29/07/2015	29/07/2021	1950	7.8	151	-	151

Sources: HNX, VBMA consolidated

The State Treasury of Vietnam called for 18 auctions of government bonds with the total offering value of VND 46,000 billion, the winning rate was 69%.

In June, the State Treasury of Vietnam called for 18 auctions of government bonds with a total value of VND 46,000 billion, total bidding value was VND 102,691 billion, of which the winning value was VND 31,803 billion, equivalent to a winning rate of 69%. In Q2/2021, STV plans to issue VND100,000 billion of G-bond in total including 5-year tenor (VND10,000 billion), 7- year tenor (VND4,000 billion), 10-year tenor (VND35,000 billion), 15-year tenor (VND35,000 billion), 20-year tenor (VND8,000 billion) and 30-year tenor (VND8,000 billion). Thus, by the end of the second quarter of 2021, the total issuing value in 2nd Quarter reached VND 102,288 billion, equivalent to 102.2% of the quarter plan. Since the beginning of the year, the issuing value of government bond reached 40.4% of the 2021 annual plan.

The value of Outright and Repo transactions reached 193,085 billion VND (+40.06% MoM) and 77.945 billion VND (-6.53% MoM).

On the secondary market, the average daily Outright transaction value increased to VND 8,777 billion/day (+27.3% MoM), while the average daily value of repo transaction decreased to VND 3,543 billion/day (-3.15% MoM). Compared to the same period last year, total Outright and Repo volume in June increased by 67.9% and 19.2% respectively. In June 2021, foreign investors net bought a total of VND3,718 billion, therefore, accumulated from the beginning of 2021, foreign investors have net bought VND10,148.

Government bond yield (according to the VBMA outright trading room) tended to slightly decrease at 5-year to 30-year tenors and increase at tenors of 1-year, 2-year and 3-year.

Except for 1-, 2- and 3- year terms, the bond yields at 5-year to 30-year tenors all decreased slightly compared to the previous month, of which 10-year and 15-year tenors fell the most (11-13 bps), the current government bond yield is still much lower than the trading bond yield at the same period last year. Vietnam Government bond yield is at the low level in the region, the gap between Vietnam 10Y G-bond yield and US 10Y T-bond reached the lowest level since the beginning of the year in the middle of June then increased slightly at the end of the month.

In the first 6 months of the year, there were a total of 304 domestic corporate bond issuances with a total value of VND 186.683 billion, of which there were 291 issuances under private placements and 13 public issuances, 2 issuances of bonds on the international market with a total value of 700 million USD.

According to published data of HNX and SSC, in the first 6 months of 2021, there were 306 domestic issuance of corporate bonds with a total issuance value of VND 186.683 billion, of which there were 293 issuances under private placement with a total value of VND 177,098 billion, and 13 issuances under public offering with total value of VND 9,584 billion.

In the first 6 months of the year, the group of commercial banks still ranked first with a total issuance value of VND 68,113 billion. Real estate ranked second with a total issuance volume of VND61,988 billion.

In the first 6 months of the year, there were two issuances of bonds on the international market, including: Vingroup (USD 500 million) and the green bond of BIM Real Estate Joint Stock Company (USD 200 million).

VBMA RECENT ACTIVITIES

VBMA held a meeting to reach agreement on the comments for the Draft Regulation on operation of specialized information site and reporting regime for corporate bonds issued under private placement at HNX

VBMA held an online meeting with members to reach consensus on the comments for the draft regulation on operation of the specialized information site and reporting regime for corporate bonds issued under private placement on June 4th afternoon, 2021. VBMA has sent the official Letter of comments on this Draft to Hanoi Stock Exchange.

VBMA sent a Letter of comments for the intended Draft to amend Circular 48 on provision for securities price devaluation

VBMA had sent the Letter No. 0120/CV-HHTTTP dated January 7, 2020 asking the Ministry of Finance to provide specific instructions to members in determining bond prices when making provision for securities investment devaluation according to Circular 48/2019/TT-BTC. Based on the actual implementation as well as the development of the market, VBMA members held a meeting and reached agreements on opinions for the proposal to amend and supplement Circular 48/2019/TT-BTC. The comments after the meeting were drafted by VBMA into a Letter and sent to the Ministry of Finance.

Announcing the launch of VBMA's new website

On June 28, 2021, VBMA were pleased to announce the launch of VBMA new website at www.vbma.org.vn with the aim to create a user-friendly browsing experience for VBMA's member and the public.

The website is the official electronic portal, fully updated with news on VBMA's activities as well as providing information on the bond market and related markets to VBMA members and partners, authorities and the public.

VBMA wanted to make the new website faster, easier to navigate, and user-friendly. The new website is interactive and has an access section for VBMA members only. VBMA's website has 8 sections including: About VBMA, Events, Market Data, Document/Reports, Media, Regulatory Framework, and Investor Centre.

VBMA's new website will be one –stop information center that provides bond market information and data to its members and the public.

VBMA sent a Letter to report to the Ministry of Finance on the performance of VBMA's assigned tasks under Decision No. 1191/QD-TTg on approving the bond market development roadmap for the period 2017-2020, with a vision to 2030 as well as gave comments on the Draft report on assessment of implementation of Bond market development roadmap for the period 2017-2020 - Objectives and solutions for the development of the bond market in the period 2021-2025

According to Decision No. 1191/QD-TTg of the Prime Minister dated August 14, 2017 approving the roadmap for developing bond market for the period of 2017-2020, with a vision to 2030, VBMA focused on implementing the assigned tasks in the roadmap and sent reports to the Ministry of Finance on the performance of the tasks:

1. Organizing periodic dialogues between state management agencies and market members to exchange ideas and agree on solutions to develop the bond market.
2. Training and requiring market members to strictly comply with regulations when participating in the bond market.
3. Issuing handbooks on bond issuance in order to provide knowledge for issuers when raising capital in the bond market.
4. Supporting the Ministry of Finance to upgrade and complete the information site on the bond market in the direction of publicity and transparency of policies, plans, issuance schedule, issuance results, supporting investors to analyze and learn about investment opportunities in the bond market.
5. Completing and promulgating standards on bond market development such as standards of ethics, transactions, methods for corporate bond issuance, sample prospectus on the basis of conformity with the regulatory framework aiming to unify the methods of price calculation, quotation and the way to conduct transactions in the market.

VBMA also sought members' comments on the Draft Report on Evaluation and Implementation of the Bond Market Development Roadmap for the period 2017-2020 – Objectives and solutions for developing the bond market in the 2021-2025 period. After reviewing and synthesizing comments from members, VBMA sent a Letter of comments and suggestions on a number of important issues in the Draft to the Ministry of Finance.

In June 2021, VBMA sought comments from Members on the Draft Decree on amending and supplementing certain articles of Decree 156/2020/ND-CP regulating the sanctioning of administrative violations in the field of securities and securities market.

VBMA UPCOMING EVENTS

Market Maker Awards 2020 and Bond Market Policy Dialogue

VBMA plans to organize the Market Maker Awards 2020 and Policy Dialogue on the bond market in late August 2021 and early September 2021, when the epidemic situation is stabilized. The program includes two main topics:

- (1) VBMA Best Bond Award for Outright and Repo Market Makers.
- (2) Seminar on prospects for Vietnam's bond market 2021

Details of the event will be sent to VBMA members as soon as possible.

Seminar on LIBOR transition

VBMA has discussed and planned a seminar on LIBOR transition with a number of international organizations. The program includes the following main topics:

- (1) Supplements and protocols and application of fallbacks
- (2) How are the fallbacks calculated
- (3) Loans fallbacks and revised form of replacement of screen rates clause

The seminar is expected to be held in August 2021. Details of the program will be sent to members as soon as possible.

Implementing Market Maker Agreement for FX Swap

VBMA has worked with several members who participated in the spontaneous pilot MMA for FX swap to agree on the content of the agreement and selection criteria and is starting the process of selecting market makers that meet the criteria to enter into this agreement. The implementation of MMA for FX swap will provide the exact trading price of the market as a benchmark to determine the fixing swap curve and be used as a basis for price calculation for futures hedging products. The implementation of the agreement will also be a necessary development for pricing interest rate derivatives such as IRS, CCS, etc., so that the market for trading interest rate products will be more diversified and complete. Currently, VBMA has 15 banks registered to participate, it is expected that this MMA will be implemented in August 2021.

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