

# VBMA NEWSLETTER

June 2023



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VBMA RECENT ACTIVITIES

## MARKET NEWS

### Government bond auction results in June 2023

No.	Bond code	Issuer	Tenor (year)	Auction Date	Offering Value (VND bn)	Bidding Value (VND bn)	Winning Volume (VND bn)	Winning Yield (%/y)
1	TD2328099	State Treasury	5	7/06/2023	1,000	2,200	-	-
2	TD2338134	State Treasury	15	7/06/2023	1,000	3,050	1,000	3.05
3	TD2333119	State Treasury	10	7/06/2023	1,000	2,820	1,000	2.95
4	TD2343146	State Treasury	20	14/06/2023	500	290	190	3.19
5	TD2333119	State Treasury	10	14/06/2023	1,500	4,353	1,500	2.85
6	TD2338134	State Treasury	15	14/06/2023	2,250	2,990	2,250	3.05
7	TD2328099	State Treasury	5	14/06/2023	500	900	-	-
8	TD2353151	State Treasury	30	21/06/2023	500	1,132	250	3.25
9	TD2333119	State Treasury	10	21/06/2023	2,250	10,502	2,250	2.6
10	TD2338135	State Treasury	15	21/06/2023	2,250	13,090	2,250	2.85
11	TD2343146	State Treasury	20	28/06/2023	500	1,500	50	2.95
12	TD2333119	State Treasury	10	28/06/2023	3,000	5,909	3,000	2.45
13	TD2328099	State Treasury	5	28/06/2023	500	1,292	200	2
14	TD2338135	State Treasury	15	28/06/2023	3,000	9,360	3,000	2.7

Sources: HNX, collected by VBMA

**In June 2023, the State Treasury of Vietnam called for 14 auctions of government bonds with the total offering value of VND 19,750 billion, the winning rate was 85.8%.**

The STV called for auction of G-bonds at 5-year, 10-year, 15-year, 20-year and 30-year, the winning value was VND 200 billion, VND 7,750 billion, VND 8,500 billion, VND 240 billion and VND 250 billion, respectively. Compared to last winning yields, the average winning yields in June was 12 to 28 bps lower at tenor of 10 years and above while 5-year yield slumped the most with 49 bps.

The issued value by STV since the beginning of the year was equivalent to 45% of the 2023 plan (VND 400,000 billion). For the second quarter, the issued value reached 63% of the quarter's plan (VND 120,000 billion).

There was no issuance of Government-Guaranteed bond in the month of June.

**The value of Outright transactions was VND 113,132 billion (increased by 50.5% compared to the previous month) and Repo transactions was VND 41,743 billion (27.3% lower compared to May).**

In the secondary market, the average daily Outright transaction value rose by 50.5% to VND 4,919 billion per day, and the average daily Repo transaction value slid to VND 1,815 billion per day, 27.3% lower than the previous month. Compared to the same period in 2022, June 2023 outright volume was 8.8% higher and repo volume dropped by 39.2%. Most of the trading value was in 10-year bonds, followed by 15-year bonds.

Foreign investors net sold a total of VND 1,147 billion in June 2023, pushing the net selling in 2023 to VND 4,915 billion. This was the fifth net selling month in the first 6 months of 2023.

**In June 2023, Government bond yields (according to VBMA outright trading room) continued to slump across all tenors.**

During the first half of the year, government bond yields remained in a downward trend as SBV cut policy rates. Lower inflation and exchange rate pressure along with slowing growth enable Vietnam to be ahead of other countries in cutting rates to boost the economy.

The deep decline of Vietnam government bond yields has brought the Vietnam-US yield gap to an extremely low level, -1.98% for 5-year tenor and -1.17% for 10-year tenor. The monetary policy divergence between the SBV and the Federal Reserve may continue to weigh on the yield gap as the Fed is expected to raise interest rates 2 more times this year.

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

According to data consolidated by VBMA as of 30/6/2023, there were 13 issuances through private placement of corporate bond in June 2023 with the total issuing value of VND 8,170 billion. The average issuing coupon rate was 10.5%/year and average tenor was 4.2 years.

Since the beginning of the year, the total issuing value of corporate bond was VND 42,783 billion with 7 issuances through public offerings worth VND 5,521 billion (or 13% of the total issuing value) and 19 issuances through private placement worth VND 37,262 billion (or 87% of the total issuing value). The

Real Estate sector issued the most with VND 23,315 billion (accounting for 54.5%), Consumer goods ranked second with VND 10,545 billion (accounting for 24.6%).

In June, corporates redeemed VND 31,591 billion of corporate bonds, decreasing by 8% compared to the same period of 2022. In the last 6 months of 2023, there will be VND 158,500 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 30 June 2023.*

## VBMA ACTIVITIES IN JUNE, 2023

### Interbank Offsite 2023

From June 23 to 25, VBMA held the Interbank Offsite 2023 event in Da Nang city.

The event started in the afternoon of June 23 with the Workshop on "Corporate Bond Market, Liquidity Management in a Volatile Environment and Market Outlook" with more than 500 attendees, 6 presentations and 2 panel discussions on various topics of interest such as Vietnam and international macroeconomic prospects, green and sustainable bond trends, domestic corporate bond market, liquidity management, ....

Two sports tournaments, Interbank Golf Tournament and Interbank Football Tournament 2023, took place in the morning and afternoon of June 24, respectively. The tournament attracted dozens of athletes from domestic and foreign organizations.

In the evening of June 24, the Gala Dinner brought together nearly 800 attendees from 150 organizations, including distinguished guests, leaders of major financial institutions, analysts, traders, dealers, ....

At the Gala, VBMA awarded memorial medals to the event's sponsors. The champion trophy of the Interbank Football Tournament and 19 trophies of the Interbank Golf Tournament were also presented at this memorable Gala.

5 special Interbank's Got Talent performances from Vietcombank, BIDV, Agribank, HDBank and EVN Finance made the party atmosphere even more electrifying.

3 lucky guests in the lucky draw received hotel vouchers and a 256 GB iPhone 14 Pro Max.

The members attending the Interbank Gala Dinner also donated more than VND 110 million to the charity program "Digital Transformation for De Xu Phinh". The donated fund will be used to buy computers, tables and chairs to help teaching and learning information technology for students with extremely difficult circumstances in De Xu Phinh village, Mu Cang Chai district, Yen Bai province.

**Interbank Offsite 2023 Workshop: Corporate Bond Market, Liquidity Management in a Volatile Environment, and Market Outlook**

The Workshop on “Corporate Bond Market, Liquidity Management in a Volatile Environment, and Market Outlook” held on June 23 in Da Nang city is the first event of Interbank Offsite 2023.

The Workshop attracted over 500 participants from various financial institutions, service providers, governmental agencies, .... Experts from Credit Guarantee for Investment Agency (CGIF), KPMG, Vietnam Investors Service, FIS, UBS and Vietcombank delivered 6 presentations on several topics of great interest.

In her opening speech, Ms. Pham Phuong Lan, Vice Chairwoman of VBMA, said: “The State Bank of Vietnam has become the first central bank in the region to loosen monetary policy, this is the Government's effort to support support economic growth. We expect lower policy rates and continued recovery in tourist flows from China to support growth in the second half of 2023. The government has attempted to stabilize the corporate bond market by issuing new decrees to stabilize the market, but more comprehensive policies will be needed to support the market.”

During the first panel discussion, experts from many domestic and foreign financial institutions, along with representatives from regulatory agencies, discussed prospects of the corporate bond market in the second half of 2023 and 2024, China's experiences in dealing with corporate bond default, solutions to restore investor confidence and bring the market to a new stage of development, and the trend of green bonds and sustainable bonds in Vietnam as well as the region.

In the second panel discussion, the speakers focused on analyzing market liquidity, macroeconomic situations of the world and Vietnam, forecasting future trend of the bond, stock, interest rate and foreign exchange markets.

### **Charity project "Digital transformation of De Xu Phinh" implemented by VBMA incollaboration with CC Foundation**

In addition to professional exchanges, entertaining performances and sports competitions, members of the annual Interbank Offsite event also actively contributed to charity activities.

During the Interbank Gala Dinner held on June 24, 2023 in Da Nang, members donated a total of VND 110 million to the Charity project "Digital transformation of De Xu Phinh" which will be carried out by VBMA and CC Foundation. De Xu Phinh Ethnic Minority Semi-Boarding School is located in De Xu Phinh village, De Xu Phinh commune, Mu Cang Chai district, Yen Bai province.

Currently, the school has more than 600 students, of which 371 are at the primary level. Under the new textbook program, students in grades 3 & 4 must study information technology. However, the school currently does not have computers.

According to the estimate, the equipment of the Informatics room includes 35 sets of old second hand computers with configurations sufficient for practice and 35 sets of computer tables and chairs for 35 students, worth approximately VND 217.7 million, excluding shipping costs.

The generosity of Interbank Offsite members will help children living in the remote area of De Xu Phinh have better study conditions.

### **Interbank Football Tournament 2023**

On the afternoon of June 24, the Interbank Football Tournament - part of the Interbank Offsite 2023 event - was held at Tuyen Son Sports Village, Da Nang city.

Three teams, namely FX Interbank, Bond Interbank and South Interbank, competed in this year's tournament. Each team has 20 players, playing a total of 6 rounds in a round-robin format, each round lasted 20 minutes. In the end, the Bond Interbank team won the first prize with the Championship Trophy, and the South Interbank team won the second prize.

The award ceremony was held at the Interbank Gala Dinner on the evening of June 24 with the witness of nearly 800 market members and guests from governmental agencies, banks, securities companies, financial services providers, ....

### **Interbank Golf Tournament 2023**

In the morning of June 24, 2023, VBMA held the Interbank Golf Tournament as part of the 13th Interbank Offsite event in Da Nang city.

38 golfers were present at Montgomerie Links Golf Club from early morning to compete in three Divisions: A, B and C (Guests).

*The final results are below:*

#### Main Prizes:

Champion - Division A: Mr. Nguyễn Anh Tuấn - VietinBank

1st runner up - Division A: Mr. Trần Đình Vinh - KPMG

2nd runner up - Division A: Mr. Võ Hải Nam – BIDV

Champion - Division B: Ms. Nguyễn Thị Kim Oanh - Sacombank

1st runner up - Division B: Mr. Nguyễn Hải Quân - MSB

2nd runner up - Division B: Mr. Lê Văn Sáng - Nam Á Bank

Champion - Division C: Mr. Hoàng Đình Gia - CGIF

1st runner up - Division C: Mr. Phạm Hồng Sơn - State Securities Commission

2nd runner up - Division C: Mr. Ngô Long Giang - VPBank Securities

#### Novelty Prizes:

Longest Drive Hole #18: Ms. Nguyễn Thị Kim Oanh - Sacombank

Longest Drive Hole #16: Mr. Nigel Fuller - Refinitiv/LSEG

Longest Drive Hole #12: Ms. Nguyễn Thị Kim Oanh - Sacombank

Longest Drive Hole #01: Mr. Chu Nguyên Bình - Bắc Á Bank

Nearest to the Pin Hole #14: Mr. Hoàng Mạnh Hải - VietinBank

Nearest to the Pin Hole #11: Mr. Pankaj Aggarwal - Moody's Analytics

Nearest to the Pin Hole #02: Mr. Chu Nguyễn Bình - Bắc Á Bank

Nearest to the line Hole #07: Mr. Hoàng Mạnh Hải - VietinBank

Nearest to the line Hole #03: Mr. Nguyễn Tiến Dũng - State Securities Commission

### **5 Interbank's Got Talent performances at the Interbank Gala Dinner 2023**

One of the most anticipated section of the annual Interbank Gala Dinner is the Interbank's Got Talent competition, and this year's Gala Dinner was no exception.

At the Gala night of June 24, 2023, 5 teams from Agribank, BIDV, EVN Finance, HDBank and Vietcombank performed 5 elaborately prepared and choreographed performances.

Vietcombank with excellent production and presentation won the First prize of the 2023 Interbank's Got Talent. The performances of BIDV and Agribank won the second and third prizes, respectively.

### **3 lucky draw winners at the Interbank Gala Dinner 2023**

At the Gala Dinner, part of the Interbank Offsite 2023 event, three members won attractive prizes in the lucky draw. Specifically:

Mr. Nguyen Le Hoang Khai from Sacombank won a voucher for a two-night stay at Pullman Danang Resort.

Mr. Ian Foo from Fidelity National Information Services (FIS) won a dinner voucher for two at the Sheraton Hanoi hotel.

And lastly, Ms. Trinh Ngoc Lien from Vietcombank was lucky to win an iPhone 14 Pro Max 256GB.

### **VBMA invited members to join the Market Maker Agreement for FI Valuable Papers**

After months of conducting survey and working closely with major market makers in the valuable papers market (including certificates of deposit and bonds, except Tier 2 capital bond), on June 12, VBMA published the draft Market Maker Agreement (MMA) for Transaction of Valuable Papers Issued by Financial Institution and invited qualified members to apply to join this Agreement.

This MMA is expected to help develop a benchmark for the valuable market and boost liquidity.

Issuers of the valuable papers used in this MMA include: BIDV, ACB, VietinBank, Techcombank, Vietcombank, MB Bank, VPBank, Agribank, HDBank, VIB, OCB, LPBank, TPBank, ABBank và Sacombank.

### **VBMA sent comments about Decree No. 65/2023/ND-CP's regulations on the registering and depositing of privately-placed corporate bonds**

During the implementation of Decree No. 65/2022/ND-CP amending and supplementing a number of articles of Decree No. 153/2020/ND-CP stipulating the offering and trading of privately-placed corporate bonds in the domestic market and offering corporate bonds in international markets, VBMA

members encountered several difficulties relating to regulations on depositing and transaction registration of privately-placed corporate bonds.

On June 15, VBMA compiled and sent the members' comments to the Ministry of Finance, State Securities Commission, Hanoi Stock Exchange and the Vietnam Securities Depository and Clearing Corporation.

#### **VBMA had a meeting with International Monetary Fund (IMF)**

On June 19th, 2023, VBMA Representatives had a meeting with Representatives of International Monetary Fund (IMF) at VBMA's office. The discussion focused on Vietnam bond markets as well as co-operation opportunities between VBMA and IMF in the coming time.

#### **VBMA Representative attended the roundtable conference “Inside ASEAN” held by Moody’s**

VBMA Representative attended the roundtable event hosted by Mr. Michael West, Moody’s President and Ms. Wendy Cheong, Managing Director of Asia Pacific. The event took place in Hanoi on June 29, 2023 with the participants of many business leaders and top investors. Main discussions were about complicated issues that banking, real estate and renewable energy sectors were facing at the present.



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