

VBMA NEWSLETTER

June 2024



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MARKET NEWS

Government bond auction results in June 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	TD2429009	State Treasury	5	05/06/2024	2,000	100	0	-
2	TD2434021	State Treasury	10	05/06/2024	3,000	3,391	2,090	2.71
3	TD2439031	State Treasury	15	05/06/2024	2,000	1,000	0	-
4	TD2444038	State Treasury	20	05/06/2024	1,000	100	0	-
5	TD2454043	State Treasury	30	05/06/2024	1,000	310	30	3.1
6	TD2429008	State Treasury	5	12/06/2024	1,000	2,500	1,000	1.83
7	TD2434021	State Treasury	10	12/06/2024	4,500	8,551	4,500	2.74
8	TD2439031	State Treasury	15	12/06/2024	2,000	1,400	0	-
9	TD2444038	State Treasury	20	12/06/2024	500	100	0	-
10	TD2454046	State Treasury	30	12/06/2024	500	320	70	3.1
11	TD2429010	State Treasury	5	19/06/2024	1,000	2,500	500	1.85
12	TD2434022	State Treasury	10	19/06/2024	7,500	22,041	7,500	2.76
13	TD2439031	State Treasury	15	19/06/2024	1,500	4,050	200	2.88
14	TD2454046	State Treasury	30	19/06/2024	500	181	31	3.1
15	TD2429010	State Treasury	5	26/06/2024	1,000	1,000	0	-
16	TD2434022	State Treasury	10	26/06/2024	12,000	28,442	12,000	2.74
17	TD2454046	State Treasury	30	26/06/2024	500	150	50	3.1
18	TD2439031	State Treasury	15	26/06/2024	1,500	5,600	1,500	2.86

Sources: HNX, collected by VBMA

In June 2024, the State Treasury of Vietnam (STV) called for 18 auctions of government bonds with the total offering value of VND 43,000 billion, the winning ratio was 68.5%.

The STV called for auction of G-bonds at 5-year, 10-year, 15-year, 20-year and 30-year, in which the 10-year tenor accounted for most of the winning value with VND 26,090 billion. The 5-year, 15-year and 30-year tenors were issued VND 1,500 billion (winning rate of 30%), VND 1,700 billion (winning rate 24.3%), and VND 181 billion (winning rate of 7.2%). Meanwhile, there was no winning bid for 20-year bonds. The average winning yield continued to increase compared to last month.

The total issued value of government bonds by STV through auctions in the first half of 2024 was VND 156,502 billion, equivalent to more than 39.1% of 2024's plan (VND 400,000 billion), of which the issued value of G-bonds in Q2 was VND 76,273 billion, reaching 63.6% of Q2's plan (VND 120,000 billion). The average G-bonds issuance tenor in June 2024 was 10.16 years, the average issuance interest rate was 2.71%/year.

In June, the two policy banks did not issue G-guaranteed bonds.

The value of Outright transactions was VND 191,551 billion (increased 34.7% compared to the previous month) and Repo transactions was VND 94,748 billion (rose 10.4%).

The average daily Outright transaction value was VND 9,578 billion, and the average daily Repo transaction value was VND 4,737 billion. Compared to 2023's same period, June 2024's average outright transaction value rose about 86% and the average repo transaction value climbed by almost 150%.

In June, the net bought value of foreign investors was VND 454 billion, bringing the net bought value since the beginning of the year to VND 778 billion.

Vietnamese government bond yields (according to VBMA's outright trading room) slightly increased at 5–15-year bonds and went mostly sideways across the other tenors compared to last month.

Yields for tenors from 5 to 15 years slightly increased from 23-70 bps, yields for the other tenors went mostly sideways compared to the end of last month.

In June, the SBV issued 14-day and 28-day SBV-bills worth VND 121,790 billion to limit the decline of the VND.

Corporate bonds issued in 2024:

According to data consolidated by VBMA as of June 30th 2024, there were 30 issuances of corporate bond through private placement with the issuing value of VND 40,147 billion and 3 issuances under public offering worth VND 2,000 in June 2024. In the first 6 months of 2024, there were 102 private placements worth VND 104,109 billion and 10 public offerings worth VND 11,378 billion. Among the private placements, 4.2% of the issuance value was credit-rated.

In June 2024, enterprises redeemed VND 13,336 billion of corporate bonds, 68% lower compared to the same period of 2023. In the last 6 months of 2024, there will be VND 139,765 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 2024.

VBMA ACTIVITIES IN JUNE 2024

VBMA successfully organized the 5th General Assembly for the period 2024 – 2027

On June 25, 2024, in Hanoi, the 5th General Assembly (2024-2027) of the Vietnam Bond Market Association convened for members to review the activities and achievements of the 4th term and to discuss the direction and plans for the 5th term. The General Assembly also elected the new Executive Committee and Inspection Committee for the 5th term.

The General Assembly was attended by a large number of VBMA members along with guest representatives from the Ministry of Finance, the State Bank of Vietnam, the State Securities Commission of Vietnam, the State Treasury, the Vietnam Stock Exchange, the Hanoi Stock Exchange, the Vietnam Securities Depository and Clearing Corporation, and other domestic and international guests.

The General Assembly discussed and unanimously approved the report on activities in the 4th term and the orientation for the 5th term. The General Assembly elected the Executive Committee for the 5th term with 28 members. The 5th term Executive Committee convened and elected the Standing Committee with 13 members, including Chairman - Mr. Le Duy Hai, Deputy General Director of VietinBank, 4 Vice Chairs namely Mr. Vu Quang Dong, Acting Head of Treasury and Markets of Vietcombank; Mr. Vuong Thanh Long, Head of Treasury of BIDV; Ms. Vo Dieu Thuy, Head of Treasury of Agribank, and Mr. Pham Phu Khoi, Individual member. The General Secretary is Mr. Do Ngoc Quynh, Individual member.

The General Assembly also elected the Inspection Committee for the 5th term with three members: Head of the Committee - Ms. Nguyen Minh Chau, Deputy CEO of Military Bank; and two members, Ms. Nguyễn Thị Kim Thúy - Portfolio Manager at Bao Viet Fund Management Company and Ms. Ho Nguyen Thuy Vy, Deputy CEO of Nam A Bank.

VBMA held a ceremony to recognize contributions from organizations and individuals during the 4th term and VBMA Awards for outstanding Market makers in 2023

On the evening of June 25, 2024, VBMA organized a ceremony to recognize the contributions of active members during the 4th term and an awards ceremony for VBMA Market Makers in 2023. The ceremony was attended by distinguished guests from state regulatory agencies, partner organizations, and many VBMA member representatives.

During this event, VBMA representatives presented commemorative medals to various organizations and individuals who made outstanding contributions to the activities and development of VBMA during the 4th term. These included representatives from state regulatory agencies, the 4th-term VBMA Executive Committee, members who provided significant sponsorship for the Interbank Offsite event, members who actively contributed to the development of legal documents, and individuals and organizations that supported training and other activities.

Additionally, VBMA leadership awarded trophies to market makers in Outright, Repo, and FX Swap who achieved outstanding results in 2023. VBMA also presented commemorative medals to all 21 market makers across the four trading rooms implemented by VBMA, namely Outright, Repo, FX Swap, and FI Bond & CD. For 2023, the Government Bond Outright Market

Maker Agreement awards included three categories: Highest Trading Volume, Best Quote, and Most Number of Firm Quotes. The Repo and FX Swap agreements included two categories: Highest Trading Volume and Best Quote. The FI Bond & CD agreement will begin awarding from 2024.

Details of the 2023 awards are as follows:

I. Award for Highest Trading Volume Outright Transaction Market Maker in 2023

1. First prize: Techcombank
2. Second prize: HDBank
3. Third prize: OCB

II. Award for Best Quotes Outright Transaction Market Maker in 2023

1. First prize: Techcombank
2. Second prize: HDBank
3. Third prize: Sacombank

III. Award for Market Maker Quoting the Most Outright Transaction Tenors in 2023

1. First prize: MSB
2. Second prize: OCB
3. Third prize: Techcombank

IV. Award for Highest Trading Volume Repo Transaction Market Maker in 2023

1. First prize: Techcombank
2. Second prize: MSB
3. Third prize: Vietcombank

V. Award for Best Quotes Repo Transaction Market Maker in 2023

1. First prize: MSB
2. Second prize: Techcombank
3. Third prize: ACB

VI. Award for Highest Trading volume FX Swap Transaction Market Maker in 2023

1. First prize: LienVietPostBank
2. Second prize: Techcombank
3. Third prize: ANZ (Vietnam)

VII. Award for Best Quotes FX Swap Transaction Market Maker in 2023

1. First prize: LienVietPostBank
2. Second prize: MSB
3. Third prize: VietinBank

VBMA updated the market makers agreements for Repo transactions and FI Bond & CD transactions

To meet the trading demands and provide benchmark references for the market, VBMA, along with members of the Market Makers Agreement for Government Bond Repo transactions and the Market Makers Agreements for Transactions of Valuable Papers issued by Credit Institutions (FI Bond & CD), have discussed and agreed to adjust some important provisions such as: the time for firm quotes, the number of standard tenors and the fluctuation range of standard tenors.

After being signed by the relevant parties' representatives, the new Market Makers Agreement for Repo transactions has been implemented since June 4th, 2024, while the new Market Makers Agreement for FI Bond & CD transactions came into effect on June 3rd, 2024. In addition to the two aforementioned agreements, VBMA is currently implementing the Market Makers Agreement for Government bond transactions (Outright) and Market Makers Agreement for USD/VND interest rate swap transactions (FX Swap). Through these four agreements, VBMA is providing its members with daily benchmark reference, contributing to the transparency and development of the Vietnamese financial market.

VBMA had a discussion with representatives of the State Bank of Vietnam and the International Monetary Fund

On June 17th, 2024, VBMA had a discussion with representatives of the State Bank of Vietnam and the International Monetary Fund regarding issues related to the Vietnam's bond market.

VBMA solicited comments from members and sent the Letter of Comments on the regulations for managing corporate bond's collateral

In June, VBMA solicited comments from members and sent the Letter of Comments to the State Bank of Vietnam on the Article 114, clause 2(d) of the Law on Credit Institutions 2024 related to whether commercial banks are permitted to conduct collateral management activities for bonds when the new Law on Credit Institutions comes into effect. The Letter of Comments presented the issues, outlined the difficulties of members, and proposed recommendations to the State Bank of Vietnam (SBV).

VBMA had a meeting with Fidelity National Information Services (FIS)'s representatives

On June 20th, 2024, VBMA continued to have a meeting with Fidelity National Information Services (FIS)'s representatives regarding the cooperation opportunities in the future.

Welcome DBS Bank – Ho Chi Minh City branch becoming a member of Vietnam Bond Market Association

Vietnam Bond Market Association (VBMA) received DBS Bank – Ho Chi Minh City branch's application to join VBMA on May 31st, 2024. VBMA Executive Committee has reviewed and approved the application on June 13th.

VBMA is pleased to welcome DBS Bank to become a member of the Association. VBMA hopes that with the active participation of DBS Bank, VBMA together with our members will build a professional, efficient and dynamic bond market for Vietnam.

VBMA had a meeting with World Bank

On June 27th, 2024, VBMA had a meeting with World Bank's representatives regarding the potential for cooperation in the coming time.

UPCOMING EVENTS OF VBMA

Interbank Offsite 2024 and the 15th Anniversary of VBMA's Establishment

Interbank Offsite 2024 is expected to be held on August 9th-11th, 2024.

The 15th Anniversary of VBMA's Establishment is expected to be held at the end of the year.

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

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