

BOND MARKET REPORT

July – 2020



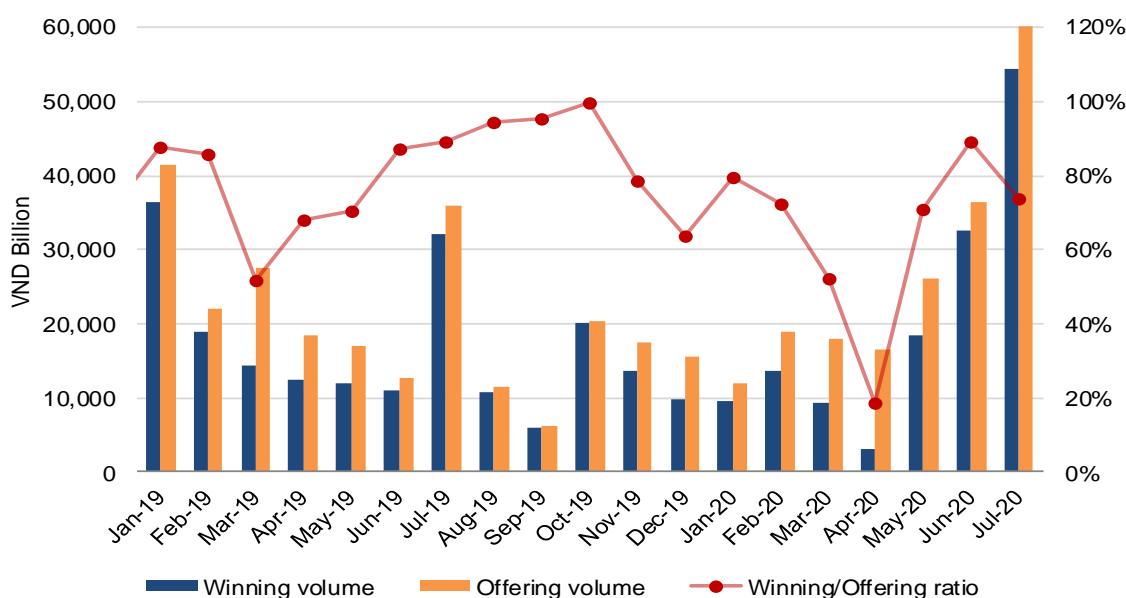
- In July 2020, the State Treasury of Vietnam held 21 Government bond auctions with total offered value of VND 73,500 billion; the issued value stood at VND 54,373 billion, the winning ratio dropped to 74.0%.
- Corporate Bond Issuance totaled VND 16,741 billion, decreased by 60.6% compared to previous month and considered as the lowest figure in the past 5 months
- The total value of Outright and Repo transactions of Government bonds, Government-guaranteed bonds and municipal bonds rose by 31% compared to last month, to VND 235,980 billion.
- At the end of July 2020, the total outstanding value of Government bond, Government-guaranteed bond and municipal bond was VND 1,213,029 billion.
- According to data from VBMA's Market Makers, VBMA Government bond yields of all tenors went down in July compared to the previous month, in which the yields of 1- and 2-year bonds were the lowest since the beginning of the year.

Primary Market

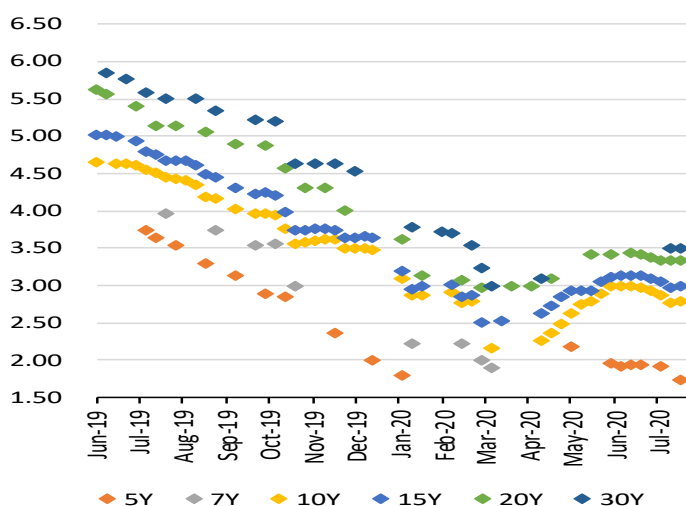
State Treasury issued VND 54,373 billion of bonds, 1.7 times higher than the previous month's figure.

In July 2020, the State Treasury of Vietnam held 21 Government bond auctions with total offered value of VND 73,500 billion, as twice as June's figure which was considered as the highest figure since the beginning of the year. The total winning value was 1.7 times higher than the previous month, reaching VND 54,373 billion, of which 10 and 15- year bonds still accounted for 83% of the total value. The average winning rate in July reached 74.0%, decreased more than 15% compared to June but still 10.2% higher than the average of the first 6 months. The registration ratio (bidding over offering volume) reached 231.4%. The 30-year bond was issued by the State Treasury with the winning volume of VND 1,000 billion dong after not being issued in the previous month, while there was still no bond issued for the 7-year tenor due to unsuccessful offering. The average monthly winning interest rates decreased compared to June for all tenors, in a range of 14 bps to 75 bps (not including 30 year tenors).

Offering and winning volume of Government bonds



Government bonds auction winning yields



Source: HNX, VBMA Consolidated

Bond auctions result by tenors

Tenor (Y)	No of sessions	Offering value (VND billion)	Bidding volume (VND billion)	Winning volume (VND billion)	Winning volume/Offering volume	Bidding volume/Offering volume
5	3	5,000	11,645	3,000	60.0%	233%
7	1	500	2,151	0	0.0%	430%
10	5	38,500	90,334	28,516	74.1%	235%
15	5	21,750	50,376	16,357	75.2%	232%
20	5	6,500	12,125	5,500	84.6%	187%
30	2	1,250	3,450	1,000	80.0%	276%
TOTAL	21	73,500	170,081	54,373	74.0%	231%

Government bonds auction results

No.	Bond code	Issuer	Tenor (year)	Auction Date	Offering Value (VND billion)	Bidding Value (VND billion)	Winning Volume (VND billion)	Winning Yield (%/y)
1	TD2027009	State Treasury	7	01-07-20	500	2,151	-	
2	TD2030014	State Treasury	10	01-07-20	9,000	30,950	9,000	2.95
3	TD2035023	State Treasury	15	01-07-20	3,750	16,112	3,750	3.11
4	TD2040031	State Treasury	20	01-07-20	1,500	3,574	1,500	3.39
5	TD2025005	State Treasury	5	08-07-20	1,500	4,760	1,500	1.92
6	TD2030015	State Treasury	10	08-07-20	10,500	21,970	10,500	2.87
7	TD2035024	State Treasury	15	08-07-20	6,000	13,100	6,000	3.06
8	TD2040031	State Treasury	20	08-07-20	1,500	3,329	1,500	3.35
9	TD2030016	State Treasury	10	15-07-20	9,000	17,700	9,000	2.78
10	TD2035024	State Treasury	15	15-07-20	6,000	10,807	4,450	2.99
11	TD2040031	State Treasury	20	15-07-20	1,500	2,304	1,500	3.34
12	TD2050035	State Treasury	30	15-07-20	750	2,550	650	3.5
13	TD2035024	State Treasury	15	22-07-20	4,000	6,507	2,157	3.01
14	TD2040031	State Treasury	20	22-07-20	1,000	1,900	1,000	3.34
15	TD2050035	State Treasury	30	22-07-20	500	900	350	3.5
16	TD2025005	State Treasury	5	22-07-20	1,500	4,984	1,400	1.75
17	TD2030016	State Treasury	10	22-07-20	7,000	12,948	4,298	2.8
18	TD2025005	State Treasury	5	29-07-20	2,000	1,901	100	1.74
19	TD2030013	State Treasury	10	29-07-20	4,000	6,766	16	2.8
20	TD2035023	State Treasury	15	29-07-20	2,000	3,850	-	
21	TD2040031	State Treasury	20	29-07-20	1,000	1,018	-	

Source: HNX, VBMA Consolidated

Government Bond Payment Schedule in 08/2020

No	Bond code	Maturity (year)	Issuing Date	Actual Payment Date	Registered Value (VND billion)	Coupon rate (%)	Coupon Payment (VND billion)	Principal Payment (VND billion)
1	TD1621486	5	04-08-20	04-08-20	6,500.0	6.1	396.5	-
2	TD1631464	15	04-08-20	04-08-20	5,427.2	7.6	412.5	-
3	TL1535300	20	07-08-20	07-08-20	1,560.0	7.8	120.9	-
4	TD1833126	15	09-08-20	10-08-20	7,400.0	4.8	355.2	-
5	TD1621487	5	18-08-20	18-08-20	6,500.0	5.9	383.5	-
6	TD1828117	10	23-08-20	24-08-20	8,000.0	4.6	368.0	-
7	TD1623482	7	25-08-20	25-08-20	7,800.0	6.3	491.4	-
8	TD1424093	10	31-08-20	31-08-20	6,000.0	7.8	468.0	-

Source: HNX, VBMA Consolidated

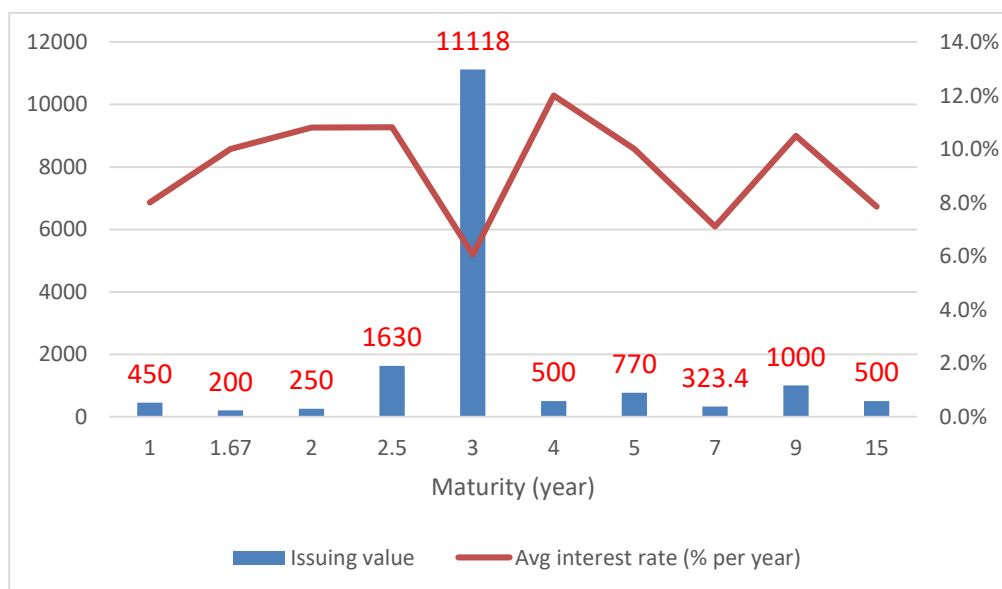
Corporate Bond Issuance totaled VND 16,741 billion, decreased by 60.6% compared to previous month and considered as the lowest figure in the past 5 months

In July 2020, Corporate Bond Issuance totaled VND 16,741 billion, decreased by 60.6% compared to June. There were 45 issuance sessions from 25 enterprises. All corporate bonds were issued by private placement method. In the first 7 months of 2020, the total value of bond issuance reached by VND 173,069 billion, in which the value of bonds issued by private placement is VND 161,069 billion.

The bond market structure issued by business sectors, in July 2020, the total issuance value of the Banking - Finance industry dropped sharply, from VND 20,644 billion to VND 9,171 billion, only reached at 54.61% of June's figure. Issuance value of this industry accounted for 42.2% of the total issuance value in July in which VND 8,571 billion was issued by banks, the remaining VND 600 billion of bond was from 2 financial consulting companies. Real Estate industry with a total issuance value of VND 3,570 billion, went down by 67.26% compared to June, and accounted for 17.8% of the total issuance volume.

In the first 6 months of 2020, the corporate bond market had 818 issuance sections from 130 enterprises, Total bond issuance is at VND 168,328 billion in which VND 156,328 billion was issued by private placement, which soared up by 88.1% compared with VND 89,480 billion last year. The Finance-Banking industry accounted for the largest proportion in the issuance volume, reaching VND 49,994 billion. Three-year bonds were the most issued bonds with a volume of VND 66,241 billion, accounting for 42.37% of the total issuance volume.

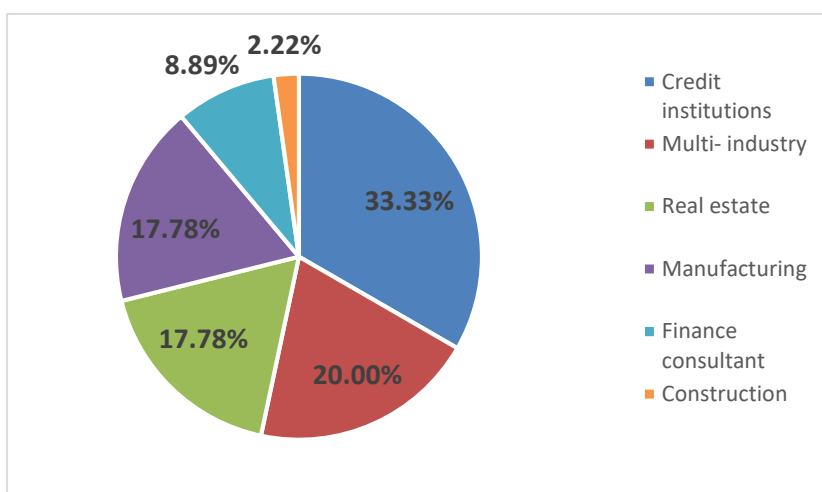
Corporate bond issuance volume in the first 7 months, 2020



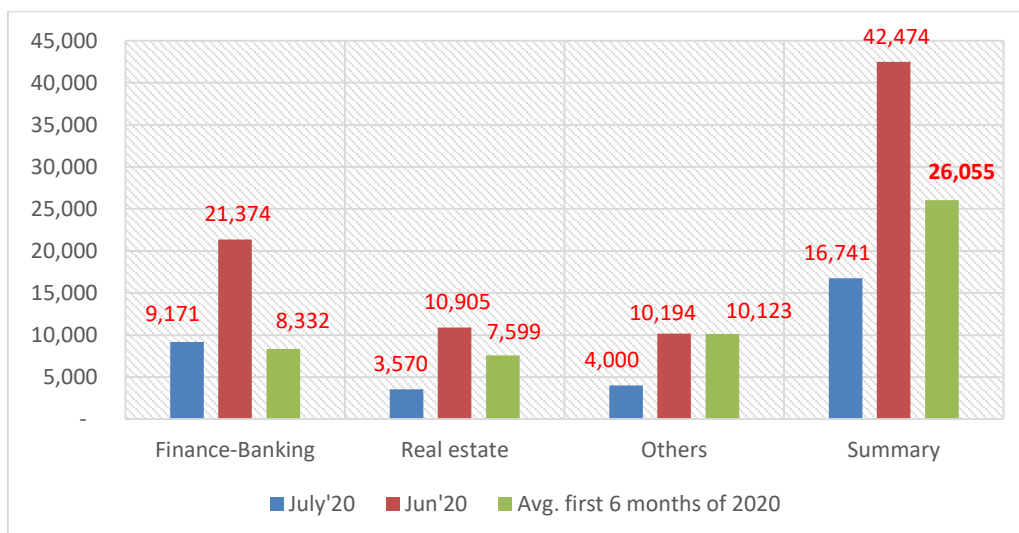
Top 5 issuers with largest issuance volume in July, 2020

No	Issuers	Value (VND billion)	Avg. Tenors (year)	Avg. Interest rate (% per year)	Issuing Agent
1	NHTMCP Bưu Điện Liên Việt	3000	3	5.8%	CTCP Chứng khoán SSI
2	NHTMCP Phát Triển TP Hồ Chí Minh	2398	3	6.1%	CTCP Chứng khoán SSI
3	CT TNHH Điện Mặt Trời Trung Nam Thuận Nam	1000	9	10.5%	CTCP Chứng khoán MB
4	CT TNHH Sài Gòn Glory	1000	2.5	11.0%	CTCP Chứng khoán Tân Việt
5	NHTMCP Việt Nam Thịnh Vượng	1000	3	No information	No information

Corporate bond issuance proportion by sectors in July, 2020



Corporate bond issuance volume by sectors in the first 7 months of 2020



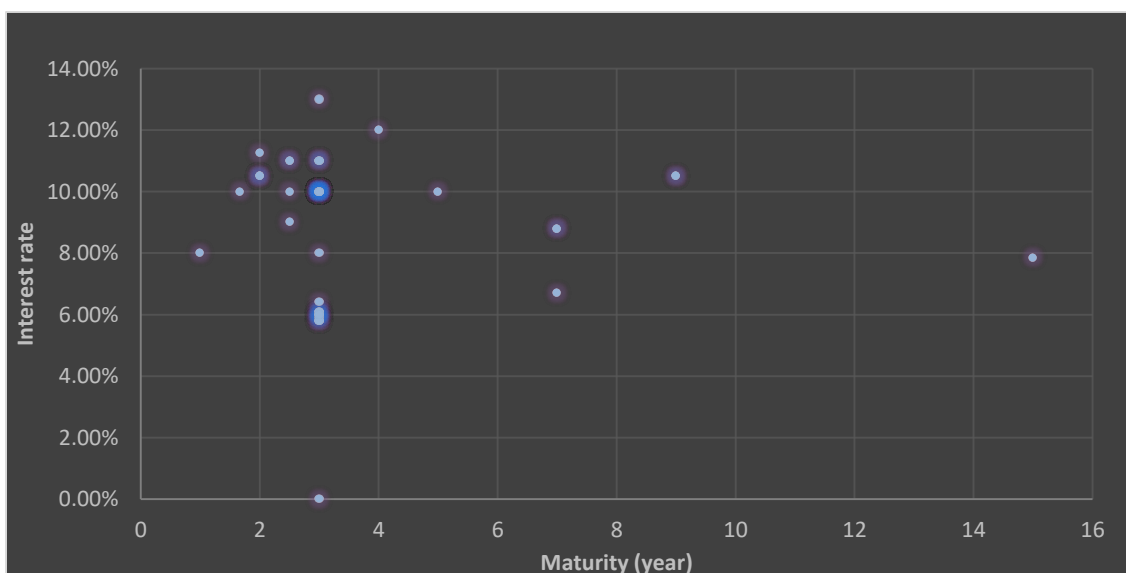
Source: HNX, VBMA Consolidated

Corporate bond tenors and interest coupon in July, 2020

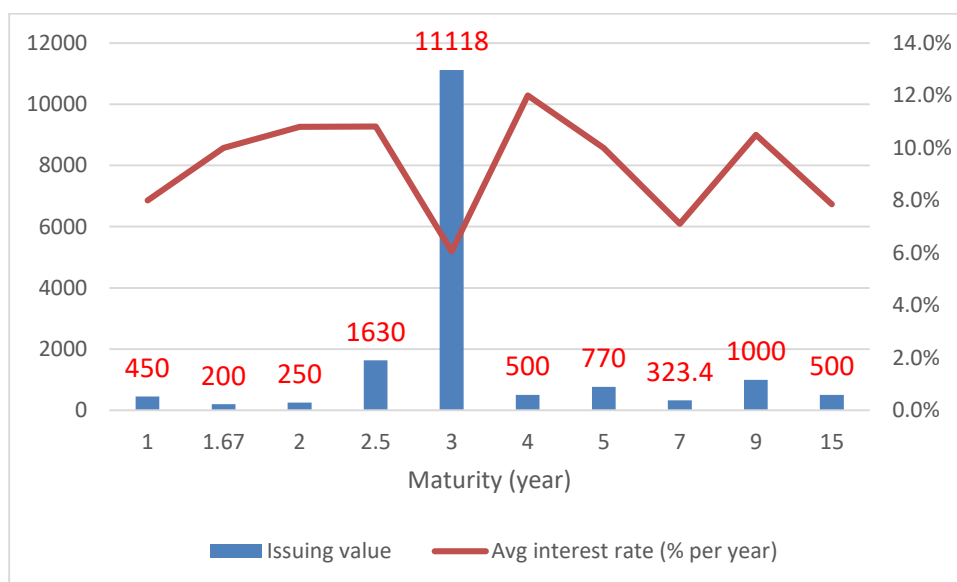
In July, corporate bonds were issued with shorter tenors compared to previous month. Average bond tenor declined from 3.95 years to 3.57 years between June and July. Three-year bonds continued to be the most issued corporate bonds in the month in which total issuance volume reached VND 11,118 billion. There were 59% of corporate bonds issued plain vanilla with average interest coupon ranging from 5.8% - 13%/year, mainly issued by commercial banks with 2-3 year tenors. The remaining 41% of bonds were issued at floating rate basic, with interest typically based on the 1-year deposit rate quoted by one or more large domestic commercial banks plus a margin of 2%-4.6%/year. Bond with the highest interest coupon were issued by IDJ Vietnam Investment Joint Stock Company (13%/year, Value: VND 10 billion), Sunrise Construction and Investment JSC (12%/year, Value: VND 500 billion).

Regarding to issuance sectors, Corporate bonds in **Construction** industry were issued with the highest average interest coupon in the whole market, at 11%/year. In contrast, average interest coupon of corporate bonds in **Finance - Banking** industry was the lowest, at the rate of 6.32%/year, which was 3.21% lower than the average bond interest coupon in **Manufacturing** industry.

Corporate bonds tenors and interest coupon trend in July, 2020



Corporate bond value by average tenors and interest coupon in July, 2020



Source: HNX, VBMA Consolidated

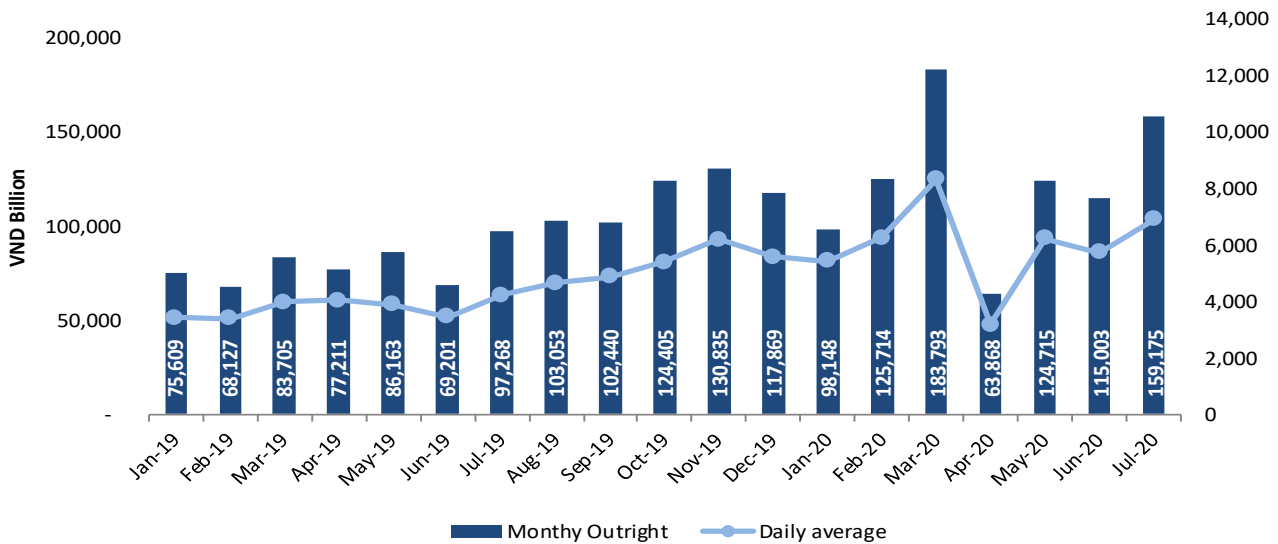
Secondary Market

In July 2020, the total value of Outright and Repo transactions of Government bonds, Government-guaranteed bonds and municipal bonds increased by 31% compared to last month, to VND 235,980 billion.

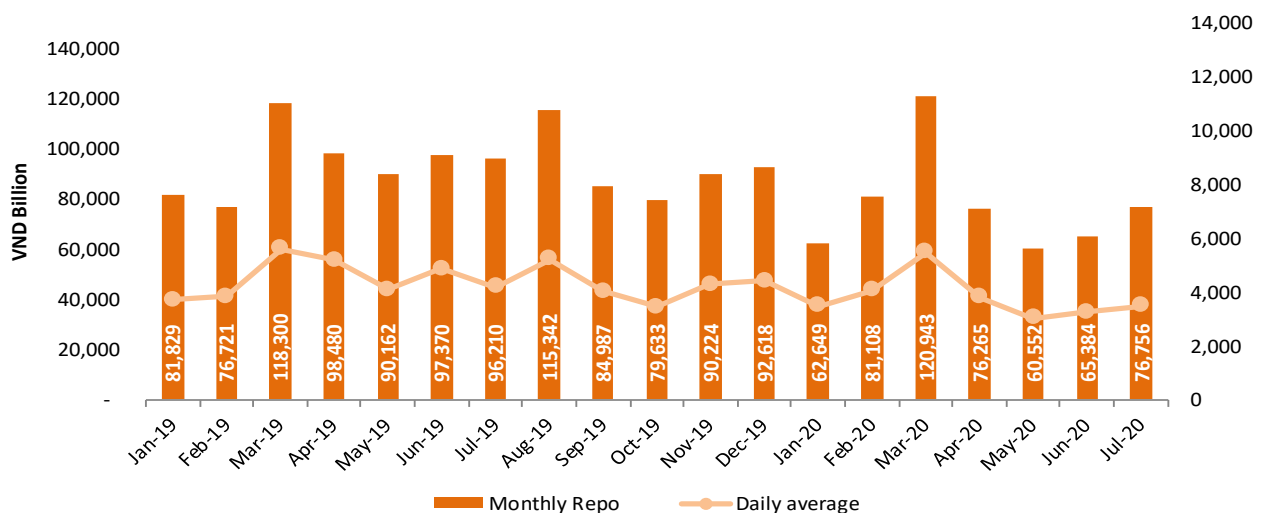
At the end of the month, the value of ordinary transactions (Outright) reached by VND 159,225 billion, going up 38.5% compared to June. Average outright trading value per session was VND 6,923 billion. Meanwhile, the volume of repurchase transactions (Repo) continued to increase, reaching by VND 76,756 billion and soared up by 17.4% in comparison to the previous month. The average repo trading value per session reached VND 3,489 billion. 10-year bonds continued to be traded the most in the month with Outright trading volume of VND 55,392 billion, accounting for 34.8% of total Outright trading value of the market.

During the month, foreign investors stopped net buying bonds that the net purchasing value stood at VND 43 billion, accounted for 1.88% compared to June.

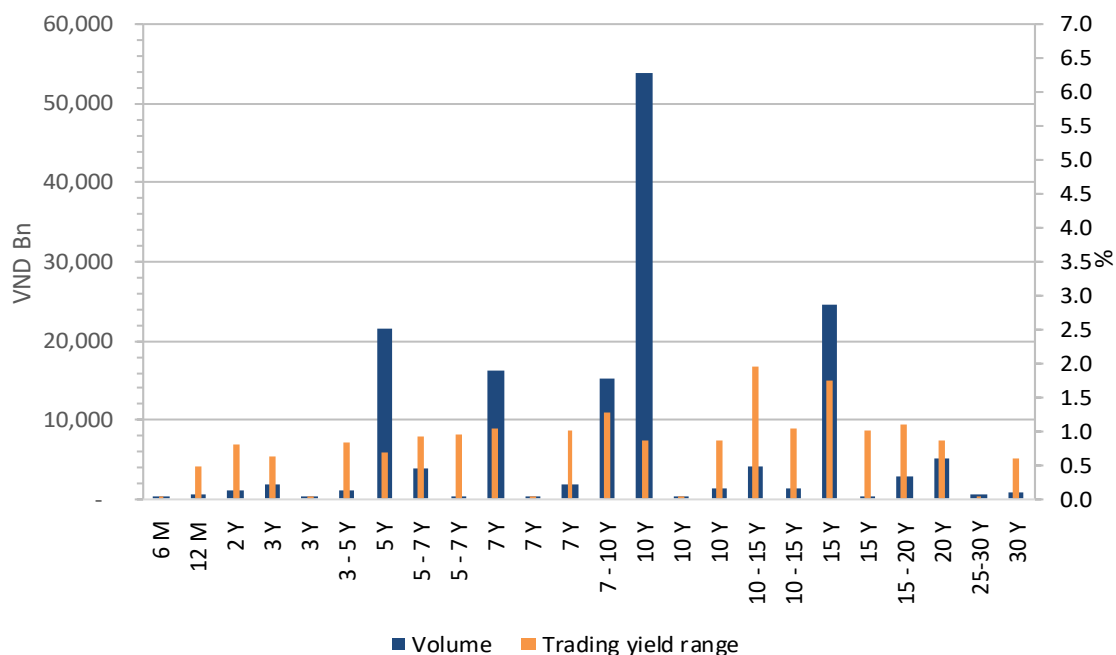
Outright trading volume



Repo trading volume



Outright trading volume and yield range by remaining tenors



Bonds with largest Outright trading volume in 07/2020

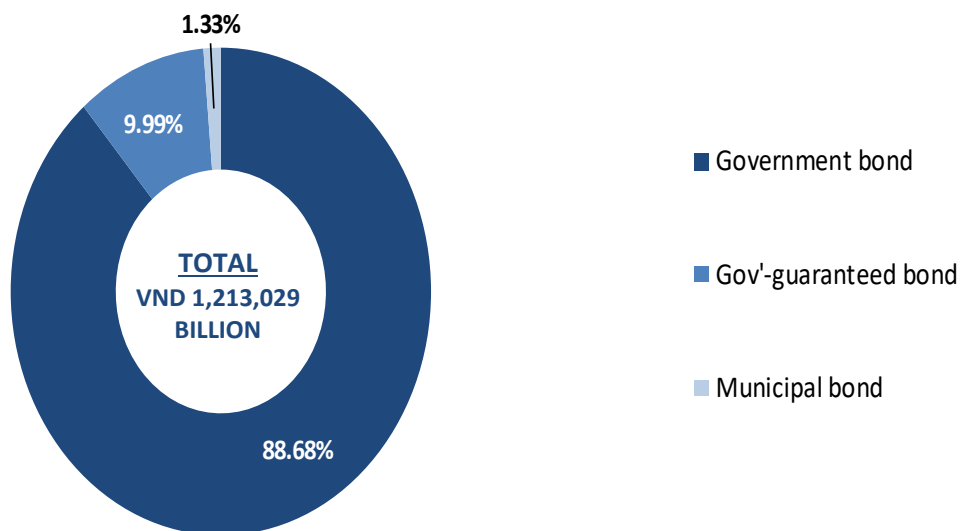
No.	Bond code	Issuer	Volume	Initial tenor (years)	Remaining tenor (years)	Trading yield
1	State Treasury	TD2025005	19,216	5	4.83	1.7399 - 2.2
2	State Treasury	TD2030014	14,292	10	9.91	2.79 - 3.6025
3	State Treasury	TD2030013	9,710	10	9.87	2.79 - 3.55
4	State Treasury	TD2030015	7,995	10	9.93	2.79 - 3.2501
5	State Treasury	TD1929178	7,273	10	8.49	2.77 - 3.55
6	State Treasury	TD2035024	6,895	15	14.93	2.99 - 3.401
7	State Treasury	TD2035023	6,799	15	14.87	2.99 - 3.7
8	State Treasury	TD2030016	5,459	10	9.95	2.78 - 3.4
9	State Treasury	TD2040031	4,765	20	19.43	3.25 - 4.105
10	State Treasury	TD1727396	4,342	10	6.53	2.2499 - 2.985

Source: HNX, VBMA Consolidated

Listed bonds value rose by 4.5%

As of the end of 07/2020, the total outstanding value of Government bond, Government-guaranteed bond and municipal bond was VND 1,213,029 billion, increased 4.5% compared to last month. In particular, the outstanding value of Government bond was VND 1,075,750 billion, while the figures for Government-guaranteed bond and municipal bond were VND 121,186 billion and VND 16,593 billion, respectively.

Outstanding bond value share by the end of 07/2020

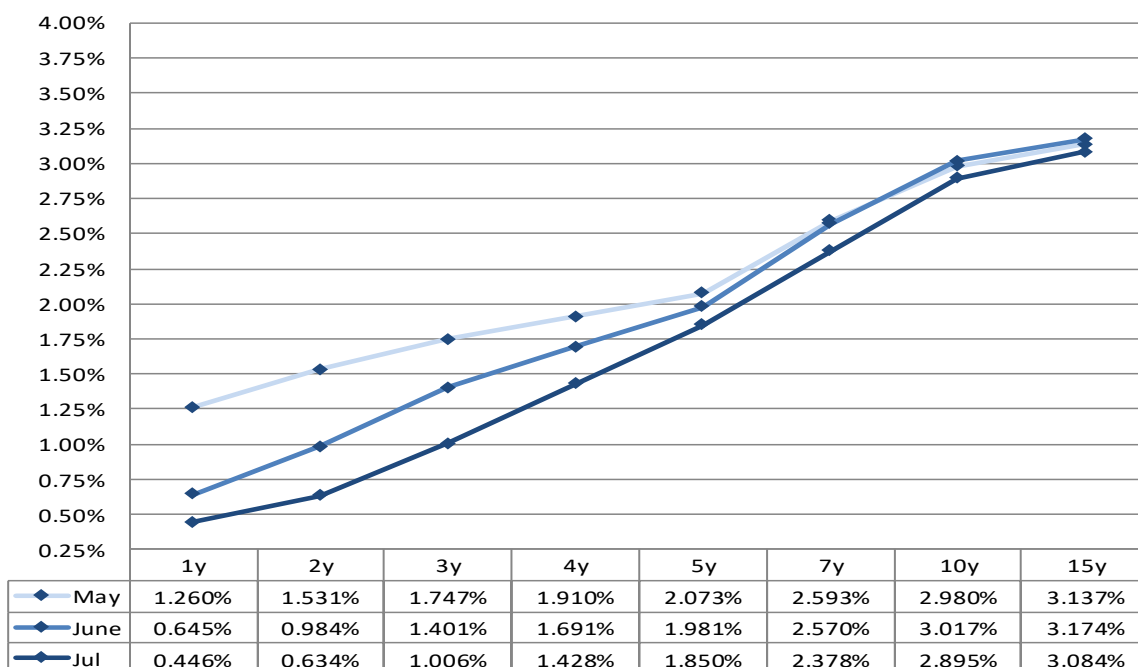


Source: HNX, VBMA Consolidated

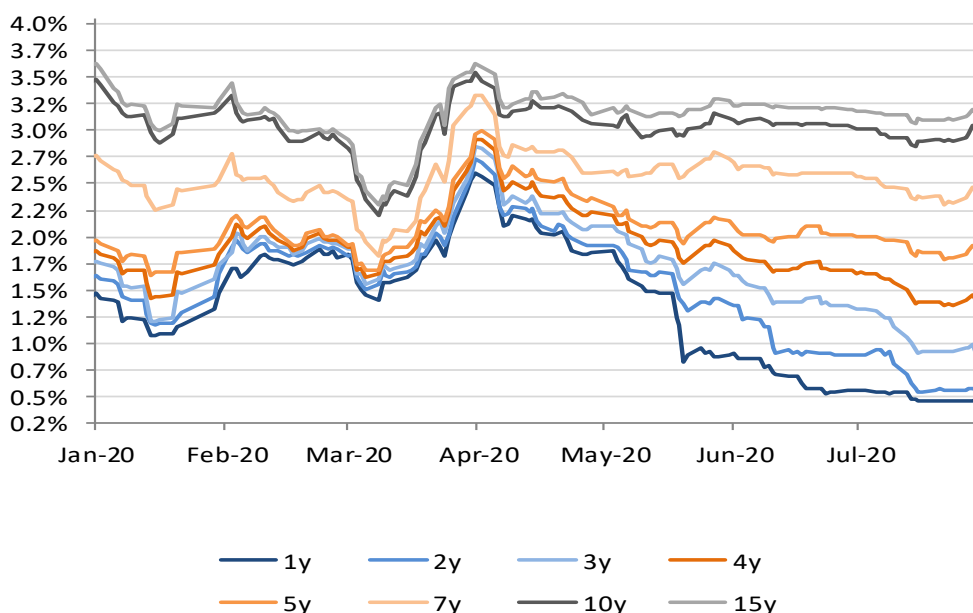
VBMA Government Bond Yield Fixing

According to data from VBMA's Market Makers, VBMA Government bond yields all terms went down in July compared to the previous month. Yield of 3-year bonds dropped the most, decreased by 39.5 bps per year compared to June. Average yield at the remaining tenors went down in a range of 10 bps to 35 bps per year compared to last month, especially at tenors 1-year and 2-year which reached the lowest level from the beginning of 2020

Average VBMA's Government Bond Yield Fixing in 3 months



VBMA Government Bond Yield Fixing



Source: VBMA

APPENDIX
Corporate bond issuance news in 07/2020

No	Issuer	Status	Issuance type	Issuing Date	Tenor (Y)	Value (VND billion)	Coupon Rate (%/y)		
							Fixed	Floated	
								First Year	Reference Rate Spread
1	NHTMCP PHÁT TRIỂN TP HỒ CHÍ MINH	Done	Private	01/07/2020	3	1,850.0	6.10%		
2	CTCP TẬP ĐOÀN SOVICO	Done	Private	01/07/2020	3	100.0	10.00%		
3	CT TNHH KHAI THÁC CHẾ BIẾN KHOÁNG SẢN NÚI PHÁO	Done	Private	02/07/2020	3	195.0		10.00%	3.20%
4	NHTMCP TIỀN PHONG	Done	Private	02/07/2020	7	26.3		8.80%	2.00%
5	CTCP TẬP ĐOÀN AN PHÁT HOLDINGS	Done	Private	03/07/2020	3	300.0	8.00%		
6	NHTMCP TIỀN PHONG	Done	Private	06/07/2020	3	450.0	6.00%		
7	NHTMCP PHÁT TRIỂN TP HỒ CHÍ MINH	Done	Private	06/07/2020	3	548.0	6.10%		
8	CT TNHH ĐIỆN MẶT TRỜI TRUNG NAM THUẬN NAM	Done	Private	06/07/2020	9	500.0		10.50%	3.90%
9	CT TNHH ĐIỆN MẶT TRỜI TRUNG NAM THUẬN NAM	Done	Private	06/07/2020	9	500.0		10.50%	3.90%
10	CTCP TẬP ĐOÀN SOVICO	Done	Private	08/07/2020	3	50.0	10.00%		
11	NHMTCP CÔNG THƯƠNG VIỆT NAM	Done	Private	08/07/2020	15	500.0	7.85%		
12	CTCP ĐẦU TƯ VẤN PHÚ - INVEST	Done	Private	08/07/2020	1.67	200.0		10.00%	2.80%
13	NHTMCP BƯU ĐIỆN LIÊN VIỆT	Done	Private	08/07/2020	3	1,000.0	5.80%		
14	CT TNHH KHAI THÁC CHẾ BIẾN KHOÁNG SẢN NÚI PHÁO	Done	Private	09/07/2020	3	195.0		10.00%	3.20%

15	CT TNHH ĐIỆN PHÁT LAND	Done	Private	09/07/2020	5	770.0		10.00%	2.75%
16	TỔNG CTCP THIẾT BỊ ĐIỆN VIỆT NAM	Done	Private	09/07/2020	3	100.0	10.00%		
17	TỔNG CTCP THIẾT BỊ ĐIỆN VIỆT NAM	Done	Private	10/07/2020	3	100.0	10.00%		
18	CT TNHH BĐS VĨNH XUÂN	Done	Private	10/07/2020	3	300.0			
19	TỔNG CTCP THIẾT BỊ ĐIỆN VIỆT NAM	Done	Private	13/07/2020	3	150.0	10.00%		
20	CTCP TẬP ĐOÀN SOVICO	Done	Private	13/07/2020	3	150.0	10.00%		
21	NHTMCP BƯU ĐIỆN LIÊN VIỆT	Done	Private	13/07/2020	3	1,000.0	5.80%		
22	NHTMCP BẮC Á	Done	Private	14/07/2020	3	500.0	5.90%		
23	NHTMCP BƯU ĐIỆN LIÊN VIỆT	Done	Private	14/07/2020	3	1,000.0	5.80%		
24	CTCP ĐẦU TƯ VÀ XÂY DỰNG SUNRISE VIỆT NAM	Done	Private	15/07/2020	4	500.0		12.00%	4.00%
25	NHTMCP BẮC Á	Done	Private	16/07/2020	3	300.0	6.40%		
26	CTCP ĐẦU TƯ IDJ VIỆT NAM	Done	Private	16/07/2020	3	10.0	13.00%		
27	NHTMCP ĐẦU TƯ VÀ PHÁT TRIỂN VIỆT NAM	Done	Private	16/07/2020	7	260.0		6.70%	0.7% - 3.2%
28	CTCP TẬP ĐOÀN SOVICO	Done	Private	16/07/2020	3	100.0	10.00%		
29	NHTMCP TIỀN PHONG	Done	Private	16/07/2020	7	37.1		8.80%	2.00%

30	CTCP ĐẦU TƯ THÀNH THÀNH CÔNG	Done	Private	16/07/2020	2	100.0	11.25%		
31	CTCP HATECO THẮNG LONG	Done	Private	20/07/2020	2.5	50.0		9.00%	3.00%
32	CT TNHH SÀI GÒN GLORY	Done	Private	20/07/2020	3	1,000.0		11.00%	4.50%
33	CT TNHH TẬP ĐOÀN ĐỊA ỐC NOVA	Done	Private	20/07/2020	3	500.0		11.00%	3.90%
34	CTCP TẬP ĐOÀN ĐỊA ỐC NOVA	Done	Private	20/07/2020	3	480.0		11.00%	3.90%
35	CTCP THƯƠNG TIN TÀU QUỐC	Done	Private	20/07/2020	2.5	380.0		11.00%	4.60%
36	CTCP TẬP ĐOÀN SOVICO	Done	Private	21/07/2020	3	100.0	10.00%		
37	CT TNHH CHỨNG KHOÁN ACB	Done	Private	22/07/2020	1	450.0	7.8%-8%		
38	TỔNG CTCP THIẾT BỊ ĐIỆN VIỆT NAM	Done	Private	22/07/2020	3	200.0	10.00%		
39	TỔNG CTCP THIẾT BỊ ĐIỆN VIỆT NAM	Done	Private	23/07/2020	3	200.0	10.00%		
40	NHTMCP VIỆT NAM THỊNH VƯỢNG	Done	Private	28-07-20	3				
41	NHTMCP VIỆT NAM THỊNH VƯỢNG	Done	Private	29/07/20	3				
42	CTCP TẬP ĐOÀN ĐỊA ỐC NOVA	Done	Private	29/07/20	3				
43	CTCP TẬP ĐOÀN ĐẦU TƯ I.P.A	Done	Private	29/07/20	2	50.0	10.50%		
44	CTCP TẬP ĐOÀN ĐẦU TƯ I.P.A	Done	Private	29/07/20	2	50.0	10.50%		
45	CTCP TẬP ĐOÀN ĐẦU TƯ I.P.A	Done	Private	30/07/20	2	50.0	10.50%		

Source: HNX, VBMA Consolidated

Thank you for reading VBMA's Monthly Bond Market Report. For more information, please contact:

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