VBMA Newsletter

June 2020

VIETNAM BOND MARKET ASSOCIATION

In this issue

Market News

VBMA Activities

MARKET NEWS

Government bond auction results in 06/2020

No.	Bond code	Issuer	Tenor (year)	Auction Date	Offering Value (VND bn)	Bidding Value (VND bn)	Winning Volume (VND bn)	Winning Yield (%/y)
1	TD2025005	State Treasury	5	03-06-20	500	2,351	500	1.97
2	TD2030012	State Treasury	10	03-06-20	3,000	6,263	3,000	3
3	TD2035022	State Treasury	15	03-06-20	3,000	4,000	1,900	3.12
4	TD2040031	State Treasury	20	03-06-20	500	2,000	400	3.43
5	TD2025005	State Treasury	5	10-06-20	1,500	3,447	1,500	1.92
6	TD2030012	State Treasury	10	10-06-20	3,000	11,775	3,000	3.01
7	TD2035022	State Treasury	15	10-06-20	3,000	5,400	2,950	3.15
8	TD2050035	State Treasury	30	10-06-20	500	900	-	
9	TD2025005	State Treasury	5	17-06-20	2,250	2,186	1,635	1.95
10	TD2030013	State Treasury	10	17-06-20	3,750	20,900	3,750	3
11	TD2035023	State Treasury	15	17-06-20	3,000	8,280	3,000	3.15
12	TD2040031	State Treasury	20	17-06-20	500	1,079	479	3.45
13	TD2025005	State Treasury	5	24-06-20	1,500	1,381	130	1.95
14	TD2030013	State Treasury	10	24-06-20	6,000	28,098	6,000	2.98
15	TD2035023	State Treasury	15	24-06-20	3,750	9,300	3,600	3.15
16	TD2040031	State Treasury	20	24-06-20	750	3,489	750	3.42

Source: HNX, VBMA Consolidated

Government Bond Payment Schedule in 07/2020

No	Bond code	Initial Tenor (year)	Issuing Date	Actual Payment Date	Registered Value (VND bn)	Coupon rate (%)	Coupon Payment (VND bn)	Principal Payment (VND bn)
1	TD1621473	5	25-05-16	06/07/2020	5,930.0	6.1	361.7	-
2	TD1724417	7	06-07-17	06/07/2020	4,850.0	5.1	247.4	-
3	TD1621479	5	07-07-16	07/07/2020	4,485.0	6.1	273.6	-
4	TD1623481	7	07-07-16	07/07/2020	5,185.0	6.6	342.2	-
5	TD1621474	5	27-05-16	13/07/2020	4,050.0	6.1	247.1	-
6	TD1727398	10	13-07-17	13/07/2020	5,350.0	5.3	283.6	-
7	TD1520267	5	15-07-15	15/07/2020	5,734.0	6.4	367.0	5,734.0
8	TD1722383	5	20-07-17	20/07/2020	3,936.0	4.4	173.2	-
9	TD1732405	15	20-07-17	20/07/2020	2,116.0	5.7	120.6	-
10	TD1737427	20	20-07-17	20/07/2020	2,401.0	6	144.1	-
11	TD1621485	5	21-07-16	21/07/2020	5,470.0	6.1	333.7	-
12	TD1747432	30	27-07-17	27/07/2020	2,100.0	6.2	130.2	-
13	TD1828116	10	26-07-18	27/07/2020	8,450.0	4.4	371.8	-
14	TD1929179	10	25-07-19	27/07/2020	13,476.9	4.4	593.0	-
15	TD1934191	15	25-07-19	27/07/2020	14,473.2	4.6	665.8	-
16	TL1535299	20	29-07-15	29/07/2020	1,950.0	7.75	151.1	-

Source: VBMA Consolidated

Summary: Government Bond issuance and transaction in the second quarter of 2020

In the second quarter, the State Treasury held 48 government bond auctions with total offering value of VND 79,000 billion and a total of VND 54,056 billion of Government Bonds was issued, 70% higher than the expected issuance, with 10-year tenor exceeding the plan of more than VND 800 million.

The total value of ordinary transactions (Outright) and repurchases (Repo) for Government Bonds, Government guaranteed bonds and Municipal bonds reached VND 505,788 billion, down 25% compared to the first quarter. Outright trading value reached 303,586 billion VND and Repo trading value reached 202,202 billion VND.

By the end of June 2020, the listed scale of Government Bonds, Guaranteed Government Bonds and Municipal Bonds was VND 1,160,742 billion. Overall, Government bond yields in the second quarter had a tendency to decrease.

Summary: Cooperate Bond issuance from the beginning till the end May 2020

As of May 31th, 2020, according to HNX's data, in the first 5 months, there were 579 private issuances of 100 enterprises with the value of nearly VND 92,000 billion. Besides, in the first 6 months, more than VND 10,000 billion of bonds were issued to the public.

OCB mobilized VND 1,000 billion of bonds

On June 1st, OCB finished issuing VND 1,000 billion of non-convertible bonds, no warranties and no covered warrant. Bonds were issued in book-entry form. The real bond interest rate was fixed at 6.7%/year, paying interest periodically every 12 months. Previously, the bank also completed issuing VND 200 billion of bonds of the same type with interest rate of 6.3%/year, paying interest periodically every 12 months.

In the 2019 annual report, OCB targeted total assets scale in 2020 to be VND 150,000 billion, an increase of 27% compared to the end of last year. In particular, mobilization growth would be 21% and outstanding loans would increase by 25% based on the approval of the State Bank (SBV). This year, OCB aims to complete its charter capital raise through a private issuance to foreign partners.

Masan issued VND 2,000 billion corporate bonds to the public

On June 4th, Masan Group informed to have completed offering 20 million bonds to the public in the fourth issuance of 2020 with a total value of VND 2,000 billion. The bonds issued this time had a tenor of 3 years. The interest rate paid for the first two periods was 9.3%/year, with a period of every 6 months, the interest was calculated based on the sum of 2.5%/year and reference interest. As such, Masan has raised VND 10,000 billion after 4 bond issuance to the public since the beginning of the year.

Vietnam Novaland issued VND1.18 trillion secured, non-convertible bonds

No Va Land Investment Group Corp - Novaland (HOSE: NVL), has completed the issuance of VND1.18 trillion ($50.86 million) worth of secured non-convertible bonds. The debts carry a fixed coupon rate of 11% per year for the first payment and a reference rate plus 3.9 percentage points per year for the remaining years, but not below 11% per year.

VBMA ACTIVITIES IN JUNE

Meeting to exchange opinions and update some points in Repo Market Makers Agreement (MMA)

On June 9th, 2020, VBMA market makers for Repo transactions met to discuss and agreed to update a number of points in the Repo Market Makers Agreement (MMA). The agreement between market makers for Repo transactions was implemented since June 1, 2020 but still had some inadequacies. This change of MMA is expected to improve liquidity and build a reliable short-term interest rate curve. The new agreement is expected to be updated and completed signing in July 2020.

Meeting to discuss the necessity and details of the new product: 10-year Government Bond Futures

On June 9th, 2020, VBMA representatives attended the meeting chaired by the Chairman of the Securities Commission with the participation of state management agencies to discuss the necessity and details of the new product: 10-year Government Bond futures.

Activities of VBMA Legal Department

In June, VBMA sent our members the following legal drafts to give comments on. The opinions of the members will be summarized and sent to the state management agencies.

- Draft Circular guiding the transaction of repurchase of Government bonds by the State Treasury

- Draft Circular guiding the Decree amending and adding a number of articles of the Government's Decree No. 163/2018/ND-CP regulating the issuance of corporate bonds

- Draft Decree detailing the implementation of a number of articles of the Securities Law

- Draft Circular replaces Circular No. 34/2013/TT-NHNN on issuance of valuable papers

- Draft Form of 10-year Government Bond Futures Contract

- Draft Regulations of Vietnam Securities Depository regarding products of Government Bond Futures

- Draft Decree regulating corporate governance applicable to public companies

UPCOMING EVENTS

Workshop: Opinions on Draft Decree replacing Decree No.163/2018/ND-CP

Vietnam Bond Market Association will coordinate and support the Ministry of Finance to organize a workshop on opinions for the draft Decree on bond issuance and transactions replacing Decree No. 163 on 10/07/2020 at Ho Chi Minh Stock Exchange, 16 Vo Van Kiet, District 1, Ho Chi Minh City. The workshop is hosted by the Ministry of Finance.

Workshop: Roadmap and the necessary preparations to apply International Financial Reporting Standards (IFRS) in Vietnam – Back Office Operation, Depository of electronic valuable papers at VSD and SBV

In August 2020, Vietnam Bond Market Association will hold a workshop on Roadmap and the necessary preparations to apply International Financial Reporting Standards (IFRS) in Vietnam – Back Office Operation, Depository of electronic valuable papers at VSD and SBV. The event will take place from 13:30 on August 6th, 2020 at Pullman Danang Hotel.

Bond Market Policy Dialogue, Annual Bond Market Report 2019 Launching and VBMA Best Bond Award 2019 Ceremony

Also in August, Vietnam Bond Market Association will coordinate with the Ministry of Finance to organize the Bond Market Policy Dialogue, Annual Bond Market Report 2019 Launching and VBMA Best Bond Award 2019 Ceremony. The event will take place from 13:30 on August 7th, 2020 at Pullman Danang Hotel.

SPONSORS FOR INTERBANK OFFSITE 2019

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 14, Tower A, Vincom, 191 Ba Trieu Street, Hanoi Phone: (84-24) 39748781 Fax: (84-4) 39748782

www.vbma.org.vn