

# VBMA NEWSLETTER

May 2022



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## MARKET NEWS

### Government bond auction results in May 2022

No.	Bond code	Issuer	Tenor (year)	Auction Date	Offering Value (VND bn)	Bidding Value (VND bn)	Winning Volume (VND bn)	Winning Yield (%/y)
1	TD2229202	State Treasury	7	04/05/2022	500	600	-	-
2	TD2232108	State Treasury	10	04/05/2022	2,000	1,701	-	-
3	TD2237118	State Treasury	15	04/05/2022	2,000	3,350	-	-
4	TD2242128	State Treasury	20	04/05/2022	500	100	-	-
5	TD2237020	State Treasury	15	11/05/2022	2,000	3,120	370	2.58
6	TD2252132	State Treasury	30	11/05/2022	500	500	500	3.01
7	TD2232107	State Treasury	10	11/05/2022	2,000	4,001	-	-
8	TD2237020	State Treasury	15	18/05/2022	2,000	3,000	2,000	2.64
9	TD2232107	State Treasury	10	18/05/2022	2,000	4,201	2,000	2.34
10	TD2242128	State Treasury	20	18/05/2022	500	40	40	2.75
11	TD2252132	State Treasury	30	25/05/2022	500	100	-	-
12	TD2237020	State Treasury	15	25/05/2022	2,000	2,700	1,500	2.64
13	TD2232107	State Treasury	10	25/05/2022	2,000	3,551	1,500	2.34

Sources: HNX, VBMA consolidated

### Government Bond Payment Schedule in June 2022

No.	Bond code	Tenor (year)	Issuer	Repayment date	Value	Coupon Rate	Coupon Payment	Principal Payment	Total Payment
1	BVBS16394	15	17/06/2016	17/06/2031	300	8.1	24	-	24
2	BVBS16395	15	22/06/2016	22/06/2031	200	8.1	16	-	16
3	QH072221	15	20/06/2007	20/06/2022	500	8.0	40	500	540
4	TB1328154	15	30/06/2013	30/06/2028	4,212	8.9	375	-	375
5	TD1530290	15	30/06/2015	30/06/2030	3,320	7.6	252	-	252
6	TD1623480	7	23/06/2016	23/06/2023	7,110	6.6	469	-	469
7	TD1631463	15	02/06/2016	02/06/2031	7,805	7.6	593	-	593
8	TD1646469	30	09/06/2016	09/06/2046	4,637	8.0	371	-	371
9	TD1722381	5	08/06/2017	08/06/2022	5,750	5.0	288	5,750	6,038
10	TD1722382	5	29/06/2017	29/06/2022	2,700	4.9	132	2,700	2,832
11	TD1724416	7	08/06/2017	08/06/2024	6,825	5.3	362	-	362
12	TD1747431	30	15/06/2017	15/06/2047	3,077	7.3	225	-	225
13	TD1828115	10	28/06/2018	28/06/2028	7,500	4.3	323	-	323
14	TD1833124	15	21/06/2018	21/06/2033	8,670	4.6	399	-	399
15	TD2025005	5	04/06/2020	04/06/2025	8,590	1.9	163	-	163
16	TD2030013	10	18/06/2020	18/06/2030	12,825	3.0	385	-	385
17	TD2035023	15	18/06/2020	18/06/2035	13,100	3.1	406	-	406

**Sources: HNX, VBMA consolidated**

**In May 2022, the State Treasury of Vietnam called for 13 auctions of government bonds with the total offering value of VND 18,500 billion, the winning rate was 42.8%.**

The State Treasury of Vietnam called for 13 auctions of government bonds with the offering value of VND 18,500 billion, the bidding value was VND 26,964 billion. In which, the winning value was VND 7,910 billion, the winning rate was 42.8%. 10-year and 15-year bonds had the highest offering value (both were VND 8,000 billion), the winning rate was 43.5% for 10-year tenor and 48.4% for 15-year tenor. 7-year bonds were not successfully issued. Compared to last winning yields, the average winning yields of 10-year tenor increased by 8 points, 15-year tenor increased by 6 points and remained unchanged at 20-year and 30-year tenors.

Since the beginning of the year, STV has issued VND 53,812 billion of government bonds, equivalent to 14% of 2022 plan (VND 400,000 billion). Specifically, the total issuing value of 10-year tenor was VND 24,412 billion (reached 17% of 2022 plan), 15-year tenor was VND 18,820 billion (reached 13% of 2022 plan), 20-year tenor was VND 2,225 billion (reached 7% of 2022 plan) and 30-year tenor was VND 8,625 billion (reached 25% of 2022 plan). 5-year and 7-year bonds were not successfully issued. Compared to the same period last year, the issuing value of 10-year tenor decreased by VND 30,344 billion (-55.69%), 15-year tenor decreased by VND 11,350 billion (-37.62%), 20-year tenor decreased by VND 845 billion (-27.52%) and 30-year tenor increased by VND 1,462 billion (+20.41%).

In June 2022, there will be about VND 8,950 billion of government bonds reaching maturity, accounting for about 17.6% of bonds matured in the year.

The Vietnam Bank For Social Policy called for auctions a total of VND 15,000 billion at tenors of 3, 5, 10 and 15 years, the bid/offer ratio was 75.4%. In which, 3-year bond was the only tenor to be issued with VND 2,600 billion (equivalent to the winning rate of 40%), winning yield was 2.3%.

Since the beginning of the year, Vietnam Bank for Social Policy has issued VND 2,700 billion government guaranteed bonds at tenors of 3 years and 5 years.

**The value of Outright transactions was VND 78,937 billion (decreased by 28.2% compared to last month) and Repo transactions reached VND 76,864 billion (decreased by 16.3% compared to last month).**

On the secondary market, the average daily Outright transaction value decreased by 25% to VND 3,947 billion per day, and the average daily Repo transaction value increased to VND 3,843 billion per day, 12% lower than the last month. Compared to the same period in 2021, May 2022 outright volume decreased by 43% and repo volume increased by 5%. 10-year and 15-year tenors were traded the most.

Foreign investors net sold a total of VND 666 billion in May 2022, therefore, they have net sold VND 2,347 billion since the beginning of the year.

**Compared to April 2022, Government bond yields (according to VBMA outright trading room) increased at all tenors.**

Government bond yields increased by 8.5 to 35.4 points at all tenors compared to the previous month's average. Compared to last year, government bond yields also spike significantly, especially at short tenors like 1 year (increased by 165 points) and 2 years (increased by 157 points). In May, the slope and shape of the yield curve remained unchanged compared to April, stayed relatively flat. 10-year government bonds were traded the last month with the trading volume of VND 1,400 billion (accounting for 62.2%), followed by 5- year and 7-year bonds, which both trading volume was 400 billion (each accounted for 15.4%).

As of May 31, 2022, Vietnam 10-year government bond yield was 3.125%, 0.17% higher than Thailand's while 3.92% lower than Indonesia's and 1.06% lower than Malaysia's. The yield spread between Vietnam and the US since the beginning of May until now narrowed at almost all, especially at tenors from 1 to 7 years.

**In May 2022, there were 34 issuances under private placement and 1 issuance under public offering and with a total value of VND 24,105 billion.**

According to data consolidated by VBMA, as of May 31, 2022, there were 34 issuances under private placement with a total value of VND 23,805 billion and 1 issuance of TNG Trading and Commercial JSC with a value of VND 300 billion in May.

Commercial banks was the leading sector in term of issuing value with VND 14,629 billion, accounting for 60.68% of the total issuing value. In this group, Orient Commercial Joint Stock Bank issued the most with VND 2,600 billion (accounting for 10.78% of total isusing value) after 2 issuances of 3-year bonds. Followed by Military Commercial Joint Stock Bank, issuing VND 2,500 billion (accounting for 10.37%)

and Asia Commercial Joint Stock Bank with VND 2,000 billion (accounting for 8.29%). Real Estate sector was the second-most issuing sector with VND 6,879 billion of bonds, equivalent to 28.53% of total issuing value. In which, No Va Land Investment Group Corporation was the most notable with VND 5,774 billion of 10-year bond.

Since the beginning of the year, there were 160 issuances under private placements with a total value of VND 104,828 trillion (accounting for 92.09% of total issuing value) and 17 issuances under public offering with a total value of VND 8,996 trillion (accounting for 7.91% of total issuing value). The total issuing value under public offering increased by 11% compared to last year and the total issuing value under private placement decreased by 23% compared to last year.

The Commercial banks sector ranked first in term of issuing value in 2022 with VND 42,382 billion, accounting for 37.4% of total issuing value. Most of the issuances' tenors of this group were from 1 to 3 years with the value of VND 31,049 billion (accounting for 73.26%). 7-year tenor and above accounted for 23.44% with issuance value of VND 9,935 billion. Real Estate sector ranked second with VND 37,395 billion, accounting for 32.9% of total issuing value. In which, No Va Land Investment Group Corporation issued the most (VND 7,574 billion), followed by Eagle Side Development and Investment Corporation (VND 3,930 billion).

## VBMA RECENT ACTIVITIES

### **VBMA held a meeting with Market Makers of MMA for Outright Transaction**

On May 16, 2022, VBMA organized a meeting with Market Makers for Outright transaction at ICML Law Firm's Office on Hai Ba Trung Street at 2pm in order to reach agreements on certain points: (i) the number of market makers participating MMA Outright; (ii) the minimum volume; (iii) the mechanism to screen participants.

### **VBMA announced Q2/2022 Bond Market and Macroeconomic survey result**

Survey of the second quarter of 2022 was conducted with the participation of 43 market members including: 30 banks and credit institutions, 5 securities companies, 5 insurance funds and 3 investment funds in Vietnam. VBMA collected the responses and has sent an official report of the survey results to members by the end of May 2022.

### **VBMA collected comments on the Draft Circular conditions for foreign loans of enterprises not guaranteed by the Government.**

VBMA sent an email to Members to collect comments on the Draft Circular conditions for foreign loans of enterprises not guaranteed by the Government. The comments have been consolidated into a Letter of comments and sent to the State Bank.

### **VBMA welcomed 2 new members: Globalmind Capital Securities Corporation and MB SHINSEI Finance Limited Liability Company**

VBMA received the application to join VBMA of Globalmind Capital Securities Corporation and MB SHINSEI Finance Limited Liability Company in April and May 2022. The Board of VBMA has reviewed and approved the applications.

VBMA is pleased to welcome Globalmind Capital Securities Corporation and MB SHINSEI Finance Limited Liability Company to become an official member of the Association. VBMA hopes that with the active participation of the 2 Companies, VBMA will together with members build a professional, liquid and dynamic bond market for Vietnam.

## VBMA UPCOMING EVENTS

### Interbank Offsite 2022

The Interbank Offsite 2022 is the 12nd year of the most anticipated event in the Interbank community. This year, this unique event will again be held in one of the world's most beautiful beaches in Danang City from Friday 24th June thru Sunday 26th June 2022.

The Interbank Offsite 2022 will be kicked off by VBMA Annual Meeting and VBMA Best Bond, FX Swap Awards in the morning of June 24, 2022 and the Workshop on Vietnam Capital Market – Overcoming the Challenges and Moving Forward in the afternoon. The event then will be followed by the most awaited Gala dinner on June 25, 2022 - a festive evening of networking, musical entertainment and more.

Thank you for reading this issue of VBMA monthly newsletter

If you want to sign up to receive this newsletter, please contact us at:

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We would like to thank you for your contribution

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