

# VBMA NEWSLETTER

February 2022



In this issue,

MARKET NEWS

VBMA RECENT ACTIVITIES

VBMA UPCOMING EVENTS

## MARKET NEWS

### Government bond auction results in February 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   | TD2232105 | State Treasury | 10           | 09/02/2022   | 3,000                   | 6,100                  | 2,000                   | 2.09                |
| 2   | TD2242128 | State Treasury | 20           | 09/02/2022   | 1,000                   | 1,600                  | 600                     | 2.75                |
| 3   | TD2229102 | State Treasury | 7            | 09/02/2022   | 500                     | 1,350                  | -                       | -                   |
| 4   | TD2237118 | State Treasury | 15           | 09/02/2022   | 2,000                   | 4,650                  | 1,500                   | 2.39                |
| 5   | TD2232105 | State Treasury | 10           | 16/02/2022   | 3,000                   | 6,059                  | 1,509                   | 2.12                |
| 6   | TD2237118 | State Treasury | 15           | 16/02/2022   | 2,000                   | 4,150                  | 1,500                   | 2.42                |
| 7   | TD2252132 | State Treasury | 30           | 16/02/2022   | 2,000                   | 1,610                  | 1,510                   | 2.98                |
| 8   | TD2232105 | State Treasury | 10           | 23/02/2022   | 2,000                   | 4,006                  | 6                       | 2.12                |
| 9   | TD2242128 | State Treasury | 20           | 23/02/2022   | 1,000                   | 400                    | -                       | -                   |
| 10  | TD2237118 | State Treasury | 15           | 23/02/2022   | 2,000                   | 3,150                  | -                       | -                   |
| 11  | TD2252132 | State Treasury | 30           | 23/02/2022   | 1,000                   | 1,055                  | 755                     | 2.99                |
| 12  | TD2229103 | State Treasury | 7            | 23/02/2022   | 500                     | 950                    | -                       | -                   |

Sources: HNX, VBMA consolidated

### Government Bond Payment Schedule in March 2022

| No. | Bond code | Tenor (year) | Issuer     | Repayment date | Value  | Coupon Rate | Coupon Payment | Principal Payment | Total Payment |
|-----|-----------|--------------|------------|----------------|--------|-------------|----------------|-------------------|---------------|
| 1   | BVBS15105 | 10           | 04/03/2015 | 04/03/2022     | 100    | 6.7         | 7              | -                 | 7             |
| 2   | BVBS15145 | 15           | 04/03/2015 | 04/03/2022     | 152    | 7.6         | 12             | -                 | 12            |
| 3   | BVBS15146 | 15           | 11/03/2015 | 11/03/2022     | 100    | 7.7         | 8              | -                 | 8             |
| 4   | BVBS15147 | 15           | 18/03/2015 | 18/03/2022     | 96     | 7.6         | 7              | -                 | 7             |
| 5   | BVBS17024 | 5            | 07/03/2017 | 07/03/2022     | 300    | 5.3         | 16             | 300               | 316           |
| 6   | BVBS17025 | 5            | 14/03/2017 | 14/03/2022     | 300    | 5.3         | 16             | 300               | 316           |
| 7   | BVBS17026 | 5            | 21/03/2017 | 21/03/2022     | 400    | 5.3         | 21             | 400               | 421           |
| 8   | BVBS17027 | 5            | 28/03/2017 | 28/03/2022     | 300    | 5.4         | 16             | 300               | 316           |
| 9   | BVBS17053 | 10           | 07/03/2017 | 07/03/2022     | 200    | 6.5         | 13             | -                 | 13            |
| 10  | BVBS17054 | 10           | 14/03/2017 | 14/03/2022     | 200    | 6.5         | 13             | -                 | 13            |
| 11  | BVBS17055 | 10           | 21/03/2017 | 21/03/2022     | 400    | 6.4         | 26             | -                 | 26            |
| 12  | BVBS17056 | 10           | 28/03/2017 | 28/03/2022     | 400    | 6.4         | 26             | -                 | 26            |
| 13  | BVBS17084 | 15           | 07/03/2017 | 07/03/2022     | 420    | 7.5         | 32             | -                 | 32            |
| 14  | BVBS17085 | 15           | 14/03/2017 | 14/03/2022     | 100    | 7.5         | 8              | -                 | 8             |
| 15  | BVBS17086 | 15           | 21/03/2017 | 21/03/2022     | 100    | 7.3         | 7              | -                 | 7             |
| 16  | BVBS17087 | 15           | 28/03/2017 | 28/03/2022     | 280    | 7.3         | 20             | -                 | 20            |
| 17  | BVDB13058 | 10           | 04/03/2013 | 04/03/2022     | 185    | 9.4         | 17             | -                 | 17            |
| 18  | BVDB13059 | 10           | 13/03/2013 | 13/03/2022     | 100    | 9.4         | 9              | -                 | 9             |
| 19  | BVDB13060 | 10           | 25/03/2013 | 25/03/2022     | 450    | 9.4         | 42             | -                 | 42            |
| 20  | BVDB13061 | 10           | 29/03/2013 | 29/03/2022     | 100    | 9.3         | 9              | -                 | 9             |
| 21  | TD1429094 | 15           | 15/03/2014 | 15/03/2022     | 12,000 | 8.8         | 1,056          | -                 | 1,056         |
| 22  | TD1525280 | 10           | 15/03/2015 | 15/03/2022     | 2,000  | 6.3         | 126            | -                 | 126           |
| 23  | TD1530288 | 15           | 15/03/2015 | 15/03/2022     | 5,131  | 7.2         | 369            | -                 | 369           |
| 24  | TD1626456 | 10           | 03/03/2016 | 03/03/2022     | 5,153  | 6.9         | 356            | -                 | 356           |
| 25  | TD1722379 | 5            | 09/03/2017 | 09/03/2022     | 4,450  | 5.0         | 223            | 4,450             | 4,673         |
| 26  | TD1724413 | 7            | 02/03/2017 | 02/03/2022     | 4,905  | 5.3         | 260            | -                 | 260           |
| 27  | TD1724414 | 7            | 23/03/2017 | 23/03/2022     | 5,170  | 5.4         | 279            | -                 | 279           |
| 28  | TD1732402 | 15           | 16/03/2017 | 16/03/2022     | 5,200  | 6.9         | 359            | -                 | 359           |
| 29  | TD1737407 | 20           | 30/03/2017 | 30/03/2022     | 5,130  | 7.4         | 380            | -                 | 380           |
| 30  | TD1747410 | 30           | 16/03/2017 | 16/03/2022     | 5,667  | 7.9         | 448            | -                 | 448           |
| 31  | TD1823088 | 5            | 22/03/2018 | 22/03/2022     | 5,105  | 2.9         | 148            | -                 | 148           |
| 32  | TD1825103 | 7            | 22/03/2018 | 22/03/2022     | 1,100  | 3.4         | 37             | -                 | 37            |
| 33  | TD1833123 | 15           | 15/03/2018 | 15/03/2022     | 8,220  | 4.4         | 362            | -                 | 362           |
| 34  | TD1848139 | 30           | 29/03/2018 | 29/03/2022     | 750    | 5.4         | 41             | -                 | 41            |
| 35  | TD1929176 | 10           | 07/03/2019 | 07/03/2022     | 12,220 | 4.7         | 574            | -                 | 574           |
| 36  | TD2128007 | 7            | 04/03/2021 | 04/03/2022     | 2,031  | 1.4         | 28             | -                 | 28            |

**Sources: HNX, VBMA consolidated**

**In February 2022, the State Treasury of Vietnam called for 12 auctions of government bonds with the total offering value of VND 20,000 billion, the winning rate was 46.9%**

The State Treasury of Vietnam called for 12 auctions of government bonds with the offering of VND 20,000 billion, the bidding value was VND 35,080 billion. In which, the winning value was VND 9,380 billion, the winning rate was 46.9%. 10-year and 15-year bonds had the highest offering value (VND 8,000 billion and VND 6,000 billion respectively), the winning rate was 43.9% for 10-year tenor and 50% for 15-year tenor. 7-year bond was not successfully issued and 5-year bond was not called for

auction. Compared to last month, the average winning yields of 10-year tenor increased by 3 points, 15-year tenor up 4 points, 20-year tenor remained unchanged and 30-year tenor increased by 3 points.

Since the beginning of the year, STV has issued VND 32,462 billion of government bonds, equivalent to 8% of 2022 plan (VND 400,000 billion). Specifically, the total issuing value of 10-year tenor was VND 14,142 billion (reached 10% of 2022 plan), 15-year tenor was VND 9,950 billion (reached 7% of 2022 plan), 20-year tenor was VND 1,685 billion (reached 6% of 2022 plan) and 30-year tenor was VND 6,685 billion (reached 19% of 2022 plan). 7-year bond was not successfully issued and 5-year bond was not called for auction. Compared to the same period last year, the issuing value of 10-year tenor increased by VND 3,792 billion, 15-year tenor increased by VND 369 billion, 20-year decreased by VND 395 billion, 30-year tenor increased by VND 3,485 billion.

In March 2022, there will be about VND 5,750 billion of government bonds reaching maturity, accounting for about 11.3% of bonds matured in the year.

**The value of Outright transaction reached VND 136,962 billion (decreased by 10.8% compared to last month) and Repo transactions reached VND 88,043 billion (decreased by 12.8% compared to last month).**

On the secondary market, the value of Outright reached VND 136,962 billion (decreased by 10.8% compared to last month) and Repo transactions reached VND 88,043 billion (decreased by 12.8% compared to last month). The average daily Outright transaction value increased by 11.5% to VND 8,586 billion per day, and the average daily Repo transaction value also increased to VND 5,503 billion per day, 9% higher than the last month. Compared to the same period in 2021, February 2022 outright and repo volume decreased by 28.63% and 32.45%, respectively. 10-year and 15-year tenors were traded the most.

Foreign investors net bought a total of VND 1,225 billion in February 2022, therefore, they have net sold VND 20 billion since the beginning of the year.

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

Government bond yields were up about 2.06 to 25.17 points in all tenors compared to the previous month's average. Compared to last year's yields, the figures for 1-year tenor increased by 52 points, 2-year tenor increased by 40 points, 3-year tenor increased by 20 points, 5-year tenor increased by 15 points, 7-year tenor increased by 14 points, 10-year decreased by 8 points, 15-year tenor increased by 5 points, 20-year tenor down 8 points and 30-year tenor down 9 points. In recent months, the yield curve tended to flatten as bond yields from 1 to 7 years moved relatively higher while remained stable at longer tenors. 7-year and 5-year government bonds were traded the most with trading volume of VND 4,100 billion (accounting for 28%) and VND 3,350 billion (accounting for 24.45%), respectively.

Vietnam government bond yields were much higher than the last month but remained relatively low in the ASEAN region, reached 2.24% at 10-year tenor, 3.1% lower than Indonesia's yield, 1.05% lower than Malaysia's and 0.05% higher than Thailand's. The government bond's yield spread between Vietnam and the US since the beginning of February tended to narrow at almost all tenors, 10-year yield spread was the only tenor to increase by about 10 points. According to S&P, Fitch and Moody's,

the US currently has the rating of AA+, AAA, and Aaa, respectively while the rating of Vietnam from these institutions is BB, BB and Ba3.

**In February 2022, there was 1 corporate bond issuance through public offering and 4 issuances under private placement with a total value of VND 1,800 billion.**

According to data consolidated by VBMA, as of February 28, 2022, there was 1 issuance through public offerings of CMC JSC (VND 500 billion) and 4 issuances under private placement of VietBank (VND 300 billion), Sunshine E&C Construction JSC (VND 800 billion), Hang Xanh Motors Service (VND 180 billion) and F88 Business JSC (VND 20 billion). The issuing value through public offering was VND 500 billion, accounted for 27.7% of the total issuing value in February.

Construction and Production were the 2 leading sectors in terms of total issuing value with VND 800 billion and VND 500 billion, respectively, accounting for 44.9% and 27.7% of the total issuing value. In the Construction sector, Sunshine E&C Construction JSC was the only issuer with the issuing value of VND 800 billion and tenor of 2 years.

The Production sector, CMC JSC issued 3 bond codes at tenors of 2 years, 3 years and 5 years with coupon rates of 10%/year, 10.5%/year and 10.6%/year, respectively with a total value of VND 500 billion.

## VBMA RECENT ACTIVITIES

### VBMA announced Q1/2022 Bond Market and Macroeconomic survey result

Survey of the first quarter of 2022 was conducted with the participation of 50 market members including: 32 banks and credit institutions, 6 securities companies, 10 insurance funds and 2 investment funds in Vietnam. VBMA collected the responses and has sent an official report of the survey results to members by the end of February 2022.

### VBMA attended a seminar to propose amendments and supplements to certain articles of Decree 153/2020/ND-CP

On February 16, 2022, VBMA representatives attended a seminar to propose amendments and supplements to certain articles of Decree 153/2020/ND-CP stipulating the offering and trading of corporate bonds issued under private placement in domestic market and offering corporate bonds to the international market. The seminar was organized by the Ministry of Finance. VBMA collected opinions from members and proposed to the Ministry of Finance a number of major issues at the seminar.

### VBMA sent a Letter of comment on the Draft Decree amending and supplementing certain articles of Decree 153/2020/ND-CP (updated version)

VBMA held a meeting with members to reach consensus on the comments for the updated Draft on February 18, 2022 after attending the seminar to propose amendments and supplements to certain articles of Decree 153/2020/ND-CP and has sent a detailed Letter of comments to the Ministry of Finance. This is the second time VBMA giving comments on this draft Decree.

### Implement revised MMA for FX Swap

Starting from February 21, 2022, VBMA implemented the revised MMA for FX Swap with the participation of two new market makers, ANZ and Vietinbank, totaling the number of market makers of VBMA in 2022 to 15, including: Vietnam Technological and Commercial Joint Stock Bank, Military Commercial Joint Stock Bank, Vietnam Prosperity Joint Stock Commercial Bank, Vietnam International Commercial Joint Stock Bank, Tien Phong Commercial Joint Stock Bank, Southeast Asia Commercial Joint Stock Bank, Saigon Thuong Tin Commercial Joint Stock Bank, Vietnam Maritime Commercial Joint Stock Bank, Orient Commercial Joint Stock Bank, Ho Chi Minh City Development Commercial Joint Stock Bank, An Binh Commercial Joint Stock Bank, Asia Commercial Joint Stock Bank, Lien Viet Post Commercial Joint Stock Bank, Joint Stock Commercial Bank for Industry and Trade of Vietnam, ANZ Bank.

### VBMA collected comments on some legal drafts

1. Draft Decree on amendments and supplements to certain articles of Decree 153/2020/ND-CP stipulating the offering and trading of individual corporate bonds corporate bonds issued under private placement in domestic market and offering corporate bonds to the international market (updated version)

2. Draft Circular on guidance on foreign exchange management for the issuance of corporate bonds to international market by enterprises not guaranteed by the Government

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[info@vbma.org.vn](mailto:info@vbma.org.vn)

We would like to thank you for your contribution

**Vietnam Bond Market Association**

Floor 17, Gelex Tower, 52 Le Dai Hanh Street, Hanoi Phone: (84-24) 39748781 Fax: (84-4) 39748782

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