

VBMA NEWSLETTER

April 2022



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MARKET NEWS

Government bond auction results in April 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	TD2237118	State Treasury	15	06/04/2022	2,000	3,450	1,000	2.54
2	TD2242128	State Treasury	20	06/04/2022	500	400	-	-
3	TD2227092	State Treasury	5	06/04/2022	500	650	-	-
4	TD2232107	State Treasury	10	06/04/2022	2,000	4,551	1,000	2.24
5	TD2232107	State Treasury	10	13/04/2022	2,500	5,101	-	-
6	TD2252132	State Treasury	30	13/04/2022	500	220	120	3.01
7	TD2237118	State Treasury	15	13/04/2022	2,500	4,150	-	-
8	TD2229201	State Treasury	7	13/04/2022	500	650	-	-
9	TD2237118	State Treasury	15	20/04/2022	2,000	3,250	1,000	2.58
10	TD2242128	State Treasury	20	20/04/2022	500	600	500	2.75
11	TD2232107	State Treasury	10	20/04/2022	2,000	3,601	1,000	2.28
12	TD2227093	State Treasury	5	20/04/2022	500	500	-	-
13	TD2227094	State Treasury	5	27/04/2022	500	550	-	-
14	TD2252132	State Treasury	30	27/04/2022	500	970	-	-
15	TD2232107	State Treasury	10	27/04/2022	2,000	3,451	-	-
16	TD2237119	State Treasury	15	27/04/2022	2,000	3,050	-	-

Sources: HNX, VBMA consolidated

Government Bond Payment Schedule in May 2022

No.	Bond code	Tenor (year)	Issuer	Repayment date	Value	Coupon Rate	Coupon Payment	Principal Payment	Total Payment
1	BVBS15148	15	20/05/2015	20/05/2022	90	7.7	7	-	7
2	BVBS15149	15	27/05/2015	27/05/2022	20	7.7	2	-	2
3	BVBS17028	5	16/05/2017	16/05/2022	100	5.4	5	100	105
4	BVBS17057	10	16/05/2017	16/05/2022	400	6.4	26	-	26
5	BVBS17058	10	23/05/2017	23/05/2022	400	6.3	25	-	25
6	BVBS17059	10	30/05/2017	30/05/2022	300	6.1	18	-	18
7	BVBS17088	15	16/05/2017	16/05/2022	220	7.1	16	-	16
8	BVBS17089	15	23/05/2017	23/05/2022	400	7.1	28	-	28
9	BVBS17090	15	30/05/2017	30/05/2022	200	6.9	14	-	14
10	TD1222042	10	31/05/2012	31/05/2022	1,350	9.5	128	1,350	1,478
11	TD1424092	10	31/05/2014	31/05/2022	7,204	8.7	627	-	627
12	TD1530289	15	31/05/2015	31/05/2022	4,358	7.6	331	-	331
13	TD1722380	5	04/05/2017	04/05/2022	5,543	5.2	288	5,543	5,831
14	TD1724415	7	18/05/2017	18/05/2022	5,250	5.4	284	-	284
15	TD1727397	10	04/05/2017	04/05/2022	5,300	6.0	318	-	318
16	TD1732404	15	04/05/2017	04/05/2022	2,390	6.7	160	-	160
17	TD1737408	20	11/05/2017	11/05/2022	5,518	7.0	386	-	386
18	TD1828114	10	24/05/2018	24/05/2022	7,200	4.2	302	-	302
19	TD1929177	10	09/05/2019	09/05/2022	13,212	4.7	621	-	621
20	TD1934190	15	30/05/2019	30/05/2022	12,433	5.0	622	-	622
21	TD2030012	10	14/05/2020	14/05/2022	12,707	2.7	343	-	343
22	TD2035022	15	14/05/2020	14/05/2022	13,245	2.9	384	-	384
23	TD2131014	10	06/05/2021	06/05/2022	9,936	2.3	229	-	229

Sources: HNX, VBMA consolidated

In April 2022, the State Treasury of Vietnam called for 16 auctions of government bonds with the total offering value of VND 21,00 billion, the winning rate was 22%.

The State Treasury of Vietnam called for 16 auctions of government bonds with the offering of VND 21,00 billion, the bidding value was VND 35,144 billion. In which, the winning value was VND 4,620 billion, the winning rate was 22%. 10-year and 15-year bonds had the highest offering value (both were VND 8,500 billion), the winning rate was 23.5% for each tenor. 5-year, 7-year bonds were not successfully issued. Compared to last winning yields, the average winning yields of 10-year tenor increased by 9 points, 15-year tenor up 19 points and 30-year tenor increased by 1 point.

Since the beginning of the year, STV has issued VND 45,902 billion of government bonds, equivalent to 11% of 2022 plan (VND 400,000 billion). Specifically, the total issuing value of 10-year tenor was VND 20,642 billion (reached 15% of 2022 plan), 15-year tenor was VND 14,950 billion (reached 10% of 2022 plan), 20-year tenor was VND 2,185 billion (reached 7% of 2022 plan) and 30-year tenor was VND 8,125 billion (reached 23% of 2022 plan). 5-year and 7-year bond were not successfully issued. Compared to the same period last year, the issuing value of 10-year tenor decreased by VND 8,408 billion (-28.94%), 15-year tenor decreased by VND 5,454 billion (-26.73%), 20-year decreased by VND 305 billion (-12.25%) and 30-year tenor increased by VND 3,862 billion (+90.59%).

In May 2022, there will be about VND 1,450 billion of government bonds reaching maturity, accounting for about 2.85% of bonds matured in the year.

The Vietnam Bank for Social Policy called for 4 auctions with total value of VND 3,500 billion at tenor of 3, 5, 10 and 15 years, the bid/offer ratio reached 114.3%. In which, 5-year bond was the only tenor to be issued with VND 100 billion (equivalent to the winning rate of 2.9%), winning yield was 2.39%. Since the beginning of the year, this was the first issuance of government-guaranteed bonds from Vietnam Bank for Social Policy.

The value of Outright transactions was VND 109,886 billion (decreased by 39% compared to last month) and Repo transactions reached VND 91,875 billion (decreased by 3.7% compared to last month).

On the secondary market, the value of Outright transactions was VND 109,886 billion (decreased by 39% compared to last month) and Repo transactions reached VND 91,875 billion (decreased by 3.7% compared to last month). The average daily Outright transaction value decreased by 33.1% to VND 5,233 billion per day, and the average daily Repo transaction value increased to VND 4,375 billion per day, 5.4% higher than the last month. Compared to the same period in 2021, April 2022 outright volume decreased by 5.8% and repo volume increased by 16%. 10-year and 15-year tenors were traded the most.

Foreign investors net sold a total of VND 1,195 billion in April 2022, therefore, they have net sold VND 1,681 billion since the beginning of the year.

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

Government bond yields increased by 16.7 to 58.8 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 157 points) and 2 years (increased by 147 points). In April, the yield curve tended to flatten as bond yields from 1 to 15 years moved relatively higher while remained stable at longer tenors. 10-year and 7-year government bonds were traded the most last month with trading volume of VND 1,300 billion (accounting for 27.08%) and VND 1,250 billion (accounting for 26.04%), respectively.

As of April 30, 2022, Vietnam 10-year government bond yield was 2.987%, 0.14% higher than Thailand's while 4.01% lower than Indonesia's yield, 1.43% lower than Malaysia's. The yield spread between Vietnam and the US since the beginning of April until now has tended to extend at short tenors while narrow at long tenors as the US yields were increasing faster than VN yields.

In April 2022, there was no issuance under public offering and there were 23 corporate bond issuances under private placement with a total value of VND 16,472 billion.

According to data consolidated by VBMA, as of April 29, 2022, there were 23 issuances under private placement with a total value of VND 16,472 billion in April.

Most of issuers were Commercial banks with total issuing value of VND 14,940 billion, accounting for 90.7%. In this group, Military Joint Stock Commercial Bank issued the most with VND 4,600 billion of 3-year bonds. Sai Gon Joint Stock Commercial Bank ranked second, issued VND 2,500 billion of 3-year bonds.

In addition, energy, transportation, production and finance companies also issued bonds under private placement in the month but issuing value accounted for less than 10% of total issuing value.

There were 97 issuances under private placements with a total value of VND 68,566 trillion (accounting for 88.74% of total issuing value) and 9 issuances under public offering with a total value of VND 8,696 trillion (accounting for 11.26% of total issuing value). Since the beginning of the year, the total issuing value under public offering increased by VND 15% compared to last year and the total issuing value under private placement decreased by 22%.

The Real Estate sector ranked first in term of issuing value in 2022 with VND 28,856 billion, accounting for 37.35% of total issuing value. Most of the issuances' tenors of this group were from 1 to 3 years with the value of VND 21,559 billion (accounting for 74.71%).

Commercial banks sector ranked second with VND 24,393 billion, accounting for 31.57% of total issuing value. The average issuing tenor of this group was 4.03 years, coupon rate was often referenced to deposit rate of state-owned banks.

VBMA RECENT ACTIVITIES

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

On April 8, 2022, VBMA organized a meeting with Market Makers for Outright transaction in order to exchange opinions on certain points: (i) the formula to calculate the volume for VBMA Best Bond Award; (ii) the minimum volume for 2022; (iii) the number of market makers in the trading room; (iv) the mechanism to screen participants.

VBMA attended the Capital Market Development Conference of the Government

On the afternoon of April 22, 2022, the Conference to develop a safe, transparent, efficient and sustainable capital market in order to stabilize the macro-economy and ensure major balances of the economy was held under the chairmanship of the Prime Minister Pham Minh Chinh. Representative of VBMA attending the conference - Vice President of VBMA - Mr. Pham Phu Khoi had a presentation on "Improving the quality of goods to make the market transparent and protect investors".

VBMA organized a meeting to reach consensus on the comments for the Draft Decree amending and supplementing Decree 153/2020/ND-CP and attended the appraisal meeting at the Ministry of Justice

On April 27, 2022, VBMA held a meeting with members giving comments on the Draft Decree amending and supplementing Decree 153/2020/ND-CP regulating the offering and trading of domestic corporate bond under private placement and offering corporate bond in the international market to reach agreement on comments on the Draft for the appraisal meeting at the Ministry of Justice on April 28, 2022. After the appraisal meeting, VBMA has sent an official Letter of Comments to the Ministry of Justice.

VBMA in collaboration with Moodys organized a Webinar on Understanding Credit Ratings

According to Decree 155/2020/ND-CP guiding the Securities Law, mandatory regulation on credit rating for issuers or bond issued under public offering will take effect from Jan 2023. In order to provide a solid understanding of what credit ratings are, how they are determined and what can cause them to change, VBMA in collaboration with Moodys organized a Webinar on Understanding Credit Ratings with Moodys on Thursday, April 28th, 2022.

The Webinar includes 4 parts:

Part 1: Overview about Moody's, presented by Ms. Alice Lin - Senior Vice President, Head of Strategy & Business Management, Asia Pacific.

Part 2: Credit Rating definition and Moody's Credit Rating, presented by Ms. Jacintha Poh - Senior Vice President, Corporate Finance Group, Mr. Michael Foley - Vice Chairman, Asia Pacific, Ms. Rebecca Tan - Vice President – Senior Analyst, Financial Institutions Group.

Part 3: Credit Rating Process, presented by Ms. Jacintha Poh - Senior Vice President, Corporate Finance Group, Mr. Michael Foley - Vice Chairman, Asia Pacific, Ms. Rebecca Tan -Vice President – Senior Analyst, Financial Institutions Group.

Part 4: Credit Rating Methodology, presented by Ms. Jacintha Poh - Senior Vice President, Corporate Finance Group, Mr. Michael Foley - Vice Chairman, Asia Pacific, Ms. Rebecca Tan -Vice President – Senior Analyst, Financial Institutions Group and Ms. Alice Lin - Senior Vice President, Head of Strategy & Business Management, Asia Pacific.

VBMA collected comments on several problems

- Difficulties and proposed solutions for the operation of the bond market
- Letter 818/UBKT-15 on the report on corporate bond market
- Draft Decree amending and supplementing a number of articles of Decree No. 153/2020/ND-CP
- Circular on refinancing on the basis of special bonds of Vietnam Asset Management Company
- Letter of SSC responding to VBMA's comments on problems faced by members when issuing corporate bonds to the public.

VBMA UPCOMING EVENTS

Training course: “Fixed income trading technique”

VBMA shall organize the training course “Fixed income trading technique” on June 2-3, 2022 in Ho Chi Minh City.

Interbank Offsite 2022

“Interbank Offsite 2022” will be held by VBMA on June 24 – 26, 2022 in Da Nang City.

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

www.vbma.org.vn