

VBMA NEWSLETTER

April 2023



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MARKET NEWS

Government bond auction results in April 2023

No.	Bond code	Issuer	Tenor (year)	Auction Date	Offering Value (VND bn)	Bidding Value (VND bn)	Winning Volume (VND bn)	Winning Yield (%/y)
1	TD2333118	State Treasury	10	5/04/2023	3,000	4,450	2,000	3.3
2	TD2353151	State Treasury	30	5/04/2023	1,500	1,498	971	3.66
3	TD2328098	State Treasury	5	5/04/2023	4,500	5,403	1,903	2.8
4	TD2338133	State Treasury	15	5/04/2023	3,000	5,494	2,369	3.4
5	TD2333119	State Treasury	10	12/04/2023	2,000	6,551	1,000	3.28
6	TD2338133	State Treasury	15	12/04/2023	4,500	7,813	4,193	3.4
7	TD2328098	State Treasury	5	12/04/2023	2,000	2,300	2,000	2.8
8	TD2338134	State Treasury	15	19/04/2023	4,500	10,595	4,500	3.4
9	TD2328098	State Treasury	5	19/04/2023	3,000	7,100	3,000	2.78
10	TD2353151	State Treasury	30	19/04/2023	500	921	124	3.66
11	TD2333119	State Treasury	10	19/04/2023	2,250	7,292	2,250	3.28
12	TD2338134	State Treasury	15	26/04/2023	3,000	18,022	3,000	3.33
13	TD2333119	State Treasury	10	26/04/2023	3,000	14,133	3,000	3.22
14	TD2328098	State Treasury	5	26/04/2023	4,500	13,280	4,500	2.75

Sources: HNX, VBMA consolidated

In April 2023, the State Treasury of Vietnam called for 14 auctions of government bonds with the total offering value of VND 41,250 billion, the winning rate was 84.4%.

The STV called for auction of G-bonds at 5-year, 10-year, 15-year and 30-year, the winning value was VND 11,403 billion, VND 8,250 billion, VND 14,062 billion and VND 1,095 billion, respectively. Compared to last winning yields, the average winning yields decreased by about 34 to 68 points.

The issued value by STV since the beginning of the year is equivalent to 35% of the 2023 plan (VND 400,000 billion) and 29% of the second quarter plan (VND 120,000 billion).

There was no issuance of Government-Guaranteed bond in the month.

The value of Outright transactions was VND 79,532 billion (decreased by 6.3% compared to last month) and Repo transactions was VND 51,171 billion (increased by 33.8% compared to last month).

On the secondary market, the average daily Outright transaction value increased by 7.72% to VND 3,977 billion per day, and the average daily Repo transaction value decreased to VND 2,559 billion per day, 53.9% higher than the last month. Compared to the same period in 2022, April 2023 outright volume decreased by 27.6% and repo volume decreased by 44.3%. 10-year and 15-year bonds were traded the most in the month.

Foreign investors net sold a total of VND 1,709 billion in April 2023, pushing the net selling in 2023 to VND 2,354 billion.

In April 2023, Government bond yields (according to VBMA outright trading room) continued to decrease at all tenors

The 10-year G-bond yield remained in downward trend in April, closing the month at 3.212%, 0.031% lower than the end of March. Impacts from two interest rate cuts by the State Bank in March and the slowdown of the global economy were the main drivers of G-bond yields. A sharp drop in the issuance interest rate in the primary market also helped pushing the yields lower in the secondary market.

The government bond yield gap between Vietnam and the US has narrowed on the expectation that the Fed will soon stop raising interest rates as the banking crisis in the US has not shown any signs of stopping. Inflation cooled down, the labor market gradually returned to pre-pandemic levels were also factors that pushed US government bond yields down. In the last FOMC meeting, the Fed raised interest rates by 0.25% to 5.25% but signaled it might stop raising rates at its next meeting, putting downward pressure on yields.

Corporate bonds issued in 2023:

Unfavorable macroeconomic condition as well as changes in policy were the main factor that are depressing the bond market in April. According to data consolidated by VBMA as of 30/04/2023, there were only 1 issuance under private placement and 1 issuance under public offering of corporate bond in April 2023 with the total issuing value of VND 2,671 billion. More than 20 issuers have reached agreements to extend the bond's tenor with bondholders.

In April, corporates redeemed VND 11,398 billion of corporate bonds, decreasing by 14% compared to the same period of 2022. In the last 8 months of 2023, there will be VND 221,993 billion of corporate bonds come to mature.

**The data consolidated by VBMA was collected from website of HNX according to the issuing date and redemption date. This data might subject to change from time to time based on the information disclosure from HNX and SSC. The corporate bond data is collected as of 30 April 2023.*

VBMA ACTIVITIES IN APRIL, 2023

VBMA had a meeting with Asian Development Bank (ADB) and Credit Guarantee & Investment Facility (CGIF)

On April 17, 2023, VBMA's Representative had a meeting with ADB and CGIF via online meeting. The discussion focuses on bond market as well as co-operation opportunities between VBMA and ADB, CGIF in the coming time.

VBMA held a meeting with members who are expected to join MMA for FI bonds

On April 19, 2023, VBMA held a meeting with members who are expected to participate in the Market Maker Agreement (MMA) for valuable papers issued by credit institutions (bonds, CD) (FI Bond).

It is expected that the draft MMA will be completed in April 2023 and the VBMA will carry out necessary procedures to implement the agreement in June 2023. This MMA implementation is expected to develop market curves for FI Bond as well as promote the market liquidity.

VBMA had a meeting with Bloomberg

On April 21, 2023, VBMA's Representative had a meeting with Bloomberg at VBMA office. The discussion focuses on bond market as well as co-operation opportunities between VBMA and Bloomberg in the coming time.

VBMA attended the annual conference on Vietnam bond market activities held by Hanoi Stock Exchange (HNX)

On April 26, 2023, VBMA Representative attended and had a speech at the annual conference on Vietnam bond market activities held by Hanoi Stock Exchange (HNX). Based on the consolidated opinions from VBMA members, the speech of VBMA Representative focused on the proposals on Vietnam's bond market (including government bonds and corporate bonds).

VBMA UPCOMING EVENTS

Interbank Offsite 2023

VBMA will organize Interbank Offsite 2023 from 23 to 25 June 2023 in Danang.



Thank you for reading this issue of VBMA monthly newsletter
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We would like to thank you for your contribution

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