

VBMA NEWSLETTER

SEPTEMBER 2021



In this issue,

MARKET NEWS

VBMA RECENT ACTIVITIES

VBMA UPCOMING EVENTS

MARKET NEWS

Government bond auction results in September 2021

No.	Bond code	Issuer	Tenor (year)	Auction Date	Offering Value (VND bn)	Bidding Value (VND bn)	Winning Volume (VND bn)	Winning Yield (%/y)
1	TD2126003	State Treasury	5	29/09/2021	1000	1550	0	-
2	TD2141038	State Treasury	20	29/09/2021	2000	1575	925	2.8
3	TD2131018	State Treasury	10	29/09/2021	2500	5380	1630	2.12
4	TD2136029	State Treasury	15	29/09/2021	2500	4310	2060	2.35
5	TD2136029	State Treasury	15	22/09/2021	3000	5190	1540	2.31
6	TD2131017	State Treasury	10	22/09/2021	2500	5945	2500	2.08
7	TD2151043	State Treasury	30	22/09/2021	2500	3133	2333	2.98
8	TD2128008	State Treasury	7	22/09/2021	1000	1950	0	-
9	TD2136029	State Treasury	15	15/09/2021	4000	6524	3024	2.29
10	TD2141038	State Treasury	20	15/09/2021	1500	4420	1500	2.8
11	TD2131017	State Treasury	10	15/09/2021	4500	5941	3100	2.06
12	TD2126003	State Treasury	5	15/09/2021	1000	1066	616	0.82
13	TD2131013	State Treasury	10	08/09/2021	3000	8101	3000	2.04
14	TD2151043	State Treasury	30	08/09/2021	1000	1080	280	2.98
15	TD2128008	State Treasury	7	08/09/2021	1000	2800	1000	1.17
16	TD2136029	State Treasury	15	08/09/2021	4500	11533	4500	2.28
17	TD2126003	State Treasury	5	01/09/2021	1000	3066	1000	0.82
18	TD2141038	State Treasury	20	01/09/2021	3000	4625	3000	2.82
19	TD2131017	State Treasury	10	01/09/2021	2000	5751	1950	2.05
20	TD2136028	State Treasury	15	01/09/2021	4500	7474	4500	2.28

Sources: HNX, VBMA consolidated

Government Bond Payment Schedule in October 2021

No.	Bond code	Tenor (year)	Issuer	Repayment date	Value	Coupon Rate	Coupon Payment	Prin Payment	Total Payment
1	BVBS19147	15	01/10/2019	01/10/2021	879.825	4.7	41	-	41
2	TD2035026	15	01/10/2020	01/10/2021	14700	2.9	426	-	426
3	BVBS18171	5	02/10/2018	02/10/2021	500	5.0	25	-	25
4	BVBS18228	15	02/10/2018	02/10/2021	450	6.0	27	-	27
5	BVDB12078	10	02/10/2012	02/10/2021	500	9.6	48	-	48
6	HCMB14179	10	02/10/2014	02/10/2021	300	7.3	22	-	22
7	HCMB14181	15	02/10/2014	02/10/2021	1200	7.8	94	-	94
8	TD1929180	10	03/10/2019	03/10/2021	12950	3.9	505	-	505
9	BVBS16369	10	04/10/2016	04/10/2021	50	7.0	4	-	4
10	QH062125	15	06/10/2006	06/10/2021	170	9.0	15	170	185
11	TD1626457	10	06/10/2016	06/10/2021	2825	6.2	175	-	175
12	TD1636502	20	06/10/2016	06/10/2021	2083	7.7	160	-	160
13	BVBS18229	15	09/10/2018	09/10/2021	800	6.0	48	-	48
14	BVBS16331	5	11/10/2016	11/10/2021	200	5.1	10	200	210
15	BVBS16370	10	11/10/2016	11/10/2021	200	6.8	14	-	14
16	BVBS16408	15	11/10/2016	11/10/2021	500	7.6	38	-	38
17	BVDB15247	15	12/10/2015	12/10/2021	50	7.9	4	-	4
18	TD1722384	5	12/10/2017	12/10/2021	2809	4.5	126	-	126
19	QH062128	15	13/10/2006	13/10/2021	250	9.0	23	250	273
20	TD1646503	30	13/10/2016	13/10/2021	7375.1	7.9	583	-	583
21	BVDB13249	10	14/10/2013	14/10/2021	120	9.2	11	-	11
22	HCMB15313	15	14/10/2015	14/10/2021	140	8.1	11	-	11
23	TD1424174	10	15/10/2014	15/10/2021	3756	6.1	229	-	229
24	TD1429095	15	15/10/2014	15/10/2021	3008	7.0	211	-	211
25	TD2035027	15	15/10/2020	15/10/2021	13442	2.7	363	-	363
26	TD2050036	30	15/10/2020	15/10/2021	8637.5	3.2	276	-	276
27	BVBS18230	15	16/10/2018	16/10/2021	950	6.0	57	-	57
28	BVDB15235	10	16/10/2015	16/10/2021	50	7.3	4	-	4
29	BVDB15248	15	16/10/2015	16/10/2021	50	7.9	4	-	4
30	QH062129	15	17/10/2006	17/10/2021	25	9.0	2	25	27
31	TD1934192	15	17/10/2019	17/10/2021	14095	4.0	564	-	564
32	BVBS16409	15	18/10/2016	18/10/2021	100	7.6	8	-	8
33	QH062131	15	18/10/2006	18/10/2021	100	9.0	9	100	109
34	TD1724418	7	19/10/2017	19/10/2021	1784	4.8	86	-	86
35	BVBS18231	15	23/10/2018	23/10/2021	240	5.9	14	-	14
36	HCMB13262	10	23/10/2013	23/10/2021	100	9.3	9	-	9
37	BVBS16410	15	25/10/2016	25/10/2021	100	7.6	8	-	8
38	HCMB16506	15	25/10/2016	25/10/2021	3000	7.6	227	-	227
39	TD2027010	7	29/10/2020	29/10/2021	250	1.5	4	-	4
40	TL1535302	20	29/10/2015	29/10/2021	1600	7.8	124	-	124
41	BVBS17060	10	31/10/2017	31/10/2021	400	5.9	24	-	24
42	BVBS17091	15	31/10/2017	31/10/2021	200	6.2	12	-	12
43	BVDB16109	5	31/10/2016	31/10/2021	529	5.4	29	529	558

Sources: HNX, VBMA consolidated

In September 2021, the State Treasury of Vietnam called for 20 auctions of government bonds with the total offering value of VND 48,000 billion, the winning rate was 80.1%.

In September, the State Treasury of Vietnam called for 20 auctions of government bonds with a total value of VND 48,000 billion, the total winning value was VND 38,458 billion, the winning rate was 80.1%. The two tenors with the highest offering value were 10-year tenor and 15-year tenor (VND 14,500 billion and VND 18,500 billion respectively), and the winning rate was 84% (10-year tenor) and 84.5% (15-year tenor). Winning bond yields at all tenors decreased compared to the previous month.

In Q3/2021, STV planned to issue VND 120,000 billion of government bonds, including tenors of 5 years (VND 10,000 billion), 7 years (VND 8,000 billion), 10 years (VND 40,000 billion) and 15 years (VND 50,000 billion), 20 years (5,000 billion VND) and 30 years (7,000 billion VND).

By the end of Sep 2021, the STV has issued a total of VND 96,221 billion of government bonds in the quarter, equivalent to 80.2% of the 3rd quarter plan. Since the beginning of the year, the total government bond issued value has reached VND 237,714 billion, equivalent to 68% of the 2021 annual plan. In Oct 2021, there will be about VND 1.2 trillion of G-bonds matured, accounting for 1% of total bond value matured this year.

The value of Outright and Repo transactions reached VND 175,232 billion and VND 67,241 billion.

On the secondary market, the average daily Outright transaction value increased to VND 8,762 billion per day (+45% MoM), and the average daily Repo transaction value also rose to VND 3,362 billion per day (+52% MoM). Compared to the same period last year, September Outright and Repo trading volume increased by 22.4% and 24.2%.

During the month, the 5-year, 10-year and 15-year tenors were traded the most. The range of trading yields increased by 27 and 5 bps at 5-year and 10-year tenors. In September 2021, foreign investors net sold a total of VND 629 billion, thus, accumulated from the beginning of 2021, foreign investors have net bought VND 10,764 billion.

Compared to the previous month, VBMA Government bond yields remained relatively stable.

Government bond yields fluctuated within the margin of 5 bps compared to previous month's average yields at all tenors. Compared to last year, the current yields at tenors from 5 years to 30 years were 52 - 79 bps lower. Government bond yields in Vietnam are relatively low in the region. The gap between Vietnam G-bond yield and the US T-bond from the beginning of September until now tended to narrow by 0.77%-0.65% at all tenors (from 1Y-30Y)

In the first 9 months of 2021, there were a total of 596 domestic corporate bond issuances with a total value of VND 362 trillion.

In the first nine months of 2021, there were 582 private placements with a total value of VND 350 trillion (accounting for 91% of total issuing value), 14 issuances under public offering with a value

of VND 12 trillion (accounting for 3% of total issuing value), and 3 issuances of bonds on the international markets with a total value of USD 1 billion.

In the first 9 months of the year, the group of commercial banks continued to rank first with a total issuing value of VND 132.3 trillion. In which, there were VND 31.7 trillion of Tier 2-capital raising bonds (accounting for 23.9%). 75% of bonds issued with short tenors of 2-4 years.

Real estate sector ranked second with a total issuing value of VND 126.7 trillion. In which, about 11% of bonds issued were unsecured or secured by common shares. Issuing interest rates ranged from 8-13%/year.

Since the beginning of 2021, there were 3 issuances of bonds on the international market, including: Vingroup (USD 500 million), green bonds of BIM Real Estate Joint Stock Company (USD 200 million) and convertible bonds of Novaland (USD 300 million).

VBMA RECENT ACTIVITIES

VBMA sent Letter of Comments on the Draft Circulars replacing Circular 127/2018/TT-BTC and 128/2018/TT-BTC

The Ministry of Finance drafted 2 Circulars to replace Circular No. 127/2018/TT-BTC regulating prices of services in securities sector applied for Stock Exchange and Vietnam Securities Depository and Circular No. 128/2018/TT-BTC regulating prices of services in securities sector applied for securities trading organizations and commercial banks participating in Vietnam securities market.

VBMA collected comments from VBMA Members on these Draft Circulars and has sent official Letters of comments to the Ministry of Finance in September, 2021.

Webinar: The End of LIBOR: Transition Preparation and Readiness

On September 28, 2021, VBMA collaborated with Bloomberg to organize a Webinar: The End of LIBOR: Transition Preparation and Readiness.

The webinar has four parts:

Part 1: Presentation on the topic “Implementation of Fallbacks in Derivative Contracts” by Ms. Jing Gu, Head of Legal, Asia Pacific, International Swaps and Derivatives Association (ISDA).

Part 2: “Fallback Methodology” with the presentation of 2 Bloomberg experts: Mr. Kevin Lau and Mr. Sudipto Lahiry.

Part 3: “The End of LIBOR: Impact on the international debt market” presented by Mr. Nguyen Duc - Senior Associate of Clifford Chance, Singapore.

Part 4: “Introduction of short-term benchmark curves of VBMA” – presented by Ms. Ta Thi Bich Thao - Deputy General Secretary of VBMA.

VBMA and the Members co-operate in implementing the Market Maker Agreement for USD/VND interest rate swap

With the mission to promote and to foster the Vietnam Financial market in general and Vietnam Bond market in particular, VBMA and the Members agree to co-operate in implementing the Market Maker Agreement for USD/VND interest rate swap (MMA for FX Swap) from September 16, 2021. There are 14 Market Makers who join the implementation of this MMA for FX Swap 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, Sai Gon Thuong Tin Commercial Joint Stock Bank, Vietnam Maritime Commercial Joint Stock Bank, Orient Commercial Joint Stock Bank, Ho Chi Minh City Development Joint Stock Commercial Bank, Vietnam Export Import Commercial Joint Stock Bank, An Binh Commercial Joint Stock Bank, Asia Commercial Joint Stock Bank, LienViet Post Joint Stock Commercial Bank

The agreement, basing on the recorded trading price in the market, will establish the protocol to determine the FX Swap Curve – a primary input to price forward contracts. The implementation of the

agreement is also a necessary development for pricing interest rate derivatives such as IRS, CCS, etc., so that the market for trading interest rate products will be more diversified and completed, meeting the increasing demands of market members as well as member's clients.

The Market Makers will have the obligation to make firm quote in 2 trading sessions per day – from 9:00 am to 9:30 am for the morning session and from 2:00pm to 2:15 pm for the afternoon session. Standard tenors, as stipulated by MMA, are Over Night (ON), 1 week, 2 weeks, 1 month, 2 months, 3 months, 6 months, 9 months and 1 year.

VBMA will compile and publish FX Swap curve for each trading day on the basis of quotes provided by the Market Members in the morning sessions. The afternoon session only serves to enhance liquidity of the market. FX Swap curve, including bid, ask and mid-price, will be sent to VBMA members via email and published on VBMA's website at 10:30 am.

Virtual Policy Dialogue and Market Outlook at the end of 2021 and 2022

On September 24th, 2021, the Ministry of Finance in collaboration with VBMA organized the Virtual Policy Dialogue and Market Outlook at the end of 2021 and 2022. This is the Virtual Policy Dialogue and Market Outlook held by the Ministry of Finance in collaboration with VBMA with the support of Bloomberg.

The agenda included 3 main parts as follow:

Part 1: The Ministry of Finance launched Vietnam Bond Market Annual Report 2020 and VBMA awarded VBMA Best Bond Award 2020.

Part 2: Market Outlook and Perspective at the end of 2021 and 2020

Part 3: Policy Dialogue

More than 400 members of VBMA joined the virtual event with representatives of state management agencies including the Ministry of Finance, the State Bank, the State Securities Commission, the State Treasury, Vietnam Securities Depository and Vietnam Stock Exchange.

As a bridge between market participants and state management agencies, policy dialogue events are regularly organized by VBMA in various ways. The cooperation between market participants and state management agencies based on the open, straightforward and listening, innovative spirit will contribute to the development of Vietnam's bond market in particular and the financial in general.

VBMA UPCOMING EVENTS

Webinar: Opportunities for scaling up Green Finance

VBMA will hold the webinar: Opportunities for scaling up Green Finance in Vietnam on November 16th, 2021 from 2pm to 4.30pm.

The agenda of the webinar includes the following topics:

1. Recent trends of sustainable finance market in developing Asia
2. Legal Framework for Corporate bond market development and drivers for ESG bond market growth in Thailand
3. Past, present, future: Vietnam's Green Bond Market, Challenges and Opportunities
4. Resources available to support issuers, market players and the ecosystem

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