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MARKET NEWS

VBMA RECENT ACTIVITIES

MARKET NEWS

Government bond auction results in October 2023

| No. | Bond code | Issuer | Tenor (year) | Auction date | Offering value (VND bn) | Bidding value (VND bn) | Winning value (VND bn) | Winning yield (%/year) |
|-----|-----------|----------------------------------|--------------|--------------|-------------------------|------------------------|------------------------|------------------------|
| 1 | BVBS23264 | Vietnam Bank for Social Policies | 15 | 2/10/2023 | 1,000 | 1,500 | - | - |
| 2 | BVBS23238 | Vietnam Bank for Social Policies | 10 | 2/10/2023 | 500 | 1,000 | - | - |
| 3 | BVBS23183 | Vietnam Bank for Social Policies | 5 | 2/10/2023 | 500 | 1,000 | 500 | 2.5 |
| 4 | TD2333121 | State Treasury | 10 | 4/10/2023 | 2,250 | 2,401 | 750 | 2.36 |
| 5 | TD2328100 | State Treasury | 5 | 4/10/2023 | 500 | 735 | 500 | 1.65 |
| 6 | TD2338136 | State Treasury | 15 | 4/10/2023 | 3,000 | 2,450 | 1,000 | 2.59 |
| 7 | BVBS23184 | Vietnam Bank for Social Policies | 5 | 9/10/2023 | 1,500 | 1,850 | 1,500 | 2.5 |
| 8 | BVBS23239 | Vietnam Bank for Social Policies | 10 | 9/10/2023 | 500 | - | - | - |
| 9 | BVBS23265 | Vietnam Bank for Social Policies | 15 | 9/10/2023 | 500 | 500 | - | - |
| 10 | TD2338136 | State Treasury | 15 | 11/10/2023 | 2,000 | 2,500 | 2,000 | 2.61 |
| 11 | TD2333121 | State Treasury | 10 | 11/10/2023 | 1,500 | 2,201 | 1,500 | 2.38 |
| 12 | TD2328100 | State Treasury | 5 | 11/10/2023 | 500 | 1,115 | 500 | 1.64 |
| 13 | TD2343146 | State Treasury | 20 | 11/10/2023 | 500 | 100 | - | - |
| 14 | BVBS23266 | Vietnam Bank for Social Policies | 15 | 16/10/2023 | 500 | - | - | - |
| 15 | BVBS23185 | Vietnam Bank for Social Policies | 5 | 16/10/2023 | 1,500 | 3,000 | 1,500 | 2.5 |
| 16 | BVBS23240 | Vietnam Bank for Social Policies | 10 | 16/10/2023 | 500 | 500 | - | - |
| 17 | TD2338137 | State Treasury | 15 | 18/10/2023 | 2,000 | 2,500 | 1,000 | 2.63 |
| 18 | TD2353151 | State Treasury | 30 | 18/10/2023 | 500 | 25 | 25 | 3.05 |
| 19 | TD2333121 | State Treasury | 10 | 18/10/2023 | 1,500 | 2,451 | 750 | 2.4 |
| 20 | TD2328100 | State Treasury | 5 | 18/10/2023 | 1,000 | 1,820 | 1,000 | 1.65 |
| 21 | BVBS23186 | Vietnam Bank for Social Policies | 5 | 23/10/2023 | 1,000 | 2,000 | 1,000 | 2.5 |
| 22 | BVBS23241 | Vietnam Bank for Social Policies | 10 | 23/10/2023 | 500 | 1,000 | - | - |
| 23 | BVBS23267 | Vietnam Bank for Social Policies | 15 | 23/10/2023 | 500 | 500 | - | - |
| 24 | TD2328100 | State Treasury | 5 | 25/10/2023 | 1,500 | 2,835 | 1,450 | 1.62 |
| 25 | TD2338137 | State Treasury | 15 | 25/10/2023 | 2,000 | 2,450 | 1,000 | 2.65 |
| 26 | TD2333121 | State Treasury | 10 | 25/10/2023 | 3,000 | 6,041 | 3,000 | 2.42 |

Sources: HNX, collected by VBMA

In October 2023, the State Treasury of Vietnam (STV) called for 14 auctions of government bonds with the total offering value of VND 21,750 billion, the winning rate was 66.6%.

The STV called for auction of G-bonds at 5-year, 10-year, 15-year, 20-year, and 30-year. The 10 and 15-year tenors accounted for most of the winning value with VND 6,000 billion and VND 5,000 billion, respectively. The 5-year tenor was issued VND 3,450 billion (winning rate of 98.6%), the winning value of 30-year was VND 25 billion (winning rate of 5%). The average winning yield was 5 bps lower compared to last month. The total issued value of government bonds by STV since the beginning of the year was VND 264,356 billion, or 66.1% of this year's plan.

During the month, the Vietnam Bank for Social Policies called for 12 auctions a total of VND 9,000 billion of government guaranteed bonds at tenors of 5 years (VND 4,500 billion), 10 years (VND 2,500 billion) and 15 years (VND 3,000 billion), in which 5-year bonds were sold out, while 10 and 15-year bonds' auction were unsuccessful.

The value of Outright transactions was VND 89,258 billion (decreased by 18.6% compared to the previous month) and Repo transactions was VND 22,677 billion (28.3% lower).

In the secondary market, the average daily Outright transaction value was VND 4,057 billion (29.7% lower compared to September), and the average daily Repo transaction value was VND 1,031 billion (dropped by 38.1%). Compared to 2022's same period, October 2023 outright volume climbed by 88% and repo volume declined by 39%.

Foreign investors net sold a total of VND 58 billion in October 2023, lifting the net sold value since the beginning of the year to VND 5,504 billion.

In October 2023, Vietnamese government bond yields (according to VBMA's outright trading room) increased more at long tenors and went almost sideways across short tenors.

In October, yields for 7 to 30-year bonds rose by 17 to 29 bps compared to the end of September. The State Bank of Vietnam (SBV) issued 28-day bills throughout October. This move contributed to the rise in interbank interest rates, absorbing excess liquidity, and reducing pressure on the VND. The issuance of bills was considered a temporary solution and did not aim to tighten or reverse the current monetary easing policy.

Corporate bonds issued in 2023:

According to data consolidated by VBMA as of 31/10/2023, there were 18 issuances through private placement of corporate bond in October 2023 with the issuing value of VND 20,826 billion. The average issuing coupon rate was 8.9%/year and average tenor was 3.6 years. Since the beginning of the year, the total issuing value of corporate bond was VND 209,150 billion.

In October, corporates redeemed VND 13,645 billion of corporate bonds, 14.7% lower compared to the same period of 2022. In the last 2 months of 2023, there will be VND 41,009 billion of corporate bonds reaching maturity. Meanwhile, there were 16 bond codes that failed to pay interest, principal on time with a total value of VND 1,006 billion and 47 bond codes were extended maturity date or its coupon rate were changed.

*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 31 October 2023.

VBMA ACTIVITIES IN OCTOBER 2023

VBMA awarded VBMA Best Bond Award 2022 to Market Makers of FX Swap, Outright and Repo transactions

On October 4, 2023, the Vietnam Bond Market Association (VBMA) organized an award ceremony for the best VBMA FX Swap, Outright and Repo market makers of the year 2022.

This is a prestigious annual award by VBMA to recognize the contributions of all market makers in developing the benchmark interest rate curve for the USD/VND exchange rate market, for Government bond transactions (Outright market), and the short-term benchmark rate curve and promote liquidity in the Repo market.

VBMA Executive Committee met on October 4th, 2023 in Ha Noi

On October 4, 2023, the VBMA Executive Committee met to review the activities of the first nine months of 2023 and discuss the plans for the fourth quarter, which includes the organization of the 5th General Assembly, an important event. The Executive Committee discussed a draft proposal for the personnel arrangement in the 5th term (2022 - 2025), which will be presented at the 5th General Assembly.

VBMA co-organized the Seminar on Green, Social, and Sustainable (GSS) Bonds in Vietnam

On October 6th, 2023, in Hanoi, VBMA, in collaboration with the Asian Development Bank (ADB) and the ASEAN+3 Secretariat, organized the Seminar on Green, Social, and Sustainable Bonds (GSS bonds) in Vietnam. The seminar consisted of two parts.

In the first part, various international experts presented their insights on GSS bonds in the region. Specifically, Mr. Ephyro Luis Amatong, Advisor to the ASEAN Capital Markets Forum (ACMF), shared information about the roadmap, standards, and taxonomy of GSS bonds in the ASEAN region. Mr. Kosintr Puongsophol, Regional Finance Specialist at ADB, discussed the GSS bond ecosystem in the ASEAN+3 region. Ms. Paneeya Nitiwanakun, Assistant Director of the Bond Department at the Securities and Exchange Commission of Thailand, delivered a presentation on the Thailand's GSS bond market and regulatory policies.

The second part was a panel discussion with the participation of: Ms. Ta Thi Bich Thao - Deputy General Secretary of VBMA, Ms. Pham Thi Thuy Linh – Deputy Director of Market Development Department of SSC, Mr. Ha Anh Tuan – Director of Bond Market Department of HNX, Mr. Ngo The Trieu - CEO Eastspring Investments; Ms. Luong Thuy Ngan - Director of Investment Banking, Vietcombank Securities; and Mr. Satoru (Tomo) Yamadera - Advisor, ADB. The experts discussed the opportunities and challenges in the Green, Social, and Sustainable Bond market in Vietnam.

Training Course on Fixed Income Trading Techniques 2023

On the 12th and 13th of October 2023, the Vietnam Bond Market Association (VBMA) organized a Bond Trading Techniques Training Course at the Sheraton Hotel, Ho Chi Minh City. The course attracted 47 participants from 16 VBMA member organizations.

The course instructors were experienced experts in the bond market, including Mr. Le Quang Trung, Head of Treasury at VIB Bank; Ms. Duong Thi Nguyet, Chief Accountant at ACB Bank; Mr. Nguyen Hoang Anh, Managing Lawyer at ICML Advisory; Mr. Ta Thanh Hoa, Head of Trading at ANZ Vietnam; Mr. Nguyen Hoang Son - Market expert, and experts from Bloomberg.

The instructors covered various essential topics, such as bond valuation, repo transactions, risk management in bond investments, accounting practices, legal matters, bond trading simulation, and the use of Bloomberg terminal in trading.

VBMA Representatives Attended the Regional Dialogue and Knowledge Exchange Forum 2023

From October 18 to October 19, 2023, VBMA Representatives attended the Regional Dialogue and Knowledge Exchange Forum 2023 in Kuala Lumpur, Malaysia. Representatives from Penilai Harga Efek Indonesia, Philippine Dealing and Exchange Corporation and the Thai Bond Market Association also attended this forum.

The forum operated through open dialogues to promote transparency and valuation standards regionally. Participants also shared experiences and ideas focusing on bond pricing methodology matters, fintech, ESG applications by country and other cross regional collaboration's explorations.

VBMA welcomed EVN Finance JSC becoming a member of Vietnam Bond Market Association

Vietnam Bond Market Association (VBMA) received EVN Finance JSC's application to join VBMA on October 10th, 2023. The Board of VBMA reviewed and approved the application on October 16th.

VBMA is pleased to welcome EVN Finance JSC to become an official member of the Association. VBMA hopes that with the active participation of EVN Finance JSC, VBMA together with its members will build a professional, liquid, and dynamic bond market for Vietnam.

VBMA was established in 2009, and currently has 81 institutional members consisting of commercial banks, securities companies, investment funds, insurance companies, law firms, audit companies, ...



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We would like to thank you for your contribution

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