

VBMA NEWSLETTER

October 2024



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MARKET NEWS

Government bond auction results in October 2024

No.	Bond code	Issuer	Tenor (year)	Auction date	Offering value (VND bn)	Bidding value (VND bn)	Winning value (VND bn)	Winning yield (%/year)
1	TD2429012	State Treasury	5	02/10/2024	500	1,500	200	1.9
2	TD2434026	State Treasury	10	02/10/2024	7,000	8,411	2,760	2.66
3	TD2439032	State Treasury	15	02/10/2024	3,000	1,250	450	2.86
4	TD2444039	State Treasury	20	02/10/2024	500	100	0	-
5	TD2454046	State Treasury	30	02/10/2024	500	100	100	3.1
6	TD2429012	State Treasury	5	09/10/2024	500	1,150	0	-
7	TD2434026	State Treasury	10	09/10/2024	10,500	12,435	7,619	2.66
8	TD2439032	State Treasury	15	09/10/2024	2,500	1,400	300	2.86
9	TD2454046	State Treasury	30	09/10/2024	500	260	260	3.1
10	TD2429012	State Treasury	5	16/10/2024	500	925	500	1.89
11	TD2431014	State Treasury	7	16/10/2024	500	0	0	0
12	TD2434026	State Treasury	10	16/10/2024	7,000	11,111	6,860	2.66
13	TD2439032	State Treasury	15	16/10/2024	2,500	1,100	0	-
14	TD2454046	State Treasury	30	16/10/2024	500	491	491	3.1
15	TD2429012	State Treasury	5	23/10/2024	1,500	4,200	1,500	1.89
16	TD2434027	State Treasury	10	23/10/2024	6,000	7,570	5,620	2.66
17	TD2439032	State Treasury	15	23/10/2024	2,000	1,200	0	-
18	TD2454046	State Treasury	30	23/10/2024	1,000	445	445	3.1
19	TD2434027	State Treasury	10	30/10/2024	6,000	2,050	1,000	2.66
20	TD2439032	State Treasury	15	30/10/2024	1,000	800	0	-
21	TD2429012	State Treasury	5	30/10/2024	3,000	2,720	2,320	1.89
22	TD2454046	State Treasury	30	30/10/2024	1,000	150	150	3.1

Sources: HNX, collected by VBMA

In October 2024, the State Treasury of Vietnam (STV) called for 22 auctions of government bonds with the total offering value of VND 58,000 billion, the winning ratio was 52.7%.

The STV called for auction of G-bonds at 5-year, 7-year, 10-year, 15-year, 20-year and 30-year, in which the 10-year tenor accounted for most of the winning value with VND 23,859 billion (accounted for 78%). The 5-year, 15-year and 30-year tenors were issued VND 4,520 billion (winning rate of 75.3%), VND 750 billion (winning rate of 6.8%), and VND 1,446 billion (winning rate of 41.3%). Meanwhile, there was no winning bid for 7-year and 20-year bonds. The average winning yield declined compared to last month.

The total issued value of government bonds by STV through auctions in 10 months of 2024 was VND 302,246 billion, equivalent to 75.6% of 2024's plan (VND 400,000 billion). The issued value of G-bonds in October was VND 30,575 billion, reaching 23.8% of Q4's plan (VND 128,000 billion). The average G-bonds issuance tenor in October 2024 was 10.33 years, the average issuance interest rate was 2.57%/year.

The value of Outright transactions was VND 179,412 billion (increased 21.8% compared to the previous month) and Repo transactions was VND 95,416 billion (decreased 13.9%).

The average daily Outright transaction value was VND 7,801 billion, and the average daily Repo transaction value was VND 4,149 billion. Compared to the same month in 2023, October 2024's average outright transaction value rose 92.3% and the average repo transaction value jumped by more than 302%.

In October, the net sold value of foreign investors was VND 435 billion, bringing the net bought value since the beginning of the year to VND 664 billion.

Vietnamese government bond yields (according to VBMA's outright trading room) slightly decreased at tenors under 4 years while increased at the other tenors.

Yields for tenors under 4 years mildly decreased by 5 bps, while 4-year, 5-year and 30-year bonds' yields rose by 3-9 bps, and yields for tenors from 7 to 20 years increased by 25-39 bps compared to the end of last month.

The State Bank of Vietnam (SBV) resumed issuing SBV-bills on October 18, with a total value of VND 89,200 billion in 14- and 28-day bills, but also continued to buy VND 49,983 billion in 7-day valuable papers during October.

Corporate bonds issued in 2024:

According to data consolidated by VBMA as of October 31st 2024, there were 21 issuances of corporate bond through private placement with the issuing value of VND 19,678 billion and 4 issuances through public offering worth VND 1,800 billion in October 2024. In the first 10 months of 2024, there were 316 private placements worth VND 304,000 billion and 15 public offerings worth VND 28,854 billion.

In October 2024, enterprises redeemed VND 12,772 billion of corporate bonds, 28% lower compared to the same period of 2023. In the remaining of 2024, there will be VND 65,685 billion of corporate bonds reaching maturity.

*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 2024.

VBMA ACTIVITIES IN OCTOBER 2024

VBMA presented members' feedbacks at the Conference to gather comments on the draft law amending and supplementing the Securities Law

On the morning of October 8, 2024, in Hanoi, representatives from the Vietnam Bond Market Association (VBMA) participated in the conference to gather comments on the amendments and supplements to the Securities Law within the draft Law amending and supplementing certain provisions of the Securities Law, Accounting Law, Independent Audit Law, State Budget Law, Management and Use of Public Assets Law, Tax Management Law, and National Reserve Law. The conference was organized by the State Securities Commission (SSC).

Mr. Vuong Thanh Long, Vice Chairman of VBMA, delivered a speech at the Conference, presenting several key comments and proposals related to regulations governing the bond market.

VBMA compiled members' opinions and sent Letter of Comments on draft legal documents

In October, VBMA continued to draft letters of comments to detail the feedback from member organizations regarding the amendments to certain provisions of the Securities Law and the draft Decision on environmental criteria for investment projects that qualify for green credit and issuance of green bonds. Besides, VBMA also asked for members' opinions on the draft Circular amending and supplementing several articles of Circular No. 51/2021/TT-BTC and the draft Decree on the financial regime for credit institutions, foreign banks' branches, and financial supervision.

VBMA's representative attended and presented members' opinions at the meeting with the Economic Committee of the National Assembly regarding the draft Law amending and supplementing the Securities Law

On October 11, 2024, VBMA representatives attended a meeting organized by the Economic Committee of the National Assembly to review the proposed amendments and supplements to the Securities Law. At the meeting, Mr. Phạm Phú Khôi – Vice Chairman of VBMA, and Ms. Tạ Thị Bích Thảo – Deputy General Secretary of VBMA, presented the comments and proposals from the association's members regarding the amendments and supplements to the Securities Law. Representatives from the Ministry of Finance, the State Securities Commission, Hanoi Stock Exchange (HNX), the Vietnam Securities Depository and Clearing Corporation (VSDC), as well as several commercial banks and securities companies also participated in the meeting.

VBMA had a discussion with ISI Markets Group

On October 16, 2024, VBMA's representatives had an online discussion with ISI Markets Group's representatives regarding potential future cooperation.

VBMA Standing Committee met on October 18, 2024

On October 18, 2024, the Standing Committee of VBMA held its first meeting of the 5th term. The Chairman of VBMA, Mr. Lê Duy Hải, presided over the meeting.

The Standing Committee discussed and reached a consensus on the operational model of VBMA's professional committees and assigned responsibilities to Standing Committee members for overseeing the activities of these professional committees. The committees will plan the activities of the VBMA for the year 2025.

VBMA attended the 29th ASF Annual General Meeting

On October 22-24, 2024, Ms. Tạ Thị Bích Thảo, Deputy General Secretary of VBMA, attended the 29th Annual General Meeting of the Asian Securities Forum in Tokyo, Japan. This year's forum is themed "Road to Sustainable Asia – Transition Driven by the Capital Market." Ms. Tạ Thị Bích Thảo delivered a presentation about the Vietnamese bond market.

ASF was established in 1995, based on an initiative by the Japan Securities Dealers Association (JSDA). Its purpose is to exchange views and information among the securities industry in the Asia-Pacific region and to contribute to the development of securities markets and economic growth in the region.

Training Course: Bond Trading and Valuation

The Vietnam Bond Market Association (VBMA) – with the support of the World Bank – successfully organized the Training Course on Bond Trading and Valuation on the 29th, 30th and 31st of October, 2024 at Sheraton Hanoi Hotel. This course attracted 46 participants from market member organizations and government agencies.

Investors in fixed income markets make money by taking exposure to interest rates, credit, and other risks. But constructing trades that express specific views about the yield curve or exploit relative value opportunities in credit and inflation markets requires careful consideration of those risks, and multiple factors determine whether a trade will make a profit or a loss. This course explained how financial market professionals create, analyze, and assess yield curves, breakeven inflation, and credit relative value trades. This trading activity in turn affects financing opportunities and funding costs for sovereign and corporate issuers in fixed income markets.

VBMA Supports Ministry of Finance in Celebrating the 15th Anniversary of the Specialized Government Bond Market

In October, the Vietnam Bond Market Association (VBMA) assisted the Ministry of Finance in preparing award documentation for Primary Dealers (PDs) in government debt instruments. This preparation was in anticipation of the 15th-anniversary celebration of the Specialized Government Bond Market, established in 2009 and set to be commemorated on December 5, 2024.

Additionally, VBMA supported the Ministry of Finance in evaluating Primary Dealers in compliance with Decree No. 95/2018/ND-CP, which regulates the issuance, registration, depository, listing, and trading of government debt instruments on the stock market.

UPCOMING EVENTS OF VBMA

Training Course: Fixed Income Fundamentals

The Vietnam Bond Market Association (VBMA) – with the support of the World Bank - will organize the *Training Course on Fixed Income Fundamentals* on the 11th, 12th and 13th of November 2024 at Sheraton Saigon Hotel, 88 Dong Khoi, District 1, Ho Chi Minh City.

Fixed Income Fundamentals is an introductory level program intended for anyone seeking a sound foundation in the analysis of fixed income securities. The syllabus offers an overview of fixed income market products and participants, explains the key features of fixed income securities including government bonds, corporate bonds and many more.

Training Course: Fixed Income Portfolio Management 2024

The Vietnam Bond Market Association (VBMA), with the support of the World Bank, will organize a *Fixed Income Portfolio Management* training course on November 4, 5, and 6 in Hanoi, and another on November 18, 19, and 20, 2024, in Ho Chi Minh City.

The Fixed Income Portfolio Management training course introduces tools and techniques for managing fixed income securities portfolios, applying these techniques to analyze portfolios of real bonds, followed by the construction and management of portfolios. The training uses examples from a real portfolio risk management system, allowing participants to analyze their own portfolios.



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We would like to thank you for your contribution

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