

VBMA NEWSLETTER

September 2023



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MARKET NEWS

Government bond auction results in September 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	TD2353151	State Treasury	30	06/09/2023	500	535	435	3.05
2	TD2338136	State Treasury	15	06/09/2023	1500	2000	1500	2.59
3	TD2333120	State Treasury	10	06/09/2023	1500	2471	1500	2.36
4	TD2328100	State Treasury	5	06/09/2023	500	1637	500	1.69
5	TD2353151	State Treasury	30	13/09/2023	500	100	0	0
6	TD2338136	State Treasury	15	13/09/2023	2250	3050	2250	2.59
7	TD2333121	State Treasury	10	13/09/2023	2250	3851	2250	2.36
8	TD2328100	State Treasury	5	13/09/2023	500	2100	500	1.67
9	BVBS23236	Vietnam Bank for Social Policies	10	19/09/2023	500	300	0	0
10	BVBS23262	Vietnam Bank for Social Policies	15	19/09/2023	1500	300	0	0
11	TD2328100	State Treasury	5	20/09/2023	500	1765	500	1.64
12	TD2338136	State Treasury	15	20/09/2023	3000	3400	2000	2.59
13	TD2333121	State Treasury	10	20/09/2023	2250	3021	1500	2.36
14	BVBS23237	Vietnam Bank for Social Policies	10	25/09/2023	500	0	0	0
15	BVBS23263	Vietnam Bank for Social Policies	15	25/09/2023	1500	0	0	0
16	TD2328100	State Treasury	5	27/09/2023	500	1535	435	1.63
17	TD2338136	State Treasury	15	27/09/2023	3000	3650	3000	2.59
18	TD2333121	State Treasury	10	27/09/2023	3000	3751	3000	2.36

Sources: HNX, collected by VBMA

In September 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 89.1%. The Vietnam Bank for Social Policies called for 4 auctions of government guaranteed bonds with the total offering value of VND 4,000 billion, no winning bid.

The STV called for auction of G-bonds at 5-year, 10-year, 15-year, and 30-year. The 10 and 15-year tenors accounted for most of the winning value with VND 8,250 billion and VND 8,750 billion, respectively. The 5-year tenor was issued VND 1,935 billion, the winning value of 30-year was VND 435 billion. The average winning yield was 10 bps lower compared to last month. The total issued value of government bonds since the beginning of the year reached 62.5% of the 2023 plan (VND 400,000 billion).

During the month, the Vietnam Bank for Social Policies called for 4 auctions a total of VND 4,000 billion of government guaranteed bonds, no winning bid.

The value of Outright transactions was VND 109,658 billion (increased by 7.6% compared to the previous month) and Repo transactions was VND 31,630 billion (1.86% lower).

In the secondary market, the average daily Outright transaction value was VND 5,771 billion (up 30.3%), and the average daily Repo transaction value was VND 1,665 billion (rose by 18.8%). Compared to 2022's same period, September 2023 outright volume climbed by 93% and repo volume dropped by 59.8%. Market liquidity remained abundant.

Foreign investors net sold a total of VND 174 billion in September 2023, lifting the net sold since the beginning of the year to VND 5,446 billion.

In September 2023, Vietnamese government bond yields (according to VBMA's outright trading room) continued to go sideways across most tenors.

In September, as the USD strengthened due to the US Federal Reserve's decision to keep interest rates at a 22-year high, the SBV resumed issuing T-bills. This contributed to limiting interest rate differences, reducing pressure on the VND, and adjusting short-term liquidity in the system.

Corporate bonds issued in 2023:

According to data consolidated by VBMA as of 30/9/2023, there were 14 issuances through private placement of corporate bond in September 2023 with the issuing value of VND 13,865 billion, the 5 issuances through public offering that was announced in September all have issuance date in August and total issuing value of VND 3,947 billion. The average issuing coupon rate was 9.1%/year and average tenor was 4.1 years. Since the beginning of the year, the total issuing value of corporate bond was VND 160,253 billion.

In September, corporates redeemed VND 9,249 billion of corporate bonds, 47.6% lower compared to the same period of 2022. In the last 4 months of 2023, there will be VND 60,835 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 30 September 2023.

VBMA ACTIVITIES IN SEPTEMBER 2023

VBMA officially launched the Market Makers Agreement for FI Bond and FI CD.

On 18/09/2023, VBMA officially launched the Market Makers Agreement (MMA) for FI Bond & FI CD issued by financial institutions. The implementation of this MMA will be divided into two specific phases as follows:

Phase 1: From September 18, 2023, Market Makers provide firm quotes for CD.

Phase 2: From November 1, 2023, Market Makers are expected to provide firm quotes for both FI Bond and CD.

VBMA implemented the MMA for FI Bond & CD with the aim of establishing a benchmark yield curve for valuable papers issued by financial institutions, promoting market liquidity, and providing firm quotes for both FI Bond and CD.

VBMA Donates 22 Computers to De Xu Phinh School in Mu Cang Chai district, Yen Bai.

On September 30, 2023, representatives from VBMA donated 22 computer sets to De Xu Phinh Primary and Secondary School in Mu Cang Chai district, Yen Bai province.

The school has over 600 students from ethnic minority families in the mountainous region, many of whom face challenging circumstances. These 22 computers will be used for the school's computer lab and English classes, providing students with better learning opportunities.

This charitable program was funded with proceeds raised at the Interbank Offsite event organized by VBMA in June 2023, demonstrating the financial market community's commitment to sharing with society.

VBMA Successfully Implements the Initiative to Establish a Credit Rating Agency with the Participation of Moody's and VBMA Members.

Since December 2019, VBMA has officially coordinated negotiations between VBMA members and Moody's to establish a CRA. On November 30, 2021, Vietnam Investment Credit Rating Joint Stock Company (VIS Rating) was officially established by Moody's and five VBMA members as founding shareholders. Additionally, three other members will join the company once VIS Rating obtains its rating license, namely: Vietnam Prosperity Commercial Joint Stock Bank, Maritime Commercial Joint Stock Bank, and North Asia Commercial Joint Stock Bank.

On September 18, 2023, VIS Rating was issued the Certificate of Eligibility for Credit Rating Services numbered 03/GCN-DVXHTN (Rating License).

VBMA has fulfilled its mission by utilizing practical experiences from countries in the region and successfully bringing Moody's into the Vietnamese market, establishing the credit rating agency VIS Rating alongside VBMA members.

In the future, VBMA will continue to coordinate and support VIS Rating and other CRAs for the development of the Vietnamese bond market.

UPCOMING EVENTS OF VBMA

Vietnam GSS Bond Workshop

VBMA will coordinate with the Asian Development Bank (ADB), the ASEAN Secretariat and NRI Consulting & Solutions (Thailand) to organize the Seminar on Green, Social and Sustainability (GSS) Bond on October 6, 2023, in Hanoi.

Training Course: Fixed Income Trading Techniques - 2023.

The Fixed Income Trading Techniques course is expected to be held by VBMA on October 12 - 13, 2023 at Sheraton Saigon Hotel, 88 Dong Khoi, District 1, Ho Chi Minh City.

The course is implemented with the purpose of helping members and investors understand the practice of trading bonds/bills in Vietnamese market with its unique characteristics, discussing from basic to in-depth on bonds, market transactions and methods to protect investors and members' organizations from financial risks. Course instructors will be leading industry experts with many years of practical experience in the Vietnamese market.

For more information about the training program, please visit VBMA website at: [Training Course: The Fixed Income Trading Techniques - 2023](#)

VBMA to Attend the Regional Dialogue and Knowledge Exchange Forum 2023.

BPAM will be hosting the Regional Dialogue and Knowledge Exchange Forum 2023 in Kuala Lumpur from 18 October 2023 to 19 October 2023.

Representatives of VBMA, Penilai Harga Efek Indonesia, Philippine Dealing and Exchange Corporation and the Thai Bond Market Association will all be attending this forum.

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

Regarding the market networking activities, the Pricing Consultative Group (PCG) meeting will also be held on 18 October 2023. The PCG meeting is a platform for BPAM and key Malaysian market players (PCG members) to share industry wide issues in more in-depth details. Thus, VBMA would be able to get acquainted with the PCG members as well as observe the various topics that are up for discussion during the meeting.



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