

VBMA NEWSLETTER

September 2024



In this issue,

MARKET NEWS

VBMA RECENT ACTIVITIES

UPCOMING EVENTS OF VBMA

MARKET NEWS

Government bond auction results in September 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	TD2429010	State Treasury	5	04/09/2024	500	500	200	1.98
2	TD2434023	State Treasury	10	04/09/2024	7,000	4,550	1,150	2.71
3	TD2439032	State Treasury	15	04/09/2024	4,000	1,850	750	2.9
4	TD2454046	State Treasury	30	04/09/2024	500	464	464	3.1
5	TD2429010	State Treasury	5	11/09/2024	500	1,400	0	-
6	TD2431013	State Treasury	7	11/09/2024	500	765	165	2.05
7	TD2434023	State Treasury	10	11/09/2024	9,000	11,583	9,000	2.71
8	TD2439032	State Treasury	15	11/09/2024	3,500	4,500	3,350	2.9
9	TD2454046	State Treasury	30	11/09/2024	650	765	615	3.1
10	TD2429010	State Treasury	5	18/09/2024	500	1,750	500	1.95
11	TD2431013	State Treasury	7	18/09/2024	500	730	230	2.05
12	TD2434024	State Treasury	10	18/09/2024	6,500	14,601	4,500	2.68
13	TD2439032	State Treasury	15	18/09/2024	3,500	5,500	2,300	2.88
14	TD2454046	State Treasury	30	18/09/2024	500	650	500	3.1
15	TD2429011	State Treasury	5	25/09/2024	1,000	2,470	0	-
16	TD2434026	State Treasury	10	25/09/2024	7,500	22,930	7,500	2.66
17	TD2439032	State Treasury	15	25/09/2024	3,000	3,600	2,150	2.86
18	TD2454046	State Treasury	30	25/09/2024	1,000	695	0	-

Sources: HNX, collected by VBMA

In September 2024, the State Treasury of Vietnam (STV) called for 18 auctions of government bonds with the total offering value of VND 50,150 billion, the winning ratio was 66.5%.

The STV called for auction of G-bonds at 5-year, 7-year, 10-year, 15-year and 30-year, in which the 10-year and 15-year tenor accounted for most of the winning value with VND 22,150 billion and VND 8,550 billion. The 5-year, 7-year and 30-year tenors were issued VND 700 billion, VND 395 billion, and VND 1,579 billion.

The total issued value of government bonds by STV through auctions in 9 months of 2024 was VND 271,671 billion, equivalent to more than 67.9% of 2024's plan (VND 400,000 billion). The issued value of G-bonds in Q3 was VND 115,169 billion, reaching 76.7% of Q3's plan (VND 150,000 billion). The average G-bonds issuance tenor in September 2024 was 12.09 years, the average issuance interest rate was 2.73%/year.

According to the Official Letter No. 6139/BTC-QLN and the Official Letter No. 6140/BTC-QLN, the Ministry of Finance did not approve the issuance of government-guaranteed bonds by the Vietnam Bank for Social Policies (VBSP) and the Vietnam Development Bank (VDB) in 2024.

The value of Outright transactions was VND 147,272 billion (decreased 1.9% compared to the previous month) and Repo transactions was VND 110,833 billion (increased 19.1%).

The average daily Outright transaction value was VND 7,751 billion, and the average daily Repo transaction value was VND 5,833 billion. Compared to 2023's same period, September 2024's average outright transaction value rose 34.3% and the average repo transaction value jumped by more than 250%.

In September, the net bought value of foreign investors was VND 492 billion, bringing the net bought value since the beginning of the year to VND 1,099 billion.

Vietnamese government bond yields (according to VBMA's outright trading room) slightly decreased at 7-year to 20-year bonds and went sideways at the other tenors.

Yields for 7-year, 10-year and 15-year bonds mildly decreased by 3-6 bps, 20-year bonds' yield declined by 11 bps, while yields for the other tenors remained static compared to the end of last month.

In September, the SBV bought 7-day valuable papers through the OMO channel, with a total value of VND 70,658 billion, continued to suspend SBV-bills issuance, and reduced the OMO interest rate to 4% per annum.

Corporate bonds issued in 2024:

According to data consolidated by VBMA as of September 30th 2024, there were 24 issuances of corporate bond through private placement with the issuing value of VND 22,333 billion and 1 issuance under public offering worth VND 1,467 billion in September 2024. In the first 9 months of 2024, there were 268 private placements worth VND 250,396 billion and 15 public offerings worth VND 27,054 billion.

In September 2024, enterprises redeemed VND 11,749 billion of corporate bonds, 2% higher compared to the same period of 2023. In the remaining of 2024, there will be VND 79,858 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 2024.

VBMA ACTIVITIES IN SEPTEMBER 2024

VBMA presented members' feedbacks on the draft law amending and supplementing the Securities Law

On the morning of September 9, 2024, in Hanoi, representatives of the Vietnam Bond Market Association (VBMA) participated in a meeting of the Council for Appraisal of the draft Law amending and supplementing several articles of the Securities Law, the Accounting Law, the Independent Audit Law, the State Budget Law, the Law on Management and Use of Public Assets, the Tax Management Law, and the National Reserve Law. The meeting was organized by the Ministry of Justice.

In late August and early September, VBMA gathered feedbacks and held discussions with members regarding this draft law, focusing particularly on the amendments and supplements to the Securities Law.

During the meeting on the morning of September 9, VBMA representatives presented several key comments and proposals related to regulations on the responsibilities of underwriters and auditing firms; the criteria for professional securities investors as companies and individuals; the entities eligible to purchase, trade, and transfer privately placed corporate bonds; the requirements for collateral when issuing public corporate bonds. Following the meeting, VBMA sent an official letter to state agencies, providing a comprehensive and detailed account of the feedbacks from members regarding the amendments and supplements to certain articles of the Securities Law.

VBMA's representative participated in the 17th ASF Tokyo Roundtable

VBMA representative participated in the 17th ASF Tokyo Roundtable held from 9 to 13 September 2024 in Tokyo, Japan.

The main purpose of the seminar is to give participants an opportunity to exchange views regarding the securities industry in the Asian region as well as to study the Japanese regulatory framework, the roles of self-regulation, and the market system and operations of our securities markets.

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

In September, VBMA compiled and sent Letters of Comments on the Draft Law amending and supplementing the 2019 Securities Law, Collateral management activities of commercial banks and securities companies, VBMA members' proposals regarding privately-placed corporate bonds and the draft Circular replacing Circular No. 101/2021/TT-BTC.

Also in September, VBMA requested our members to provide opinions on the draft Proposal for the amendment of the Bankruptcy Law.

VBMA attended the kickoff event for the project "Enhancing the capacity to promote the efficiency of Vietnam's securities market."

With the approval of the Ministry of Finance, the State Securities Commission (SSC) officially signed a memorandum of discussion with the Japan International Cooperation Agency (JICA) for the project "Enhancing the capacity to promote the efficiency of Vietnam's securities market." On September 23, 2024, VBMA participated in the kickoff event of this project in Hanoi, which introduced the project in alignment with the stock market development strategy through 2030.

VBMA held a meeting with the ASEAN+3 Macroeconomic Research Office (AMRO)

VBMA held a meeting with the ASEAN+3 Macroeconomic Research Office (AMRO)'s representatives on September 23, 2024, to discuss potential future collaborations between the two organizations.

VBMA had a meeting with Bloomberg

On September 24, 2024, VBMA had a meeting with Bloomberg's representatives regarding issues related to corporate bonds in Vietnam.

VBMA attended Forum on Vietnam - Korea Financial Cooperation 2024

On September 25, 2024 in Hanoi, VBMA's representative attended the Vietnam - Korea Financial Cooperation Forum 2024, co-organized by the State Securities Commission of Vietnam, the Financial Supervisory Service of Korea, and the Council for International Financial Cooperation (CIFIC). The forum's primary focus was on the development of capital markets and transition finance.

VBMA participated in Forum on Asian Insolvency Reform (FAIR)

On September 26-27, 2024, VBMA's representatives participated in the Forum on Asian Insolvency Reform (FAIR), hosted by the Ministry of Law of Singapore in partnership with INSOL International and World Bank.

The objective of the meeting is to:

- Provide a platform for high-level dialogues between ministry officials and others involved in the development of insolvency law.
- Set up a forum for a coordinated approach by international bodies, countries and experts by sharing experience and knowledge.
- Elevate insolvency and restructuring reform on the Asian policy agenda.

UPCOMING EVENTS OF VBMA

Training Course: Bond Trading and Valuation

The Vietnam Bond Market Association (VBMA) – with the support of the World Bank - will organize the Training Course on Bond Trading and Valuation on the 29th, 30th and 31st of October, 2024 at Sheraton Hanoi Hotel.

Investors in fixed income markets make money by taking exposure to interest rate, 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 explains how financial market professionals create, analyze, and assess yield curve, 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.

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.



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

<https://vbma.org.vn>