

VBMA NEWSLETTER

August 2023



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MARKET NEWS

Government bond auction results in August 2023

No.	Bond code	Issuer	Term (year)	Auction date	Offering value (VND bn)	Bidding value (VND bn)	Winning value (VND bn)	Winning yield (%/year)
1	TD2338136	State Treasury	15	2/8/2023	2500	4500	2500	2.6
2	TD2328099	State Treasury	5	2/8/2023	500	1950	500	1.8
3	TD2333120	State Treasury	10	2/8/2023	1500	5859	1500	2.37
4	TD2353151	State Treasury	30	2/8/2023	500	1015	500	3.05
5	TD2328099	State Treasury	5	9/8/2023	500	1750	250	1.75
6	TD2353151	State Treasury	30	9/8/2023	1000	649	349	3.05
7	TD2338136	State Treasury	15	9/8/2023	2000	3050	2000	2.59
8	TD2333120	State Treasury	10	9/8/2023	2000	5364	2000	2.36
9	TD2328099	State Treasury	5	16/08/2023	500	1870	470	1.74
10	TD2338136	State Treasury	15	16/08/2023	2000	2900	2000	2.59
11	TD2353151	State Treasury	30	16/08/2023	500	513	213	3.05
12	TD2333120	State Treasury	10	16/08/2023	2000	5101	2000	2.36
13	TD2333120	State Treasury	10	23/08/2023	2000	3051	2000	2.36
14	TD2328100	State Treasury	5	23/08/2023	500	1660	500	1.72
15	TD2343146	State Treasury	20	23/08/2023	500	0	0	0
16	TD2338136	State Treasury	15	23/08/2023	2000	2800	2000	2.59
17	TD2353151	State Treasury	30	30/08/2023	500	556	500	3.05
18	TD2333120	State Treasury	10	30/08/2023	1000	1451	1000	2.36
19	TD2338136	State Treasury	15	30/08/2023	1000	1650	1000	2.59
20	TD2328100	State Treasury	5	30/08/2023	500	1320	500	1.7

Sources: HNX, collected by VBMA

In August 2023, the State Treasury of Vietnam called for 20 auctions of government bonds with the total offering value of VND 23,500 billion, the winning rate was 92.7%.

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 8,500 billion and VND 9,500 billion, respectively. The 5-year tenor was successfully issued VND 2,220 billion, winning value of 30-year was VND 1,562 billion. The average winning yield extended the decline, about 10 to 20 bps lower compared to last month.

The issued value by STV since the beginning of the year was equivalent to 58.61% of the 2023 plan (VND 400,000 billion). In August, no government-guaranteed bonds were issued.

The value of Outright transactions was VND 101,870 billion (increased by 16.5% compared to the previous month) and Repo transactions was VND 32,228 billion (45.4% higher).

In the secondary market, the average daily Outright transaction value rose by 6.4% to VND 4,424 billion per day, and the average daily Repo transaction value jumped to VND 1,401 billion per day, 32.8% higher than last month. Compared to the same period in 2022, August 2023 outright volume was 87.6% higher and repo volume dropped by 63.3%.

Market liquidity was stable as the State Bank maintained an easing monetary policy.

Foreign investors net sold a total of VND 509 billion in August 2023, lifting the to net sold since the beginning of the year to VND 5,272 billion.

Ending the downward trend from the beginning of the year, Vietnamese government bond yields (according to the VBMA outright trading room) leveled off in August at most terms.

The State Bank of Vietnam maintained the accommodative monetary policy to support economic growth toward the 6.5% target. As August inflation showing signs of jumping again, up 2.96% over the same period and the USD/VND exchange rate is being under pressure, the SBV may not be aggressive in easing policy further, this may be the factor kept Government bond yields flat in August.

US government bond yields are currently higher than Vietnam government bond yields by about 1.5% at the 10-year tenor and 2.5% at the 5-year tenor.

Corporate bonds issued in 2023:

According to data consolidated by VBMA as of 31/8/2023, there were 22 issuances through private placement of corporate bond in August 2023 with the issuing value of VND 25,055 billion and no issuances through public offering. The average issuing coupon rate was 9.4%/year and average tenor was 5.7 years.

Since the beginning of the year, the total issuing value of corporate bond was VND 132,358 billion with 17 issuances through public offerings worth VND 16,476 billion (or 12.4% of the total issuing value) and 101 issuances through private placement worth VND 115,882 billion (or 87.6% of the total issuing value). The Banking sector issued the most with VND 53,931 billion (accounting for 40.7%), Real Estate ranked second with VND 46,765 billion (accounting for 35.3%).

In August, corporates redeemed VND 17,489 billion of corporate bonds, decreasing by 27% compared to the same period of 2022. In the last 4 months of 2023, there will be VND 103,022 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 31st of August 2023.*

VBMA ACTIVITIES IN AUGUST 2023

VBMA implemented MMA for FI BOND market

The Vietnam Bond Market Association is preparing to implement the Market Maker Agreement (MMA) for trading Certificates of Deposit (CD) and bonds issued by financial institutions (FI Bond). Currently, the agreement is being officially approved by 12 market makers and is expected to launch in September 2023.

VBMA develops this agreement with the aim of supporting market liquidity and contributing to the development of a standardized yield curve for FI Bonds in the Vietnamese bond market.

VBMA created new accounts to access the website for members.

On August 14, 2023, VBMA commenced reviewing and updating accounts to access the Association's website as well as the list of email receiving daily information from VBMA. Starting from August 21, members have logged into the VBMA website using their new, more secure accounts, and the daily email recipient list has also been updated.

VBMA conducted the Bond market and Macroeconomic survey for Q3-2023.

In August, VBMA collected 46 survey responses from member organisations. On August 31, 2023, VBMA announced the survey results on our website: [Bond Market and Macroeconomic survey](#).

The survey was conducted with the purpose of providing analyses and forecasts for the market, helping member organizations gain a more comprehensive, multi-faceted view of the bond market. Therefore, members can develop investment and business plans that better suited the economic and market conditions.

UPCOMING EVENTS OF VBMA

VN Green 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](#)



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