true friend KIS Viet Nam Securities Corporation

Fixed-income
Weekly

14 Apr 2025

Fixed-income Perspectives

SBV boosts liquidity injection while greenback weakens

SBV expands liquidity injection

In 15W25 (07 to 11 April), the SBV expanded its liquidity injection into the banking system with a stronger pace compared to previous weeks. Specifically, the SBV conducted a net liquidity injection of VND23.92tn this week by issuing VND74.05tn in repos to offset VND50.13tn in maturing repos.

Interbank yield stays flat

This week, the interbank yield curve remained mostly unchanged, while trading value saw a slight uptick. Specifically, the 1-week and 3-month tenors rose by 5bps and 10bps, respectively, to 4.10% and 4.60%, while other tenors remained flat. The average trading volume for the week reached VND613.41tn, up 5.00% compared to the previous week.

USDVND declines

This week, USDVND edged down after surging in the previous week, as the greenback weakened following the U.S. "Liberation Day." Specifically, the interbank USDVND rate dropped by 0.19% (or 48ppts) from the previous week, settling at 25,737 on Friday. On the global front, the DXY continued to decline throughout the week, closing at 100.1 on Friday—its lowest level in two years, down 2.84% from the previous week. In line with the weakening USD, the domestic exchange rate also declined, supported by easing market sentiment and a positive reaction to the U.S. decision to implement a 90-day pause on reciprocal tariffs—offering a window for negotiation efforts by the Vietnamese government.

Vietnam economic indicators

	24-Oct	24-Nov	24-Dec	25-Jan	25-Feb	25-Mar	Corr.[1]
FDI %YoY	7.6	-6.7	22.1	2.0	9.1	9.8	-0.19
Retail sales %YoY	9.4	8.4	7.0	9.9	9.4	10.8	-0.17
Export %YoY	10.5	8.4	12.9	-4.0	25.7	14.5	-0.13
Import %YoY	13.8	10.4	19.0	-2.6	40.0	19.0	-0.06
Trade balance (USD bn)	2.0	1.1	0.5	3.1	-1.5	1.6	-0.12
CPI %MoM	0.33	0.13	0.29	0.98	0.34	-0.03	-0.06
Credit %YoY	16.7	16.6	15.1	16.1	15.7	16.3	-0.24
USDVND %MoM	2.91	0.25	0.55	-1.59	1.89	0.14	-0.37
PMI (pts)	51.2	50.8	49.8	48.9	49.2	50.5	-0.24
VNINDEX return (%)	-1.8	-1.0	1.5	-0.1	3.2	0.1	1.00

Source: SBV, GSO, Bloomberg, KIS
[1] Correlation to VNINDEX's monthly return
Green = acceleration; yellow = deceleration; red = contraction.

Contents

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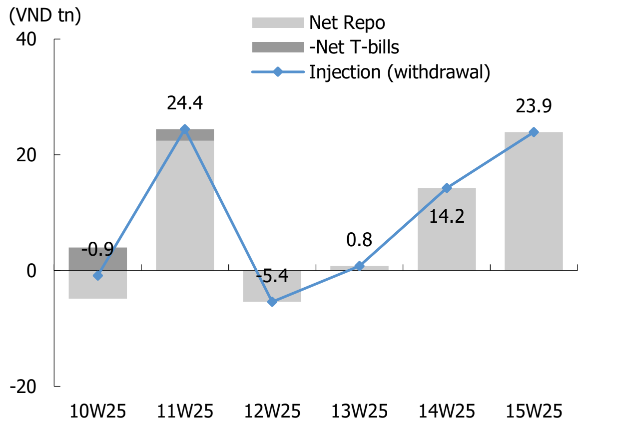
I. SBV expands liquidity injection

SBV further steps up liquidity injection

In 15W25 (07 to 11 April), the SBV expanded its liquidity injection into the banking system with a stronger pace compared to previous weeks. Specifically, the SBV conducted a net liquidity injection of VND23.92tn this week by issuing VND74.05tn in repos to offset VND50.13tn in maturing repos.

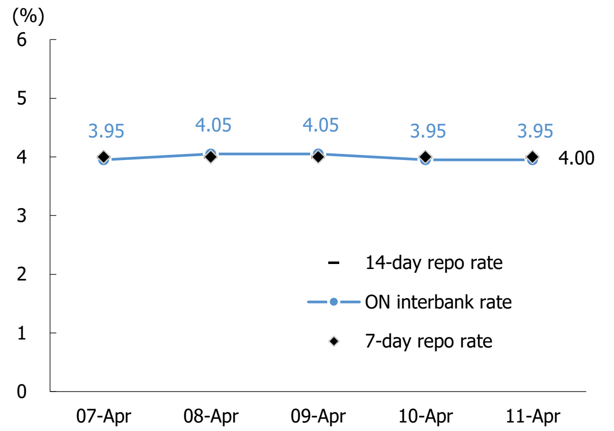
As noted in previous weeks, the SBV is likely to maintain a low interest rate environment by sustaining liquidity within the banking system in order to support economic growth and meet government targets. However, this approach may place pressure on the USD/VND exchange rate amid uncertainty surrounding President Donald Trump's tariff policy..

Figure 1. Net injection (withdrawal) of liquidity



Source: SBV, KIS

Figure 2. Interest rate corridor



Source: SBV, KIS

Figure 3. Repo transactions: 7-day tenor

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
8-Apr-25	15-Apr-25	7	20.00	4.00
9-Apr-25	16-Apr-25	7	9.11	4.00
10-Apr-25	17-Apr-25	7	0.57	4.00
11-Apr-25	18-Apr-25	7	8.32	4.00
Total			**38.00**	**4.00**

Source: SBV, KIS

Figure 4. Repo transactions: 14-day tenors

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
8-Apr-25	22-Apr-25	14	9.81	4.00
9-Apr-25	23-Apr-25	14	2.02	4.00
10-Apr-25	24-Apr-25	14	6.99	4.00
11-Apr-25	25-Apr-25	14	9.59	4.00
Total			**28.41**	**4.00**

Source: SBV, KIS

Figure 5. Repo transactions: 35-day tenor

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
8-Apr-25	13-May-25	35	1.93	4.00
9-Apr-25	14-May-25	35	1.43	4.00
10-Apr-25	15-May-25	35	0.77	4.00
11-Apr-25	16-May-25	35	1.03	4.00
Total			**5.16**	**4.00**

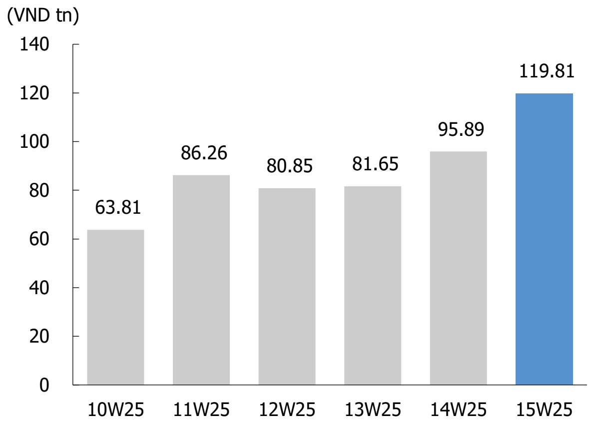
Source: SBV, KIS

Figure 6. Repo transactions: 91-day tenors

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
8-Apr-25	8-Jul-25	91	2.07	4.00
9-Apr-25	9-Jul-25	91	0.41	4.00
Total			**2.48**	**4.00**

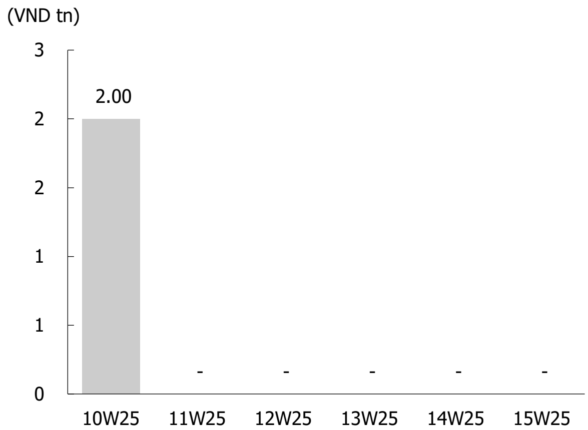
Source: SBV, KIS

Figure 7. Outstanding amount of repos



Source: SBV, KIS

Figure 8. Outstanding amount of bills



Source: SBV, KIS

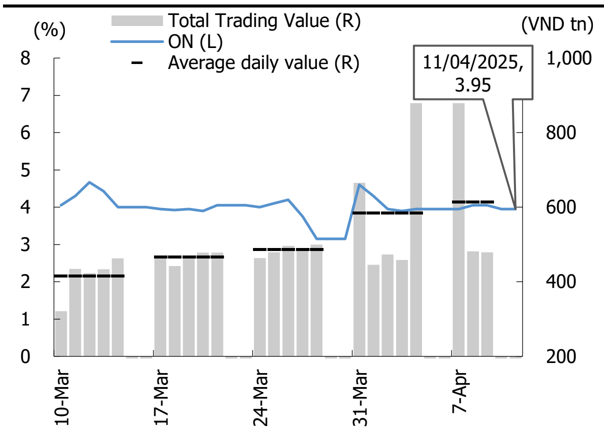
II. Interbank yield stays flat

Interbank curve held steady

This week, the interbank yield curve remained mostly unchanged, while trading value saw a slight uptick. Specifically, the 1-week (1W) and 3-month (3M) tenors rose by 5bps and 10bps, respectively, to 4.10% and 4.60%, while other tenors remained flat. The average trading volume for the week reached VND613.41tn, up 5.00% compared to the previous week.

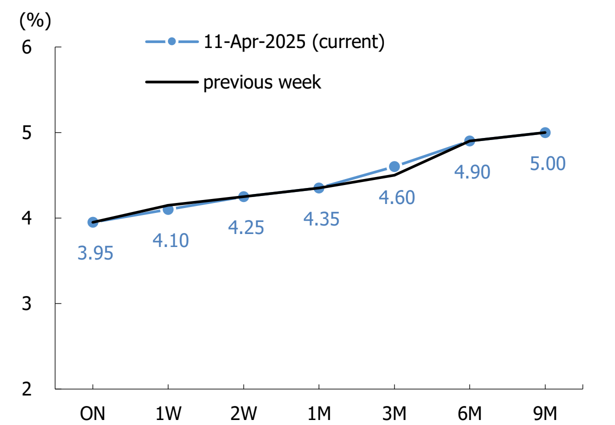
Following consecutive liquidity injections by the SBV, this week's interbank rate movements suggest easing liquidity pressure within the system. Assuming the SBV continues its liquidity support in the coming weeks, interbank rates—particularly the overnight rate—are expected to hover around the 4.00% level, although volatility may persist due to rollover pressure from open market operations.

Figure 9. Interbank daily transaction



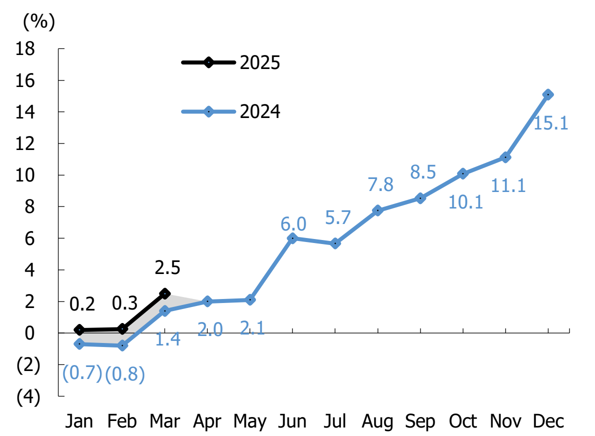
Source: SBV, Bloomberg, KISVN

Figure 10. Interbank rate curve



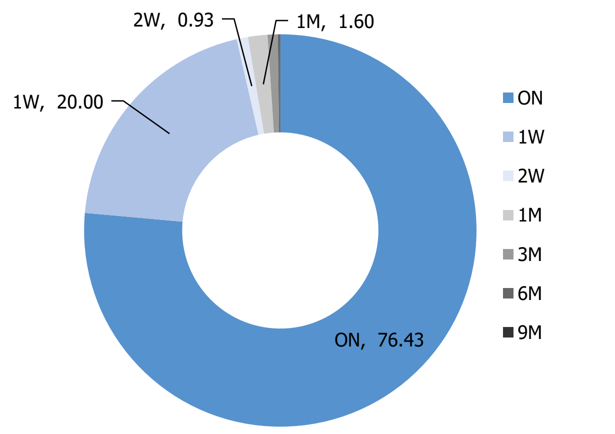
Source: SBV, Bloomberg, KISVN

Figure 11. Credit growth by month of the year



Source: SBV, Bloomberg, KISVN
Note: Updated by March, 2024

Figure 12. Interbank transaction structure



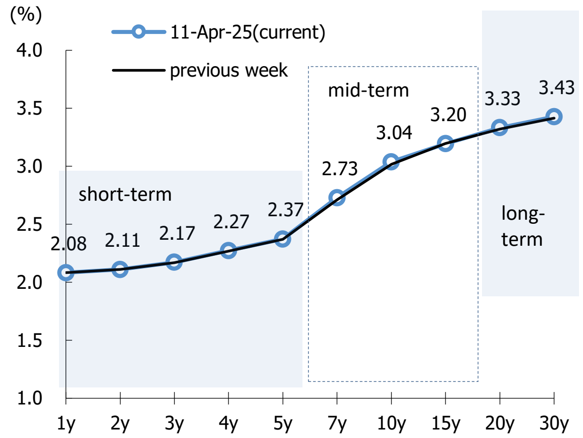
Source: SBV, Bloomberg, KISVN

III. G-bond yield curve steepened

G-bond yields rose at longer tenors, while short-term remained unchanged

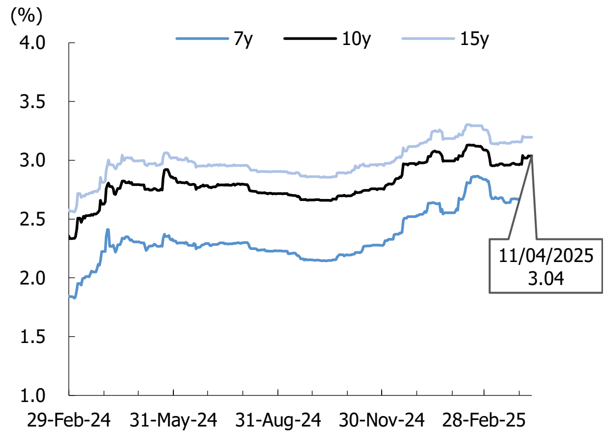
This week, G-bond yields increased at longer tenors, while short-term yields stayed flat. Specifically, yields for the 7-year, 10-year, 20-year, and 30-year tenors rose by 2bps, 2bps, 1bp, and 1bp, respectively, reaching 2.73%, 3.04%, 3.33%, and 3.43%.

Figure 13. G-bond trading yield curve



Source: HNX, VBMA, KIS

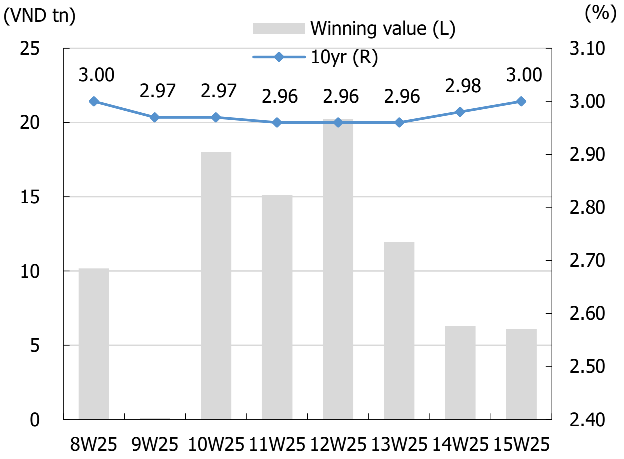
Figure 14. Historical daily government bond yields



Source: HNX, VBMA, KIS

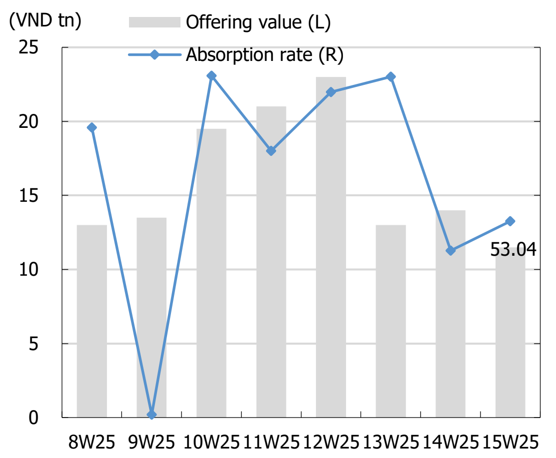
In the primary market, 15W25 continued to show a slowdown in bond issuance, as winning value declined and yields edged higher. Specifically, the VST issued VND6.10tn this week, down 3.3% from the previous week, while the winning yield rose by 2bps to 3.00%. In the first four months of 2025, the VST had issued a total of VND122.85tn, completing 24.6% of its annual target—a slightly faster pace compared to 23.6% in the same period of 2024.

Figure 15. Weekly winning values



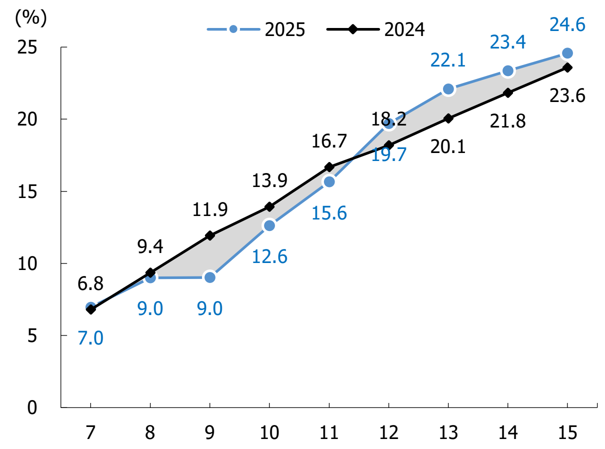
Source: HNX, KIS

Figure 16. Weekly absorption rate



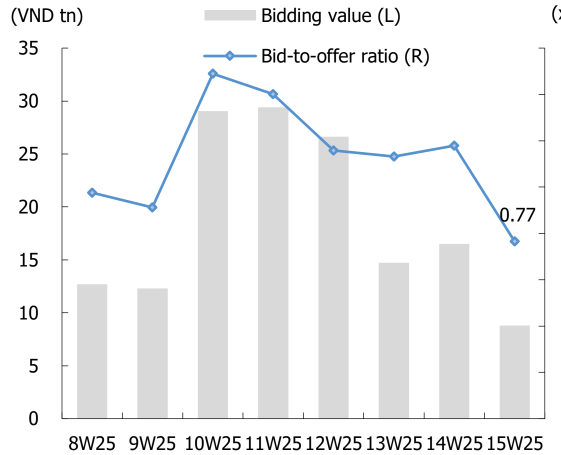
Source: HNX, KIS

Figure 17. Completion ratio by week-of-the-year



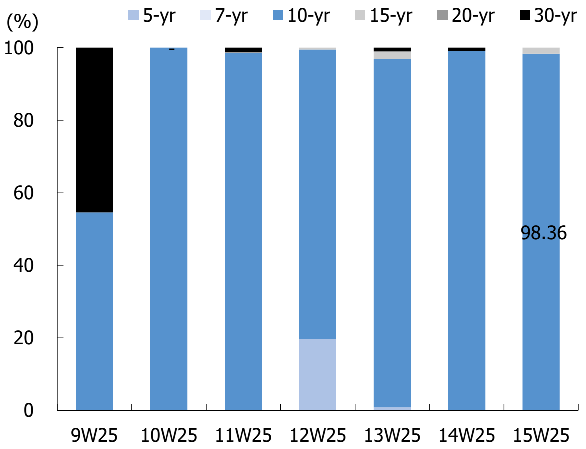
Source: HNX, KIS

Figure 18. Weekly bid-to-offer ratio



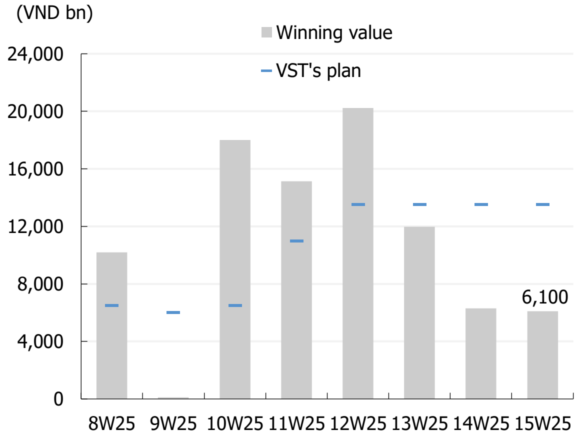
Source: HNX, KIS

Figure 19. Weekly winning G-bond structure



Source: HNX, KIS

Figure 20. Weekly issued amount of G-bond



Source: HNX, KIS

IV. USDVND declines

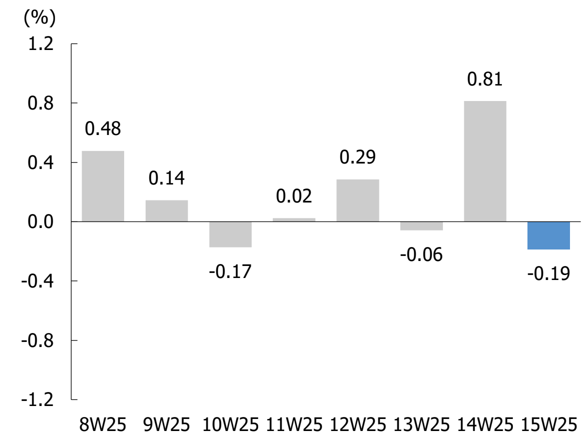
USDVND retreats as tariff concerns eased

This week, USDVND edged down after surging in the previous week, as the greenback weakened following the U.S. “Liberation Day.” Specifically, the interbank USDVND rate dropped by 0.19% (or 48ppts) from the previous week, settling at 25,737 on Friday.

On the global front, the DXY continued to decline throughout the week, closing at 100.1 on Friday—its lowest level in two years, down 2.84% from the previous week. The greenback extended its losses due to mounting fears over escalating global trade tensions and diminishing confidence in the U.S. economic policy under President Trump. This triggered a broad-based selloff of U.S. assets, including stocks, bonds, and the dollar. In line with the weakening USD, the domestic exchange rate also declined, supported by easing market sentiment and a positive reaction to the U.S. decision to implement a 90-day pause on reciprocal tariffs—offering a window for negotiation efforts by the Vietnamese government.

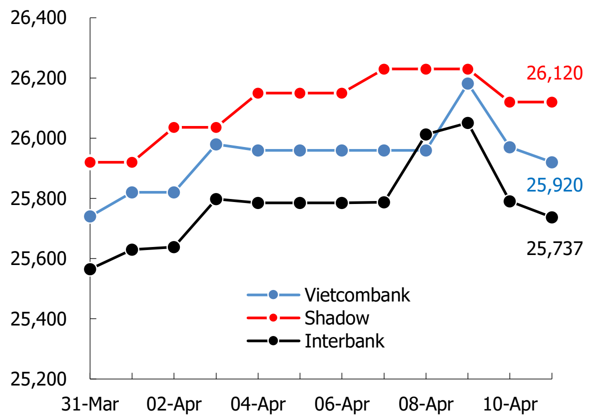
Considering FX developments across segments, the ask prices at both Vietcombank and the shadow market declined by 0.15% (40ppts) and 0.11% (30ppts), respectively, compared to the previous week. On Friday, ask prices were quoted at 25,920 and 26,120 VND per U.S. dollar.

Figure 21. Weekly USDVND performance



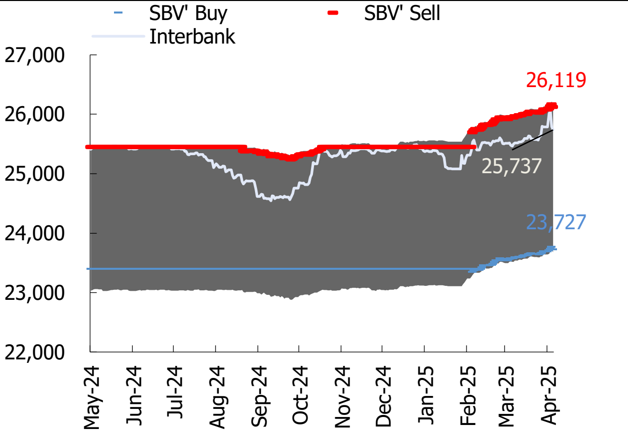
Source: Bloomberg, KIS

Figure 22. VCB & shadow market USDVND spread



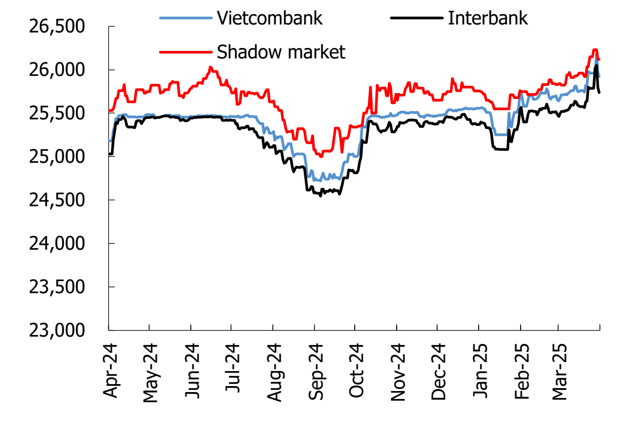
Source: SBV, Vietcombank, KIS

Figure 23. SBV's movement



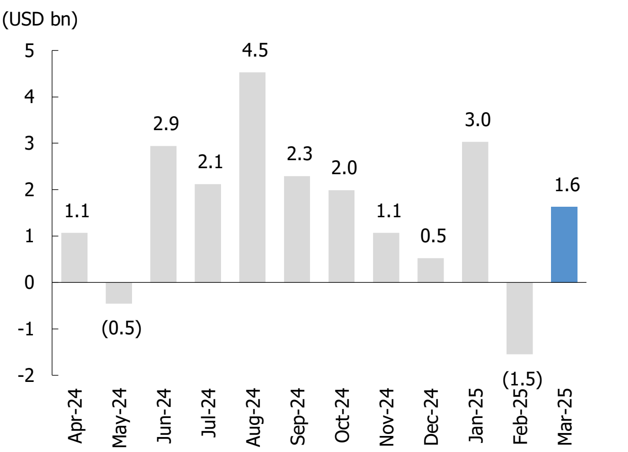
Source: SBV, Bloomberg, Fiinpro, KIS
Note: shaded region is the daily trading band. The effective trading band is +/- 5% (the effective date is 17 October, 2022).

Figure 24. USDVND by market



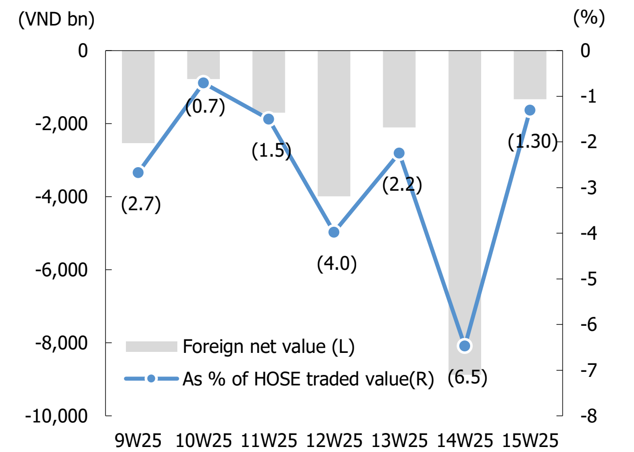
Source: SBV, Bloomberg, KIS

Figure 25. Vietnam's trade balance by month



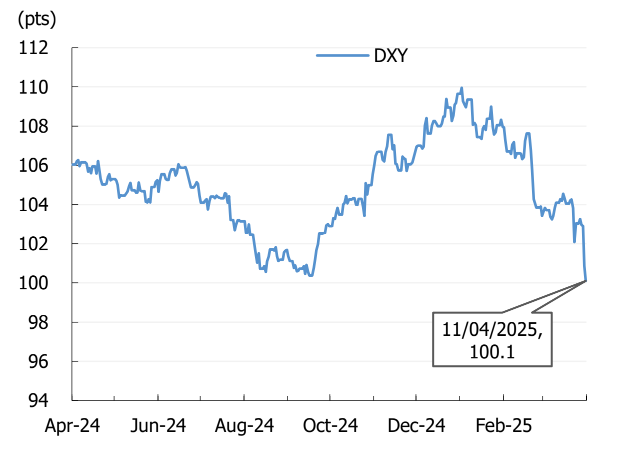
Source: GSO, KIS
Note: Updated until 6 April, 2025

Figure 26. Trading of the foreign bloc in Vietnamese stock market



Source: Fiinpro, KIS

Figure 27. Historical DXY



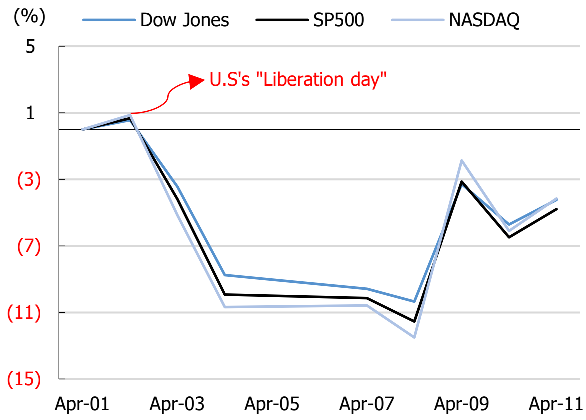
Source: Bloomberg

Figure 28. Weekly change of USDVND and peers

	2024 Trade deficit (USDbn)		14W25	15W25	2025YTD
China	-295.40	USDCNY	0.27	0.14	-0.10
EU	-235.57	USDEUR	-1.17	-3.51	-8.82
Mexico	-171.81	USDMXN	0.34	-0.58	-2.11
Vietnam	-123.46	USDVND	0.81	-0.19	0.98
Canada	-73.93	USDCNY	-0.66	-2.41	-3.81
Taiwan	-68.47	USDTWD	-0.03	-1.27	-0.63
Japan	-66.01	USDJPY	-1.94	-2.31	-8.69
South Korea	-64.19	USDKRW	-0.49	-2.77	-3.42
Thailand	-45.61	USDTHB	0.67	-1.67	-1.36
DXY		U.S. Dollar Index	-0.98	-2.84	-7.73

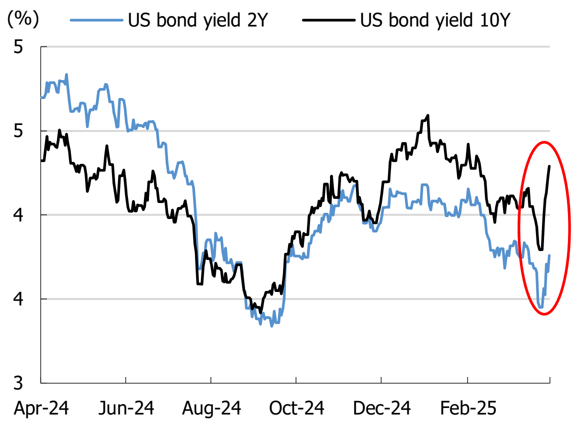
Source: SBV, Bloomberg
Note: Green = appreciation; yellow = appreciate at slower pace; red = depreciation.

Figure 29. Performance of U.S. stock returns



Source: Bloomberg, KIS

Figure 30. U.S's G-bond yields



Source: Bloomberg, KIS

Macro scorecard

	24-Nov	24-Dec	25-Jan	25-Feb	25-Mar	2Q24	3Q24	4Q24	1Q25	2021	2022	2023	2024
Real GDP growth (%)						6.93	7.43	7.55	6.93	2.58	8.02	5.05	7.09
Registered FDI (USD bn)	4.12	6.85	4.34	2.57	4.08	9.01	9.59	13.44	10.98	31.15	27.72	36.61	38.23
GDP per capita (USD)										3,725	4,110	4,285	4,479
Unemployment rate (%)						2.29	2.23	2.22	2.20	3.22	2.32	2.26	2.24
Export (USD bn)	33.73	35.53	32.15	31.11	38.51	98.2	108.6	105.9	102.84	335.7	371.85	355.5	405.5
Import (USD bn)	32.67	35.00	30.92	32.66	36.88	94.0	99.7	101.9	99.68	331.1	360.65	327.5	380.8
Export growth (%)	8.16	12.85	-4.05	25.67	14.49	13.59	15.82	11.46	10.64	18.74	10.61	-4.4	14.3
Import growth (%)	9.81	19.23	-2.32	39.99	18.99	20.65	17.19	14.91	17.03	25.9	8.35	-8.9	16.7
Inflation (%)	2.77	2.94	3.63	2.91	3.13	4.39	3.48	2.87	3.22	1.84	3.15	3.25	3.63
USD/VND	25,346	25,386	25,082	25,530	25,565	25,458	24.093	25,386	25,565	22,790	23,650	23,784	25,386
Credit growth (%)	16.6	15.1	16.1	15.7	16.3	15.3	16.1	13.8	16.3	13.61	14.2	13.7	13.8
10Y gov't bond (%)	2.76	2.94	2.99	3.18	3.06	2.81	2.66	2.94	3.06	2.11	5.08	2.39	2.94

Source: GSO, Bloomberg, FIA, IMF

****Glossary**

* Winning yield rate = each group's highest bidding rate, 3.00%
* Absorption rate = winning value / offering value, 53.04%
* Bid to offer ratio = offering value / bidding value, 0.77%
* DXY = U.S. Dollar Index, ~100.1
* OMO = Open market operation
* Tenor = due for payment
* ON = overnight interbank interest rate, ~3.95%

Appendix

Figure 1. Vietnam's state budget by year: plan

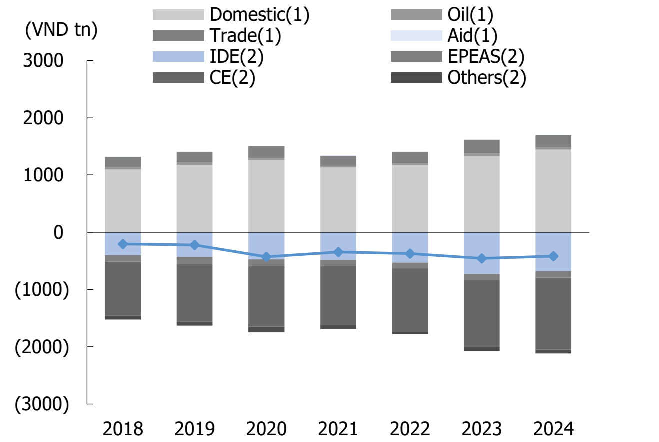
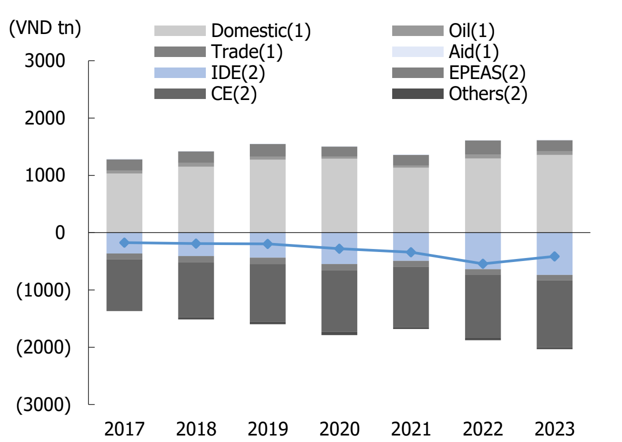


Figure 2. Vietnam's state budget by year: actual



Source: MoF, SBV, KIS
Domestic= Domestic revenues; Oil= Crude oil revenues; Trade= Balanced income from export and import activities; Aid= Revenue from aid.
IDE= Investment and development expenditures; EPEAS= Interest payment expenses & Aid spending; CE= Current expenditures
(1) indicates the item belongs to the revenue
(2) indicates the item belongs to the expenditure and plotted as a negative number

Figure 3. Vietnam's balance of payment (USD bn)

	2020	2021	2022	2023	2Q24	3Q24
Current account	15.1	(4.6)	(1.1)	25.1	4.5	7.8
Goods, credit (exports)	282.6	335.9	371.3	354.7	97.9	108.2
Goods, debit (imports)	251.9	318.5	345.6	310.7	89.3	94.6
Balance on goods	30.7	17.5	25.7	44.0	8.5	13.6
Services, credit (exports)	7.6	4.2	12.9	19.6	5.5	5.9
Services, debit (imports)	17.9	19.9	25.5	29.1	8.3	9.8
Primary income, credit	1.4	1.0	2.3	4.6	1.4	1.4
Primary income, debit	16.2	17.7	22.0	27.0	5.4	6.1
Secondary income, credit	11.4	13.6	12.2	16.1	3.8	3.9
Secondary income, debit	2.0	3.2	6.7	3.1	1.1	1.0
Financial account	(8.5)	(30.9)	(9.5)	(2.8)	(6.3)	(2.7)
Direct investment, assets	0.4	0.3	2.7	1.6	(0.1)	(0.2)
Direct investment, liabilities	15.8	15.7	17.9	18.5	5.0	5.2
Portfolio investment, assets	(0.0)	(0.0)	(0.0)	0.0	0.0	(0.1)
Portfolio investment, liabilities	(1.3)	0.3	1.5	(1.2)	(1.6)	(0.8)
Other investment, assets	8.4	0.6	13.7	(14.3)	(5.2)	(2.6)
Other investment, liabilities	2.8	15.9	6.4	(7.4)	(4.4)	(4.2)
Net errors and omissions	(6.9)	(10.4)	(31.1)	(16.6)	(4.3)	(5.1)
Reserves and related items	16.6	15.9	(22.7)	(5.6)	6.1	(0.1)

Source: SBV, IMF, KIS

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