

Fixed-income Perspectives

SBV modestly withdraws liquidity

SBV withdraws trivially liquidity

In 21W25, the SBV remained a net withdrawer of liquidity, though far less aggressively than the previous week. Specifically, a net VND1.33tn was drained from banking system, with VND24.95tn in repos issued to offset VND26.28tn maturing.

Interbank rates stay flat

This week, the interbank curve maintain its shape with an insignificant decline in traded value compared to the previous week. Specifically, overnight rose 14bps to 3.78%, while the 1-week, 2-week, 1-month and 3-month tenors slipped 9bps, 7bps, 5bps and 12bps, settling at 3.88%, 4.00%, 4.15% and 4.33%, respectively. The average trading value stood at VND474.89tn, down by 2.81% from the previous week.

USDVND rebounds

This week, USDVND rose while the greenback weakened. Specifically, the interbank USDVND rate increased by 0.15% from the previous week, settling at 25,957 on Friday. On the global front, the DXY fell below the 100 mark on Friday, down 1.96% from the previous week. The dollar weakened after the House passed Trump's "Big, beautiful bill," which is expected to worsen the U.S. debt burden. In addition, Trump's renewed threat to impose a 50% tariff on the EU starting this June reignited trade war concerns, putting further pressure on the dollar. Domestically, USDVND rose as the VST placed an additional USD100mn bid this week, while the foreign bloc returned to net selling on the stock exchange with VND0.56tn in net sales, accounting for 0.5% of total trading value. With the first round of Vietnam–U.S. negotiations ending without a concrete result, USDVND is expected to remain elevated in the near term. The upcoming negotiation round in June may provide more clarity on Vietnam's trade and tariff prospects.

Vietnam economic indicators

	24-Nov	24-Dec	25-Jan	25-Feb	25-Mar	25-Apr	Corr. ¹
FDI %YoY	-6.7	22.1	2.0	9.1	9.9	7.8	-0.25
Retail sales %YoY	8.4	7.0	9.9	9.4	9.8	11.1	-0.20
Export %YoY	8.4	12.9	-4.0	25.7	14.5	19.8	-0.13
Import %YoY	10.4	19.0	-2.6	40.0	19.0	22.9	-0.06
Trade balance (USD bn)	1.1	0.5	3.1	-1.5	1.6	0.6	-0.04
CPI %MoM	0.13	0.29	0.98	0.34	-0.03	0.07	-0.06
Credit %YoY	16.6	15.1	16.1	15.7	17.9	17.6	-0.29
USDVND %MoM	0.25	0.55	-1.59	1.89	0.03	1.64	-0.32
PMI (pts)	50.8	49.8	48.9	49.2	50.5	45.6	-0.20
VNINDEX return (%)	-1.0	1.5	-0.1	3.2	0.1	-6.1	1.00

Source: SBV, GSO, Bloomberg, KIS

¹ Correlation to VNINDEX's monthly return

Green = acceleration; yellow = deceleration; red = contraction.

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Research Dept.

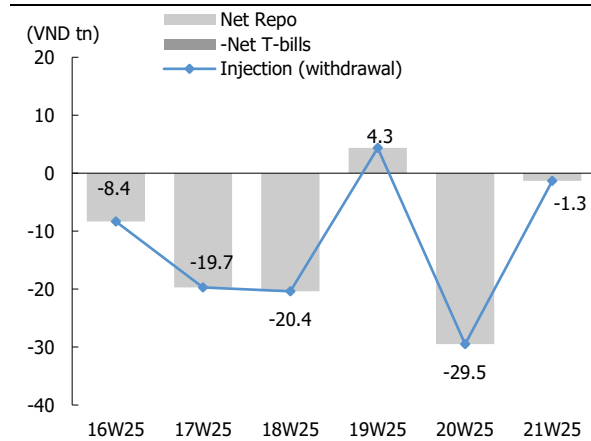
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I. SBV withdraws trivially liquidity

SBV maintains net withdrawal as system liquidity remains ample

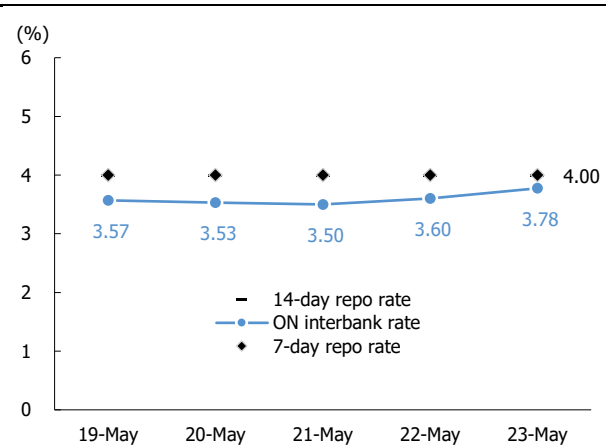
In 21W25 (19 to 23 May), the SBV remained a net withdrawer of liquidity, though far less aggressively than the previous week. Specifically, a net VND1.33tn was drained from banking system, with VND24.95tn in repos issued to offset VND26.28tn maturing. By rolling over only part of the maturing repos, SBV signals that banking-system liquidity is still comfortable while preserving policy room to expand or contract money supply should macro conditions shift. The available liquidity is directed to help export firms maintain cash flow while channelling credit toward domestic consumption and public investment, now viewed as the main engines of growth amid fading external demand.

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 (%)
19-May-25	26-May-25	7	1.78	4.00
21-May-25	28-May-25	7	0.53	4.00
22-May-25	29-May-25	7	2.31	4.00
Total			4.63	4.00

Source: SBV, KIS

Figure 4. Repo transactions: 14-day tenors

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
19-May-25	2-Jun-25	14	3.43	4.00
20-May-25	3-Jun-25	14	0.80	4.00
21-May-25	4-Jun-25	14	0.61	4.00
22-May-25	5-Jun-25	14	4.44	4.00
23-May-25	6-Jun-25	14	1.34	4.00
Total		14	10.62	4.00

Source: SBV, KIS

Figure 5. Repo transactions: 35-day tenor

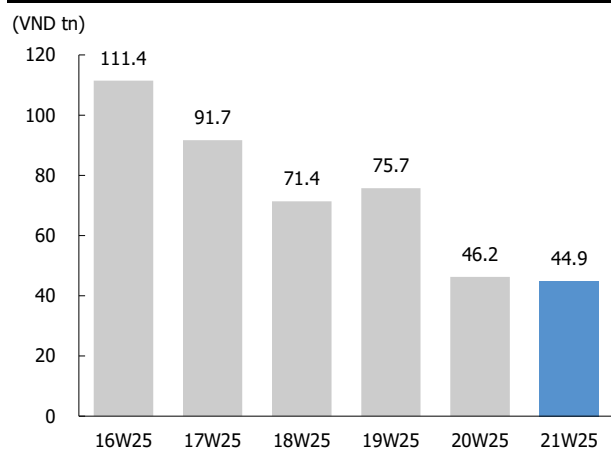
Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
19-May-25	23-Jun-25	35	1.80	4.00
20-May-25	24-Jun-25	35	1.72	4.00
21-May-25	25-Jun-25	35	2.27	4.00
22-May-25	26-Jun-25	35	0.16	4.00
Total		35	5.94	4.00

Source: SBV, KIS

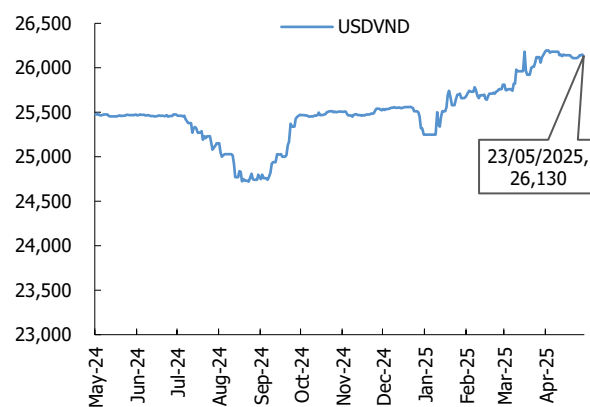
Figure 6. Repo transactions: 91-day tenors

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
19-May-25	18-Aug-25	91	1.64	4.00
20-May-25	19-Aug-25	91	1.78	4.00
21-May-25	20-Aug-25	91	0.35	4.00
Total		91	3.77	4.00

Source: SBV, KIS

Figure 7. Outstanding amount of repos


Source: SBV, KIS

Figure 8. USDVND movement


Source: SBV, KIS

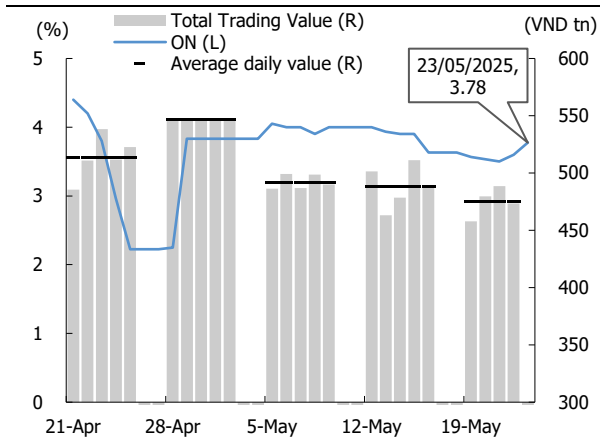
II. Interbank rates stay flat

Interbank rate curve hold its shape

This week, the interbank curve maintain its shape with an insignificant decline in traded value compared to the previous week. Specifically, overnight (ON) rose 14bps to 3.78%, while the 1-week (1W), 2-week (2W), 1-month (1M) and 3-month (3M) tenors slipped 9bps, 7bps, 5bps and 12bps, settling at 3.88%, 4.00%, 4.15% and 4.33%, respectively. The average trading value stood at VND474.89tn, down by 2.81% from the previous week.

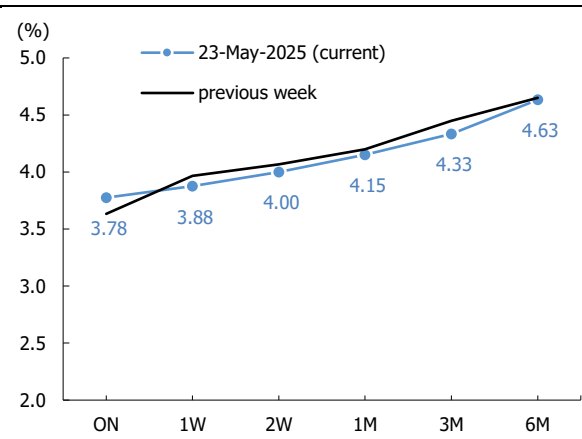
The drop in trading value, together with mostly unchanged rates, shows that banks had little need to borrow from one another this week—evidence that overall liquidity in the system is still plentiful. Looking ahead, interbank rates are likely to move sideways or soften slightly, in line with the Government's goal of stabilising funding costs and supporting economic growth while the manufacturing-export sector contends with significant external headwinds.

Figure 9. Interbank daily transaction



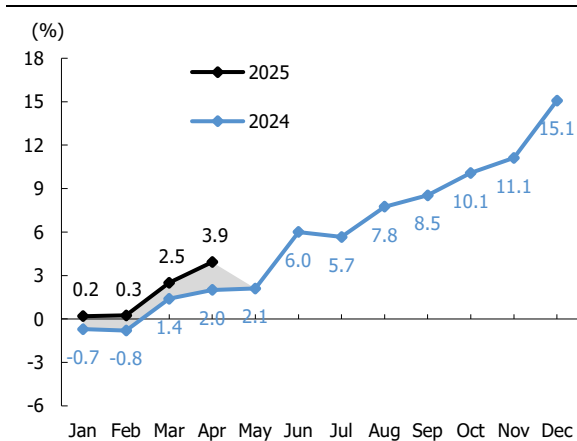
Source: SBV, Bloomberg, KISVN

Figure 10. Interbank rate curve



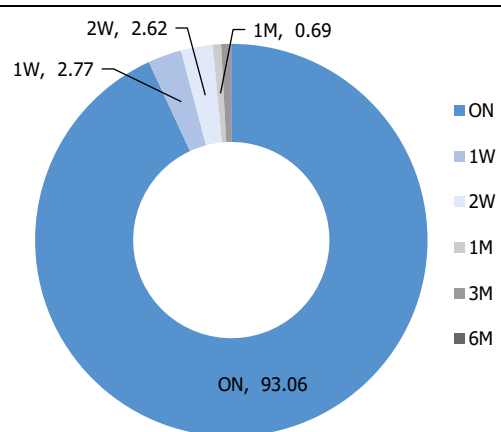
Source: SBV, Bloomberg, KISVN

Figure 11. Credit growth by month of the year



Source: SBV, Bloomberg, KISVN
Note: Updated by 11 April, 2024

Figure 12. Interbank transaction structure



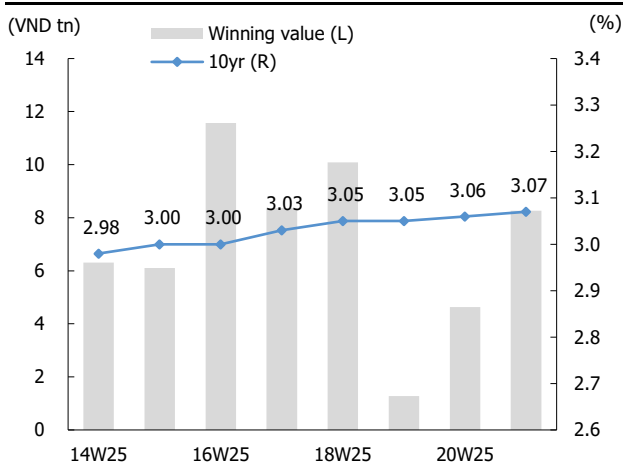
Source: SBV, Bloomberg, KISVN

III. G-bond yields edge up

Yields rise at mid-term tenors

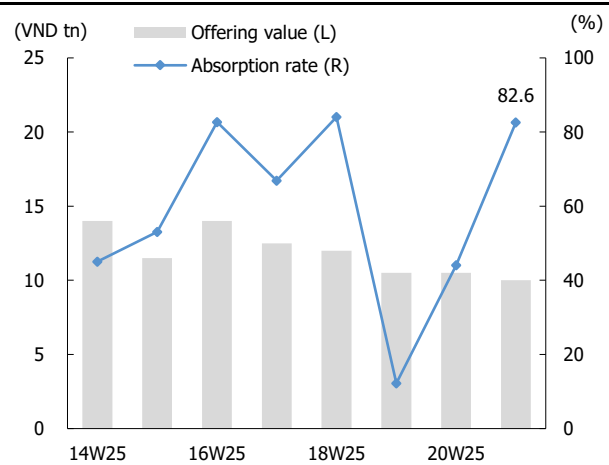
In the primary market, 21W25 saw a strong recovery in bond issuance compared to previous weeks, with both the winning value and yields increasing. Specifically, the VST issued VND8.26tn, achieving 82.6% of the weekly offering and marking a 78.4% increase from the prior week. This signals a rebound in issuance efforts and market demand, especially following the Prime Minister's directive to fully disburse public investment by year-end. To date, the VST has issued a total of VND167.04tn, reaching 33.4% of its 2025 target. Notably, the 10-year and 5-year tenors accounted for the bulk of the issuance, totaling VND143.57tn and VND15.70tn, respectively—making up about 95.3% of the year-to-date volume. In Q2 alone, approximately VND56.60tn of G-bonds have been successfully auctioned, equivalent to 47.2% of the quarterly target.

Figure 13. Weekly winning values



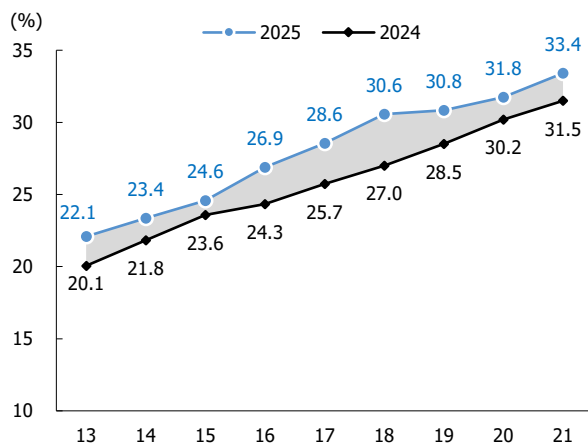
Source: HNX, KIS

Figure 14. Weekly absorption rate



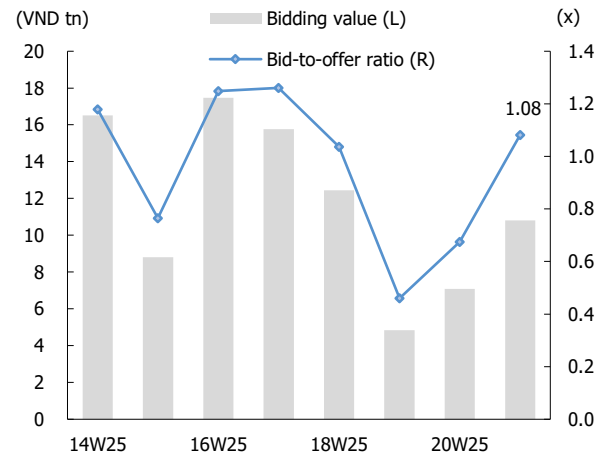
Source: HNX, KIS

Figure 15. Completion ratio by week-of-the-year



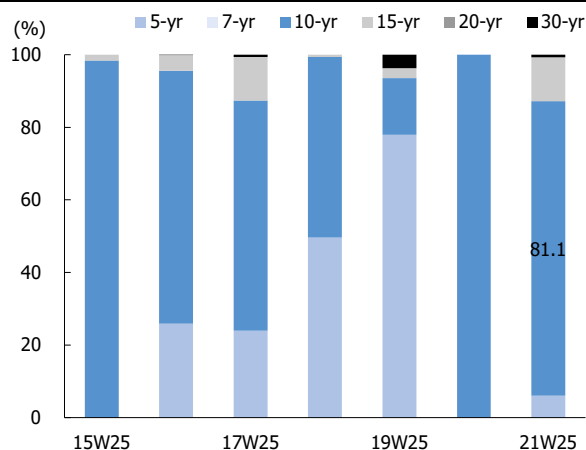
Source: HNX, KIS

Figure 16. Weekly bid-to-offer ratio



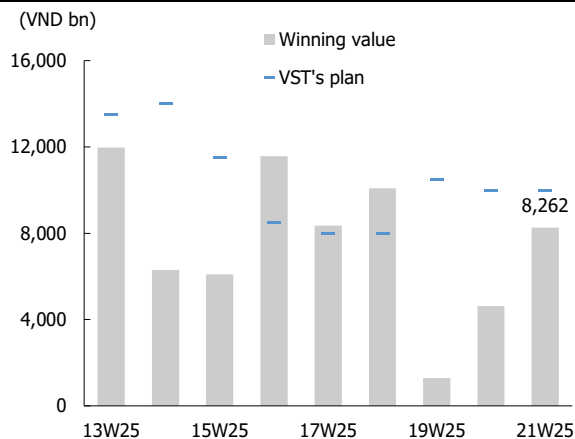
Source: HNX, KIS

Figure 17. Weekly winning G-bond structure



Source: HNX, KIS

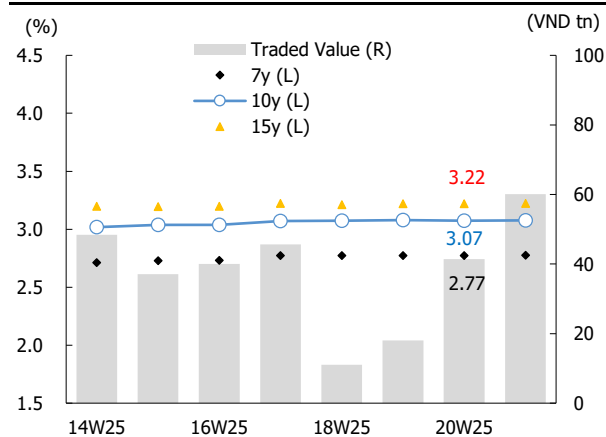
Figure 18. Weekly issued amount of G-bond



Source: HNX, KIS

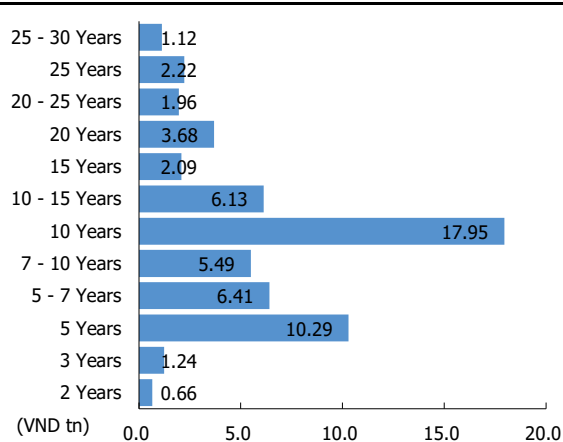
In the secondary market, G-bond yields edged up across shorter maturities—particularly those under 5 years—alongside a sharp rise in trading value. The 5-year yield rose by 1bp to 2.46%, while other less-traded short tenors from 1 to 4 years also saw gains of 1–2bps. Total trading value reached VND60.05tn this week, up 45.1% from the previous week, with an average daily value of VND12.01tn. This development could be explained by the VST's accelerated bond issuance to meet public investment disbursement goals, with more attractive yields in the primary market likely encouraging investors to rotate out of off-the-run bonds and into on-the-run ones.

Figure 19. G-bond traded value by week



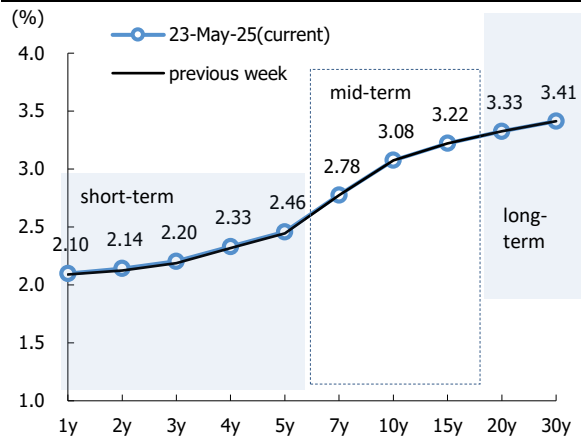
Source: HNX, Bloomberg, KIS

Figure 20. G-bond traded value by tenor



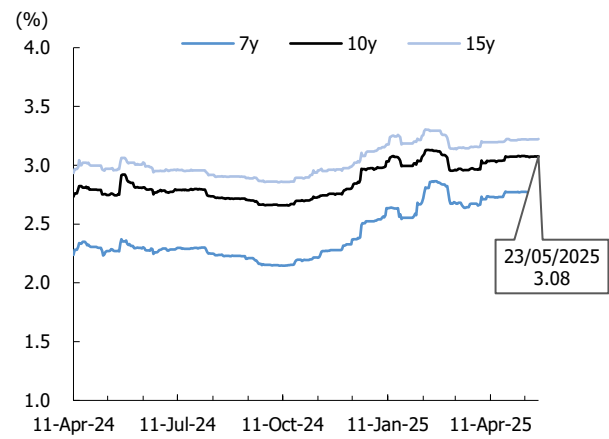
Source: HNX, Bloomberg, KIS

Figure 21. G-bond trading yield curve



Source: HNX, VBMA, KIS

Figure 22. Historical daily government bond yields



Source: HNX, VBMA, KIS

IV. USDVND rebounds

USDVND continues to hover near its all-time high

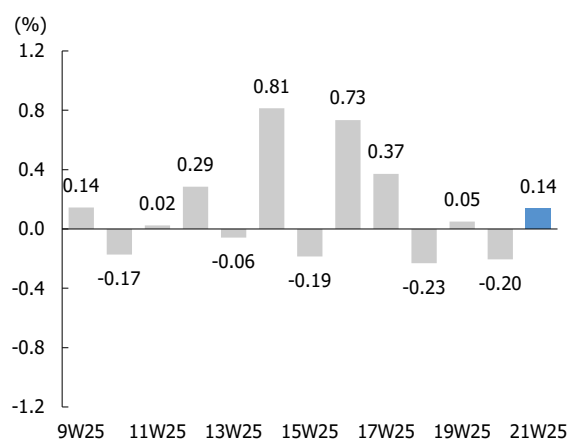
This week, USDVND rose while the greenback weakened. Specifically, the interbank USDVND rate increased by 0.15% (or 35bps) from the previous week, settling at 25,957 on Friday.

On the global front, the DXY fell below the 100 mark on Friday, down 1.96% from the previous week. The dollar weakened after the House passed Trump's "Big, beautiful bill," which is expected to worsen the U.S. debt burden. In addition, Trump's renewed threat to impose a 50% tariff on the EU starting this June reignited trade war concerns, putting further pressure on the dollar.

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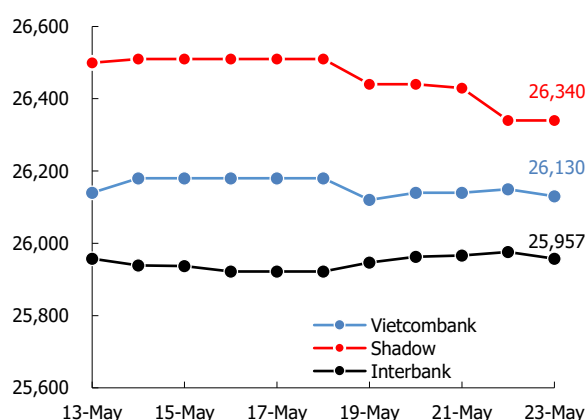
Across FX segments, ask prices at both Vietcombank and the shadow market fell by 0.19% (50bps) and 0.64% (170bps), respectively. On Friday, ask prices stood at 26,130 and 26,340 VND per U.S. dollar.

Figure 23. Weekly USDVND performance



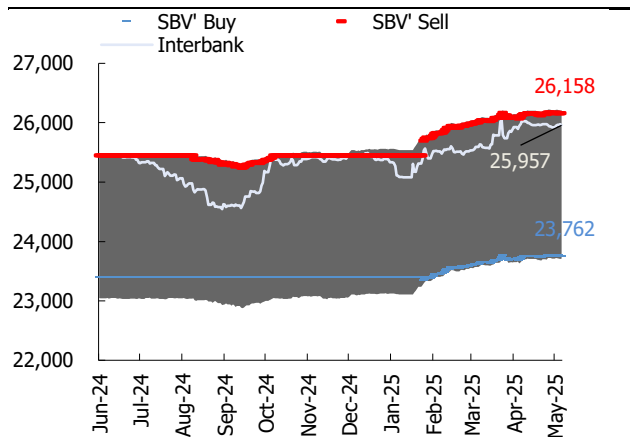
Source: Bloomberg, KIS

Figure 24. VCB & shadow market USDVND spread



Source: SBV, Vietcombank, KIS

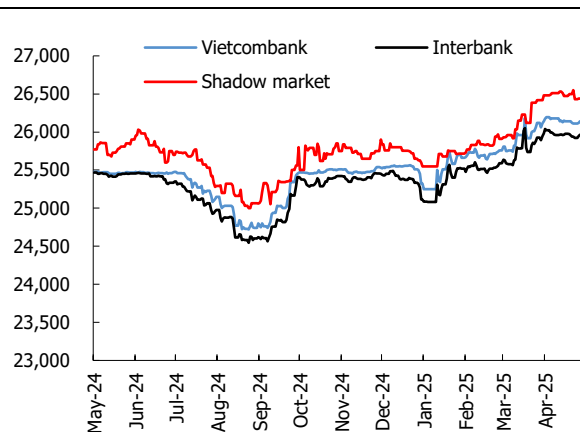
Figure 25. SBV's movement



Source: SBV, Bloomberg, Fiinpro, KIS

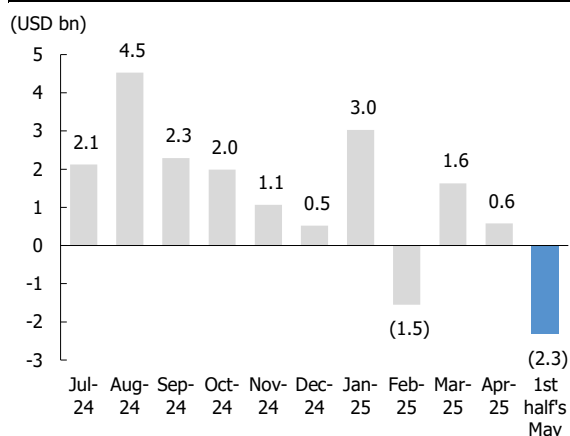
Note: shaded region is the daily trading band. The effective trading band is +/- 5% (the effective date is 17 October, 2022).

Figure 26. USDVND by market



Source: SBV, Bloomberg, KIS

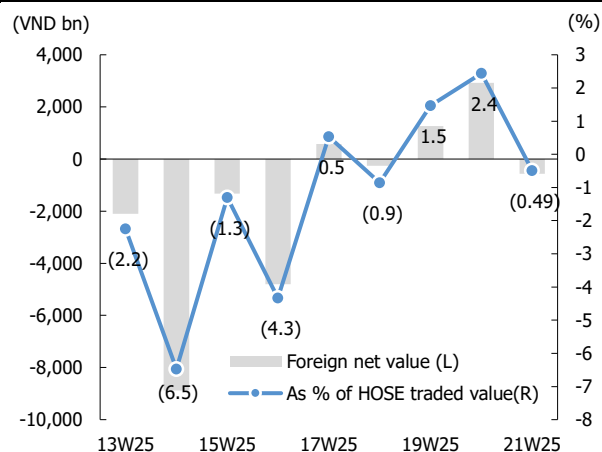
Figure 27. Vietnam's trade balance by month



Source: GSO, KIS

Note: Updated until 20 May, 2025

Figure 28. Trading of the foreign bloc in Vietnamese stock market



Source: Fiinpro, KIS

Figure 29. Historical DXY



Source: Bloomberg

Figure 30. Weekly change of USDVND and peers

		2024 Trade deficit (USDbn)	20W25	21W25	2025YTD
China	USDCNY	-295.40	-0.34	-0.45	-1.62
EU	USDEUR	-235.57	0.78	-1.75	-8.87
Mexico	USDMXN	-171.81	0.12	-1.19	-7.34
Vietnam	USDVND	-123.46	-0.20	0.14	1.84
Canada	USDCNY	-73.93	0.24	-1.70	-4.82
Taiwan	USDTWD	-68.47	-0.48	-0.48	-8.75
Japan	USDJPY	-66.01	0.23	-2.16	-9.31
South Korea	USDKRW	-64.19	0.26	-2.55	-7.20
Thailand	USDTHB	-45.61	0.67	-1.99	-4.45
DXY	U.S. Dollar Index		0.75	-1.96	-8.64

Source: SBV, Bloomberg

Note: Green = appreciation; yellow = appreciate at slower pace; red = depreciation.

Macro scorecard

	24-Dec	25-Jan	25-Feb	25-Mar	25-Apr	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)	6.85	4.34	2.57	4.08	2.82	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)	35.53	32.15	31.11	38.51	37.45	98.2	108.6	105.9	102.84	335.7	371.85	355.5	405.5
Import (USD bn)	35.00	30.92	32.66	36.88	36.87	94.0	99.7	101.9	99.68	331.1	360.65	327.5	380.8
Export growth (%)	12.85	-4.05	25.67	14.49	19.75	13.59	15.82	11.46	10.64	18.74	10.61	-4.4	14.3
Import growth (%)	19.23	-2.32	39.99	18.99	22.95	20.65	17.19	14.91	17.03	25.9	8.35	-8.9	16.7
Inflation (%)	2.94	3.63	2.91	3.13	3.12	4.39	3.48	2.87	3.22	1.84	3.15	3.25	3.63
USD/VND	25,386	25,082	25,530	25,565	25,983	25,458	24,093	25,386	25,565	22,790	23,650	23,784	25,386
Credit growth (%)	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 (%)	2.94	2.99	3.18	3.06	3.20	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, 3.07%
- * Absorption rate = winning value / offering value, 82.62%
- * Bid to offer ratio = offering value / bidding value, 1.08%
- * DXY = U.S. Dollar Index, ~99.1
- * OMO = Open market operation
- * Tenor = due for payment
- * ON = overnight interbank interest rate, ~3.78%

Appendix

Figure 1. Vietnam's balance of payment (USD bn)

	2021	2022	2023	2Q24	3Q24	4Q24
Current account	(4.6)	(1.1)	25.1	4.5	7.8	7.5
Goods, credit (exports)	335.9	371.3	354.7	97.9	108.2	105.9
Goods, debit (imports)	318.5	345.6	310.7	89.3	94.6	97.0
Balance on goods	17.5	25.7	44.0	8.5	13.6	8.9
Services, credit (exports)	4.2	12.9	19.6	5.5	5.9	6.6
Services, debit (imports)	19.9	25.5	29.1	8.3	9.8	9.6
Primary income, credit	1.0	2.3	4.6	1.4	1.4	1.4
Primary income, debit	17.7	22.0	27.0	5.4	6.1	3.8
Secondary income, credit	13.6	12.2	16.1	3.8	3.9	5.1
Secondary income, debit	3.2	6.7	3.1	1.1	1.0	1.0
Financial account	(30.9)	(9.5)	(2.8)	(6.3)	(2.7)	0.3
Direct investment, assets	0.3	2.7	1.6	(0.1)	(0.2)	(0.2)
Direct investment, liabilities	15.7	17.9	18.5	5.0	5.2	6.4
Portfolio investment, assets	(0.0)	(0.0)	0.0	0.0	(0.1)	0.0
Portfolio investment, liabilities	0.3	1.5	(1.2)	(1.6)	(0.8)	(2.0)
Other investment, assets	0.6	13.7	(14.3)	(5.2)	(2.6)	(4.3)
Other investment, liabilities	15.9	6.4	(7.4)	(4.4)	(4.2)	0.4
Net errors and omissions	(10.4)	(31.1)	(16.6)	(4.3)	(5.1)	(9.4)
Reserves and related items	15.9	(22.7)	(5.6)	6.1	(0.1)	1.7

Source: SBV, IMF, KIS

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