

Fixed-income Perspectives

USDVND pressure persists

SBV back to net injection

In 24W25 (9 to 13 June), the SBV resumed liquidity injection at a moderate level to maintain stable conditions in the interbank market. Specifically, VND8.77tn in repos matured during the week, while the SBV issued VND10.21tn in new repos, resulting in a net injection of VND1.44tn into the banking system.

Interbank rates surge across tenors

This week, interbank interest rates surged across most tenors, accompanied by a notable decline in trading volume compared to the previous week. Specifically, the overnight, 1-week, 2-week, 1-month, and 3-month tenors rose sharply by 97bps, 77bps, 48bps, 22bps, and 15bps, respectively, reaching 3.50%, 3.70%, 3.85%, 3.95%, and 4.40%. The average trading volume stood at VND407.22tn, down 27.84% from the previous week.

USDVND extends its uptrend

This week, USDVND rose while the greenback weakened. Specifically, the interbank USDVND increased by 0.07% (or 18ppts) from the previous week, settling at 26,074 on Friday amid concerns over the outcome of the upcoming U.S. trade talks. On the global front, the DXY fell to 98.2 on Friday, down 1.01% from the previous week, which was primarily due to persistent inflation data and trade negotiations.

Vietnam economic indicators

	24-Dec	25-Jan	25-Feb	25-Mar	25-Apr	25-May	Corr. ¹
FDI %YoY	22.1	2.0	9.1	9.9	7.7	9.8	-0.25
Retail sales %YoY	7.0	9.9	9.4	9.8	9.3	10.2	-0.20
Export %YoY	12.9	-4.0	25.7	14.5	19.7	17.0	-0.13
Import %YoY	19.0	-2.6	40.0	19.0	22.8	14.1	-0.06
Trade balance (USD bn)	0.5	3.1	-1.5	1.6	0.6	0.6	-0.04
CPI %MoM	0.29	0.98	0.34	-0.03	0.07	0.16	-0.06
Credit %YoY	15.1	16.5	15.7	17.9	17.6	17.5	-0.29
USDVND %MoM	0.55	-1.59	1.89	0.03	1.64	0.03	-0.32
PMI (pts)	49.8	48.9	49.2	50.5	45.6	49.8	-0.20
VNINDEX return (%)	1.5	-0.1	3.2	0.1	-6.1	9.7	1.00

Source: SBV, GSO, Bloomberg, KIS

¹ Correlation to VNINDEX's monthly return

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

Contents

I. SBV back to net injection	1
II. Interbank rates surge across tenors	3
III. G-bond yields edge up	4
IV. USDVND extends its uptrend	7
Macro scorecard	9
Appendix	10

Research Dept.

researchdept@kisvn.vn

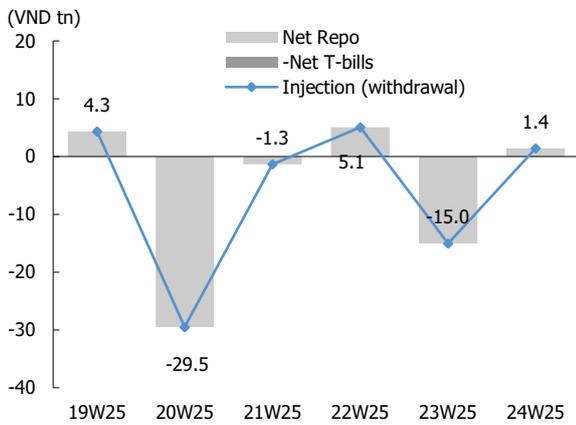
I. SBV back to net injection

SBV rolls over repos to ease maturing pressure

In 24W25 (9 to 13 June), the SBV resumed liquidity injection at a moderate level to maintain stable conditions in the interbank market. Specifically, VND8.77tn in repos matured during the week, while the SBV issued VND10.21tn in new repos, resulting in a net injection of VND1.44tn into the banking system.

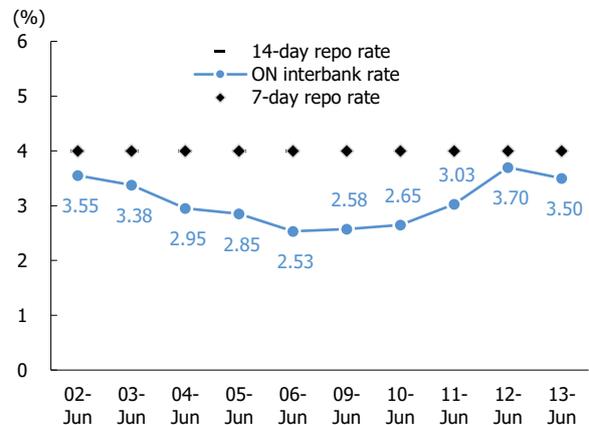
In recent weeks, liquidity in the banking system has remained ample, leading to a notable decline in banks' demand for funding through the OMO channel. The SBV is expected to maintain its supportive policy stance to help stimulate economic activity, while also preserving flexibility to intervene promptly should interbank market conditions become overheated—especially amid ongoing uncertainties surrounding tariff policies and the upcoming third round of negotiations between Vietnam and U.S..

Figure 1. Net injection (withdrawal) of liquidity



Source: SBV, KIS

Figure 2. Interest rate corridor



Source: SBV, KIS

Figure 3. Repo transactions: 7&14-day tenor

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
12-Jun-25	19-Jun-25	7	3.43	4.00
11-Jun-25	25-Jun-25	14	0.79	4.00
12-Jun-25	26-Jun-25	14	0.78	4.00
13-Jun-25	27-Jun-25	14	0.32	4.00
Total			5.32	4.00

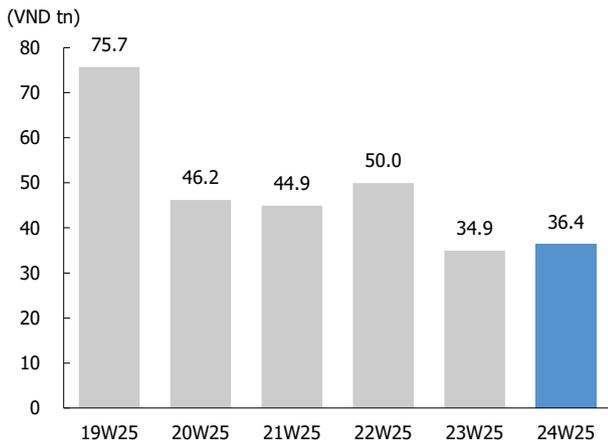
Source: SBV, KIS

Figure 4. Repo transactions: 35&91-day tenors

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
11-Jun-25	16-Jul-25	35	2.99	4.00
12-Jun-25	17-Jul-25	35	0.33	4.00
9-Jun-25	8-Sep-25	91	0.49	4.00
11-Jun-25	10-Sep-25	91	0.53	4.00
12-Jun-25	11-Sep-25	91	0.54	4.00
Total			4.88	4.00

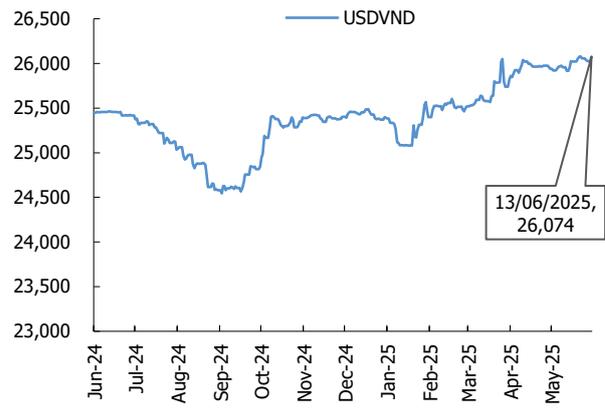
Source: SBV, KIS

Figure 5. Outstanding amount of repos



Source: SBV, KIS

Figure 6. USDVND movement



Source: SBV, KIS

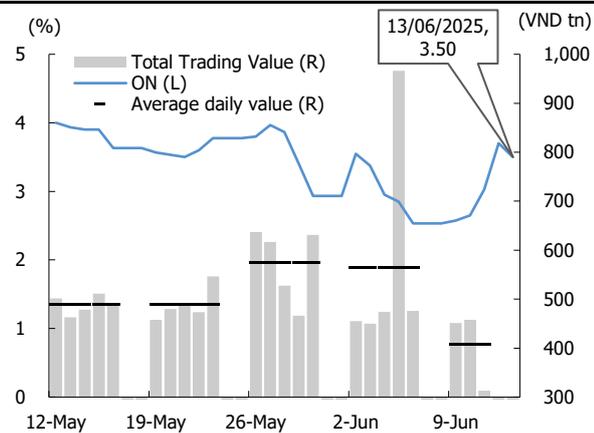
II. Interbank rates surge across tenors

Trading volume drops amid broad-based rate increases

This week, interbank interest rates surged across most tenors, accompanied by a notable decline in trading volume compared to the previous week. Specifically, the overnight (ON), 1-week (1W), 2-week (2W), 1-month (1M), and 3-month (3M) tenors rose sharply by 97bps, 77bps, 48bps, 22bps, and 15bps, respectively, reaching 3.50%, 3.70%, 3.85%, 3.95%, and 4.40%. The average trading volume stood at VND407.22tn, down 27.84% from the previous week.

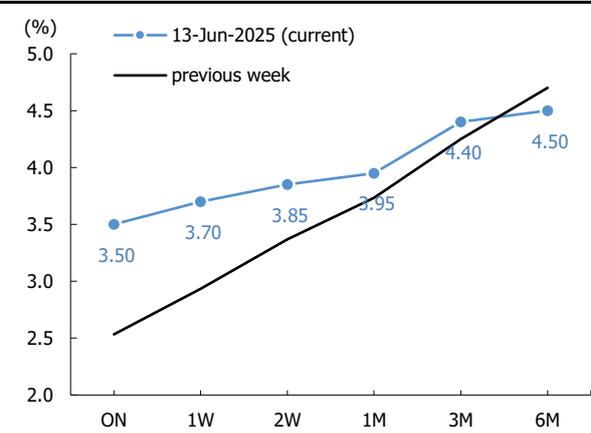
This week, interbank rates surged while trading volume remained limited, likely due to a less ample supply of liquidity in the system. Additionally, the sharp decline in rates last week may have triggered a market correction. In the coming weeks, interbank rates are expected to remain low, supported by the overall abundant liquidity in the banking system. Moreover, under the Government's policy direction to maintain low interest rates in order to stimulate economic growth, banks are likely to continue keeping short-term rates at low levels.

Figure 7. Interbank daily transaction



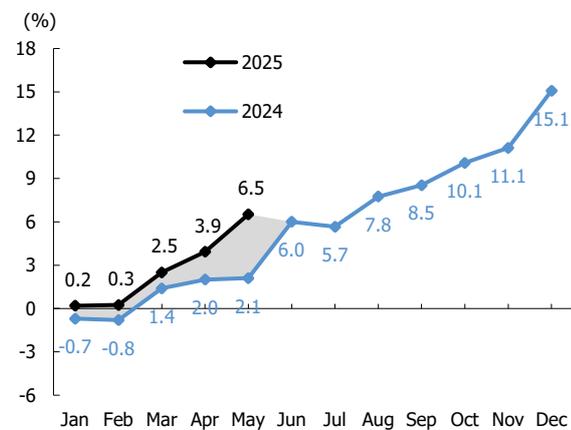
Source: SBV, Bloomberg, KISVN

Figure 8. Interbank rate curve



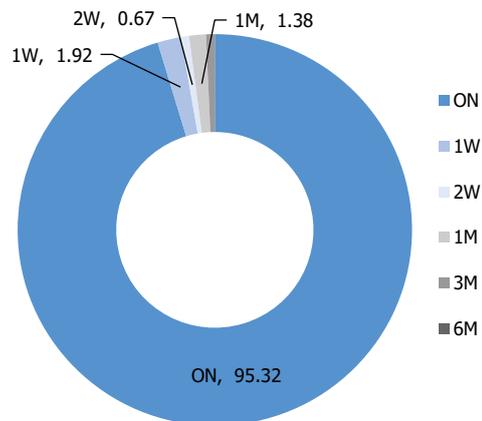
Source: SBV, Bloomberg, KISVN

Figure 9. Credit growth by month of the year



Source: SBV, Bloomberg, KISVN
Note: Updated by 30 May, 2024

Figure 10. Interbank transaction structure



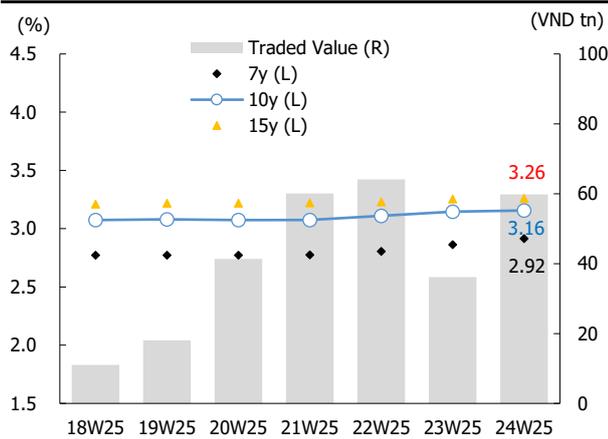
Source: SBV, Bloomberg, KISVN

III. G-bond yields edge up

Off-the-run G-bonds continue to lose attractiveness

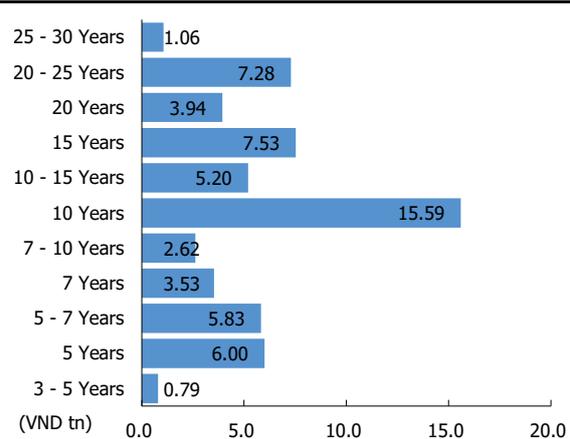
In 24W25, G-bond yields on the secondary market continued to climb across most actively traded maturities, with trading value surging—indicating that selling pressure has yet to subside after four consecutive weeks. Specifically, yields on the 5-year and 7-year tenors rose by 2bps and 5bps, reaching 2.54% and 2.92%, respectively, while 10-year, 15-year, and 20-year tenors increased synchronously by 1bp to 3.16%, 3.26%, and 3.35%. Total trading volume reached VND59.84tn, up 65.7% from the previous week, with an average of VND11.97tn per day.

Figure 11. G-bond traded value by week



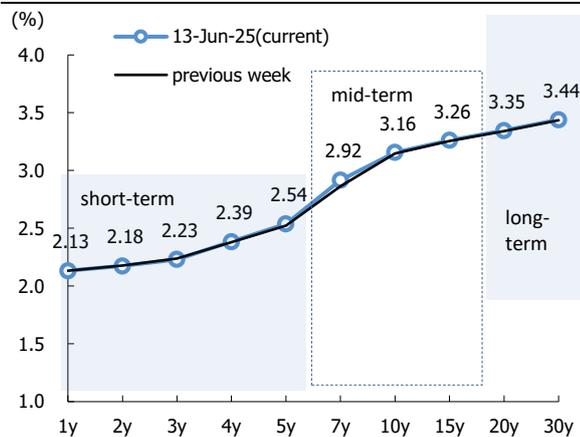
Source: HNX, Bloomberg, KIS

Figure 12. G-bond traded value by tenor



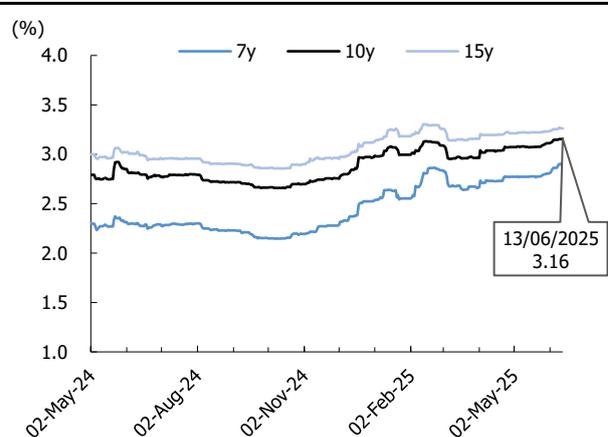
Source: HNX, Bloomberg, KIS

Figure 13. G-bond trading yield curve



Source: HNX, VBMA, KIS

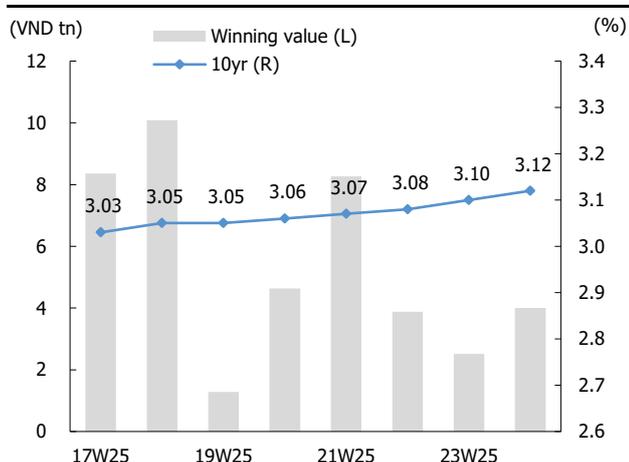
Figure 14. Historical daily government bond yields



Source: HNX, VBMA, KIS

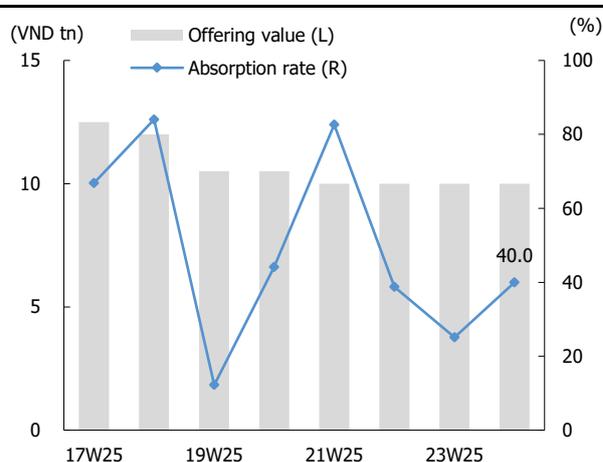
The persistent sell-off pressure in the secondary market may stem from developments in the primary market, where newly issued G-bond yields have continued to rise—making off-the-run bonds less attractive. Specifically, the VST issued VND4.00tn this week, a 59.4% increase from the prior week, while 10-year yields continue to increase by 2bps to reach 3.12%; however, this only met 40% of the weekly offering plan, as investors continued to demand higher yields. To date, the VST has issued a total of VND177.43tn, reaching 35.5% of its full-year 2025 target.

Figure 15. Weekly winning values



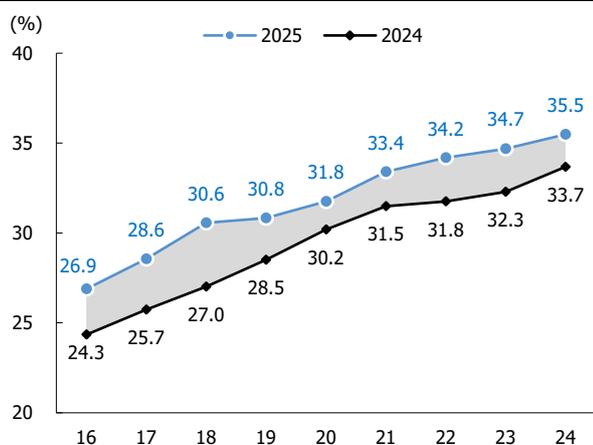
Source: HNX, KIS

Figure 16. Weekly absorption rate



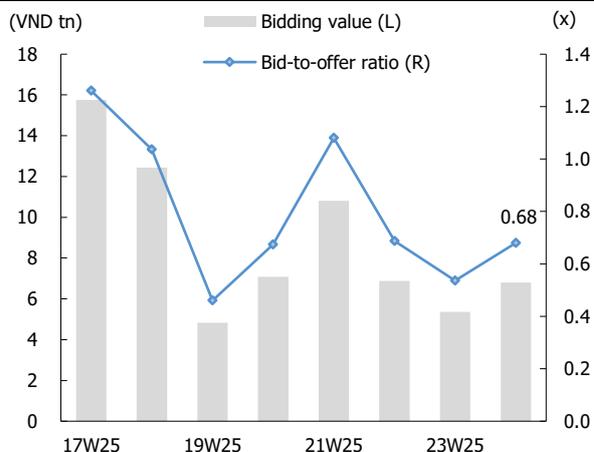
Source: HNX, KIS

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



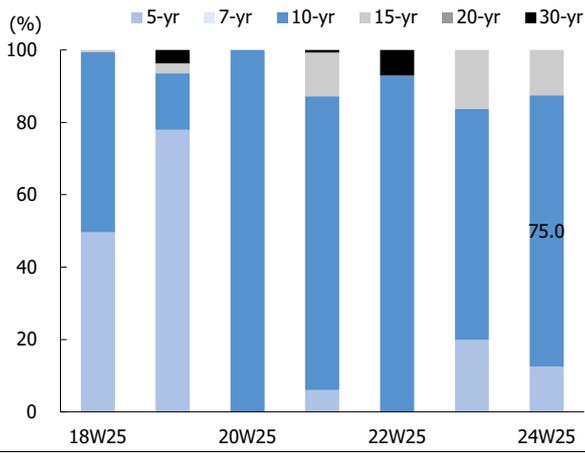
Source: HNX, KIS

Figure 18. Weekly bid-to-offer ratio



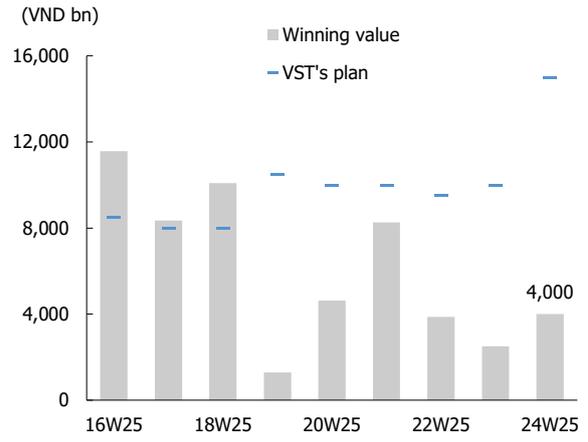
Source: HNX, KIS

Figure 19. Weekly winning G-bond structure



Source: HNX, KIS

Figure 20. Weekly issued amount of G-bond



Source: HNX, KIS

IV. USDVND extends its uptrend

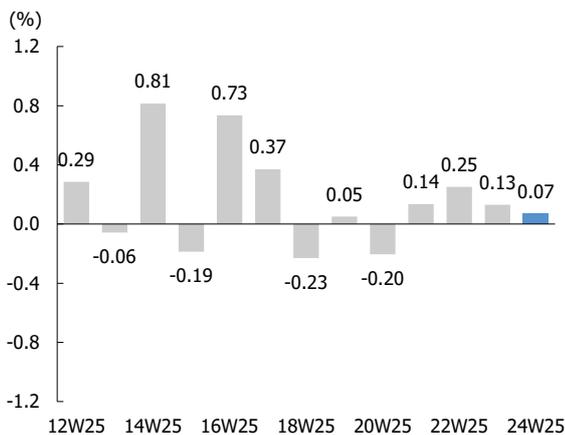
USDVND rose further ahead of the third round of trade negotiations with the U.S

USDVND extended its rally for the fourth consecutive week, rising by 0.07% (18ppts) to 26,074 on Friday, amid concerns over the outcome of the upcoming U.S. trade talks. This pressure was partially cushioned by a modest return of foreign net inflows into the stock market, with net buying reaching VND0.35tn, equivalent to 0.4% of weekly trading volume.

Across FX segments, prices diverged: Vietcombank's USDVND ask rate rose by 0.16% (43ppts), while the shadow market rate fell sharply by 0.83% (220ppts). As of Friday, USDVND was quoted at 26,223 and 26,290 per U.S. dollar on Vietcombank and the shadow market, respectively.

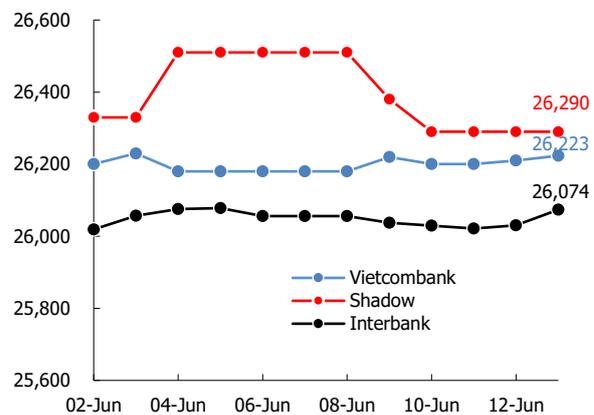
Globally, the DXY index dropped markedly by 1.01% to 98.2 on Friday, primarily due to persistent inflation data, raising concerns that tariffs could contribute to additional inflationary pressure in the near term. These risks were exacerbated by renewed geopolitical tensions between Israel and Iran, while U.S. trade negotiations with other countries remain uncertain.

Figure 21. Weekly USDVND performance



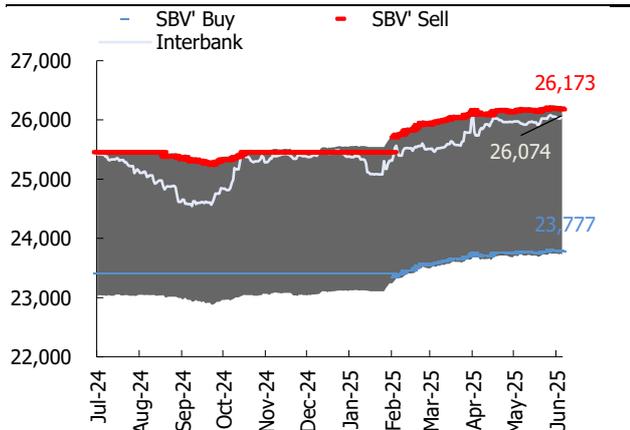
Source: Bloomberg, KIS

Figure 22. VCB & shadow market USDVND spread



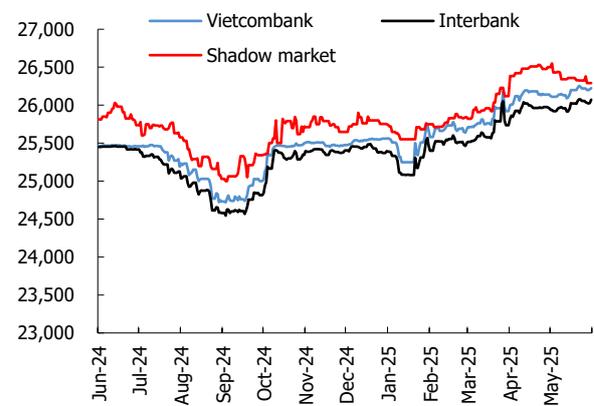
Source: SBV, Vietcombank, KIS

Figure 23. SBV's movement



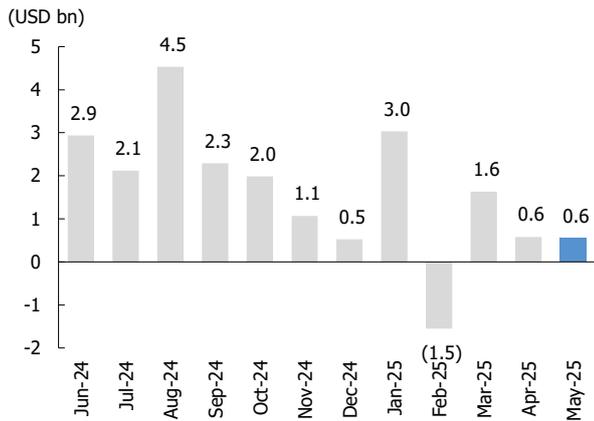
Source: SBV, Bloomberg, Fiiipro, KIS
Note: shaded region is the daily trading band. The effective trading band is +/- 5% (the effective date is 17 October, 2022).

Figure 24. USDVND by market



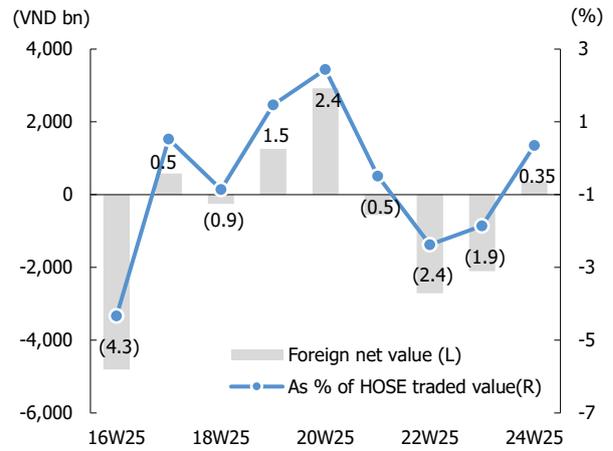
Source: SBV, Bloomberg, KIS

Figure 25. Vietnam's trade balance by month



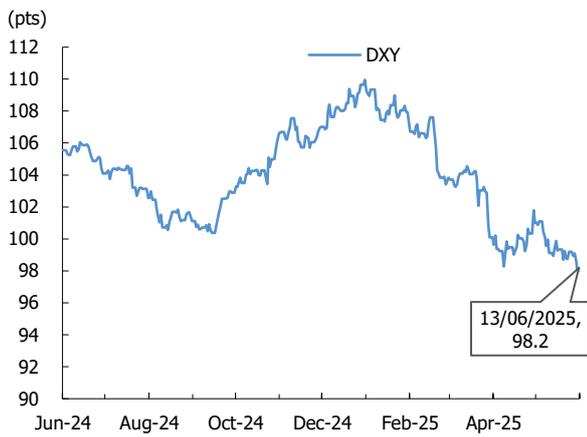
Source: GSO, KIS
Note: Updated until 6 June, 2025

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

	Regime	22W25	23W25	24W25	2025YTD
DXY	U.S. Dollar Index	0.25	-0.09	-0.13	-1.59
USDCNY	Managed floating	0.13	-0.44	-1.32	-10.35
EURUSD	Floating	1.03	-1.67	-0.81	-8.70
USDJPY	Floating	0.25	0.13	0.07	2.30
USDKRW	Floating	0.06	-0.31	-0.79	-5.81
USDSGD	Basket-band-crawl	-0.30	0.03	-0.94	-9.86
USDTHB	Floating	1.02	0.58	-0.54	-8.35
USDVND	Managed floating	1.22	-1.94	0.55	-7.38

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

Macro scorecard

	25-Jan	25-Feb	25-Mar	25-Apr	25-May	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)	4.34	2.57	4.08	2.82	4.56	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)	32.15	31.11	38.51	37.45	39.60	98.2	108.6	105.9	102.84	335.7	371.85	355.5	405.5
Import (USD bn)	30.92	32.66	36.88	36.87	39.04	94.0	99.7	101.9	99.68	331.1	360.65	327.5	380.8
Export growth (%)	-4.05	25.67	14.49	19.75	16.97	13.59	15.82	11.46	10.64	18.74	10.61	-4.4	14.3
Import growth (%)	-2.32	39.99	18.99	22.95	14.13	20.65	17.19	14.91	17.03	25.9	8.35	-8.9	16.7
Inflation (%)	3.63	2.91	3.13	3.12	3.24	4.39	3.48	2.87	3.22	1.84	3.15	3.25	3.63
USD/VND	25,082	25,530	25,565	25,983	26,022	25,458	24,093	25,386	25,565	22,790	23,650	23,784	25,386
Credit growth (%)	16.1	15.7	17.9	17.6	17.5	15.3	16.1	13.8	16.3	13.61	14.2	13.7	13.8
10Y gov't bond (%)	2.99	3.18	3.06	3.20	3.22	2.81	2.66	2.94	3.06	2.11	5.08	2.39	2.94

Source: GSO, Bloomberg, FIA, IMF

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

Global Disclaimer

■ General

This research report and marketing materials for Vietnamese securities are originally prepared and issued by the Research Center of KIS Vietnam Securities Corp., an organization licensed with the State Securities Commission of Vietnam. The analyst(s) who participated in preparing and issuing this research report and marketing materials is/are licensed and regulated by the State Securities Commission of Vietnam in Vietnam only. This report and marketing materials are copyrighted and may not be copied, redistributed, forwarded or altered in any way without the consent of KIS Vietnam Securities Corp..

This research report and marketing materials are for information purposes only. They are not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This research report and marketing materials do not provide individually tailored investment advice. This research report and marketing materials do not take into account individual investor circumstances, objectives or needs, and are not intended as recommendations of particular securities, financial instruments or strategies to any particular investor. The securities and other financial instruments discussed in this research report and marketing materials may not be suitable for all investors. The recipient of this research report and marketing materials must make their own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser. KIS Vietnam Securities Corp. does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. KIS Vietnam Securities Corp., its affiliates, or their affiliates and directors, officers, employees or agents of each of them disclaim any and all responsibility or liability whatsoever for any loss (director consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or KIS Vietnam Securities Corp. The final investment decision is based on the client's judgment, and this research report and marketing materials cannot be used as evidence in any legal dispute related to investment decisions.

■ Country-specific disclaimer

United States: This report is distributed in the U.S. by Korea Investment & Securities America, Inc., a member of FINRA/SIPC, and is only intended for major U.S. institutional investors as defined in Rule 15a-6(a)(2) under the U.S. Securities Exchange Act of 1934. All U.S. persons that receive this document by their acceptance thereof represent and warrant that they are a major U.S. institutional investor and have not received this report under any express or implied understanding that they will direct commission income to Korea Investment & Securities, Co., Ltd. or its affiliates. Pursuant to Rule 15a-6(a)(3), any U.S. recipient of this document wishing to effect a transaction in any securities discussed herein should contact and place orders with Korea Investment & Securities America, Inc., which accepts responsibility for the contents of this report in the U.S. The securities described in this report may not have been registered under the U.S. Securities Act of 1933, as amended, and, in such case, may not be offered or sold in the U.S. or to U.S. person absent registration or an applicable exemption from the registration requirement.

United Kingdom: This report is not an invitation nor is it intended to be an inducement to engage in investment activity for the purpose of section 21 of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA"). To the extent that this report does constitute such an invitation or inducement, it is directed only at (i) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) of the United Kingdom (the "Financial Promotion Order"); (ii) persons who fall within Articles 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order; and (iii) any other persons to whom this report can, for the purposes of section 21 of FSMA, otherwise lawfully be made (all such persons together being referred to as "relevant persons"). Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons. Persons who are not relevant persons must not act or rely on this report.

Hong Kong: This research report and marketing materials may be distributed in Hong Kong to institutional clients by Korea Investment & Securities Asia Limited (KISA), a Hong Kong representative subsidiary of Korea Investment & Securities Co., Ltd., and may not otherwise be distributed to any other party. KISA provides equity sales service to institutional clients in Hong Kong for Korean securities under its sole discretion, and is thus solely responsible for provision of the aforementioned equity selling activities in Hong Kong. All requests by and correspondence with Hong Kong investors involving securities discussed in this report and marketing materials must be effected through KISA, which is registered with The Securities & Futures Commission (SFC) of Hong Kong. Korea Investment & Securities Co., Ltd. is not a registered financial institution under Hong Kong's SFC.

Singapore: This report is provided pursuant to the financial advisory licensing exemption under Regulation 27(1)(e) of the Financial Advisers Regulation of Singapore and accordingly may only be provided to persons in Singapore who are "institutional investors" as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore. This report is intended only for the person to whom Korea Investment & Securities Co., Ltd. has provided this report and such person may not send, forward or transmit in any way this report or any copy of this report to any other person. Please contact Korea Investment & Securities Singapore Pte Ltd in respect of any matters arising from, or in connection with, the analysis or report (Contact Number: 65 6501 5600).

Copyright © 2023 KIS Vietnam Securities Corp. All rights reserved. No part of this report may be reproduced or distributed in any manner without permission of KIS Vietnam Securities Corp.

VIET NAM

UYEN LAM, Head of Institutional Brokerage (uyen.lh@kisvn.vn +8428 3914 8585 - 1444)
KIS Vietnam Securities Corporation
3rd floor, 180-192 Nguyen Cong Tru, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City.
Fax: 8428 3821-6898

SOUTH KOREA

YEONG KEUN JOO, Managing Director, Head of International Business Division (ykjoo@truefriend.com, +822 3276 5157)
PAUL CHUNG, Sales Trading (pchung@truefriend.com +822 3276 5843)
27-1 Yoido-dong, Youngdeungpo-ku, Seoul 150-745, Korea
Toll free: US 1 866 258 2552 HK 800 964 464 SG 800 8211 320
Fax: 822 3276 5681~3
Telex: K2296

NEW YORK

DONG KIM, Managing Director (dkim@kisamerica.com +1 212 314 0681)
HOON SULL, Head of Sales (hoonsull@kisamerica.com +1 212 314 0686)
Korea Investment & Securities America, Inc.
1350 Avenue of the Americas, Suite 1110
New York, NY 10019
Fax: 1 212 314 0699

HONG KONG

GREGORY KIM, Managing Director, Head of HK Sales (greg.kim@kisasia.com +852 2530 8915)
Korea Investment & Securities Asia, Ltd.
Suite 2220, Jardine House
1 Connaught Place, Central, Hong Kong
Fax: 852-2530-1516

SINGAPORE

ALEX JUN, Managing Director, Head of Singapore Sales (alex@kisasia.com.sg +65 6501 5602)
CHARLES AN, Sales (alex.jun@kisasia.com.sg +65 6501 5601)
Korea Investment & Securities Singapore Pte Ltd
1 Raffles Place, #43-04, One Raffles Place
Singapore 048616
Fax: 65 6501 5617

LONDON

Min Suk Key, Managing Director (peterkey@kiseurope.com +44 207 065 2766)
Korea Investment & Securities Europe, Ltd.
2nd Floor, 35-39 Moorgate
London EC2R 6AR
Fax: 44-207-236-4811

This report has been prepared by KIS Vietnam Securities Corp. and is provided for information purposes only. Under no circumstances is it to be used or considered as an offer to sell, or a solicitation of any offer to buy. While all reasonable care has been taken to ensure that the information contained herein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. This report is provided solely for the information of professional investors who are expected to make their own investment decisions without undue reliance on this report and the company accepts no liability whatsoever for any direct or consequential loss arising from any use of this report or its contents. This report is not intended for the use of private investors.

Copyright © 2020 KIS Vietnam Securities Corp. All rights reserved. No part of this report may be reproduced or distributed in any manner without permission of KIS Vietnam Securities Corp.