

# 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. <sup>1</sup>
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

<sup>1</sup> Correlation to VNINDEX's monthly return

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

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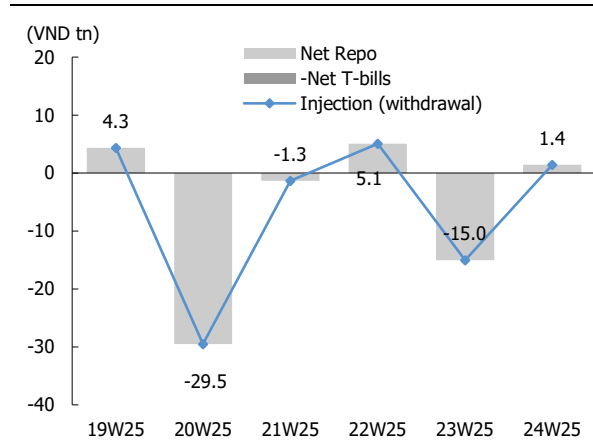
# I. SBV back to net injection

## 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.

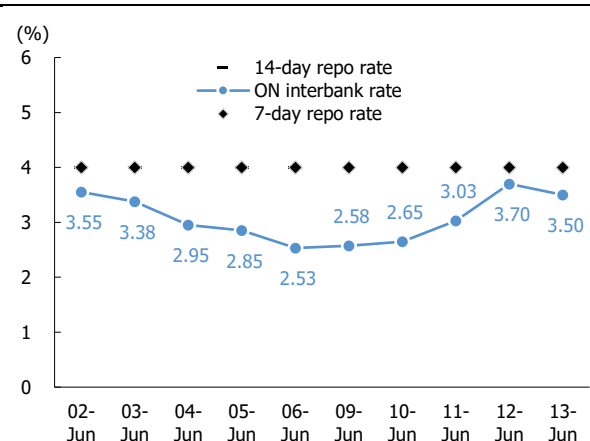
In recent weeks, liquidity in the banking system has remained ample, leading to a notable decline in banks' demand for funding through the OMO channel. The SBV is expected to maintain its supportive policy stance to help stimulate economic activity, while also preserving flexibility to intervene promptly 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
<b>Total</b>			<b>5.32</b>	<b>4.00</b>

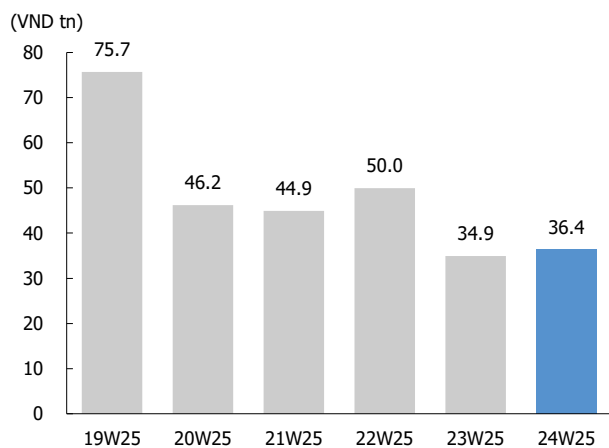
Source: SBV, KIS

**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
<b>Total</b>			<b>4.88</b>	<b>4.00</b>

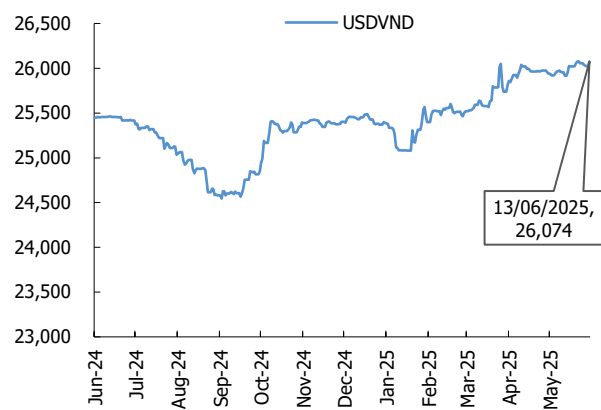
Source: SBV, KIS

**Figure 5. Outstanding amount of repos**



Source: SBV, KIS

**Figure 6. USDVND movement**



Source: SBV, KIS

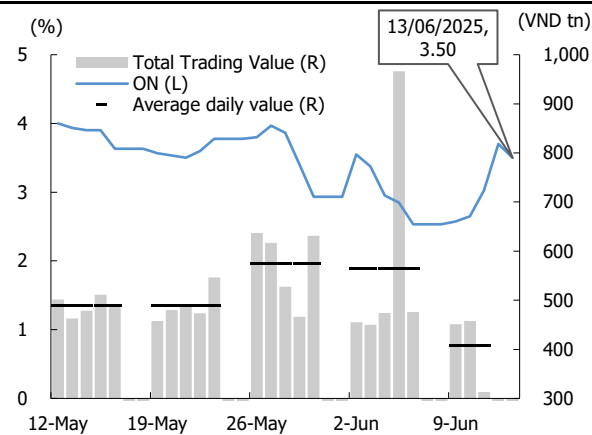
## II. Interbank rates surge across tenors

### 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.

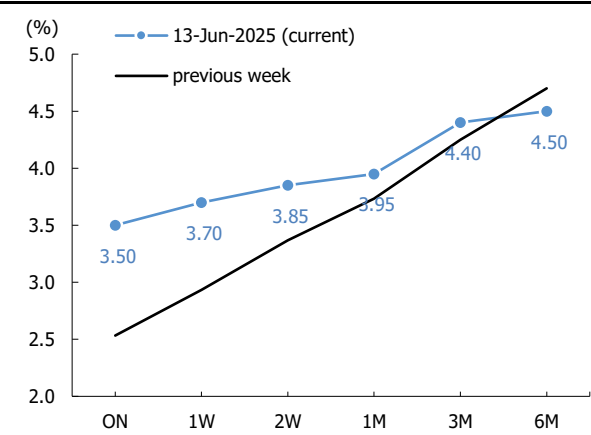
This week, interbank rates surged while trading volume remained limited, likely due to a less ample supply of liquidity in the system. Additionally, the sharp decline in rates last week may have triggered a market correction. In the coming weeks, interbank rates are expected to remain low, supported 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**



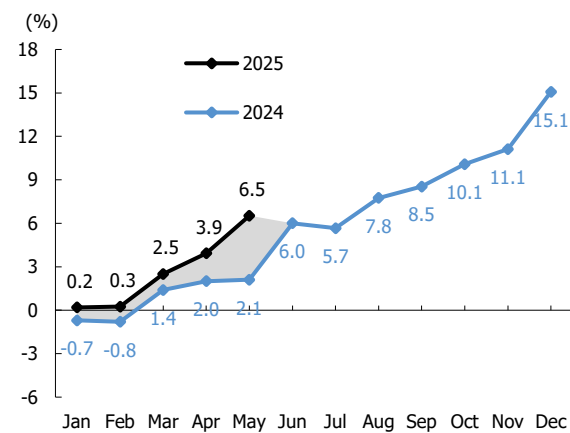
Source: SBV, Bloomberg, KISVN

**Figure 8. Interbank rate curve**



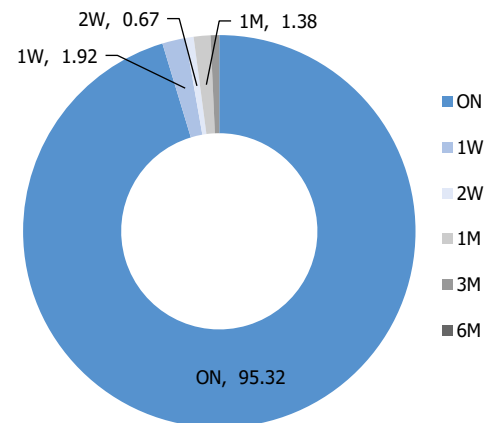
Source: SBV, Bloomberg, KISVN

**Figure 9. Credit growth by month of the year**



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

**Figure 10. Interbank transaction structure**



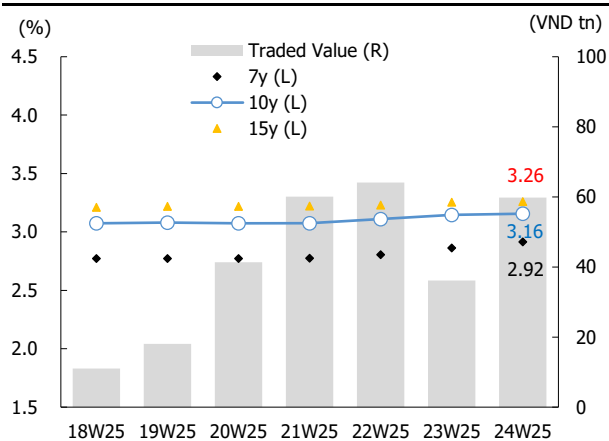
Source: SBV, Bloomberg, KISVN

### III. G-bond yields edge up

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

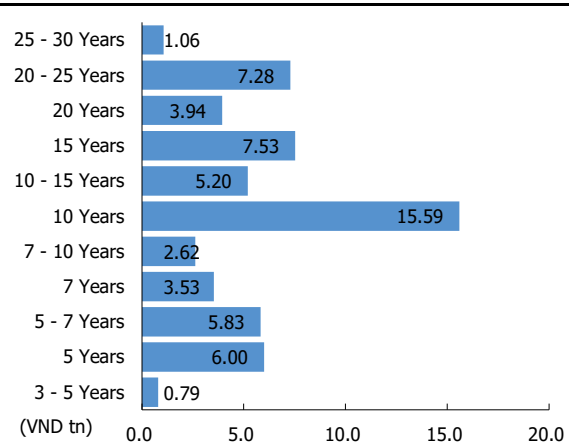
In 24W25, G-bond yields on the secondary market continued to climb across most actively traded maturities, with trading value surging—indicating that selling pressure has yet to subside after four consecutive weeks. Specifically, yields on the 5-year and 7-year tenors rose by 2bps and 5bps, reaching 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**



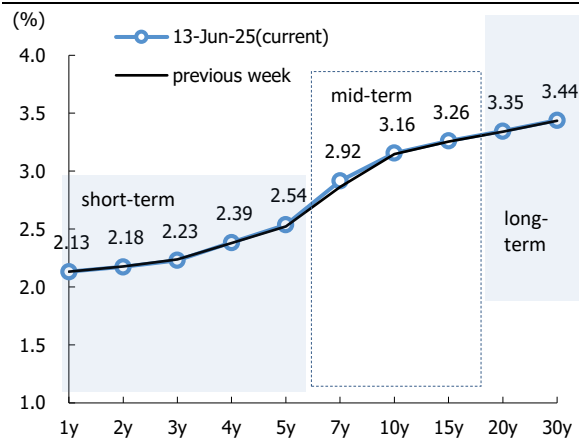
Source: HNX, Bloomberg, KIS

**Figure 12. G-bond traded value by tenor**



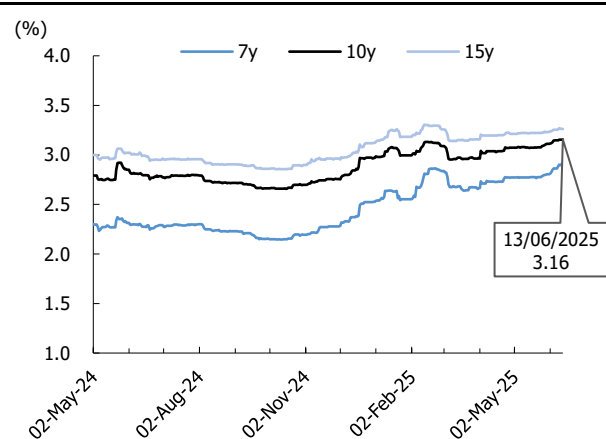
Source: HNX, Bloomberg, KIS

**Figure 13. G-bond trading yield curve**



Source: HNX, VBMA, KIS

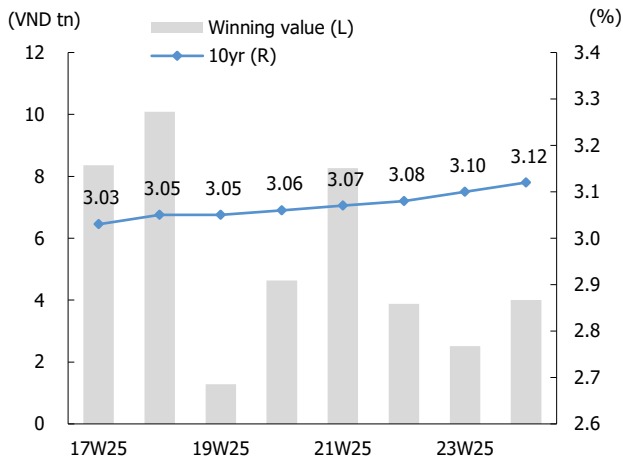
**Figure 14. Historical daily government bond yields**



Source: HNX, VBMA, KIS

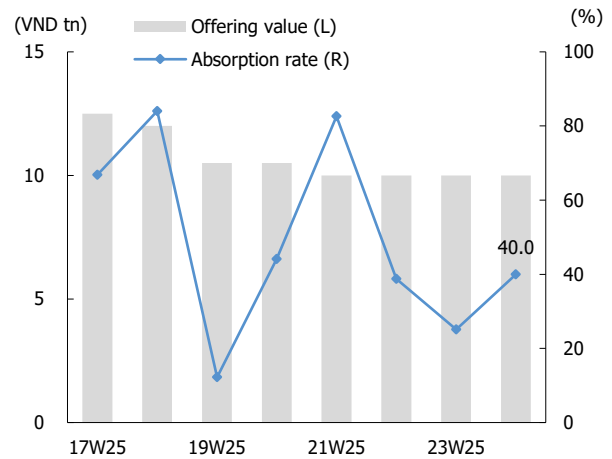
The persistent sell-off pressure in the secondary market may stem from developments in the primary market, where newly issued G-bond yields have continued to rise—making off-the-run bonds less attractive. Specifically, the VST issued VND4.00tn this week, a 59.4% increase from the prior week, while 10-year 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**



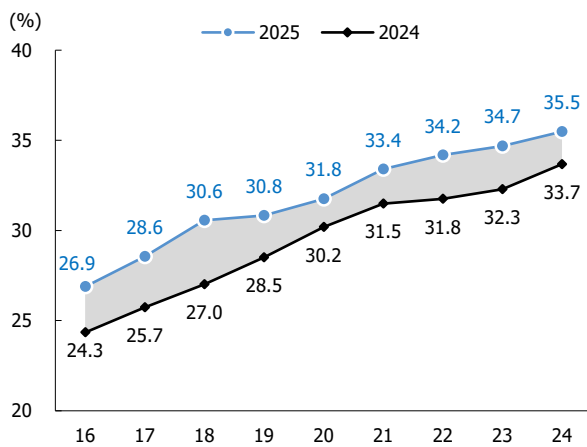
Source: HNX, KIS

**Figure 16. Weekly absorption rate**



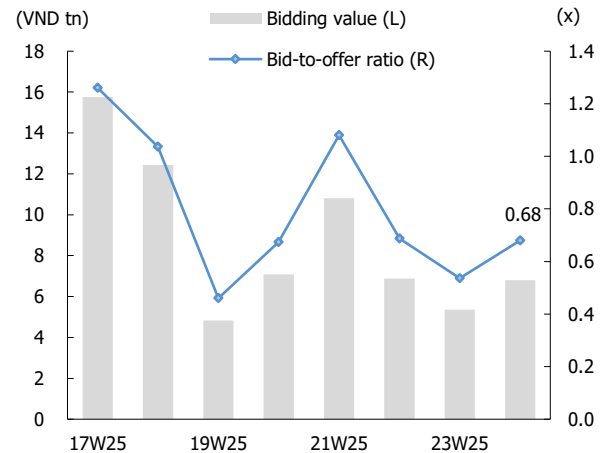
Source: HNX, KIS

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



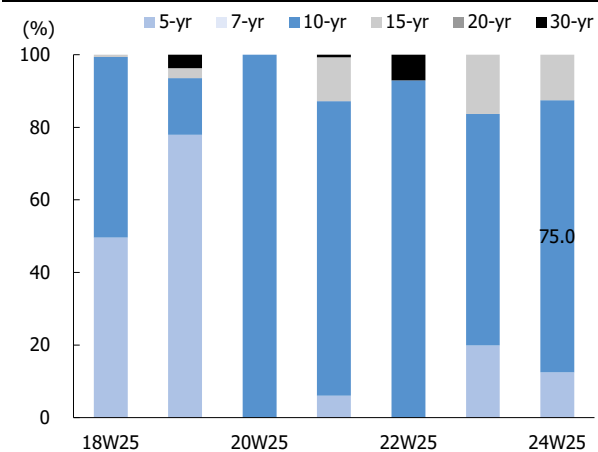
Source: HNX, KIS

**Figure 18. Weekly bid-to-offer ratio**



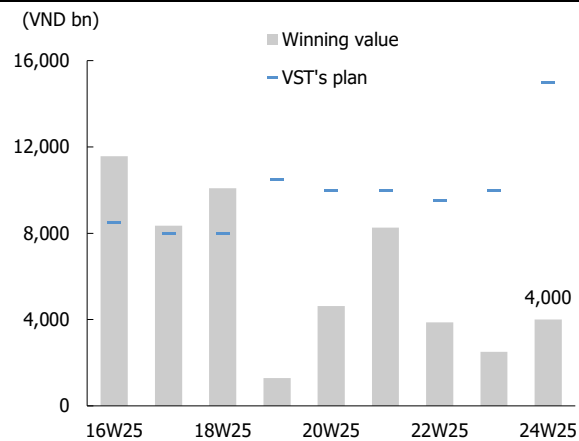
Source: HNX, KIS

**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

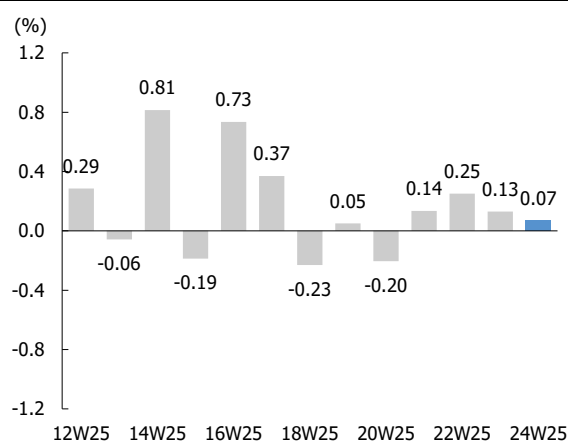
**USDVND rose further ahead of the third round of trade negotiations with the U.S**

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.

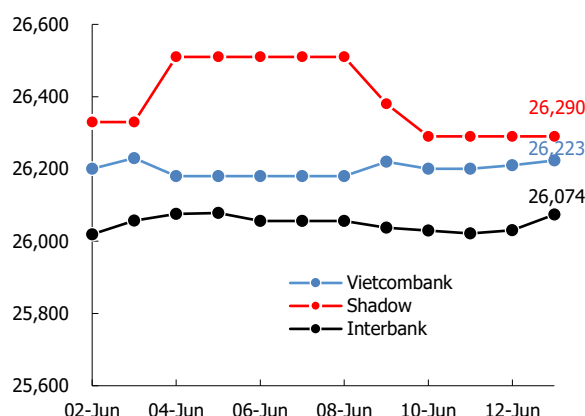
Globally, the DXY index dropped markedly by 1.01% to 98.2 on Friday, primarily due to persistent inflation data, raising concerns that tariffs could contribute to additional inflationary pressure in the near term. These risks were exacerbated by renewed geopolitical tensions between Israel and Iran,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

**Figure 21. Weekly USDVND performance**



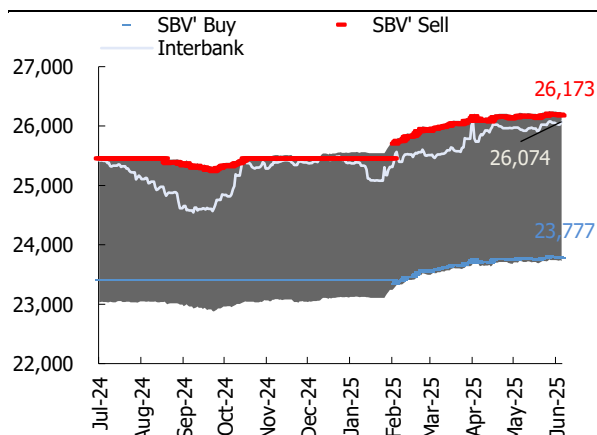
Source: Bloomberg, KIS

**Figure 22. VCB & shadow market USDVND spread**



Source: SBV, Vietcombank, KIS

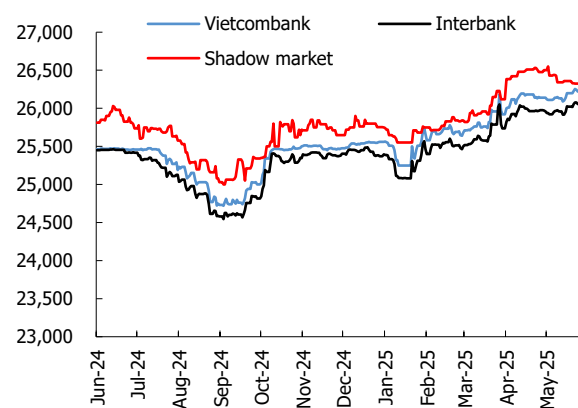
**Figure 23. SBV's movement**



Source: SBV, Bloomberg, Fiinpro, KIS

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

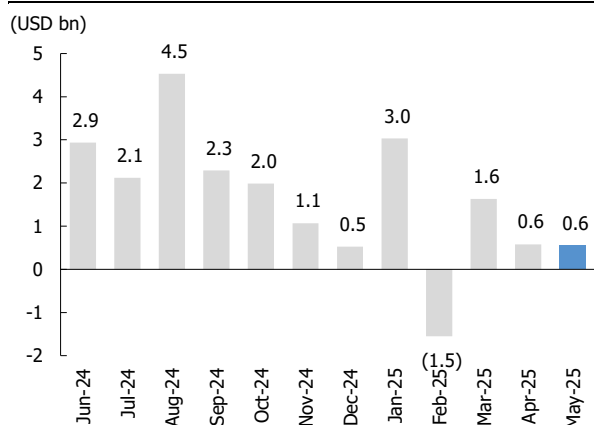
**Figure 24. USDVND by market**



Source: SBV, Bloomberg, KIS

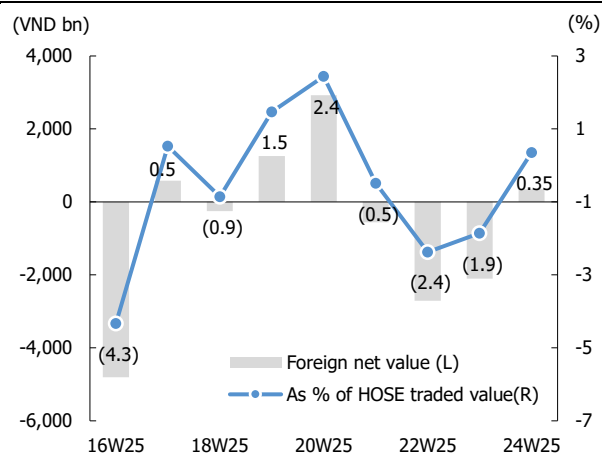


**Figure 25. Vietnam's trade balance by month**



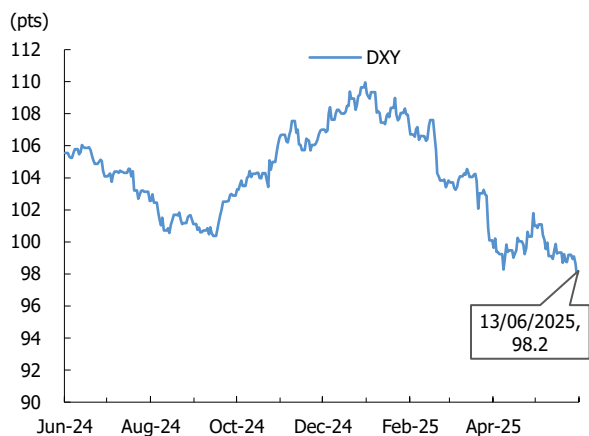
Source: GSO, KIS  
Note: Updated until 6 June, 2025

**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

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