

# Fixed-income Perspectives

## Exchange rate under pressure as interest rate gap widens

### SBV back to withdrawal

In 25W25 (16 to 20 June), the SBV resumed liquidity withdrawal as banking system liquidity remained ample. Specifically, VND8.89tn in repos matured during the week, while only VND0.49tn was newly issued, resulting in a net withdrawal of VND8.41tn from the system. As a result, outstanding repos declined to VND27.96tn, down from VND36.37tn last week.

### Interbank curve steepened

This week, the interbank curve steepened as front-end rates dropped sharply while longer-term rates edged up, accompanied by an increase in trading volume compared to the previous week. Specifically, rates of actively traded tenors such as overnight, 1-week, 2-week, 1-month, and 3-month dropped significantly by 193bps, 165bps, 43bps, 20bps, and 13bps, respectively, settling at 1.58%, 2.05%, 3.43%, 3.75%, and 4.27%. The average trading volume stood at VND471.33tn, up 14.08% from the previous week.

### USDVND climbs further

USDVND extended its uptrend for the fifth consecutive week, rising by 0.22% to 26,131 on Friday, driven by escalating geopolitical tensions in the Middle East and continued uncertainty ahead of the upcoming round of trade negotiations with the U.S. Additionally, concerns over global oil supply disruptions have likely prompted crude importers to front-load their USD payments, putting additional upward pressure on the local currency. Meanwhile, foreign investors turned net sellers on the equity market with a net outflow of VND0.2tn, equivalent to 0.2% of the week's trading value.

### 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.

### Contents

I. SBV back to withdrawal .....	1
II. Interbank curve steepened .....	2
III. G-bond yields extend upward momentum .....	3
IV. USDVND climbs further .....	6
Macro scorecard .....	8
Appendix .....	9

**Research Dept.**

researchdept@kisvn.vn

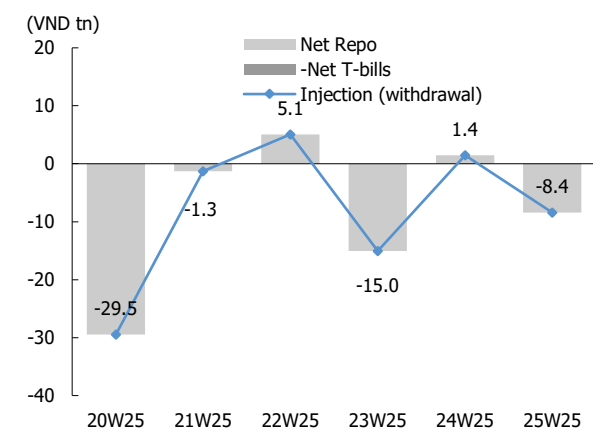
# I. SBV back to withdrawal

**SBV resumes net withdrawal as interbank liquidity remains ample**

In 25W25 (16 to 20 June), the SBV resumed liquidity withdrawal as banking system liquidity remained ample. Specifically, VND8.89tn in repos matured during the week, while only VND0.49tn was newly issued, resulting in a net withdrawal of VND8.41tn from the system. As a result, outstanding repos declined to VND27.96tn, down from VND36.37tn last week.

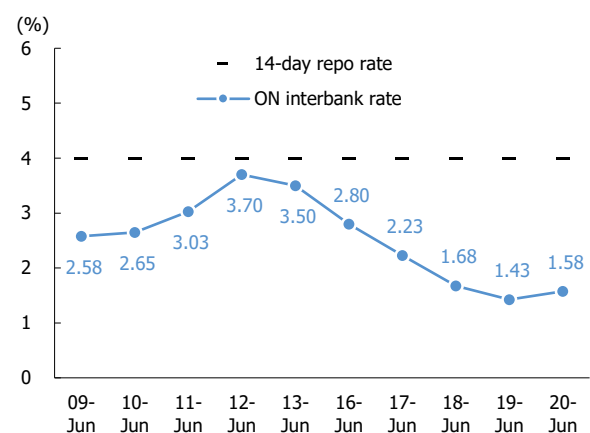
In recent weeks, liquidity within the banking system has remained abundant, significantly reducing banks' demand for additional funding through OMO operations. In the near term, liquidity conditions are expected to remain favorable, supporting banks' operations in achieving the government's 2025 growth targets.

**Figure 1. Net injection (withdrawal) of liquidity**



Source: SBV, KIS

**Figure 2. Interest rate corridor**



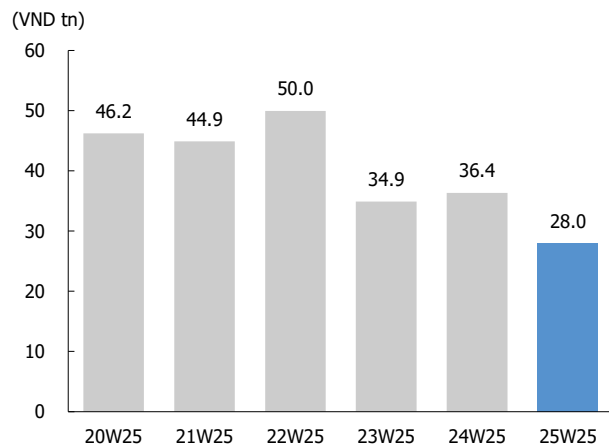
Source: SBV, KIS

**Figure 3. Repo transactions: 14-day tenor**

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
18-Jun-25	2-Jul-25	14	0.49	4.00
<b>Total</b>			<b>0.49</b>	<b>4.00</b>

Source: SBV, KIS

**Figure 4. Outstanding amount of repos**



Source: SBV, KIS

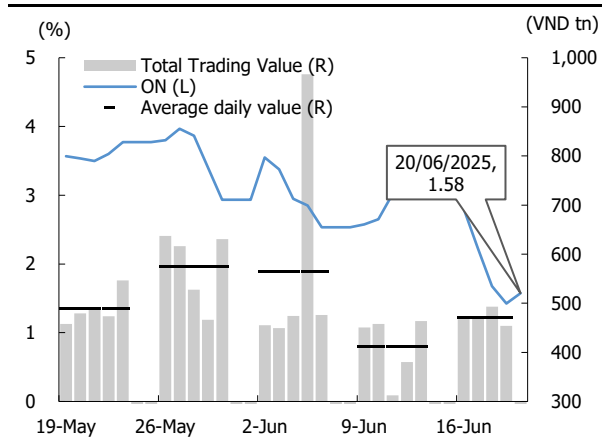
## II. Interbank curve steepened

### Interbank rates decline sharply at short tenors

This week, the interbank curve steepened as front-end rates dropped sharply while longer-term rates edged up, accompanied by an increase in trading volume compared to the previous week. Specifically, rates of actively traded tenors such as overnight (ON), 1-week (1W), 2-week (2W), 1-month (1M), and 3-month (3M) dropped significantly by 193bps, 165bps, 43bps, 20bps, and 13bps, respectively, settling at 1.58%, 2.05%, 3.43%, 3.75%, and 4.27%. The average trading volume stood at VND471.33tn, up 14.08% from the previous week.

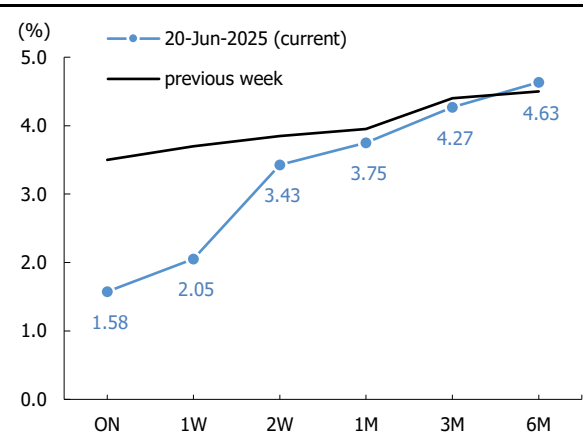
These movements continue to reflect ample liquidity in the banking system, as steep declines in short-term rates coupled with rising trading volume suggest growing demand—possibly driven by robust state budget revenue and a substantial fiscal surplus, which likely led to increased deposits within the banking sector.

**Figure 5. Interbank daily transaction**



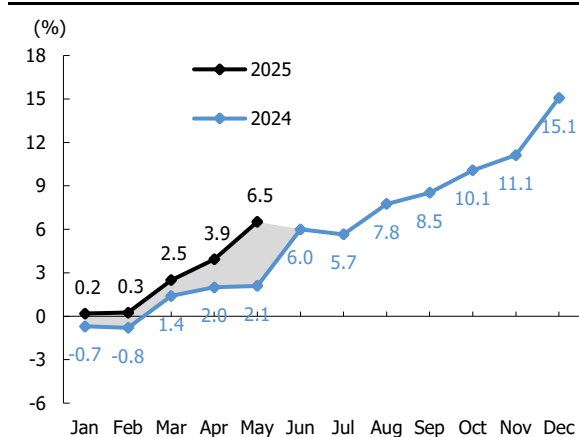
Source: SBV, Bloomberg, KISVN

**Figure 6. Interbank rate curve**



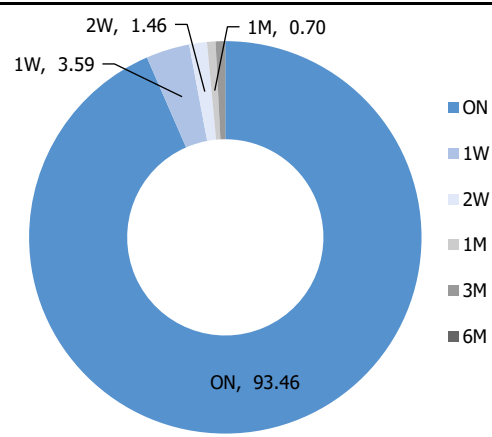
Source: SBV, Bloomberg, KISVN

**Figure 7. Credit growth by month of the year**



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

**Figure 8. Interbank transaction structure**



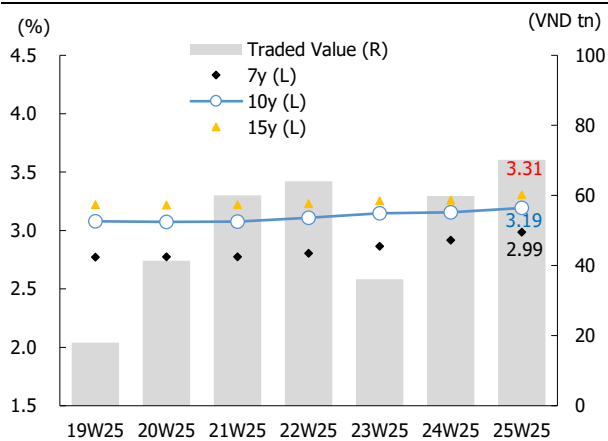
Source: SBV, Bloomberg, KISVN

### III. G-bond yields extend upward momentum

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

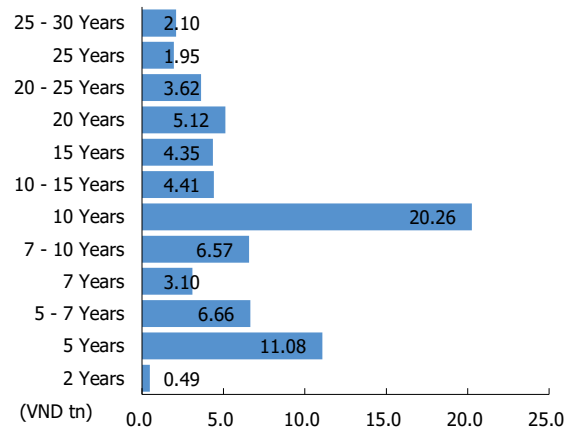
In 25W25, G-bond yields on the secondary market continued to rise across most key tenors amid increasing trading value—signaling that selling pressure remains. Specifically, yields on the 5-year and 7-year tenors climbed by 11bps and 7bps to 2.65% and 2.99%, respectively; meanwhile, the 10-year and 15-year tenors rose by 4bps and 5bps, reaching 3.19% and 3.31%. Total trading volume reached VND70.14tn, up 14.23% from the previous week, with an average of VND14.03tn per day.

**Figure 9. G-bond traded value by week**



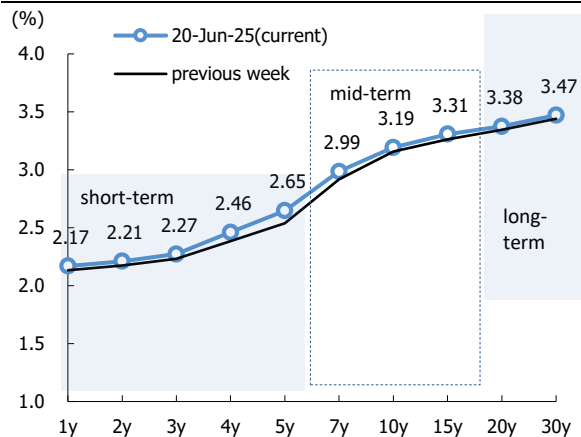
Source: HNX, Bloomberg, KIS

**Figure 10. G-bond traded value by tenor**



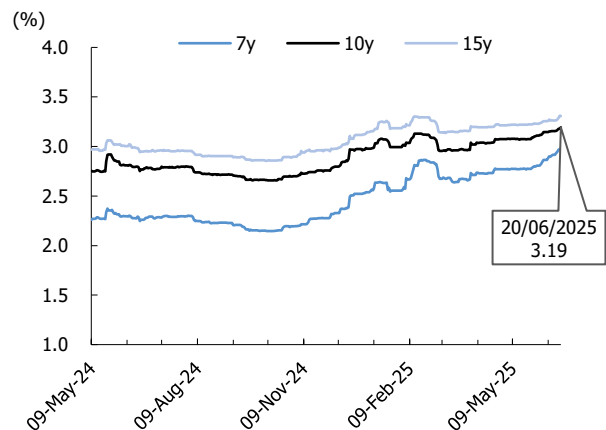
Source: HNX, Bloomberg, KIS

**Figure 11. G-bond trading yield curve**



Source: HNX, VBMA, KIS

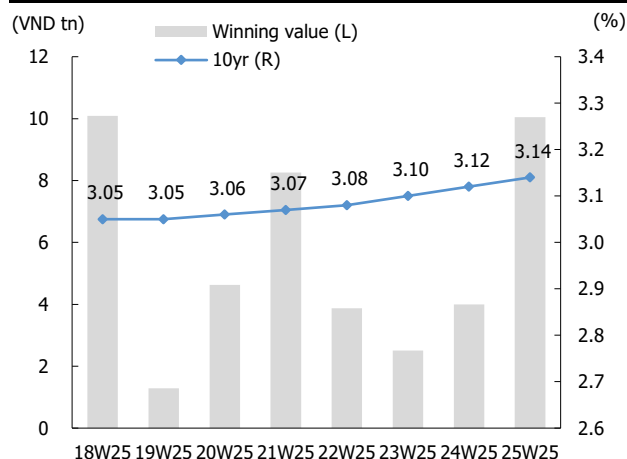
**Figure 12. Historical daily government bond yields**



Source: HNX, VBMA, KIS

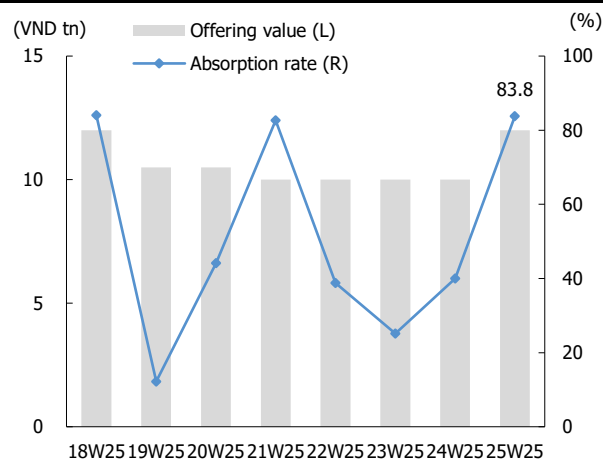
The persistent sell-off in the secondary market may reflect continued developments in the primary market, where rising yields on newly issued G-bonds have led investors to adopt a wait-and-see approach—dampening demand for off-the-run bonds. Specifically, the VST issued VND10.05tn this week, up 151.25% from the previous week. The 10-year yield continued to edge up by 2bps to 3.14%; however, the winning volume only fulfilled 67% of the weekly offering plan, as investors continued to seek higher yields. To date, the VST has issued a total of VND187.48tn, reaching 37.5% of its full-year 2025 target.

**Figure 13. Weekly winning values**



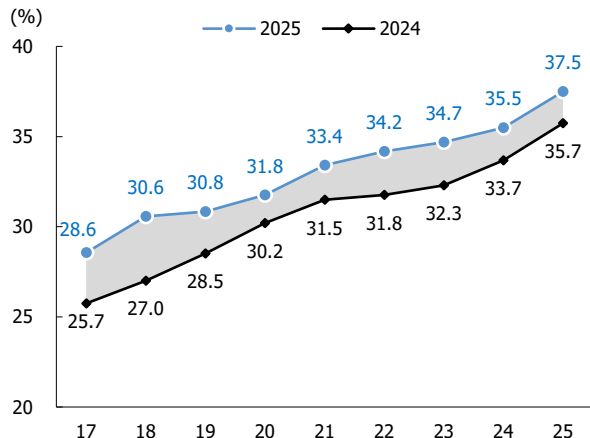
Source: HNX, KIS

**Figure 14. Weekly absorption rate**



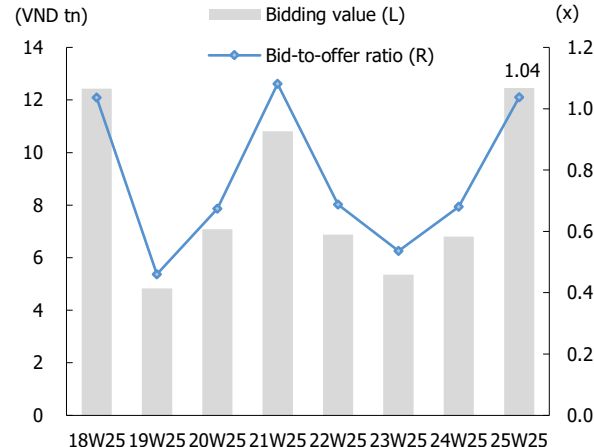
Source: HNX, KIS

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



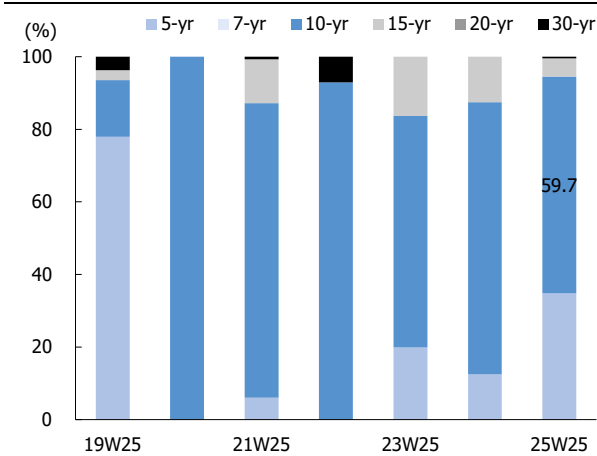
Source: HNX, KIS

**Figure 16. Weekly bid-to-offer ratio**



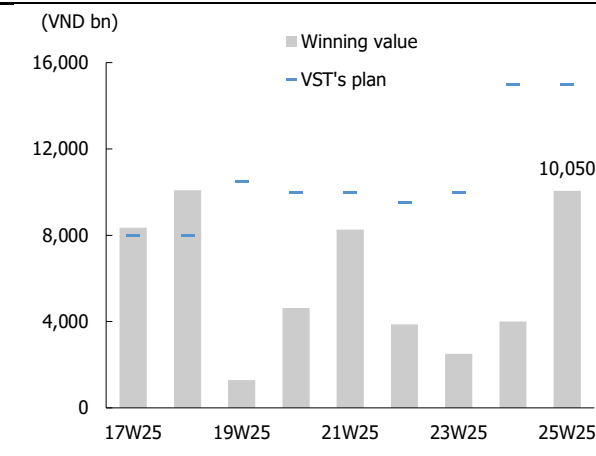
Source: HNX, KIS

Figure 17. Weekly winning G-bond structure



Source: HNX, KIS

Figure 18. Weekly issued amount of G-bond



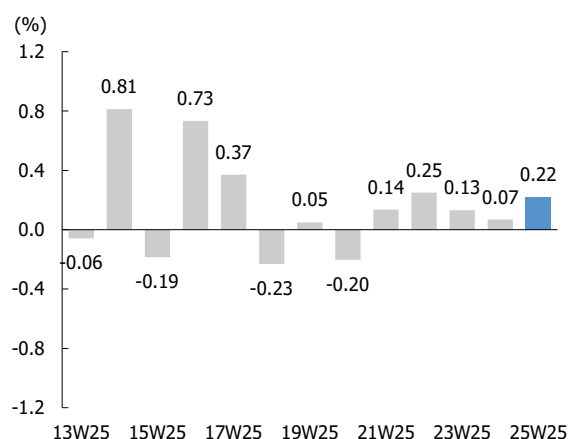
Source: HNX, KIS

## IV. USDVND climbs further

**USDVND rises for the fifth consecutive week amid geopolitical tensions and oil-related USD demand**

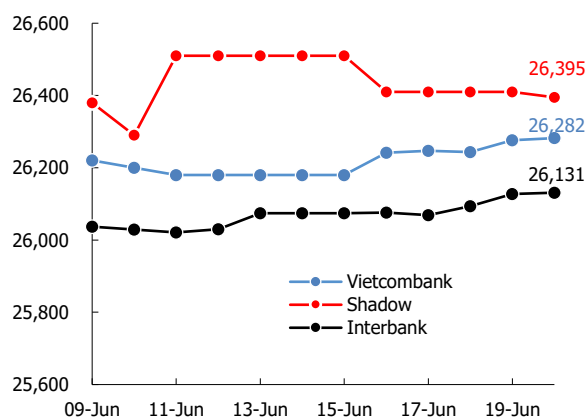
USDVND extended its uptrend for the fifth consecutive week, rising by 0.22% (57 pips) to 26,131 on Friday, driven by escalating geopolitical tensions in the Middle East and continued uncertainty ahead of the upcoming round of trade negotiations with the U.S. Additionally, concerns over global oil supply disruptions have likely prompted crude importers to front-load their USD payments, putting additional upward pressure on the local currency. Meanwhile, foreign investors turned net sellers on the equity market with a net outflow of VND0.2tn, equivalent to 0.2% of the week's trading value. On the global front, the DXY index rose sharply by 0.53% during the week, reaching 98.7 on Friday. The rally was fueled by heightened demand for safe-haven assets amid intensifying conflict between Israel and Iran, coupled with the Fed's cautious stance on rate cuts. Additionally, renewed U.S. efforts to tighten technology supply chain controls on China continued to lend support to the greenback. Across FX segments, price divergence persisted: Vietcombank's USDVND ask rate rose by 0.39% (102 pips), while the shadow market rate declined by 0.43% (115 pips). By Friday, USDVND was quoted at 26,282 at Vietcombank and 26,395 on the shadow market.

**Figure 19. Weekly USDVND performance**



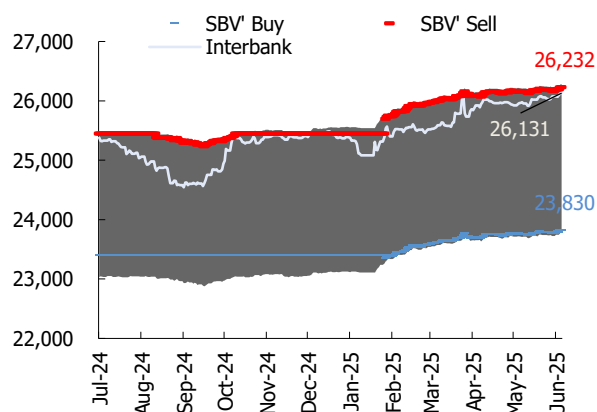
Source: Bloomberg, KIS

**Figure 20. VCB & shadow market USDVND spread**



Source: SBV, Vietcombank, KIS

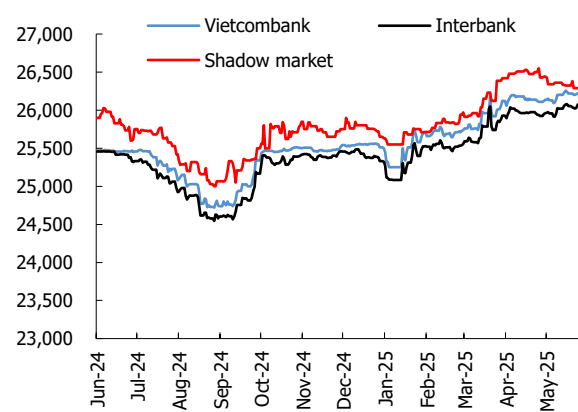
**Figure 21. SBV's movement**



Source: SBV, Bloomberg, Fiinpro, KIS

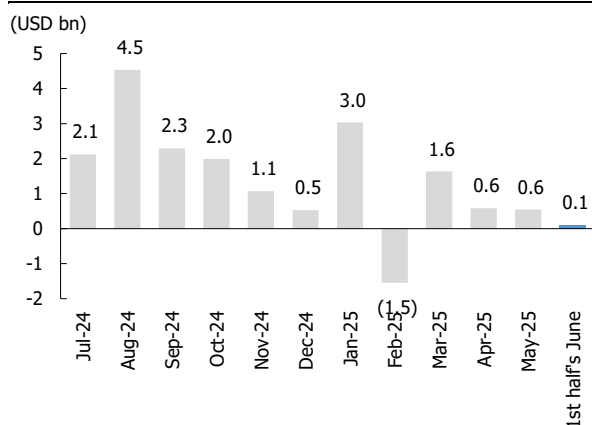
Note: shaded region is the daily trading band. The effective trading band is +/- 5% (the effective date is 17 October, 2022).

**Figure 22. USDVND by market**



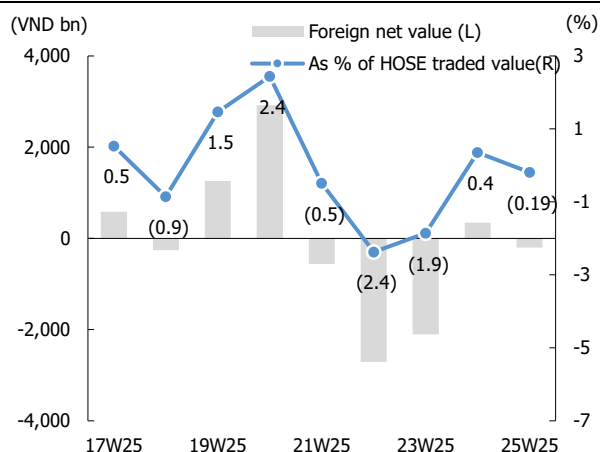
Source: SBV, Bloomberg, KIS

**Figure 23. Vietnam's trade balance by month**



Source: GSO, KIS  
Note: Updated until 18 June, 2025

**Figure 24. Trading of the foreign bloc in Vietnamese stock market**



Source: Fiinpro, KIS

**Figure 25. Historical DXY**



Source: Bloomberg

**Figure 26. Weekly change of USDVND and peers**

		23W25	24W25	25W25	2025 YTD
China	USDCNY	-0.09	-0.13	-0.02	-1.61
EU	USDEUR	-0.44	-1.32	0.23	-10.14
Mexico	USDMXN	-1.67	-0.81	1.14	-7.66
Vietnam	USDVND	0.13	0.07	0.22	2.52
Canada	USDCNY	-0.31	-0.79	1.08	-4.79
Taiwan	USDTWD	0.03	-0.94	-0.43	-10.24
Japan	USDJPY	0.58	-0.54	1.40	-7.07
South Korea	USDKRW	-1.94	0.55	0.55	-6.88
Thailand	USDTHB	-0.67	-0.54	0.98	-3.94
DXY	U.S. Dollar Index	-0.14	-1.01	0.53	-9.01

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.