

Fixed-income Perspectives

USDVND cools as SBV reissues bills

SBV injects net liquidity

In 26W25, the SBV resumed offering central bank bills for the first time since March 3, 2025, in response to excess liquidity in the banking system. Specifically, the SBV issued VND70.19tn via repos during the week, while VND7.83tn matured, resulting in a net injection of VND62.36tn. Meanwhile, the SBV also absorbed VND22.50tn through T-bills, leading to a net injection of VND39.86tn into the banking system.

Interbank rates surge

This week, interbank rates rose sharply across short tenors, accompanied by a notable increase in trading value. Specifically, rates for actively traded tenors such as overnight, 1-week, 2-week, 1-month, and 3-month increased by 319bps, 298bps, 124bps, 92bps, and 38bps, respectively, settling at 4.77%, 5.03%, 4.67%, 4.67%, and 4.65%. Average daily trading volume rose to VND552.28tn, up 17.64% from the previous week.

USDVND cooldown as swap rate narrowed

This week, USDVND cooled down, ending its five-week rising streak, as the SBV’s T-bill issuance helped narrow the USD-VND swap rate and curbed speculative pressure in the FX market. The interbank USDVND fell by 0.14% (36ppts) to 26,095, while the DXY also declined by 1.3% to 97.4 on Friday. The pullback in USDVND came as the SBV resumed T-bill issuance, narrowing the short-term USD-VND spread and reducing incentives for MM traders to speculate against the dong. Globally, the U.S. dollar experienced fluctuations amid more subdued developments in Middle East tensions.

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.

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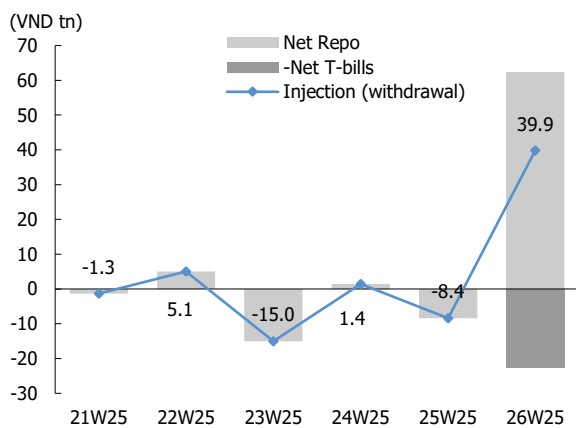
I. SBV injects net liquidity

SBV resumes T-bill issuance while net injecting into the banking system

In 26W25 (23 to 27 June), the SBV resumed offering central bank bills for the first time since March 3, 2025, in response to excess liquidity in the banking system. Specifically, the SBV issued VND70.19tn via repos during the week, while VND7.83tn matured, resulting in a net injection of VND62.36tn. Meanwhile, the SBV also absorbed VND22.50tn through T-bills, leading to a net injection of VND39.86tn into the banking system.

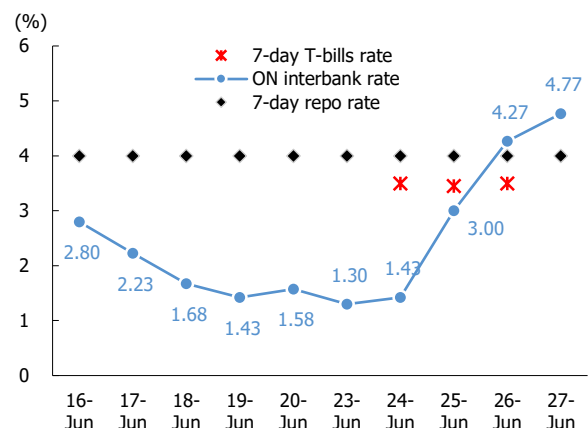
This week, the banking system likely faced short-term liquidity pressure, prompting a significant increase in banks' demand for OMO funding. In the coming weeks, the government's low interest rate orientation is expected to persist, supporting banks' operations in meeting the 2025 growth targets.

Figure 1. Net injection (withdrawal) of liquidity



Source: SBV, KIS

Figure 2. Interest rate corridor



Source: SBV, KIS

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

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
24-Jun-25	1-Jul-25	7	1.00	4.00
25-Jun-25	2-Jul-25	7	6.88	4.00
26-Jun-25	3-Jul-25	7	20.44	4.00
27-Jun-25	4-Jul-25	7	24.53	4.00
27-Jun-25	11-Jul-25	14	15.00	4.00
Total			67.86	4.00

Source: SBV, KIS

Figure 4. Repo transactions: 91-day tenor

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
24-Jun-25	23-Sep-25	91	0.51	4.00
25-Jun-25	24-Sep-25	91	0.99	4.00
27-Jun-25	26-Sep-25	91	0.83	4.00
Total			2.33	4.00

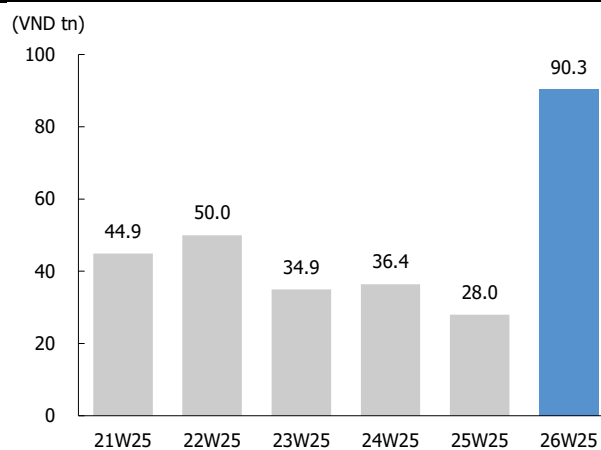
Source: SBV, KIS

Figure 5. T-bills transactions: 7-day tenor

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
1-Jul-25	7	3.10	3.50	1-Jul-25
2-Jul-25	7	10.00	3.45	2-Jul-25
3-Jul-25	7	9.40	3.50	3-Jul-25
Total			22.50	4.00

Source: SBV, KIS

Figure 6. Outstanding amount of repos



Source: SBV, KIS

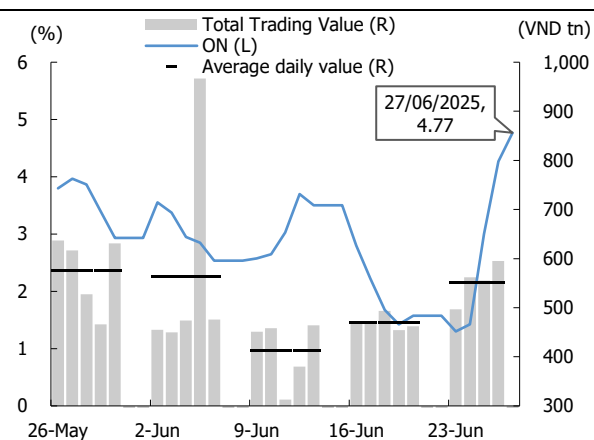
II. Interbank rates surge

Interbank rates surged at short tenors despite strong net injection from SBV

This week, interbank rates rose sharply across short tenors, accompanied by a notable increase in trading value. Specifically, rates for actively traded tenors such as overnight (ON), 1-week (1W), 2-week (2W), 1-month (1M), and 3-month (3M) increased by 319bps, 298bps, 124bps, 92bps, and 38bps, respectively, settling at 4.77%, 5.03%, 4.67%, 4.67%, and 4.65%. Average daily trading volume rose to VND552.28tn, up 17.64% from the previous week.

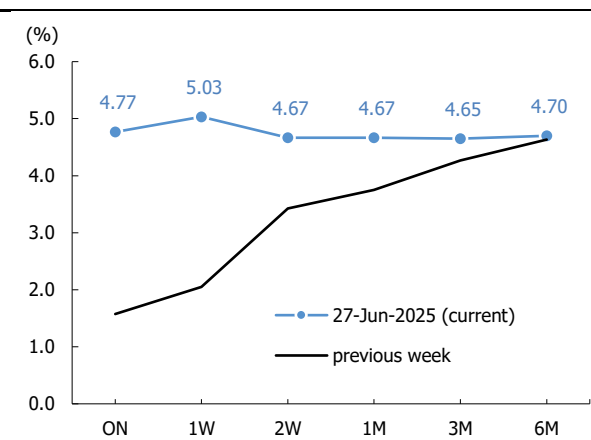
The sharp surge in ON rates signals short-term liquidity tightening in the banking system, likely as a temporary reaction to the SBV's reissuance of central bank bills. However, the SBV's sizable net injection via repo operations demonstrates its clear intent to support liquidity. As a result, interbank rates are expected to stabilize in the coming sessions.

Figure 7. Interbank daily transaction



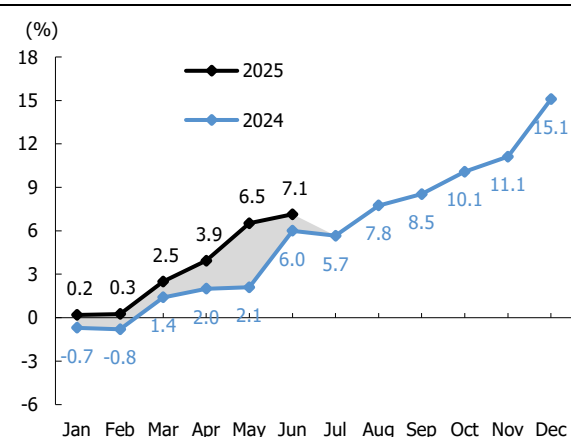
Source: SBV, Bloomberg, KIS

Figure 8. Interbank rate curve



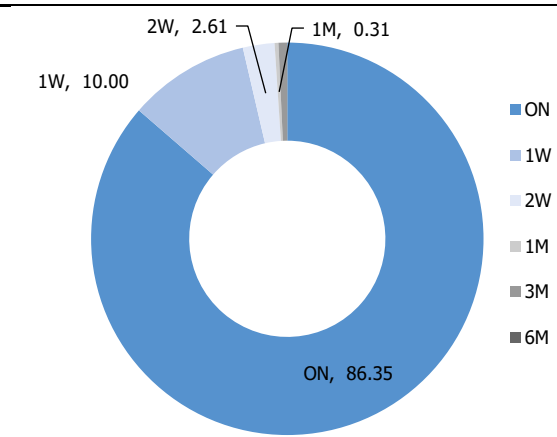
Source: SBV, Bloomberg, KIS

Figure 9. Credit growth by month of the year



Source: SBV, Bloomberg, KISVN
Note: Updated by 18 June, 2024

Figure 10. Interbank transaction structure



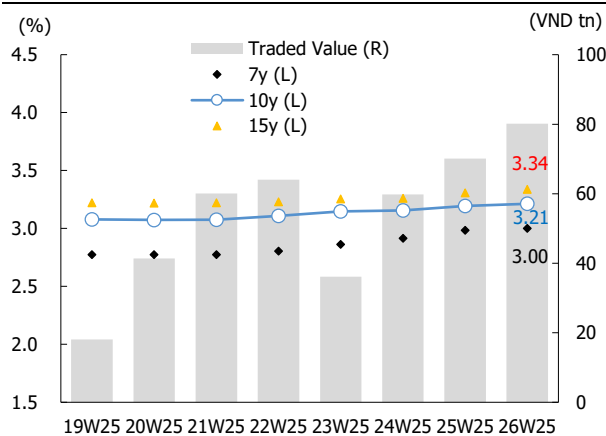
Source: SBV, Bloomberg, KISVN

III. G-bond yields edge up

G-bond yields climb further

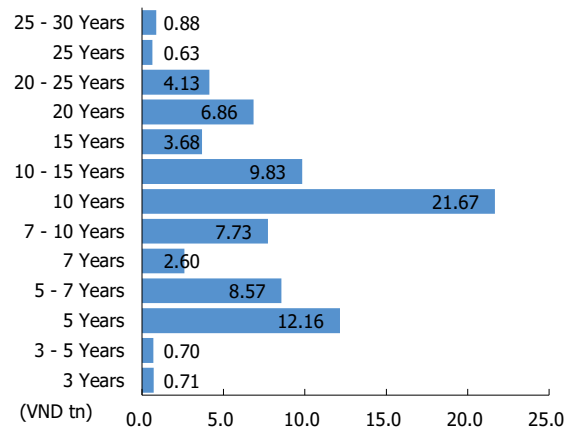
In 26W25, G-bond yields on the secondary market continued to rise across maturities, with trading value surging—signaling that selling pressure has not yet eased after four consecutive weeks. Specifically, yields on actively traded tenors such as the 5-year, 7-year, and 10-year increased by 2bps each to 2.66%, 3.00%, and 3.21%, respectively. Longer-term yields also rose: the 15-year gained 3bps to 3.34%, the 20-year rose by 1bp to 3.39%, and the 30-year increased by 1bp to 3.48%. Total trading volume reached VND80.16tn, up 14.3% from the previous week, with a daily average of VND16.03tn.

Figure 11. G-bond traded value by week



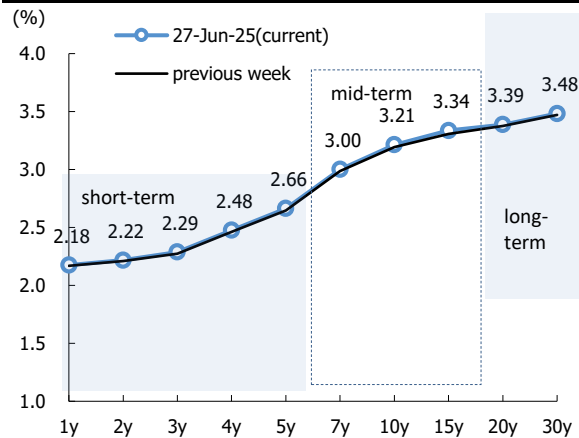
Source: HNX, Bloomberg, KIS

Figure 12. G-bond traded value by tenor



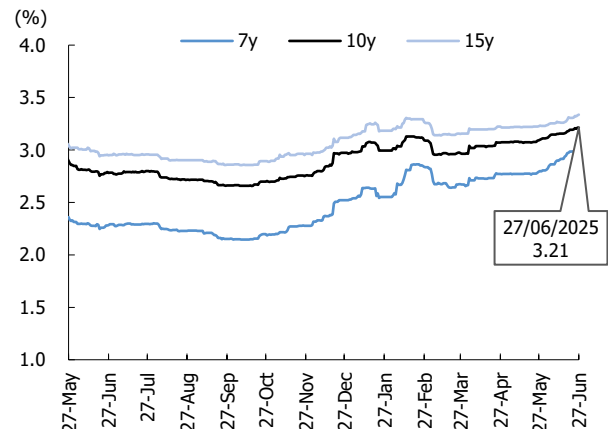
Source: HNX, Bloomberg, KIS

Figure 13. G-bond trading yield curve



Source: HNX, VBMA, KIS

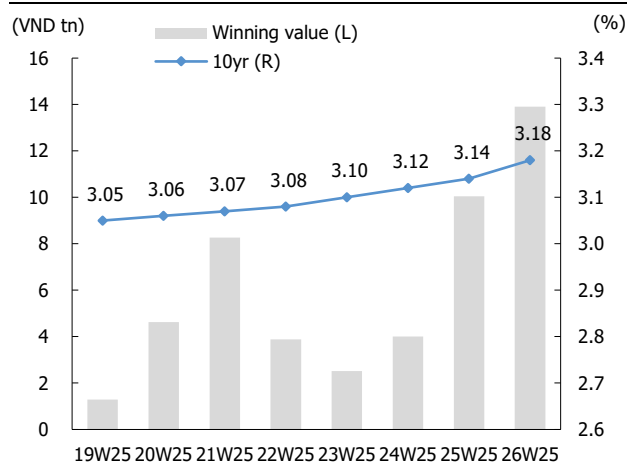
Figure 14. Historical daily government bond yields



Source: HNX, VBMA, KIS

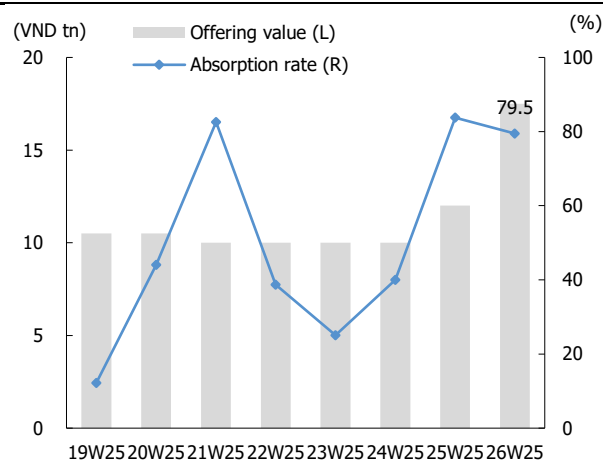
Persistent selling pressure in the secondary market likely stems from the rising supply of newly issued G-bonds in the primary market. As on-the-run bond yields continue to rise, off-the-run bonds are becoming less attractive. This week, the VST issued VND13.91tn, up 38.4% from the previous week, with the 10-year tenor accounting for 72% of total issuance, which resulted in the 4bps increase of this tenor this week to 3.18%. Since the beginning of 2025, the VST has issued a total of VND201.39tn, completing 40.3% of its full-year target. With 83.3% of this year's issuance concentrated in the 10-year tenor, the yield on this maturity has increased by 48bps—from 2.8% at the beginning of the year to 3.18% by the end of 1H25. As only 40% of the annual target has been completed, issuance pressure is expected to intensify in 2H25, especially for the VST's preferred 10-year tenor, likely pushing G-bond yields higher.

Figure 15. Weekly winning values



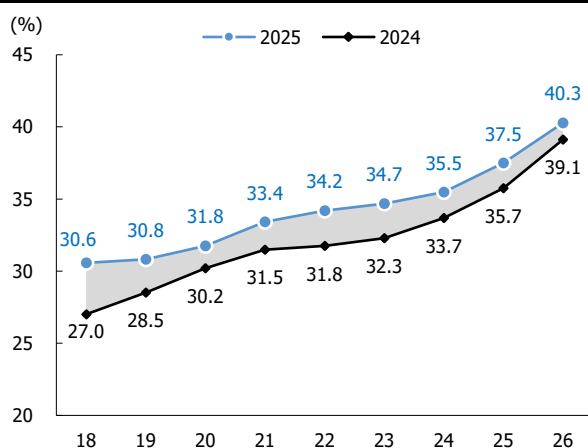
Source: HNX, KIS

Figure 16. Weekly absorption rate



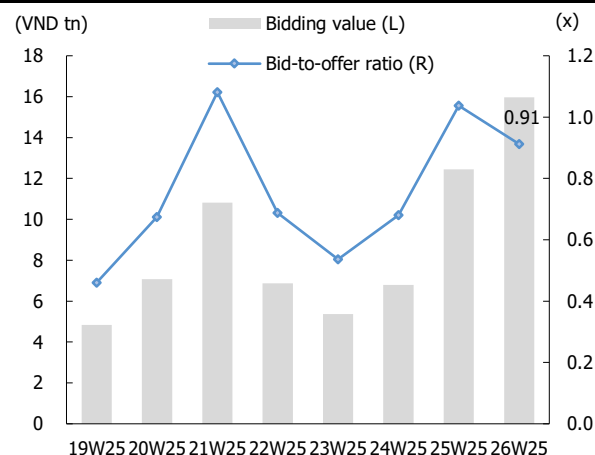
Source: HNX, KIS

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



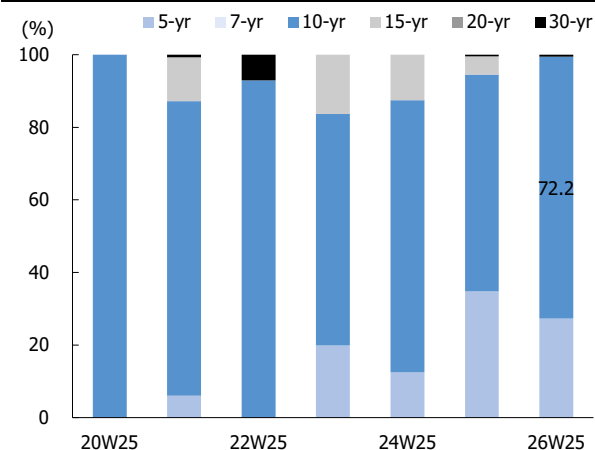
Source: HNX, KIS

Figure 18. Weekly bid-to-offer ratio



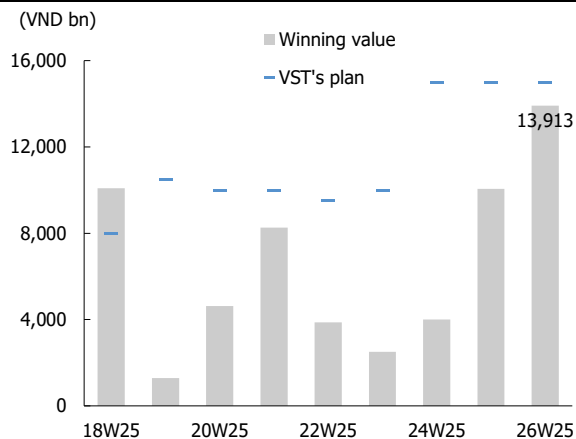
Source: HNX, KIS

Figure 19. Weekly winning G-bond structure



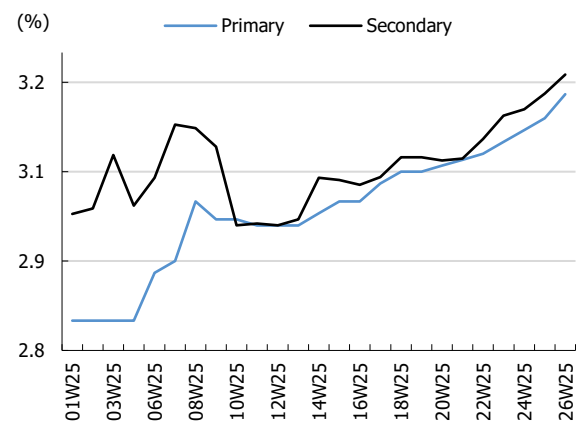
Source: HNX, KIS

Figure 20. Weekly issued amount of G-bond



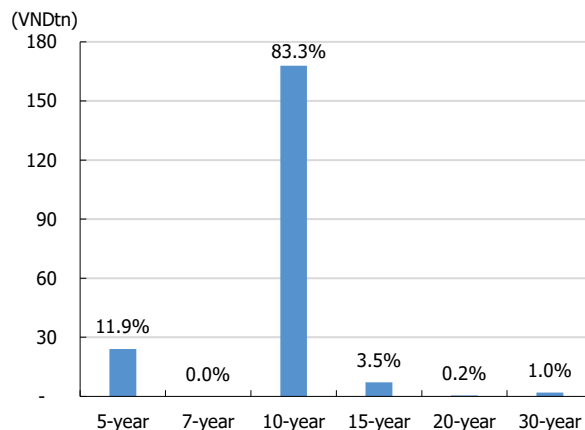
Source: HNX, KIS

Figure 21. On-the-run and off-the-run 10-year G-bond yield



Source: HNX, KIS

Figure 22. Bond issuance value structure by maturity in 1H25



Source: HNX, KIS

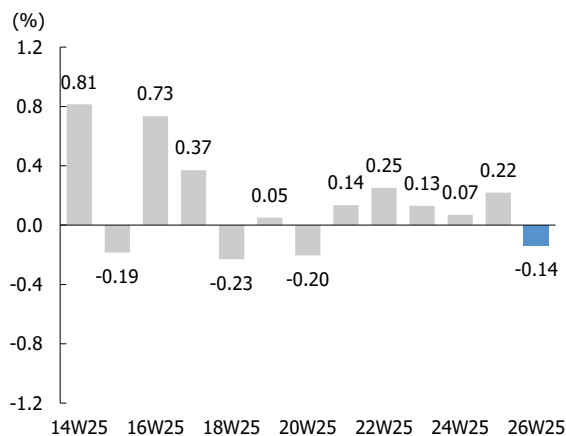
IV. USDVND cooldown as swap rate narrowed

USDVND retreats after five-week rally as SBV's T-bill issuance narrows swap rate

This week, USDVND cooled down, ending its five-week rising streak, as the SBV's T-bill issuance helped narrow the USD-VND swap rate and curbed speculative pressure in the FX market. The interbank USDVND fell by 0.14% (36ppts) to 26,095, while the DXY also declined by 1.3% to 97.4 on Friday. The pullback in USDVND came as the SBV resumed T-bill issuance, narrowing the short-term USD-VND spread and reducing incentives for MM traders to speculate against the dong. Globally, the U.S. dollar experienced fluctuations amid more subdued developments in Middle East tensions. Despite the Fed's hawkish tone, more optimistic statements from Fed Governors Bowman and Waller, along with current economic data, strengthened market expectations of rate cuts in the near term.

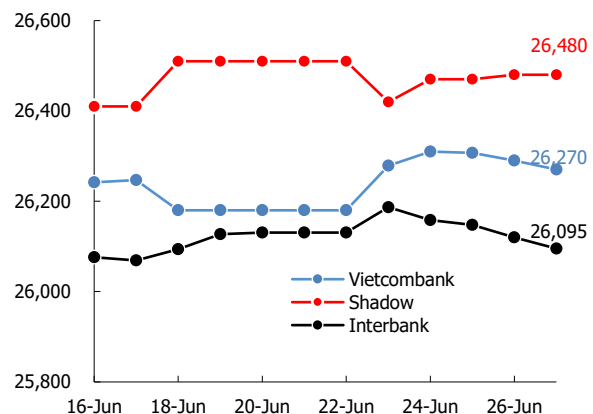
Across FX segments, ask prices dropped sharply. Vietcombank's quoted USDVND fell sharply by 0.34% (90ppts), while the quoting price on the shadow market dropped by 0.11% (30ppts). As of Friday, USDVND was quoted at 26,270 and 26,480 respectively at Vietcombank and the shadow market.

Figure 23. Weekly USDVND performance



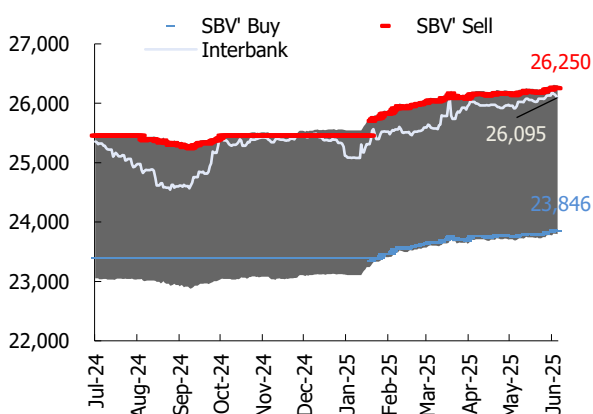
Source: Bloomberg, KIS

Figure 24. VCB & shadow market USDVND spread



Source: SBV, Vietcombank, KIS

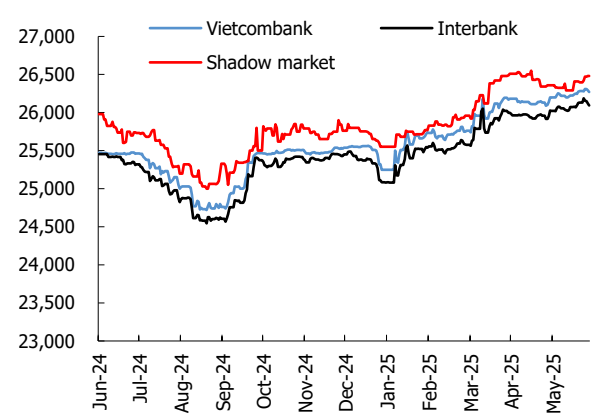
Figure 25. SBV's movement



Source: SBV, Bloomberg, Fiinpro, KIS

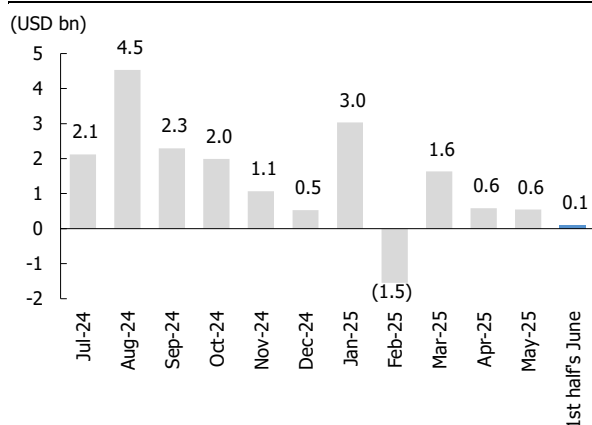
Note: shaded region is the daily trading band. The effective trading band is +/- 5% (the effective date is 17 October, 2022).

Figure 26. USDVND by market



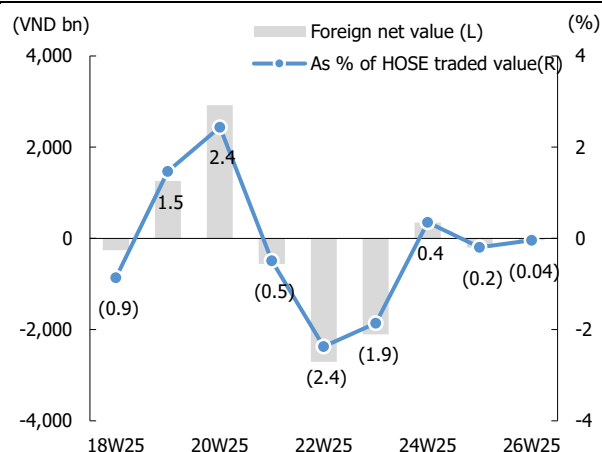
Source: SBV, Bloomberg, KIS

Figure 27. Vietnam's trade balance by month



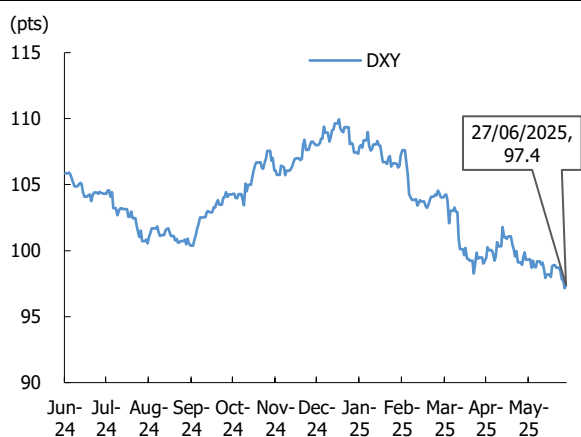
Source: GSO, KIS
Note: Updated until 18 June, 2025

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



Source: Fiinpro, KIS

Figure 29. Historical DXY



Source: Bloomberg, KIS

Figure 30. Weekly change of USDVND and peers

		24W25	25W25	26W25	2025 YTD
China	USDCNY	-0.13	-0.02	-0.12	-1.74
EU	USDEUR	-1.32	0.23	-1.66	-11.64
Mexico	USDMXN	-0.81	1.14	-1.83	-9.34
Vietnam	USDVND	0.07	0.22	-0.14	2.38
Canada	USDCNY	-0.79	1.08	-0.33	-5.11
Taiwan	USDTWD	-0.94	-0.43	-1.25	-11.36
Japan	USDJPY	-0.54	1.40	-0.99	-7.98
South Korea	USDKRW	0.55	0.55	-0.67	-7.50
Thailand	USDTHB	-0.54	0.98	-0.41	-4.33
DXY	U.S. Dollar Index	-1.01	0.53	-1.32	-10.22

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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