

Fixed-income Perspectives

USDVND rebounds as reciprocal tariffs unveiled

SBV continues net injection

In 27W25 (30 June to 04 July), the SBV continued its net liquidity injection to alleviate the impact of maturing repos. Specifically, the SBV injected VND4.29tn via repos, issuing VND62.42tn to offset the maturity of VND58.13tn. Additionally, the T-bill channel recorded a net injection of VND5.10tn, with VND22.50tn maturing and only VND17.40tn reissued. Overall, the SBV injected a net VND9.39tn into the banking system this week.

Interbank rates normalized

This week, the interbank curve steepened as front-end rates dropped sharply while longer-term rates edged up, accompanied by a notable 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 fell significantly by 77bps, 93bps, 50bps, 32bps and 5bps, settling at 4.00%, 4.10%, 4.17%, 4.35% and 4.60%, respectively. The average trading volume stood at VND613.55tn, up 6.14% from the previous week.

USDVND pressure returns

This week, USDVND surged and hit a new record high, reaching 26,180 (+0.33% or 85pts) on Friday after President Trump announced preliminary tariff results on Vietnam. Specifically, the proposed tariff range of 20–40%, while within market expectations, was slightly higher than the anticipated 15%, raising concerns for Vietnam's export sector—particularly FDI firms that rely on Chinese imports for production. Next week, with the tariff deadline approaching, outcomes of U.S. negotiations with other major trading partners—such as Thailand, Indonesia, and India—will be critical. Vietnam's competitive position in the global value chain will depend not only on its own deal but also on the terms offered to its regional peers.

Vietnam economic indicators

	25-Jan	25-Feb	25-Mar	25-Apr	25-May	25-Jun	corr.
FDI %YoY	2.0	9.1	9.9	7.7	9.8	8.7	-0.22
Retail sales %YoY	9.9	9.4	9.8	9.3	9.5	8.3	-0.17
Export %YoY	-4.0	25.7	14.5	19.7	17.0	16.3	-0.07
Import %YoY	-2.6	40.0	19.0	22.8	14.1	20.2	0.02
Trade balance (USD bn)	3.1	-1.5	1.6	0.6	0.6	2.8	-0.05
CPI %MoM	0.98	0.34	-0.03	0.07	0.16	0.48	-0.04
Credit %YoY	16.5	16.8	14.1	17.6	18.5	16.8	-0.28
USDVND %MoM	-1.59	1.89	0.03	1.64	0.15	0.30	-0.32
PMI (pts)	48.9	49.2	50.5	45.6	49.8	48.9	-0.07
VNINDEX return (%)	-0.1	3.2	0.1	-6.1	9.2	3.5	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.

researchdept@kisvn.vn

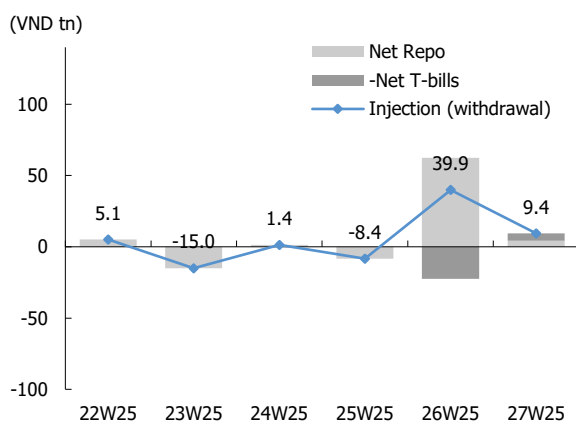
I. SBV continues net injection

SBV maintains net injection to ease repo maturity pressure

In 27W25 (30 June to 04 July), the SBV continued its net liquidity injection to alleviate the impact of maturing repos. Specifically, the SBV injected VND4.29tn via repos, issuing VND62.42tn to offset the maturity of VND58.13tn. Additionally, the T-bill channel recorded a net injection of VND5.10tn, with VND22.50tn maturing and only VND17.40tn reissued. Overall, the SBV injected a net VND9.39tn into the banking system this week.

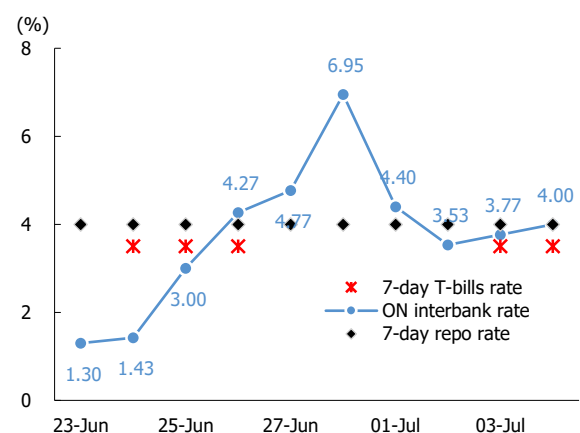
The SBV's actions this week suggest that the sharp liquidity injection and surge in interbank rates last week were likely technical adjustments by banks for mid-year financial reporting (window dressing). In the weeks ahead, we expect the SBV to maintain stable interbank liquidity while managing interbank rates to avoid putting additional pressure on the exchange rate.

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 (%)
30-Jun-25	7-Jul-25	7	33.06	4.00
1-Jul-25	8-Jul-25	7	4.20	4.00
3-Jul-25	10-Jul-25	7	0.20	4.00
4-Jul-25	11-Jul-25	7	5.00	4.00
30-Jun-25	14-Jul-25	14	19.02	4.00
Total			61.47	4.00

Source: SBV, KIS

Figure 4. Repo transactions: 91-day tenor

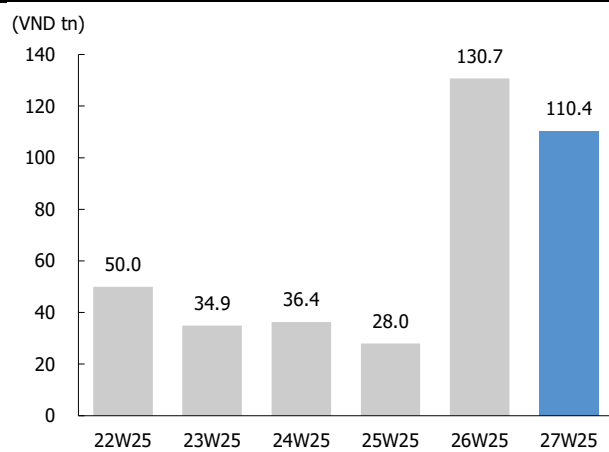
Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
30-Jun-25	29-Sep-25	91	0.83	4.00
4-Jul-25	3-Oct-25	91	0.12	4.00
Total			0.95	4.00

Source: SBV, KIS

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

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
3-Jul-25	10-Jul-25	7	9.20	3.50
4-Jul-25	11-Jul-25	7	8.20	3.50
Total			17.40	3.50

Source: SBV, KIS

Figure 6. Outstanding amount of repos

Source: SBV, KIS

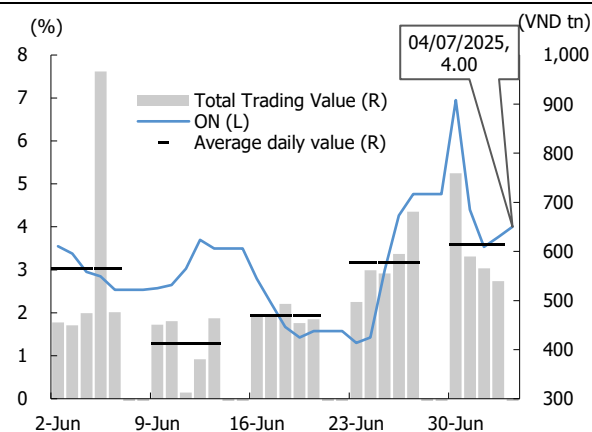
II. Interbank rates normalized

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 a notable 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) fell significantly by 77bps, 93bps, 50bps, 32bps and 5bps, settling at 4.00%, 4.10%, 4.17%, 4.35% and 4.60%, respectively. The average trading volume stood at VND613.55tn, up 6.14% from the previous week.

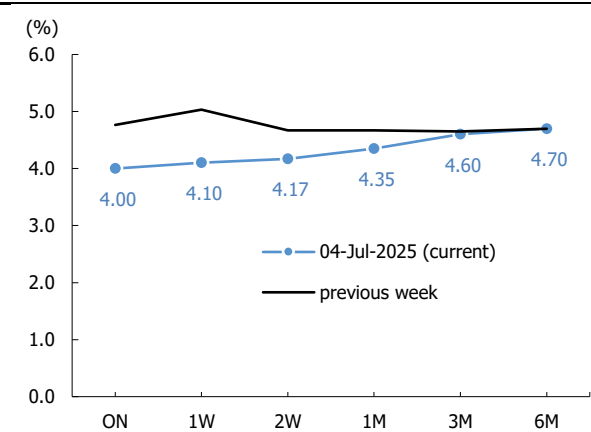
These movements reflect normalization within the banking system following heightened volatility during the final week of the first half. With exchange rate pressure persisting and the SBV's recent reissuance of T-bills, interbank rates are expected to remain stable in the near term, likely hovering around the 4% mark for short-term tenors. This would help narrow the negative interest rate differential between USD and VND, thereby limiting room for MM traders to exert further pressure on the domestic currency.

Figure 7. Interbank daily transaction



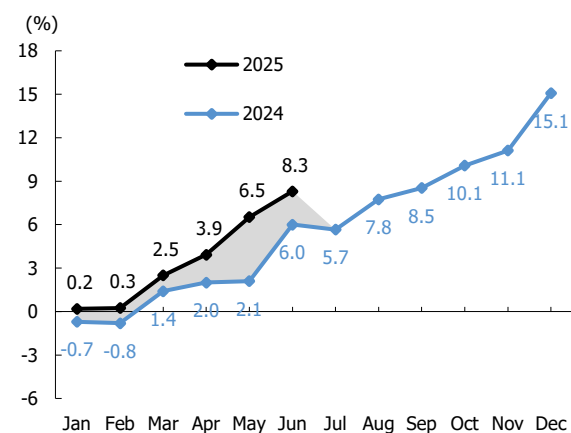
Source: SBV, Bloomberg, KIS

Figure 8. Interbank rate curve



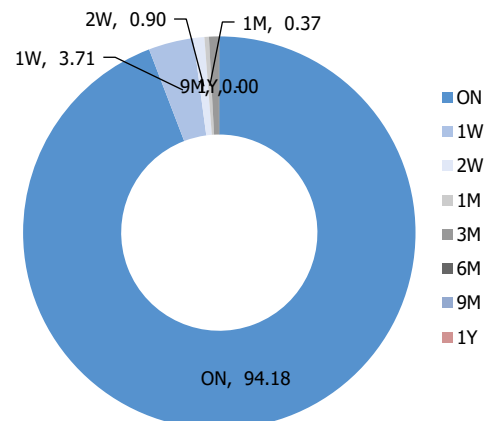
Source: SBV, Bloomberg, KIS

Figure 9. Credit growth by month of the year



Source: SBV, Bloomberg, KISVN
Note: Updated by 26 June, 2024

Figure 10. Interbank transaction structure



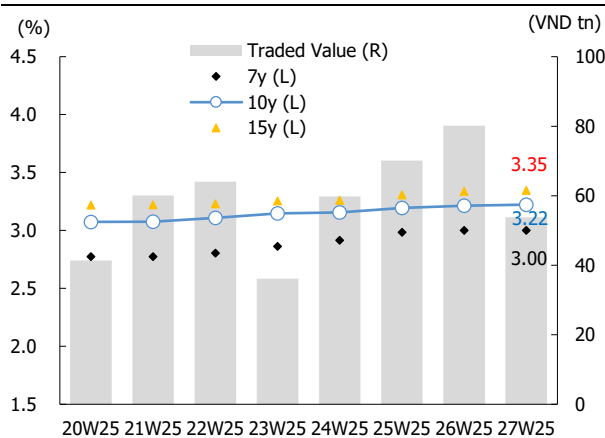
Source: SBV, Bloomberg, KISVN

III. G-bond yields edge higher

G-bond yields continue to rise across most tenors

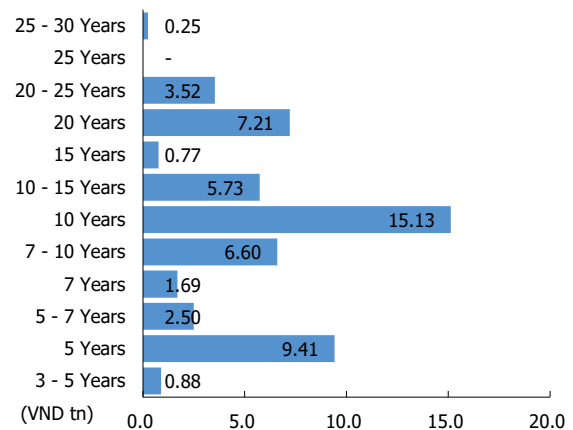
In 27W25, government bond (G-bond) yields on the secondary market continued to rise across most maturities, while trading volume declined significantly—reflecting investors' caution ahead of the upcoming U.S. tariff announcement. Specifically, yields on actively traded tenors such as the 5-year, 10-year, 15-year and 30-year bonds rose by a basis point each to 2.67%, 3.22%, 3.35 and 3.50%, respectively, while 20-year tenor rose 2bps to reach 3.40%. Total trading volume dropped to VND53.77tn, down 32.9% from the previous week, with a daily average of VND10.75tn.

Figure 11. G-bond traded value by week



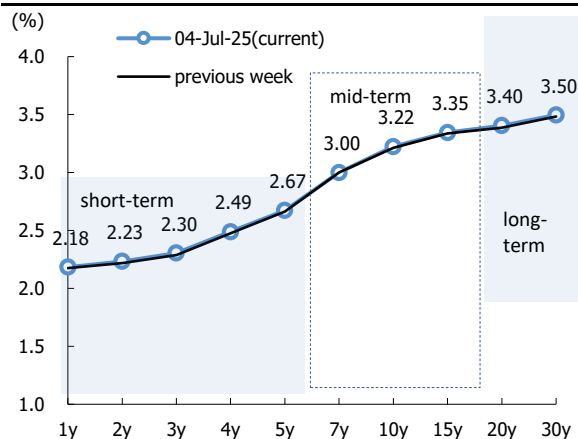
Source: HNX, Bloomberg, KIS

Figure 12. G-bond traded value by tenor



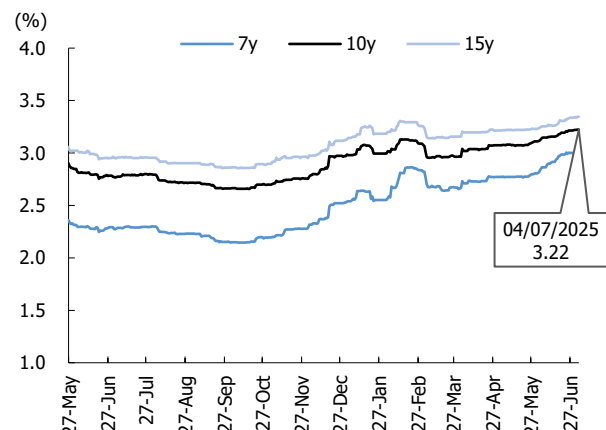
Source: HNX, Bloomberg, KIS

Figure 13. G-bond trading yield curve



Source: HNX, VBMA, KIS

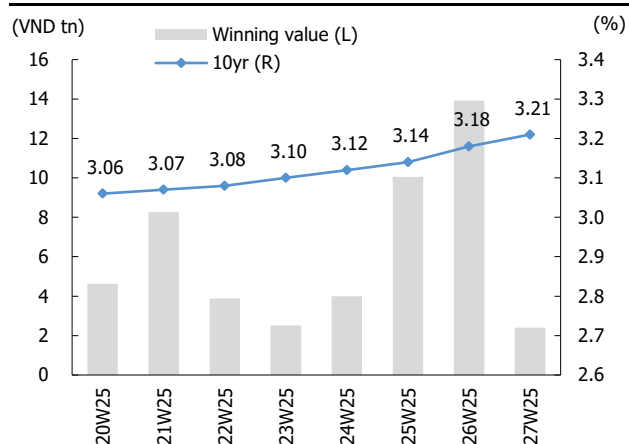
Figure 14. Historical daily government bond yields



Source: HNX, VBMA, KIS

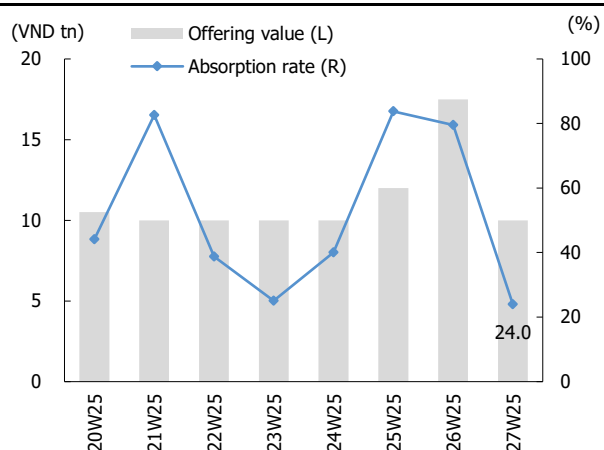
In the primary market, 10-year G-bond yields continued their upward trend, accompanied by a sharp decline in weekly issuance value. This week, the VST issued VND2.39tn worth of G-bonds, down 82.8% from the previous week, while the 10-year yield increased by 3bps to 3.21%. Since the beginning of 2025, the VST has issued a total of VND203.79tn, completing 40.8% of its full-year target—slightly behind the 42% progress seen in 2024. As only 40% of the annual target has been met, issuance pressure is expected to increase in 2H25, particularly for the VST's preferred 10-year tenor, which could continue to push G-bond yields higher.

Figure 15. Weekly winning values



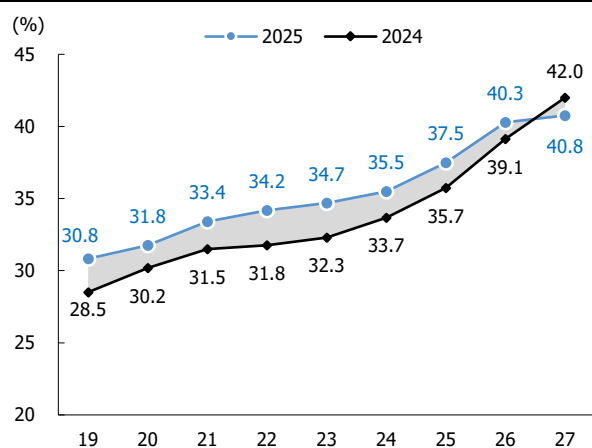
Source: HNX, KIS

Figure 16. Weekly absorption rate



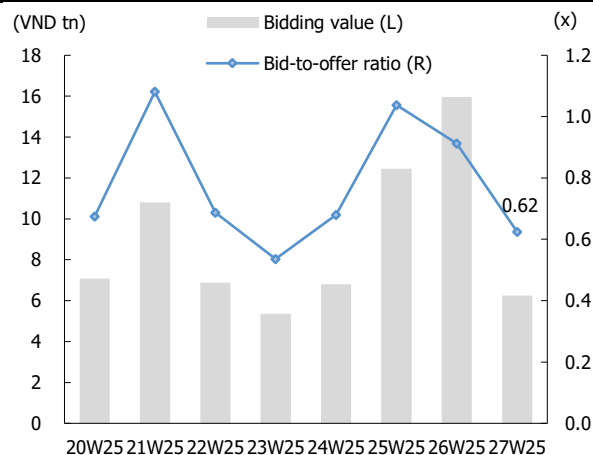
Source: HNX, KIS

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



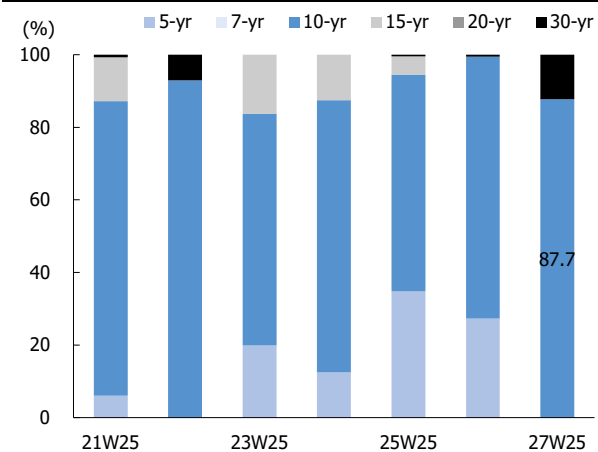
Source: HNX, KIS

Figure 18. Weekly bid-to-offer ratio



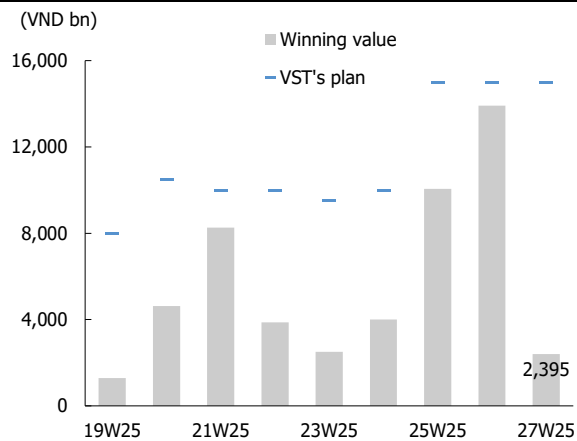
Source: HNX, KIS

Figure 19. Weekly winning G-bond structure



Source: HNX, KIS

Figure 20. Weekly issued amount of G-bond



Source: HNX, KIS

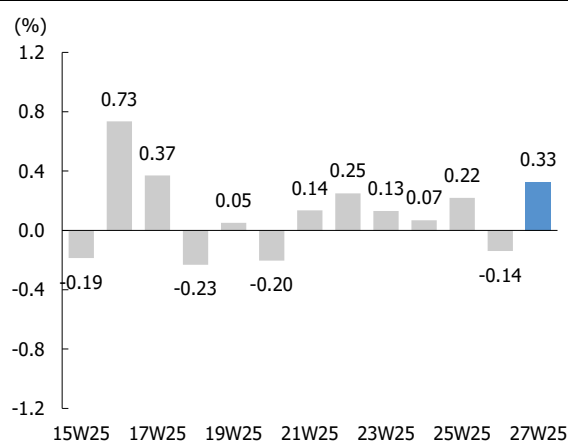
IV. USDVND pressure returns

USDVND jumps to new high following Trump's tariff announcement

This week, USDVND surged and hit a new record high, reaching 26,180 (+0.33% or 85ppts) on Friday after President Trump announced preliminary tariff results on Vietnam. Specifically, the proposed tariff range of 20–40%, while within market expectations, was slightly higher than the anticipated 15%, raising concerns for Vietnam's export sector—particularly FDI firms that rely on Chinese imports for production. On the global front, the greenback weakened as Trump's tax bill—including potential of national debt concerns, resulting in the DXY to fall 0.53% to 96.9 on Friday. Next week, with the tariff deadline approaching, outcomes of U.S. negotiations with other major trading partners—such as Thailand, Indonesia, and India—will be critical. Vietnam's competitive position in the global value chain will depend not only on its own deal but also on the terms offered to its regional peers.

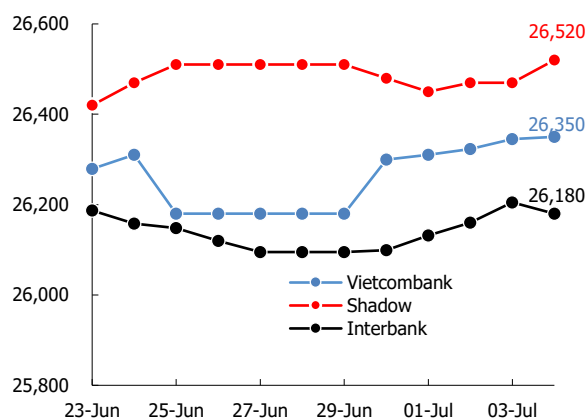
Across FX segments, USDVND ask prices rose as well, with Vietcombank's rate climbing 0.65% (170ppts) and the shadow market rate up 0.04% (10ppts). On Friday, ask prices stood at 26,350 at Vietcombank and 26,520 in shadow market.

Figure 21. Weekly USDVND performance



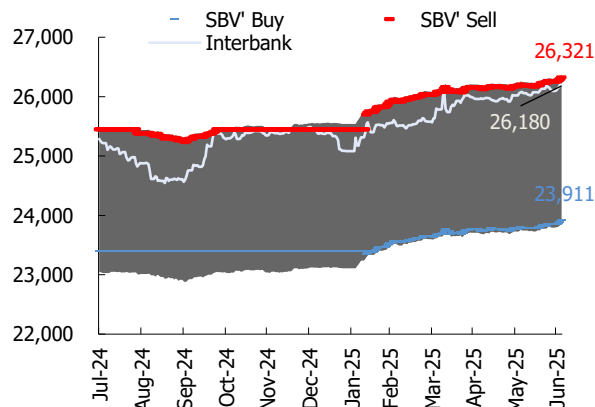
Source: Bloomberg, KIS

Figure 22. VCB & shadow market USDVND spread



Source: SBV, Vietcombank, KIS

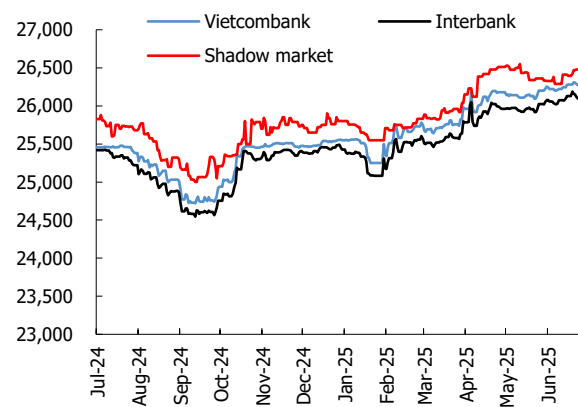
Figure 23. SBV's movement



Source: SBV, Bloomberg, Fiinpro, KIS

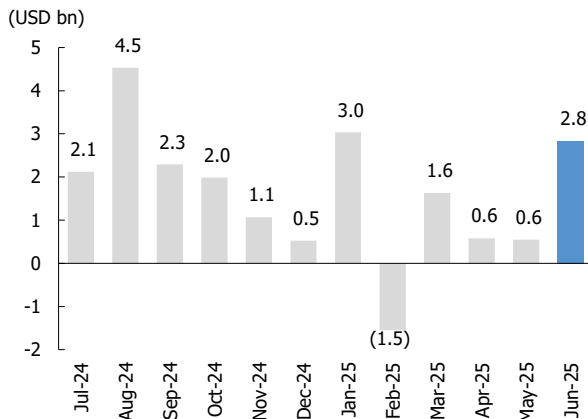
Note: shaded region is the daily trading band. The effective trading band is +/- 5% (the effective date is 17 October, 2022).

Figure 24. USDVND by market



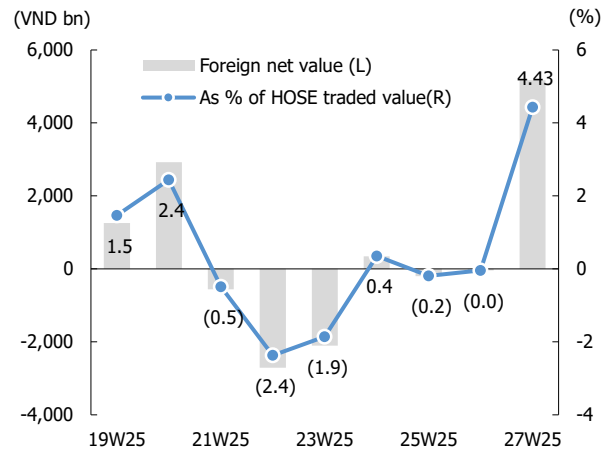
Source: SBV, Bloomberg, KIS

Figure 25. Vietnam's trade balance by month



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

Figure 26. Trading of the foreign bloc in Vietnamese stock market



Source: Fiinpro, KIS

Figure 27. Historical DXY



Source: Bloomberg, KIS

Figure 28. Weekly change of USDVND and peers

		25W25	26W25	27W25	2025 YTD
China	USDCNY	-0.02	-0.12	-0.10	-1.83
EU	USDEUR	0.23	-1.66	-0.51	-12.09
Mexico	USDMXN	1.14	-1.83	-1.04	-10.28
Vietnam	USDVND	0.22	-0.14	0.33	2.72
Canada	USDCNY	1.08	-0.33	-0.64	-5.72
Taiwan	USDTWD	-0.43	-1.25	-0.79	-12.06
Japan	USDJPY	1.40	-0.99	-0.12	-8.10
South Korea	USDKRW	0.55	-0.67	0.12	-7.39
Thailand	USDTHB	0.98	-0.41	-0.80	-5.10
DXY	U.S. Dollar Index	0.53	-1.32	-0.23	-10.42

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

Macro scorecard

	25-Feb	25-Mar	25-Apr	25-May	25-Jun	3Q24	4Q24	1Q25	2Q25	2021	2022	2023	2024
Real GDP growth (%)						7.43	7.55	7.05	7.96	2.58	8.02	5.05	7.09
Registered FDI (USD bn)	4.34	2.57	4.08	2.82	3.14	9.59	13.44	10.98	10.54	31.15	27.72	36.61	38.23
GDP per capita (USD)										3,725	4,110	4,285	4,479
Unemployment rate (%)						2.23	2.22	2.20	2.22	3.22	2.32	2.26	2.24
Export (USD bn)	32.15	31.11	38.51	37.45	39.49	108.6	105.9	102.84	116.93	335.7	371.85	355.5	405.5
Import (USD bn)	30.92	32.66	36.88	36.87	36.66	99.7	101.9	99.68	112.52	331.1	360.65	327.5	380.8
Export growth (%)	-4.05	25.67	14.49	19.75	16.31	15.82	11.46	10.64	18.03	18.74	10.61	-4.4	14.3
Import growth (%)	-2.32	39.99	18.99	22.95	20.16	17.19	14.91	17.03	18.77	25.9	8.35	-8.9	16.7
Inflation (%)	3.63	2.91	3.13	3.12	3.57	3.48	2.87	3.22	3.31	1.84	3.15	3.25	3.63
USD/VND	25,082	25,530	25,565	25,983	26,121	24,093	25,386	25,565	26,121	22,790	23,650	23,784	25,386
Credit growth (%)	16.1	15.7	16.3	18.53	17.48	16.1	13.8	16.3	17.48	13.61	14.2	13.7	13.8
10Y gov't bond (%)	2.99	3.18	3.06	3.20	3.34	2.66	2.94	3.06	3.34	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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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

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