

# Fixed-income Perspectives

## USDVND eases amid evolving tariff developments

### SBV continues to inject liquidity

In 28W25 (07 to 11 July), the SBV continued its net liquidity injection to alleviate the impact of maturing repos from previous weeks. Specifically, the SBV injected VND9.80tn via repos, issuing VND71.10tn to offset VND61.29tn in matured contracts. In contrast, VND4.00tn was withdrawn through T-bills, with VND21.40tn newly issued and VND17.40tn maturing during the week. Overall, the SBV injected a net VND5.80tn into the banking system.

### Interbank curve flattened

This week, the interbank curve flattened as short-term rates rose while longer-term tenors remained unchanged, accompanied by a decline in trading volume. Specifically, overnight, 1-week, 2-week and 1-month rates increased by 50bps, 40bps, 33bps and 15bps, respectively, uniformly reaching 4.50%. Meanwhile, average trading volume fell to VND499.48tn, down 16.96% from the previous week, as high rates dampened funding demand.

### USDVND eases

This week, the USDVND exchange rate declined by 0.27% to 26,109, while the USD strengthened as the U.S. announced high tariffs on major trade partners. USDVND cooled as foreign investors continued net buying for the second consecutive week, following news that Vietnam had reached a preliminary trade deal with the U.S. Foreign investors net bought VND6.97tn, equivalent to 0.6% of total trade value.

### 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

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

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

### Contents

I. SBV continues to inject liquidity .....	1
II. Interbank curve flattened .....	3
III. G-bond yields rose slightly .....	4
IV. USDVND eases .....	7
Macro scorecard .....	9
Appendix .....	10

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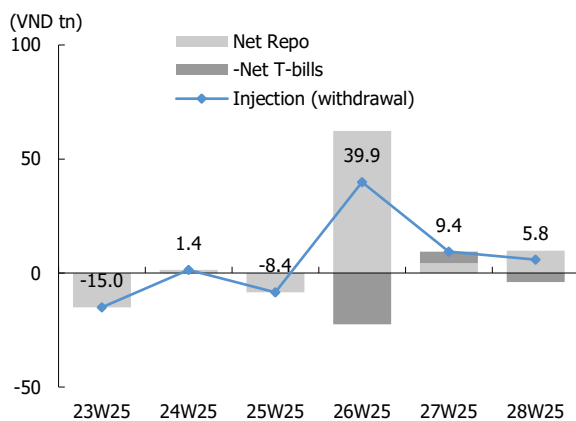
## I. SBV continues to inject liquidity

### *SBV maintains net injection to ease repo maturity pressure*

In 28W25 (07 to 11 July), the SBV continued its net liquidity injection to alleviate the impact of maturing repos from previous weeks. Specifically, the SBV injected VND9.80tn via repos, issuing VND71.10tn to offset VND61.29tn in matured contracts. In contrast, VND4.00tn was withdrawn through T-bills, with VND21.40tn newly issued and VND17.40tn maturing during the week. Overall, the SBV injected a net VND5.80tn into the banking system.

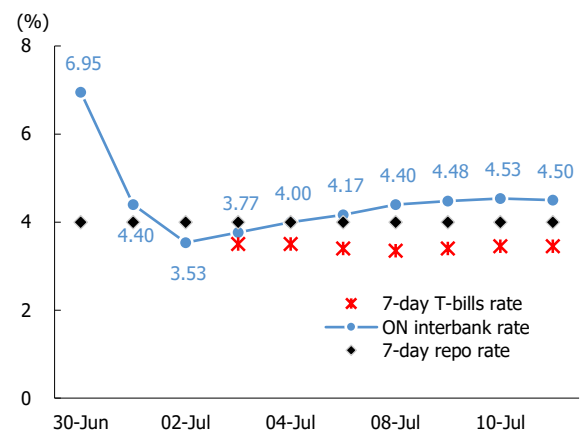
The SBV's actions this week reflect its ongoing effort to stabilize banking system liquidity and avoid sharp maturity shocks that could negatively impact the interbank market. In the weeks ahead, we expect the SBV to maintain steady liquidity conditions, thereby minimizing any undue volatility in interbank rates.

**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 (%)
7-Jul-25	14-Jul-25	7	9.00	4.00
8-Jul-25	15-Jul-25	7	15.00	4.00
9-Jul-25	16-Jul-25	7	18.00	4.00
10-Jul-25	17-Jul-25	7	14.43	4.00
11-Jul-25	18-Jul-25	7	11.44	4.00
<b>Total</b>		<b>7</b>	<b>67.87</b>	<b>4.00</b>

Source: SBV, KIS

**Figure 4. Repo transactions: 91-day tenor**

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
8-Jul-25	7-Oct-25	91	1.51	4.00
9-Jul-25	8-Oct-25	91	0.93	4.00
10-Jul-25	9-Oct-25	91	0.78	4.00
<b>Total</b>		<b>91</b>	<b>3.22</b>	<b>4.00</b>

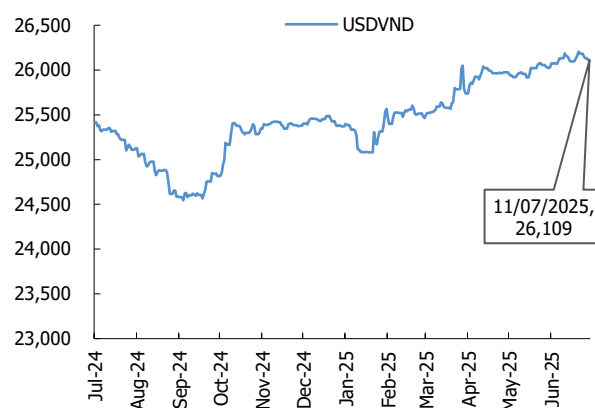
Source: SBV, KIS

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

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
7-Jul-25	14-Jul-25	7	5.00	3.40
8-Jul-25	15-Jul-25	7	5.00	3.35
9-Jul-25	16-Jul-25	7	5.00	3.40
10-Jul-25	17-Jul-25	7	5.00	3.45
11-Jul-25	18-Jul-25	7	1.40	3.45
<b>Total</b>		<b>7</b>	<b>21.40</b>	<b>3.41</b>

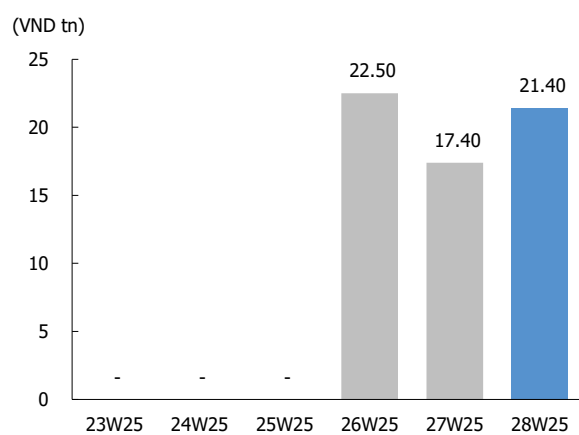
Source: SBV, KIS

**Figure 6.USDVND movement**



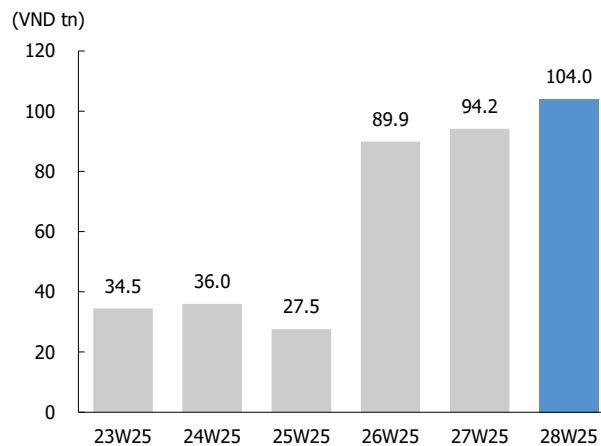
Source: SBV, KIS

**Figure 7. Outstanding amount of bills**



Source: SBV, KIS

**Figure 8. Outstanding amount of repos**



Source: SBV, KIS

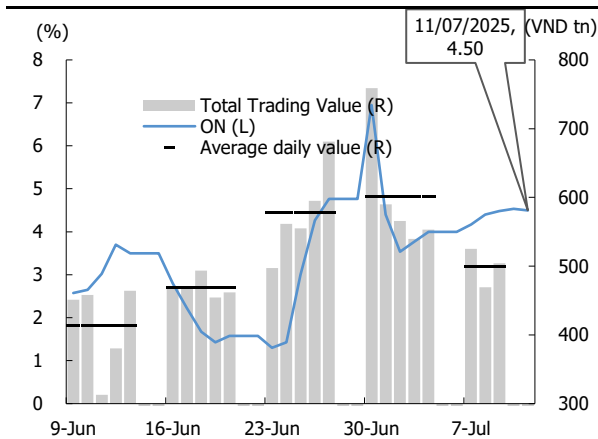
## II. Interbank curve flattened

### Interbank rates rose sharply at short tenors

This week, the interbank curve flattened as short-term rates rose while longer-term tenors remained unchanged, accompanied by a decline in trading volume. Specifically, overnight (ON), 1-week (1W), 2-week (2W) and 1-month (1M) rates increased by 50bps, 40bps, 33bps and 15bps, respectively, uniformly reaching 4.50%. Meanwhile, average trading volume fell to VND499.48tn, down 16.97% from the previous week, as high rates dampened funding demand.

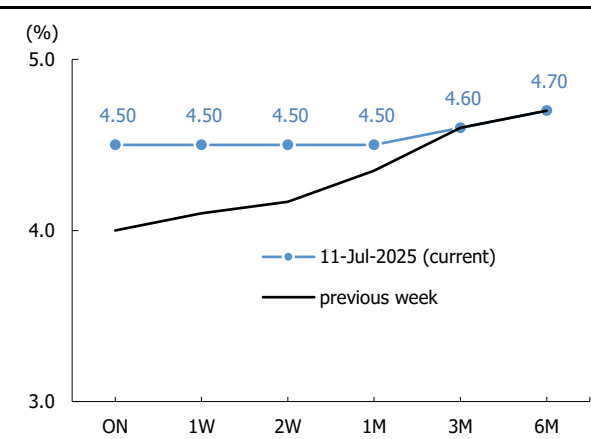
These movements indicate that liquidity conditions have normalized, as the half-year reporting period has passed and the SBV's recent reissuance of T-bills helped absorb excess liquidity, keeping interbank rates elevated and mitigating pressure on the exchange rate.

**Figure 9. Interbank daily transaction**



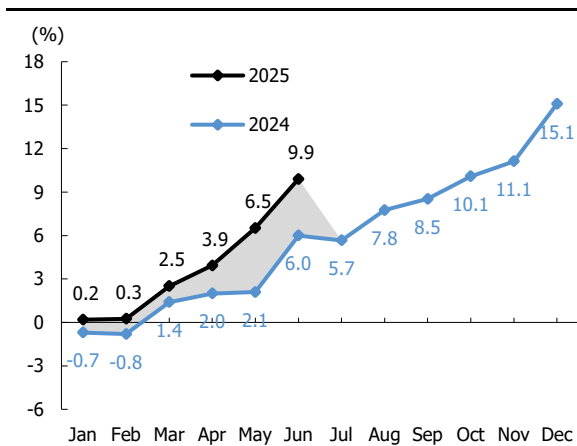
Source: SBV, Bloomberg, KIS

**Figure 10. Interbank rate curve**



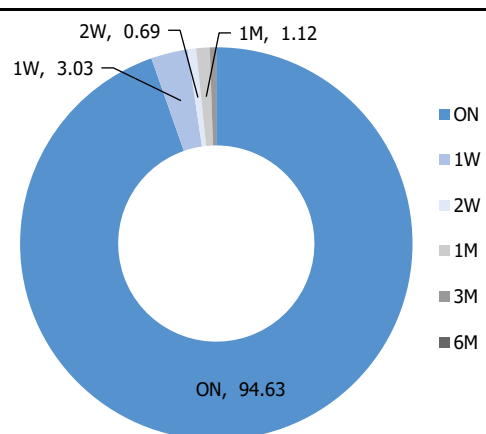
Source: SBV, Bloomberg, KIS

**Figure 11. Credit growth by month of the year**



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

**Figure 12. Interbank transaction structure**



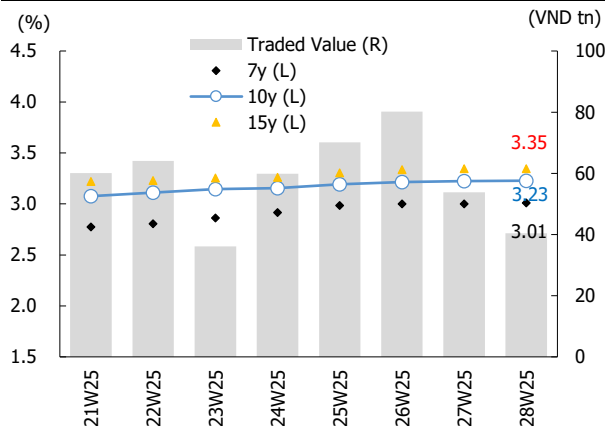
Source: SBV, Bloomberg, KISVN

### III. G-bond yields rose slightly

#### G-bond yields continue to rise across most tenors

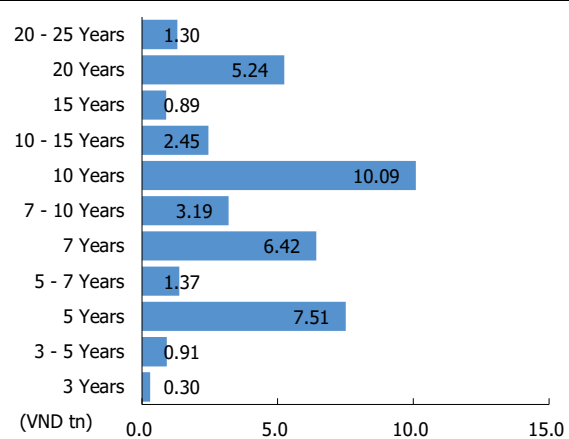
In 28W25, G-bond yields on the secondary market climbed across most maturities, accompanied by a further drop in trading value. Specifically, yields for actively traded tenors such as the 5-year, 20-year, and 30-year bonds remained unchanged from the previous week. Meanwhile, yields for the 7-year and 10-year tenors each rose by 1 basis point, reaching 3.01% and 3.23%, respectively. Total trading value fell to VND40.39tn, down 24.87% from the previous week, with a daily average of VND8.08tn.

Figure 13. G-bond traded value by week



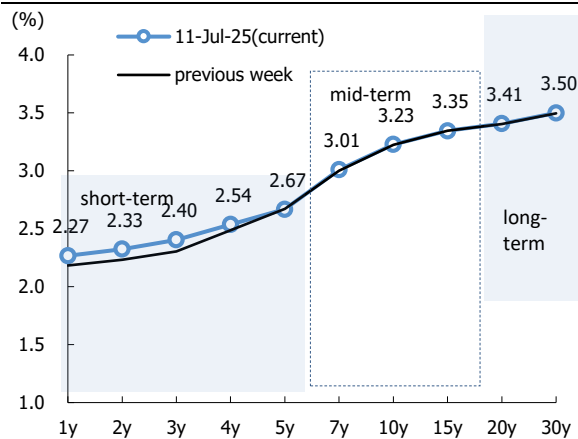
Source: HNX, Bloomberg, KIS

Figure 14. G-bond traded value by tenor



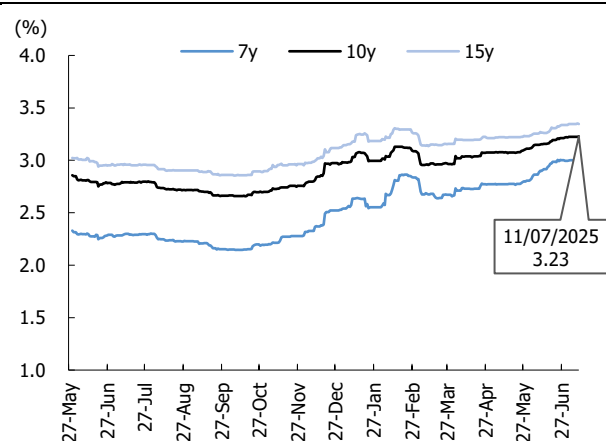
Source: HNX, Bloomberg, KIS

Figure 15. G-bond trading yield curve



Source: HNX, VBMA, KIS

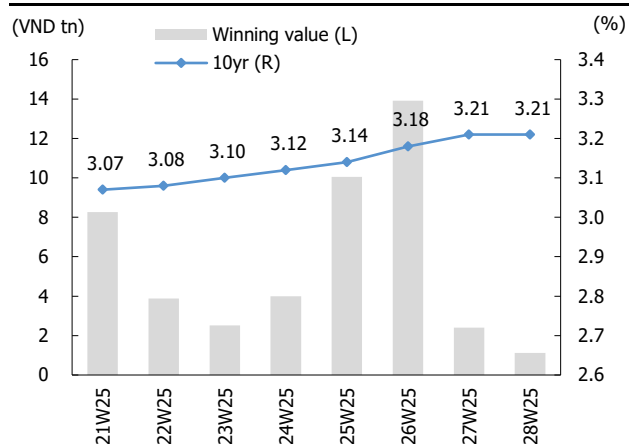
Figure 16. Historical daily government bond yields



Source: HNX, VBMA, KIS

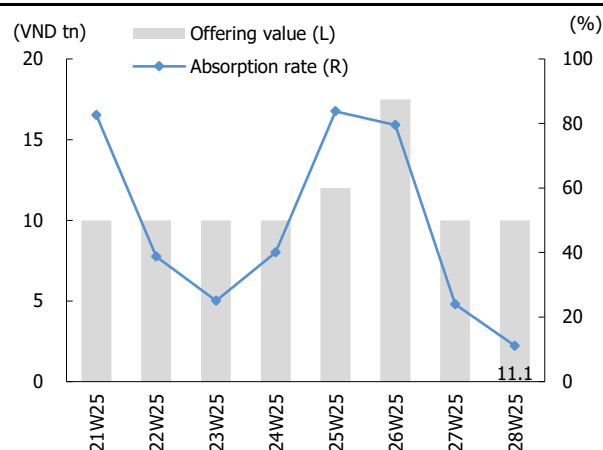
On the primary market, the 10-year G-bond yield remained unchanged, accompanied by a sharp drop in weekly issuance value. Specifically, the VST issued VND1.11tn worth of G-bonds this week, down 53.61% from the previous week, with the 10-year yield staying flat. Since the beginning of 2025, the VST has issued a total of VND204.9tn in G-bonds, completing 41% of the annual plan—slightly behind the 43.52% progress recorded in the same period of 2024. As a result, issuance pressure is expected to intensify in the second half of 2025, particularly for the VST's preferred 10-year tenor, which could continue to push G-bond yields higher.

**Figure 17. Weekly winning values**



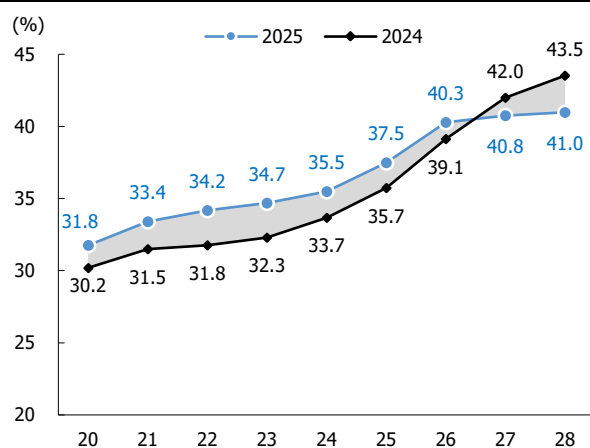
Source: HNX, KIS

**Figure 18. Weekly absorption rate**



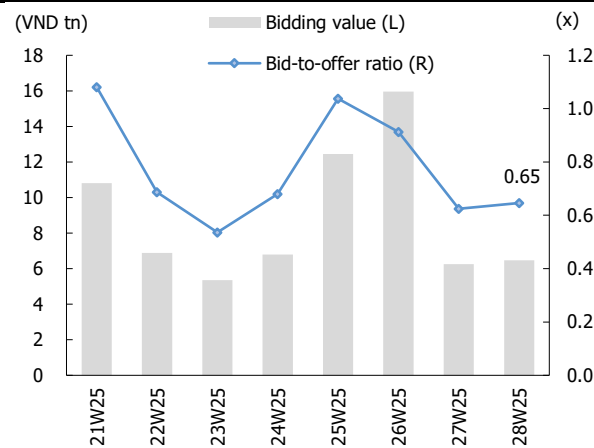
Source: HNX, KIS

**Figure 19. Completion ratio by week-of-the-year**



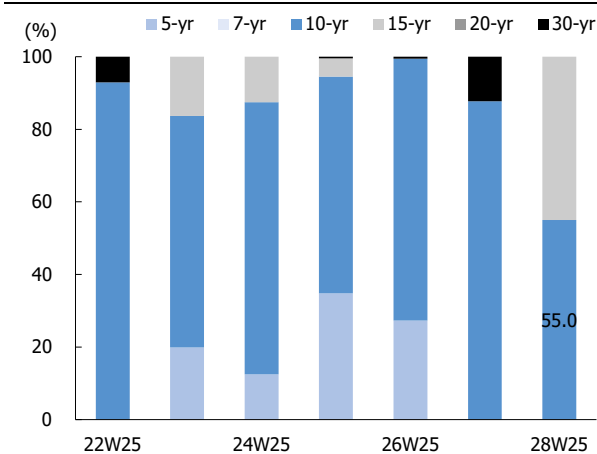
Source: HNX, KIS

**Figure 20. Weekly bid-to-offer ratio**



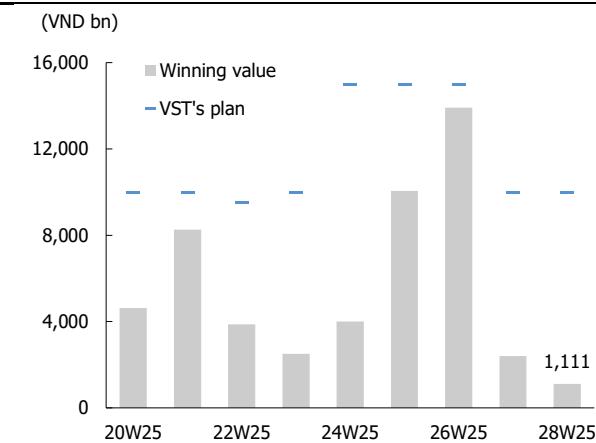
Source: HNX, KIS

Figure 21. Weekly winning G-bond structure



Source: HNX, KIS

Figure 22. Weekly issued amount of G-bond



Source: HNX, KIS

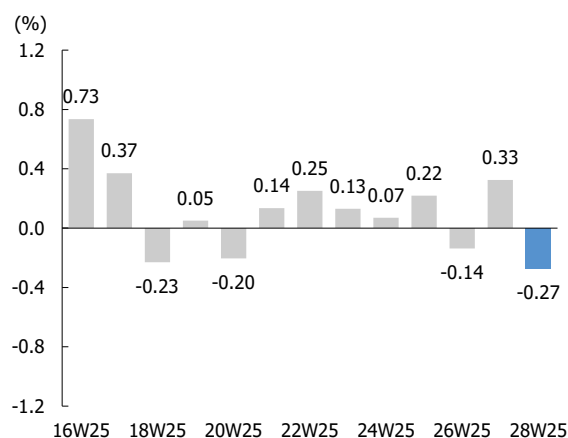
## IV. USDVND eases

### USDVND edges lower despite a stronger USD

This week, the USDVND exchange rate declined by 0.27% from the previous week, closing at 26,109 on Friday. This move contrasts with the strengthening of the USD globally, as the DXY index rose by 0.69%. The USD's movement this week was mainly driven by the U.S. government's announcement of high tariffs on imports from several major trading partners—including South Korea, Japan, Canada, Mexico, and the EU—with rates ranging from 20% to 50%. These actions sparked concerns over a potential escalation in global trade tensions, fueling demand for safe-haven assets such as the USD. However, USDVND cooled as foreign investors continued net buying for the second consecutive week, following news that Vietnam had reached a preliminary trade agreement with the U.S. Specifically, foreign investors recorded a net purchase of VND6.97tn, accounting for 0.6% of total traded value.

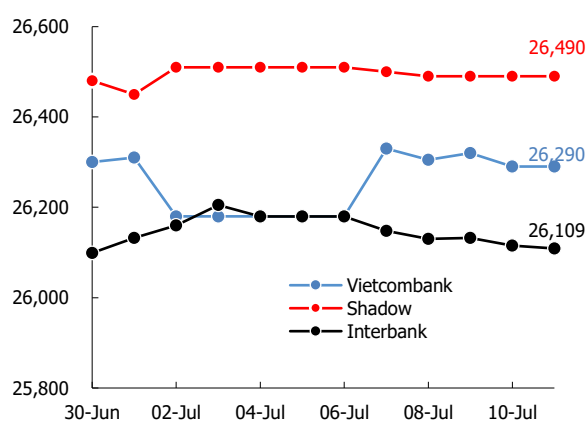
Across FX segments, USD ask price at Vietcombank rose 0.42% (110ppts), while on the shadow market dropped 0.08% (20 ppts). By Friday, the USD selling price stood at 26,290 at Vietcombank and 26,490 on the shadow market.

Figure 23. Weekly USDVND performance



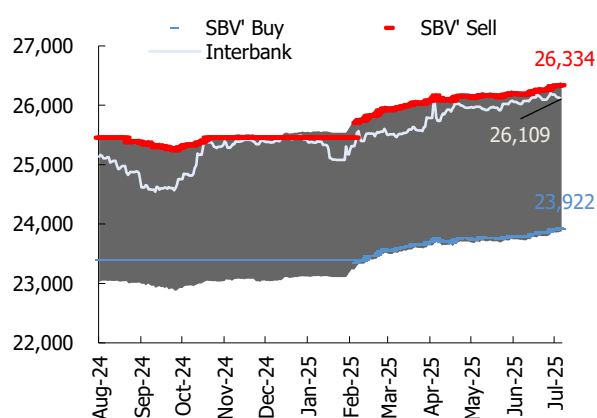
Source: Bloomberg, KIS

Figure 24. VCB & shadow market USDVND spread



Source: SBV, Vietcombank, KIS

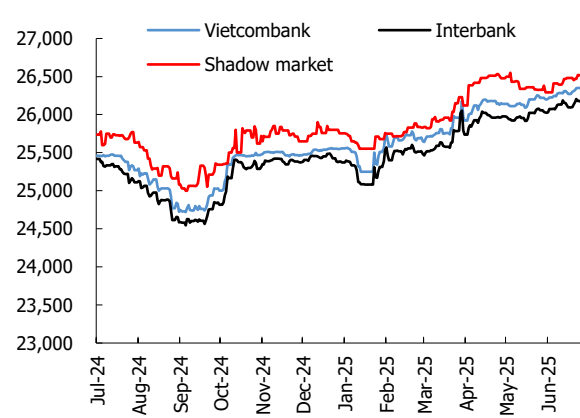
Figure 25. SBV's movement



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).

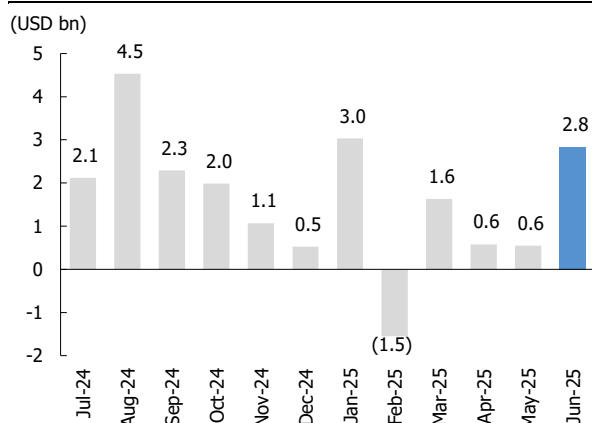
Figure 26. USDVND by market



Source: SBV, Bloomberg, KIS

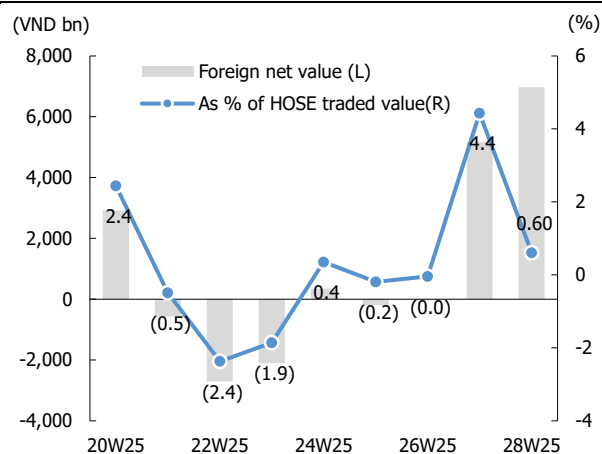


**Figure 27. Vietnam's trade balance by month**



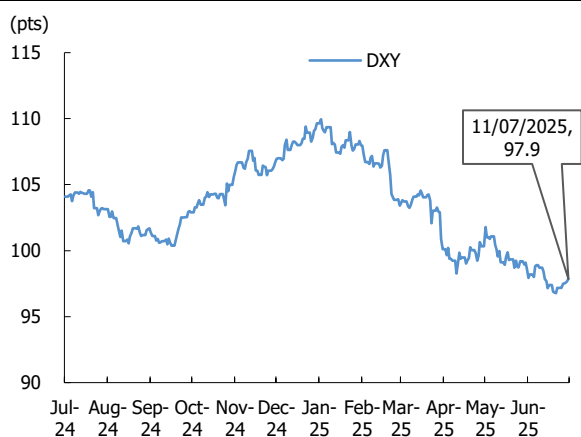
Source: GSO, KIS  
Note: Updated until 06 July, 2025

**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**

		26W25	27W25	28W25	2025 YTD
China	USDCNY	-0.12	-0.10	0.06	-1.77
EU	USDEUR	-1.66	-0.51	0.76	-11.42
Mexico	USDMXN	-1.83	-1.04	0.05	-10.24
Vietnam	USDVND	-0.14	0.33	-0.27	2.44
Canada	USDCNY	-0.33	-0.64	0.67	-5.09
Taiwan	USDTWD	-1.25	-0.79	0.95	-11.22
Japan	USDJPY	-0.99	-0.12	2.05	-6.22
South Korea	USDKRW	-0.67	0.12	1.02	-6.44
Thailand	USDTHB	-0.41	-0.80	0.46	-4.66
DXY	U.S. Dollar Index	-1.32	-0.23	0.69	-9.80

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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