

Fixed-income Perspectives

USDVND moves sideways in an information-light week

SBV returns to net liquidity injection

In 32W25 (04 to 08 August), the SBV returned to net liquidity withdrawal as a significant amount of repos matured. Specifically, it issued VND125.48tn of new repos against VND118.13tn that matured, resulting in a net injection of VND7.35tn. This week’s developments show that liquidity demand in the banking system has increased sharply, reflecting the strong credit demand in the economy.

Interbank rates rise sharply

On the interbank market, rates climbed across all maturities this week, with the sharpest gains at the short end, signaling persistent strong demand for liquidity. Specifically, the overnight, 1-week, 2-week, 1-month, and 3-month rates rose by 93bps, 79bps, 75bps, 57bps, and 50bps, respectively, to 6.10%, 5.97%, 5.80%, 5.57%, and 5.50%. Meanwhile, average trading volume came in at VND557.13tn, down 13.17% from the previous week.

USDVND pressure eases

This week, USDVND was little changed at 26,221 (+0.03% or 8ppts), while the DXY fell 1% to 98.2 on Friday. Globally, the dollar softened amid tariff measures announced by the Trump administration against major trading partners, and U.S. labor data boosted expectations for a forthcoming Fed cut despite lingering inflation pressure. Domestically, USDVND edged up as the foreign bloc extended net selling on Vietnam’s stock exchange.

Vietnam economic indicators

	25-Feb	25-Mar	25-Apr	25-May	25-Jun	25-Jul	corr.
FDI %YoY	9.1	9.9	7.7	9.6	8.8	10.1	-0.22
Retail sales %YoY	9.4	9.8	9.3	9.5	8.3	9.2	-0.17
Export %YoY	25.7	14.5	19.7	17.0	16.3	16.0	-0.07
Import %YoY	40.0	19.0	22.8	14.1	20.2	17.8	0.02
Trade balance (USD bn)	-1.5	1.6	0.6	0.6	2.8	2.3	-0.05
CPI %MoM	0.34	-0.03	0.07	0.16	0.48	0.11	-0.04
Credit %YoY	16.8	14.1	18.8	18.5	19.2	19.1	-0.28
USDVND %MoM	1.89	0.03	1.64	0.15	0.30	0.20	-0.32
PMI (pts)	49.2	50.5	45.6	49.8	48.9	52.4	-0.07
VNINDEX return (%)	3.2	0.1	-6.1	9.2	3.5	9.5	1.00

Source: SBV, GSO, Bloomberg, KIS
¹ Correlation to VNINDEX’s monthly return
 Green = acceleration; yellow = deceleration; red = contraction.

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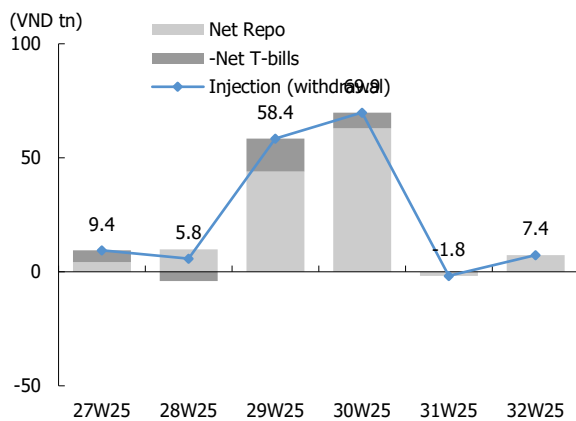
I. SBV returns to net liquidity injection

SBV slightly resumes liquidity injection

In 32W25 (04 to 08 August), the SBV returned to net liquidity withdrawal as a significant amount of repos matured. Specifically, it issued VND125.48tn of new repos against VND118.13tn that matured, resulting in a net injection of VND7.35tn.

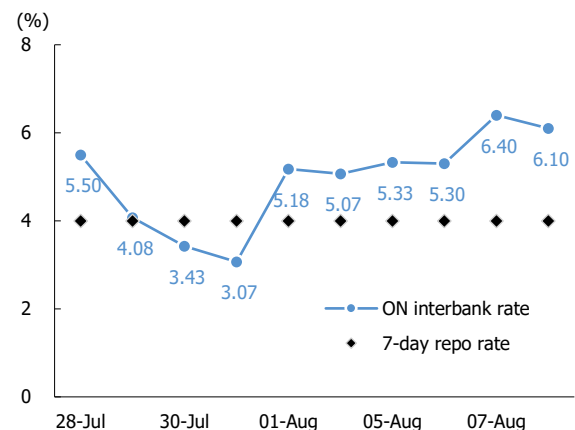
This week's developments show that liquidity demand in the banking system has increased sharply, reflecting the strong credit demand in the economy. At the same time, the SBV has raised its 2025 credit growth target for banks, removed the need for prior approval, and asked them to keep deposit rates stable. Since the SBV's ability to inject money is limited while capital demand remains high, it may consider using longer-term repos, accepting a wider range of collateral in repo transactions, or lowering the reserve requirement ratio to keep its easy monetary policy and make sure the banking system has enough liquidity.

Figure 1. Net injection (withdrawal) of liquidity



Source: SBV, KIS

Figure 2. Interest rate corridor



Source: SBV, KIS

Figure 3. Repo transactions: 7-day tenor

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
4-Aug-25	11-Aug-25	7	12.18	4.00
5-Aug-25	12-Aug-25	7	9.15	4.00
6-Aug-25	13-Aug-25	7	5.95	4.00
7-Aug-25	14-Aug-25	7	10.24	4.00
8-Aug-25	15-Aug-25	7	8.88	4.00
Total		7	46.39	4.00

Source: SBV, KIS

Figure 4. Repo transactions: 14-day tenor

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
4-Aug-25	18-Aug-25	14	4.53	4.00
5-Aug-25	19-Aug-25	14	8.95	4.00
6-Aug-25	20-Aug-25	14	12.42	4.00
7-Aug-25	21-Aug-25	14	12.76	4.00
8-Aug-25	22-Aug-25	14	15.00	4.00
Total		14	53.66	4.00

Source: SBV, KIS

Figure 5. Repo transactions: 28-day tenor

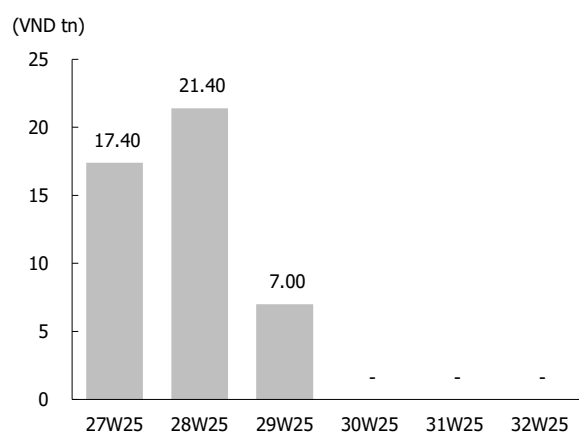
Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
4-Aug-25	1-Sep-25	28	8.87	4.00
5-Aug-25	2-Sep-25	28	1.89	4.00
6-Aug-25	3-Sep-25	28	9.09	4.00
7-Aug-25	4-Sep-25	28	3.12	4.00
8-Aug-25	5-Sep-25	28	1.39	4.00
Total		28	24.37	4.00

Source: SBV, KIS

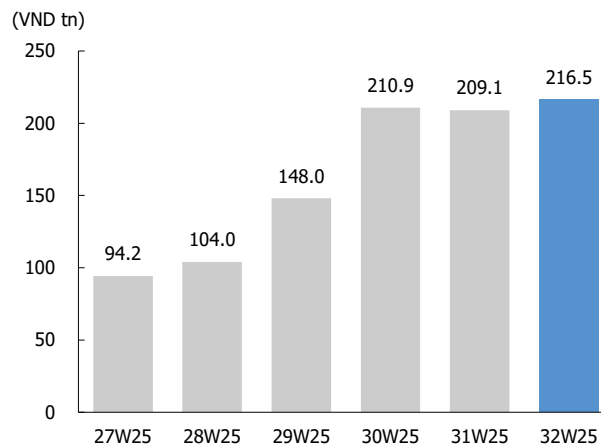
Figure 6. Repo transactions: 91-day tenor

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
6-Aug-25	5-Nov-25	91	1.06	4.00
Total		91	1.06	4.00

Source: SBV, KIS

Figure 7. Outstanding amount of bills

Source: SBV, KIS

Figure 8. Outstanding amount of repos

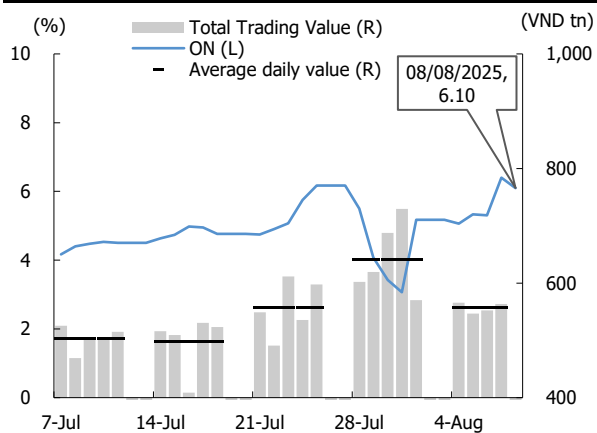
Source: SBV, KIS

II. Interbank rates rise sharply

Interbank rates increase across most tenors

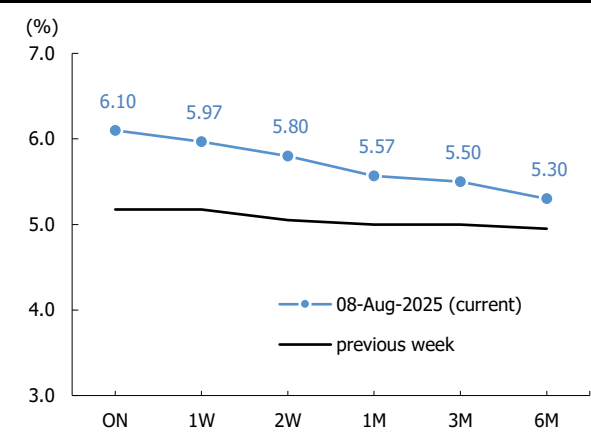
On the interbank market, rates climbed across all maturities this week, with the sharpest gains at the short end, signaling persistent strong demand for liquidity. Specifically, the overnight (ON), 1-week (1W), 2-week (2W), 1-month (1M), and 3-month (3M) rates rose by 93bps, 79bps, 75bps, 57bps, and 50bps, respectively, to 6.10%, 5.97%, 5.80%, 5.57%, and 5.50%. Meanwhile, average trading volume came in at VND557.13tn, down 13.17% from the previous week. Looking ahead, with the SBV expected to continue providing liquidity support through OMO operations, interbank rates are likely to remain anchored at appropriate levels in the coming weeks, helping maintain stable funding conditions for the banking system.

Figure 9. Interbank daily transaction



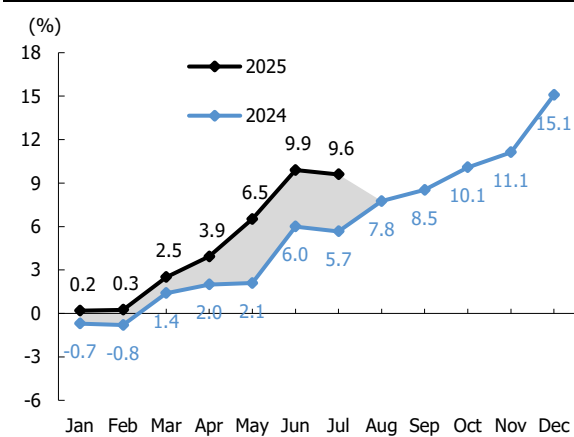
Source: SBV, Bloomberg, KIS

Figure 10. Interbank rate curve



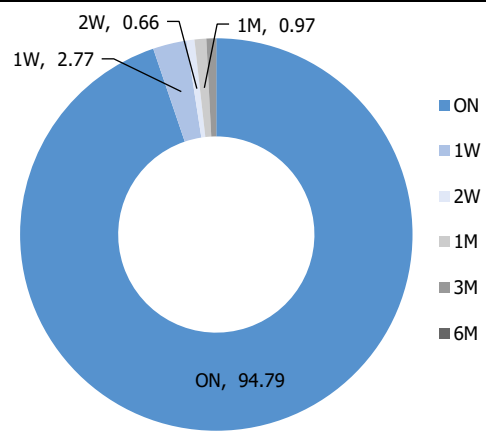
Source: SBV, Bloomberg, KIS

Figure 11. Credit growth by month of the year



Source: SBV, Bloomberg, KISVN
Note: Updated by 28 July, 2024

Figure 12. Interbank transaction structure



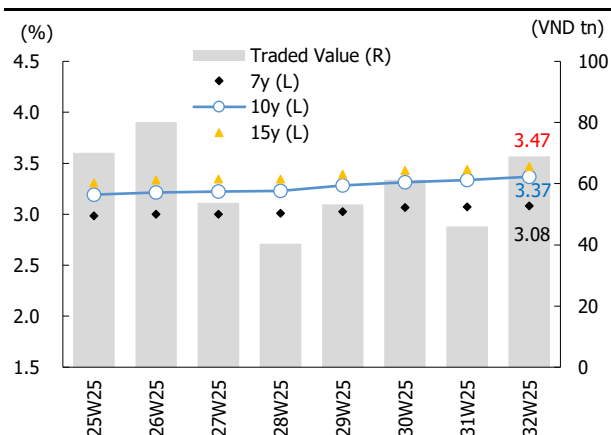
Source: SBV, Bloomberg, KISVN

III. G-bond yields rise further

G-bond yields continue to rise in all tenors

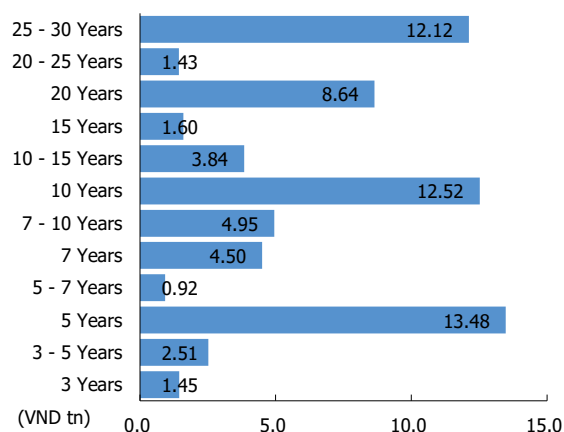
In 32W25, government bond (G-bond) yields on the secondary market continued to climb across maturities, while trading volume rebounded sharply—reflecting renewed selling pressure as on-the-run yields kept rising in the primary market. Specifically, yields on actively traded tenors from 5-year to 7-year increased by 1bp, the 10-year, 15-year, and 20-year rose in tandem by 3bps, while the 30-year bond climbed 4bps, respectively reaching 2.77%, 3.08%, 3.37%, 3.47%, 3.53%, and 3.61%. In addition, total trading volume rose to VND68.99tn, up 50% from the previous week, with a daily average of VND13.80tn.

Figure 13. G-bond traded value by week



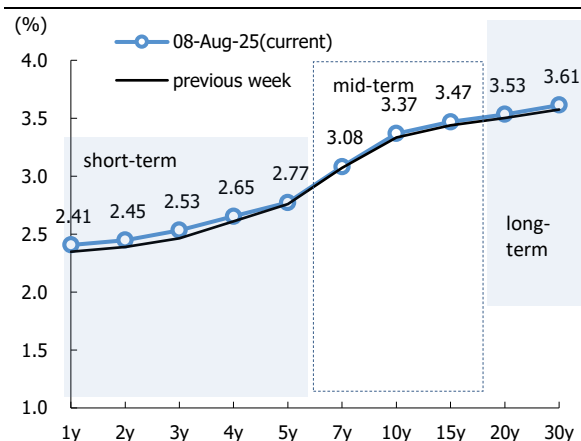
Source: HNX, Bloomberg, KIS

Figure 14. G-bond traded value by tenor



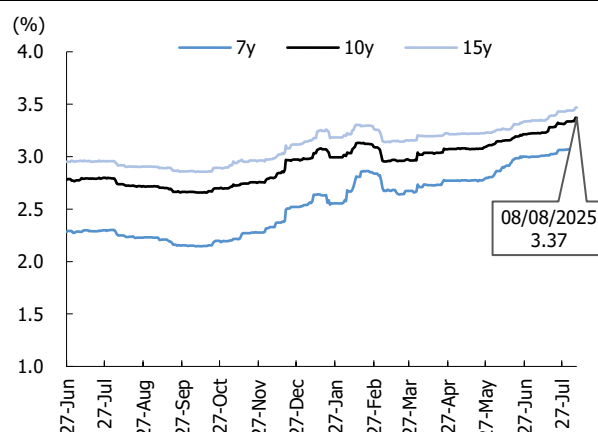
Source: HNX, Bloomberg, KIS

Figure 15. G-bond trading yield curve



Source: HNX, VBMA, KIS

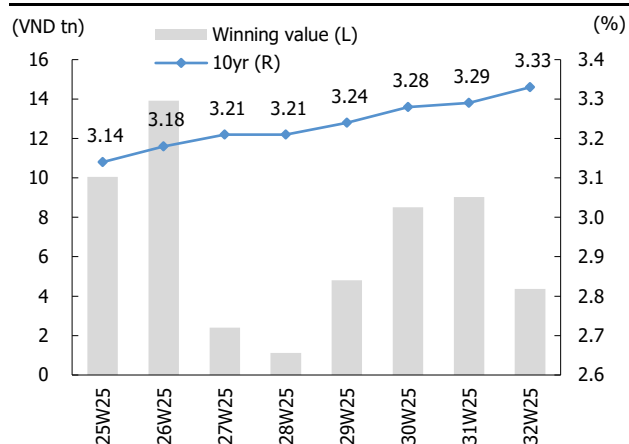
Figure 16. Historical daily government bond yields



Source: HNX, VBMA, KIS

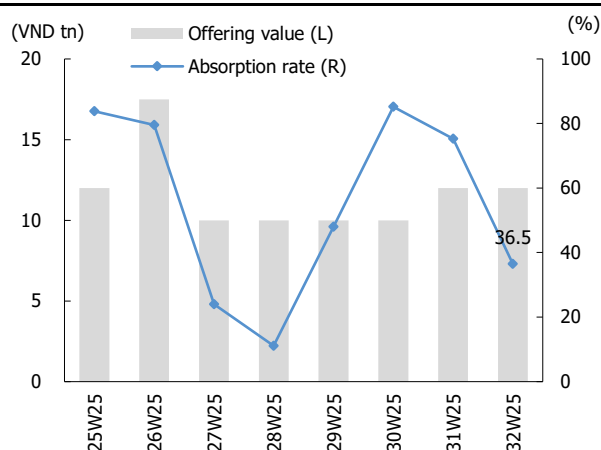
In the primary market, 10-year G-bond yields continued to rise as the VST concentrated issuance at this tenor. The VST issued VND4.38tn of G-bonds, down 51.6% from the previous week, while the 10-year yield increased by 4bps to 3.33%. Since the start of 2025, total issuance has reached VND231.62tn, completing 46.3% of the full-year target—slower than the 50.9% pace in 2024. With less than half of the target met, issuance pressure is likely to intensify in the remaining months of the year, particularly for the preferred 10-year tenor, which could push G-bond yields higher and prompt investors to liquidate off-the-run bonds in the secondary market.

Figure 17. Weekly winning values



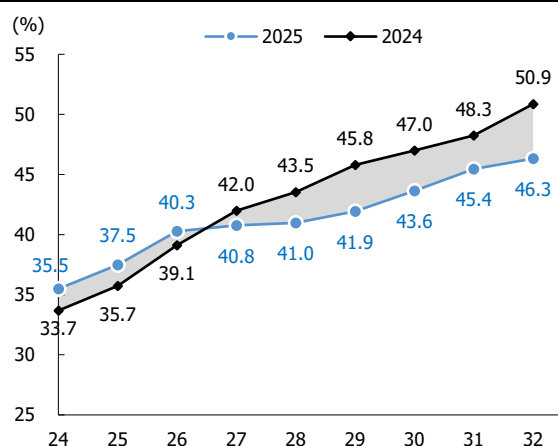
Source: HNX, KIS

Figure 18. Weekly absorption rate



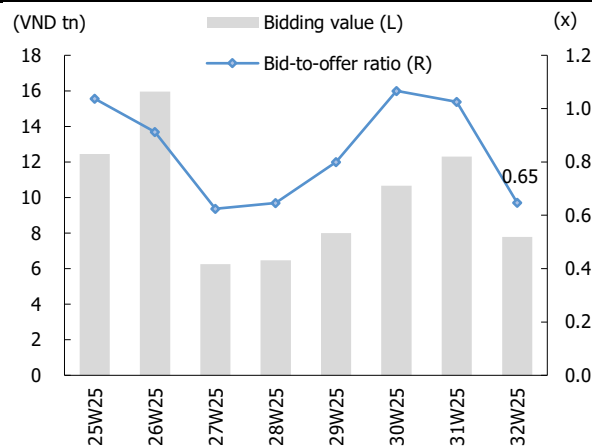
Source: HNX, KIS

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



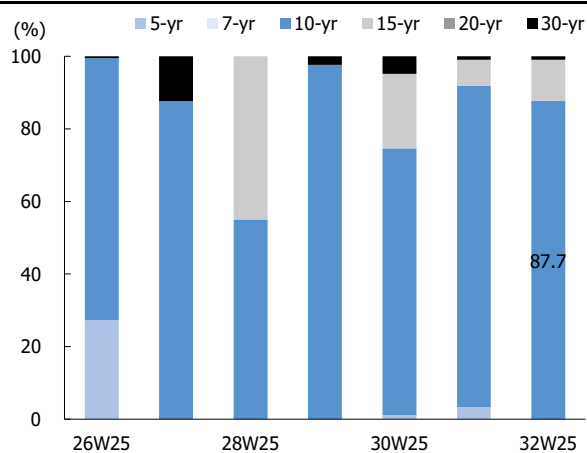
Source: HNX, KIS

Figure 20. Weekly bid-to-offer ratio



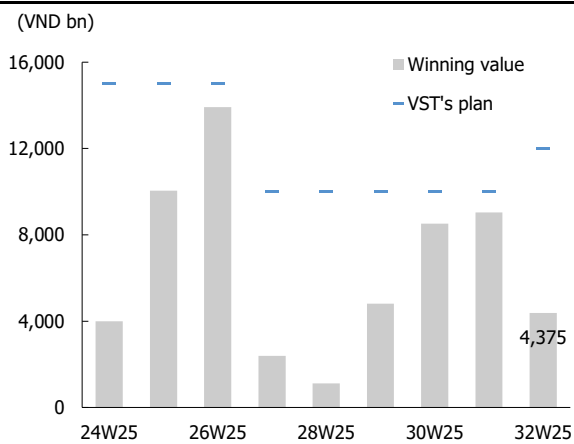
Source: HNX, KIS

Figure 21. Weekly winning G-bond structure



Source: HNX, KIS

Figure 22. Weekly issued amount of G-bond



Source: HNX, KIS

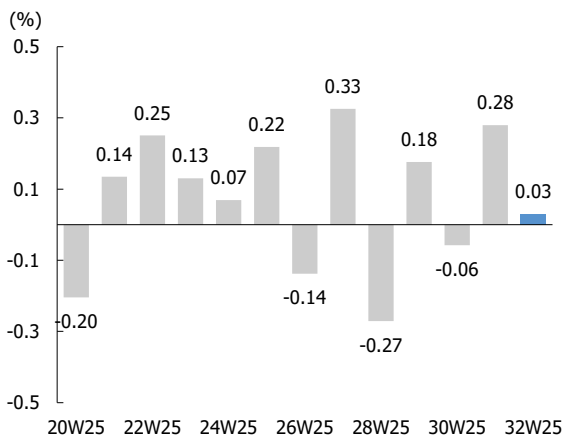
IV. USDVND pressure eases

USDVND was broadly flat, little affected by the week's events

This week, USDVND was little changed at 26,221 (+0.03% or 8ppts), while the DXY fell 1% to 98.2 on Friday. Globally, the tariff narrative has narrowed to a few key U.S. partners; the administration's tougher stance toward Canada and India, alongside prospective protectionist measures for chips and semiconductors that may target China, revived fears of retaliation and renewed trade tensions. Fed-related headlines also weighed on the dollar: rate-cut expectations rose after reports that Trump appointed a new Fed Board member following Governor Kugler's resignation, raising concerns about the Fed's independence, while labor data signaled further softening despite sticky inflation. According to CME FedWatch, markets now price more than 90% chance of a rate cut at the September FOMC meeting, which is roughly double the odds before the labor figures. Domestically, USDVND edged up slightly, potentially reflecting foreign net selling in Vietnam's equity market during the week (VND12.85tn, or 5.1% of HOSE trading value).

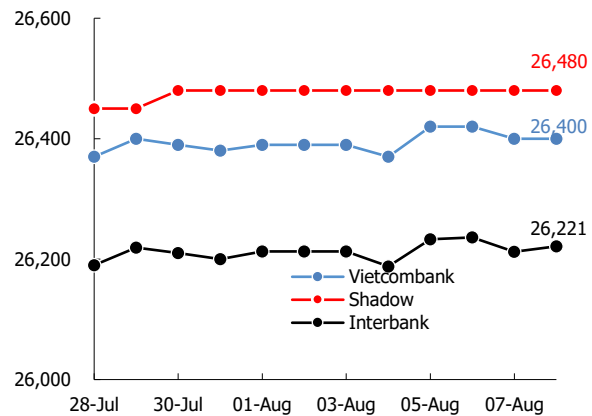
Across FX segments, Vietcombank's USDVND ask rate rose by 0.04% (10ppts), while the shadow market was unchanged. As of Friday, ask prices stood at 26,400 at Vietcombank and 26,480 in the shadow market.

Figure 23. Weekly USDVND performance



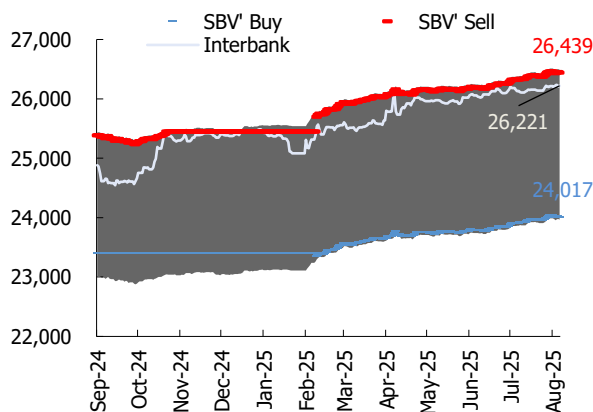
Source: Bloomberg, KIS

Figure 24. VCB & shadow market USDVND spread



Source: SBV, Vietcombank, KIS

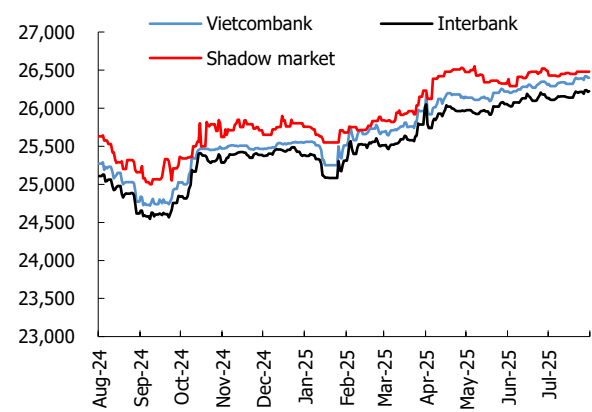
Figure 25. SBV's movement



Source: SBV, Bloomberg, Fiinpro, KIS

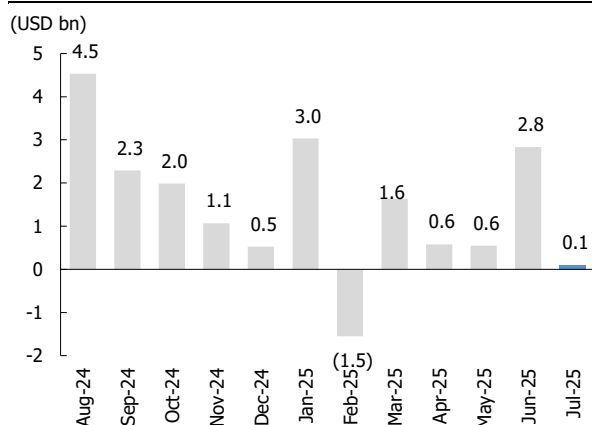
Note: shaded region is the daily trading band. The effective trading band is +/- 5% (the effective date is 17 October, 2022).

Figure 26. USDVND by market



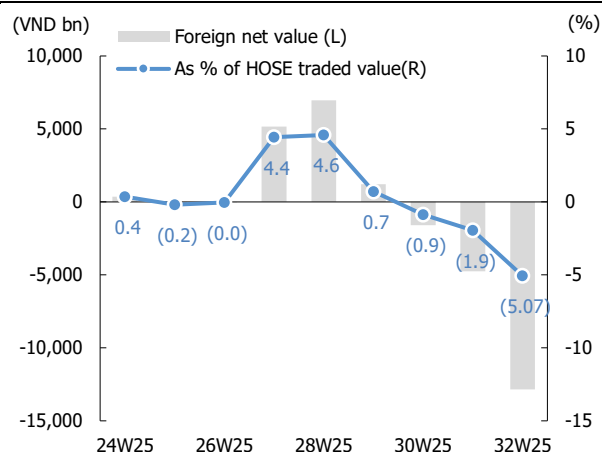
Source: SBV, Bloomberg, KIS

Figure 27. Vietnam's trade balance by month



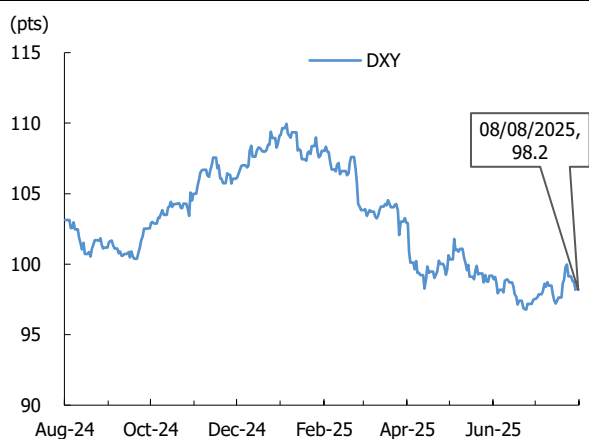
Source: GSO, KIS
Note: Updated until 06 August, 2025

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

		30W25	31W25	32W25	2025 YTD
China	USDCNY	-0.07	0.33	-0.18	-1.63
EU	USDEUR	-0.99	1.34	-0.46	-11.06
Mexico	USDMXN	-1.07	1.68	-1.52	-10.55
Vietnam	USDVND	-0.06	0.28	0.03	2.88
Canada	USDCNY	-0.17	0.61	-0.20	-4.62
Taiwan	USDTWD	0.17	1.95	-0.56	-9.25
Japan	USDJPY	-0.75	-0.20	0.23	-6.02
South Korea	USDKRW	-0.56	0.47	-0.09	-5.70
Thailand	USDTHB	0.00	1.49	-1.61	-5.17
DXY	U.S. Dollar Index	-0.85	1.53	-0.97	-9.50

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

Macro scorecard

	25-Mar	25-Apr	25-May	25-Jun	25-Jul	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)	2.57	4.08	2.82	3.14	2.57	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)	31.11	38.51	37.45	39.49	42.27	108.6	105.9	102.84	116.93	335.7	371.85	355.5	405.5
Import (USD bn)	32.66	36.88	36.87	36.66	40.00	99.7	101.9	99.68	112.52	331.1	360.65	327.5	380.8
Export growth (%)	25.67	14.49	19.75	16.31	15.95	15.82	11.46	10.64	18.03	18.74	10.61	-4.4	14.3
Import growth (%)	39.99	18.99	22.95	20.16	17.77	17.19	14.91	17.03	18.77	25.9	8.35	-8.9	16.7
Inflation (%)	2.91	3.13	3.12	3.57	3.19	3.48	2.87	3.22	3.31	1.84	3.15	3.25	3.63
USD/VND	25,530	25,565	25,983	26,121	26,199	24,093	25,386	25,565	26,121	22,790	23,650	23,784	25,386
Credit growth (%)	15.7	16.3	18.53	17.48	19.12	16.1	13.8	16.3	17.48	13.61	14.2	13.7	13.8
10Y gov't bond (%)	3.18	3.06	3.20	3.34	3.45	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)

	2022	2023	2Q24	3Q24	4Q24	1Q25
Current account	(1.1)	25.1	4.5	7.8	7.5	4.0
Goods, credit (exports)	371.3	354.7	97.9	108.2	105.9	102.8
Goods, debit (imports)	345.6	310.7	89.3	94.6	97.0	94.9
Balance on goods	25.7	44.0	8.5	13.6	8.9	7.9
Services, credit (exports)	12.9	19.6	5.5	5.9	6.6	7.6
Services, debit (imports)	25.5	29.1	8.3	9.8	9.6	9.2
Primary income, credit	2.3	4.6	1.4	1.4	1.4	1.3
Primary income, debit	22.0	27.0	5.4	6.1	3.8	7.2
Secondary income, credit	12.2	16.1	3.8	3.9	5.1	4.6
Secondary income, debit	6.7	3.1	1.1	1.0	1.0	1.1
Financial account	(9.5)	(2.8)	(6.3)	(2.7)	0.3	(3.5)
Direct investment, assets	2.7	1.6	(0.1)	(0.2)	(0.2)	(0.3)
Direct investment, liabilities	17.9	18.5	5.0	5.2	6.4	4.0
Portfolio investment, assets	(0.0)	0.0	0.0	(0.1)	0.0	0.0
Portfolio investment, liabilities	1.5	(1.2)	(1.6)	(0.8)	(2.0)	(1.0)
Other investment, assets	13.7	(14.3)	(5.2)	(2.6)	(4.3)	(3.5)
Other investment, liabilities	6.4	(7.4)	(4.4)	(4.2)	0.4	(2.7)
Net errors and omissions	(31.1)	(16.6)	(4.3)	(5.1)	(9.4)	(2.1)
Reserves and related items	(22.7)	(5.6)	6.1	(0.1)	1.7	1.7

Source: SBV, IMF, KIS

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