true friend KIS Viet Nam Securities Corporation

Fixed-income
Weekly

18 Aug 2025

Fixed-income Perspectives

USDVND edges higher, overriding global dollar weakness

SBV withdraws liquidity significantly

In 33W25 (11 to 15 August), the SBV returned to net liquidity withdrawal as a large batch of repos matured. The SBV withdrew VND20.4tn from the banking system, with VND79.9tn of repos maturing versus VND59.5tn newly issued, and no T-bill operations.

Interbank curve steepened

This week on the interbank market, the curve steepened as short-term rates eased notably while longer tenors inched higher, and trading volume was broadly unchanged. Specifically, the overnight, 1-week, 2-week, 1-month, and 3-month rates fell by 170bps, 142bps, 125bps, 63bps, and 40bps, respectively, to 4.40%, 4.55%, 4.55%, 4.93%, and 5.10%. At the longer and less actively traded tenors, the 6-month, 9-month, and 1-year rates rose by 15bps, 15bps, and 10bps, reaching 5.45%, 5.40%, and 5.40%. Additionally, average trading volume edged up to VND561.02tn, essentially unchanged from the previous week.

USDVND extends upward momentum

This week, USDVND rose 0.19% to 26,272, while the DXY fell 0.33% to 97.9 on Friday. Globally, softer-than-expected U.S. inflation reinforced expectations for a September Fed cut, keeping the dollar under pressure despite mixed PPI data and geopolitical uncertainties. Domestically, USDVND strengthened 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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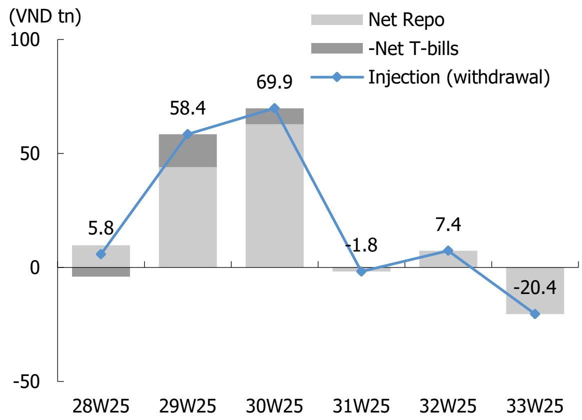
I. SBV withdraws liquidity significantly

SBV returns to net withdrawal as demand cools

In 33W25 (11 to 15 August), the SBV returned to net liquidity withdrawal as a large batch of repos matured. The SBV withdrew VND20.4tn from the banking system, with VND79.9tn of repos maturing versus VND59.5tn newly issued, and no T-bill operations.

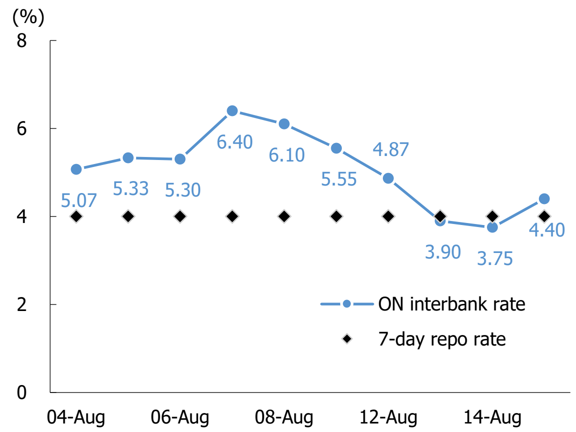
These developments indicate that liquidity demand in the banking system has cooled, allowing the SBV to reduce outstanding repos. In the coming weeks, we expect the SBV to remain focused on ensuring the smooth functioning of the banking system by maintaining adequate liquidity and preventing funding-cost pressures in the money market.

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 (%)
11-Aug-25	18-Aug-25	7	7.56	4.00
12-Aug-25	19-Aug-25	7	2.08	4.00
14-Aug-25	21-Aug-25	7	5.00	4.00
15-Aug-25	22-Aug-25	7	8.80	4.00
Total		**7**	**23.44**	**4.00**

Source: SBV, KIS

Figure 4. Repo transactions: 14-day tenor

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
11-Aug-25	25-Aug-25	14	8.91	4.00
12-Aug-25	26-Aug-25	14	6.35	4.00
13-Aug-25	27-Aug-25	14	0.88	4.00
15-Aug-25	29-Aug-25	14	4.00	4.00
Total		**14**	**20.13**	**4.00**

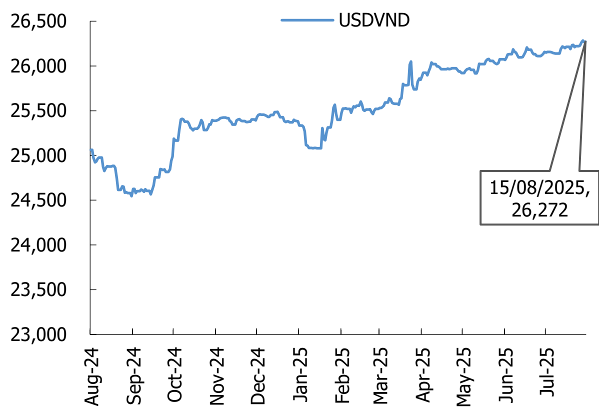
Source: SBV, KIS

Figure 5. Repo transactions: 28&91-day tenor

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
11-Aug-25	8-Sep-25	28	10.01	4.00
12-Aug-25	9-Sep-25	28	0.34	4.00
15-Aug-25	12-Sep-25	28	5.52	4.00
14-Aug-25	13-Nov-25	91	0.04	4.00
Total			**15.90**	**4.00**

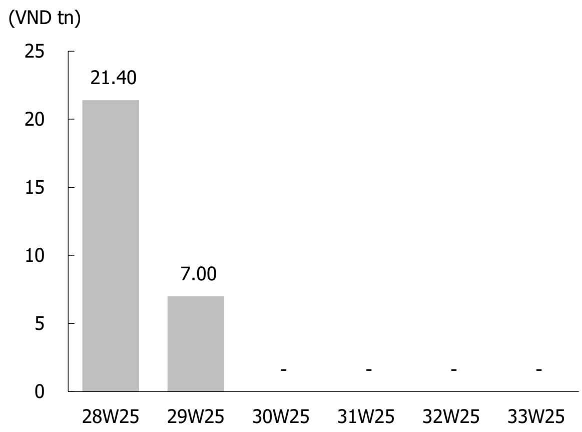
Source: SBV, KIS

Figure 6. USDVND movement



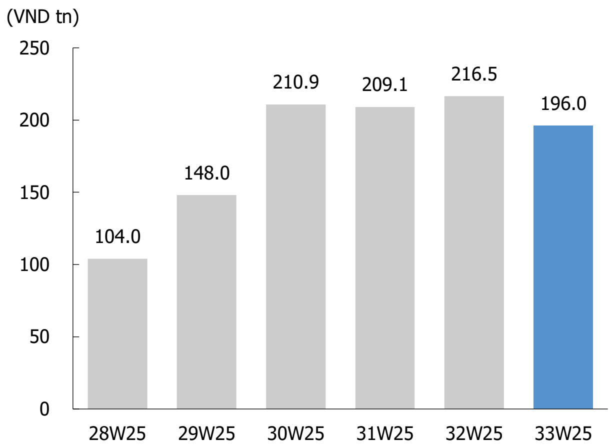
Source: SBV, KIS

Figure 7. Outstanding amount of bills



Source: SBV, KIS

Figure 8. Outstanding amount of repos



Source: SBV, KIS

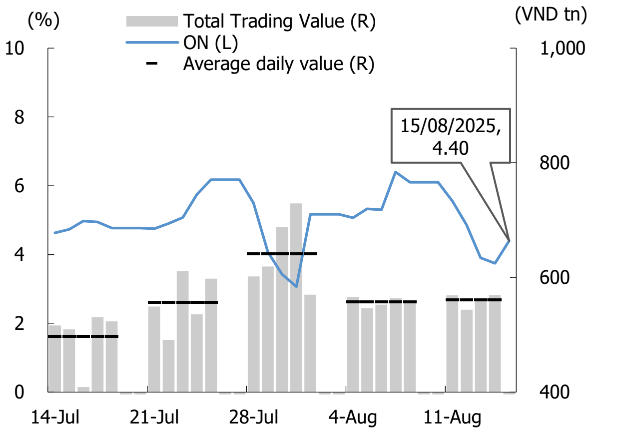
II. Interbank curve steepened

Short-term rates cool while longer tenors edge up

This week on the interbank market, the curve steepened as short-term rates eased notably while longer tenors inched higher, and trading volume was broadly unchanged. Specifically, the overnight (ON), 1-week (1W), 2-week (2W), 1-month (1M), and 3-month (3M) rates fell by 170bps, 142bps, 125bps, 63bps, and 40bps, respectively, to 4.40%, 4.55%, 4.55%, 4.93%, and 5.10%. At the longer and less actively traded tenors, the 6-month (6M), 9-month (9M), and 1-year (1Y) rates rose by 15bps, 15bps, and 10bps, reaching 5.45%, 5.40%, and 5.40%. Additionally, average trading volume edged up to VND561.02tn, essentially unchanged from the previous week.

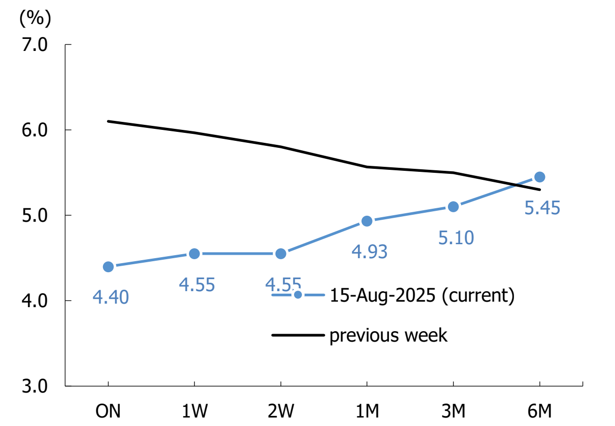
This pattern suggests that liquidity pressures have eased on the interbank market following the SBV's recent OMO injections, as banks accelerate disbursements to support their 2H25 activities. We expect interbank rates to remain broadly stable around current levels in the coming weeks.

Figure 9. Interbank daily transaction



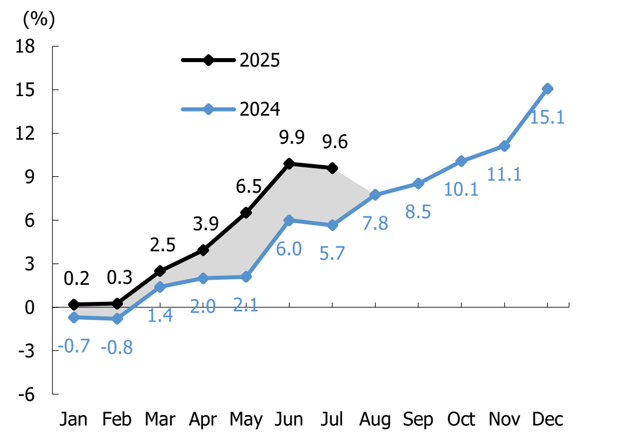
Source: SBV, Bloomberg, KIS

Figure 10. Interbank rate curve



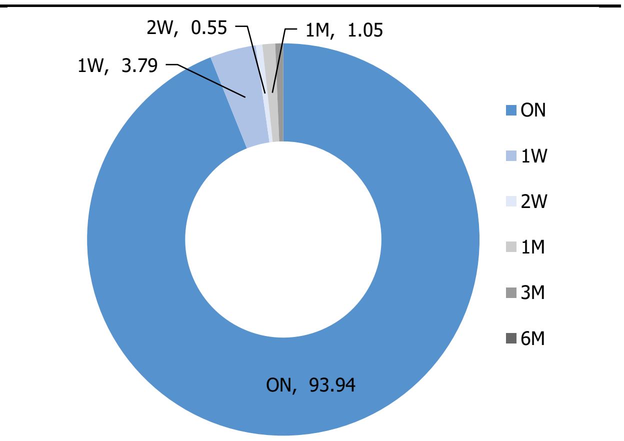
Source: SBV, Bloomberg, KIS

Figure 11. Credit growth by month of the year



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

Figure 12. Interbank transaction structure



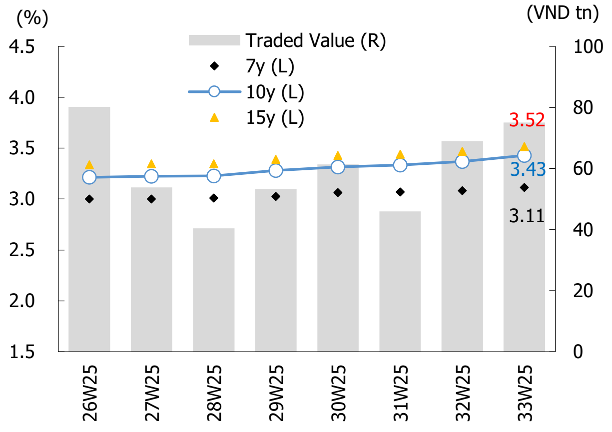
Source: SBV, Bloomberg, KISVN

III. G-bond yields continue to rise

G-bond yields continue to rise in all tenors

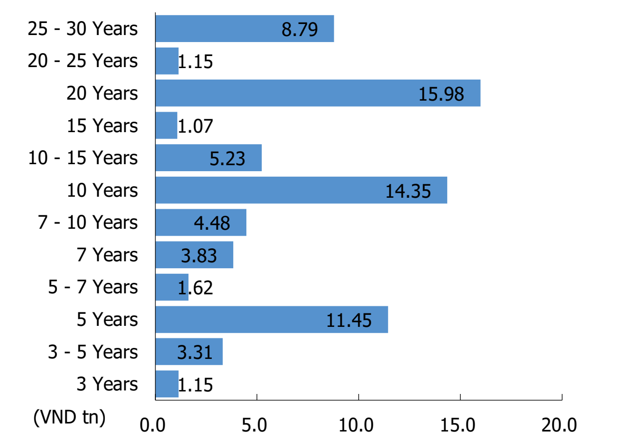
In 33W25, G-bond yields maintained their upward momentum across most maturities, while trading volume also increased—reflecting persistent selling pressure as on-the-run yields kept rising in the primary market. Specifically, yields on actively traded tenors of 5-year, 10-year, and 20-year rose by 7bps, 6bps, and 5bps, respectively reaching 2.84%, 3.43%, and 3.58%. In addition, total trading value rose to VND75.07tn, up 8.81% from the previous week, with a daily average of VND15.01tn.

Figure 13. G-bond traded value by week



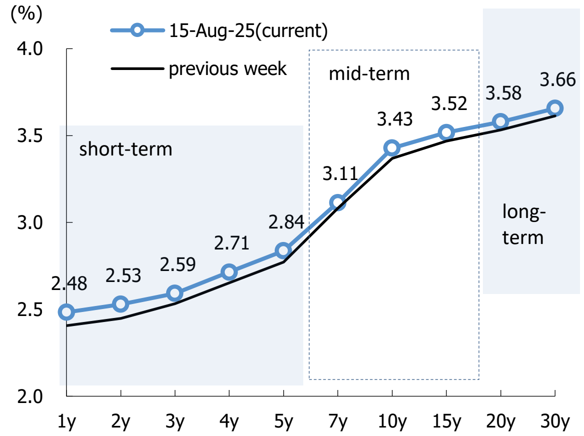
Source: HNX, Bloomberg, KIS

Figure 14. G-bond traded value by tenor



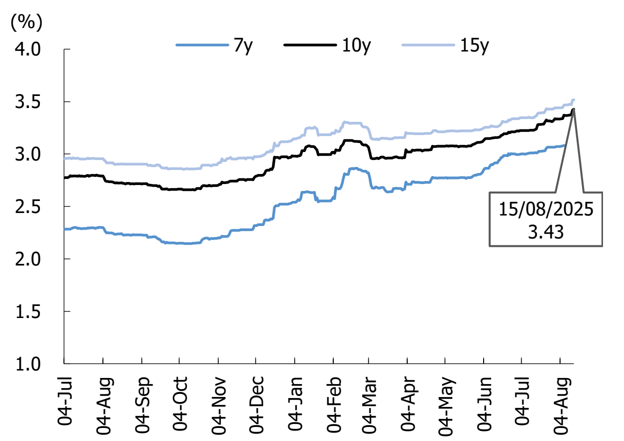
Source: HNX, Bloomberg, KIS

Figure 15. G-bond trading yield curve



Source: HNX, VBMA, KIS

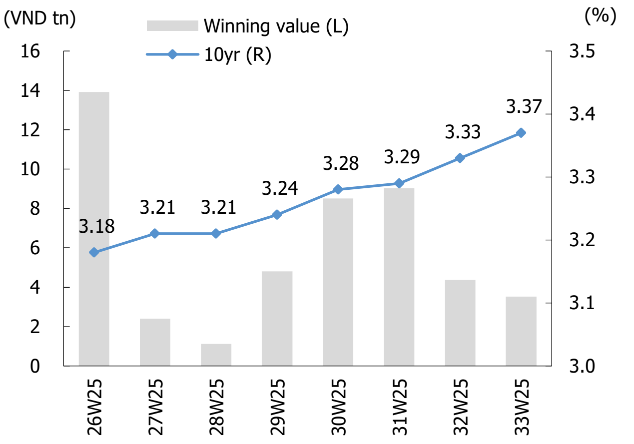
Figure 16. Historical daily government bond yields



Source: HNX, VBMA, KIS

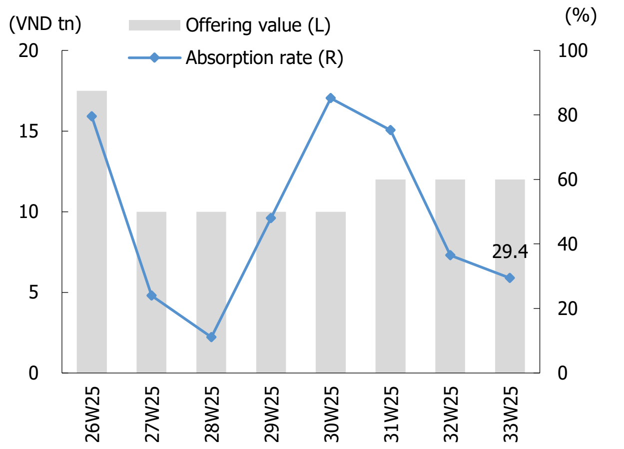
In the primary market, 10-year G-bond yields continued to increase as the VST concentrated issuance at this tenor. The VST issued VND3.53tn of G-bonds, down 19.32% from the previous week, while the 10-year yield rose another 4bps to 3.37%. Since the beginning of 2025, total issuance has reached VND235.15tn, completing 47.0% of the full-year target—slower than the 54.48% pace recorded in the same period of 2024. This indicates that issuance pressure is likely to intensify in the remaining months of the year, particularly for the preferred 10-year tenor, which could drive G-bond yields higher and prompt investors to sell off off-the-run bonds in the secondary market.

.Figure 17. Weekly winning values



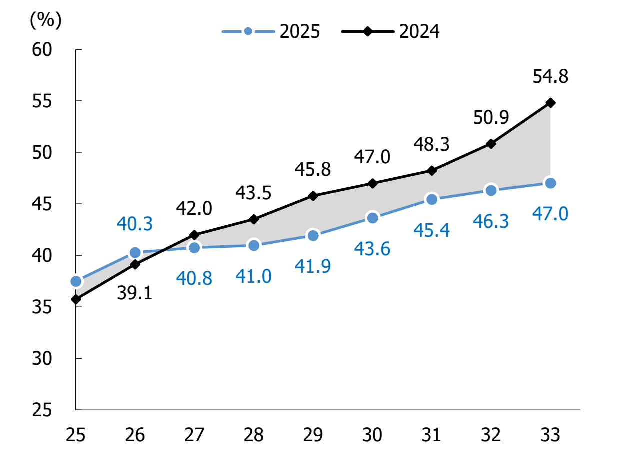
Source: HNX, KIS

Figure 18. Weekly absorption rate



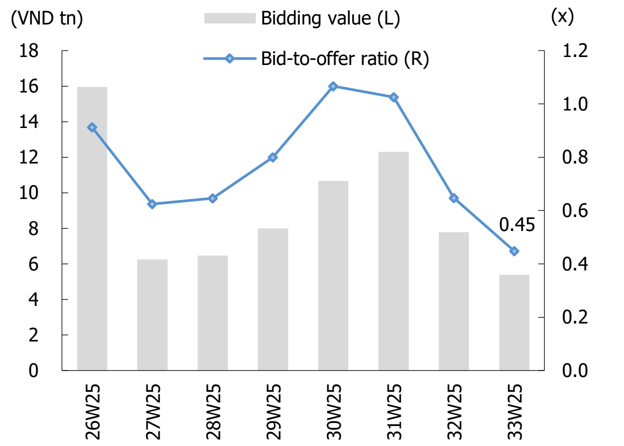
Source: HNX, KIS

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



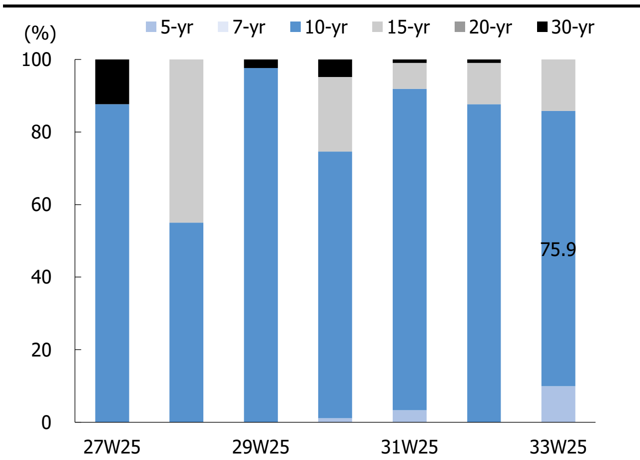
Source: HNX, KIS

Figure 20. Weekly bid-to-offer ratio



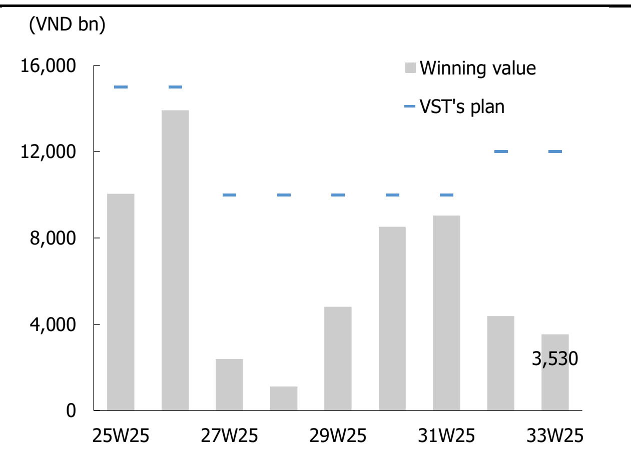
Source: HNX, KIS

Figure 21. Weekly winning G-bond structure



Source: HNX, KIS

Figure 22. Weekly issued amount of G-bond



Source: HNX, KIS

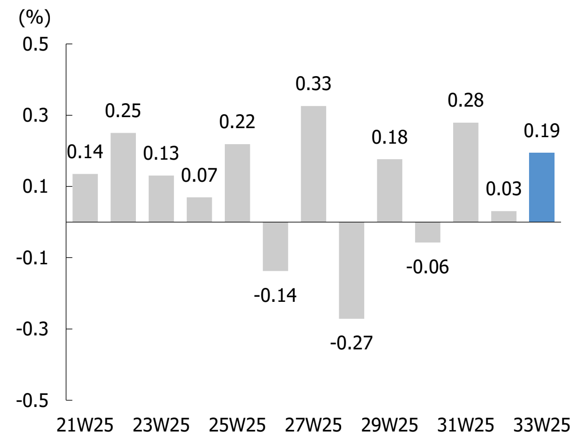
IV. USDVND extends upward momentum

USDVND rose, little affected by the week's events

This week, USDVND rose 0.19% to 26,272, while the DXY fell 0.33% to 97.9 on Friday. Globally, softer-than-expected U.S. inflation data in July boosted expectations of a Fed rate cut in September, putting additional pressure on the dollar. According to the CME FedWatch Tool, the probability of a rate cut in September fluctuated between 84–100% during the week following mixed CPI and PPI releases. In addition, investor sentiment was influenced by lingering uncertainties around U.S.–China trade negotiations—as President Trump extended the tariff suspension deadline—and tense U.S.–Russia discussions over the Ukraine war. These factors kept the USD on a weakening trend, however, USDVND still edged higher, largely driven by strong foreign net selling pressure during the week. Specifically, foreigners net sold VND8.22tn, equivalent to 3.2% of HOSE trading value.

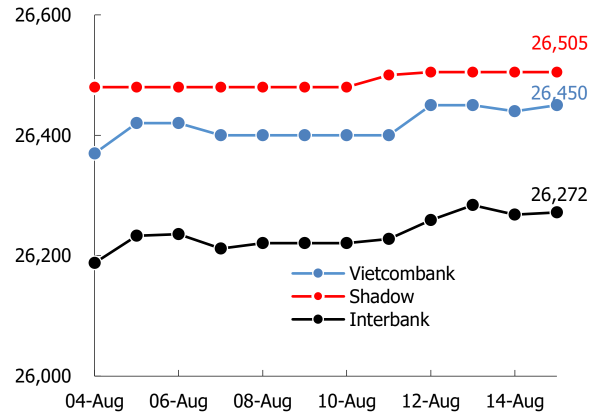
Across FX segments, Vietcombank's USDVND ask rate increased 0.19% (+50 ppts), while the shadow market rose 0.09% (+25 ppts). As of Friday, ask prices stood at 26,450 at Vietcombank and 26,505 in the shadow market.

Figure 23. Weekly USDVND performance



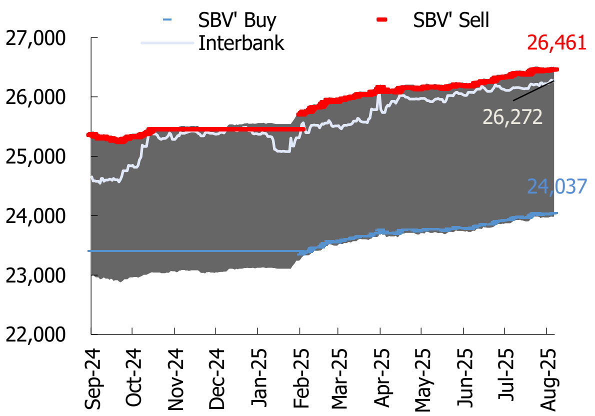
Source: Bloomberg, KIS

Figure 24. VCB & shadow market USDVND spread



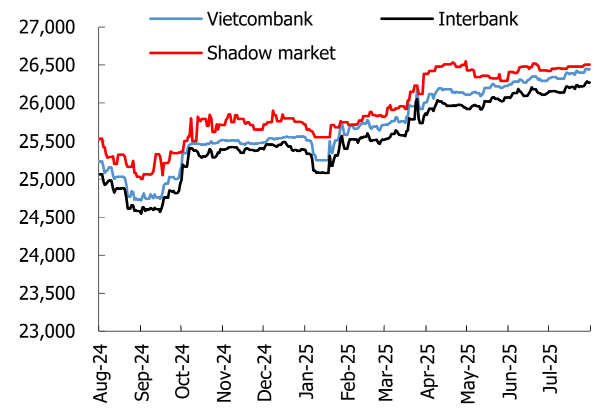
Source: SBV, Vietcombank, KIS

Figure 25. SBV's movement



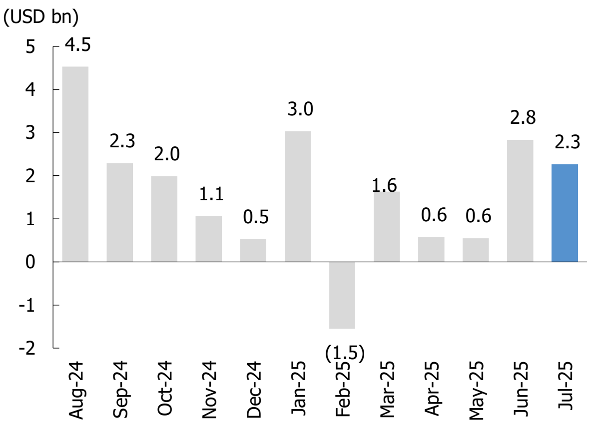
Source: SBV, Bloomberg, Fiinpro, KIS
Note: shaded region is the daily trading band. The effective trading band is +/- 5% (the effective date is 17 October, 2022).

Figure 26. USDVND by market



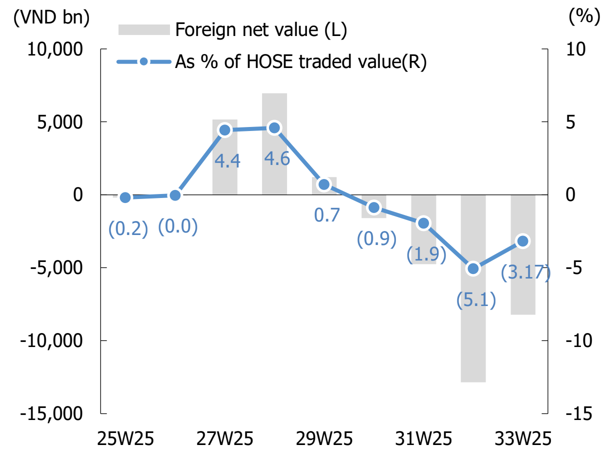
Source: SBV, Bloomberg, KIS

Figure 27. Vietnam's trade balance by month



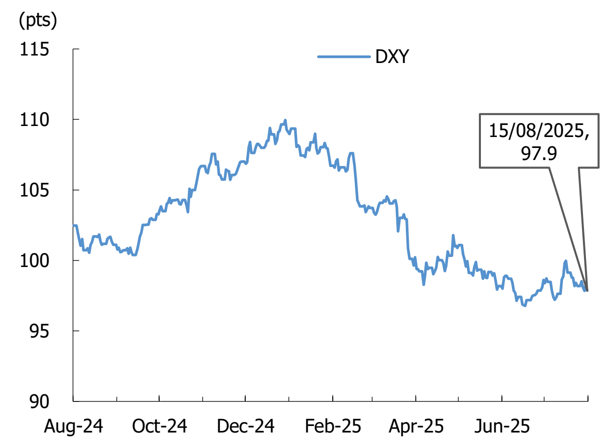
Source: GSO, KIS
Note: Updated until 06 August, 2025

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

		31W25	32W25	33W25	2025 YTD
China	USDCNY	0.33	-0.18	0.06	-1.57
EU	USDEUR	1.34	-0.46	-0.53	-11.53
Mexico	USDMXN	1.68	-1.52	1.01	-9.65
Vietnam	USDVND	0.28	0.03	0.19	3.08
Canada	USDCNY	0.61	-0.20	0.44	-4.21
Taiwan	USDTWD	1.95	-0.56	0.53	-8.77
Japan	USDJPY	-0.20	0.23	-0.37	-6.37
South Korea	USDKRW	0.47	-0.09	0.17	-5.54
Thailand	USDTHB	1.49	-1.61	0.29	-4.89
DXY	U.S. Dollar Index	1.53	-0.97	-0.33	-9.80

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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