

# Fixed-income Perspectives

## Dovish Fed, decisive SBV amid USDVND movement

### SBV injects liquidity modestly

In 34W25 (18 to 22 August), the SBV returned to net liquidity injection while a large batch of repos matured. The SBV injects VND2.89tn into the banking system, with VND100.55tn of repos maturing versus VND103.44tn newly issued, and no T-bill operations.

### Interbank rates rise

This week, interbank rates recorded a rise while trading value declined slightly. Specifically, the overnight, 1-week, 2-week, 1-month, and 3-month rates rose by 38bps, 35bps, 83bps, 39bps, and 37bps, respectively, to 4.78%, 4.90%, 5.38%, 5.33%, and 5.47%. Additionally, average trading value reached VND541.9tn, down 2.31% from the previous week.

### USDVND pressure accelerates

This week, USDVND jumped to a fresh record high before easing into the close, while the greenback softened on Friday. Globally, the dollar weakened after Fed Chair Jerome Powell’s remarks at the Jackson Hole Symposium that left the door open to a rate cut at the next FOMC meeting. USDVND spiked and then cooled to 26,358 (+0.33% or 86ppts) on Friday after the SBV announced cancelable USD forward sales, signaling proactive stabilization efforts from SBV.

### 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  
<sup>1</sup> Correlation to VNINDEX’s monthly return  
 Green = acceleration; yellow = deceleration; red = contraction.

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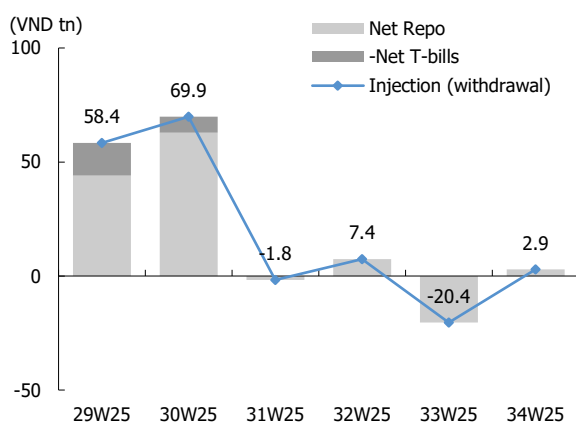
## I. SBV injects liquidity modestly

### SBV returns to net injection as demand rose

In 34W25 (18 to 22 August), the SBV returned to net liquidity injection while a large batch of repos matured. The SBV injects VND2.89tn into the banking system, with VND100.55tn of repos maturing versus VND103.44tn newly issued, and no T-bill operations.

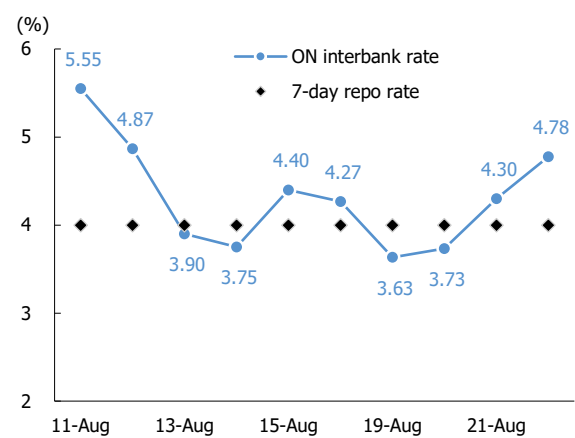
These open market operations highlight banks' strong funding needs, including the increased demand for capital ahead of the upcoming long holiday, as well as to support their business expansion in 2H25. In the coming weeks, we expect the SBV to continue prioritizing the smooth functioning of the banking system by maintaining adequate liquidity and mitigating 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-days tenor**

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
18-Aug-25	25-Aug-25	7	1.85	4.00
19-Aug-25	26-Aug-25	7	2.55	4.00
20-Aug-25	27-Aug-25	7	1.50	4.00
21-Aug-25	28-Aug-25	7	8.52	4.00
22-Aug-25	29-Aug-25	7	8.29	4.00
<b>Total</b>		<b>7</b>	<b>22.71</b>	<b>4.00</b>

Source: SBV, KIS

**Figure 4. Repo transactions: 14-days tenor**

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
18-Aug-25	1-Sep-25	14	1.91	4.00
19-Aug-25	2-Sep-25	14	2.67	4.00
20-Aug-25	3-Sep-25	14	2.00	4.00
21-Aug-25	4-Sep-25	14	16.40	4.00
22-Aug-25	5-Sep-25	14	30.00	4.00
<b>Total</b>		<b>14</b>	<b>52.99</b>	<b>4.00</b>

Source: SBV, KIS

**Figure 5. Repo transactions: 28 days tenor**

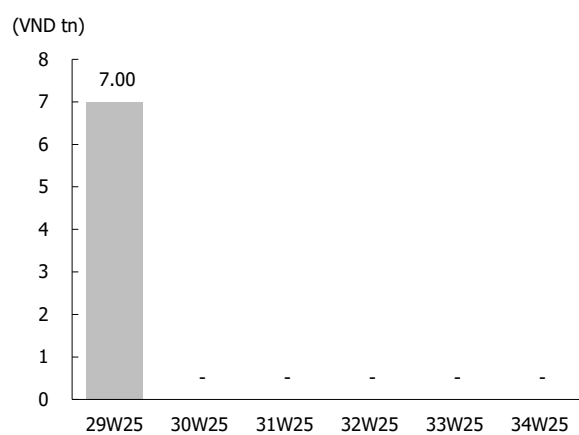
Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
18-Aug-25	15-Sep-25	28	1.36	4.00
19-Aug-25	16-Sep-25	28	2.45	4.00
20-Aug-25	17-Sep-25	28	0.70	4.00
21-Aug-25	18-Sep-25	28	1.43	4.00
22-Aug-25	19-Sep-25	28	13.84	4.00
<b>Total</b>		<b>28</b>	<b>19.78</b>	<b>4.00</b>

Source: SBV, KIS

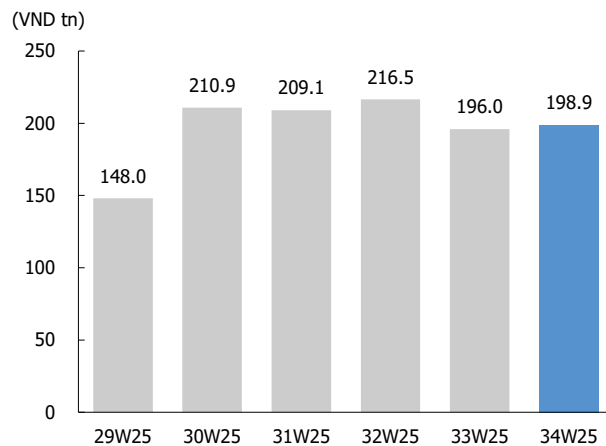
**Figure 6. Repo transactions: 28 days tenor**

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
19-Aug-25	18-Nov-25	91	3.37	4.00
20-Aug-25	19-Nov-25	91	1.71	4.00
21-Aug-25	20-Nov-25	91	1.72	4.00
22-Aug-25	21-Nov-25	91	1.17	4.00
<b>Total</b>		<b>91</b>	<b>7.97</b>	<b>4.00</b>

Source: SBV, KIS

**Figure 7. Outstanding amount of bills**

Source: SBV, KIS

**Figure 8. Outstanding amount of repos**

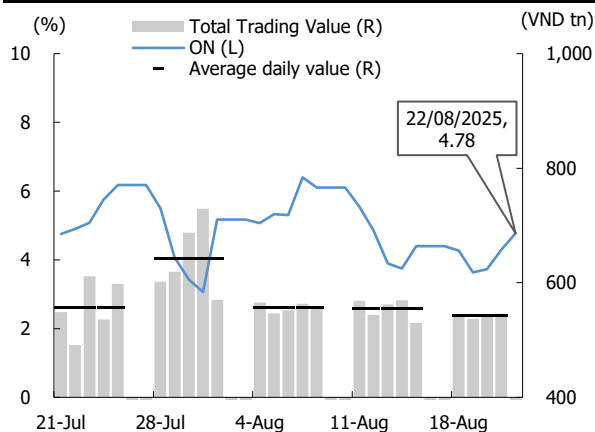
Source: SBV, KIS

## II. Interbank rates rise

### Interbank rates climb further as liquidity tightens

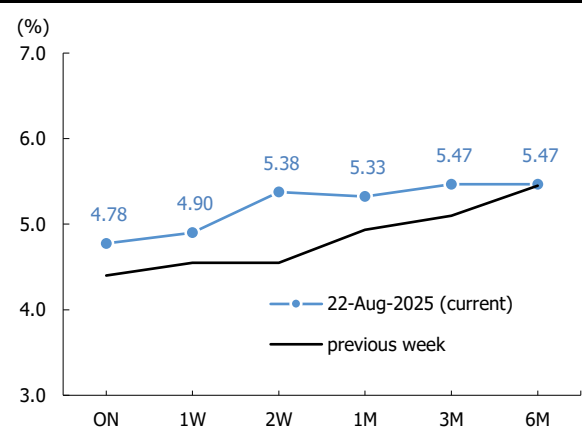
This week, interbank rates recorded a rise while trading value declined slightly. Specifically, the overnight (ON), 1-week (1W), 2-week (2W), 1-month (1M), and 3-month (3M) rates rose by 38bps, 35bps, 83bps, 39bps, and 37bps, respectively, to 4.78%, 4.90%, 5.38%, 5.33%, and 5.47%. Additionally, average trading value reached VND541.9tn, down 2.31% from the previous week. This development reflects prevailing liquidity pressures in the banking system as credit institutions accelerate disbursements to meet the rising demand ahead of the upcoming long holiday. We expect interbank rates to remain broadly stable around current levels in the coming weeks.

**Figure 9. Interbank daily transaction**



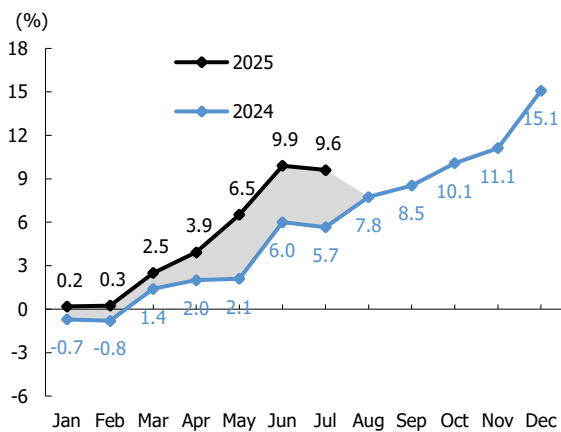
Source: SBV, Bloomberg, KIS

**Figure 10. Interbank rate curve**



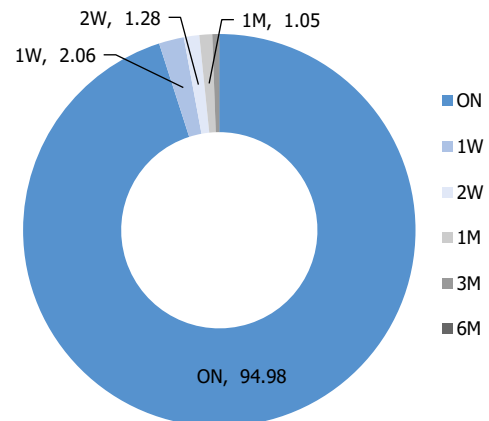
Source: SBV, Bloomberg, KIS

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



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

**Figure 12. Interbank transaction structure**



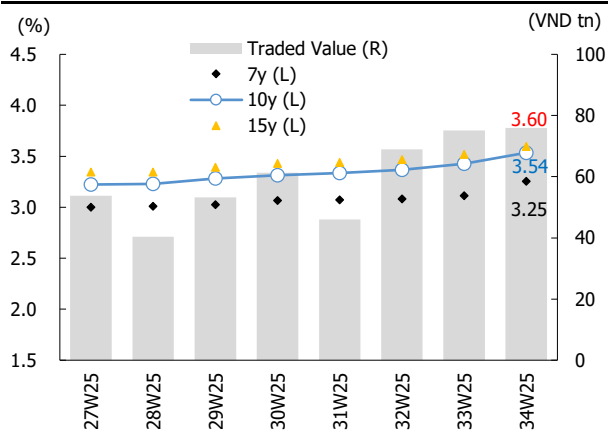
Source: SBV, Bloomberg, KISVN

### III. G-bond yields rise further

#### G-bond yields continue to rise in all tenors

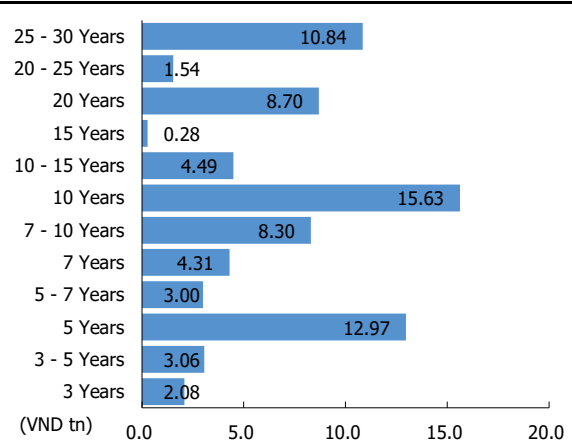
In 34W25, government bond (G-bond) yields on the secondary market continued to climb across maturities, while trading volume rose slightly. Specifically, yields on actively traded tenors such as 5-year, 7-year, 10-year, 15-year, 20-year, and 30-year—rose by 9bps, 14bps, 11bps, 8bps, 6bps, and 6bps, respectively, to 2.93%, 3.25%, 3.54%, 3.60%, 3.64%, and 3.72%. Total trading volume increased to VND75.93tn, up 1.14% from the previous week, averaging VND15.19tn per day and marking a fourth consecutive weekly increase, indicating persistent selling pressure in off-the-run bonds as on-the-run yields continue to rise in the primary market.

**Figure 13. G-bond traded value by week**



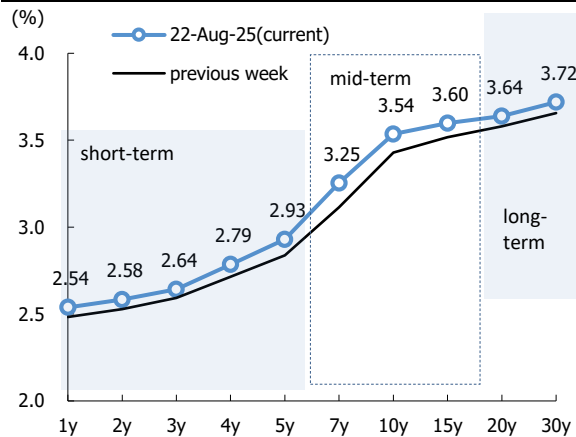
Source: HNX, Bloomberg, KIS

**Figure 14. G-bond traded value by tenor**



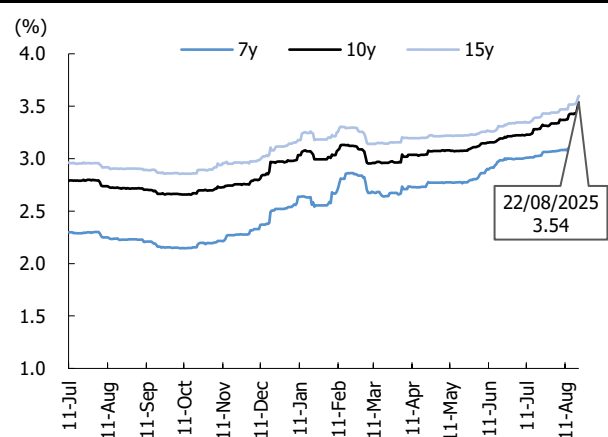
Source: HNX, Bloomberg, KIS

**Figure 15. G-bond trading yield curve**



Source: HNX, VBMA, KIS

**Figure 16. Historical daily government bond yields**

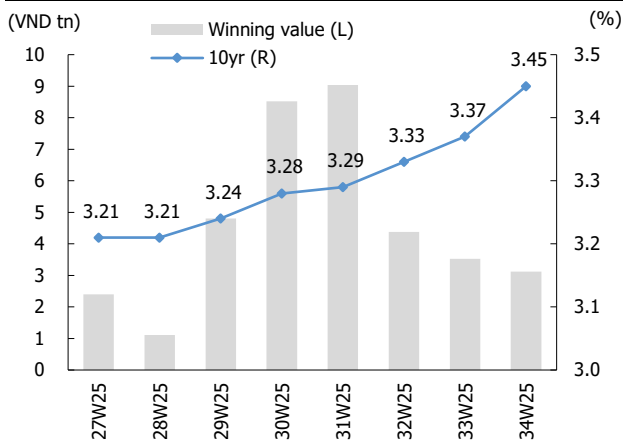


Source: HNX, VBMA, KIS

In the primary market, on-the-run G-bond yields continued to rise, with the 10-year yield up 8bps to 3.45%. Notably, the VST issued only VND3.12tn this week, down 11.5% from the previous week and the fourth straight decline in winning value, suggesting investors are waiting for higher yields amid significant issuance pressure to meet the annual plan and to compensate for the Vietnam Dong depreciation and inflation pressures, against a backdrop of accommodative fiscal and monetary policy. Since the start of 2025, total issuance has reached VND238.28tn, completing 47.7% of the full-year target, well behind the 57.6% pace in 2024. With less than half of the target met, issuance pressure is likely to intensify in the remaining months of the year,

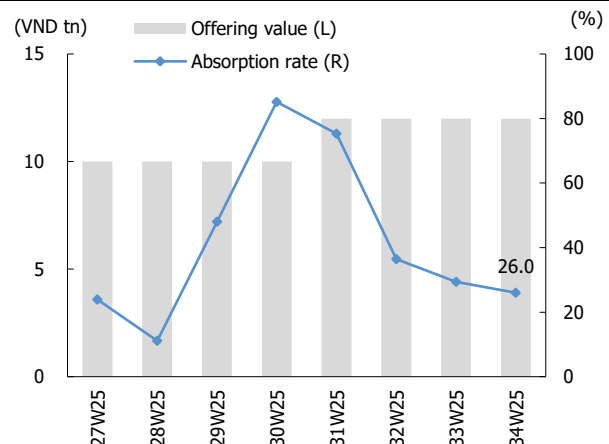
particularly for the preferred 10-year tenor, which could push G-bond yields higher and prompt investors to liquidate off-the-run bonds in the secondary market.

**Figure 17. Weekly winning values**



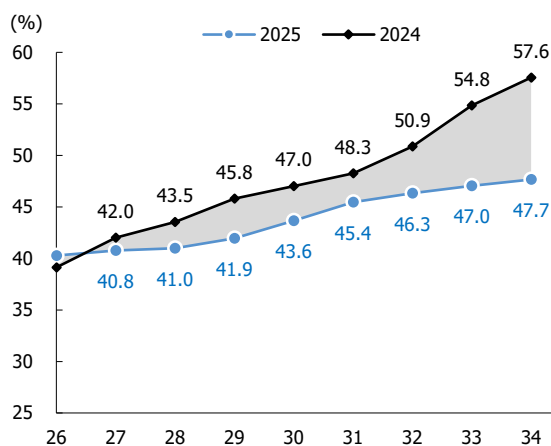
Source: HNX, KIS

**Figure 18. Weekly absorption rate**



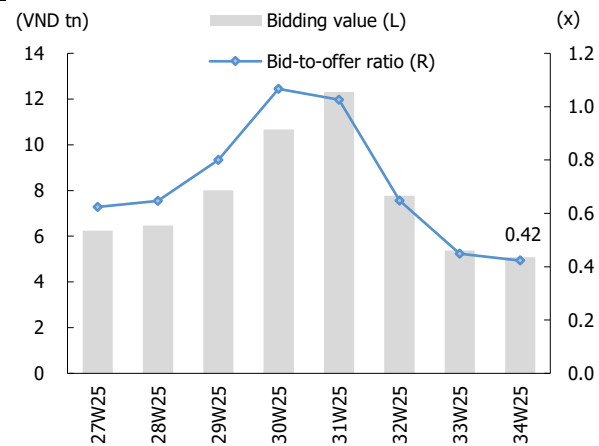
Source: HNX, KIS

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



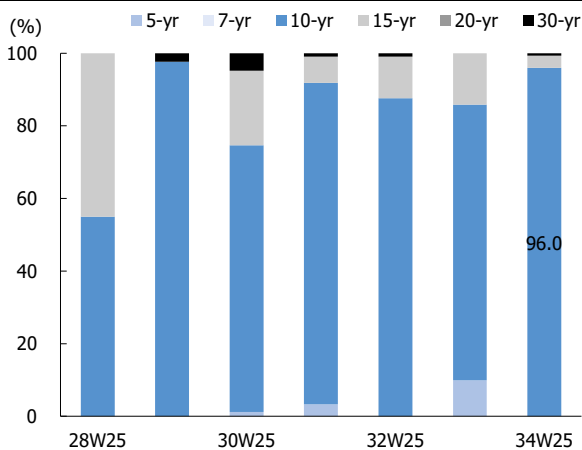
Source: HNX, KIS

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



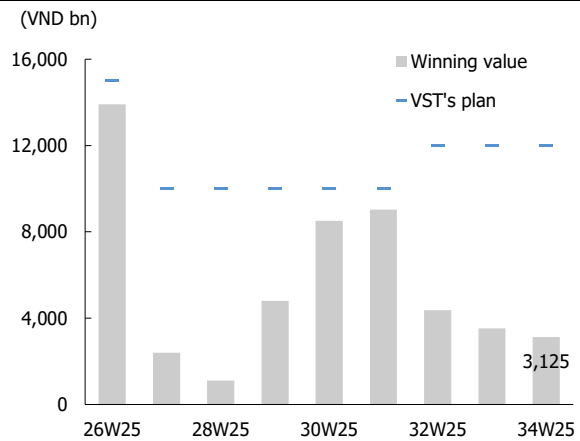
Source: HNX, KIS

**Figure 21. Weekly winning G-bond structure**



Source: HNX, KIS

**Figure 22. Weekly issued amount of G-bond**



Source: HNX, KIS

## IV. USDVND pressure accelerates

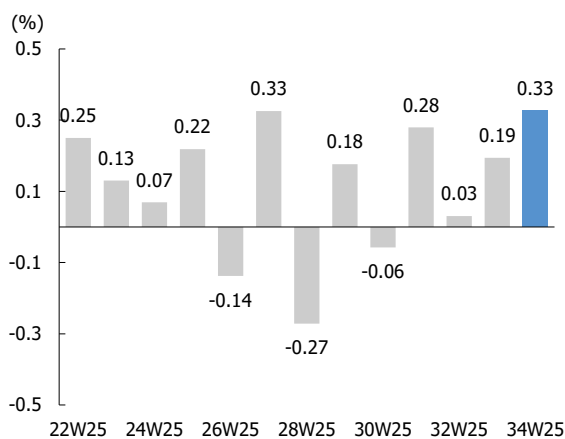
### ***Fed Chair Powell's speech and SBV's return to selling USD forwards take center stage***

This week, USDVND jumped to a fresh record high of 26,425 (+0.58% or 153ppts) before easing into the close, while the greenback softened on Friday. Globally, the dollar weakened after Fed Chair Jerome Powell's remarks at the Jackson Hole Symposium. Specifically in his speech, he pointed to some softening in the U.S. labor market, while noting that inflation expectations remain sticky amid tariff effects, leaving the door open to a rate cut at the September FOMC meeting. After the speech, the dollar index (DXY) fell 0.92% to 97.7 on Friday.

Domestically, USDVND spiked and then cooled to 26,358 (+0.33% or 86ppts) on Friday after the SBV announced cancelable USD forward sales with a 180-day tenor at a strike of 26,550. The move signals proactive stabilization efforts after the Vietnam dong has weakened by more than 3% so far—a trend that could persist without the SBV's intervention. In addition, foreign investors were net sellers of VND7.69tn, or 2.7% of HOSE trading value, which likely exerted some, albeit limited, upward pressure on USDVND.

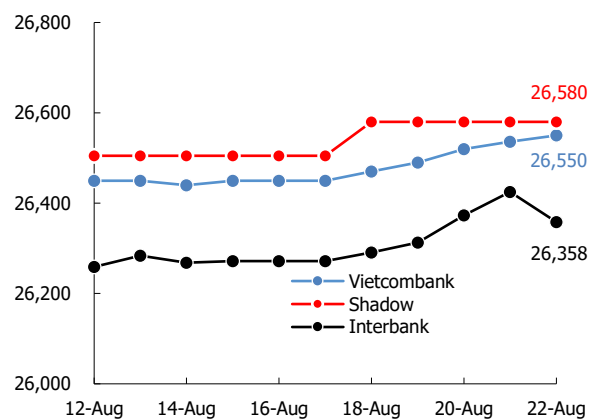
Across FX segments, Vietcombank's USDVND ask rate rose 0.38% (100ppts), while the shadow market advanced 0.28% (75ppts). As of Friday, ask prices stood at 26,550 at Vietcombank and 26,580 in the shadow market.

**Figure 23. Weekly USDVND performance**



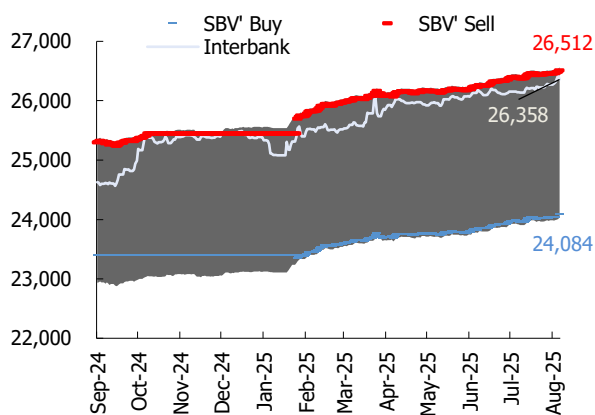
Source: Bloomberg, KIS

**Figure 24. VCB & shadow market USDVND spread**



Source: SBV, Vietcombank, KIS

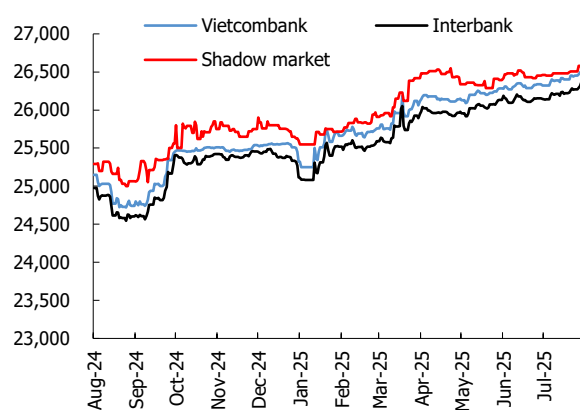
**Figure 25. SBV's movement**



Source: SBV, Bloomberg, Fiinpro, KIS

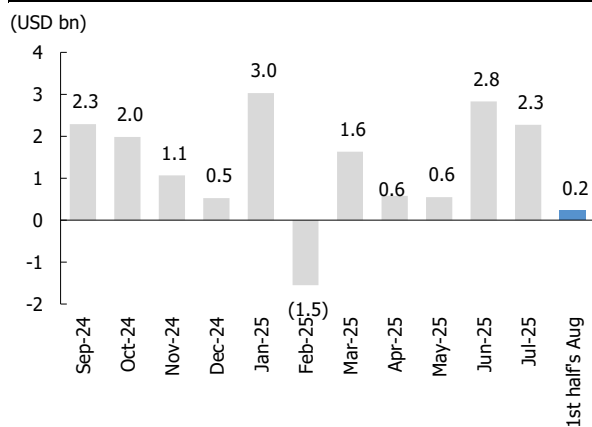
Note: shaded region is the daily trading band. The effective trading band is +/- 5% (the effective date is 17 October, 2022).

**Figure 26. USDVND by market**



Source: SBV, Bloomberg, KIS

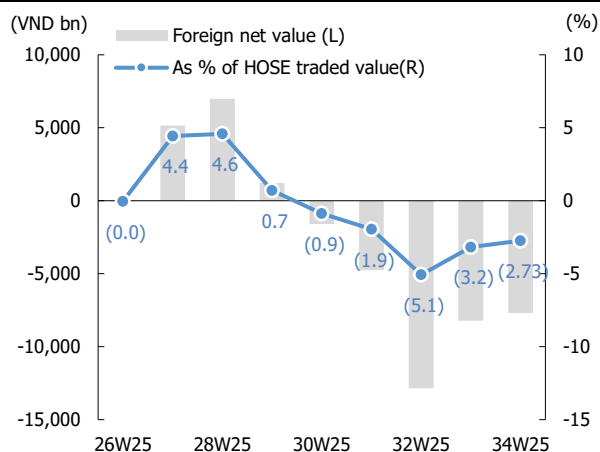
**Figure 27. Vietnam's trade balance by month**



Source: GSO, KIS

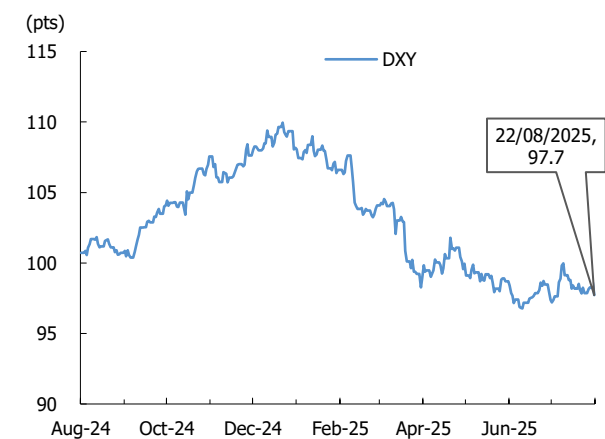
Note: Updated until 20 August, 2025

**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**

		32W25	33W25	34W25	2025 YTD
China	USDCNY	-0.18	0.06	-0.24	-1.81
EU	USDEUR	-0.46	-0.53	-0.13	-11.64
Mexico	USDMXN	-1.52	1.01	-0.94	-10.50
Vietnam	USDVND	0.03	0.19	0.33	3.41
Canada	USDCNY	-0.20	0.44	0.05	-4.16
Taiwan	USDTWD	-0.56	0.53	1.96	-6.98
Japan	USDJPY	0.23	-0.37	-0.17	-6.53
South Korea	USDKRW	-0.09	0.17	-0.53	-6.04
Thailand	USDTHB	-1.61	0.29	0.67	-4.25
DXY	U.S. Dollar Index	-0.97	-0.33	-0.14	-9.93

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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