

Fixed-income Perspectives

SBV withdraws liquidity after the holiday

SBV continues significant liquidity withdrawal

In 36W25 (01 to 05 September), the SBV continued with net liquidity withdrawal as a large batch of repos matured. Specifically, the SBV issued VND42.43tn of new repos this week, while VND80.15tn matured, resulting in a net withdrawal of VND37.72tn.

Short-term interbank rates cool

This week on the interbank market, rates continued to fall across most tenors while trading volumes rose significantly. Specifically, the overnight rate edged up 5bps to 3.85%, while the 1-week, 2-week, 1-month, and 3-month rates fell by 6bps, 15bps, 33bps, and 20bps to 4.18%, 4.55%, 4.87%, and 5.25%. Additionally, average trading volume increased to VND878.27tn, up 27.16% from the previous week.

USDVND surges

This week, USDVND rose 0.20% (53ppts), while the greenback ended flat on Friday. Globally, the USD strengthened earlier in the week but lost momentum toward the weekend, closing unchanged on Friday. Weak economic data and soft labor market conditions have reinforced expectations of a Fed rate cut as soon as September, adding depreciation pressure on the dollar. Domestically, in only three trading sessions, foreign investors recorded a net sell of VND5.05tn, equivalent to 4% of HOSE's weekly trading value. This was likely among the factors contributing to the upward pressure on USDVND during the week.

Vietnam economic indicators

	25-Mar	25-Apr	25-May	25-Jun	25-Jul	25-Aug	corr.
Disbursed FDI %YoY	9.9	7.7	9.8	8.7	10.3	11.9	-0.22
Retail sales %YoY	9.8	9.3	9.5	8.3	8.6	10.6	-0.17
Export %YoY	14.5	19.7	17.0	16.4	16.0	14.5	-0.07
Import %YoY	19.0	22.8	14.1	20.2	17.8	17.7	0.02
Trade balance (USD bn)	1.6	0.6	0.6	2.9	2.3	3.7	-0.05
CPI %MoM	-0.03	0.07	0.16	0.48	0.11	0.05	-0.04
Credit %YoY	14.1	17.6	18.5	16.8	19.1	19.9	-0.28
USDVND %MoM	0.03	1.64	0.15	0.30	0.39	0.55	-0.32
PMI (pts)	50.5	45.6	49.8	48.9	52.4	50.4	-0.07
VNINDEX return (%)	0.1	-6.1	9.2	3.5	9.3	12.1	1.00

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

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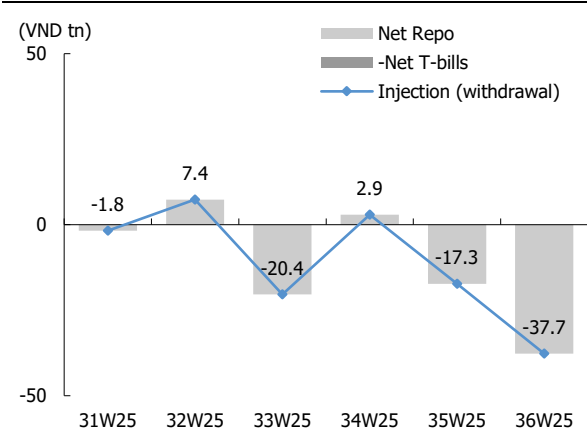
I. SBV continues significant liquidity withdrawal

SBV maintains strong net withdrawal

In 36W25 (01 to 05 September), the SBV continued with net liquidity withdrawal as a large batch of repos matured. Specifically, the SBV issued VND42.43tn of new repos this week, while VND80.15tn matured, resulting in a net withdrawal of VND37.72tn.

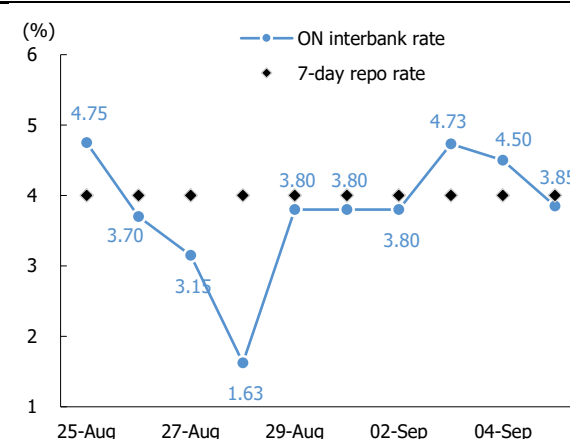
These developments indicate that liquidity pressures have eased, allowing the SBV to reduce outstanding repos. In the coming weeks, we expect the SBV to remain focused on ensuring the smooth functioning of the banking system by maintaining adequate liquidity and preventing funding cost pressures in the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

Figure 1. Net injection (withdrawal) of liquidity



Source: SBV, KIS

Figure 2. Interest rate corridor



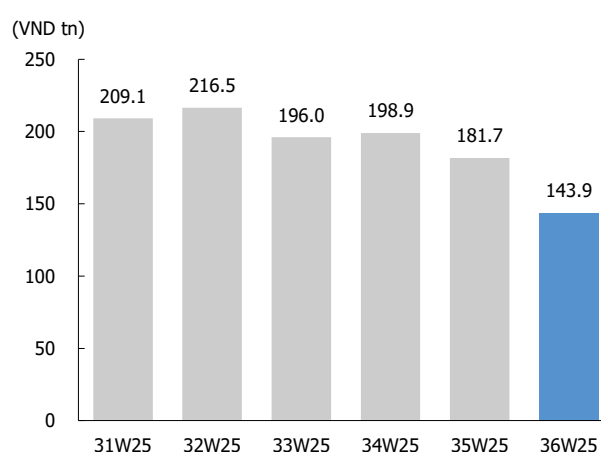
Source: SBV, KIS

Figure 3. Repo transactions:

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
3-Sep-25	10-Sep-25	7	20.89	4.00
4-Sep-25	11-Sep-25	7	1.53	4.00
3-Sep-25	17-Sep-25	14	5.00	4.00
4-Sep-25	18-Sep-25	14	9.07	4.00
3-Sep-25	1-Oct-25	28	2.44	4.00
4-Sep-25	2-Oct-25	28	3.51	4.00
Total			42.43	4.00

Source: SBV, KIS

Figure 4. Outstanding amount of repos



Source: SBV, KIS

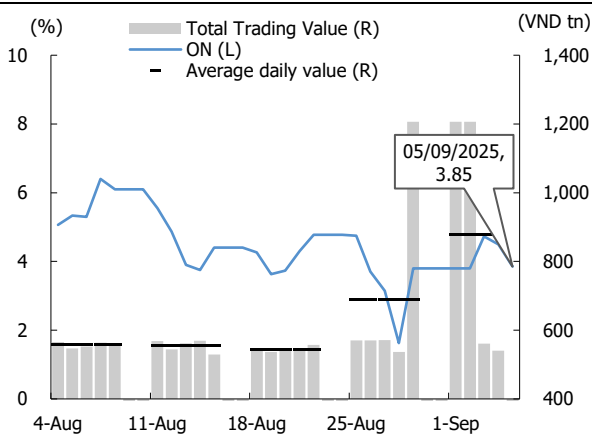
II. Short-term interbank rates cool

Interbank rates decline across most tenors

This week on the interbank market, rates continued to fall across most tenors while trading volumes rose significantly. Specifically, the overnight (ON) rate edged up 5bps to 3.85%, while the 1-week (1W), 2-week (2W), 1-month (1M), and 3-month (3M) rates fell by 6bps, 15bps, 33bps, and 20bps to 4.18%, 4.55%, 4.87%, and 5.25%. Additionally, average trading volume increased to VND878.27tn, up 27.16% from the previous week.

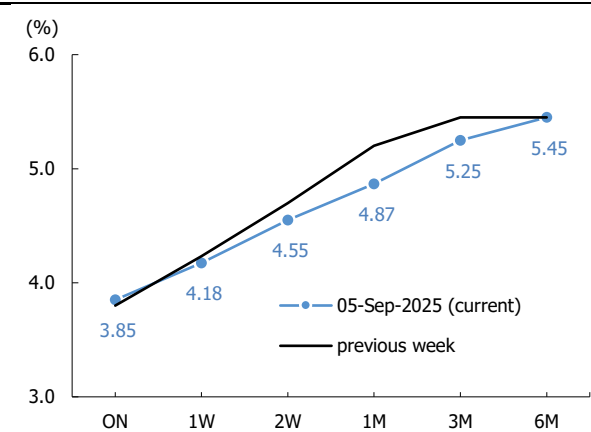
These dynamics indicate that funding conditions remain favorable. Lower rates point to reduced funding pressure and higher trading volumes signal healthy activity, which likely nudged the ON rate slightly higher. We expect interbank rates to remain broadly stable around current levels in the coming weeks to support this year's growth targets.

Figure 5. Interbank daily transaction



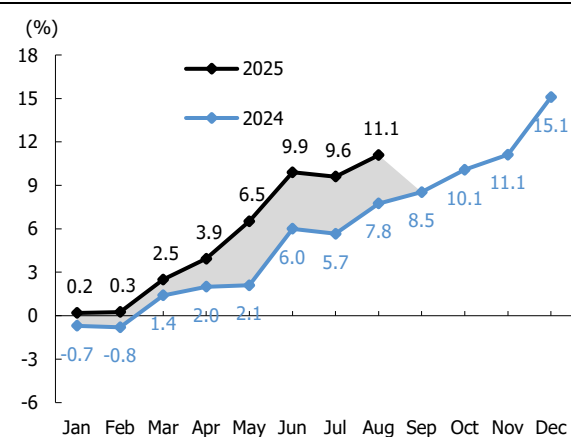
Source: SBV, Bloomberg, KIS

Figure 6. Interbank rate curve



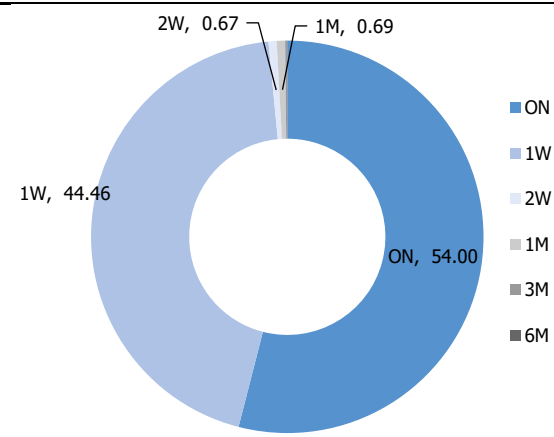
Source: SBV, Bloomberg, KIS

Figure 7. Credit growth by month of the year



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

Figure 8. Interbank transaction structure



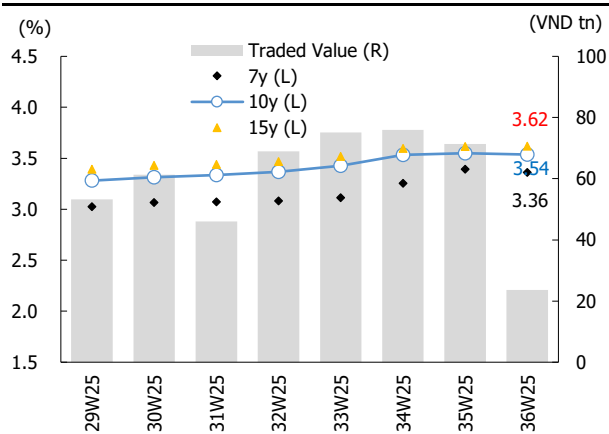
Source: SBV, Bloomberg, KISVN

III. G-bond yields diverge

G-bond activity muted amid the holiday effect

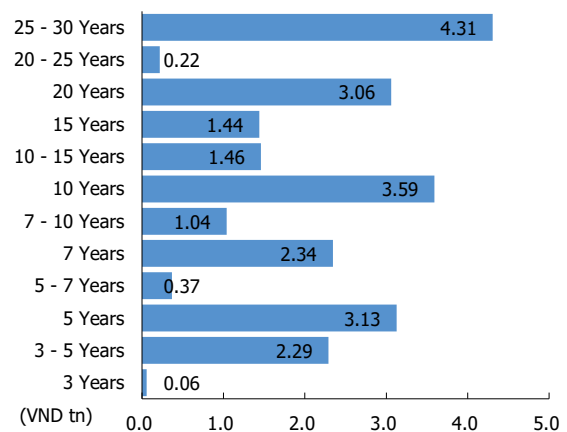
In 36W25, secondary-market G-bond yields showed a mixed trend, while trading value plummeted due to the holiday effect. Specifically, yields on the 1-year, 2-year, and 3-year tenors rose by 2bps each, while the 4-year tenor gained 1bp, reaching 2.65%, 2.69%, 2.75%, and 2.88%, respectively. Conversely, yields on the 7-year and 10-year tenors declined by 3bps and 1bp, to 3.36% and 3.54%, respectively, while the 5-year and 15-year tenors remained unchanged from the prior week. Total trading value over the three sessions stood at VND23.64tn, down sharply by 66.85% WoW, indicating slower selling pressure that may reflect the holiday effect.

Figure 9. G-bond traded value by week



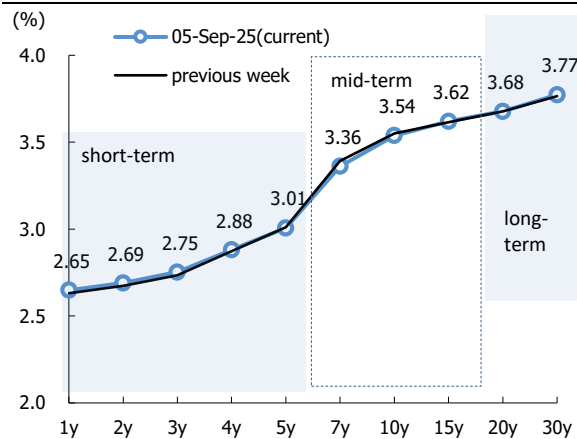
Source: HNX, Bloomberg, KIS

Figure 10. G-bond traded value by tenor



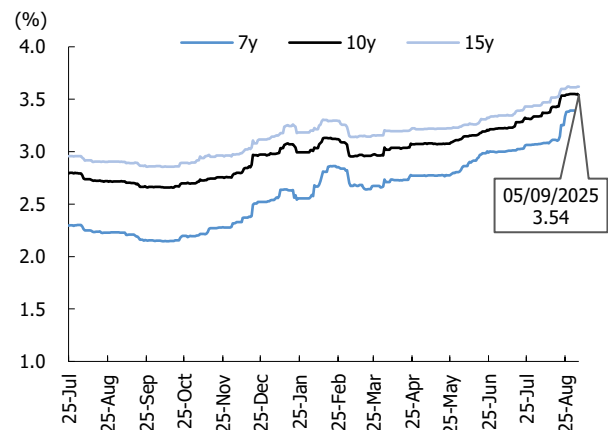
Source: HNX, Bloomberg, KIS

Figure 11. G-bond trading yield curve



Source: HNX, VBMA, KIS

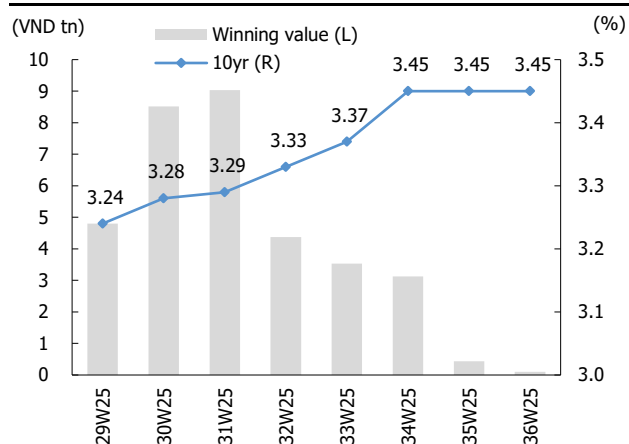
Figure 12. Historical daily government bond yields



Source: HNX, VBMA, KIS

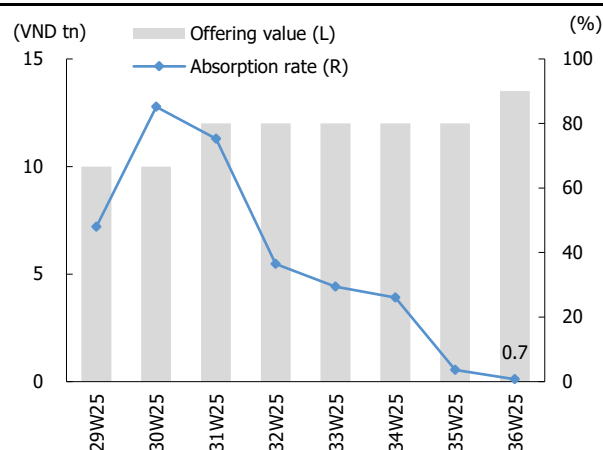
On the primary market, the 10-year yield was unchanged at 3.45%, while the winning value continued to drop sharply. The VST issued only VND0.10tn this week, down 77.0% from the previous week. To date, total issuance has reached VND238.81tn, completing 47.8% of the full-year target and trailing the 60.2% pace in 2024. With less than half of the target achieved, issuance pressure is likely to build in the coming months, particularly for the preferred 10-year tenor, which could push G-bond yields higher and prompt investors to offload off-the-run bonds in the secondary market.

Figure 13. Weekly winning values



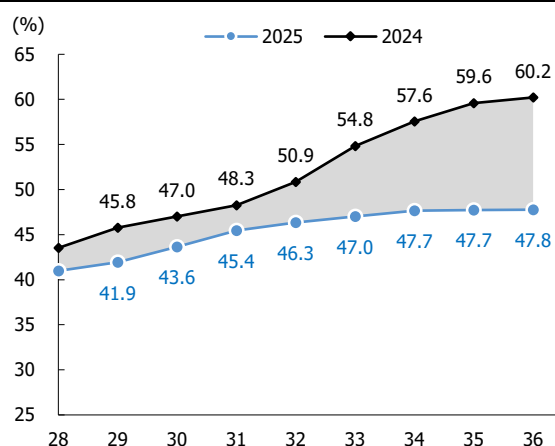
Source: HNX, KIS

Figure 14. Weekly absorption rate



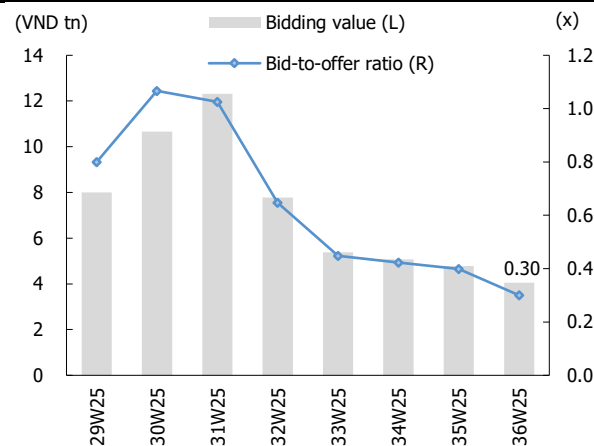
Source: HNX, KIS

Figure 15. Completion ratio by week-of-the-year



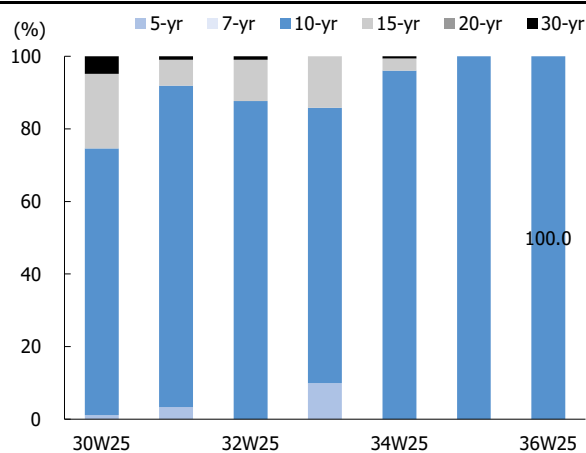
Source: HNX, KIS

Figure 16. Weekly bid-to-offer ratio



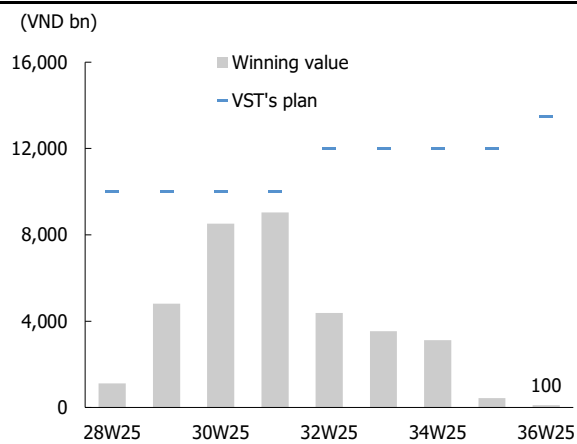
Source: HNX, KIS

Figure 17. Weekly winning G-bond structure



Source: HNX, KIS

Figure 18. Weekly issued amount of G-bond



Source: HNX, KIS

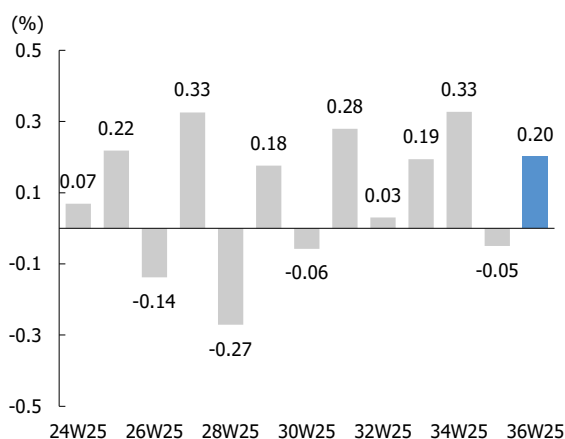
IV. USDVND surges

USDVND rise sharply

This week, USDVND rose 0.20% (53ppts), while the greenback ended flat on Friday. Globally, the USD strengthened earlier in the week but lost momentum toward the weekend, closing unchanged on Friday. Weak economic data and soft labor market conditions have reinforced expectations of a Fed rate cut as soon as September, adding depreciation pressure on the dollar. Domestically, in only three trading sessions, foreign investors recorded a net sell of VND5.05tn, equivalent to 4% of HOSE's weekly trading value. This was likely among the factors contributing to the upward pressure on USDVND during the week.

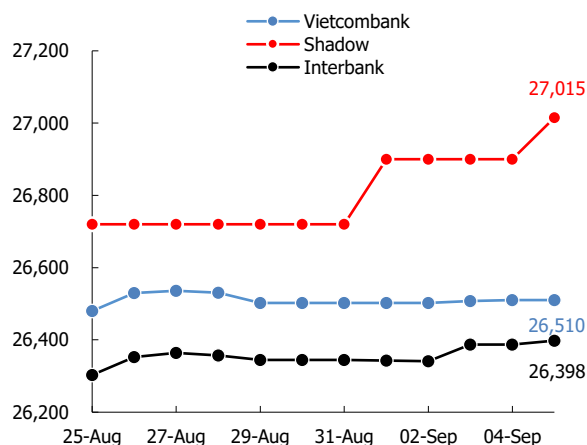
Across FX segments, Vietcombank's USDVND ask rate rose 0.03% (8ppts), while the shadow market rose 0.67% (180ppts). As of Friday, ask prices stood at 26,510 at Vietcombank and 26,900 in the shadow market.

Figure 19. Weekly USDVND performance



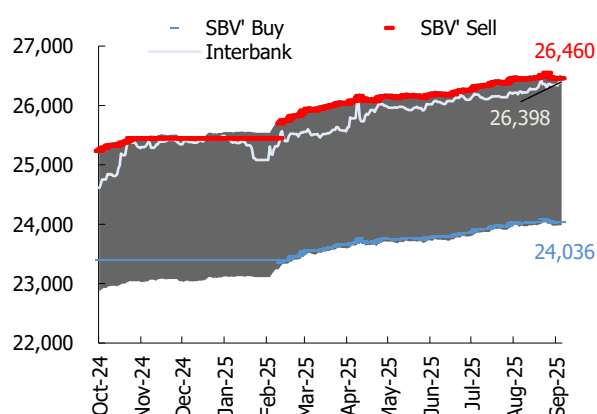
Source: Bloomberg, KIS

Figure 20. VCB & shadow market USDVND spread



Source: SBV, Vietcombank, KIS

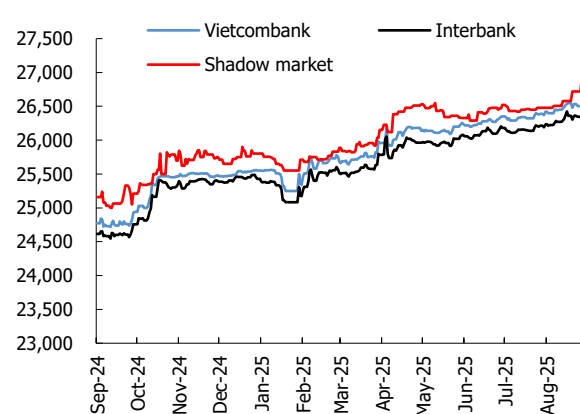
Figure 21. SBV's movement



Source: SBV, Bloomberg, Fiinpro, KIS

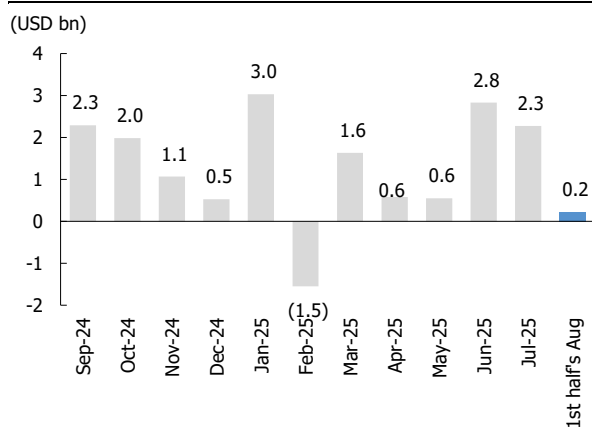
Note: shaded region is the daily trading band. The effective trading band is +/- 5% (the effective date is 17 October, 2022).

Figure 22. USDVND by market



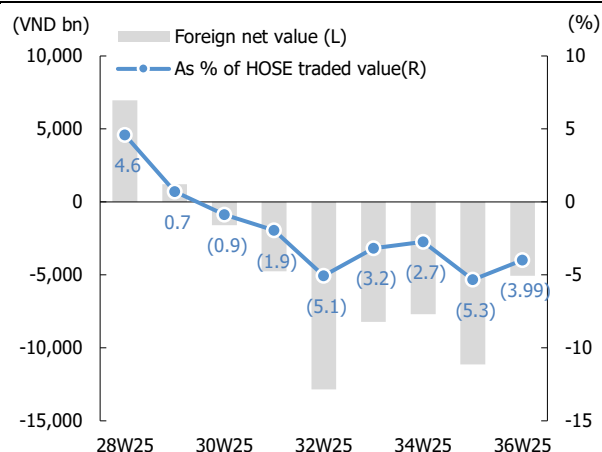
Source: SBV, Bloomberg, KIS

Figure 23. Vietnam's trade balance by month



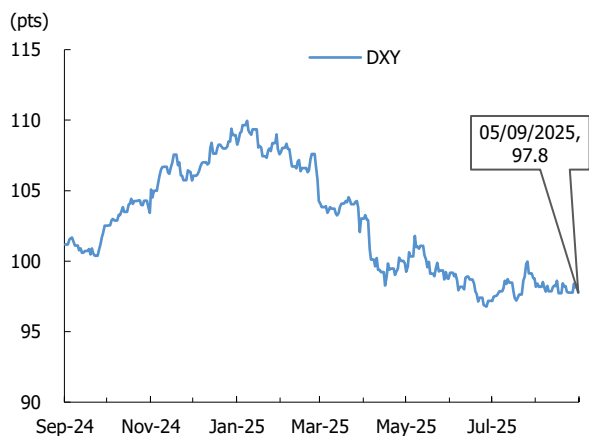
Source: GSO, KIS
Note: Updated until 20 August, 2025

Figure 24. Trading of the foreign bloc in Vietnamese stock market



Source: Fiinpro, KIS

Figure 25. Historical DXY



Source: Bloomberg, KIS

Figure 26. Weekly change of USDVND and peers

		34W25	35W25	36W25	2025 YTD
China	USDCNY	-0.24	-0.51	0.03	-2.28
EU	USDEUR	-0.13	0.27	-0.26	-11.63
Mexico	USDMXN	-0.94	0.39	0.32	-9.86
Vietnam	USDVND	0.33	-0.05	0.20	3.57
Canada	USDCNY	0.05	-0.61	0.65	-4.13
Taiwan	USDTWD	1.96	0.02	0.00	-6.96
Japan	USDJPY	-0.17	0.07	0.26	-6.22
South Korea	USDKRW	-0.53	0.50	-0.21	-5.77
Thailand	USDTHB	0.67	-0.77	-0.62	-5.58
DXY	U.S. Dollar Index	-0.14	0.06	0.00	-9.88

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

Macro scorecard

	25-Apr	25-May	25-Jun	25-Jul	25-Aug	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)	4.08	2.82	3.14	2.57	2.05	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)	38.51	37.45	39.49	42.27	43.39	108.6	105.9	102.84	116.93	335.7	371.85	355.5	405.5
Import (USD bn)	36.88	36.87	36.66	40.00	39.67	99.7	101.9	99.68	112.52	331.1	360.65	327.5	380.8
Export growth (%)	14.49	19.75	16.31	15.95	14.50	15.82	11.46	10.64	18.03	18.74	10.61	-4.4	14.3
Import growth (%)	18.99	22.95	20.16	17.77	17.71	17.19	14.91	17.03	18.77	25.9	8.35	-8.9	16.7
Inflation (%)	3.13	3.12	3.57	3.19	3.24	3.48	2.87	3.22	3.31	1.84	3.15	3.25	3.63
USDVND	25,565	25,983	26,121	26,199	26,345	24,093	25,386	25,565	26,121	22,790	23,650	23,784	25,386
Credit growth (%)	16.3	18.53	17.48	19.12	19.91	16.1	13.8	16.3	17.48	13.61	14.2	13.7	13.8
10Y gov't bond (%)	3.06	3.20	3.34	3.45	3.69	2.66	2.94	3.06	3.34	2.11	5.08	2.39	2.94

Source: GSO, Bloomberg, FIA, IMF

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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