

Fixed-income Perspectives

USDVND moves sideways ahead of the FOMC

SBV extends liquidity drain

In 37W25 (08 to 12 September), the SBV continued with net liquidity withdrawal as a large batch of repos matured. Specifically, the SBV issued VND51.02tn of new repos this week, while VND65.21tn matured, resulting in a net withdrawal of VND14.19tn.

Interbank rates steady

This week on the interbank market, rates adjusted slightly while trading value declined significantly. Specifically, the overnight, 1-month and 3-month rate edged up 12bps to 3.97%, while the 1-week and 2-week rates fell by 1bp and 22bps to 4.17%, and 4.33%. Additionally, average trading value decreased to VND670.41tn, down 16.95% from the previous week.

USDVND edges lower

This week, USDVND was broadly flat, edging down 0.03%, while the DXY fell 0.83% on Friday. Globally, the main focus remains expectations for a Fed rate cut at next week's FOMC meeting, as labor-market softness outweighs inflation stickiness. According to CME FedWatch, the probability of a September cut is 100%, with a small share of investors even pricing a 50bps move, similar to last September when the Fed began its pivot. Domestically, USDVND inched down to 26,391 on Friday after the holiday, and foreign investors were net sellers of VND5.08tn, or 2.7% of HOSE trading value this 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.

Contents

I. SBV extends liquidity drain	1
II. Interbank rates steady	3
III. G-bond yields little changed	4
IV. USDVND edges lower	6
Macro scorecard	8
Appendix	9

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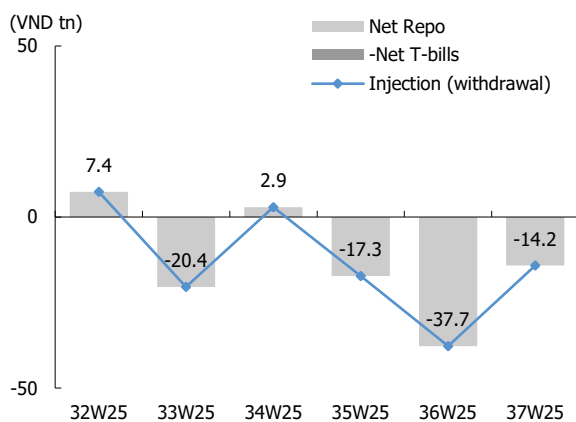
I. SBV extends liquidity drain

SBV third straight net withdrawal

In 37W25 (08 to 12 September), the SBV continued with net liquidity withdrawal as a large batch of repos matured. Specifically, the SBV issued VND51.02tn of new repos this week, while VND65.21tn matured, resulting in a net withdrawal of VND14.19tn.

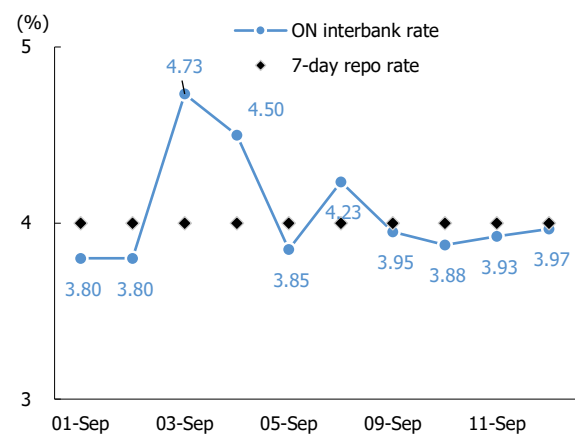
The SBV has conducted net withdrawals for three consecutive weeks, suggesting that some banks are holding excess liquidity, which allows the SBV to further reduce outstanding repos. In the coming weeks, we expect the SBV to remain focused on ensuring the smooth functioning of the banking system by maintaining 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 days tenor

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
8-Sep-25	15-Sep-25	7	13.45	4.00
9-Sep-25	16-Sep-25	7	1.00	4.00
10-Sep-25	17-Sep-25	7	1.00	4.00
11-Sep-25	18-Sep-25	7	1.00	4.00
12-Sep-25	19-Sep-25	7	10.00	4.00
Total		7	26.45	4.00

Source: SBV, KIS

Figure 4. Repo transactions: 14 days tenor

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
8-Sep-25	22-Sep-25	14	9.44	4.00
9-Sep-25	23-Sep-25	14	2.00	4.00
10-Sep-25	24-Sep-25	14	1.00	4.00
11-Sep-25	25-Sep-25	14	2.00	4.00
12-Sep-25	26-Sep-25	14	1.00	4.00
Total		14	15.44	4.00

Source: SBV, KIS

Figure 5. Repo transactions: 28 days tenor

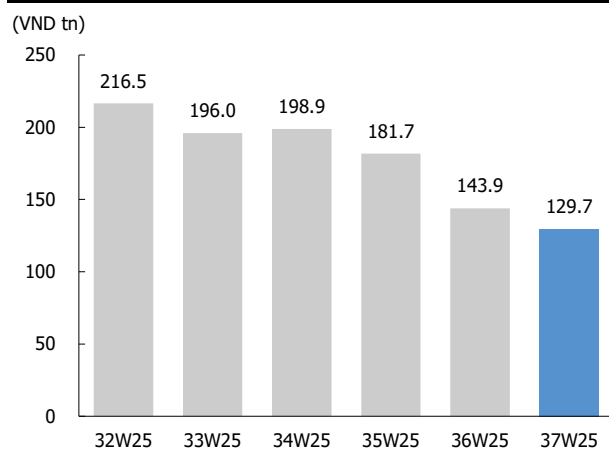
Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
8-Sep-25	6-Oct-25	28	0.01	4.00
9-Sep-25	7-Oct-25	28	3.00	4.00
10-Sep-25	8-Oct-25	28	1.00	4.00
11-Sep-25	9-Oct-25	28	1.00	4.00
12-Sep-25	10-Oct-25	28	1.00	4.00
Total		28	6.01	4.00

Source: SBV, KIS

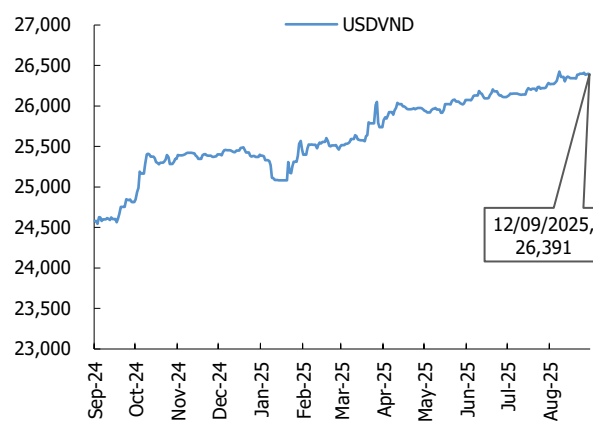
Figure 6. Repo transactions: 91 days tenor

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
8-Sep-25	8-Dec-25	91	0.18	4.00
10-Sep-25	10-Dec-25	91	0.98	4.00
11-Sep-25	11-Dec-25	91	0.09	4.00
12-Sep-25	12-Dec-25	91	1.85	4.00
Total		91	3.11	4.00

Source: SBV, KIS

Figure 7. Outstanding amount of repos

Source: SBV, KIS

Figure 8. USDVND movement

Source: SBV, KIS

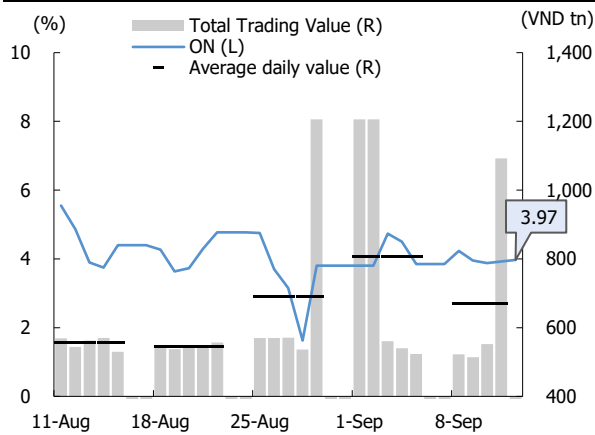
II. Interbank rates steady

Interbank rates steady as trading falls

This week on the interbank market, rates adjusted slightly while trading value declined significantly. Specifically, the overnight (ON), 1-month and 3-month rate edged up 12bps to 3.97%, while the 1-week (1W) and 2-week (2W) rates fell by 1bp and 22bps to 4.17%, and 4.33%. Additionally, average trading value decreased to VND670.41tn, down 16.95% from the previous week.

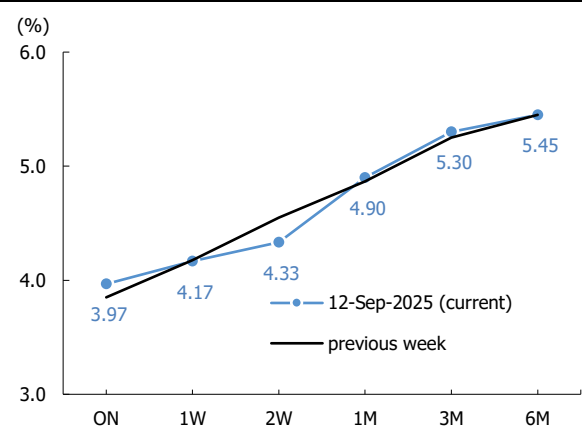
Interbank rates fluctuated slightly while trading value declined sharply, indicating that liquidity pressures eased over the past week. We expect interbank rates to remain broadly stable around current levels in the coming weeks to support this year's growth targets.

Figure 9. Interbank daily transaction



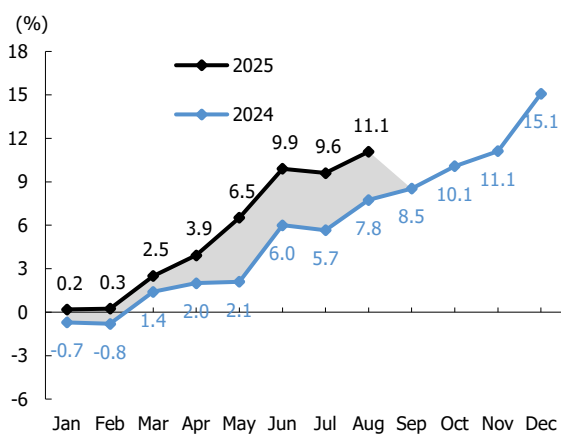
Source: SBV, Bloomberg, KIS

Figure 10. Interbank rate curve



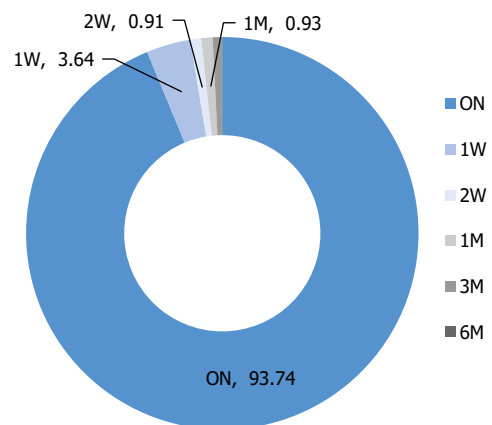
Source: SBV, Bloomberg, KIS

Figure 11. Credit growth by month of the year



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

Figure 12. Interbank transaction structure



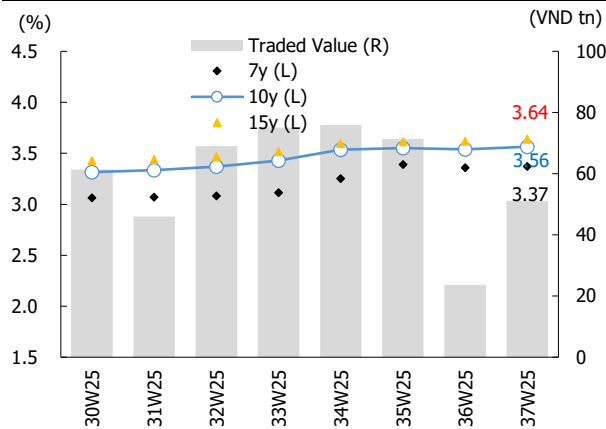
Source: SBV, Bloomberg, KISVN

III. G-bond yields little changed

G-bond activity rebounds after the holiday

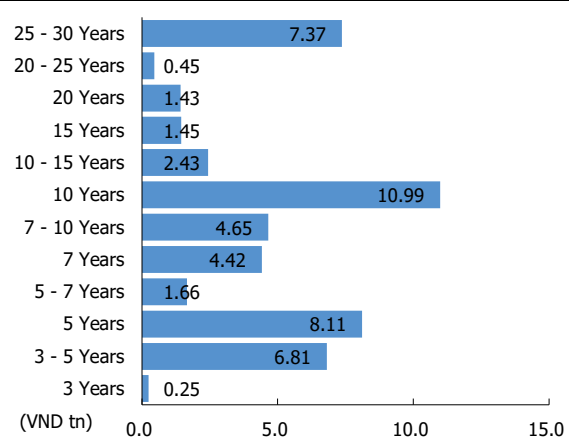
In 37W25, secondary-market G-bond yields were largely unchanged across maturities, while trading volume recovered after the holiday. For the most actively traded tenors, the 5-year, 7-year, 10-year and 15-year rose 1bp, 1bp, 3bps and 2bps respectively to reach 3.02%, 3.37%, 3.56% and 3.64%. Total trading volume increased to VND51.12tn, up 116.24% from the previous week and averaging VND17.04tn per day as the holiday effect faded.

Figure 13. G-bond traded value by week



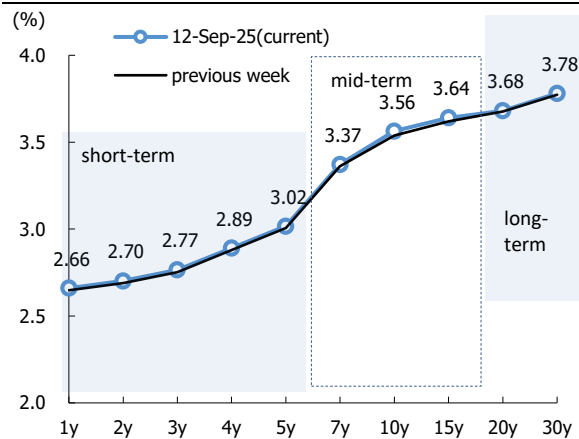
Source: HNX, Bloomberg, KIS

Figure 14. G-bond traded value by tenor



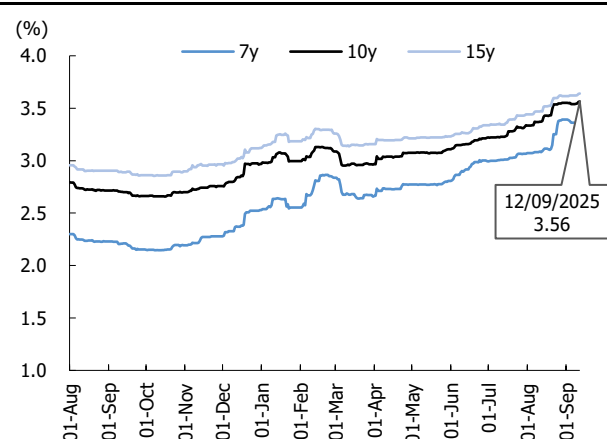
Source: HNX, Bloomberg, KIS

Figure 15. G-bond trading yield curve



Source: HNX, VBMA, KIS

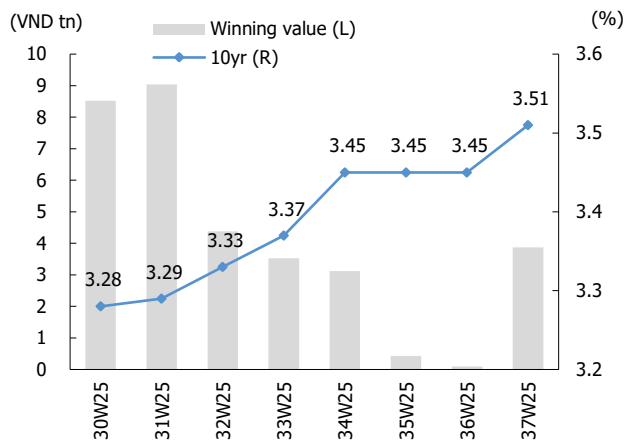
Figure 16. Historical daily government bond yields



Source: HNX, VBMA, KIS

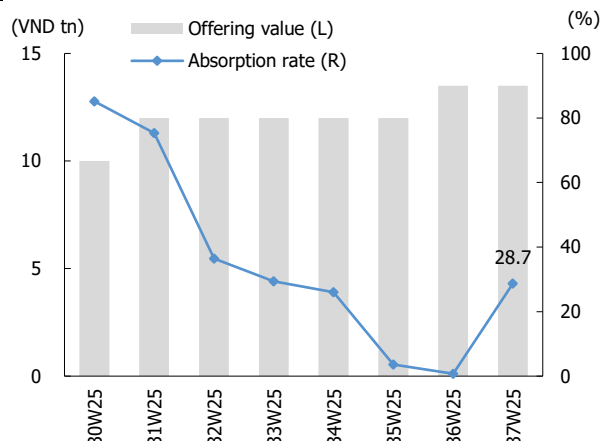
On the primary market, the 10-year yield rose 6bps to 3.51%, and the winning value rebounded sharply, also reflecting a post-holiday pickup in activity. To date, the VST has issued VND242.69tn, completing 48.5% of the full-year target and well behind the 63.5% pace in 2024. With less than half of the target completed, issuance pressure is likely to intensify in the remaining months, 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



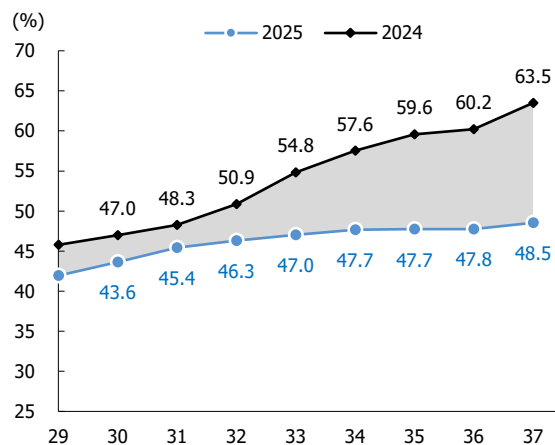
Source: HNX, KIS

Figure 18. Weekly absorption rate



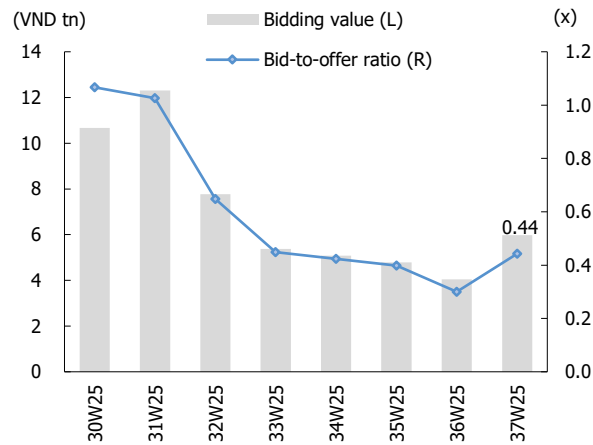
Source: HNX, KIS

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



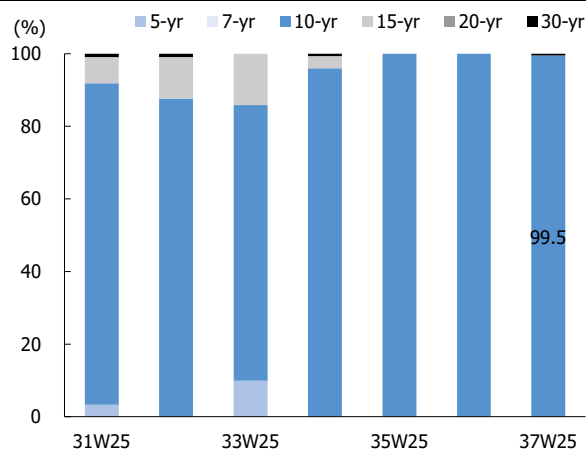
Source: HNX, KIS

Figure 20. Weekly bid-to-offer ratio



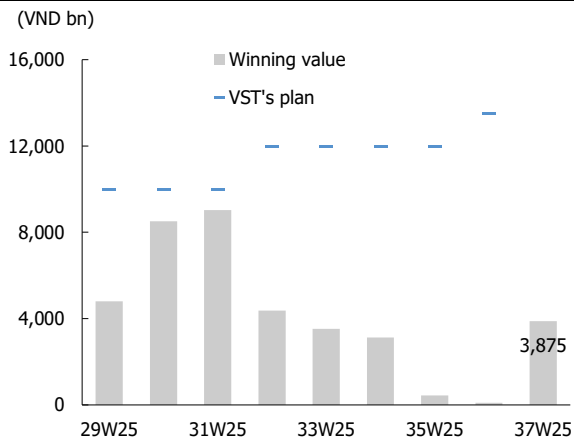
Source: HNX, KIS

Figure 21. Weekly winning G-bond structure



Source: HNX, KIS

Figure 22. Weekly issued amount of G-bond



Source: HNX, KIS

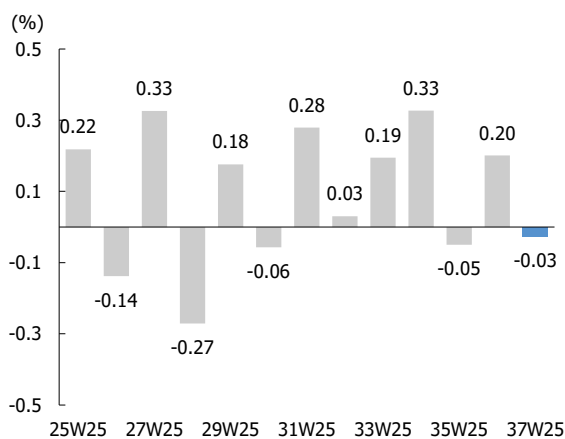
IV. USDVND edges lower

USDVND nearly unchanged ahead of the FOMC meeting

This week, USDVND was broadly flat, edging down 0.03% (7ppts), while the DXY fell 0.83% on Friday. Globally, the main focus remains expectations for a Fed rate cut at next week's FOMC meeting, as labor-market softness outweighs inflation stickiness. According to CME FedWatch, the probability of a September cut is 100%, with a small share of investors even pricing a 50bps move, similar to last September when the Fed began its pivot. Domestically, USDVND inched down to 26,391 on Friday after the holiday, and foreign investors were net sellers of VND5.08tn, or 2.7% of HOSE trading value this week.

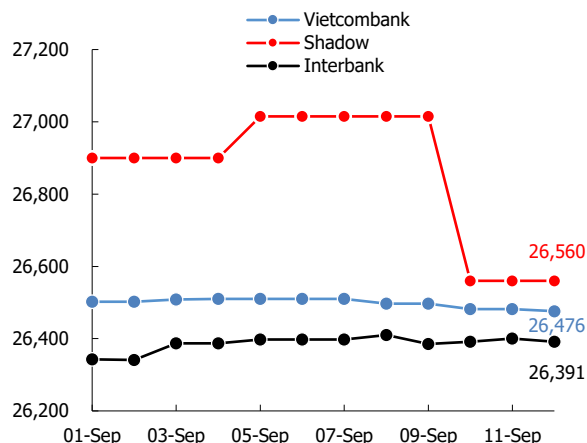
Across FX segments, Vietcombank's USDVND ask rate fell 0.13% (34ppts), while the shadow market declined 1.68% (455ppts). As of Friday, ask prices stood at 26,476 at Vietcombank and 26,560 in the shadow market.

Figure 23. Weekly USDVND performance



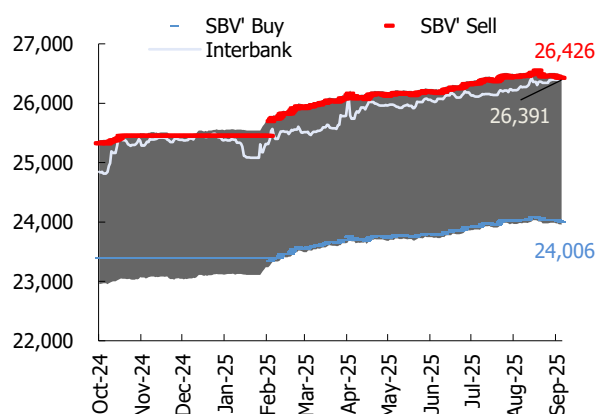
Source: Bloomberg, KIS

Figure 24. VCB & shadow market USDVND spread



Source: SBV, Vietcombank, KIS

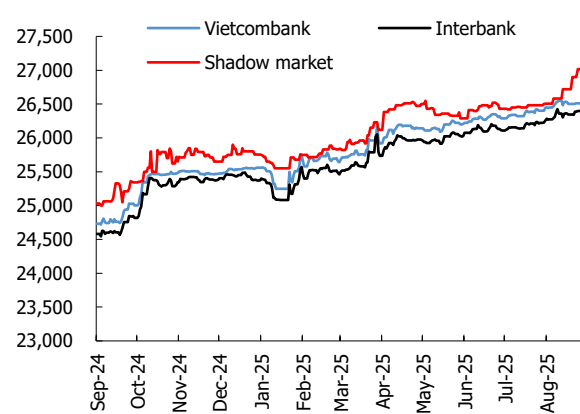
Figure 25. SBV's movement



Source: SBV, Bloomberg, Fiinpro, KIS

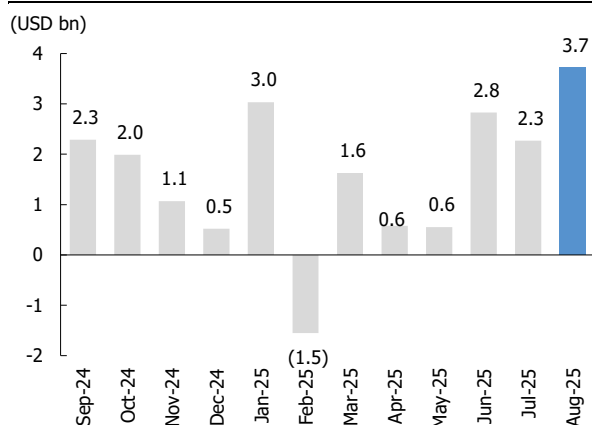
Note: shaded region is the daily trading band. The effective trading band is +/- 5% (the effective date is 17 October, 2022).

Figure 26. USDVND by market



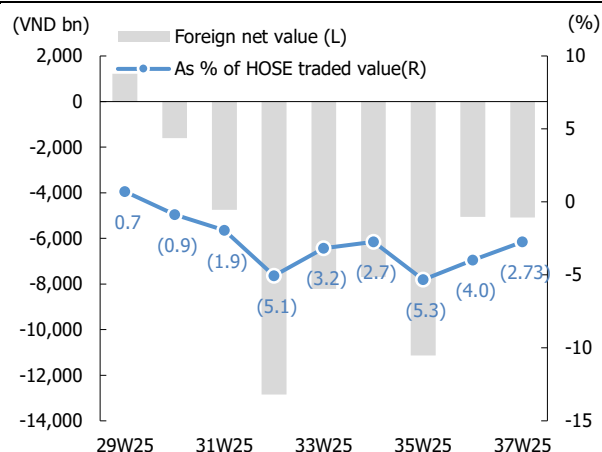
Source: SBV, Bloomberg, KIS

Figure 27. Vietnam's trade balance by month



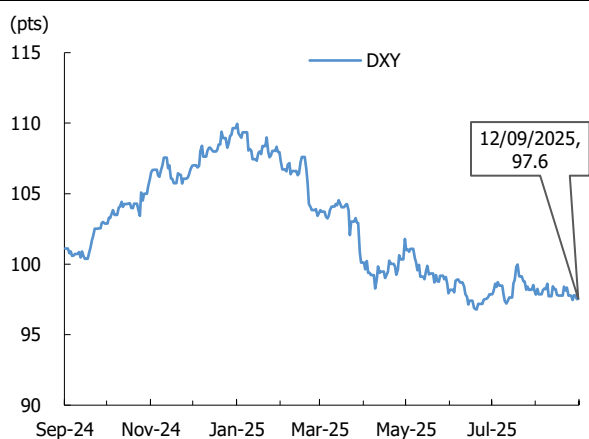
Source: GSO, KIS
Note: Updated until 20 August, 2025

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

		35W25	36W25	37W25	2025 YTD
China	USDCNY	-0.51	0.03	-0.11	-2.39
EU	USDEUR	0.27	-0.26	-0.14	-11.76
Mexico	USDMXN	0.39	0.32	-1.48	-11.20
Vietnam	USDVND	-0.05	0.20	-0.03	3.54
Canada	USDCNY	-0.61	0.65	0.10	-4.03
Taiwan	USDTWD	0.02	0.00	-1.24	-8.11
Japan	USDJPY	0.07	0.26	0.17	-6.06
South Korea	USDKRW	0.50	-0.21	0.48	-5.33
Thailand	USDTHB	-0.77	-0.62	-1.49	-6.99
DXY	U.S. Dollar Index	0.06	0.00	-0.22	-10.08

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

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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