

Fixed-income Perspectives

USDVND edges down after Fed cut

SBV continues to withdraw liquidity

In 38W25 (15 to 19 September), the SBV continued net liquidity withdrawal as a large batch of repos matured. Specifically, the SBV issued VND52.10tn of new repos, while VND61.29tn matured, resulting in a net withdrawal of VND9.19tn.

Interbank rates divergence

This week on the interbank market, rates diverged as short tenors fell while some medium and longer tenors inched higher. Specifically, the overnight, 1-week, and 1-month rates declined by 20bps, 20bps, and 3bps, respectively, to 3.77%, 3.97%, and 4.87%. In contrast, the 2-week and 3-month rates rose by 23bps and 5bps to 4.57% and 5.35%. Additionally, average trading volume increased to VND1095.63tn, up 46.15% from the previous week.

USDVND edges down

This week, the USDVND continued to edge down by 0.03% (9 pts), while the DXY rose slightly by 0.1% on Friday. Globally, after the U.S. Federal Reserve decided to cut interest rates by 25bps as forecast and signaled two more cuts later this year, the USD initially weakened but then rebounded as U.S. initial jobless claims fell last week, reversing the unexpected increase from the previous week. Domestically, USDVND inched down to 26,382 on Friday, although foreign investors were net sellers of VND5.72tn, equivalent to 3.39% of HOSE's 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.

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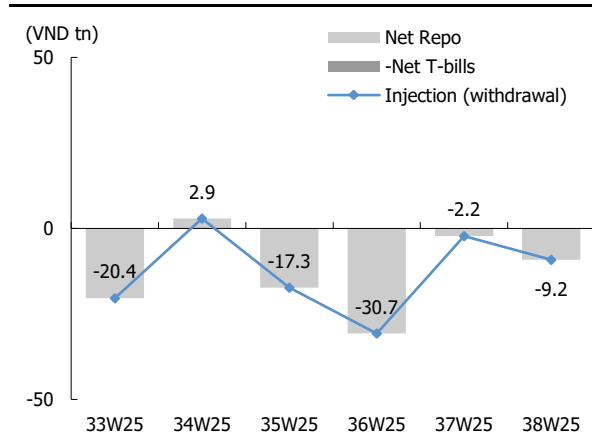
I. SBV continues to withdraw liquidity

SBV maintains net withdrawal for 4 consecutive weeks

In 38W25 (15 to 19 September), the SBV continued net liquidity withdrawal as a large batch of repos matured. Specifically, the SBV issued VND52.10tn of new repos, while VND61.29tn matured, resulting in a net withdrawal of VND9.19tn.

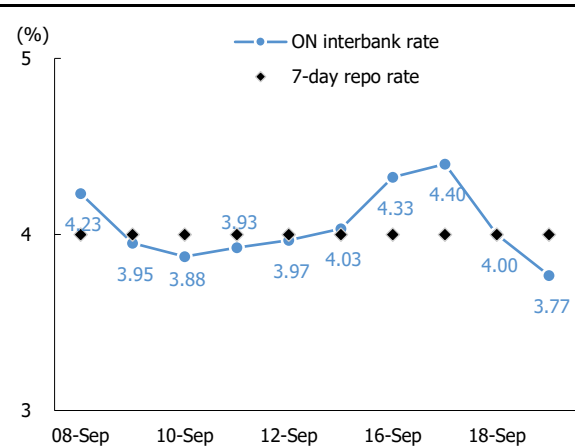
These developments indicate easing liquidity pressures, allowing the SBV to reduce outstanding repos. In the coming weeks, we expect the SBV to remain focused on ensuring the smooth functioning of the banking system by maintaining adequate liquidity and preventing funding-cost pressures in the money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

Figure 1. Net injection (withdrawal) of liquidity



Source: SBV, KIS

Figure 2. Interest rate corridor



Source: SBV, KIS

Figure 3. Repo transactions: 7 days tenor

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
15-Sep-25	22-Sep-25	7	6.00	4.00
16-Sep-25	23-Sep-25	7	6.00	4.00
17-Sep-25	24-Sep-25	7	4.73	4.00
18-Sep-25	25-Sep-25	7	0.89	4.00
Total		7	17.62	4.00

Source: SBV, KIS

Figure 4. Repo transactions: 14 days tenor

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
15-Sep-25	29-Sep-25	14	8.00	4.00
16-Sep-25	30-Sep-25	14	4.95	4.00
17-Sep-25	1-Oct-25	14	1.00	4.00
18-Sep-25	2-Oct-25	14	3.00	4.00
19-Sep-25	3-Oct-25	14	0.43	4.00
Total		14	17.38	4.00

Source: SBV, KIS

Figure 5. Repo transactions: 28 days tenor

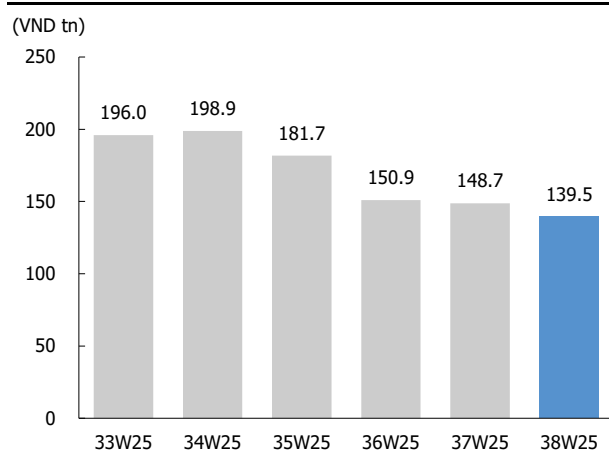
Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
15-Sep-25	13-Oct-25	28	4.44	4.00
16-Sep-25	14-Oct-25	28	7.00	4.00
17-Sep-25	15-Oct-25	28	0.70	4.00
18-Sep-25	16-Oct-25	28	0.38	4.00
19-Sep-25	17-Oct-25	28	2.91	4.00
Total		28	15.43	4.00

Source: SBV, KIS

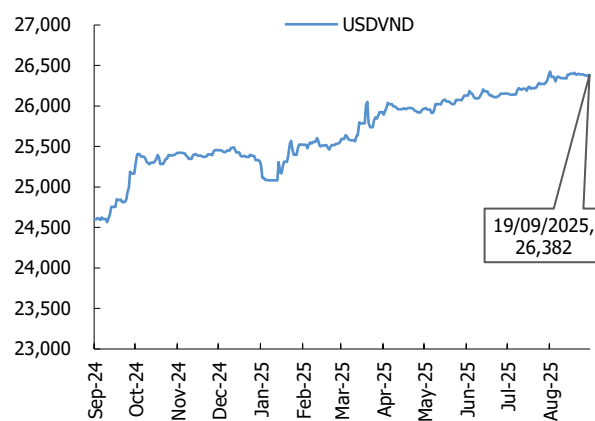
Figure 6. Repo transactions: 91 days tenor

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
17-Sep-25	17-Dec-25	91	1.57	4.00
18-Sep-25	18-Dec-25	91	0.09	4.00
Total		91	1.67	4.00

Source: SBV, KIS

Figure 7. Outstanding amount of repos

Source: SBV, KIS

Figure 8. USDVND movement

Source: SBV, KIS

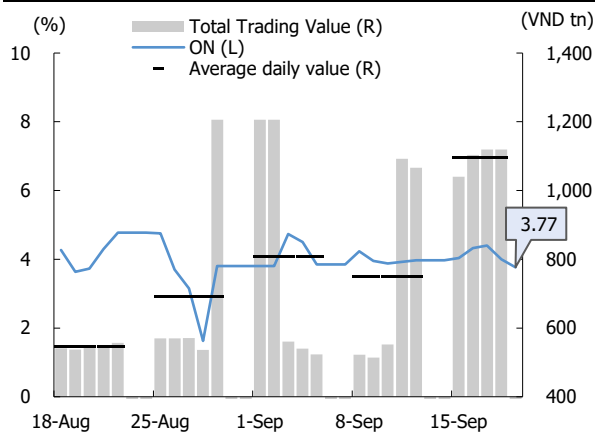
II. Interbank rates divergence

Interbank rates decline across most tenors while some tick up

This week on the interbank market, rates diverged as short tenors fell while some medium and longer tenors inched higher. Specifically, the overnight (ON), 1-week (1W), and 1-month (1M) rates declined by 20bps, 20bps, and 3bps, respectively, to 3.77%, 3.97%, and 4.87%. In contrast, the 2-week (2W) and 3-month (3M) rates rose by 23bps and 5bps to 4.57% and 5.35%. Additionally, average trading volume increased to VND1095.63tn, up 46.15% from the previous week.

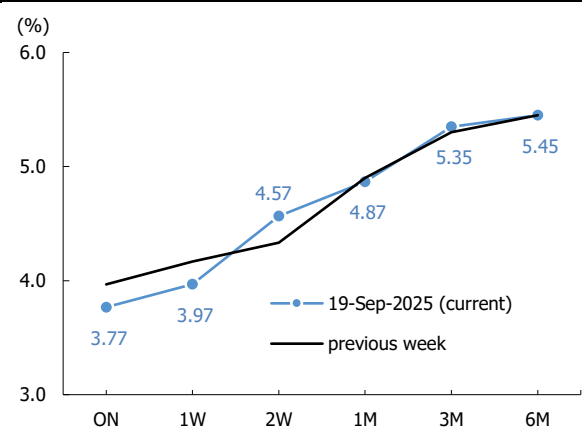
These dynamics indicate that funding conditions remain favorable, with ON holding near 4% and trading value of this tenor surging for a second consecutive week, despite the SBV having withdrawn more than VND71tn over the past eight weeks. Lower rates point to reduced funding pressure and higher trading volumes signal healthy activity. 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



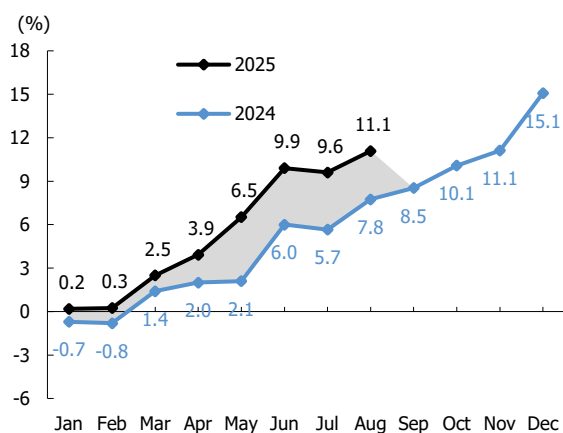
Source: SBV, Bloomberg, KIS

Figure 10. Interbank rate curve



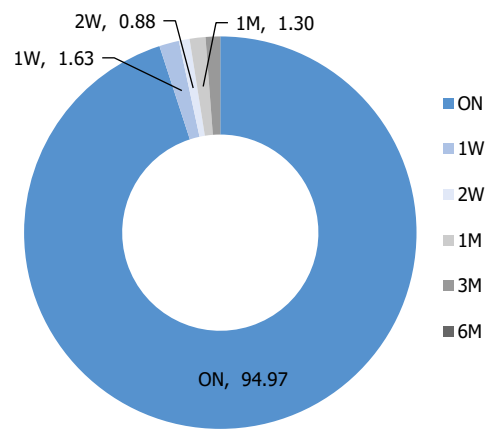
Source: SBV, Bloomberg, KIS

Figure 11. Credit growth by month of the year



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

Figure 12. Interbank transaction structure



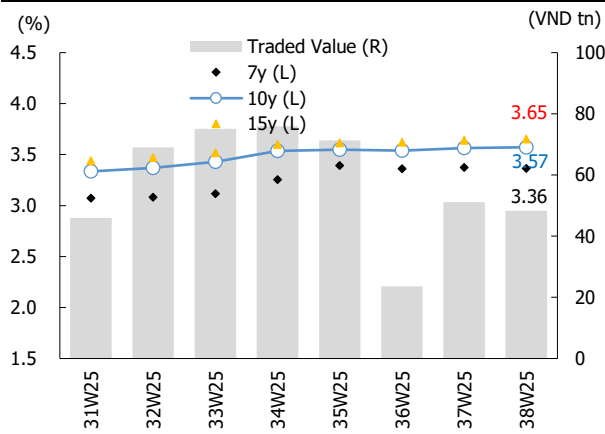
Source: SBV, Bloomberg, KISVN

III. G-bond yields rise slightly

G-bond yields climb as VST speeds up issuance

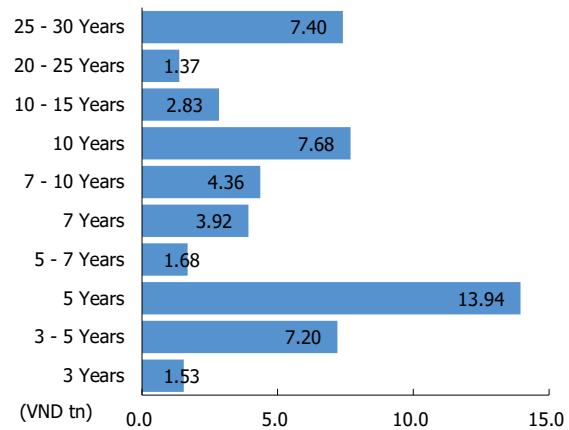
In 38W25, G-bond yields on the secondary market edged up across most maturities, while trading value also rose. Specifically, the 7-year yield fell by 1bp to 3.36%, while other maturities all rose by 1bp compared to the previous week. Total trading value reached VND58.95tn, up 15.31% from the prior week, averaging VND19.65tn per day.

Figure 13. G-bond traded value by week



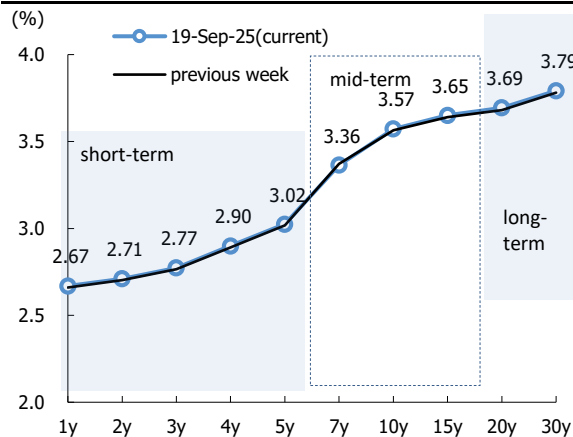
Source: HNX, Bloomberg, KIS

Figure 14. G-bond traded value by tenor



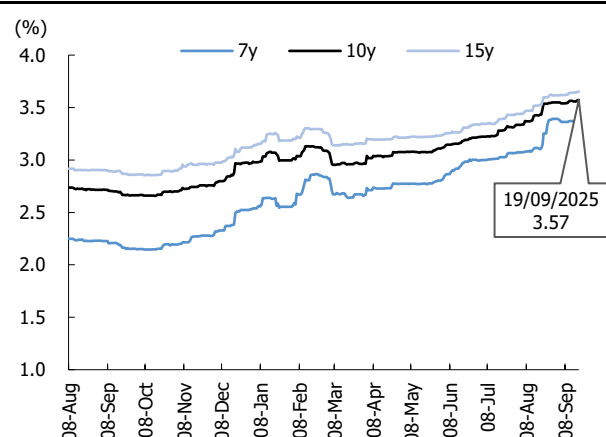
Source: HNX, Bloomberg, KIS

Figure 15. G-bond trading yield curve



Source: HNX, VBMA, KIS

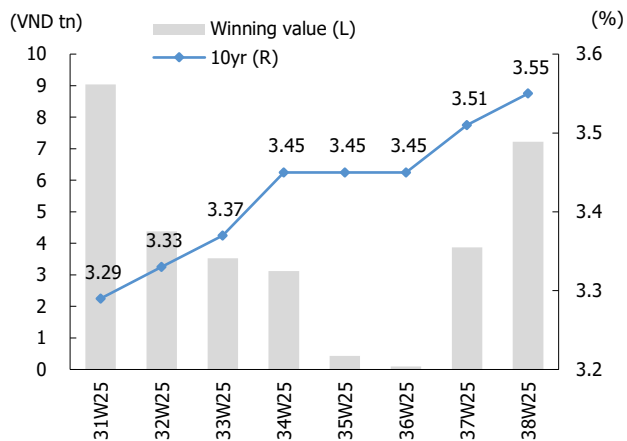
Figure 16. Historical daily government bond yields



Source: HNX, VBMA, KIS

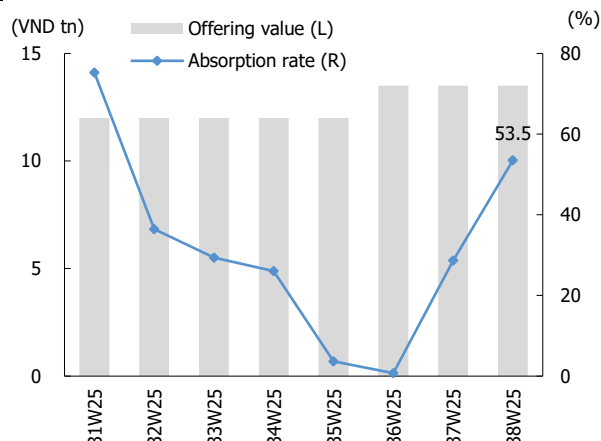
On the primary market, the 10-year yield rose 4bps to 3.55%, while the winning value surged by 86.45% from the previous week to VND7.23tn, likely reflecting increased issuance supply to accelerate the completion of the annual plan. To date, the VST has issued VND249.91tn, fulfilling 50% of the full-year target, well below the 65.51% pace in 2024. At this pace, issuance pressure is expected to intensify in the remaining 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 17. Weekly winning values



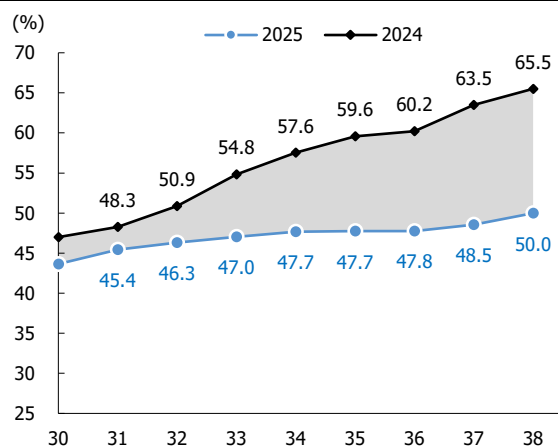
Source: HNX, KIS

Figure 18. Weekly absorption rate



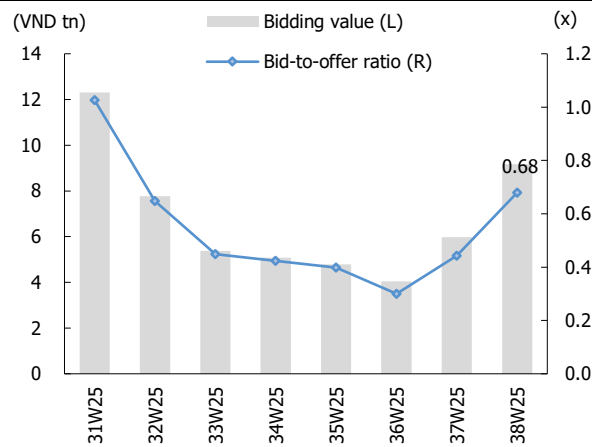
Source: HNX, KIS

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



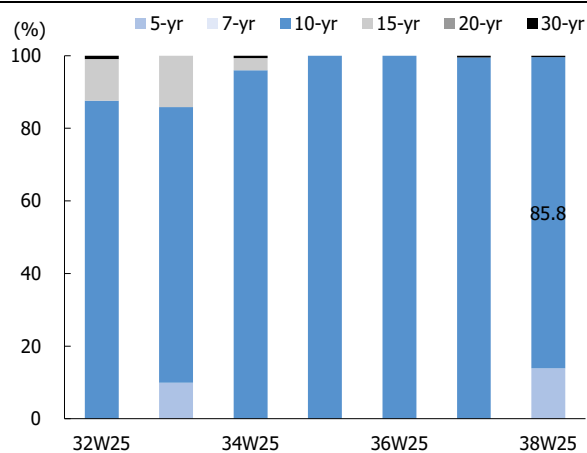
Source: HNX, KIS

Figure 20. Weekly bid-to-offer ratio



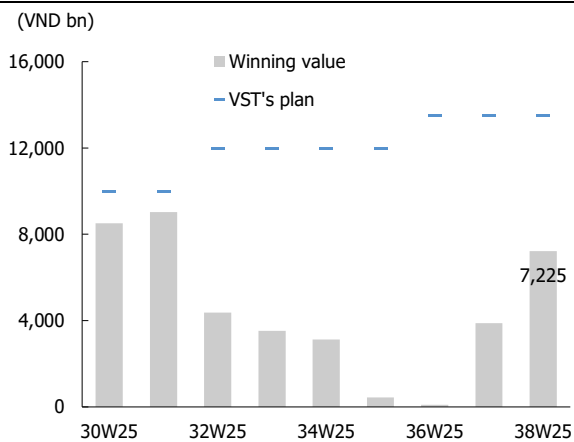
Source: HNX, KIS

Figure 21. Weekly winning G-bond structure



Source: HNX, KIS

Figure 22. Weekly issued amount of G-bond



Source: HNX, KIS

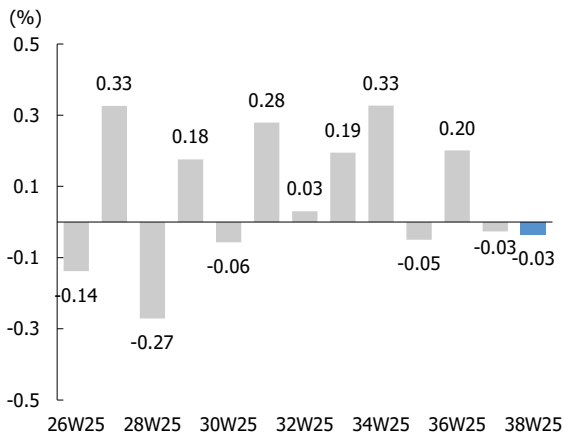
IV. USDVND edges down

USDVND nearly unchanged after the FOMC meeting

This week, the USDVND continued to edge down by 0.03% (9 pts), while the DXY rose slightly by 0.1% on Friday. Globally, after the U.S. Federal Reserve decided to cut interest rates by 25bps as forecast and signaled two more cuts later this year, the USD initially weakened but then rebounded as U.S. initial jobless claims fell last week, reversing the unexpected increase from the previous week. Domestically, USDVND inched down to 26,382 on Friday, although foreign investors were net sellers of VND5.72tn, equivalent to 3.39% of HOSE's trading value this week.

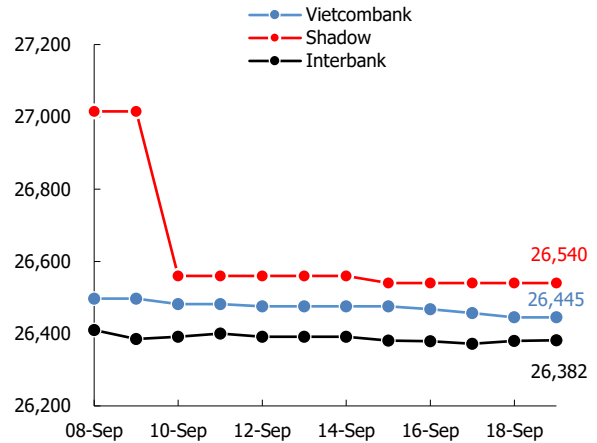
Across FX segments, Vietcombank's USDVND ask rate fell 0.12% (31 pts), while the shadow market slipped 0.08% (20 pts). As of Friday, ask prices stood at 26,445 at Vietcombank and 26,540 in the shadow market.

Figure 23. Weekly USDVND performance



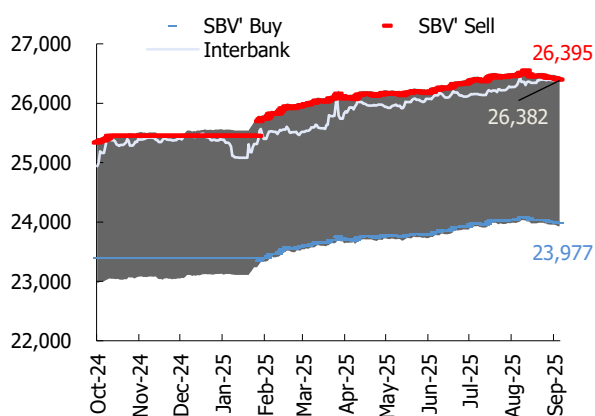
Source: Bloomberg, KIS

Figure 24. VCB & shadow market USDVND spread



Source: SBV, Vietcombank, KIS

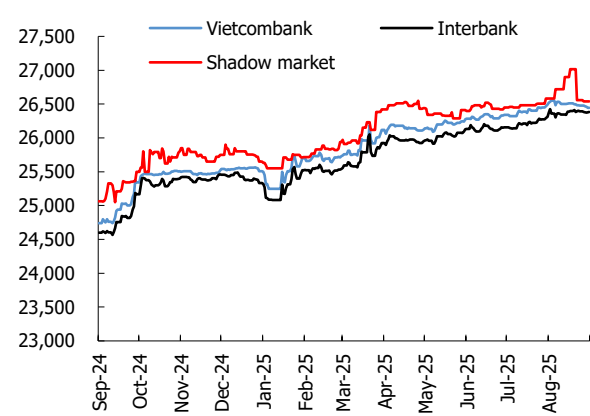
Figure 25. SBV's movement



Source: SBV, Bloomberg, Fiinpro, KIS

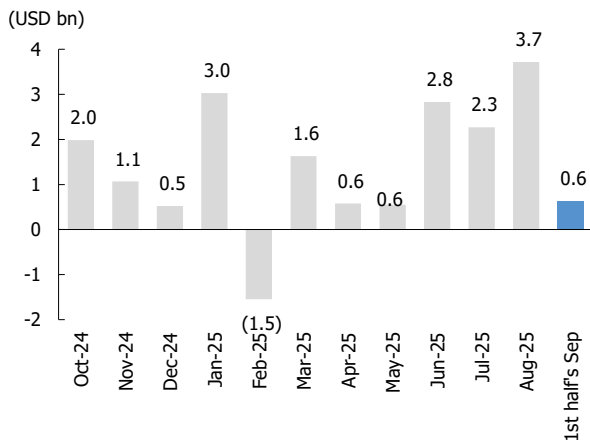
Note: shaded region is the daily trading band. The effective trading band is +/- 5% (the effective date is 17 October, 2022).

Figure 26. USDVND by market



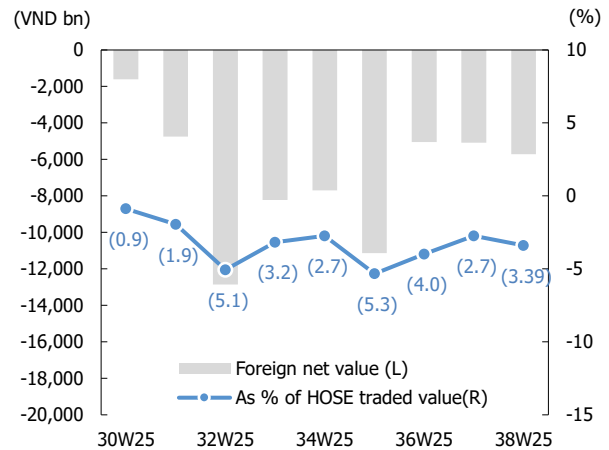
Source: SBV, Bloomberg, KIS

Figure 27. Vietnam's trade balance by month



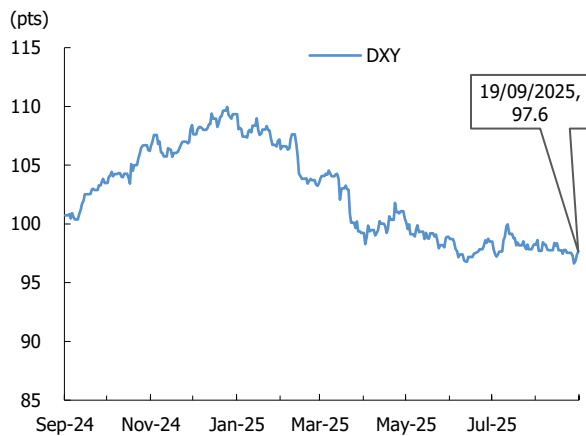
Source: GSO, KIS
Note: Updated until 18 September, 2025

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

		36W25	37W25	38W25	2025 YTD
China	USDCNY	0.03	-0.11	-0.10	-2.48
EU	USDEUR	-0.26	-0.14	-0.10	-11.85
Mexico	USDMXN	0.32	-1.48	-0.20	-11.38
Vietnam	USDVND	0.20	-0.03	-0.03	3.51
Canada	USDCNY	0.65	0.10	-0.43	-4.44
Taiwan	USDTWD	0.00	-1.24	-0.02	-8.13
Japan	USDJPY	0.26	0.17	0.18	-5.88
South Korea	USDKRW	-0.21	0.48	0.26	-5.08
Thailand	USDTHB	-0.62	-1.49	0.44	-6.58
DXY	U.S. Dollar Index	0.00	-0.22	0.10	-9.99

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
US\$VND	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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