

Fixed-income Perspectives

SBV resumes net withdrawal as USDVND softens

SBV backs to withdrawal

In 40W25 (29 September to 03 October), the SBV reverted to a mild net liquidity withdrawal after a strong injection in the previous week, as liquidity in the banking system cooled. Specifically, the SBV withdrew VND6.87tn from the system this week by issuing VND48.98tn of new repos to offset VND55.85tn that matured.

Interbank curve steepened

This week on the interbank market, the curve steepened as short-term rates fell while longer tenors remained unchanged. Specifically, the overnight, 1-week, 2-week, and 1-month rates declined by 13bps, 127bps, 103bps, and 60bps, respectively, to 4.08%, 4.23%, 4.47%, and 4.70%. Additionally, average trading volume increased to VND1400.55tn, up 9.01% from the previous week.

USDVND edges lower

USDVND edged down 0.10% this week as the DXY fell 0.44%. The greenback weakened amid soft U.S. labor data and the ongoing government shutdown, which limited market visibility ahead of the October FOMC meeting. Domestically, the SBV's USD forward sales at 26,550 helped stabilize the FX market amid a 3.4%YTD VND depreciation, while persistent foreign outflows continued to cap further downside in USDVND.

Vietnam economic indicators

	25-Apr	25-May	25-Jun	25-Jul	25-Aug	25-Sep	Corr.
Disbursed FDI %YoY	7.8	9.6	8.8	10.1	12.5	6.8	-0.16
Retail sales %YoY	9.3	9.5	8.3	8.6	10.4	11.3	-0.16
Export %YoY	19.8	17.0	16.3	16.0	14.5	24.7	-0.05
Import %YoY	22.9	14.1	20.2	17.8	17.7	24.9	0.04
Trade balance (USD bn)	0.6	0.6	2.8	2.3	3.7	2.8	-0.03
CPI %MoM	0.07	0.16	0.48	0.11	0.05	0.42	-0.03
Credit %YoY	17.6	18.5	16.8	19.1	19.9	19.6	-0.23
USDVND %MoM	1.64	0.15	0.30	0.39	0.55	0.00	-0.30
PMI (pts)	45.6	49.8	48.9	52.4	50.4	50.4	-0.09
VNINDEX return (%)	-6.1	9.2	3.5	9.3	12.1	-1.2	1.00

Source: SBV, GSO, Bloomberg, KIS

¹ Correlation to VNINDEX's monthly return

Green = acceleration; yellow = deceleration; red = contraction.

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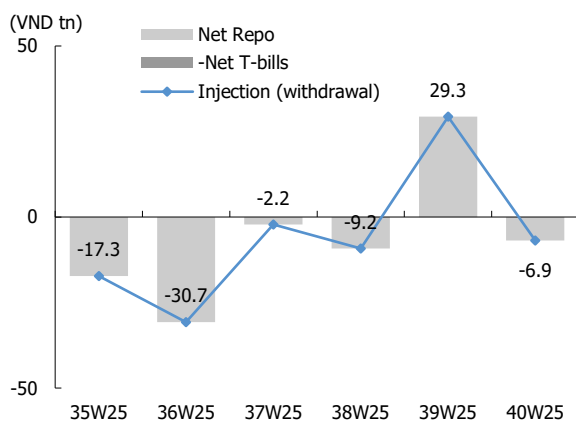
I. SBV backs to withdrawal

SBV returns to net liquidity withdrawal

In 40W25 (29 September to 03 October), the SBV reverted to a mild net liquidity withdrawal after a strong injection in the previous week, as liquidity in the banking system cooled. Specifically, the SBV withdrew VND6.87tn from the system this week by issuing VND48.98tn of new repos to offset VND55.85tn that matured.

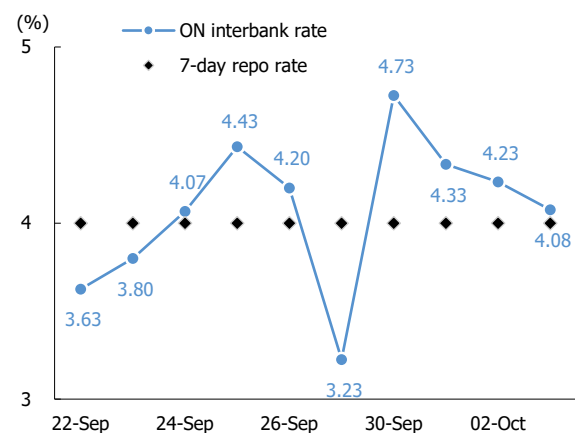
These developments indicate easing liquidity pressures, allowing the SBV to reduce outstanding repos. In the coming weeks, we expect the SBV to remain focused on ensuring the smooth functioning of the banking system by maintaining adequate liquidity and preventing funding-cost pressures in the money 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 (%)
29-Sep-25	6-Oct-25	7	4.00	4.00
30-Sep-25	7-Oct-25	7	6.00	4.00
1-Oct-25	8-Oct-25	7	6.00	4.00
2-Oct-25	9-Oct-25	7	3.00	4.00
Total		7	19.00	4.00

Source: SBV, KIS

Figure 4. Repo transactions: 14 days tenor

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
29-Sep-25	13-Oct-25	14	3.00	4.00
30-Sep-25	14-Oct-25	14	8.00	4.00
1-Oct-25	15-Oct-25	14	4.00	4.00
2-Oct-25	16-Oct-25	14	2.00	4.00
Total		14	17.00	4.00

Source: SBV, KIS

Figure 5. Repo transactions: 28 days tenor

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
29-Sep-25	27-Oct-25	28	6.00	4.00
30-Sep-25	28-Oct-25	28	3.00	4.00
1-Oct-25	29-Oct-25	28	0.24	4.00
2-Oct-25	30-Oct-25	28	1.00	4.00

Total	28	10.24	4.00
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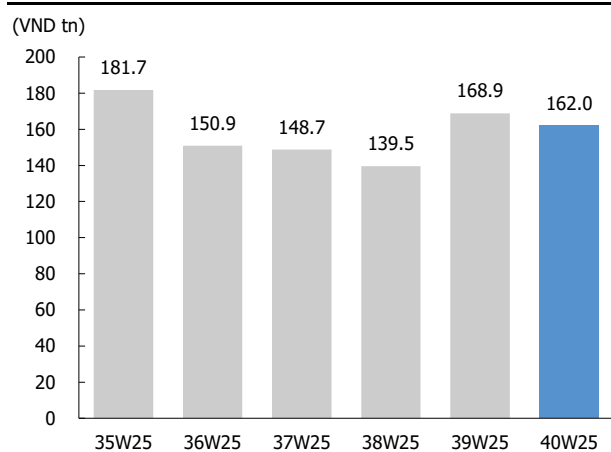
Source: SBV, KIS

Figure 6. Repo transactions: 91 days tenor

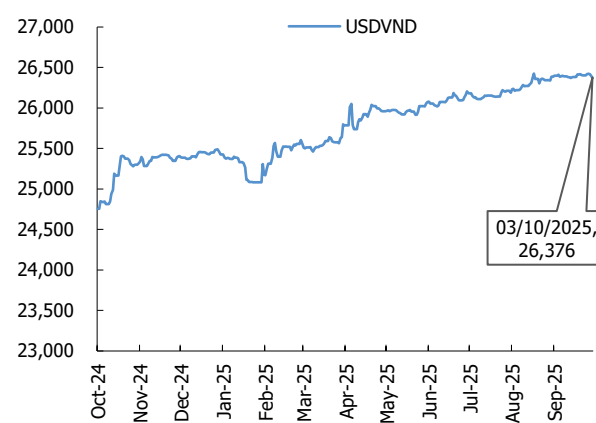
Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
29-Sep-25	29-Dec-25	91	1.00	4.00
30-Sep-25	30-Dec-25	91	0.96	4.00
2-Oct-25	1-Jan-26	91	0.66	4.00
3-Oct-25	2-Jan-26	91	0.12	4.00

Total	91	2.74	4.00
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Source: SBV, KIS

Figure 7. Outstanding amount of repos

Source: SBV, KIS

Figure 8. USDVND movement

Source: SBV, KIS

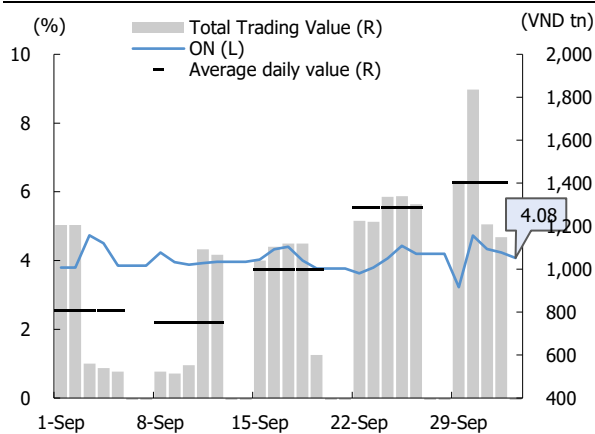
II. Interbank curve steepened

Short-term interbank rates decline sharply

This week on the interbank market, the curve steepened as short-term rates fell while longer tenors remained unchanged. Specifically, the overnight (ON), 1-week (1W), 2-week (2W), and 1-month (1M) rates declined by 13bps, 127bps, 103bps, and 60bps, respectively, to 4.08%, 4.23%, 4.47%, and 4.70%. Additionally, average trading volume increased to VND1400.55tn, up 9.01% from the previous week.

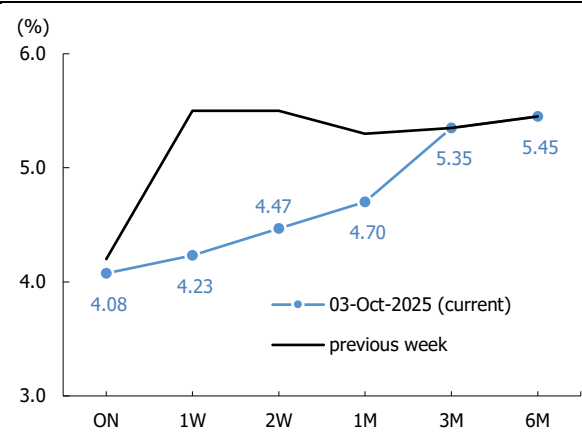
These dynamics indicate that funding conditions remain favorable, with the ON rate holding near 4% and other short-term tenors easing. With credit growth reaching over 13% as of September—significantly higher than in previous years, the banking system appears on track to meet this year's targets. This suggests that banks are accelerating loan disbursements while maintaining the SBV's prudential ratios, contributing to the recent surge in interbank trading volume and the upward trend in rates. However, with the SBV maintaining a supportive stance to ensure market stability, we expect interbank rates to remain at favorable levels in the coming period.

Figure 9. Interbank daily transaction



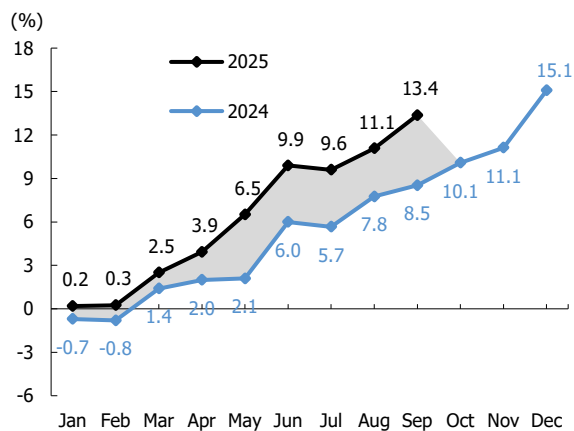
Source: SBV, Bloomberg, KIS

Figure 10. Interbank rate curve



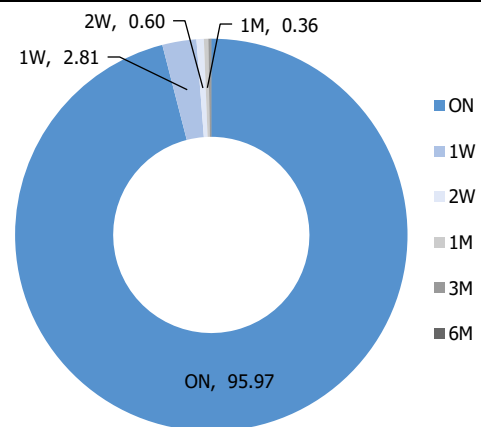
Source: SBV, Bloomberg, KIS

Figure 11. Credit growth by month of the year



Source: SBV, Bloomberg, KISVN
Note: Updated by September, 2024

Figure 12. Interbank transaction structure



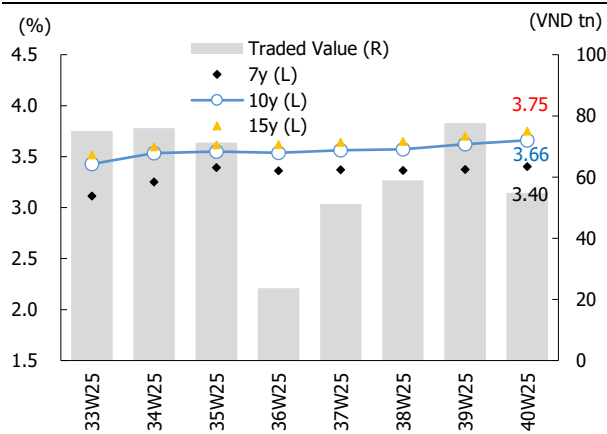
Source: SBV, Bloomberg, KISVN

III. G-bond yields continue to rise

G-bond yields increase across all tenors

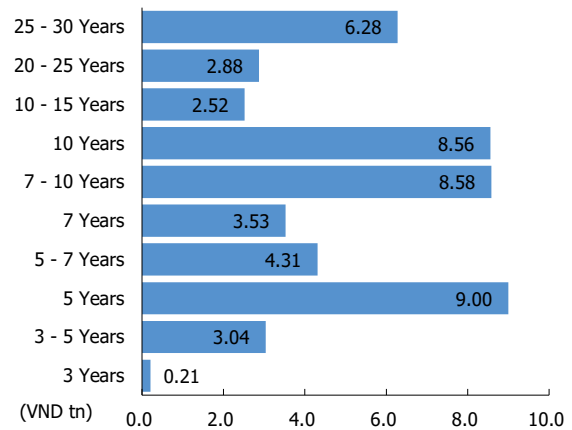
In 40W25, secondary-market G-bond yields rose across all maturities, accompanied by a drop in trading value. The most actively traded tenors saw the strongest moves, with the 5-year, 7-year, 10-year, 15-year, and 30-year yields rising by 3bps, 3bps, 4bps, 5bps and 1bp, respectively, to 3.09%, 3.40%, 3.66%, 3.75%, and 3.83%. Total trading value dropped to VND54.82tn, down 29.40% from the previous week and averaging VND10.96tn per day, reflecting continued but easing selling pressure as markets anticipate that the VST will accelerate issuance in the remainder of the year.

Figure 13. G-bond traded value by week



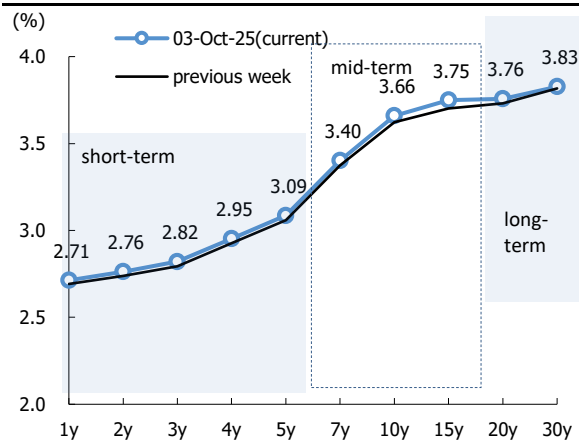
Source: HNX, Bloomberg, KIS

Figure 14. G-bond traded value by tenor



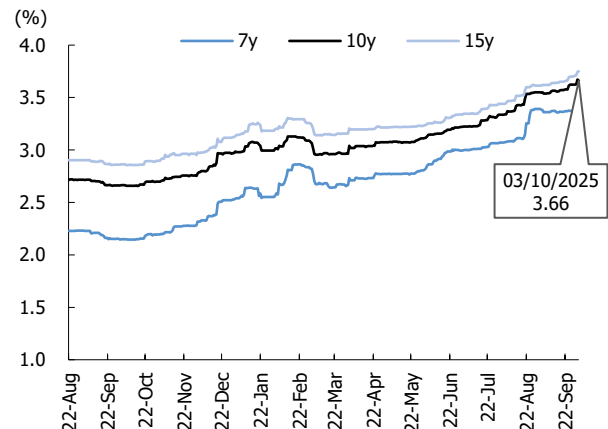
Source: HNX, Bloomberg, KIS

Figure 15. G-bond trading yield curve



Source: HNX, VBMA, KIS

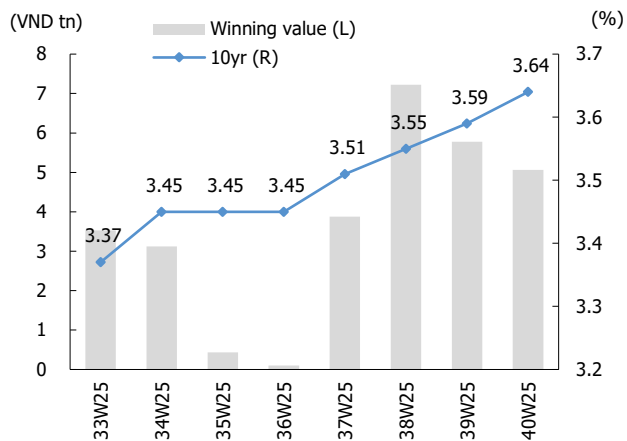
Figure 16. Historical daily government bond yields



Source: HNX, VBMA, KIS

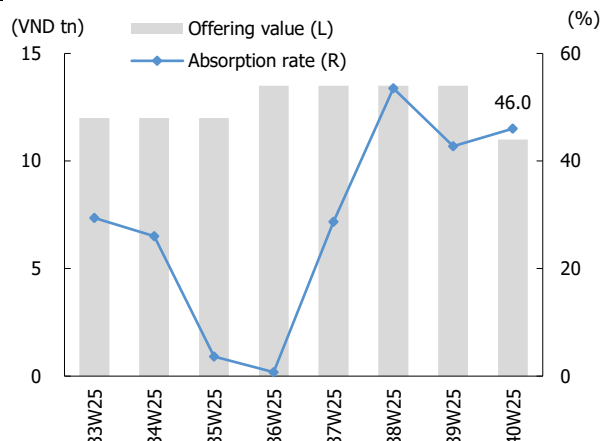
On the primary market, the 10-year yield rose 5bps to 3.64%, while the winning value fell by 12.29% from the prior week, suggesting that investors are holding out for higher yields in upcoming auctions. To date, the VST has issued VND260.75tn, completing 52.2% of the full-year target and well behind the 68.80% pace in 2024. With only three months left in 2025, issuance pressure is intensifying to meet the annual target, which could drive G-bond yields higher and prompt investors to liquidate off-the-run bonds in the secondary market.

Figure 17. Weekly winning values



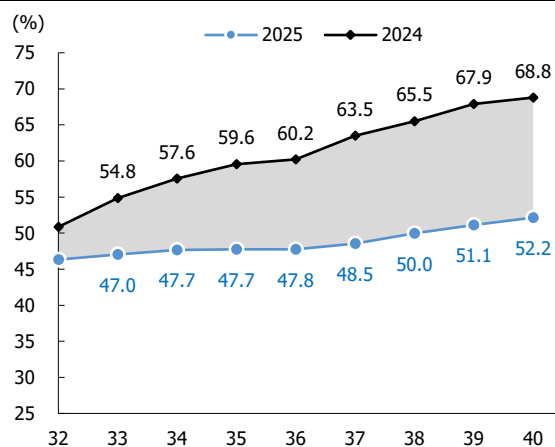
Source: HNX, KIS

Figure 18. Weekly absorption rate



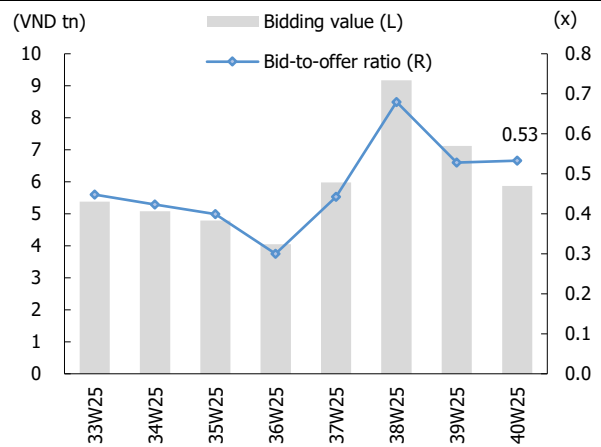
Source: HNX, KIS

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



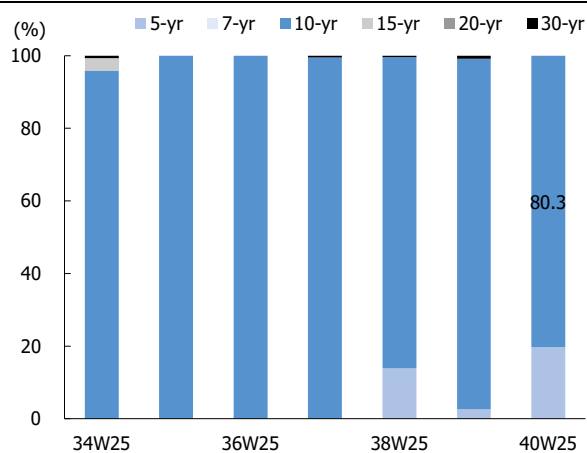
Source: HNX, KIS

Figure 20. Weekly bid-to-offer ratio



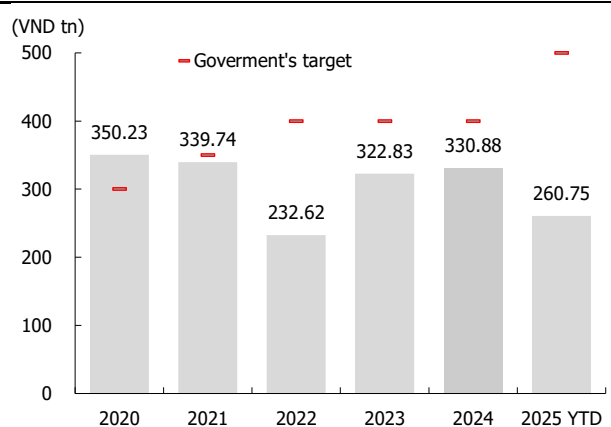
Source: HNX, KIS

Figure 21. Weekly winning G-bond structure



Source: HNX, KIS

Figure 22. Yearly issued amount of G-bond



Source: HNX, KIS

IV. USDVND edges lower

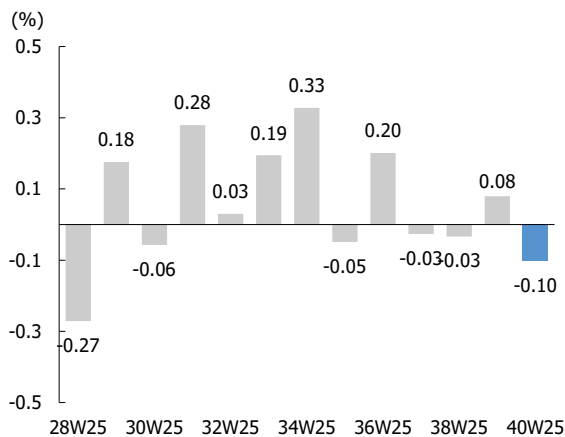
The greenback softens on weak U.S. labor data and government shutdown concerns

This week, USDVND edged down by 0.10% (27ppts), while the DXY fell 0.44% on Friday. Globally, the U.S. dollar weakened following a series of softer-than-expected labor indicators, reinforcing expectations that the Fed may continue to cut rates in the coming months. Specifically, the ADP report showed that U.S. private payrolls fell by 32K in September, contrary to expectations for a 52K increase. In addition, the ongoing U.S. government shutdown added further pressure on the greenback, as the delay in releasing key economic data—particularly the nonfarm payrolls report—has limited market visibility ahead of the October FOMC meeting.

Domestically, USDVND eased to 26,376 on Friday. Meanwhile, the SBV's announcement on October 1 to sell 6-month cancellable USD forward contracts at a strike of 26,550 helped increase USD supply and stabilize the exchange rate, amid the dong's cumulative 3.4% depreciation year-to-date—a trend that could persist without policy intervention. However, the pair's downside was partly contained as foreign investors extended their net selling streak to an eleventh consecutive week, offloading VND7.27tn, equivalent to 5.67% of HOSE's trading value.

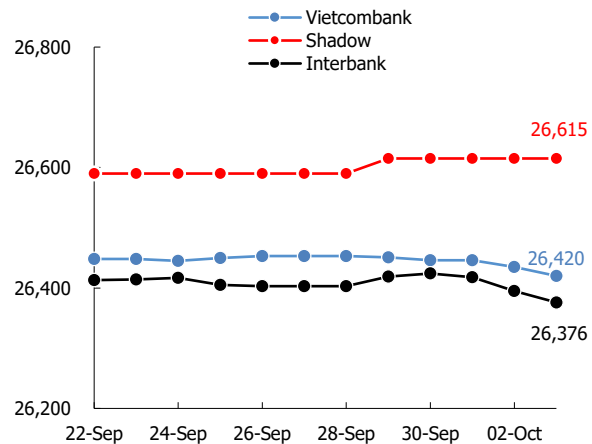
Across FX segments, Vietcombank's USDVND ask rate fell 0.12% (33ppts), while the shadow market climbed by 0.09% (25ppts). As of Friday, ask prices stood at 26,420 at Vietcombank and 26,615 in the shadow market.

Figure 23. Weekly USDVND performance



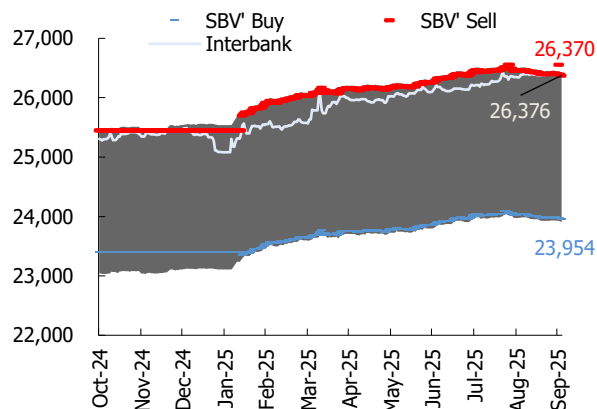
Source: Bloomberg, KIS

Figure 24. VCB & shadow market USDVND spread



Source: SBV, Vietcombank, KIS

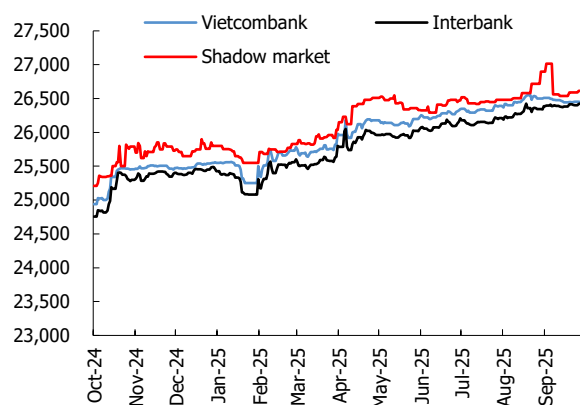
Figure 25. SBV's movement



Source: SBV, Bloomberg, Fiinpro, KIS

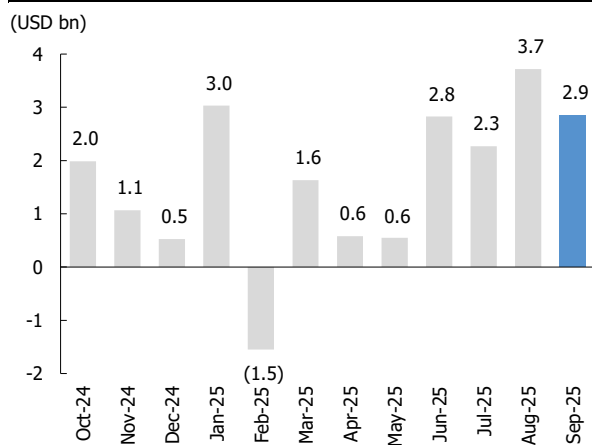
Note: shaded region is the daily trading band. The effective trading band is +/- 5% (the effective date is 17 October, 2022).

Figure 26. USDVND by market



Source: SBV, Bloomberg, KIS

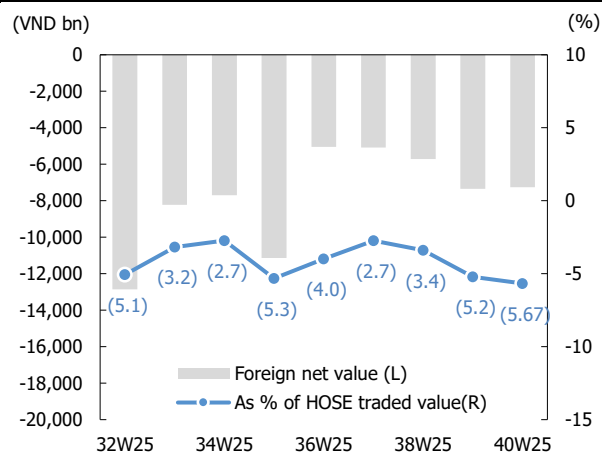
Figure 27. Vietnam's trade balance by month



Source: GSO, KIS

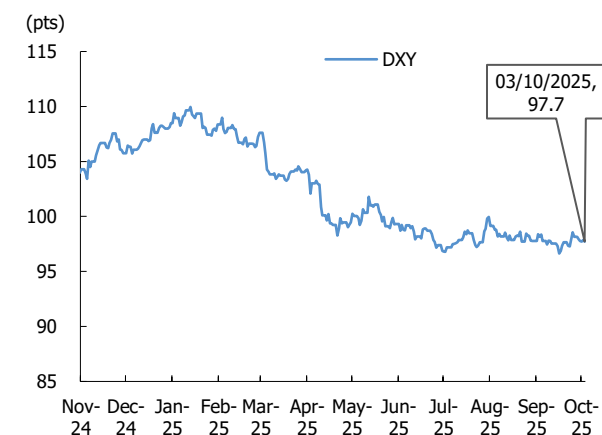
Note: Updated until 06 October, 2025

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

		38W25	39W25	40W25	2025 YTD
China	USDCNY	-0.10	0.23	-0.17	-2.42
EU	USDEUR	-0.10	0.37	-0.33	-11.82
Mexico	USDMXN	-0.20	-0.18	0.17	-11.39
Vietnam	USDVND	-0.03	0.08	-0.10	3.48
Canada	USDCNY	-0.43	1.08	0.13	-3.29
Taiwan	USDTWD	-0.02	1.05	-0.50	-7.63
Japan	USDJPY	0.18	1.04	-1.35	-6.19
South Korea	USDKRW	0.26	0.95	-0.29	-4.46
Thailand	USDTHB	0.44	1.22	0.47	-4.99
DXY	U.S. Dollar Index	0.10	0.52	-0.44	-9.92

Source: SBV, Bloomberg

Note: Green = appreciation; yellow = appreciate at slower pace; red = depreciation.

Macro scorecard

	25-May	25-Jun	25-Jul	25-Aug	25-Sep	4Q24	1Q25	2Q25	3Q25	2021	2022	2023	2024
Real GDP growth (%)						7.55	7.05	8.19	8.23	2.58	8.02	5.05	7.09
Registered FDI (USD bn)	2.82	3.14	2.57	2.05	2.40	13.44	10.98	10.54	7.02	31.15	27.72	36.61	38.23
GDP per capita (USD)										3,725	4,110	4,285	4,479
Unemployment rate (%)						2.22	2.20	2.22	2.22	3.22	2.32	2.26	2.24
Export (USD bn)	39.60	39.49	42.27	43.39	42.67	105.9	102.84	110.62	118.38	335.7	371.85	355.5	405.5
Import (USD bn)	39.04	36.66	40.00	39.67	39.82	101.9	99.68	118.83	120.19	331.1	360.65	327.5	380.8
Export growth (%)	17.00	16.31	15.95	14.50	24.73	11.46	10.64	10.62	18.38	18.74	10.61	-4.4	14.3
Import growth (%)	14.13	20.16	17.77	17.71	24.88	14.91	17.03	18.83	20.19	25.9	8.35	-8.9	16.7
Inflation (%)	3.12	3.57	3.19	3.24	3.38	2.87	3.22	3.31	3.27	1.84	3.15	3.25	3.63
USDVND	25,983	26,121	26,199	26,345	26,427	25,386	25,565	26,121	26,427	22,790	23,650	23,784	25,386
Credit growth (%)	18.53	17.48	19.12	19.91	19.61	13.8	16.3	17.48	19.61	13.61	14.2	13.7	13.8
10Y gov't bond (%)	3.20	3.34	3.45	3.69	3.76	2.94	3.06	3.34	3.76	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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