

# Fixed-income Perspectives

## The greenback cooled amid reignited trade war risks

### SBV continues net withdrawal

In 41W25 (from 06 to 10 October), the SBV continued its net liquidity withdrawal for the second consecutive week as liquidity in the banking system cooled. Specifically, the SBV withdrew VND19.92tn from the system this week by issuing VND49.30tn of new repos to offset VND69.22tn that matured.

### Interbank rates rise

This week, interbank rates recorded increases across short tenors. Specifically, the overnight, 1-week, 2-week, 1-month, and 3-month rates rose by 52bps, 60bps, 47bps, 37bps, and 5bps, respectively, reaching 4.60%, 4.83%, 4.93%, 5.07%, and 5.40%. Other tenors remained unchanged. Meanwhile, average trading volume decreased to VND1,177.89tn, down 13.41% from the previous week.

### USDVND cools down

This week, USDVND eased slightly by 0.14% (36ppts) on Friday as Trump reignited trade tensions with China. Specifically, the greenback weakened on Friday after President Trump threatened to impose 100% tariffs on Chinese goods following unproductive trade talks. China's restrictions on rare earth exports and suspension of soybean imports from the U.S. have also hurt U.S. interests. However, shortly after the announcement, Trump and Vice President J.D. Vance sought to calm markets, signaling that negotiations with President Xi Jinping would continue in the coming period.

### 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

<sup>1</sup> Correlation to VNINDEX's monthly return

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

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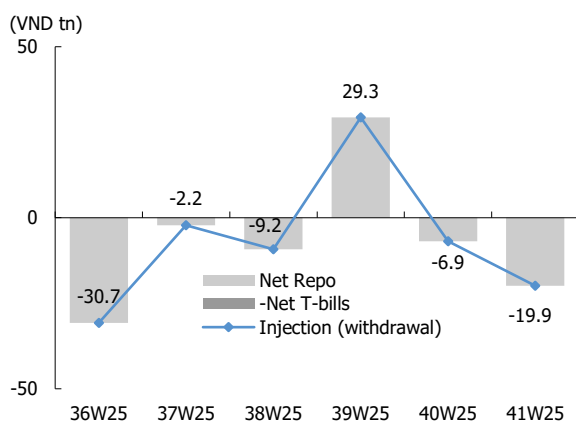
# I. SBV continues net withdrawal

## SBV withdraws liquidity for a second consecutive week

In 41W25 (from 06 to 10 October), the SBV continued its net liquidity withdrawal for the second consecutive week. Specifically, the SBV withdrew VND19.92tn from the system this week by issuing VND49.30tn of new repos to offset VND69.22tn that matured.

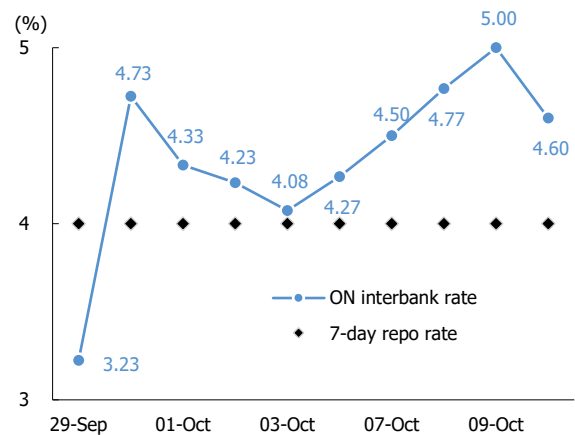
These developments indicate that new issuances were insufficient to offset maturities for the week. In the coming weeks, we expect the SBV to remain focused on ensuring the smooth functioning of the banking system by maintaining adequate liquidity and preventing funding-cost pressures in the money market.

**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 (%)
6-Oct-25	13-Oct-25	7	2.00	4.00
7-Oct-25	14-Oct-25	7	3.00	4.00
8-Oct-25	15-Oct-25	7	2.00	4.00
9-Oct-25	16-Oct-25	7	5.00	4.00
10-Oct-25	17-Oct-25	7	0.25	4.00
<b>Total</b>		<b>7</b>	<b>12.25</b>	<b>4.00</b>

Source: SBV, KIS

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

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
6-Oct-25	20-Oct-25	14	1.00	4.00
7-Oct-25	21-Oct-25	14	5.00	4.00
8-Oct-25	22-Oct-25	14	2.00	4.00
9-Oct-25	23-Oct-25	14	1.05	4.00
<b>Total</b>		<b>14</b>	<b>9.05</b>	<b>4.00</b>

Source: SBV, KIS

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

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
6-Oct-25	3-Nov-25	28	3.00	4.00
7-Oct-25	4-Nov-25	28	7.00	4.00
8-Oct-25	5-Nov-25	28	7.00	4.00
9-Oct-25	6-Nov-25	28	5.00	4.00
<b>Total</b>		<b>28</b>	<b>22.00</b>	<b>4.00</b>

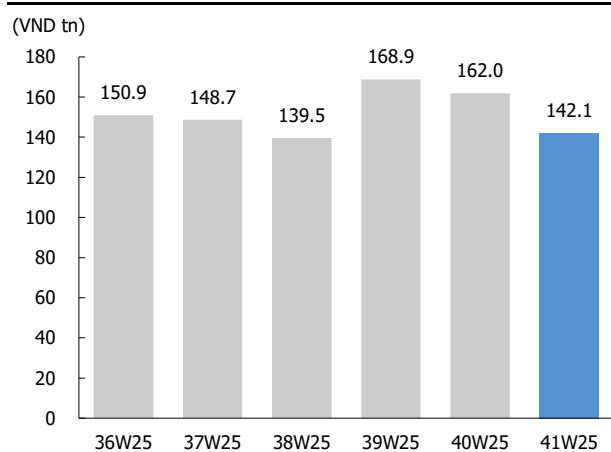
Source: SBV, KIS

**Figure 6. Repo transactions: 91 days tenor**

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
6-Oct-25	5-Jan-26	91	1.00	4.00
7-Oct-25	6-Jan-26	91	2.00	4.00
8-Oct-25	7-Jan-26	91	2.00	4.00
9-Oct-25	8-Jan-26	91	1.00	4.00
<b>Total</b>		<b>91</b>	<b>6.00</b>	<b>4.00</b>

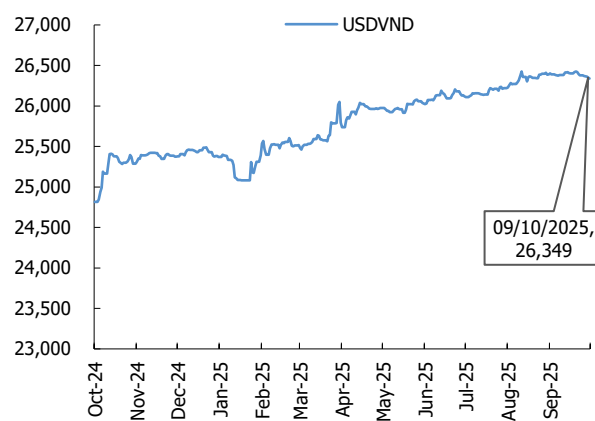
Source: SBV, KIS

**Figure 7. Outstanding amount of repos**



Source: SBV, KIS

**Figure 8. USDVND movement**



Source: SBV, KIS

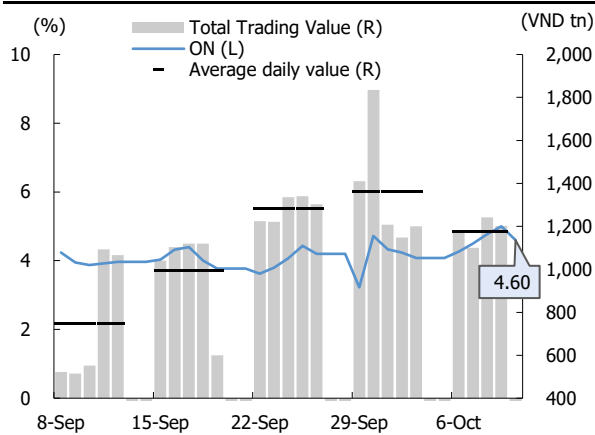
## II. Interbank rates rise

### Interbank rates increase across short tenors

This week, interbank rates recorded increases across short tenors. Specifically, the overnight (ON), 1-week (1W), 2-week (2W), 1-month (1M), and 3-month (3M) rates rose by 52bps, 60bps, 47bps, 37bps, and 5bps, respectively, reaching 4.60%, 4.83%, 4.93%, 5.07%, and 5.40%. Other tenors remained unchanged. Meanwhile, average trading volume decreased to VND1,177.89tn, down 13.41% from the previous week.

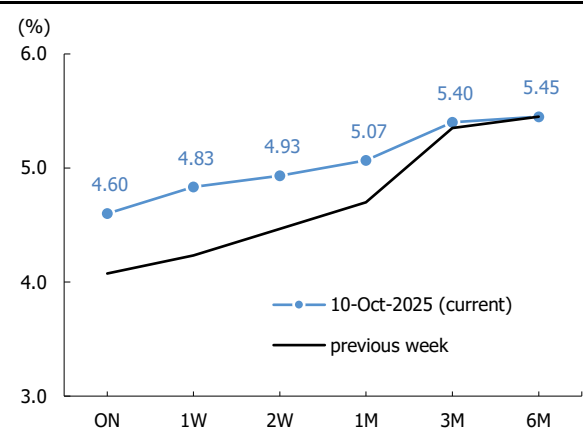
Last week's developments reflect the uneven liquidity situation within the system. Localized funding demand from some banks pushed interest rates higher amid a more constrained supply of interbank lending. This explains why rates increased while trading volume fell. Nevertheless, we maintain our view that interbank rates will stabilize around the current levels in the coming weeks to support growth targets.

Figure 9. Interbank daily transaction



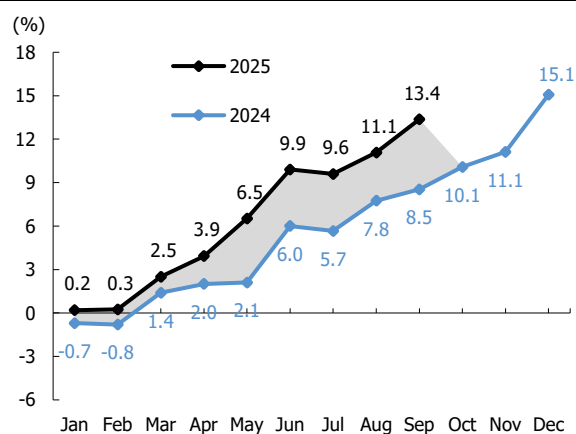
Source: SBV, Bloomberg, KIS

Figure 10. Interbank rate curve



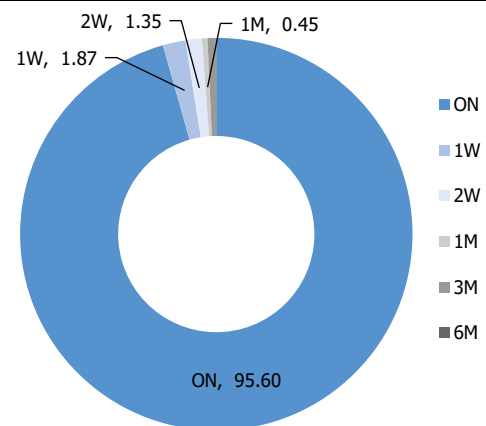
Source: SBV, Bloomberg, KIS

Figure 11. Credit growth by month of the year



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

Figure 12. Interbank transaction structure



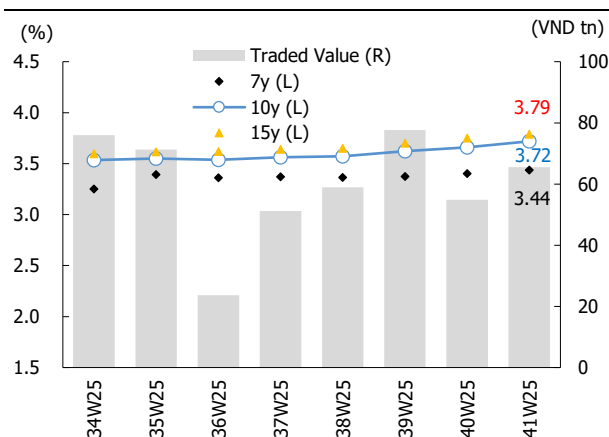
Source: SBV, Bloomberg, KISVN

### III. G-bond yields continue to rise

#### G-bond yields increase across all tenors

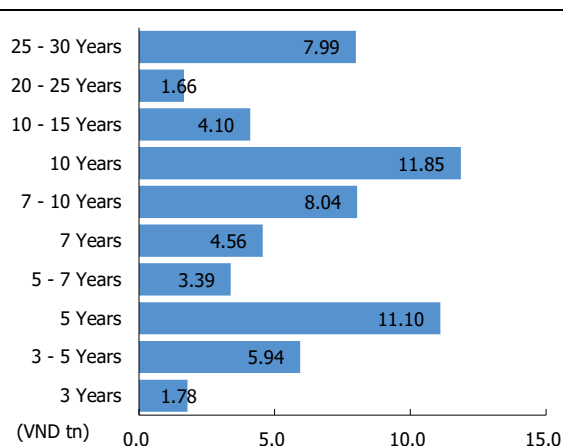
In 41W25, secondary-market G-bond yields rose across all maturities, accompanied by a sharp pickup in trading volume. The most actively traded tenors saw the strongest moves, with the 5-year, 7-year, 10-year, 15-year, 20-year, and 30-year yields rising by 4bps, 3bps, 6bps, 4bps, 4bps, and 3bps, respectively, to 3.13%, 3.44%, 3.72%, 3.79%, 3.80%, and 3.86%. Total trading volume climbed to VND65.48tn, up 19.43% from the previous week and averaging VND13.10tn per day, reflecting renewed selling pressure as markets anticipate the VST will accelerate issuance in the remainder of the year.

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



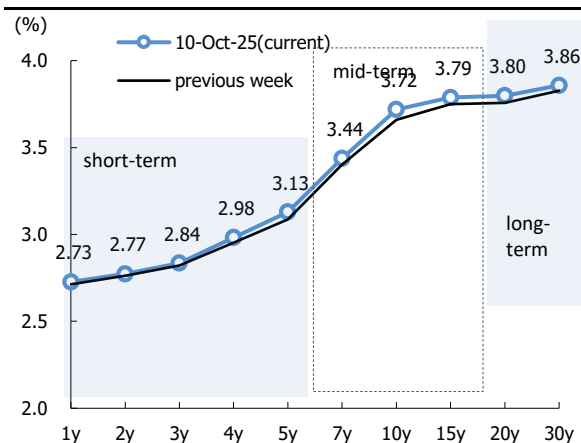
Source: HNX, Bloomberg, KIS

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



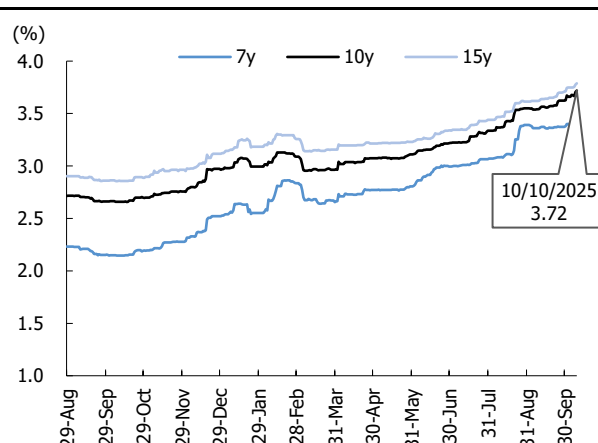
Source: HNX, Bloomberg, KIS

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



Source: HNX, VBMA, KIS

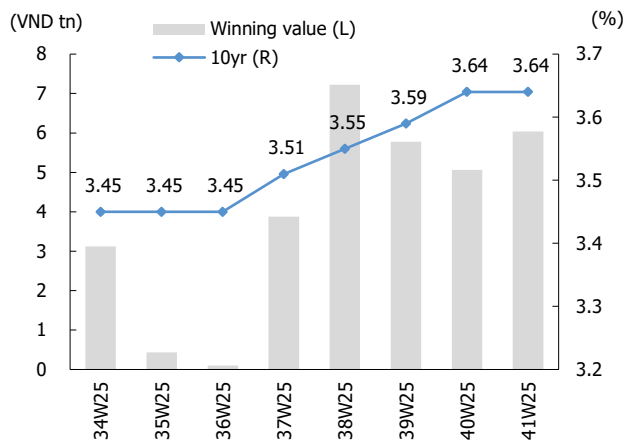
**Figure 16. Historical daily government bond yields**



Source: HNX, VBMA, KIS

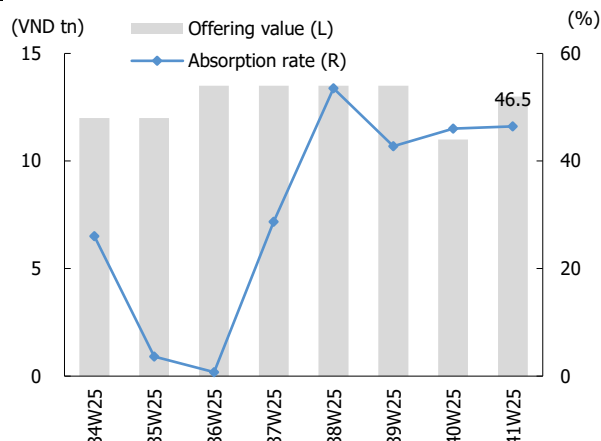
On the primary market, the 10-year yield rose 5bps to 3.69%, while the winning value increased by 19.3% from the prior week. To date, the VST has issued VND266.79tn, completing 53.4% of the full-year target and well behind the 70.8% pace in 2024. With only three months left in 2025, issuance pressure is intensifying 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**



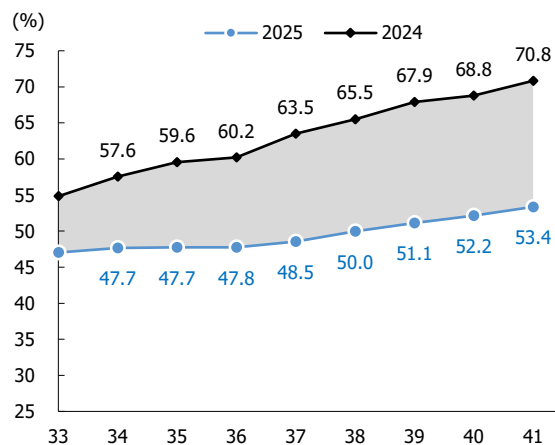
Source: HNX, KIS

**Figure 18. Weekly absorption rate**



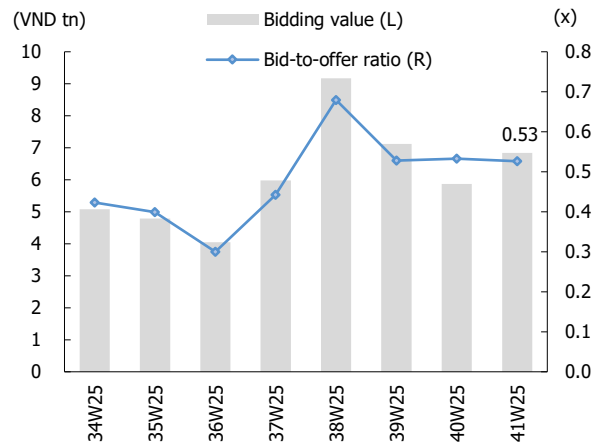
Source: HNX, KIS

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



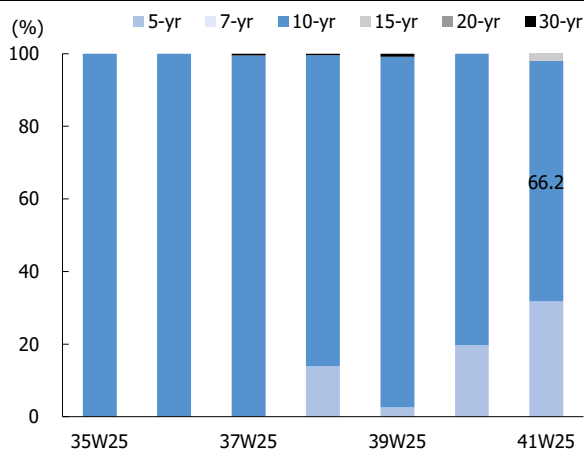
Source: HNX, KIS

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



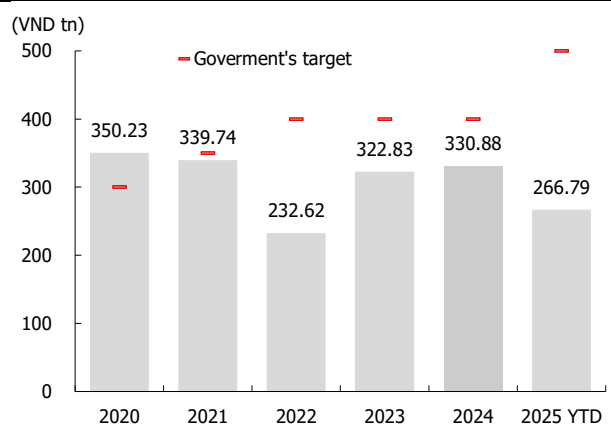
Source: HNX, KIS

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



Source: HNX, KIS

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



Source: HNX, KIS

## IV. USDVND cools down

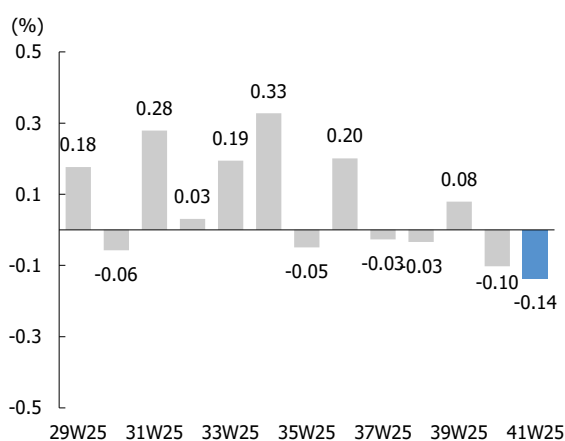
### *The greenback weakened after Trump's tariff threat*

This week, USDVND eased slightly by 0.14% (36ppts) on Friday as Trump reignited trade tensions with China.

Globally, the greenback weakened on Friday after President Trump threatened to impose 100% tariffs on Chinese goods following unproductive trade talks. China's restrictions on rare earth exports and suspension of soybean imports from the U.S. have also hurt U.S. interests. However, shortly after the announcement, Trump and Vice President J.D. Vance sought to calm markets, signaling that negotiations with President Xi Jinping would continue in the coming period. Domestically, USDVND edged down to 26,340 on Friday, as foreign investors extended their net-selling streak for over two months, offloading VND5.05tn, or 3.2% of HOSE trading value.

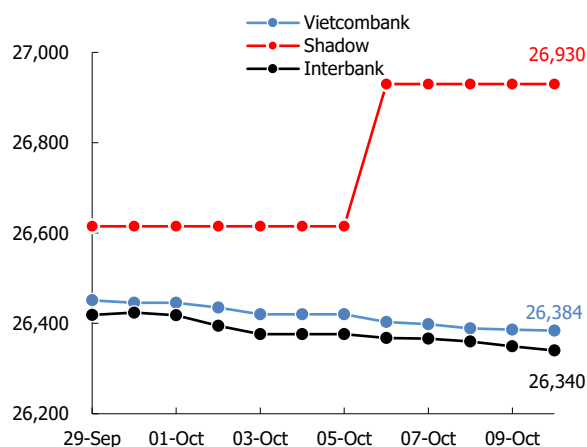
Across FX segments, Vietcombank's USDVND ask rate fell by 0.14% (36ppts), while the shadow market climbed notably by 1.18% (315ppts). As of Friday, ask prices stood at 26,384 at Vietcombank and 26,930 in the shadow market.

**Figure 23. Weekly USDVND performance**



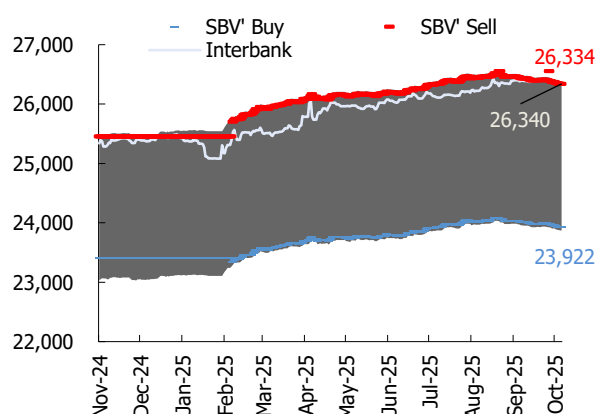
Source: Bloomberg, KIS

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



Source: SBV, Vietcombank, KIS

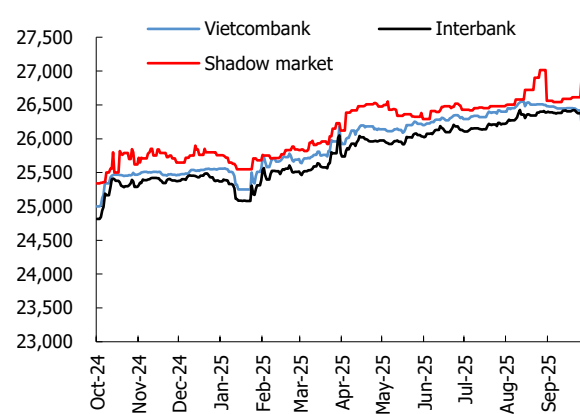
**Figure 25. SBV's movement**



Source: SBV, Bloomberg, Fiinpro, KIS

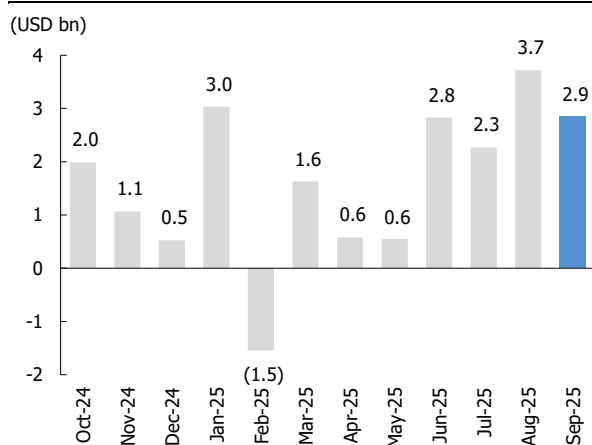
Note: shaded region is the daily trading band. The effective trading band is +/- 5% (the effective date is 17 October, 2022).

**Figure 26. USDVND by market**



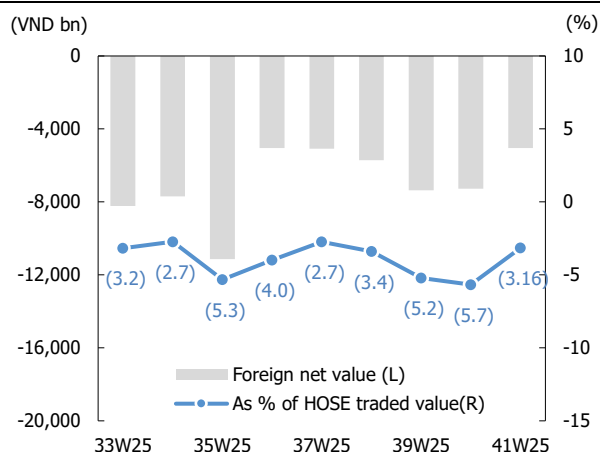
Source: SBV, Bloomberg, KIS

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



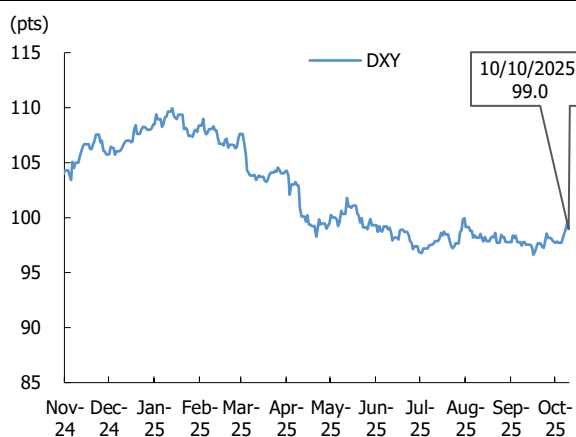
Source: GSO, KIS  
Note: Updated until 06 October, 2025

**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**

		39W25	40W25	41W25	2025 YTD
China	USDCNY	0.23	-0.17	0.18	-2.25
EU	USDEUR	0.37	-0.33	1.06	-10.89
Mexico	USDMXN	-0.18	0.17	1.03	-10.48
Vietnam	USDVND	0.08	-0.10	-0.14	3.34
Canada	USDCNY	1.08	0.13	0.39	-2.91
Taiwan	USDTWD	1.05	-0.50	0.52	-7.15
Japan	USDJPY	1.04	-1.35	2.52	-3.82
South Korea	USDKRW	0.95	-0.29	1.35	-3.17
Thailand	USDTHB	1.22	0.47	1.01	-4.03
DXY	U.S. Dollar Index	0.52	-0.44	1.28	-8.77

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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