

Fixed-income Perspectives

SBV returns to net withdrawal as demand eases

SBV returns to withdrawal

In the second week of 2026, the SBV returned to net liquidity withdrawal as pressure in the banking system eased. Specifically, the SBV conducted VND48.68tn in repo operations, while VND88.85tn matured, resulting in a net liquidity withdrawal of VND40.17tn from the banking system.

Interbank rates cool sharply

This week, interbank rates declined sharply across most maturities, with the most pronounced drops observed at the short end of the curve. Specifically, overnight, 1-week, 2-week, 1-month, 3-month, and 6-month rates fell by 510bps, 530bps, 460bps, 275bps, 70bps, and 10bps, respectively, to 3.05%, 3.70%, 4.40%, 5.85%, 7.60%, and 7.60%. In parallel, average trading volume declined sharply by 44.13% WoW to VND782.11tn, reflecting a significant cooling in interbank funding demand.

USDVND edges down

This week, the USDVND rate edged down by 0.08% (22ppcts), continuing to demonstrate remarkable resilience even as the US dollar strengthened globally, with the DXY closing at 99.1 (+0.71%) on Friday. On the global front, although the greenback was bolstered by upbeat economic data and safe-haven demand following the U.S. intervention in Venezuela, the USDVND continued to ease amid long-term expectations of a more accommodative Fed policy. Domestically, exchange rate pressure was significantly alleviated by robust year-end remittance inflows and a consistent four-week streak of foreign net buying, with this week's net inflow totaling VND0.63tn (representing 0.4% of HOSE trading value).

Vietnam economic indicators

	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Corr.
Disbursed FDI %YoY	10.1	12.5	6.8	11.4	9.5	9.5	-0.16
Retail sales %YoY	8.6	10.4	11.0	7.7	7.7	9.8	-0.16
Export %YoY	16.0	14.5	24.7	17.5	15.1	23.8	-0.05
Import %YoY	17.8	17.7	24.9	16.8	16.0	27.7	0.04
Trade balance (USD bn)	2.3	3.7	2.8	2.6	1.1	-0.7	-0.03
CPI %MoM	0.1	0.0	0.4	0.2	0.5	0.2	-0.03
Credit %YoY	19.8	19.9	20.1	20.3	19.5	17.9	-0.23
USDVND %MoM	0.4	0.6	0.3	-0.4	0.2	-0.3	-0.3
PMI (pts)	52.4	50.4	50.4	54.5	53.8	53.0	-0.09
VNINDEX return (%)	9.2	12.0	-1.2	-1.3	3.1	5.5	1.00

Source: SBV, GSO, Bloomberg, KIS

¹ Correlation to VNINDEX's monthly return

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

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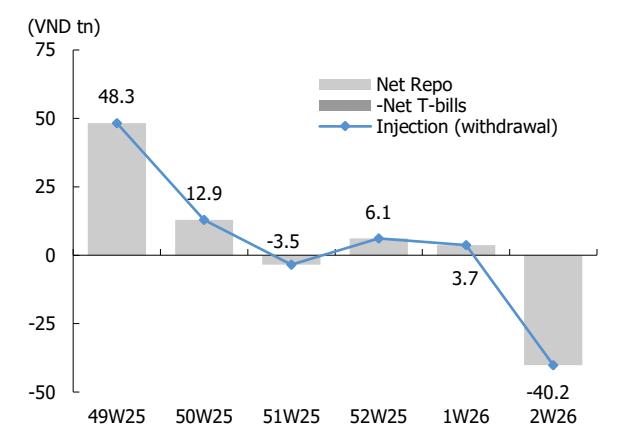
I. SBV returns to withdrawal

SBV withdraws liquidity as pressure subsides

In the second week of 2026, the SBV returned to net liquidity withdrawal as pressure in the banking system eased. Specifically, the SBV conducted VND48.68tn in repo operations, while VND88.85tn matured, resulting in a net liquidity withdrawal of VND40.17tn from the banking system.

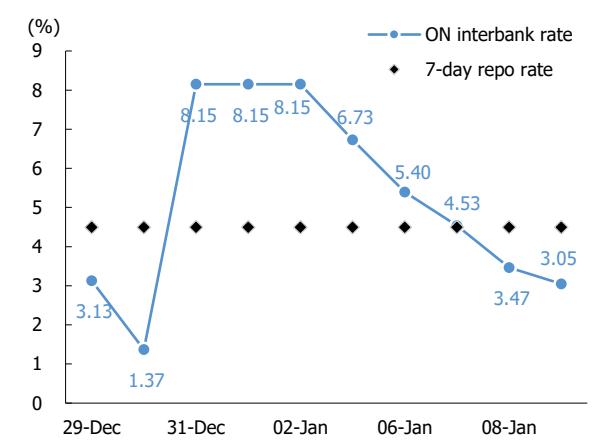
As liquidity pressure in the banking system moderated in the early part of the year, conditions allowed the SBV to withdraw liquidity at a relatively strong pace. Notably, the SBV relied solely on allowing repo contracts to mature naturally, rather than reactivating bill issuance. This approach helped avoid excessive tightening pressure on the interbank market, while also reducing outstanding repo balances, which currently stand at VND340.15tn.

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 (%)
5-Jan-26	12-Jan-26	7	11.00	4.50
Total		7	11.00	

Source: SBV, KIS

Figure 4. Repo transactions: 14 days tenor

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
5-Jan-26	19-Jan-26	14	12.40	4.50
6-Jan-26	20-Jan-26	14	2.13	4.50
7-Jan-26	21-Jan-26	14	1.00	4.50
8-Jan-26	22-Jan-26	14	0.89	4.50
Total		14	16.42	

Source: SBV, KIS

Figure 5. Repo transactions: 28 days tenor

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
5-Jan-26	2-Feb-26	28	7.00	4.50
6-Jan-26	3-Feb-26	28	5.88	4.50
7-Jan-26	4-Feb-26	28	1.00	4.50
8-Jan-26	5-Feb-26	28	0.76	4.50
Total		28	14.64	

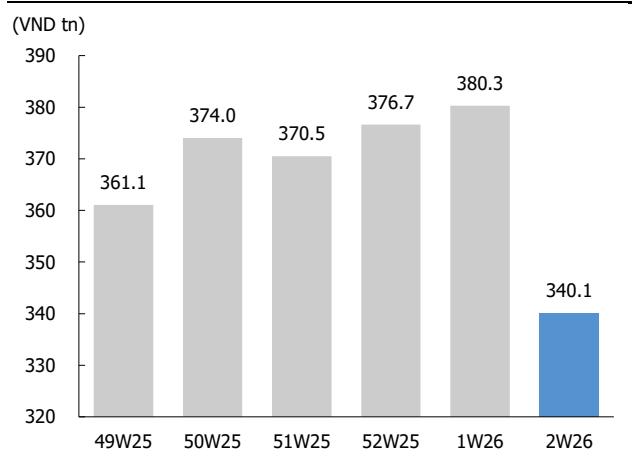
Source: SBV, KIS

Figure 6. Repo transactions: 91 days tenor

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
5-Jan-26	6-Apr-26	91	2.75	4.50
6-Jan-26	7-Apr-26	91	2.48	4.50
7-Jan-26	8-Apr-26	91	1.00	4.50
8-Jan-26	9-Apr-26	91	0.39	4.50
Total		91	6.62	

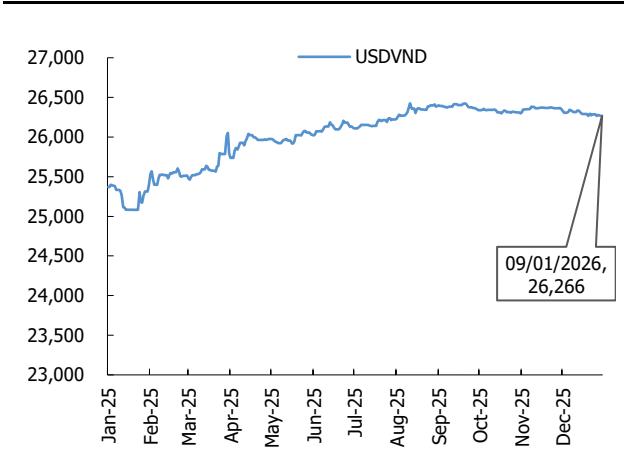
Source: SBV, KIS

Figure 7. Outstanding amount of repos



Source: SBV, KIS

Figure 8. USDVNS movement



Source: SBV, KIS

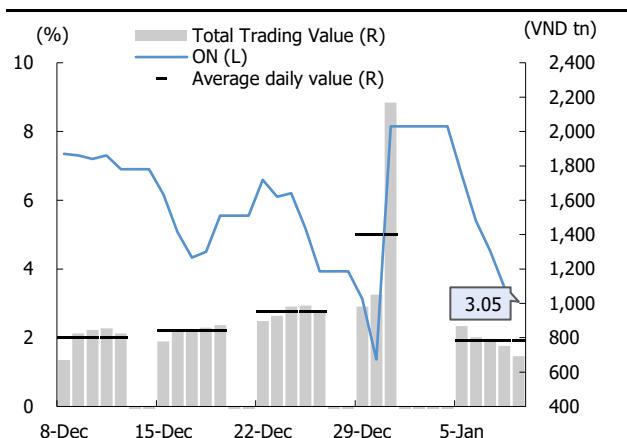
II. Interbank rates cool sharply

Interbank rates ease at the start of the year as demand subsides

This week, interbank rates declined sharply across most maturities, with the most pronounced drops observed at the short end of the curve. Specifically, overnight (ON), 1-week (1W), 2-week (2W), 1-month (1M), 3-month (3M), and 6-month (6M) rates fell by 510bps, 530bps, 460bps, 275bps, 70bps, and 10bps, respectively, to 3.05%, 3.70%, 4.40%, 5.85%, 7.60%, and 7.60%. In parallel, average trading volume declined sharply by 44.13% WoW to VND782.11tn, reflecting a significant cooling in interbank funding demand.

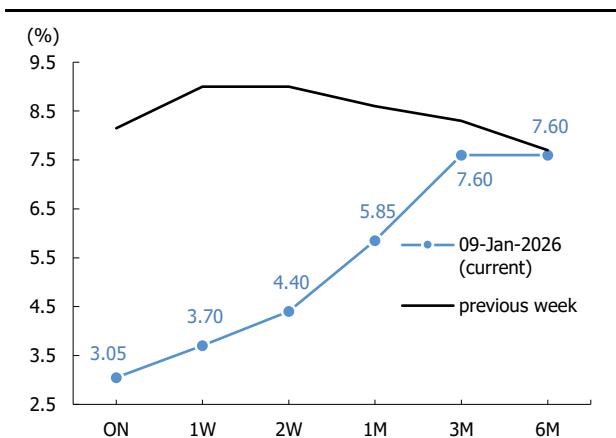
These developments indicate that banks' funding needs in the interbank market have eased markedly following the sharp tightening observed toward the end of 2025, as both rates and trading volumes retreated substantially. Looking ahead, given the ambitious credit growth targets set for 2026, we expect the SBV to continue maintaining stable interbank rates to support banks' business activities and ensure smooth market functioning.

Figure 9. Interbank daily transaction



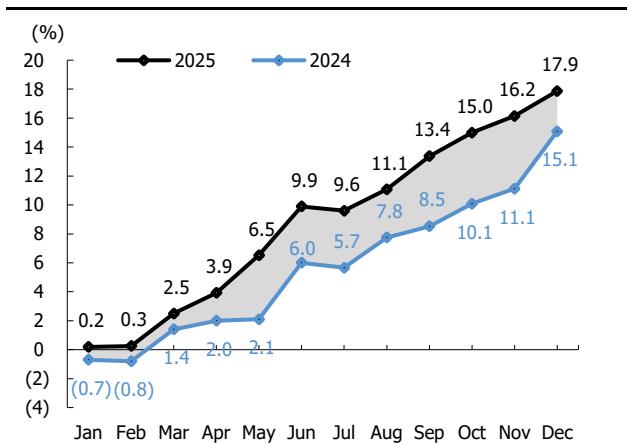
Source: SBV, Bloomberg, KIS

Figure 10. Interbank rate curve



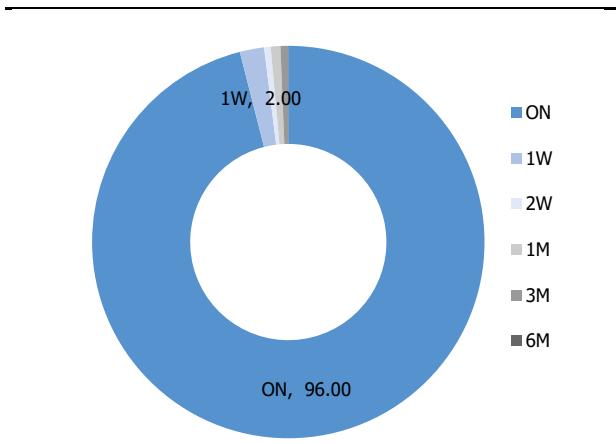
Source: SBV, Bloomberg, KIS

Figure 11. Credit growth by month of the year



Source: SBV, Bloomberg, KISVN
Note: Updated by 24 December, 2025

Figure 12. Interbank transaction structure



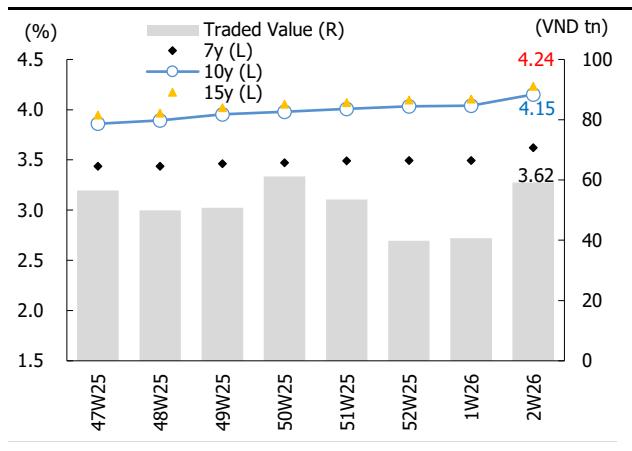
Source: SBV, Bloomberg, KISVN

III. G-bond yields surge

Secondary yields spike across most tenors alongside robust liquidity

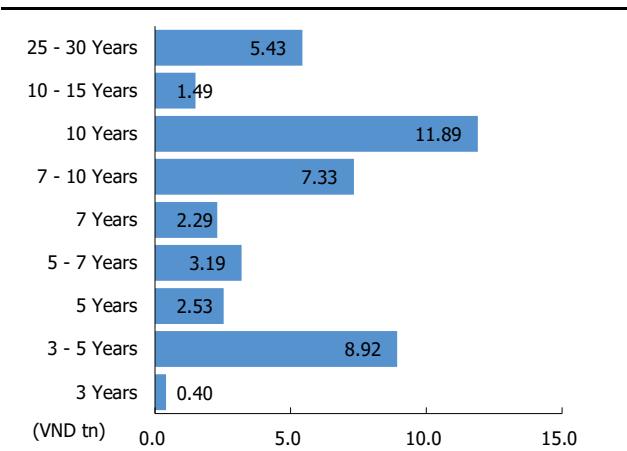
In 2W26, secondary-market G-bond yields recorded a sharp increase across most maturities, accompanied by a significant rise in trading activity. Specifically, actively traded tenors including the 5-year, 7-year, 10-year, 15-year, 20-year, and 30-year surged by 28bps, 13bps, 11bps, 13bps, 15bps, and 14bps to 3.54%, 3.62%, 4.15%, 4.24%, 4.26%, and 4.31%, respectively. Total trading value rose sharply by 45.59% week-on-week to VND59.20tn, with the average trading value per session jumping to VND19.73tn, reflecting a highly active market following the holiday period.

Figure 13. G-bond traded value by week



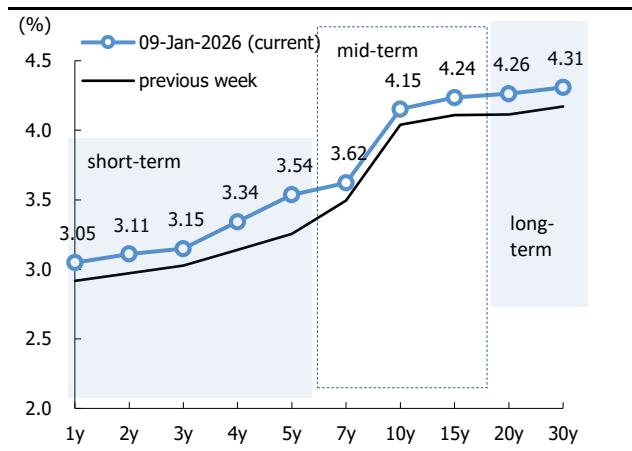
Source: HNX, Bloomberg, KIS

Figure 14. G-bond traded value by tenor



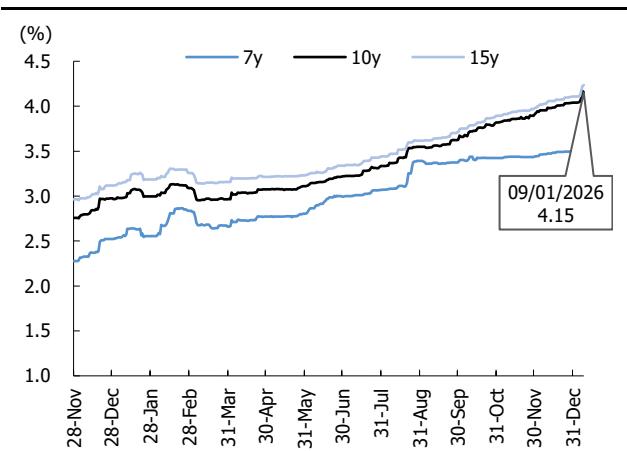
Source: HNX, Bloomberg, KIS

Figure 15. G-bond trading yield curve



Source: HNX, VBMA, KIS

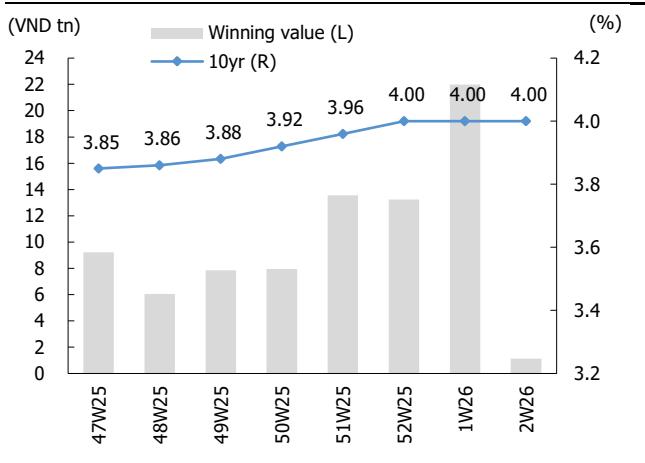
Figure 16. Historical daily government bond yields



Source: HNX, VBMA, KIS

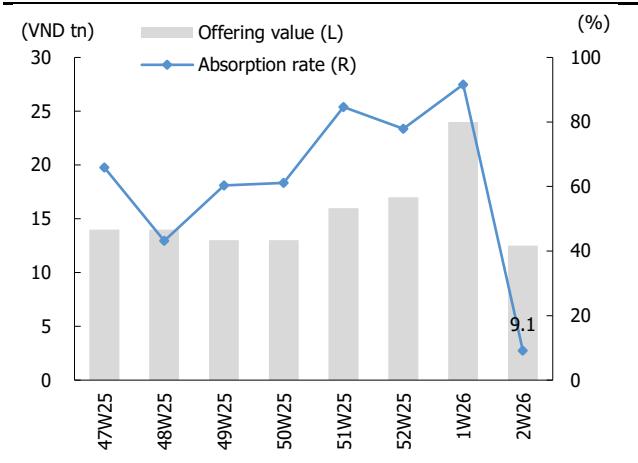
On the primary market, the government has set a total issuance target of VND500tn for 2026. During this week, the 10-year G-bond yield remained unchanged at 4.00%, while the winning value dropped significantly to a minimal VND1.14tn (down 94.82% week-on-week). Nevertheless, after the first two weeks of the year, total winning value has already reached 4.6% of the 2026 plan. This represents a favorable start, outpacing the progress recorded during the same period in 2025. Given the government's aggressive public investment agenda for the year, we expect G-bond issuance to remain on track to meet the annual target.

Figure 17. Weekly winning values



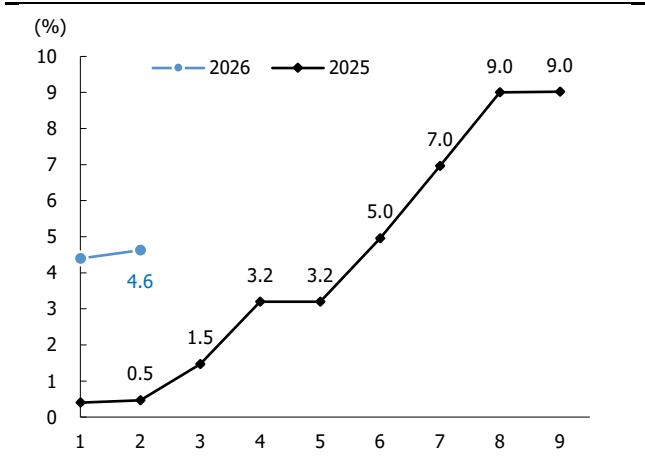
Source: HNX, KIS

Figure 18. Weekly absorption rate



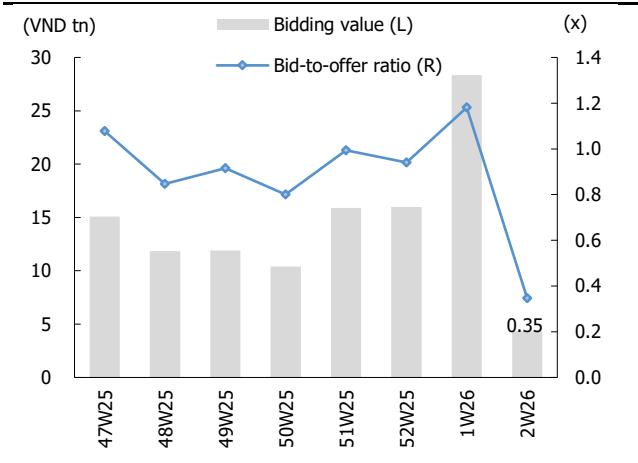
Source: HNX, KIS

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



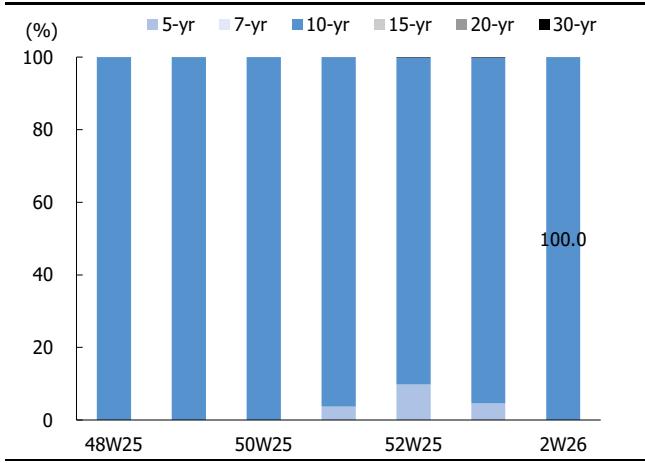
Source: HNX, KIS

Figure 20. Weekly bid-to-offer ratio



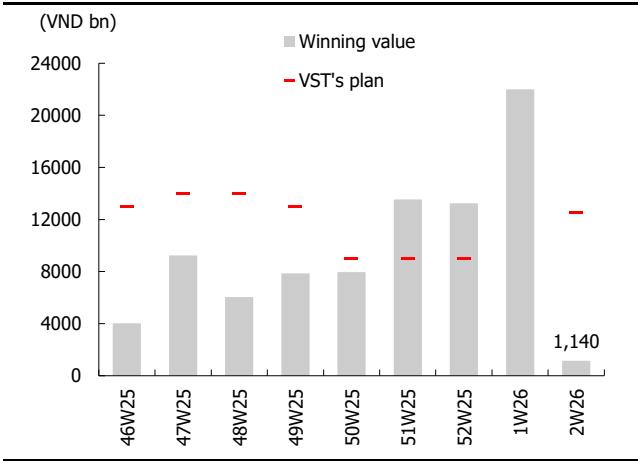
Source: HNX, KIS

Figure 21. Weekly winning G-bond structure



Source: HNX, KIS

Figure 22. Weekly issued amount of G-bond



Source: HNX, KIS

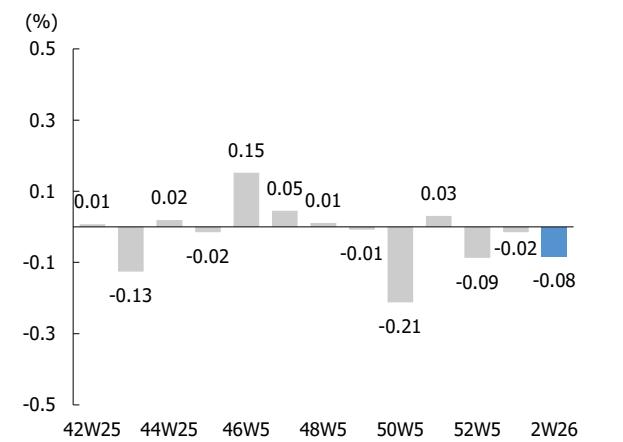
IV. USDVND edges down

USD's strength was bolstered by a combination of upbeat economic data and geopolitical developments-

This week, the USDVND rate edged down by 0.08% (22ppts), continuing to demonstrate remarkable resilience even as the US dollar strengthened globally, with the DXY closing at 99.1 (+0.71%) on Friday. On the global front, although the greenback was bolstered by upbeat economic data and safe-haven demand following the U.S. intervention in Venezuela, the USDVND continued to ease amid long-term expectations of a more accommodative Fed policy. Domestically, exchange rate pressure was significantly alleviated by robust year-end remittance inflows and a consistent four-week streak of foreign net buying, with this week's net inflow totaling VND 0.63tn (representing 0.4% of HOSE trading value).

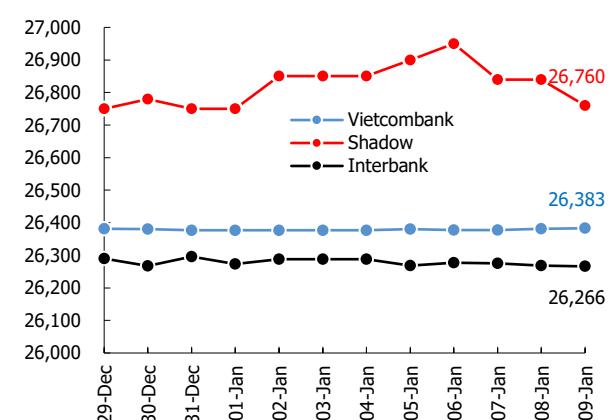
On the FX front, exchange rate movements showed a slight divergence. Vietcombank's USDVND ask rate rose by 0.02% (6ppts), whereas the shadow market bid price fell by 0.34% (90ppts). As of Friday, prices stood at 26,383 (ask) at Vietcombank and 26,760 (bid) on the shadow market.

Figure 23. Weekly USDVND performance



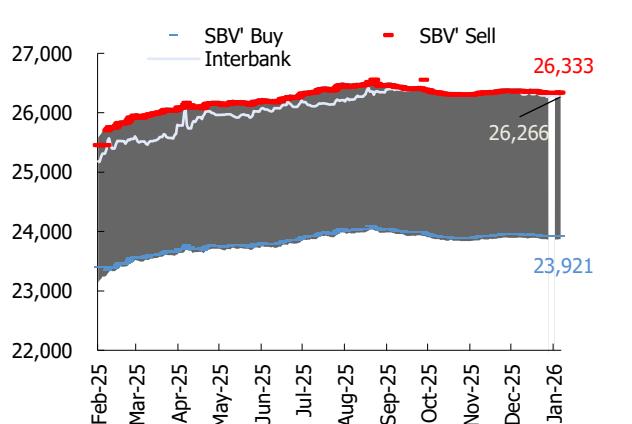
Source: Bloomberg, KIS

Figure 24. VCB & shadow market USDVND spread



Source: SBV, Vietcombank, KIS

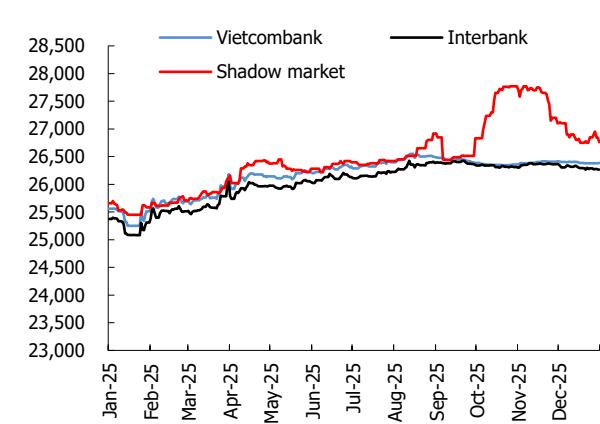
Figure 25. SBV's movement



Source: SBV, Bloomberg, Fiinpro, KIS

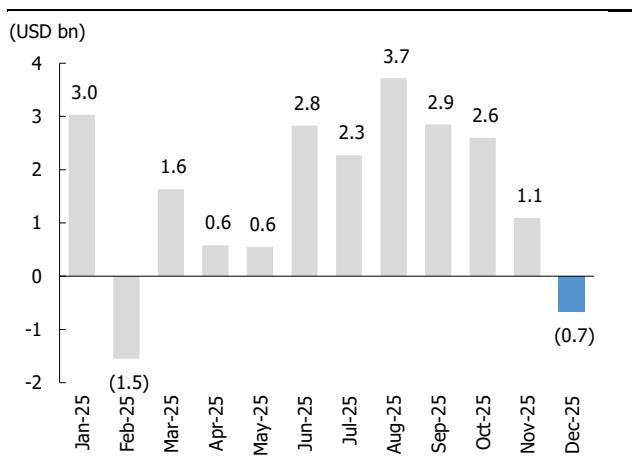
Note: shaded region is the daily trading band. The effective trading band is +/- 5% (the effective date is 17 October, 2022).

Figure 26. USDVND by market



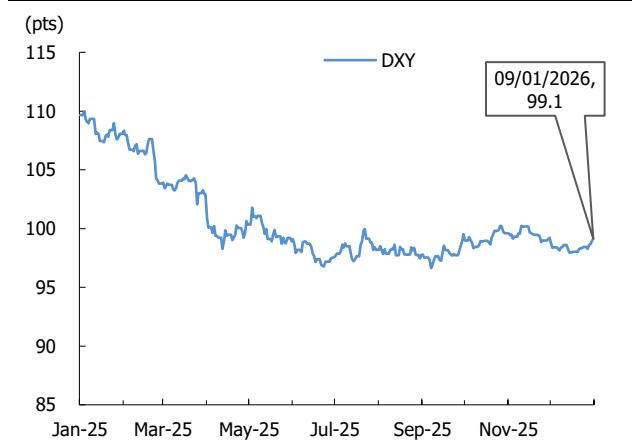
Source: SBV, Bloomberg, KIS

Figure 27. Vietnam's trade balance by month



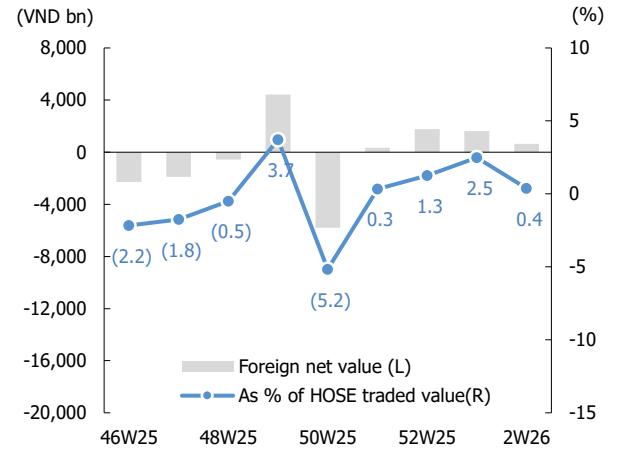
Source: GSO, KIS
Note: Updated until 19 November, 2025

Figure 29. Historical DXY



Source: Bloomberg, KIS

Figure 28. Trading of the foreign bloc in Vietnamese stock market



Source: Fijnpro, KIS

Figure 30. Weekly change of USDVND and peers

		52W25	1W26	2W26	2025 YTD
China	USDCNY	-0.51	-0.25	-0.14	-0.14
EU	USDEUR	-0.53	0.45	0.70	0.93
Mexico	USDMXN	-0.71	-0.04	0.41	-13.42
Vietnam	USDVND	-0.09	-0.02	-0.08	-0.03
Canada	USDCNY	-0.94	0.45	1.31	-3.56
Taiwan	USDTWD	-0.29	-0.10	0.61	-3.90
Japan	USDJPY	-0.75	0.17	0.67	0.92
South Korea	USDKRW	-2.42	0.17	1.02	1.36
Thailand	USDTHB	-1.26	1.41	-0.25	-0.25
DXY	U.S. Dollar Index	-0.59	0.41	0.72	0.82

Source: SBV, Bloomberg

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

Macro scorecard

	25-Aug	25-Sep	25-Oct	25-Nov	25-Dec	1Q25	2Q25	3Q25	4Q25	2022	2023	2024	2025
Real GDP growth (%)						7.05	8.16	8.25	8.46	8.54	4.98	7.04	8.02
Registered FDI (USD bn)	2.05	2.40	2.98	2.17	4.73	10.98	10.54	7.02	9.88	27.72	36.61	38.23	38.42
GDP per capita (USD)										4,110	4,285	4,700	5,026
Unemployment rate (%)						2.20	2.22	2.21	2.22	2.32	2.26	2.24	2.22
Export (USD bn)	43.39	42.67	42.05	39.07	44.03	102.84	110.62	118.38	126.3	371.85	355.5	405.5	475.0
Import (USD bn)	39.67	39.82	39.45	37.98	44.69	99.68	118.83	120.19	123.1	360.65	327.5	380.8	455.01
Export growth (%)	14.50	24.73	17.48	15.15	23.81	10.64	10.62	18.38	19.96	10.61	-4.4	14.3	17.00
Import growth (%)	17.71	24.88	16.83	16.04	27.69	17.03	18.83	20.19	21.28	8.35	-8.9	16.7	19.40
Inflation (%)	3.24	3.38	3.25	3.58	3.48	3.22	3.31	3.27	3.44	3.15	3.25	3.63	3.31
USDVND	26,345	26,427	26,315	26,365	26,296	25,565	26,121	26,427	26,296	23,650	23,784	25,386	26,296
Credit growth (%)	19.91	19.61	20.25	19.94	17.87	16.3	17.48	19.61	17.87	14.2	13.7	13.8	17.87
10Y govt bond (%)	3.69	3.76	3.95	4.03	4.19	3.06	3.34	3.76	4.19	5.08	2.39	2.94	4.19

Source: GSO, Bloomberg, FIA, IMF

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