

Fixed-Income Report

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Macroeconomic, Fixed-Income, Financial and Corporation Information updated at

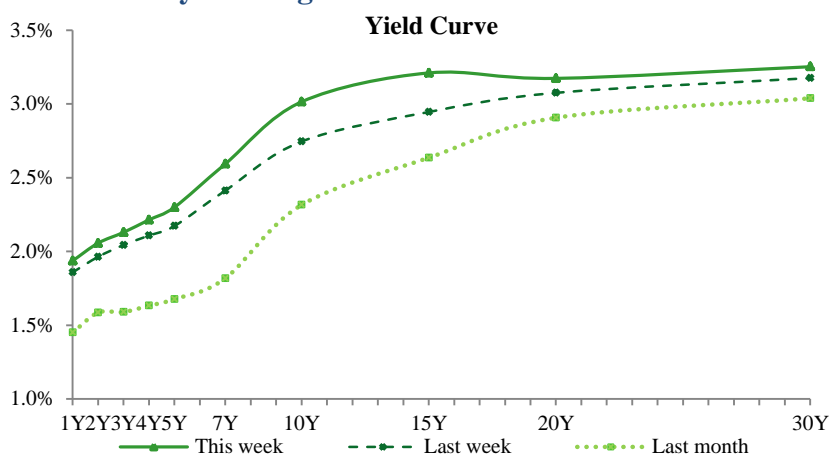
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Round-up

Primary market was inactive.

Yield curve shifted upwards.

Interbank rates stayed at high levels.



Source: VBMA, VCBS compiles

■ Only VND 120 bn was mobilized from ST. VND 42,485 bn (-21.8% wow) was traded on the secondary market.

■ Yield curve shifted upwards, and upward pressure focused on 7-15Y tenors. According to VBMA data, 1Y, 2Y, 3Y, 4Y, 5Y, 7Y, 10Y, 15Y, 20Y and 30Y bond yields posted at 1.936% (+7.8 bps), 2.056% (+9.3 bps), 2.129% (+8.6 bps), 2.214% (+10.7 bps), 2.299% (+12.7 bps), 2.593% (+18.1 bps), 3.014% (+26.9 bps), 3.21% (+26.5 bps), 3.173% (+9.8 bps), 3.252% (+7.7 bps), respectively.

■ Interbank rates stayed at high levels. In details, ON – 3M rates posted at 1.952%, 2.131%, 2.206%, 2.3% and 2.394%, respectively according to Bloomberg data.

■ SBV net withdrew VND 2807.8 bn via OMO channel.

■ Foreign investors net sold VND 554 bn.

VCBS Commentary

■ At the present, we do not foresee any factors that can pull down bond yields; instead, bond yields may continue to go up in the upcoming weeks due to some factors. Bond yields are sensitive to interbank liquidity while interbank rates will not be able to cool down soon. Besides, there is still upward pressure on inflation.

Bond Market

Only VND 120 bn was mobilized from ST.

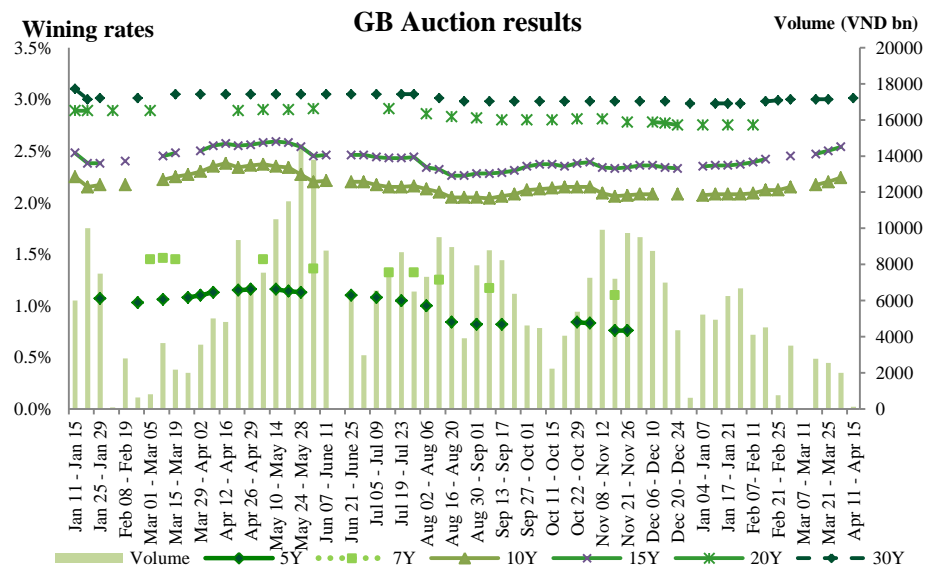
Primary Market

Primary market was inactive.

Only VND 120 bn was mobilized from ST. Therein, ST issued VND 0 bn at 7Y tenors, VND 0 bn at 10Y tenors, VND 0 bn at 15Y tenors. VND 120 bn at 30Y tenors. The registered volume-to-offering volume ratios for 7Y, 10Y, 15Y, 30Y tenors were 1.3; 2.04; 1.66; 0.44 times respectively. It indicated low demand and conservative sentiment from market participants in the context that spread among primary and secondary market expanded.

Winning volume-to-offering ratios for 30Y tenors stood at 24%, while the auction for 7Y, 10Y, 15Y did not issue successfully. Winning rates for 30Y stood at 3.01% (+1 bp), respectively.

VDB and VBSP did not mobilize bond this week.



Source: HNX, VCBS compiles

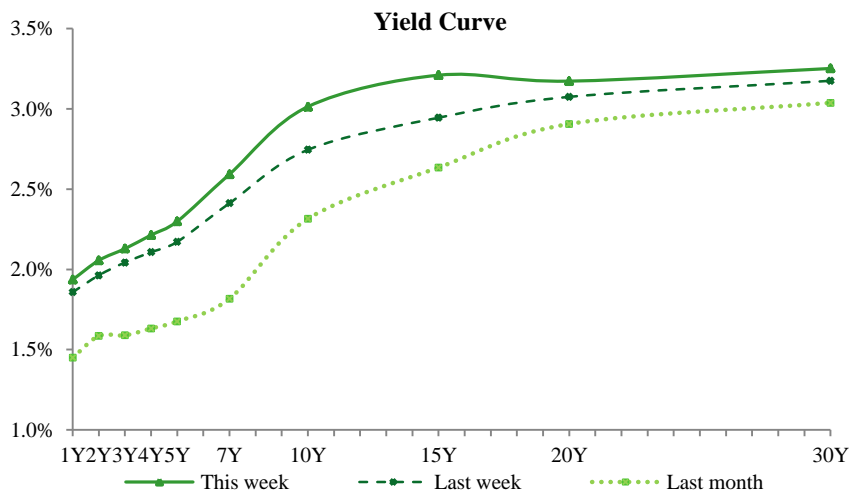
Secondary Market

VND 42,485 bn (-21.8% wow) was traded on the secondary market.

VND 42,485 bn (-21.8% wow) was traded on the secondary market. Average trading volume per day is VND 8,497 bn. In detail, Outright and repo values were at VND 19,819 bn (-11.2% wow) and VND 22,666 bn (-29.1% wow) respectively. Regarding outright, ST-Bond kept totally dominating trading volume with 100%.

Yield curve shifted upwards, and upward pressure focused on 7-15Y tenors.

According to VBMA data, 1Y, 2Y, 3Y, 4Y, 5Y, 7Y, 10Y, 15Y, 20Y and 30Y bond yields posted at 1.936% (+7.8 bps), 2.056% (+9.3 bps), 2.129% (+8.6 bps), 2.214% (+10.7 bps), 2.299% (+12.7 bps), 2.593% (+18.1 bps), 3.014% (+26.9 bps), 3.21% (+26.5 bps), 3.173% (+9.8 bps), 3.252% (+7.7 bps), respectively.



Source: VBMA, VCBS compiles

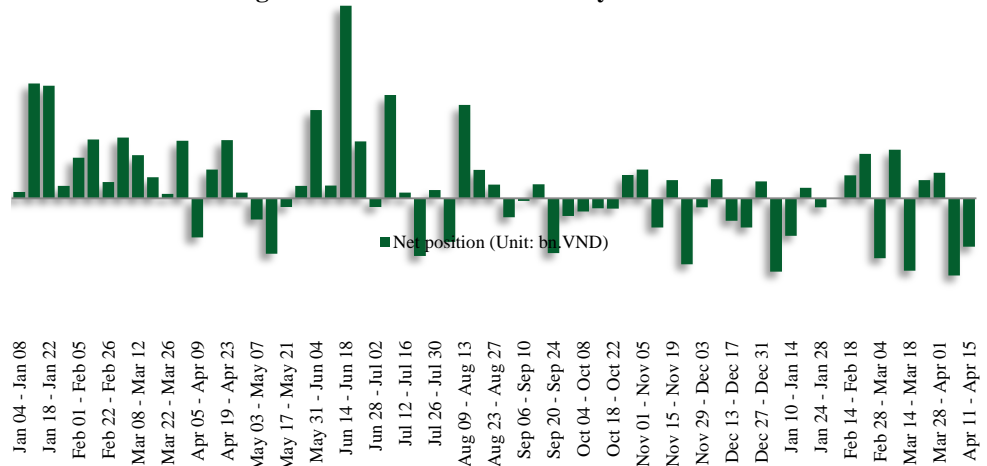
Last week, ECB announced that they shall conclude asset purchase program in the third quarter. Minutes from Fed latest meeting also confirmed a more hawkish approach with the next hike plan in FOMC in May.

At the present, we do not foresee any factors that can pull down bond yields; instead, bond yields may continue to go up in the upcoming weeks due to some factors. Bond yields are sensitive to interbank liquidity while interbank rates will not be able to cool down soon. Besides, there is still upward pressure on inflation. Thus, certain sensitive news can trigger a strong sell force.

Foreign investors net sold VND 554 bn.

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Foreign Investment in the secondary market



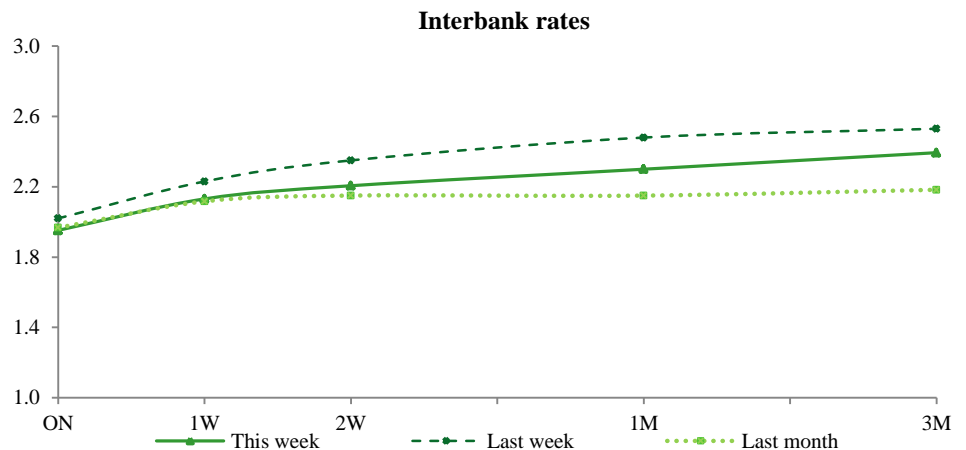
Source: HNX, VCBS

INTEREST RATE

Interbank Rates

Interbank rates stayed at high levels.

Interbank rates stayed at high levels. In details, ON – 3M rates posted at 1.952%, 2.131%, 2.206%, 2.3% and 2.394%, respectively according to Bloomberg data.



Source: Bloomberg, VCBS

These weeks, certain pressure remained in interbank liquidity due to unchanged factors: (i) higher credit demand in the post-pandemic period; (ii) high expected inflation due to upward force on commodity prices; (iii) exchange rates continued to increase while investment inflows may not in favorable conditions as last year.

From Apr 08 to Apr 15, the central exchange rate was listed at 23,106

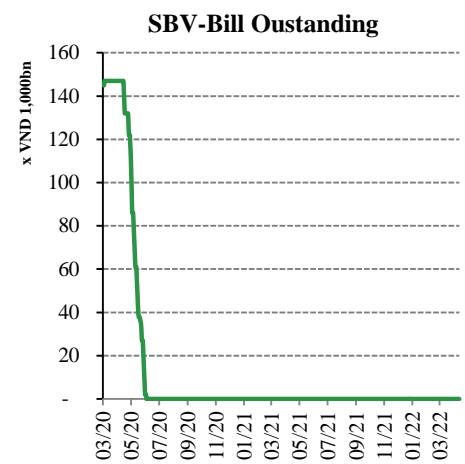
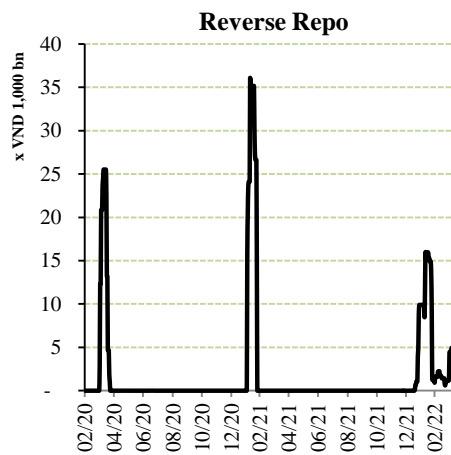
VND/USD (+05 VND compared to the last session of the previous week). Meanwhile, exchange rates in commercial banks increased by 40 VND to 22.730/23.040.

In the upcoming weeks, we believe that interbank rates are unlikely to fall deeply; instead, interbank rates may stay at current levels while there is no further supportive news in the market.

Open Market Operation

SBV net withdrew VND 2807.8 bn via OMO channel.

SBV net withdrew VND 2807.8 bn via OMO channel.. In detail, SBV offered VND 987 bn of repo while VND 3,794 bn are due this week.



Source: Bloomberg, VCBS Research

APPENDICES

Bond Auctions

Auction date	Tenor	Offering volume	Registering volume	Winning volume	Register to Offering Ratio	Winning rate (%)	Winning/Offering	Issuer
ST bills								
Government and government-backed bonds								
13-Apr-22	7Y	500	650	-	1.3	0	0.00%	ST
13-Apr-22	10Y	2,500	5,101	-	2.04	0	0.00%	ST
13-Apr-22	15Y	2,500	4,150	-	1.66	0	0.00%	ST
13-Apr-22	30Y	500	220	120	0.44	3.01	24.00%	ST

Secondary Market

Issuer	Last week		Current week	
	Value	Value share	Value	Value share
Outright				
ST	21,558	96.62%	19,819	100.00%
VDB	754	3.38%	-	0.00%
VBSP	-	0.00%	-	0.00%
Others	-	0.00%	-	0.00%
Subtotal (1)	22,311	100.00%	19,819	100.00%
Repo				
Repo	31,983	57.01%	22,666	48.60%
Reserve Repo	24,116	42.99%	23,968	51.40%
Subtotal (2)	56,098	100.00%	46,634	100.00%
ST bills				
Outright				
Repo				
Subtotal (3)				
Total (1)+(2)+(3)	78,410		66,453	

Open Market Operation

Date	Due	Reverse Repo			Outright (SBV Bills)			
		Offer	Balance	Outstanding	Due	Offer	Balance	Outstanding
01/24 - 01/28	-	8,834	8,834	8,834	-	-	-	-
02/07 - 02/11	8,834	14,390	5,556	15,455	-	-	-	-
02/14 - 02/18	1,065	522	(543)	14,912	-	-	-	-
02/21 - 02/25	14,390	918	(13,471)	1,440	-	-	-	-
02/28 - 03/04	522	678	156	1,596	-	-	-	-
03/07 - 03/11	918	1,019	101	1,697	-	-	-	-
03/14 - 03/18	678	411	(268)	1,430	-	-	-	-
03/21 - 03/25	1,019	715	(304)	1,125	-	-	-	-
03/28 - 04/01	411	3,794	3,384	4,509	-	-	-	-
04/04 - 04/08	715	1,231	517	5,026	-	-	-	-
04/11 - 04/15	3,794	987	(2,808)	2,218	-	-	-	-

DISCLAIMER

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