

Fixed-income Perspectives

SBV withdraws liquidity while interbank rates diverge

SBV shifts to net liquidity withdrawal

In 23W26 (from 01 to 05 June), the SBV shifts to a net liquidity withdrawal from the banking system, reversing its aggressive injection stance from the previous week. Specifically, the SBV issues VND62.66tn of new repos while VND89.03tn matures, resulting in a net liquidity withdrawal of VND26.37tn from the system.

Interbank rates diverge

This week, interbank rates record a divergence across tenors, accompanied by a notable decline in trading activity. Specifically, rates for the very short end, including overnight, 1 week, and 2 week tenors, drop by 83bps, 63bps, and 33bps to 6.20%, 6.60%, and 6.90%, respectively, reflecting an easing of immediate funding strains post-injection. Conversely, with the 1 month, 3 month, and 6 month rates rising by 3bps, 20bps, and 25bps to 7.20%, 7.90%, and 8.00%, respectively. Average trading value decreases by 11.93% WoW to VND832.61tn.

USDVND rebounds

This week, USDVND edged higher as the greenback rebounded significantly, with the DXY closing at 100.1 (+1.14%) on Friday. Globally, the U.S. dollar strengthened as persistent Middle East tensions kept inflationary pressures elevated, while resilient U.S. economic data reinforced expectations of a higher-for-longer Fed policy stance. Domestically, the interbank USDVND rate increased by 0.06% (16ppts) to 26,329, remaining in a gradual upward trend amid a tighter global interest rate environment and continued foreign net selling in Vietnam's equity market.

Vietnam economic indicators

	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Corr.
Disbursed FDI %YoY	9.5	11.3	6.3	9.3	11.9	8.8	-0.16
Retail sales %YoY	7.8	7.7	11.9	11.5	11.6	11.8	-0.16
Export %YoY	23.8	29.7	5.7	20.1	21.0	18.0	-0.05
Import %YoY	27.7	49.2	4.4	27.8	32.5	33.8	0.04
Trade balance (USD bn)	-0.7	-1.8	-1.0	-0.7	-3.3	-5.2	-0.03
CPI %MoM	0.2	0.0	1.1	1.2	0.8	0.3	-0.03
Credit %YoY	19.1	19.8	19.7	18.2	18.0	#NA	-0.23
USDVND %MoM	-0.6	-1.0	0.3	1.2	0.0	-0.2	-0.3
PMI (pts)	53.0	52.5	54.3	51.2	50.5	52.8	-0.09
VNINDEX return (%)	5.5	2.5	2.8	-10.9	10.7	0.5	1.00

Source: SBV, GSO, Bloomberg, KIS

¹ Correlation to VNINDEX's monthly return

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

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Research Dept.

researchdept@kisvn.vn

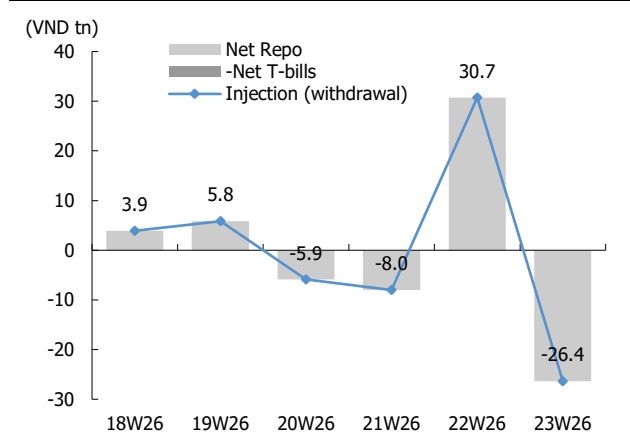
I. SBV shifts to net liquidity withdrawal

SBV absorbs liquidity through maturing repos as immediate pressures recede

In 23W26 (from 01 to 05 June), the SBV shifts to a net liquidity withdrawal from the banking system, reversing its aggressive injection stance from the previous week. Specifically, the SBV issues VND62.66tn of new repos while VND89.03tn matures, resulting in a net liquidity withdrawal of VND26.37tn from the system.

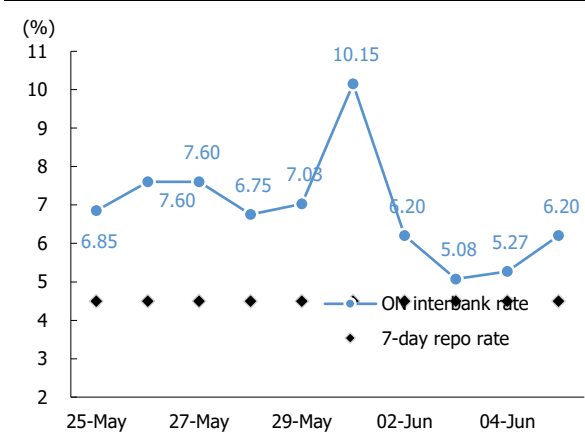
This development indicates that the central bank is actively managing systemic liquidity, with the SBV allowing a substantial portion of prior repos to mature without full rollover in an effort to maintain a balanced liquidity state across the interbank market. Looking ahead, we expect the SBV to persist with its flexible fine tuning approach, ensuring stability while keeping short term borrowing costs aligned with broader macroeconomic objectives.

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 (%)
1-Jun-26	8-Jun-26	7	15.22	4.50
2-Jun-26	9-Jun-26	7	1.00	4.50
3-Jun-26	10-Jun-26	7	3.63	4.50
4-Jun-26	11-Jun-26	7	1.00	4.50
5-Jun-26	12-Jun-26	7	7.00	4.50
Total		7	27.84	

Source: SBV, KIS

Figure 4. Repo transactions: 35 days tenor

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
1-Jun-26	6-Jul-26	35	8.60	4.50
2-Jun-26	7-Jul-26	35	1.47	4.50
3-Jun-26	8-Jul-26	35	1.00	4.50
4-Jun-26	9-Jul-26	35	1.00	4.50
5-Jun-26	10-Jul-26	35	3.00	4.50
Total		35	15.06	

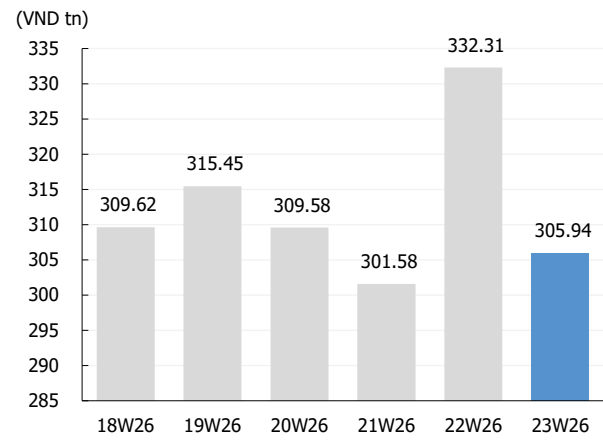
Source: SBV, KIS

Figure 5. Repo transactions: 56 days tenor

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
1-Jun-26	27-Jul-26	56	11.19	4.50
2-Jun-26	28-Jul-26	56	3.56	4.50
3-Jun-26	29-Jul-26	56	2.00	4.50
4-Jun-26	30-Jul-26	56	1.00	4.50
5-Jun-26	31-Jul-26	56	2.00	4.50
Total		56	19.75	

Source: SBV, KIS

Figure 6. Outstanding amount of repos



Source: SBV, KIS

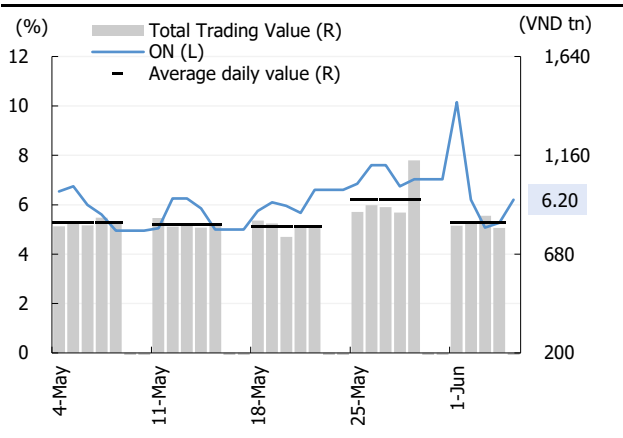
II. Interbank rates diverge

Short term interbank rates pull back while medium term maturities experience upward sticky pressure

This week, interbank rates record a divergence across tenors, accompanied by a notable decline in trading activity. Specifically, rates for the very short end, including overnight (ON), 1 week (1W), and 2 week (2W) tenors, drop by 83bps, 63bps, and 33bps to 6.20%, 6.60%, and 6.90%, respectively, reflecting an easing of immediate funding strains post-injection. Conversely, with the 1 month (1M), 3 month (3M), and 6 month (6M) rates rising by 3bps, 20bps, and 25bps to 7.20%, 7.90%, and 8.00%, respectively. Average trading value decreases by 11.93% WoW to VND832.61tn.

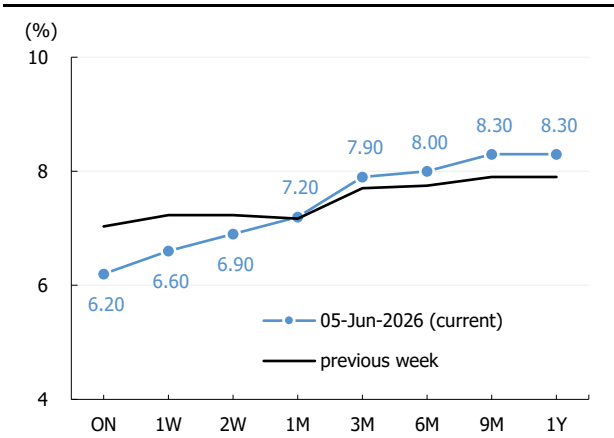
These dynamics suggest that while the previous week's heavy liquidity injections successfully cooled down immediate short term demand, commercial banks remain cautious regarding longer term liquidity positioning. Given the SBV's measured withdrawal stance, interbank rates are expected to stabilize within these adjusted ranges in the near term.

Figure 7. Interbank daily transaction



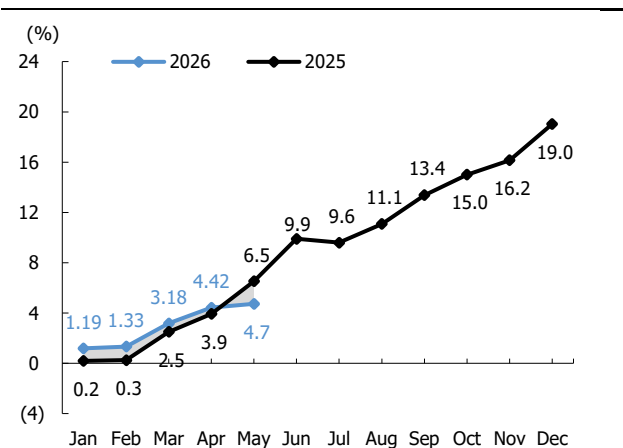
Source: SBV, Bloomberg, KIS

Figure 8. Interbank rate curve



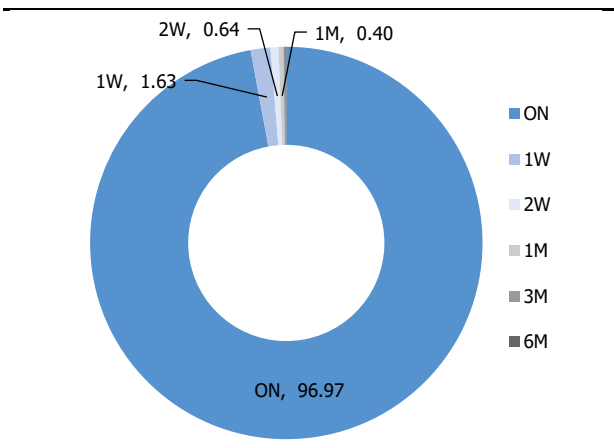
Source: SBV, Bloomberg, KIS

Figure 9. Credit growth by month of the year



Source: SBV, Bloomberg, KISVN
Note: Updated by 18 May, 2026

Figure 10. Interbank transaction structure



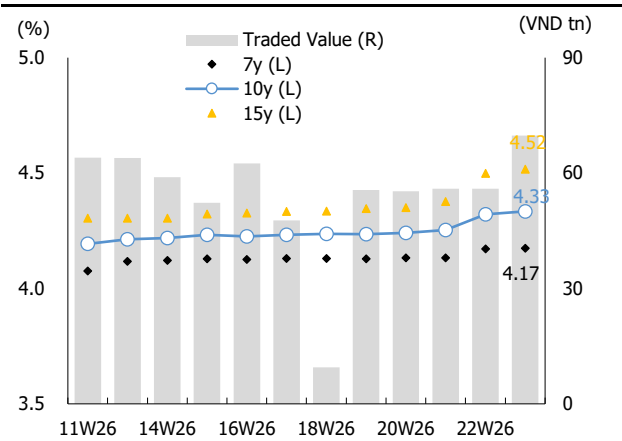
Source: SBV, Bloomberg, KISVN

III. G-bond yields ticked up

G-bond yields increased across tenors

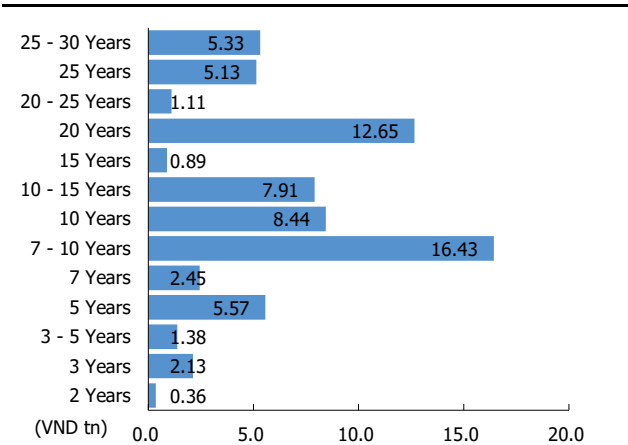
In the secondary market, G-bond yields increased across tenors alongside a notable pickup in trading activity. Specifically, actively traded maturities including the 5-year, 10-year, 15-year, 20-year, and 30-year rose by 1bp, 1bp, 2bps, 9bps, and 9bps, respectively, to 4.13%, 4.33%, 4.52%, 4.58%, and 4.64%. Meanwhile, total trading volume surged by 24.8% WoW to VND69.78tn, averaging VND23.26tn per trading session.

Figure 11. G-bond traded value by week



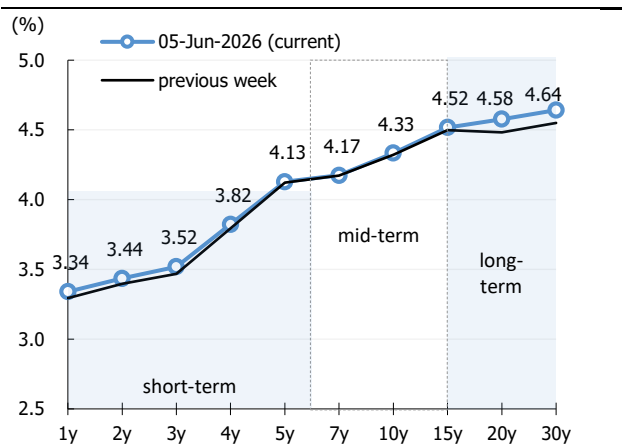
Source: HNX, Bloomberg, KIS

Figure 12. G-bond traded value by tenor



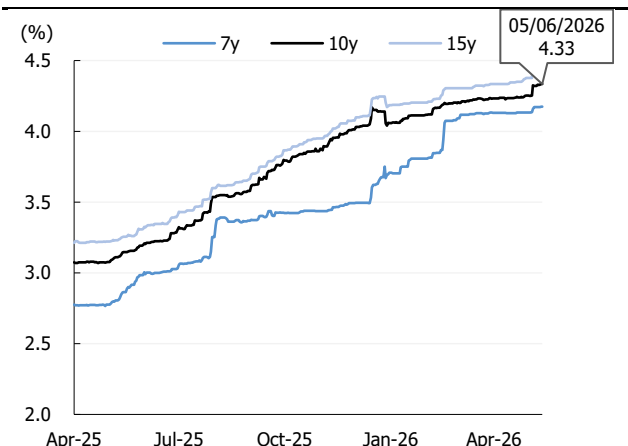
Source: HNX, Bloomberg, KIS

Figure 13. G-bond trading yield curve



Source: HNX, VBMA, KIS

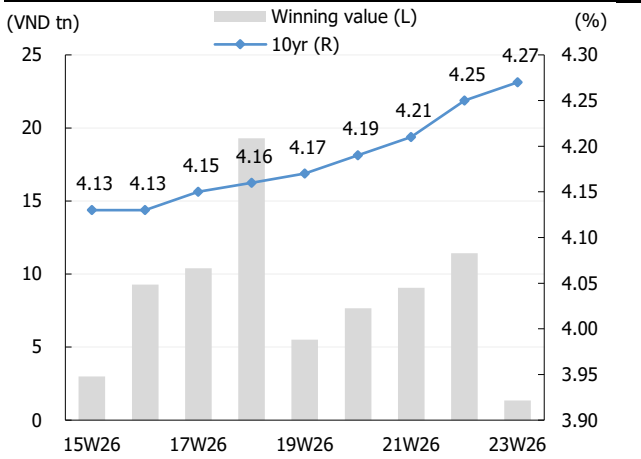
Figure 14. Historical daily government bond yields



Source: HNX, VBMA, KIS

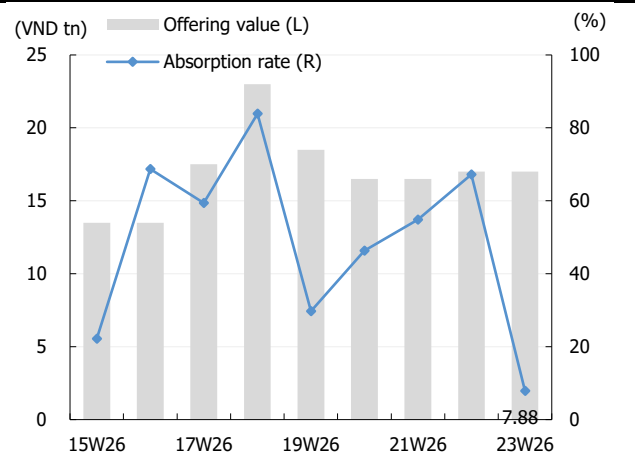
On the primary market, issuance activity slowed, with the VST successfully issuing only VND1.34tn this week, down 88.3% WoW. Meanwhile, the 10-year winning yield increased by 2bps to 4.27%. To date, the VST has completed 36.5% of its 2026 issuance target, slightly faster than the 34.7% recorded over the same period last year.

Figure 15. Weekly winning values



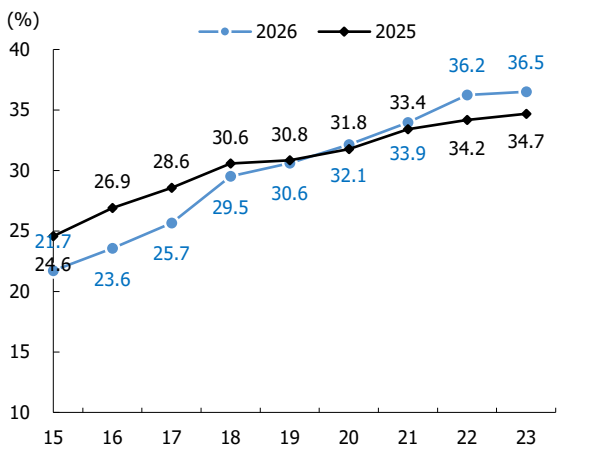
Source: HNX, KIS

Figure 16. Weekly absorption rate



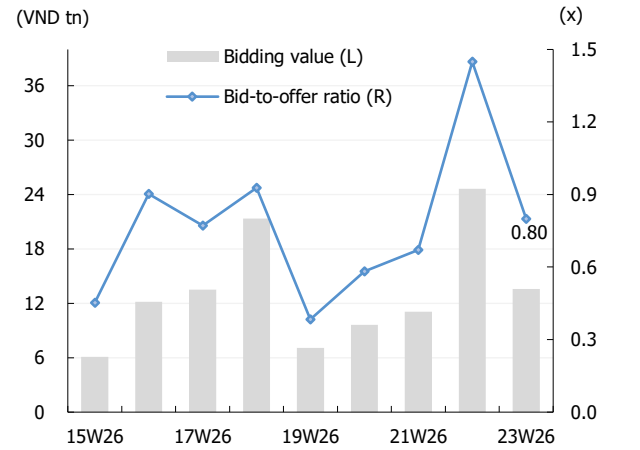
Source: HNX, KIS

Figure 17. Completion ratio by week-of-the-year



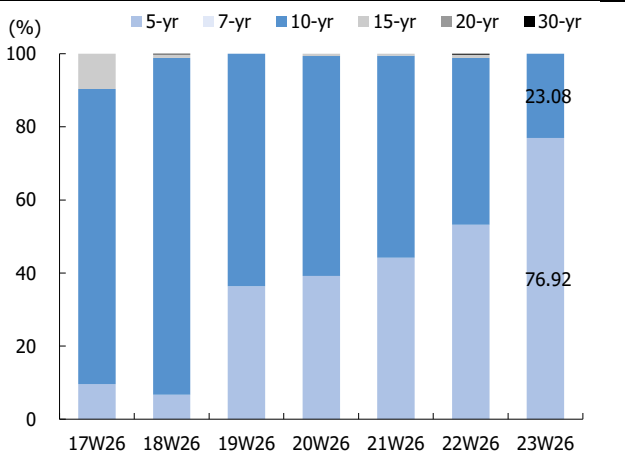
Source: HNX, KIS

Figure 18. Weekly bid-to-offer ratio



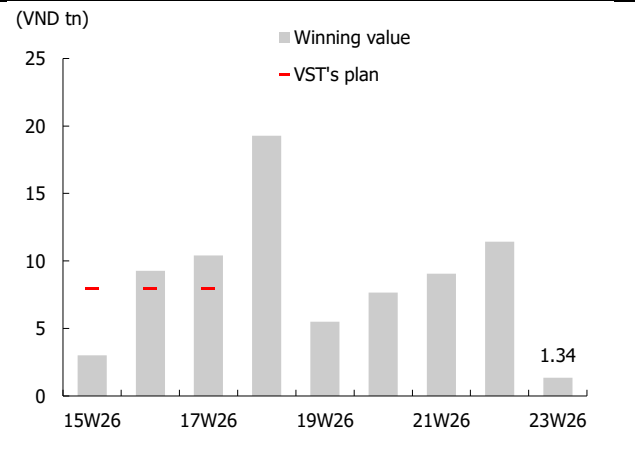
Source: HNX, KIS

Figure 19. Weekly winning G-bond structure



Source: HNX, KIS

Figure 20. Weekly issued amount of G-bond



Source: HNX, KIS

Figure 21. Yearly issued amount of G-bond



Source: HNX, KIS

IV. USDVND rebounds

USDVND remains in an upward consolidation trend

This week, USDVND edged higher as the greenback rebounded significantly, with the DXY closing at 100.1 (+1.14%) on Friday.

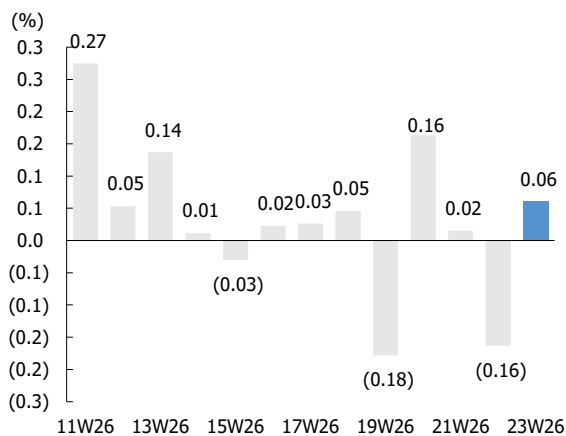
Globally, the U.S. dollar strengthened as hopes for a resolution to the Iran conflict in the Middle East continued to fade, sustaining inflationary pressures through prolonged energy supply disruptions. Recent inflation indicators, including CPI, PPI, and the Fed's preferred inflation gauge, PCE, all pointed to renewed price pressures and highlighted the challenge of bringing inflation back toward the Fed's 2% target.

Moreover, resilient labor market data, including lower initial jobless claims and stronger job openings, further undermined expectations of Fed rate cuts. Markets have increasingly shifted toward a higher for longer rate outlook, with some investors even pricing in the possibility of additional tightening by the end of 2026 to contain inflationary pressures, despite recent remarks from newly appointed Fed Chair Kevin Warsh.

Domestically, the interbank USDVND rate increased by 0.06% (16ppts) to 26,329, remaining in a gradual upward trend amid a tighter global interest rate environment and continued foreign net selling in Vietnam's equity market. Notably, foreign investors extended their net selling streak to a twelfth consecutive week, with net outflows reaching VND7.33tn (8.0% of total trading value) on the HoSE. Cumulative net foreign selling since the beginning of 2026 has reached VND70.18tn.

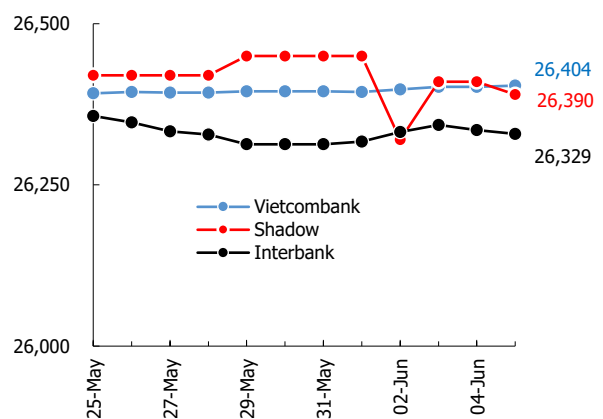
On the FX front, Vietcombank's USDVND ask rate increased by 0.03% (9ppts), while the shadow market rate declined by 0.23% (60ppts). As of Friday, ask prices stood at 26,404 at Vietcombank and 26,390 in the shadow market.

Figure 22. Weekly USDVND performance



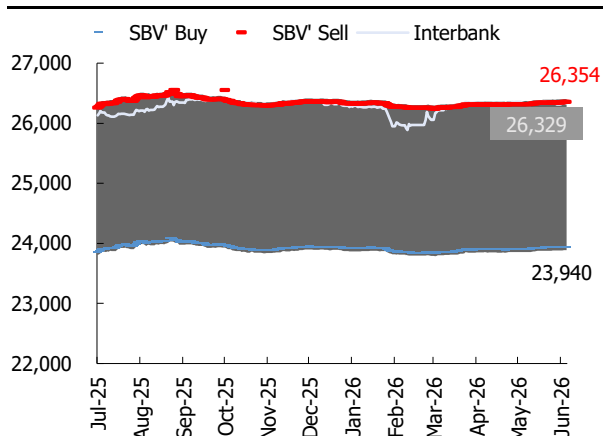
Source: Bloomberg, KIS

Figure 23. VCB & shadow market USDVND spread



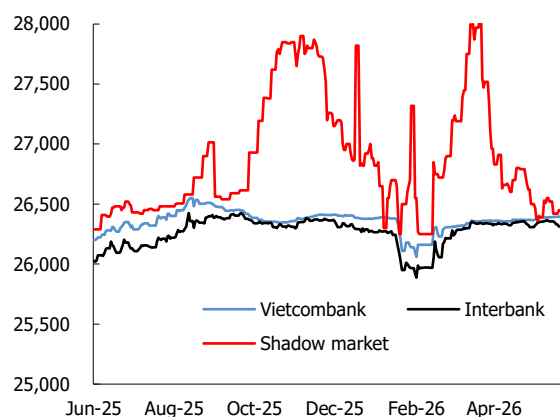
Source: SBV, Vietcombank, KIS

Figure 24. SBV's movement



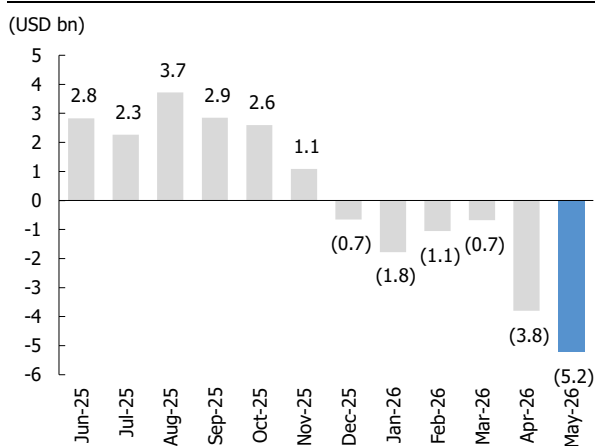
Source: SBV, Bloomberg, Fiinpro, KIS
 Note: shaded region is the daily trading band. The effective trading band is +/- 5% (the effective date is 17 October, 2022).

Figure 25. USDVND by market



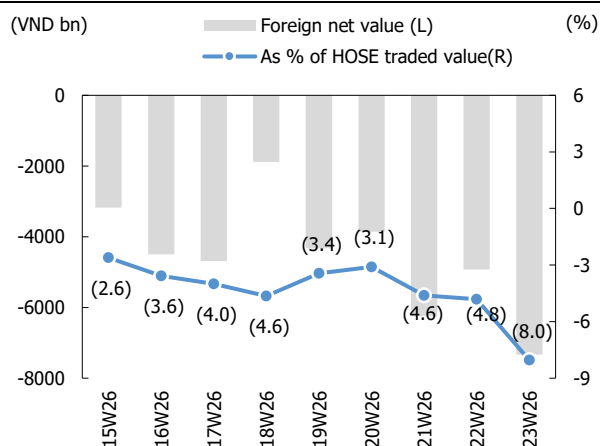
Source: SBV, Bloomberg, KIS

Figure 26. Vietnam's trade balance by month



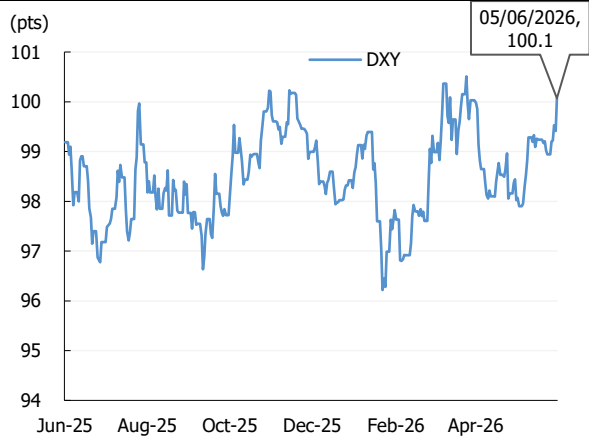
Source: NSO, KIS

Figure 27. Trading of the foreign bloc in Vietnamese stock market



Source: Fiinpro, KIS.

Figure 28. Historical DXY



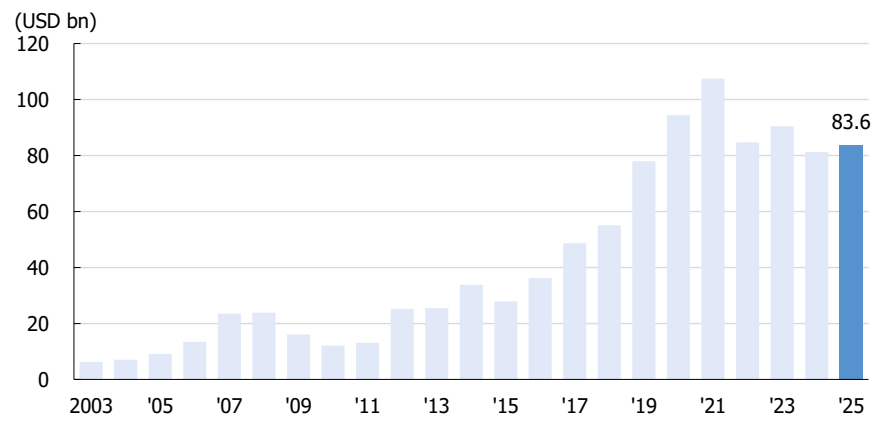
Source: Bloomberg, KIS

Figure 29. Weekly change of USDVND and peers

		21W26	22W26	23W26	2026 YTD
China	USDCNY	-0.24	-0.44	0.33	-2.86
EU	USDEUR	0.19	-0.48	1.19	1.94
Mexico	USDMXN	0.00	0.10	0.69	-15.84
Vietnam	USDVND	0.02	-0.16	0.06	0.21
Canada	USDCNY	0.49	-0.18	1.04	-3.39
Taiwan	USDTWD	0.03	-0.61	0.42	-4.23
Japan	USDJPY	0.28	0.06	0.64	2.45
South Korea	USDKRW	1.30	-0.90	3.70	8.32
Thailand	USDTHB	0.09	-0.42	0.26	3.55
DXY	U.S. Dollar Index	-0.05	-0.30	1.14	1.78

Source: SBV, Bloomberg
 Note: Green = appreciation; yellow = appreciate at slower pace; red = depreciation.

Figure 30. Vietnam's foreign exchange reserves



Source: IMF, Bloomberg, KIS

Macro scorecard

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	2Q25	3Q25	4Q25	1Q26	2022	2023	2024	2025
Real GDP growth (%)						8.16	8.25	8.46	7.83	8.54	4.98	7.04	8.02
Registered FDI (USD bn)	2.58	3.45	9.17	3.04	6.57	10.54	7.02	9.88	15.20	27.72	36.61	38.23	38.42
GDP per capita (USD)										4,110	4,285	4,700	5,026
Unemployment rate (%)						2.22	2.21	2.22	2.21	2.32	2.26	2.24	2.22
Export (USD bn)	43.19	33.06	46.44	45.52	46.93	110.62	118.38	126.3	122.93	371.85	355.5	405.5	475.0
Import (USD bn)	44.97	34.10	47.11	48.80	52.14	118.83	120.19	123.1	126.57	360.65	327.5	380.8	455.01
Export growth (%)	29.67	5.74	20.11	20.95	17.98	10.62	18.38	19.96	19.08	10.61	-4.4	14.3	17.00
Import growth (%)	49.22	4.40	27.83	32.53	33.79	18.83	20.19	21.28	27.00	8.35	-8.9	16.7	19.40
Inflation (%)	2.53	3.35	4.65	5.46	5.60	3.31	3.27	3.44	3.51	3.15	3.25	3.63	3.31
USDVND	25,950	26,030	26,342	26,353	26,313	26,121	26,427	26,296	26,342	23,650	23,784	25,386	26,296
Credit growth (%)	19.83	19.74	18.24	17.96	#NA	19.22	20.10	19.07	15.88	14.2	13.7	13.8	17.87
10Y gov't bond (%)	4.18	4.25	4.36	4.37	4.46	3.34	3.76	4.19	4.36	5.08	2.39	2.94	4.19

Source: GSO, Bloomberg, FIA, IMF

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VIET NAM

UYEN LAM, Head of Institutional Brokerage (uyen.lh@kisvn.vn +8428 3914 8585 - 1444)
KIS Vietnam Securities Corporation
3rd floor, 180-192 Nguyen Cong Tru, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City.
Fax: 8428 3821-6898

SOUTH KOREA

YEONG KEUN JOO, Managing Director, Head of International Business Division (ykjoo@truefriend.com, +822 3276 5157)
PAUL CHUNG, Sales Trading (pchung@truefriend.com +822 3276 5843)
27-1 Yoido-dong, Youngdeungpo-ku, Seoul 150-745, Korea
Toll free: US 1 866 258 2552 HK 800 964 464 SG 800 8211 320
Fax: 822 3276 5681~3
Telex: K2296

NEW YORK

DONG KIM, Managing Director (dkim@kisamerica.com +1 212 314 0681)
HOON SULL, Head of Sales (hoonsull@kisamerica.com +1 212 314 0686)
Korea Investment & Securities America, Inc.
1350 Avenue of the Americas, Suite 1110
New York, NY 10019
Fax: 1 212 314 0699

HONG KONG

GREGORY KIM, Managing Director, Head of HK Sales (greg.kim@kisasia.com +852 2530 8915)
Korea Investment & Securities Asia, Ltd.
Suite 2220, Jardine House
1 Connaught Place, Central, Hong Kong
Fax: 852-2530-1516

SINGAPORE

ALEX JUN, Managing Director, Head of Singapore Sales (alex@kisasia.com.sg +65 6501 5602)
CHARLES AN, Sales (alex.jun@kisasia.com.sg +65 6501 5601)
Korea Investment & Securities Singapore Pte Ltd
1 Raffles Place, #43-04, One Raffles Place
Singapore 048616
Fax: 65 6501 5617

LONDON

Min Suk Key, Managing Director (peterkey@kiseurope.com +44 207 065 2766)
Korea Investment & Securities Europe, Ltd.
2nd Floor, 35-39 Moorgate
London EC2R 6AR
Fax: 44-207-236-4811

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