

Fixed-income Perspectives

SBV drains liquidity and USDVND eases

SBV sustains liquidity drainage

In 41W26 (from 05 to 09 October), the SBV maintained its net liquidity withdrawal from the banking system through open market operations for the second consecutive week. Specifically, the SBV issued VND10.08tn in new repo contracts against VND46.68tn of maturing repos, resulting in a net liquidity drain of VND36.60tn.

Interbank short-term rates spike

In 41W26, interbank rates exhibited noticeable divergence across the curve. At the short end, liquidity absorption prompted short-dated tenors to tighten sharply: the overnight, 1-week, and 2-week rates surged by 148bps, 105bps, and 30bps WoW to 4.00%, 4.50%, and 4.50%, respectively. In contrast, longer-dated tenors largely cooled down or held stable: the 1-month, 6-month, 9-month, and 1-year rates fell by 87.5bps, 6.7bps, 5.0bps, and 5.0bps WoW to 4.50%, 7.80%, 7.85%, and 7.85%, respectively, whereas the 3-month rate rose slightly by 18.3bps to 7.25%. In parallel, market activity contracted, with average daily trading value dropping by 5.46% WoW to VND865.04tn.

USDVND drops

In 41W26, USDVND dropped notably by 0.45% WoW (down 117 pips) to close at 25,872, moving counter to broad DXY gains (+0.28% WoW to 102.21). The local currency comfortably held below the 26,000 threshold despite record foreign equity net selling of VND13.99tn on the HoSE. This resilience was primarily underpinned by elevated VND-USD interest rate differentials across term buckets, which enhanced the carry appeal of the dong, alongside a late-week moderation in global dollar momentum as U.S. rate-hike expectations collapsed.

Vietnam economic indicators

	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Corr.
Disbursed FDI %YoY	11.9	8.8	16.3	15.4	13.9	12.4	-0.16
Retail sales %YoY	11.6	13.8	14.3	14.5	14.9	14.1	-0.16
Export %YoY	22.8	18.5	28.1	25.0	26.0	39.1	-0.05
Import %YoY	35.6	33.5	45.2	41.4	37.9	45.8	0.04
Trade balance (USD bn)	-4.0	-5.2	-2.6	-3.6	-0.1	1.3	-0.03
CPI %MoM	5.5	5.6	4.7	4.4	4.9	5.1	-0.03
Credit %YoY	4.6	6.0	7.7	9.0	9.4	11.6	-0.23
USDVND %MoM	0.0	-0.2	0.0	-0.1	-0.8	-0.4	-0.3
PMI (pts)	50.5	52.8	51.8	52.9	53.3	51.9	-0.09
VNINDEX return (%)	10.7	0.5	-0.2	-6.7	5.6	-3.5	1.00

Source: SBV, GSO, Bloomberg, KIS Research

¹ Correlation to VNINDEX's monthly return

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

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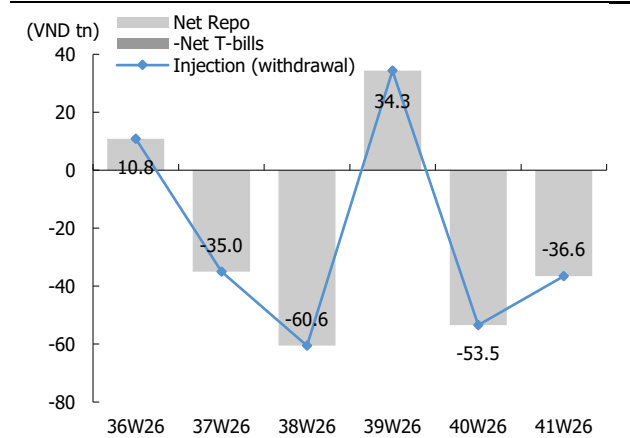
I. SBV sustains liquidity drainage

Net absorption continues for a second week as repo maturities outpace new issuance

In 41W26 (from 05 to 09 October), the SBV maintained its net liquidity withdrawal from the banking system through open market operations for the second consecutive week. Specifically, the SBV issued VND10.08tn in new repo contracts against VND46.68tn of maturing repos, resulting in a net liquidity drain of VND36.60tn.

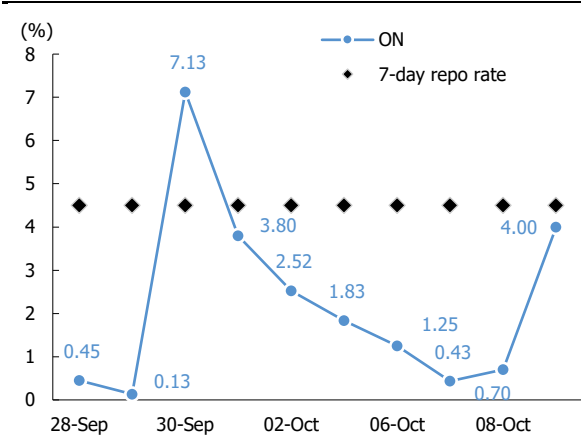
This net drain shows that the SBV is pulling back cash as previous loans come due, keeping liquidity stable without flooding the market. Moving forward, we expect the SBV to stay flexible, providing just enough support to keep interbank rates steady through the fourth quarter.

Figure 1. Net injection (withdrawal) of liquidity



Source: SBV, KIS Research

Figure 2. Interest rate corridor



Source: SBV, KIS Research

Figure 3. Repo transactions

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
9-Oct-26	16-Oct-26	7	5.59	4.50
9-Oct-26	23-Oct-26	14	0.56	4.50
9-Oct-26	13-Nov-26	35	0.24	4.50
Total			6.39	

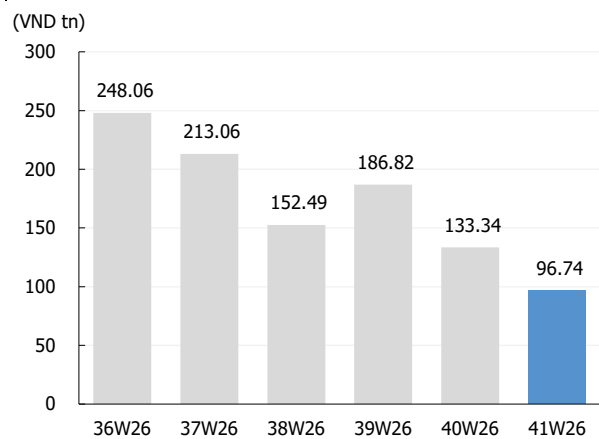
Source: SBV, KIS Research

Figure 4. Repo transactions: 91-day tenors

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
6-Oct-26	5-Jan-27	91	1.48	4.50
7-Oct-26	6-Jan-27	91	1.55	4.50
9-Oct-26	8-Jan-27	91	0.66	4.50
Total			3.69	

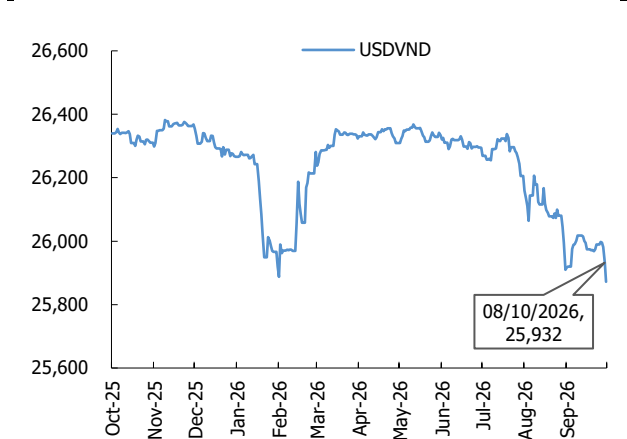
Source: SBV, KIS Research

Figure 5. Outstanding amount of repos



Source: SBV, KIS Research

Figure 6. USDVND movement



Source: SBV, KIS Research

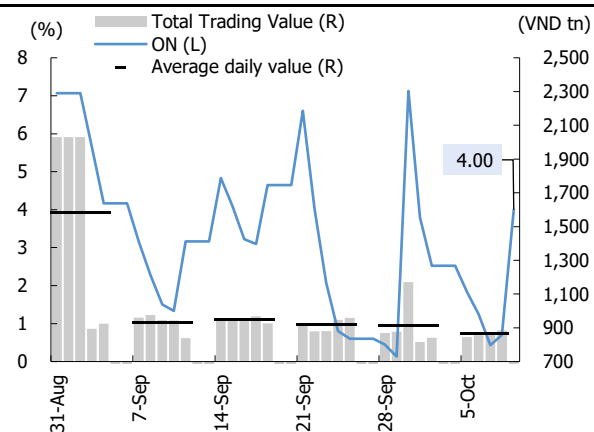
II. Interbank short-term rates spike

ON-2W rates jump sharply on liquidity drainage while longer tenors continue to ease

In 41W26, interbank rates exhibited noticeable divergence across the curve. At the short end, liquidity absorption prompted short-dated tenors to tighten sharply: the overnight (ON), 1-week (1W), and 2-week (2W) rates surged by 148bps, 105bps, and 30bps WoW to 4.00%, 4.50%, and 4.50%, respectively. In contrast, longer-dated tenors largely cooled down or held stable: the 1-month (1M), 6-month (6M), 9-month (9M), and 1-year (1Y) rates fell by 87.5bps, 6.7bps, 5.0bps, and 5.0bps WoW to 4.50%, 7.80%, 7.85%, and 7.85%, respectively, whereas the 3-month (3M) rate rose slightly by 18.3bps to 7.25%. In parallel, market activity contracted, with average daily trading value dropping by 5.46% WoW to VND865.04tn.

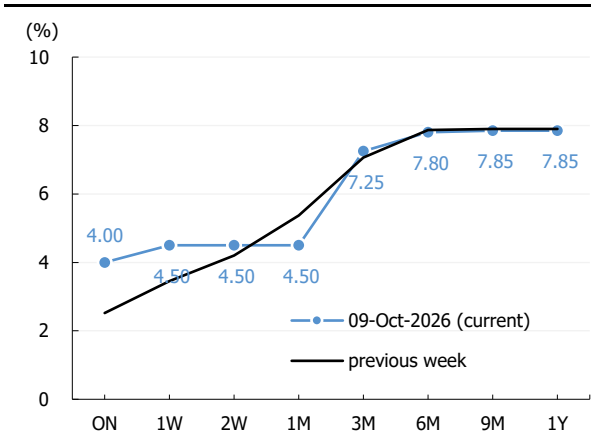
These dynamics confirm that while consecutive net repo withdrawals by the central bank directly re-tightened short-term funding availability and drove ON-2W rates higher, longer-term liquidity conditions remained relatively anchored. Looking ahead, we expect interbank rates to stabilize around current levels as the market absorbs recent OMO roll-offs and banks rebalance their short-term funding cushions.

Figure 7. Interbank daily transaction



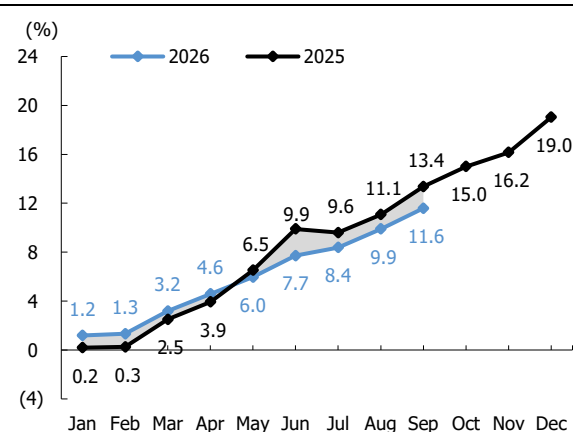
Source: SBV, Bloomberg, KIS Research

Figure 8. Interbank rate curve



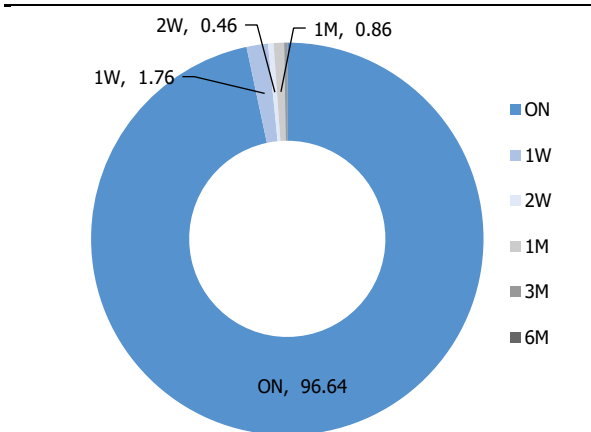
Source: SBV, Bloomberg, KIS Research

Figure 9. Credit growth by month of the year



Source: SBV, Bloomberg, KIS Research
Note: Updated by 30 Sep, 2026

Figure 10. Interbank transaction structure



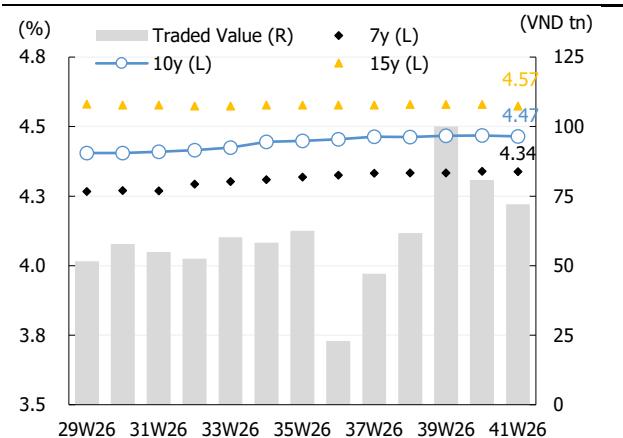
Source: SBV, Bloomberg, KIS Research

III. G-bond yields hold steady

Secondary yields hover in a tight range while primary auction volume rebounds sharply

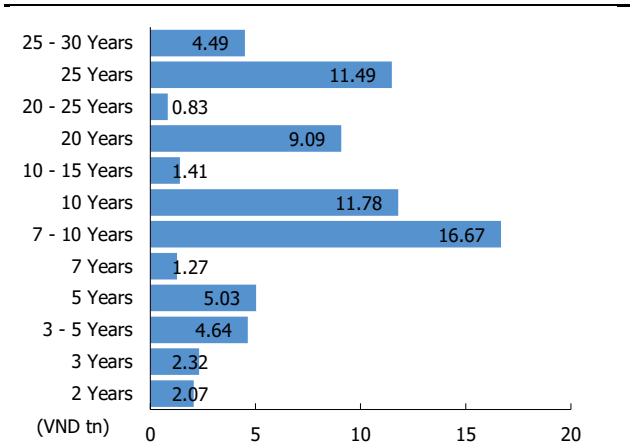
In the secondary market, G-bond yields held largely steady across key maturities during 41W26. On actively traded tenors, the benchmark 10-year yield hovered around 4.47%, while yields on 4-year, 5-year, and 15-year tenors ticked up marginally by 1bp to 4.00%, 4.29%, and 4.57%, respectively—virtually unchanged from the prior week. Meanwhile, secondary market liquidity continued to moderate, with total trading value dropping by 10.84% WoW to VND 72.04tn, averaging VND14.41tn per session.

Figure 11. G-bond traded value by week



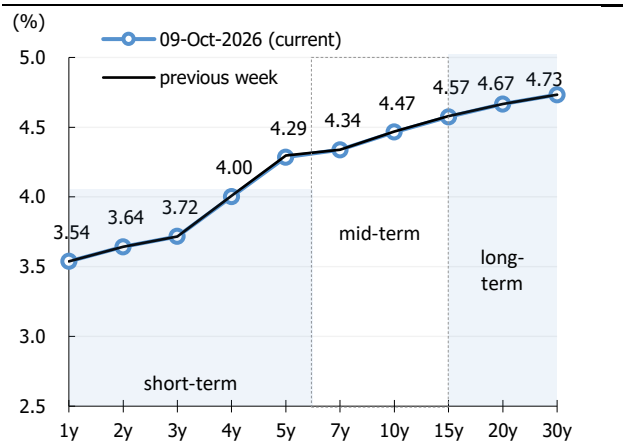
Source: HNX, Bloomberg, KIS Research

Figure 12. G-bond traded value by tenor



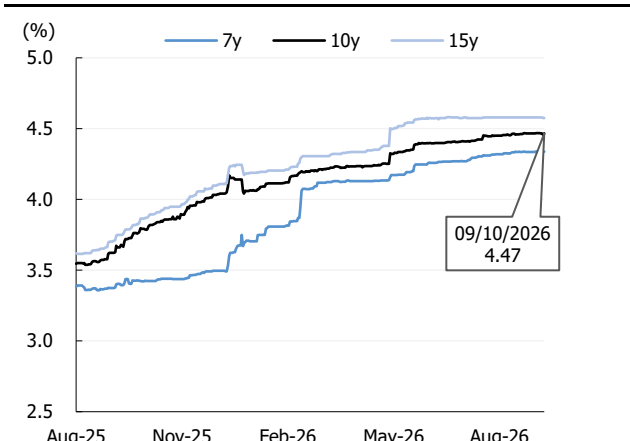
Source: HNX, Bloomberg, KIS Research

Figure 13. G-bond trading yield curve



Source: HNX, VBMA, KIS Research

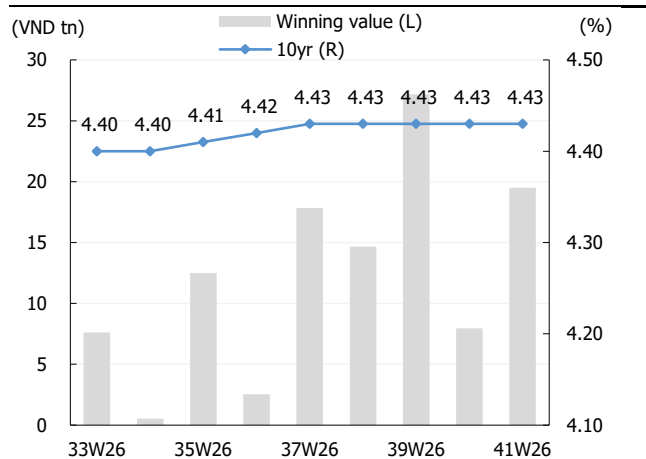
Figure 14. Historical daily government bond yields



Source: HNX, VBMA, KIS Research

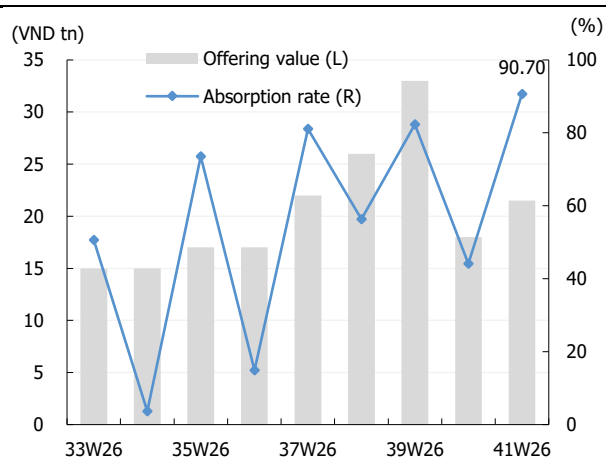
In the primary market, auction activity rebounded sharply from the prior week's lull. Specifically, the VST successfully issued VND19.50tn this week, up 145.28% WoW. The 10-year tenor remained the primary anchor of issuance volume, with its winning yield holding firm at 4.43%. Following this strong weekly print, cumulative issuance progress continued to outpace last year's trajectory, with the VST fulfilling 63.7% of its 2026 annual target year-to-date, comfortably above the 53.36% recorded during the same period last year.

Figure 15. Weekly winning values



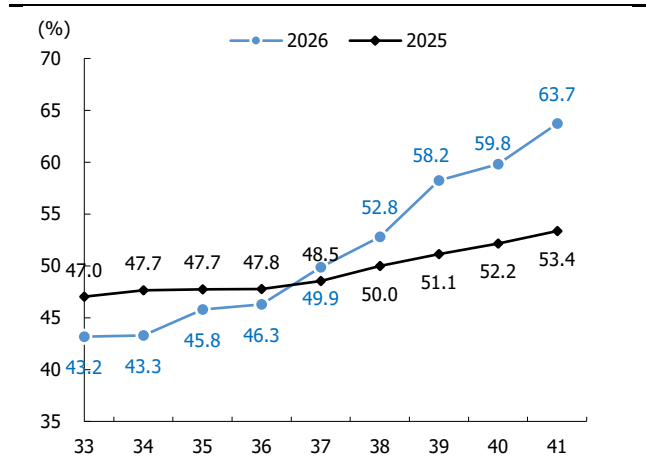
Source: HNX, KIS Research

Figure 16. Weekly absorption rate



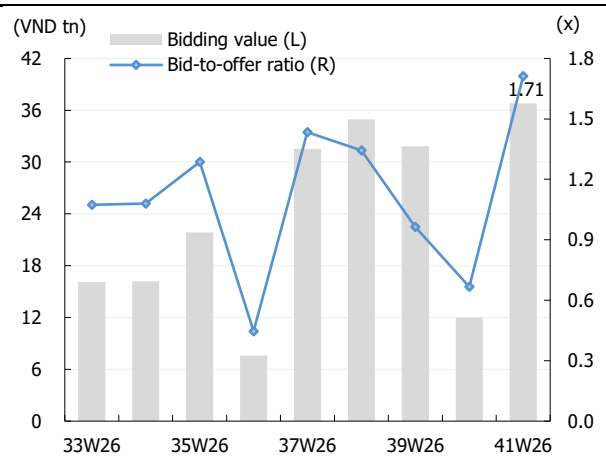
Source: HNX, KIS Research

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



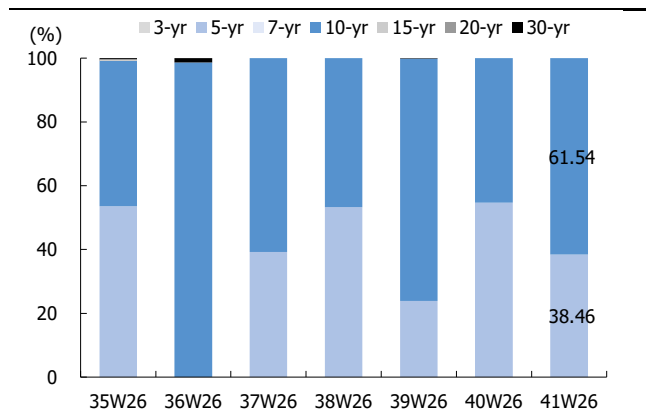
Source: HNX, KIS Research

Figure 18. Weekly bid-to-offer ratio



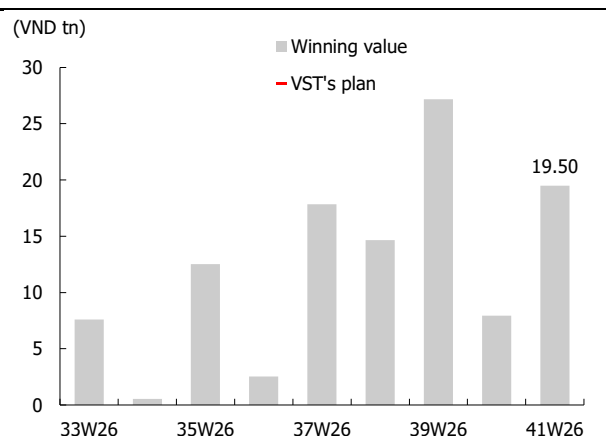
Source: HNX, KIS Research

Figure 19. Weekly winning G-bond structure



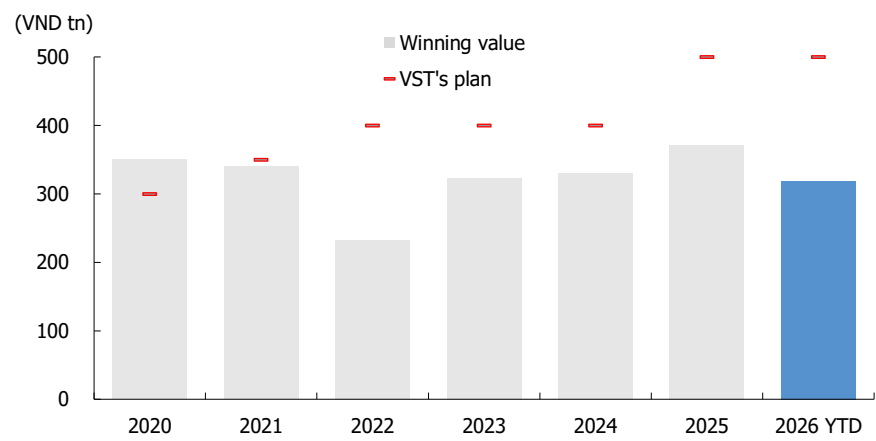
Source: HNX, KIS Research

Figure 20. Weekly issued amount of G-bond



Source: HNX, KIS Research

Figure 21. Yearly issued amount of G-bond



Source: HNX, KIS Research

IV. USDVND drops

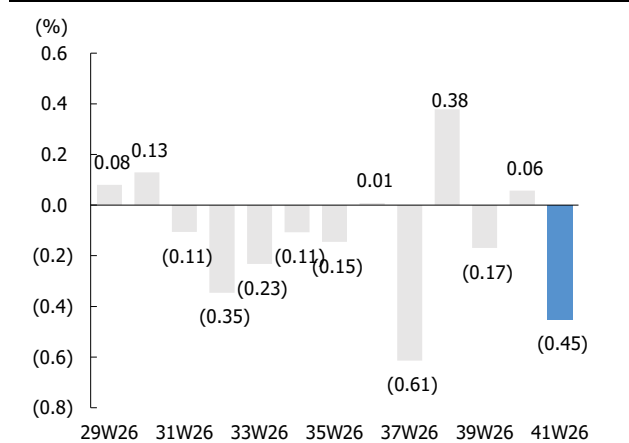
USDVND rate falls 117 pips to 25,872 despite DXY gains and heavy foreign equity net selling

This week, USDVND dropped notably by 0.45% WoW (down 117 pips) to close at 25,872, moving counter to broader global greenback strength. Globally, the U.S. Dollar Index (DXY) edged up by 0.28% WoW to 102.21, supported by elevated long-term U.S. Treasury yields and geopolitical headlines across the Middle East. However, global dollar momentum remained checked as market expectations for an October Fed rate hike collapsed to around 18.3% (with rate-pause probabilities surging above 81%) following soft U.S. labor data, cooler consumer sentiment, and President Trump's deferral of military strikes on Iran until after the November midterms.

Domestically, the interbank USDVND rate eased comfortably below the 26,000 mark despite accelerating foreign equity net selling on the HoSE, which reached VND13.99tn (accounting for 15.2% of total weekly turnover). The rate's decline was primarily supported by elevated VND-USD interest rate differentials across term buckets, continuing to enhance the carry appeal of the local currency.

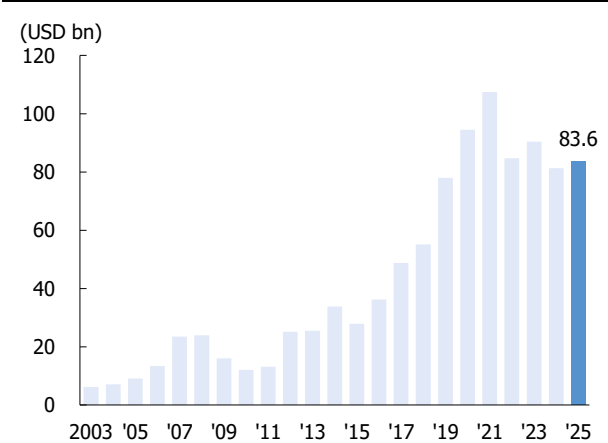
On the retail market, performance diverged sharply across channels: Vietcombank's ask rate dropped by 0.38% (down 100 VND) to close at 26,070, while the shadow market rate surged by 0.85% (up 220 pips) to finish at 26,180.

Figure 22. Weekly USDVND performance



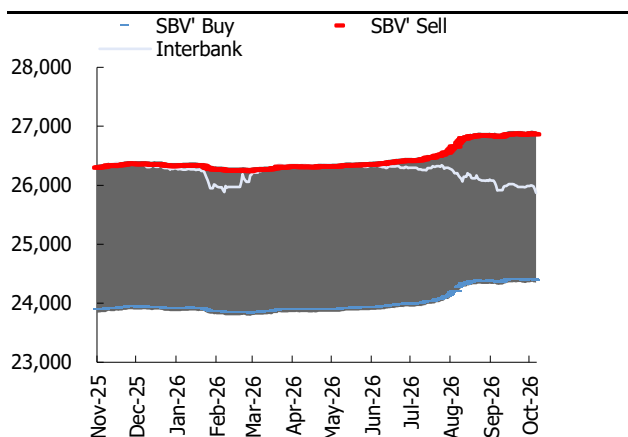
Source: Bloomberg, KIS Research

Figure 23. Vietnam's foreign exchange reserves



Source: IMF, Bloomberg, KIS Research

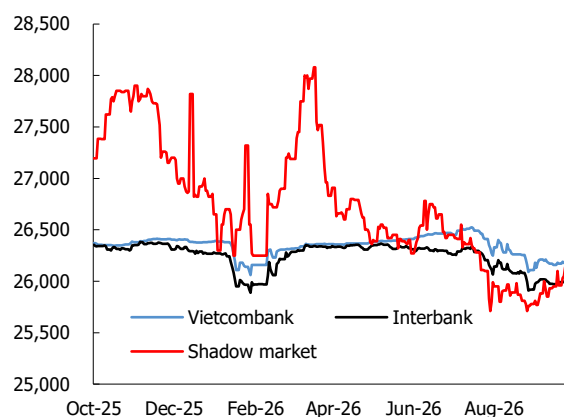
Figure 24. SBV's movement



Source: SBV, Bloomberg, Fiinpro, KIS Research

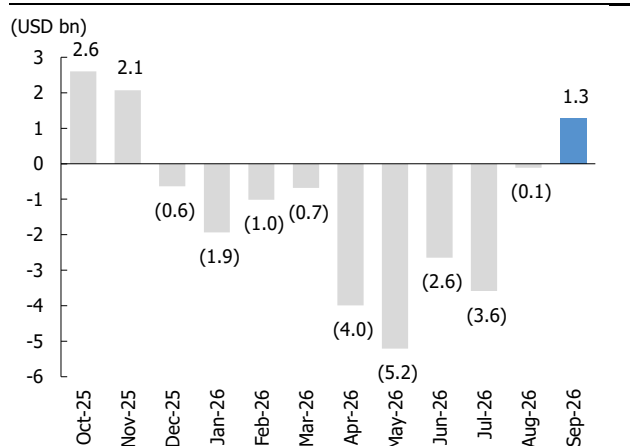
Note: shaded region is the daily trading band. The effective trading band is +/- 5% (the effective date is 17 October, 2022).

Figure 25. USDVND by market



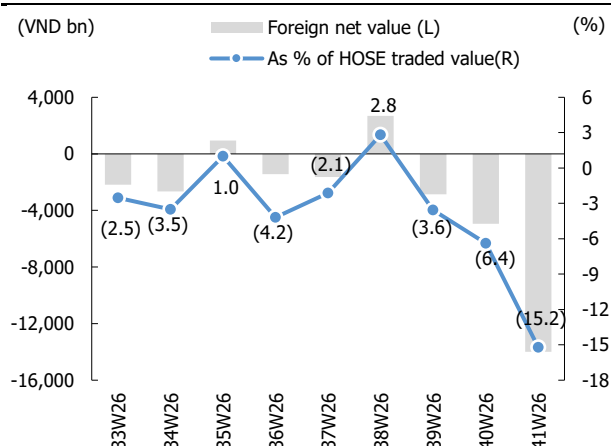
Source: SBV, Bloomberg, KIS Research

Figure 26. Vietnam's trade balance by month



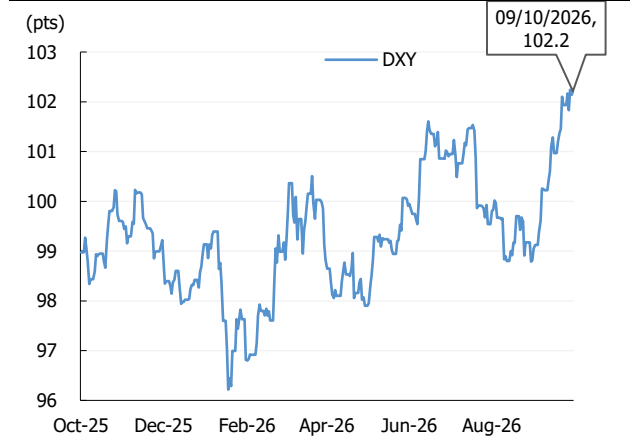
Source: NSO, KIS Research

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



Source: Fiinpro, KIS Research.

Figure 28. Historical DXY



Source: Bloomberg, KIS Research

Figure 29. Weekly change of USDVND and peers

		39W26	40W26	41W26	2026 YTD
China	USDCNY	0.23	-0.10	-0.20	-4.23
EU	USDEUR	0.83	1.21	0.49	4.87
Mexico	USDMXN	2.63	2.72	1.39	-11.31
Vietnam	USDVND	-0.17	0.06	-0.45	-1.53
Canada	USDCNY	1.11	0.77	0.04	-1.17
Taiwan	USDTWD	-0.02	0.18	0.13	-3.01
Japan	USDJPY	0.25	0.36	0.29	1.19
South Korea	USDKRW	-2.04	-0.78	-0.32	-6.67
Thailand	USDTHB	0.10	0.62	-0.10	6.44
DXY	U.S. Dollar Index	0.75	0.95	0.28	3.96

Source: SBV, Bloomberg

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

Macro scorecard

	May-26	Jun-26	Jul-26	Aug-26	Sep-26	4Q25	1Q26	2Q26	3Q26	2022	2023	2024	2025
Real GDP growth (%)						8.46	7.94	8.39	9.95	8.54	4.98	7.04	8.02
Registered FDI (USD bn)	6.57	9.84	3.41	2.57	9.73	9.88	15.2	19.45	15.37	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	2.22	2.32	2.26	2.24	2.22
Export (USD bn)	46.93	50.79	53.08	54.79	59.48	126.3	122.93	143.59	167.85	371.85	355.5	405.5	475.0
Import (USD bn)	52.14	53.43	56.67	54.91	58.21	123.1	126.57	156.54	170.33	360.65	327.5	380.8	455.01
Export growth (%)	18.52	28.09	24.98	26.01	39.09	19.96	19.21	22.53	30.40	10.61	-4.4	14.3	17.00
Import growth (%)	33.54	45.19	41.42	37.90	45.85	21.28	27.03	39.03	42.18	8.35	-8.9	16.7	19.40
Inflation (%)	5.60	4.69	4.45	4.89	5.08	3.44	3.51	5.25	4.80	3.15	3.25	3.63	3.31
USDVND	26,313	26,312	26,296	26,078	25,968	26,296	26,342	26,312	25,968	23,650	23,784	25,386	26,296
Credit growth (%)	18.23	16.70	17.70	16.59	16.70	19.07	15.88	16.70	16.70	14.2	13.7	13.8	17.87
10Y gov't bond (%)	4.46	4.52	4.54	4.57	4.58	4.19	4.36	4.52	4.58	5.08	2.39	2.94	4.19

Source: GSO, Bloomberg, FIA, IMF

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