

Fixed-income Perspectives

Interbank rates cool down despite SBV liquidity absorption

SBV issues new repos modestly

In 43W26 (from 19 to 23 October), the SBV recorded a net liquidity withdrawal from the banking system through open market operations. Specifically, new repo issuance contracted sharply to just VND1.65tn (down from VND17.28tn in the previous week) against VND11.52tn of maturing repos, resulting in a net liquidity absorption of VND9.87tn.

Interbank rates ease broadly

In 43W26, interbank rates decline across most tenors compared to the prior week. At the short end, liquidity conditions soften as the overnight and 1-week rates drop by 55bps and 53.3bps WoW to 3.50% and 3.77%, respectively, while the 2-week rate edges up by 23.3bps to 4.73%. Across medium and longer tenors, rates adjust downward: the 1-month, 3-month, 6-month, 9-month, and 1-year tenors decline by 8.3bps, 30bps, 30bps, 35bps, and 35bps WoW to 5.07%, 7.20%, 7.80%, 7.85%, and 7.85%, respectively. Meanwhile, market activity moderates slightly, with average daily trading value slipping 0.75% WoW to VND896.75tn.

USDVND rates edge lower

In 43W26, the USDVND rate edged lower by 0.17% WoW (-44 pips) to close at 25,841, in line with a slight decline in the global greenback (DXY -0.03% WoW to 101.81). Internationally, safe-haven dollar demand fueled by surging oil prices and geopolitical friction was offset by tech sector sell-offs and diminished Fed rate-hike expectations. Domestically, while continued foreign equity net selling exerted upward momentum, this impact was overshadowed by strong trade surplus buffers and elevated VND-USD interest rate differentials, enabling the exchange rate to pull back.

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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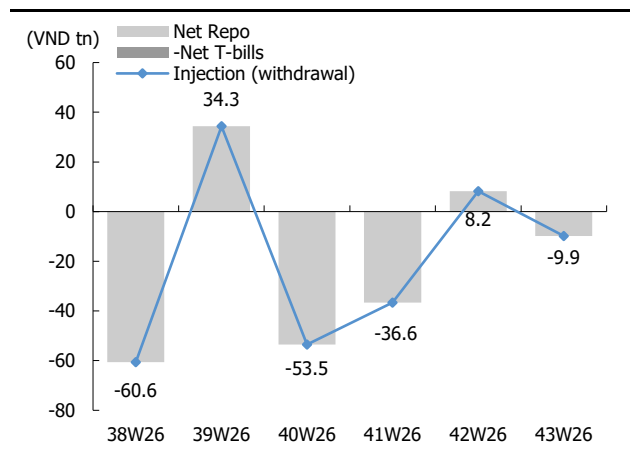
I. SBV issues new repos modestly

SBV turns net drainer as new repo issuance contracts sharply against sizable maturities

In 43W26 (from 19 to 23 October), the SBV recorded a net liquidity withdrawal from the banking system through open market operations. Specifically, new repo issuance contracted sharply to just VND1.65tn (down from VND17.28tn in the previous week) against VND11.52tn of maturing repos, resulting in a net liquidity absorption of VND9.87tn.

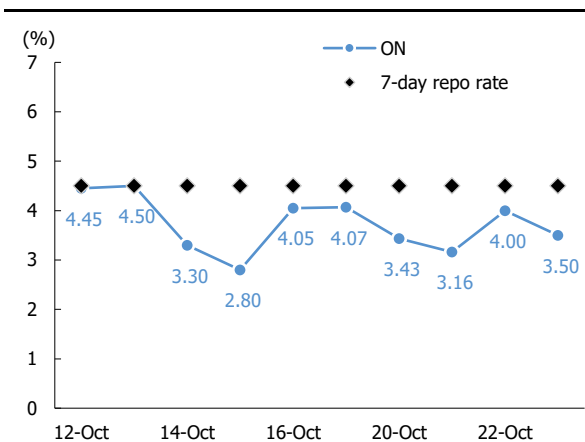
This sharp contraction in new issuance indicates that money market liquidity has stabilized, significantly reducing commercial banks' demand for central bank refinancing. Looking ahead, we expect the SBV to continue adjusting its open market operations flexibly to manage money market liquidity, balancing credit expansion support with overall system stability.

Figure 1. Net injection (withdrawal) of liquidity



Source: SBV, KIS Research

Figure 2. Interest rate corridor



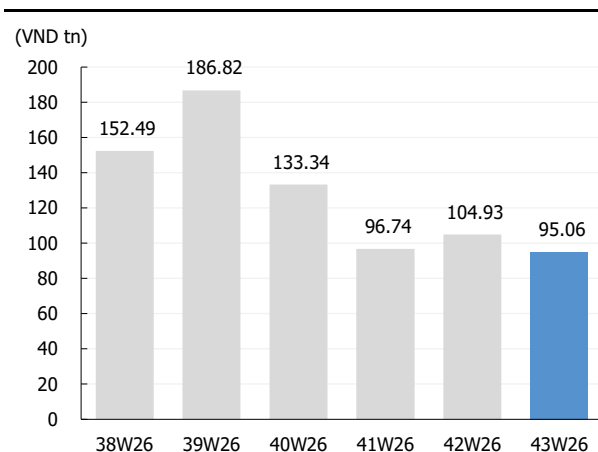
Source: SBV, KIS Research

Figure 3. Repo transactions:

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
23-Oct-26	6-Nov-26	14	0.76	4.50
19-Oct-26	23-Nov-26	35	0.40	4.50
19-Oct-26	18-Jan-27	91	0.49	4.50
Total		14	1.65	

Source: SBV, KIS Research

Figure 4. Outstanding amount of repos



Source: SBV, KIS Research

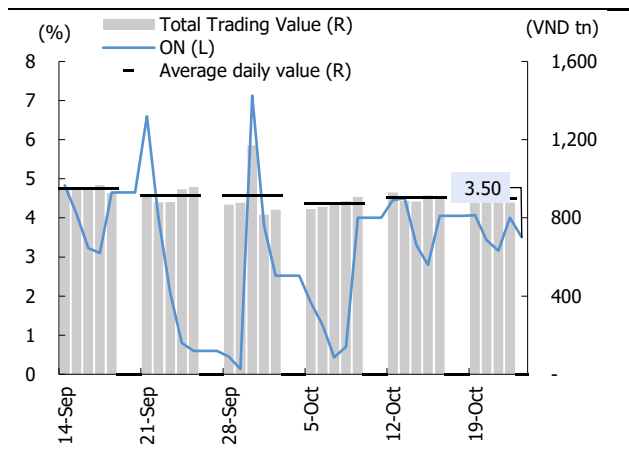
II. Interbank rates ease broadly

Interbank rates decline across most tenors as abundant system liquidity prompts central bank net drainage

In 43W26, interbank rates decline across most tenors compared to the prior week. At the short end, liquidity conditions soften as the overnight (ON) and 1-week (1W) rates drop by 55bps and 53.3bps WoW to 3.50% and 3.77%, respectively, while the 2-week (2W) rate edges up by 23.3bps to 4.73%. Across medium and longer tenors, rates adjust downward: the 1-month (1M), 3-month (3M), 6-month (6M), 9-month (9M), and 1-year (1Y) tenors decline by 8.3bps, 30bps, 35bps, 35bps, and 35bps WoW to 5.07%, 7.20%, 7.80%, 7.85%, and 7.85%, respectively. Meanwhile, market activity moderates slightly, with average daily trading value slipping 0.75% WoW to VND896.75tn.

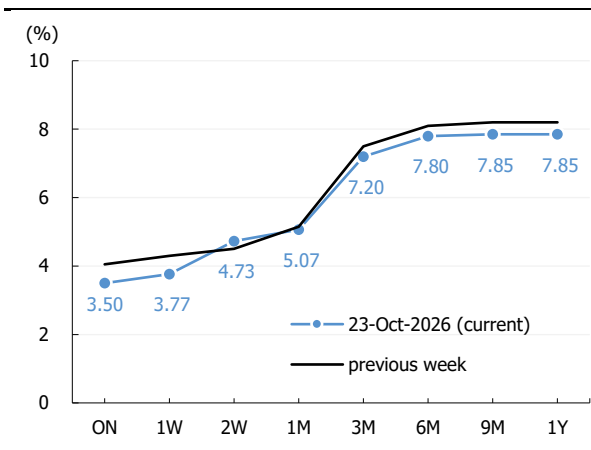
These dynamics indicate that banking system liquidity remains ample following prior injections, prompting the SBV to execute a net OMO withdrawal to absorb excess funds without pressuring interbank borrowing costs. Looking ahead, we expect interbank rates to remain well-anchored as market liquidity stays in a balanced state.

Figure 5. Interbank daily transaction



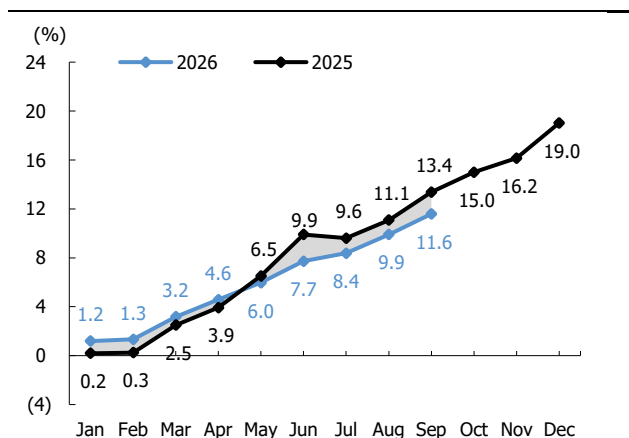
Source: SBV, Bloomberg, KIS Research

Figure 6. Interbank rate curve



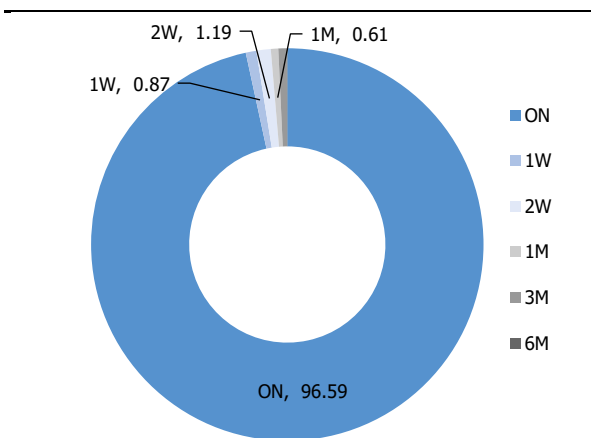
Source: SBV, Bloomberg, KIS Research

Figure 7. Credit growth by month of the year



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

Figure 8. Interbank transaction structure



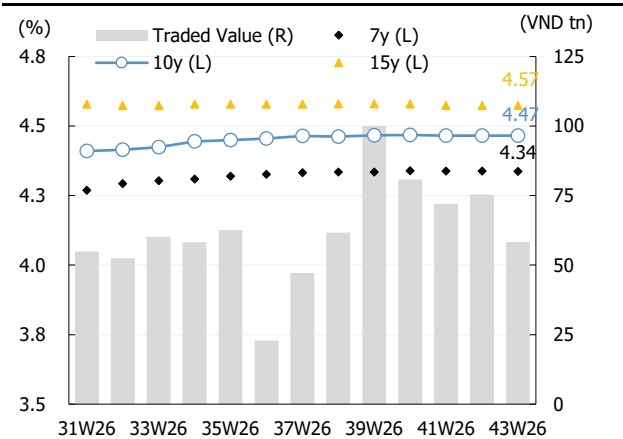
Source: SBV, Bloomberg, KIS Research

III. G-bond yields hold flat

Gbond yields anchor as primary auctions rebound while secondary trading slows

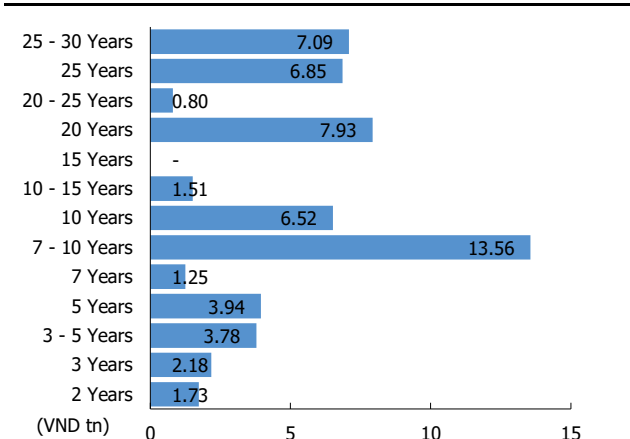
In the secondary market, G-bond yields hold flat across key maturities during 43W26. On actively traded tenors, the benchmark 10-year yield hovers unchanged around 4.47%. Meanwhile, secondary market liquidity contracts, with total trading value falling by 22.65% WoW to VND58.32tn, averaging VND11.66tn per session.

Figure 9. G-bond traded value by week



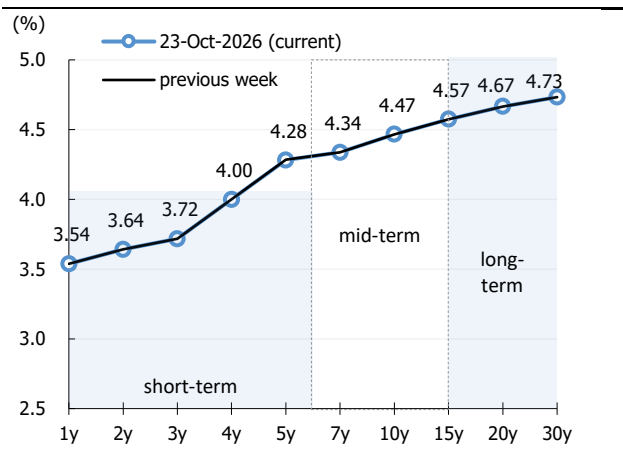
Source: HNX, Bloomberg, KIS Research

Figure 10. G-bond traded value by tenor



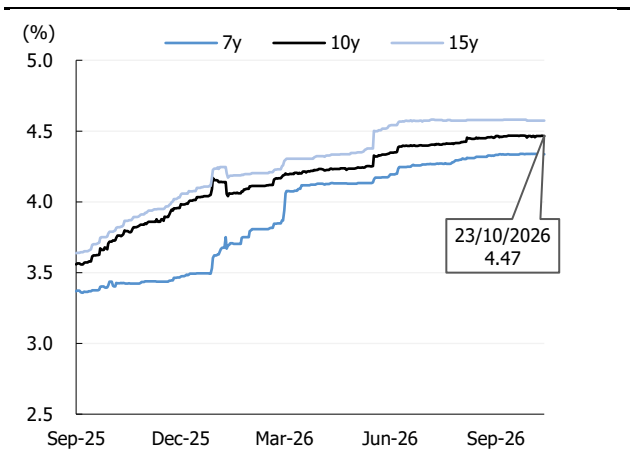
Source: HNX, Bloomberg, KIS Research

Figure 11. G-bond trading yield curve



Source: HNX, VBMA, KIS Research

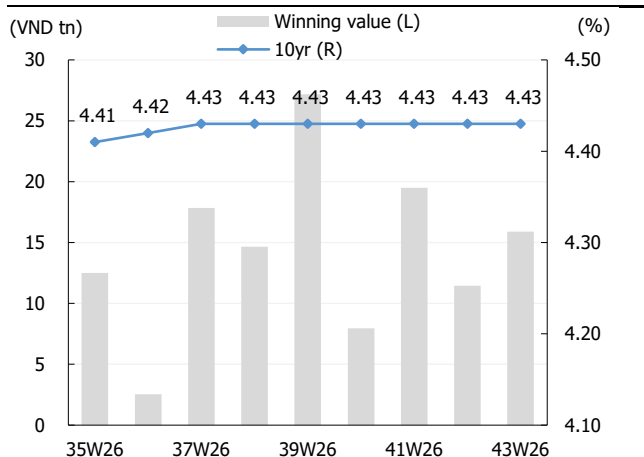
Figure 12. Historical daily government bond yields



Source: HNX, VBMA, KIS Research

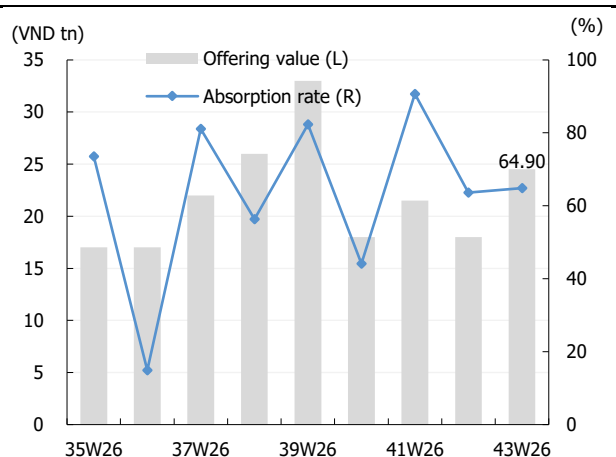
In the primary market, auction activity picks up sharply compared to the previous week. Specifically, the VST successfully issues VND15.90tn this week, up 38.84% WoW. The 10-year tenor remains the primary anchor of issuance volume, with its winning yield holding firm at 4.43%. Following this result, the VST fulfills 86.5% of its revised annual target year-to-date, comfortably outpacing the 55.45% progress recorded during the same period last year.

Figure 13. Weekly winning values



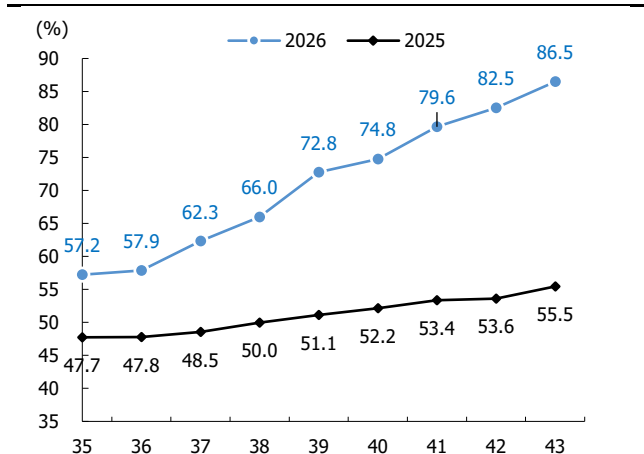
Source: HNX, KIS Research

Figure 14. Weekly absorption rate



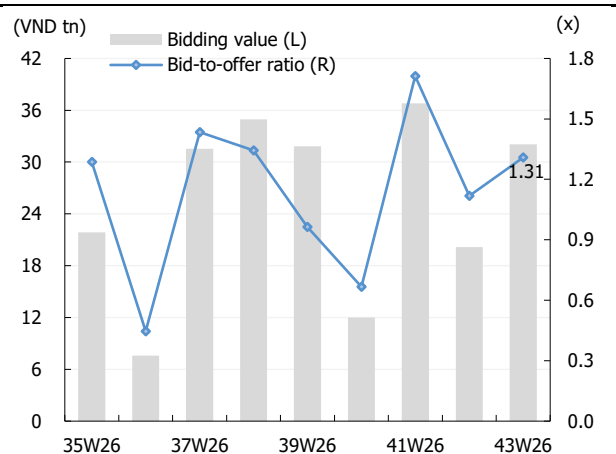
Source: HNX, KIS Research

Figure 15. Completion ratio by week-of-the-year



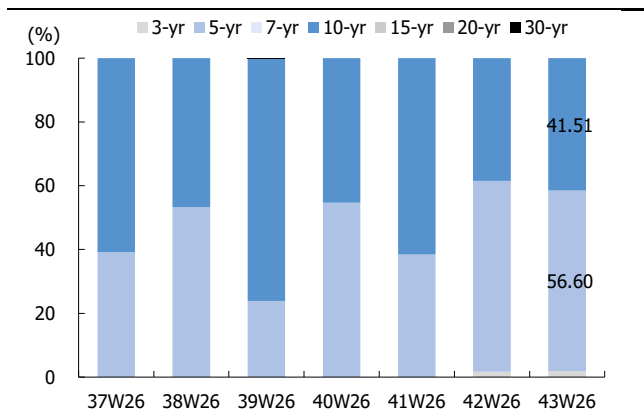
Source: HNX, KIS Research

Figure 16. Weekly bid-to-offer ratio



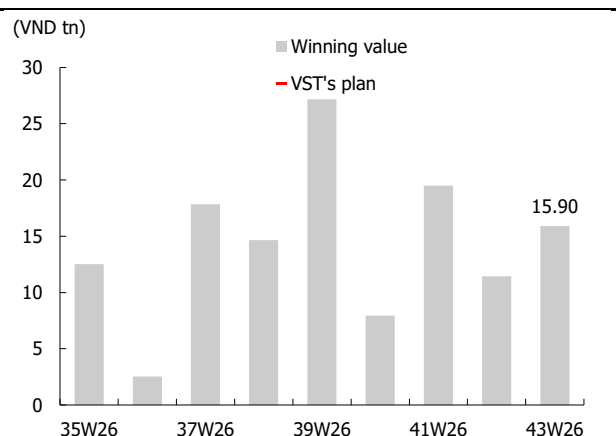
Source: HNX, KIS Research

Figure 17. Weekly winning G-bond structure



Source: HNX, KIS Research

Figure 18. Weekly issued amount of G-bond



Source: HNX, KIS Research

Figure 19. Yearly issued amount of G-bond



Source: HNX, KIS Research

IV. USDVND edge lower

USDVND drops 44 pips to 25,841 as foreign selling pressure eases and DXY flattens

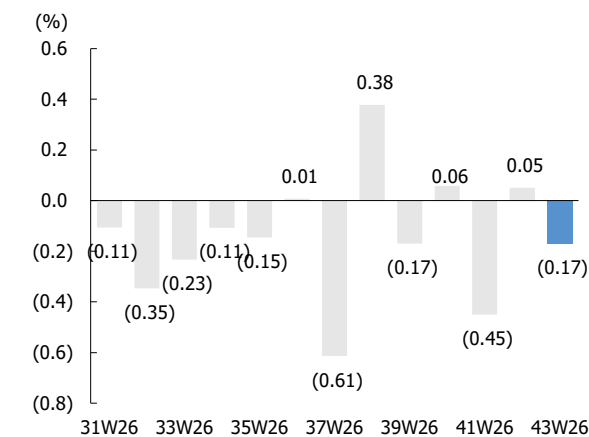
In 43W26, USDVND edges lower, falling by 0.17% WoW (down 44 pips) to close at 25,841, in line with a slight decline in the global greenback.

Globally, the DXY slips 0.03% WoW to close at 101.81. During the week, the U.S. dollar receives support from surging global oil prices and escalating Middle East geopolitical hostilities. However, these safe-haven gains are offset by tech sector volatility following Meta's capital expenditure shock and declining market expectations for a late-October Fed rate hike, which drop to 9.4%.

Domestically, although continued foreign equity net selling on the HoSE—reaching VND0.97tn (accounting for 1.2% of total weekly turnover)—exerts upward pressure on USDVND, this impact is overshadowed by supportive buffers, including a solid trade surplus and elevated VND-USD interest rate differentials, allowing the rate to pull back.

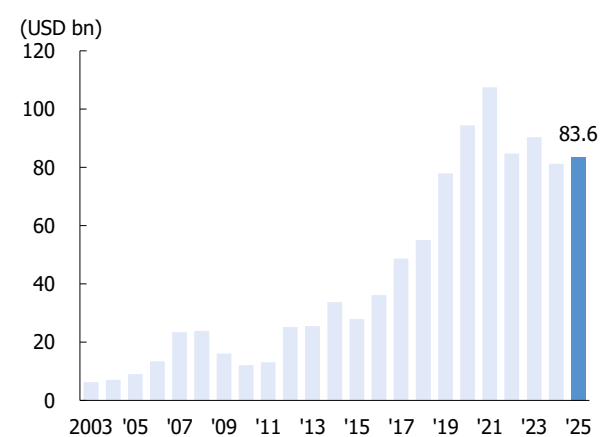
On the retail market, performance diverges across channels: Vietcombank's ask rate drops by 0.23% (down 60 VND) to close at 26,020, whereas the shadow market rate rises to finish at 26,080 (up 120 pips).

Figure 20. Weekly USDVND performance



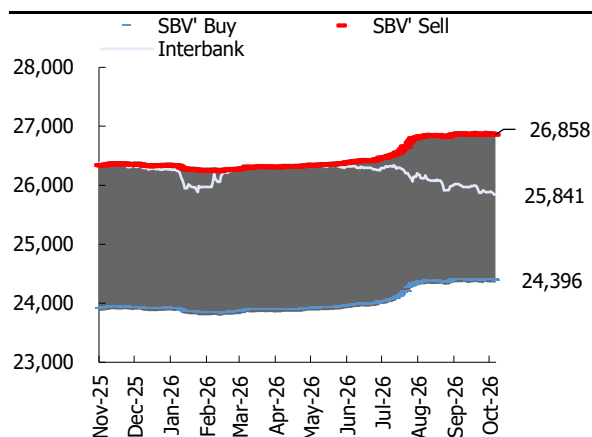
Source: Bloomberg, KIS Research

Figure 21. Vietnam's foreign exchange reserves



Source: IMF, Bloomberg, KIS Research

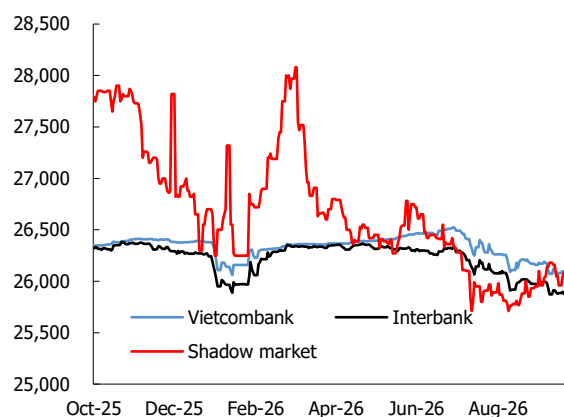
Figure 22. SBV's movement



Source: SBV, Bloomberg, Fiinpro, KIS Research

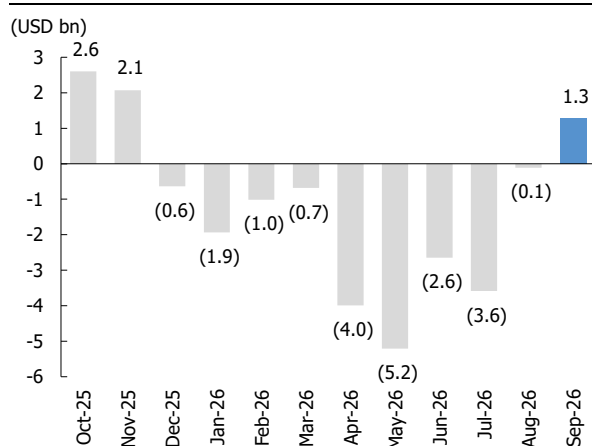
Note: shaded region is the daily trading band. The effective trading band is +/- 5% (the effective date is 17 October, 2022).

Figure 23. USDVND by market



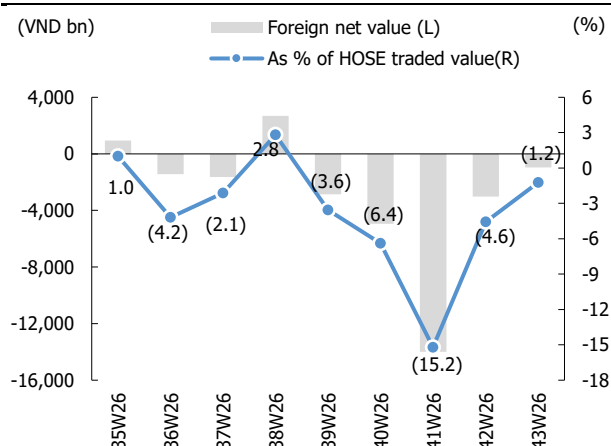
Source: SBV, Bloomberg, KIS Research

Figure 24. Vietnam's trade balance by month



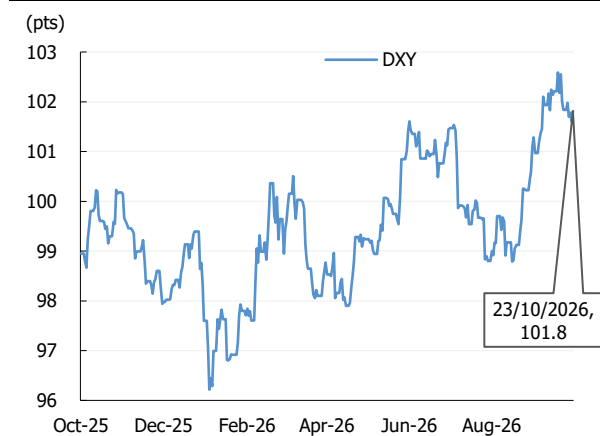
Source: NSO, KIS Research

Figure 25. Trading of the foreign bloc in Vietnamese stock market



Source: Fiinpro, KIS Research.

Figure 26. Historical DXY



Source: Bloomberg, KIS Research

Figure 27. Weekly change of USDVND and peers

		41W26	42W26	43W26	2026 YTD
China	USDCNY	-0.20	-0.09	-0.24	-4.55
EU	USDEUR	0.49	-0.35	0.33	4.85
Mexico	USDMXN	1.39	0.40	0.91	-10.15
Vietnam	USDVND	-0.45	0.05	-0.17	-1.64
Canada	USDCNY	0.04	-0.81	-0.98	-2.93
Taiwan	USDTWD	0.13	1.50	0.52	-1.04
Japan	USDJPY	0.29	-0.18	-0.73	0.27
South Korea	USDKRW	-0.32	-0.70	-0.72	-7.99
Thailand	USDTHB	-0.10	-0.10	0.68	7.05
DXY	U.S. Dollar Index	0.28	-0.37	-0.03	3.55

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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