

Viet Nam

Viet Nam's local currency (LCY) bond market climbed 1.5% quarter-on-quarter (q-o-q), but declined 3.5% year-on-year (y-o-y) in the fourth quarter (Q4) of 2015, to reach a size of VND860.7 trillion (USD38 billion) at the end of December. On a q-o-q basis, growth was mainly driven by increases in the stock of Treasury bonds, state-owned enterprise bonds, and corporate bonds.

Table 1: Size and Composition of the LCY Bond Market in Viet Nam

	Outstanding Amount (billion)						Growth Rate (%)			
	Q4 2014		Q3 2015		Q4 2015		Q4 2014		Q4 2015	
	VND	USD	VND	USD	VND	USD	q-o-q	y-o-y	q-o-q	y-o-y
Total	891,623	42	847,740	38	860,739	38	(8.9)	32.4	1.5	(3.5)
Government	876,091	41	822,488	37	832,117	37	(9.0)	32.9	1.2	(5.0)
Treasury Bonds	525,403	25	534,576	24	586,790	26	(0.7)	33.1	9.8	11.7
Central Bank Bonds	134,396	6	90,279	4	45,639	2	(39.7)	172.5	(49.4)	(66.0)
State-Owned Enterprise Bonds	216,293	10	197,633	9	199,688	9	2.5	0.5	1.0	(7.7)
Corporate	15,532	0.7	25,252	1	28,622	1	(3.1)	8.5	13.3	84.3

() = negative, LCY = local currency, q-o-q = quarter-on-quarter, Q3 = third quarter, Q4 = fourth quarter, y-o-y = year-on-year.

Notes:

1. Bloomberg LP end-of-period LCY-USD rates are used.

2. Growth rates are calculated from LCY base and do not include currency effects.

Source: Bloomberg LP and Vietnam Bond Market Association.

In Q4 2015, new corporate bond issues totaled VND1.0 trillion, lower by 73.3% q-o-q and 52.4% y-o-y.

Table 2: Notable LCY Corporate Bond Issuance in Q4 2015

Corporate Issuer	Coupon Rate (%)	Issued Amount (VND billion)
Saigon-Hanoi Securities		
2-year bond	9.50	400
Ha Do		
5-year bond	9.70	200

LCY = local currency, Q4 = fourth quarter.

Source: Vietnam Bond Market Association.

Viet Nam's corporate bond market comprised 15 corporate firms with outstanding bonds of VND28.6 trillion at the end of December. Masan Consumer Holdings was the largest issuer with outstanding bonds of VND11.1 trillion.

Table 3: Corporate Issuers of LCY Corporate Bonds in Viet Nam

Issuers	Outstanding Amount		State-Owned	Listed Company	Type of Industry
	LCY Bonds (VND billion)	LCY Bonds (USD billion)			
1. Masan Consumer Holdings	11,100	0.49	No	No	Diversified Operations
2. Hoang Anh Gia Lai	4,000	0.18	No	Yes	Real Estate
3. Asia Commercial Joint Stock	3,000	0.13	No	Yes	Finance
4. Techcom Bank	3,000	0.13	No	No	Banking
5. Vingroup JSC	2,000	0.09	No	Yes	Real Estate
6. Ho Chi Minh City Infrastructure	1,082	0.05	No	Yes	Infrastructure
7. DIC	1,000	0.04	Yes	No	Chemicals
8. Ocean Group	980	0.04	No	Yes	Consulting Services
9. Saigon-Hanoi Securities	650	0.03	No	Yes	Finance
10. Tasco	500	0.02	No	Yes	Engineering and Construction
11. Sotrans	400	0.02	No	No	Logistics
12. Hung Vuong	300	0.01	Np	Yes	Food
13. Saigon Securities	300	0.01	No	Yes	Finance
14. Ha Do	200	0.01	No	Yes	Construction
15. Ho Chi Minh City Securities	110	0.005	No	No	Finance
Total LCY Corporate Issuers	28,621.8	1.27			

LCY = local currency.

Notes:

1. Data as of end-December 2015.

2. State-owned firms are defined as those in which the government has more than a 50% ownership stake.

Source: *AsianBondsOnline* calculations based on Bloomberg and Vietnam Bond Market Association.