

Viet Nam

Viet Nam's local currency (LCY) bond market was valued at VND996 trillion (USD44 billion) at the end of December. On a quarter-on-quarter basis, growth contracted 4.4% in the fourth quarter of 2016, due largely to a decline in central bank bonds outstanding as redemptions exceeded new issuance.

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

	Outstanding Amount (billion)						Growth Rate (%)			
	Q4 2015		Q3 2016		Q4 2016		Q4 2015		Q4 2016	
	VND	USD	VND	USD	VND	USD	q-o-q	y-o-y	q-o-q	y-o-y
Total	937,601	42	1,041,024	47	995,720	44	10.3	5.2	(4.4)	6.2
Government	904,310	40	999,630	45	949,725	42	9.8	3.2	(5.0)	5.0
Treasury Bonds	599,300	27	719,847	32	736,932	32	11.8	14.1	2.4	23.0
Central Bank Bonds	98,191	4	69,999	3	8,000	0.4	8.8	(26.9)	(88.6)	(91.9)
State-Owned Enterprise Bonds	206,818	9	209,784	9	204,792	9	4.9	(4.4)	(2.4)	(1.0)
Corporate	33,292	1	41,394	2	45,996	2	24.4	114.3	11.1	38.2

(-) = negative, LCY = local currency, q-o-q = quarter-on-quarter, Q3 = third quarter, Q4 = fourth quarter, USD = United States dollar, VND = Vietnamese dong, y-o-y = year-on-year.
Notes:

1. Bloomberg LP end-of-period LCY-USD rates are used.
 2. Growth rates are calculated from an LCY base and do not include currency effects.
- Sources: Bloomberg LP and Vietnam Bond Market Association.

In the fourth quarter of 2016, new corporate bond issues reached VND4.6 trillion, higher on both a quarter-on-quarter and year-on-year basis. Leading the list of new corporate debt issuers was Vietcombank, which issued 10-year bonds worth VND2.0 trillion in November.

Table 2: Notable Local Currency Corporate Bond Issuance in the Fourth Quarter of 2016

Corporate Issuer	Coupon Rate (%)	Issued Amount (VND billion)
Vietcombank		
10-year bond	floating	2,000
Vietnam Electrical Equipment		
3-year bond	floating	1,800
Sai Gon Thuong Tin Real Estate		
2-year bond	12.00	200
4-year bond	10.50	400

VND = Vietnamese dong.
Sources: Bloomberg LP and Vietnam Bond Market Association.

Viet Nam's corporate bond market comprised a total of 27 corporate firms, with outstanding bonds valued at VND46.0 trillion at the end of December. The largest corporate issuer was Masan Consumer Holdings with outstanding bonds of VND11.1 trillion, representing 24.1% of the aggregate stock of corporate bonds.

Table 3: Corporate Issuers of Local Currency 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. Vingroup JSC	8,000	0.35	No	Yes	Real Estate
3. Asia Commercial Joint Stock	4,600	0.20	No	No	Finance
4. Hoang Anh Gia Lai	4,000	0.18	No	Yes	Real Estate
5. Techcom Bank	3,000	0.13	No	No	Banking
6. Ho Chi Minh City Infrastructure	2,102	0.09	No	Yes	Infrastructure
7. Vietcombank	2,000	0.09	Yes	Yes	Banking
8. Vietnam Electrical Equipment	1,800	0.08	No	Yes	Manufacturing
9. Agro Nutrition International	1,300	0.06	No	No	Agriculture
10. DIC Corporation	1,000	0.04	Yes	No	Chemicals
11. Ocean Group	980	0.04	No	Yes	Consulting Services
12. Saigon-Hanoi Securities Corporation	950	0.04	No	Yes	Finance
13. Sai Gon Thuong Tin Real Estate	600	0.03	No	Yes	Real Estate
14. Khang Dien House Trading and Investment	534	0.02	No	Yes	Building and Construction
15. Hoangquan	500	0.02	No	Yes	Real Estate
16. Saigon Securities	500	0.02	No	Yes	Finance
17. Tasco Corporation	500	0.02	No	Yes	Engineering and Construction
18. Vietinbank Securities	500	0.02	Yes	Yes	Finance
19. An Phat Plastic & Green Environment	450	0.02	No	Yes	Industrial
20. Sotrans Corporation	400	0.02	No	No	Logistics
21. Vietnam Investment Construction and Trading	350	0.02	No	Yes	Building and Construction
22. Hung Vuong Corp.	300	0.01	No	Yes	Food
23. Ha Do Corporation	200	0.01	No	Yes	Construction
24. Son Ha International	110	0.005	No	Yes	Building and Construction
25. Dongnai Plastic	100	0.004	No	Yes	Industrial
26. Fecon	70	0.003	No	Yes	Engineering and Construction
27. Construction Joint Stock Company No. 3	50	0.002	No	Yes	Real Estate
Total LCY Corporate Issuers	45,996	2.02			

LCY = local currency, USD = United States dollar, VND = Vietnamese dollar.

Notes:

1. Data as of end-December 2016.

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

Sources: AsianBondsOnline calculations based on Bloomberg LP and Vietnam Bond Market Association data.