

Viet Nam

Viet Nam's local currency (LCY) bond market reached a size of VND1,080.0 trillion (USD48 billion) at the end of December 2017. On a quarter-on-quarter basis, outstanding bonds grew 2.7% in the fourth quarter (Q4) of 2017, due largely to a number of corporates issuing bonds in the last quarter of the year.

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

	Outstanding Amount (billion)						Growth Rate (%)			
	Q4 2016		Q3 2017		Q4 2017		Q4 2016		Q4 2017	
	VND	USD	VND	USD	VND	USD	q-o-q	y-o-y	q-o-q	y-o-y
Total	997,370	44	1,051,929	46	1,080,093	48	(4.3)	6.4	2.7	8.3
Government	949,725	42	1,001,162	44	1,017,691	45	(5.0)	5.0	1.7	7.2
Treasury Bonds	736,932	32	786,957	35	788,918	35	2.4	23.0	0.2	7.1
Central Bank Bonds	8,000	0	21,000	1	16,400	1	(88.6)	(91.9)	(21.9)	105.0
State-Owned Enterprise Bonds	204,792	9	193,205	9	212,373	9	(2.4)	(1.0)	9.9	3.7
Corporate	47,646	2	50,767	2	62,402	3	13.2	43.1	22.9	31.0

() = 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 Q4 2017, new corporate bond issues reached VND12.3 trillion, higher than the prior quarter's VND220 billion. Leading the list of new corporate debt issuers was Vientinbank, which issued bonds worth VND4.2 trillion in Q4 2017.

Table 2: Notable Local Currency Corporate Bond Issuance in the Fourth Quarter of 2017

Corporate Issuer	Coupon Rate (%)	Issued Amount (VND billion)
Vietinbank		
10-year bond	8.00	2,200
10-year bond	7.90	2,000
Vietnam Propseri		
2-year bond	6.70	3,000
Masan Group Corporation		
2-year bond	9.00	3,000
Mobile World		
5-year bond	6.55	1,135
Vingroup JSC		
2-year bond	10.00	1,000

VND = Vietnamese dong.

Sources: Bloomberg LP and Vietnam Bond Market Association.

Viet Nam's corporate bond market comprises 30 firms with aggregate bonds outstanding valued at VND62.4 trillion at the end of December. The largest corporate issuer was Masan Consumer Holdings with outstanding bonds of VND11.1 trillion, representing 17.7% of the aggregate stock of corporate bonds.

Table 3: Top 31 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	9,600	0.42	No	Yes	Real Estate
3.	Asia Commercial Joint Stock	4,600	0.20	No	No	Finance
4.	Masan Group Corporation	4,500	0.20	No	Yes	Holding Company
5.	No Va Land Investment Group	4,250	0.19	No	Yes	Real Estate
6.	Vietnam Joint Stock Commercial Bank for Industry and Trade	4,200	0.18	Yes	Yes	Banking
7.	Hoang Anh Gia Lai	4,000	0.18	No	Yes	Real Estate
8.	Vietnam Prosperity Joint Stock Commercial Bank	3,000	0.13	No	Yes	Banking
9.	Techcom Bank	3,000	0.13	No	No	Banking
10.	Vietcombank	2,000	0.09	Yes	Yes	Banking
11.	Vietnam Electrical Equipment	1,800	0.08	No	Yes	Manufacturing
12.	Ho Chi Minh City Infrastructure	1,533	0.07	No	Yes	Infrastructure
13.	Agro Nutrition International	1,300	0.06	No	No	Agriculture
14.	MobileWorld Investment Corporation	1,135	0.05	No	Yes	Telecommunications
15.	DIC Corporation	1,000	0.04	Yes	No	Chemicals
16.	Kinh Bac City Development Holding Corporation	700	0.03	No	Yes	Building and Construction
17.	Sai Gon Thuong Tin Real Estate	600	0.03	No	Yes	Real Estate
18.	Khang Dien House Trading and Investment	534	0.02	No	Yes	Building and Construction
19.	Saigon Securities Inc.	500	0.02	No	Yes	Finance
20.	Tasco Corporation	500	0.02	No	Yes	Engineering and Construction
21.	An Phat Plastic & Green Environment	450	0.02	No	Yes	Industrial
22.	Sotrans Corporation	400	0.02	No	No	Logistics
23.	Vietnam Investment Construction and Trading	350	0.02	No	Yes	Building and Construction
24.	Hung Vuong Corp.	300	0.013	No	Yes	Food
25.	Saigon-Hanoi Securities Corporation	300	0.013	No	Yes	Finance
26.	Loc Troi Group	220	0.010	No	Yes	Manufacturing
27.	Ha Do Corporation	200	0.009	No	Yes	Construction
28.	Son Ha International	110	0.005	No	Yes	Building and Construction
29.	Dongnai Plastic	100	0.004	No	Yes	Industrial
30.	Fecon	70	0.003	No	Yes	Engineering and Construction
31.	Construction Joint Stock Company No. 3	50	0.002	No	Yes	Real Estate
Total Top 31 LCY Corporate Issuers		62,402	2.74			

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

Notes:

1. Data as of end-December 2017.

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.