

Viet Nam

Viet Nam's local currency (LCY) bonds outstanding stood at VND1,180.5 trillion (USD51 billion) at the end of December, down 5.3% quarter-on-quarter (q-o-q), but up 9.3% year-on-year (y-o-y). The decline was due to the maturing of all outstanding central bank bills, which more than offset the marginal increase in both Treasury bonds and corporate bonds.

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

	Outstanding Amount (billion)						Growth Rate (%)			
	Q4 2017		Q3 2018		Q4 2018		Q4 2017		Q4 2018	
	VND	USD	VND	USD	VND	USD	q-o-q	y-o-y	q-o-q	y-o-y
Total	1,079,823	48	1,246,354	53	1,180,519	51	1.4	7.9	(5.3)	9.3
Government	1,003,064	44	1,152,839	49	1,081,190	47	(0.2)	6.6	(6.2)	7.8
Treasury Bonds	796,551	35	896,681	38	898,393	39	(0.1)	7.2	0.2	12.8
Central Bank Bonds	16,400	0.7	75,010	3	0	0	(21.9)	105.0	(100.0)	(100.0)
State-Owned Enterprise Bonds	190,113	8	181,148	8	182,798	8	1.8	0.1	0.9	(3.8)
Corporate	76,759	3	93,515	4	99,328	4	27.0	29.3	6.2	29.4

(-) = 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 2018, corporate bond issuance reached VND7.7 trillion, declining 10.7% q-o-q and 59.9% y-o-y. Five firms tapped the debt market for their capital requirements, issuing a total of six new bond series during the quarter. The largest issuance came from Hoan My Medical, which issued VND2.3 trillion via a dual-tranche bond that carried a guarantee from the Credit Guarantee and Investment Facility.

Table 2: Notable Local Currency Corporate Bond Issuance in the Fourth Quarter of 2018

Corporate Issuer	Coupon Rate (%)	Issued Amount (VND billion)
Hoan My Medical		
5-year bond	6.64	930
7-year bond	6.74	1,400
Asia Commercial Joint Stock Bank		
10-year bond	7.35	2,200
Vietnam International Commercial Bank		
3-year bond	6.30	2,200

VND = Vietnamese dong.

Source: Bloomberg LP.

At the end of December, the aggregate outstanding bonds of Viet Nam's 30 largest corporate LCY bond issuers amounted to VND95.6 trillion, representing 96.3% of the total LCY corporate bond stock. Taking the top spot was Vinhomes, a firm that provides real estate services, which bumped Masan Consumer Holdings down to the second spot.

Table 3: Top 30 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.	Vinhomes	12,500.0	0.54	No	Yes	Real Estate
2.	Masan Consumer Holdings	11,100.0	0.48	No	No	Diversified Operations
3.	Vingroup	9,600.0	0.41	No	Yes	Real Estate
4.	Vietnam Joint Stock Commercial Bank for Industry and Trade	8,200.0	0.35	Yes	Yes	Banking
5.	Asia Commercial Joint Stock Bank	6,800.0	0.29	No	No	Banking
6.	Hoang Anh Gia Lai	4,000.0	0.17	No	Yes	Real Estate
7.	No Va Land Investment Group	3,300.0	0.14	No	Yes	Real Estate
8.	Masan Group	3,000.0	0.13	No	Yes	Finance
9.	Vietnam Technological and Commercial Joint Stock Bank	3,000.0	0.13	No	No	Banking
10.	Vietnam Prosperity Joint Stock Commercial Bank	3,000.0	0.13	No	Yes	Banking
11.	Bank for Investment and Development of Vietnam	2,700.0	0.12	Yes	Yes	Banking
12.	Sai Dong Urban Investment and Development	2,600.0	0.11	No	No	Real Estate
13.	Ho Chi Minh City Infrastructure Investment	2,410.4	0.10	No	Yes	Infrastructure
14.	Hoan My Medical	2,330.0	0.10	No	No	Healthcare Services
15.	Hoang Anh Gia Lai International Agriculture	2,217.1	0.10	No	Yes	Agriculture
16.	Vietnam International Commercial Bank	2,202.8	0.10	No	Yes	Agriculture
17.	Agro Nutrition International	2,000.0	0.09	No	No	Agriculture
18.	Joint Stock Commercial Bank for Foreign Trade of Vietnam	2,000.0	0.09	Yes	Yes	Banking
19.	Vietnam Electrical Equipment	1,800.0	0.08	No	Yes	Manufacturing
20.	Nui Phao Mining	1,500.0	0.06	No	No	Mining
21.	Saigon Securities	1,450.0	0.06	No	Yes	Finance
22.	Saigon-Hanoi Securities	1,150.0	0.05	No	Yes	Finance
23.	Mobile World Investment	1,135.0	0.05	No	Yes	Manufacturing
24.	Pan Group	1,135.0	0.05	No	Yes	Consumer Services
25.	DIC Corporation	1,000.0	0.04	Yes	No	Chemicals
26.	TTC Education Joint Stock Company	951.0	0.04	No	No	Education Services
27.	Vietnam Bank for Agriculture and Rural Development	760.0	0.03	Yes	No	Banking
28.	Nam Long Investment	660.0	0.03	No	Yes	Real Estate
29.	KinhBac City Development Holding	600.0	0.03	No	Yes	Real Estate
30.	Khang Dien House Trading and Investment	534.0	0.02	No	Yes	Building and Construction
Total Top 30 LCY Corporate Issuers		95,635.3	4.13			
Total LCY Corporate Bonds		99,328.3	4.29			
Top 30 as % of Total LCY Corporate Bonds		96.3%	96.3%			

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

Notes:

1. Data as of end-December 2018.

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.