

Viet Nam

Viet Nam's local currency (LCY) bond market grew 8.1% quarter-on-quarter (q-o-q) and 31.7% year-on-year to reach VND1,640.8 trillion (USD71.0 billion) at the end of December 2020. Government bonds outstanding totaled VND1,358.3 trillion, rising 7.1% q-o-q in the fourth quarter (Q4) of 2020. Corporate bonds outstanding increased at a much faster rate of 13.6% q-o-q to VND282.5 trillion. Government and corporate bonds comprised 82.8% and 17.2% of the LCY bond market, respectively, at the end of December 2020.

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

	Outstanding Amount (billion)						Growth Rate (%)			
	Q4 2019		Q3 2020		Q4 2020		Q4 2019		Q4 2020	
	VND	USD	VND	USD	VND	USD	q-o-q	y-o-y	q-o-q	y-o-y
Total	1,245,814	54	1,517,275	65	1,640,790	71	(3.8)	4.4	8.1	31.7
Government	1,141,009	49	1,268,599	55	1,358,315	59	(3.9)	5.4	7.1	19.0
Treasury Bonds	978,904	42	1,128,861	49	1,207,228	52	2.5	9.0	6.9	23.3
Central Bank Bonds	0	0	0	0	0	0	(100.0)	-	-	-
State-Owned Enterprise Bonds	162,105	7	139,738	6	151,087	7	1.5	(11.8)	8.1	(6.8)
Corporate	104,805	5	248,677	11	282,475	12	(2.8)	(5.5)	13.6	169.5

(-) = negative, - = not applicable, 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.

Corporate bond issuance in Viet Nam dropped 31.6% q-o-q in Q4 2020 to VND45.6 trillion due to the implementation of Decree No. 81/2020/ND-CP, which tightened regulations on corporate bond issuance effective 1 September 2020. Table 2 lists the notable bond sales during the quarter, led by Tuong Minh Investment and Real Estate Company Limited with a VND3.0 trillion single bond issuance.

Table 2: Local Currency Corporate Bond Issuances in the Fourth Quarter of 2020

Corporate Issuer	Coupon Rate (%)	Issued Amount (VND billion)
Tuong Minh Investment and Real Estate Company Limited		
5-year bond	Floating	2,950
Vietnam Technological and Commercial Joint Stock Bank ^a		
3-year bond		2,000
3-year bond		2,000
Becamex IDC Corporation		
5-year bond	5.80	2,000

VND = Vietnamese dong.

Note: Coupon rates for Vietnam Technological and Commercial Joint Stock Bank 3-year bonds are not available.

^a Multiple issuance of the same tenor indicates issuance on different dates.

Source: Vietnam Bond Market Association.

Aggregate LCY bonds outstanding of the top 30 corporate issuers at the end of December 2020 amounted to VND188.1 trillion, which comprised 66.6% of the total LCY corporate bond market. More than half of the outstanding debt, amounting to VND102.4 trillion, came from the banking sector. The Bank for Investment and Development of Vietnam had the most bonds outstanding among the top 30 list with a total of VND20.7 trillion at the end of Q4 2020.

Table 3: Top 30 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.	Bank for Investment and Development of Vietnam	20,670	0.89	Yes	Yes	Banking
2.	Masan Group	13,500	0.58	Yes	Yes	Finance
3.	Ho Chi Minh City Development Joint Stock Commercial Bank	10,748	0.47	Yes	Yes	Banking
4.	Tien Phong Commercial Joint Stock Bank	9,349	0.40	Yes	Yes	Banking
5.	Vietnam Prosperity Joint Stock Commercial Bank	9,150	0.40	Yes	Yes	Banking
6.	Lien Viet Post Joint Stock Commercial Bank	9,100	0.39	Yes	Yes	Banking
7.	Vietnam International Joint Stock Commercial Bank	9,050	0.39	Yes	Yes	Banking
8.	Vinhomes Joint Stock Company	8,890	0.38	Yes	Yes	Property
9.	Vietnam Joint Stock Commercial Bank for Industry and Trade	8,850	0.38	Yes	Yes	Banking
10.	Saigon Glory Company Limited	8,000	0.35	No	No	Property
11.	Sovico Group Joint Stock Company	7,550	0.33	Yes	Yes	Diversified Operations
12.	Orient Commercial Joint Stock Bank	7,535	0.33	No	No	Banking
13.	Asia Commercial Joint Stock Bank	5,300	0.23	Yes	Yes	Banking
14.	Vietnam Technological and Commercial Joint Stock Bank	5,000	0.22	No	No	Banking
15.	Bac A Commercial Joint Stock Bank	4,640	0.20	Yes	Yes	Banking
16.	Phu My Hung Corporation	4,497	0.19	No	No	Property
17.	Ho Chi Minh City Infrastructure Investment Joint Stock Company	4,390	0.19	Yes	Yes	Construction
18.	Nui Phao Mining and Processing Co., Ltd.	4,310	0.19	No	No	Mining
19.	Vinpearl	4,300	0.19	No	No	Hotel Operator
20.	NoVa Real Estate Investment Corporation JSC	4,207	0.18	Yes	Yes	Property
21.	Vingroup	4,000	0.17	Yes	Yes	Property
22.	Sun Ha Long Co., Ltd.	3,500	0.15	No	No	Property
23.	Vietnam Maritime Joint Stock Commercial Bank	2,999	0.13	Yes	Yes	Banking
24.	Tuong Minh Investment and Real Estate Company Limited	2,950	0.13	No	No	Property
25.	TNL Investment and Leasing Joint Stock Company	2,926	0.13	No	No	Property
26.	Phu Long Real Estate Joint Stock Company	2,800	0.12	No	No	Property
27.	Binh Hai Golf Investment and Development Joint Stock Company	2,745	0.12	No	No	Leisure
28.	Masan Resources	2,500	0.11	No	No	Manufacturing
29.	Hoan My Medical	2,330	0.10	No	No	Healthcare Services
30.	Refrigeration Electrical	2,318	0.10	Yes	Yes	Manufacturing
Total Top 30 LCY Corporate Issuers		188,103	8.14			
Total LCY Corporate Bonds		282,475	12.23			
Top 31 as % of Total LCY Corporate Bonds		66.6%	66.6%			

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

Notes:

1. Data as of 31 December 2020.

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 LP data.