

## Viet Nam

### Yield Movements

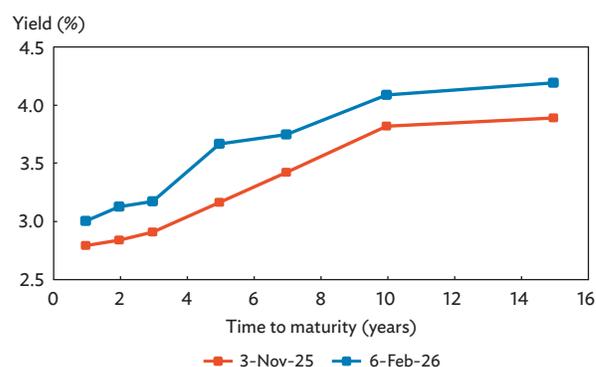
Between 3 November and 6 February, local currency (LCY) government bond yields rose an average of 31 basis points across the curve (Figure 1). The yield uptick was partly driven by an expected increase in the bond supply as the government plans to issue bonds worth VND500.0 trillion in 2026, 34.6% higher than the VND371.5 trillion worth of bonds issued in 2025. The expanded borrowing plan is intended to finance public investment projects, cover the budget deficit and debt repayments, and support attainment of the government's growth target of 10% for full-year 2026.

### Local Currency Bond Market Size and Issuance

The LCY bond market's expansion accelerated in Q4 2025 on gains in both the government and corporate bond segments. Outstanding LCY bonds reached VND3,972.9 trillion at the end of December, increasing 10.5% quarter-on-quarter (q-o-q) from VND3,595.8 trillion in the previous quarter (Figure 2). The government and corporate bond segments recorded accelerated q-o-q expansions of 4.5% and 7.0%, respectively, on increased issuance. Despite decreased q-o-q issuance in Q4 2025, central bank securities posted the fastest quarterly expansion among all bond types, reaching VND384.0 trillion of outstanding securities—more than double the previous quarter's VND185.0 trillion—due to a low volume of maturities during the quarter.

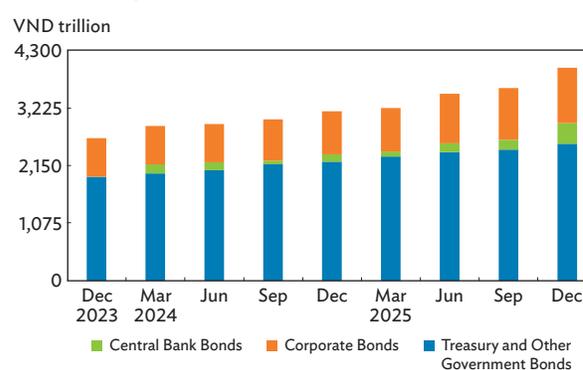
LCY bond issuance contracted in Q4 2025, driven by the reduced issuance of central bank securities. In Q4 2025, LCY bond issuance tallied VND1,168.0 trillion, reflecting a 7.6% q-o-q drop from the previous quarter (Figure 3). The overall decline was mainly driven by the 17.1% q-o-q contraction in central bank securities issuance. Meanwhile, issuance of Treasury and other government bonds recorded the sharpest gain, more than twice the previous quarter's volume to VND121.9 trillion as the government ramped up bond sales to meet its full-year 2025 issuance target of VND500.0 trillion. At the end of 2025, the government

Figure 1: Viet Nam's Benchmark Yield Curve—Local Currency Government Bonds



Source: Based on data from Bloomberg LP.

Figure 2: Composition of Local Currency Bonds Outstanding in Viet Nam



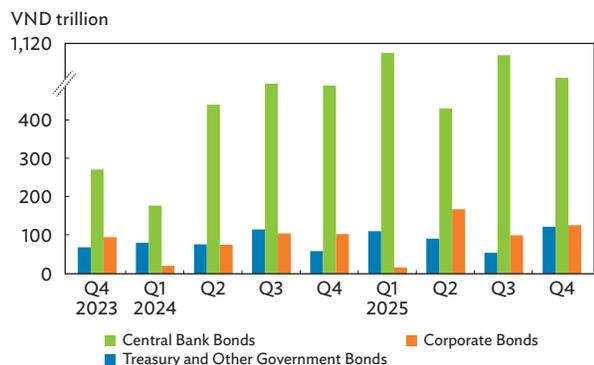
VND = Vietnamese dong.

Note: Other government bonds comprise government-guaranteed and municipal bonds.

Sources: Hanoi Stock Exchange, State Bank of Vietnam, Vietnam Bond Market Association, and Bloomberg LP.

completed about 74.3% (VND371.5 billion) of its bond issuance plan. Corporate bond issuance rebounded in Q4 2025, gaining 26.5% q-o-q after the previous quarter's 40.6% q-o-q contraction, as corporates accelerated their capital refinancing ahead of repayment pressure in December. The banking and property sectors remained the main drivers of issuance during the quarter, comprising 55.5% and 34.4%, respectively, of the market's Q4 2025 corporate issuance total.

**Figure 3: Composition of Local Currency Bond Issuance in Viet Nam**

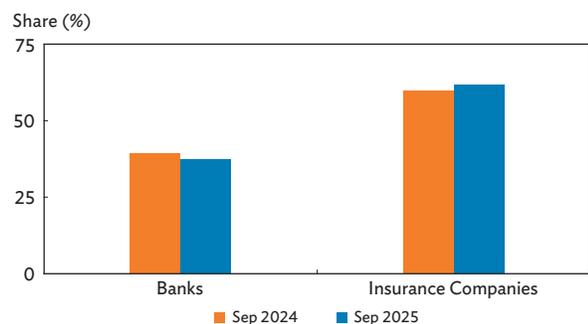


Q1 = first quarter, Q2 = second quarter, Q3 = third quarter, Q4 = fourth quarter, VND = Vietnamese dong.  
 Note: Other government bonds comprise government-guaranteed and municipal bonds.  
 Sources: Hanoi Stock Exchange, State Bank of Vietnam, Vietnam Bond Market Association, and Bloomberg LP.

## Investor Profile

**LCY government bonds outstanding remained largely held by two dominant investor groups.** Insurance companies, the largest investor group in Viet Nam’s bond market, held 61.6% of the LCY government debt stock at the end of September, up from 59.8% a year earlier (Figure 4). In contrast, banks’ investment share declined to 37.4% from 39.4% during the same period.

**Figure 4: Market Profile of the Two Dominant Investors for Local Currency Government Bonds**



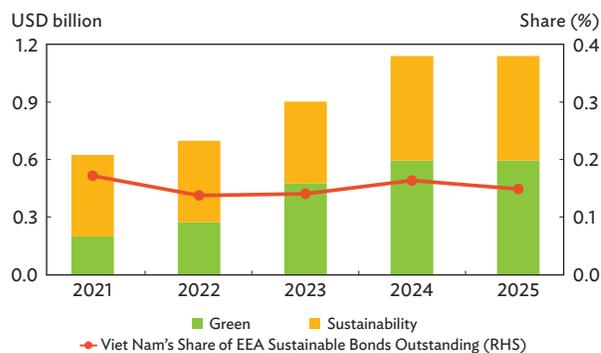
Source: Ministry of Finance, Viet Nam.

These two investor groups collectively accounted for 99.0% of the total LCY government debt stock at the end of September. This lack of investor diversity in the economy’s bond market led to Viet Nam once again posting the highest Herfindahl–Hirschman Index score in the region.<sup>28</sup>

## Sustainable Bond Market

**Viet Nam’s sustainable bond market was solely driven by the private sector.** Total sustainable bonds outstanding remained unchanged at the end of 2025 from a year earlier at USD1.1 billion, resulting in a slight dip (from 0.16% to 0.15%) in its share of emerging East Asia’s sustainable bond market (Figure 5).<sup>29</sup> The economy’s sustainable debt stock only comprises green and sustainability instruments, which accounted for 52.2% and 47.8%, respectively, of the 2025 sustainable bond market. About 80% of outstanding sustainable bonds carried tenors of 3 years or less, resulting in a size-weighted average tenor of 1.9 years, one of the shortest in the region. By currency profile, nearly 55% of outstanding sustainable bonds were denominated in United States dollars, while the remaining 45% were denominated in Vietnamese dong.

**Figure 5: Sustainable Bonds Outstanding in Viet Nam**



EEA = emerging East Asia, RHS = right-hand side, USD = United States dollar.  
 Notes:  
 1. Emerging East Asia is defined to include the member states of ASEAN plus the People’s Republic of China; Hong Kong, China; and the Republic of Korea.  
 2. Data include both local currency and foreign currency sustainable bonds.  
 Source: AsianBondsOnline calculations based on Bloomberg LP data.

<sup>28</sup> The Herfindahl–Hirschman Index is a common measure of market concentration. The index is used to measure the investor profile diversification of the LCY bond market by summing the squared share of each investor group in the bond market.

<sup>29</sup> Emerging East Asia is defined to include member states of the Association of Southeast Asian Nations plus the People’s Republic of China; Hong Kong, China; and the Republic of Korea.