

Viet Nam

Yield Movements

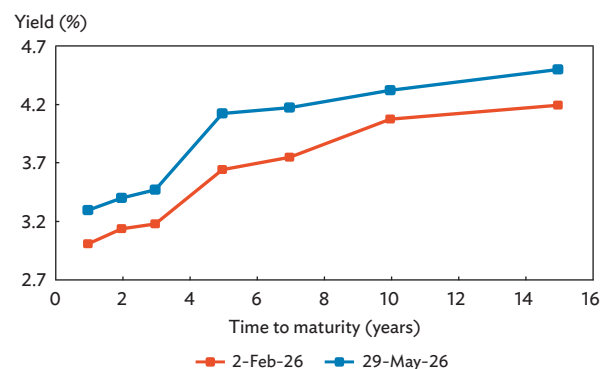
Between 2 February and 29 May, local currency (LCY) government bond yields in Viet Nam rose by an average of 33 basis points across all maturities, driven by rising inflationary pressures over escalating Middle East tensions and cautious investor sentiment (Figures 1A, 1B). In May, consumer price inflation accelerated further to 5.6% year-on-year (y-o-y) from 5.5% y-o-y in April and 4.7% y-o-y in March, driven by the oil price shock stemming from geopolitical tensions.

Local Currency Bond Market Size and Issuance

Viet Nam's LCY bonds outstanding edged down 0.4% quarter-on-quarter (q-o-q) to VND3,955.2 trillion at the end of March, driven by a 25.0% q-o-q decline in central bank securities as maturities outpaced issuance (Figure 2A). Meanwhile, q-o-q gains in the government and corporate debt stocks slowed to 2.7% and 1.0%, respectively, on reduced issuance. Total issuance in the first quarter (Q1) of 2026 fell 9.6% q-o-q as corporate debt sales dropped 81.4% q-o-q over tight financial conditions (Figure 2B). Similarly, government bond issuance fell 34.3% q-o-q to VND80.1 trillion, fulfilling 72.8% of its Q1 2026 planned issuance on weak investor demand.

Figure 1: Local Currency Government Bond Yields in Viet Nam

A. Local Currency Government Bond Yield Curve



() = negative.

Note: Data coverage is from 2 February 2026 to 29 May 2026.

Source: AsianBondsOnline calculations based on Bloomberg LP data.

B. Changes in Local Currency Government Bond Yields

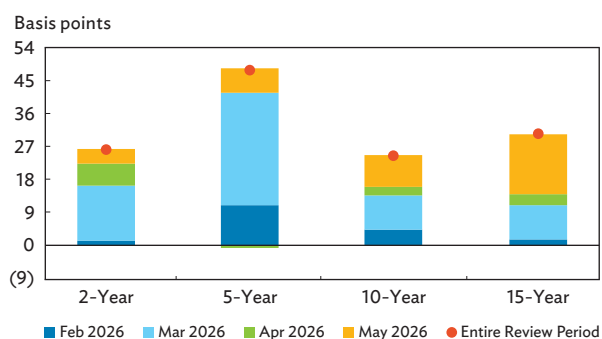
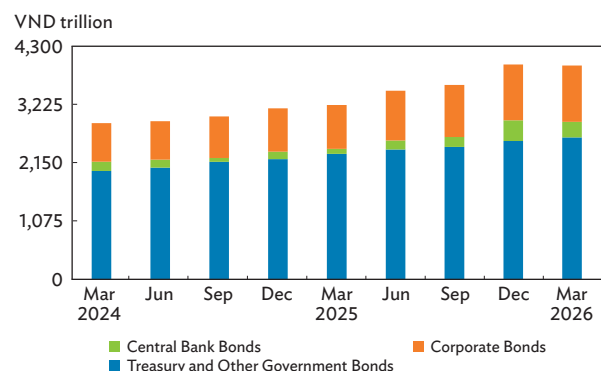
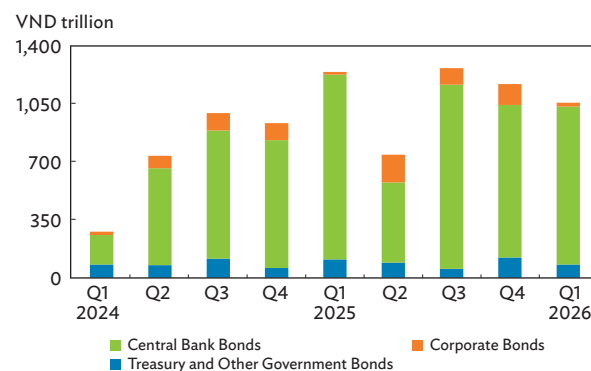


Figure 2: Composition of Local Currency Bonds in Viet Nam

A. Outstanding



B. Issuance



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.

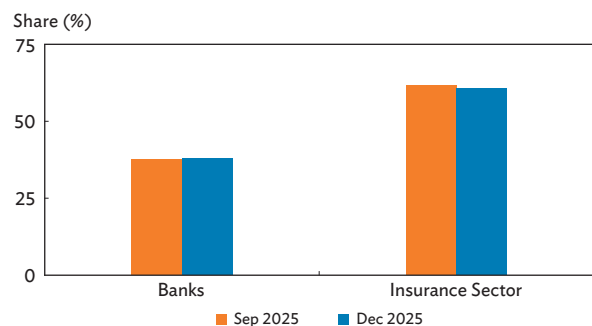
Sources: Hanoi Stock Exchange, State Bank of Vietnam, Vietnam Bond Market Association, and Bloomberg LP.

Investor Profile

Banks and insurance companies collectively held 98.7% of the total LCY government debt stock at the end of December 2025, roughly the same as their 99.0% share in September 2025 (**Figure 3**). This limited investor diversity

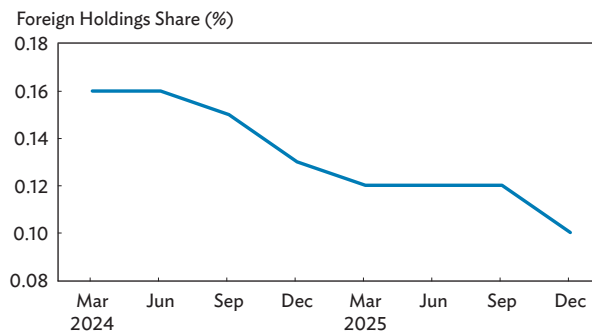
in the economy’s bond market resulted in Viet Nam once again posting the highest Herfindahl–Hirschman Index score in the region at the end of the fourth quarter of 2025.¹¹ In contrast, foreign holdings of government bonds remained marginal and continued to decline over limited market liquidity (**Figure 4**).

Figure 3: Market Profile of the Two Dominant Investors for Local Currency Government Bonds



Source: Ministry of Finance, Viet Nam.

Figure 4: Foreign Holdings Share in Local Currency Government Bond Market



Source: Ministry of Finance, Viet Nam.

¹¹ 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.

Sustainable Bond Market

Viet Nam’s sustainable bond market totaled USD1.1 billion at the end of March, which comprised green (52.2%) and sustainability (47.8%) instruments (**Figure 5A**). Viet Nam’s sustainable bond market was solely driven by the private sector, and about 54.8% of the total sustainable debt stock were denominated in United States dollars. Green and sustainability instruments were both primarily concentrated in tenors of 3 years or less at the end of Q1 2026, resulting in an overall size-weighted average tenor of 1.7 years, one of the shortest in emerging East Asia (**Figure 5B**).¹²

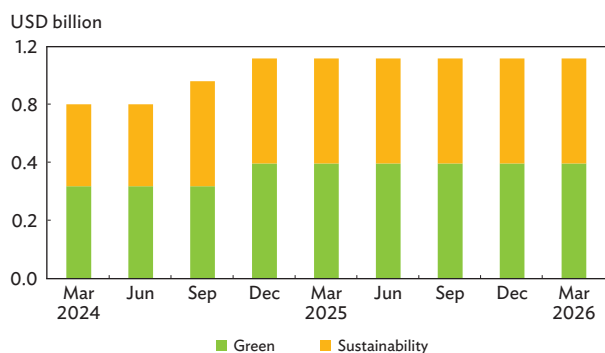
Policy and Regulatory Developments

Government Plans to Borrow VND110.0 Trillion in the Second Quarter of 2026

In April, the Government of Viet Nam announced its plan to raise VND110.0 trillion in the second quarter of 2026 through Treasury bond offerings. The planned issuance represents 22.0% of the total VND500.0 trillion auction plan for 2026 and was the same as the previous quarter’s issuance target. The Treasury bonds to be auctioned will carry maturities of 3–30 years, with auctions to be scheduled every Wednesday.

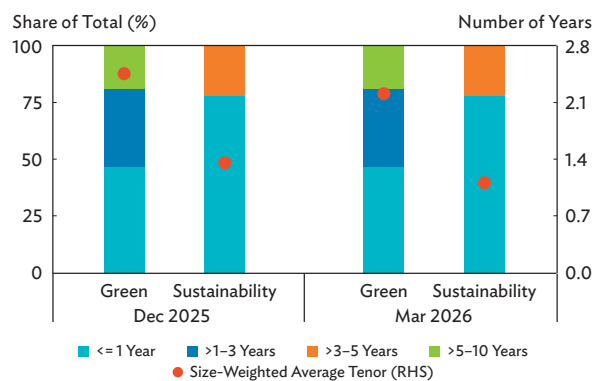
Figure 5: Sustainable Bond Market in Viet Nam

A. Sustainable Bonds Outstanding



RHS = right-hand side, USD = United States dollar.
Source: *AsianBondsOnline* calculations based on Bloomberg LP data.

B. Maturity Profile and Average Tenor of Sustainable Bonds Outstanding by Instrument Type



¹² 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.