

Viet Nam

Yield Movements

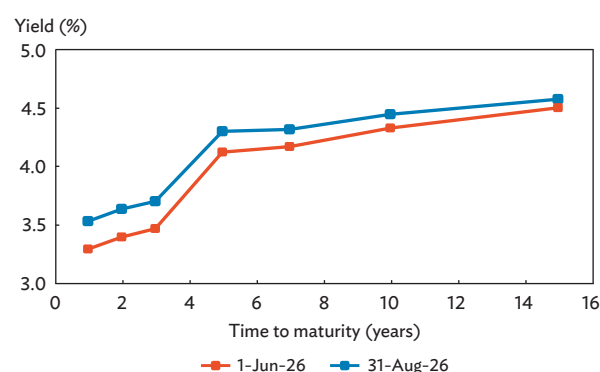
Between 1 June and 31 August, local currency (LCY) government bond yields in Viet Nam rose across all maturities by an average of 18 basis points (bps) due to elevated inflationary pressures generated by the ongoing conflict in the Middle East (**Figures 1A** and **1B**). Higher energy and transportation costs pushed up consumer price inflation to 4.7% year-on-year in June before moderating to the government's target of 4.5% in July. Concerns over the attainability of the government's 10% growth target increased expectations of [higher financing needs](#), placing further upward pressure on yields.

Local Currency Bonds Outstanding and Issuance

Viet Nam's LCY outstanding debt securities expansion rebounded 1.7% quarter-on-quarter (q-o-q) in the second quarter (Q2) of 2026 to reach VND4,021.6 trillion. After contracting 0.4% in the first quarter (Q1), the gain in Q2 was driven by the accelerated expansion of corporate bonds (6.0% q-o-q) and treasury and other government bonds (3.0% q-o-q) (**Figure 2A**). Excluding debt securities of 1 year or less, bonds outstanding expanded 3.8% q-o-q, up from 2.2% in the prior quarter. Total bond issuance climbed 99.2%, driven by a surge in corporate issuance of more than 400%, alongside an 11.1% increase in treasury and other government bond issuance (**Figure 2B**). The [recovery](#) of Viet Nam's corporate bond issuance from a subdued level in Q1 was driven by the need to fund new projects and refinance maturing debt. Vietnam Technological and Commercial Joint Stock Bank led all corporate issuers in Q2 after raising VND24.5 trillion.

Figure 1: Yields for Local Currency Government Bonds in Viet Nam

A. Local Currency Government Bond Yield Curve



Note:

1. Data coverage is from 1 June 2026 to 31 August 2026.
2. Bonds are defined as debt securities with maturities longer than 1 year.

Source: *AsianBondsOnline* calculations based on Bloomberg LP data.

B. Changes in Local Currency Government Bond Yields

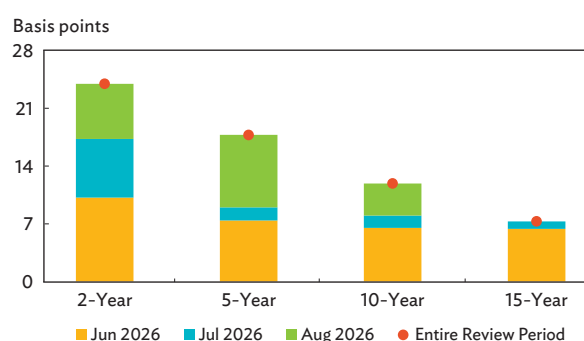
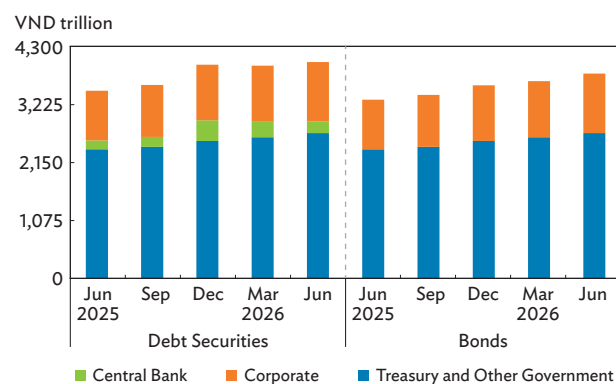
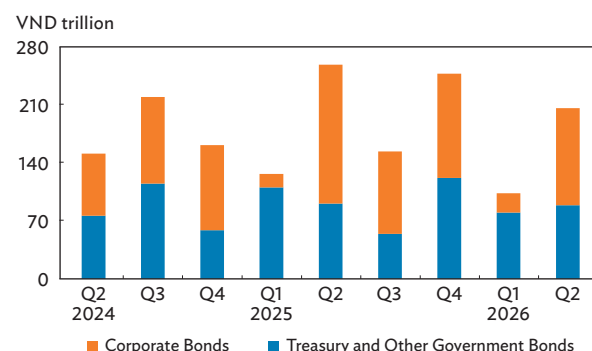


Figure 2: Composition of Local Currency Debt Securities in Viet Nam**A. Outstanding Debt Securities****B. Quarterly Bond Issuance**

Q1 = first quarter, Q2 = second quarter, Q3 = third quarter, Q4 = fourth quarter, VND = Viet Nam dong.

Notes:

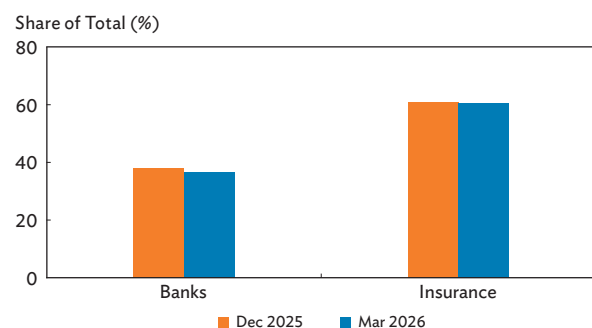
1. Bonds are defined as debt securities with maturities longer than 1 year.
2. Other government bonds comprise government-guaranteed and municipal debt securities.

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

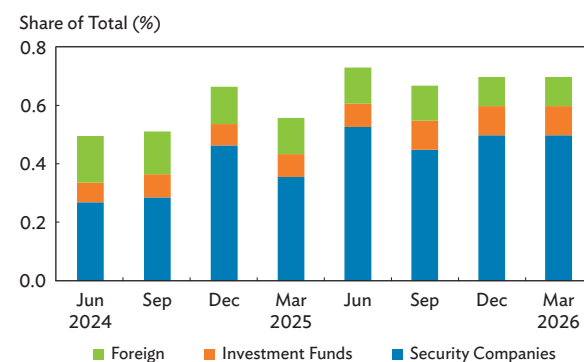
Investor Profile

Banks and insurance companies jointly held 97.0% of total LCY government bonds outstanding at the end of March, slightly lower than their combined share of 98.8% at the end of 2025 (**Figure 3**). Despite this marginal decline, the holdings of Viet Nam's LCY

government bonds remained highly concentrated among these two sectors, resulting in the second-highest Herfindahl–Hirschman Index score in the region at the end of Q1.¹¹ The holdings of other sectors such as security companies (0.5%), investment funds (0.1%), and foreign investors (0.1%) remained minimal (**Figure 4**).

Figure 3: Market Profile of the Two Dominant Investor Groups in the Local Currency Government Bond Market

Source: Ministry of Finance, Viet Nam.

Figure 4: Other Holdings Shares of Local Currency Government Bonds

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 outstanding sustainable bonds contracted to USD0.9 billion at the end of Q2 due to the maturity of a USD0.2 billion green bond during the quarter. Sustainability bonds accounted for 57.9% of the outstanding total, while green bonds comprised the remaining 42.1% (**Figure 5A**). The private sector continues to account for 100% of Viet Nam's sustainable bond stock. About 54.8% of sustainable bonds are denominated in Viet Nam dong and the rest in United States dollars. Green and sustainability bonds were concentrated in tenors of 3 years or less at the end of Q2, resulting in a short overall size-weighted average tenor of 1.8 years, up from 1.7 years in Q1 (**Figure 5B**).

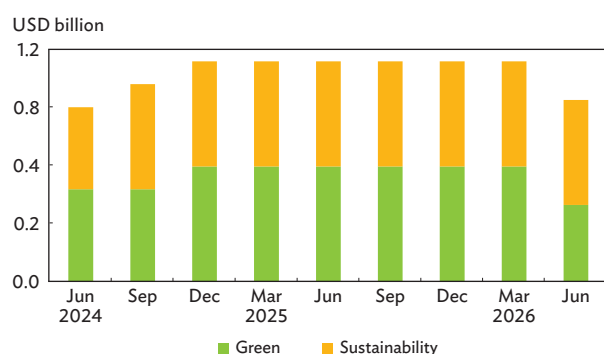
Policy and Regulatory Developments

Financial Market Reforms in Viet Nam

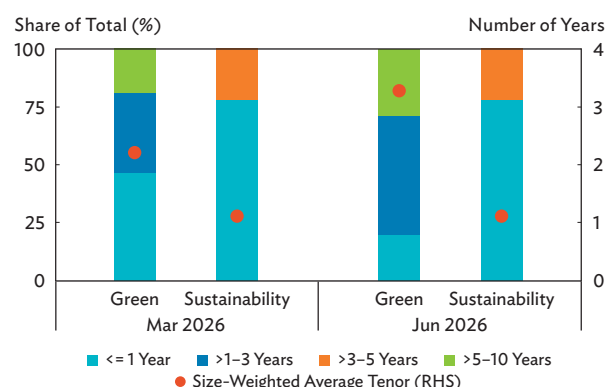
In July, the government unveiled a [reform strategy](#) to expand Viet Nam's bond market to the equivalent of 60% of gross domestic product by 2045. The strategy includes enhancing credit rating mechanisms; upgrading market infrastructures; and broadening financial products, including environmental, social, and governance bonds.

Figure 5: Sustainable Bonds Outstanding in Viet Nam

A. Market Size



B. Maturity Profile



RHS = right-hand side, USD = United States dollar.

Source: *AsianBondsOnline* calculations based on Bloomberg LP data.