

FROM RECOVERY TO CONSOLIDATION

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Primary Government Bond (G-bond) Market

The total amount accepted in 2025 reached VND 371.5 trillion, corresponding to an acceptance ratio of approximately 55%, a 15.4% increase over 2024, and nearly completing 75% of the annual issuance plan. Issuance activity was relatively active in Q1, but slowed significantly midY as the market faced numerous headwinds from both domestic and international environments. Against this backdrop, primary G-bond yields were gradually adjusted upward to better align with movements in the secondary market. However, higher risk premium demands from investors made it difficult for supply and demand to find an equilibrium, thereby constraining the issuance scale during the year. Moving into 2026, although market sentiment is expected to improve toward the end of the year, we believe G-bond yields will likely maintain an upward trend for the full year. Concurrently, the yield curve is expected to steepen as long-term capital costs are projected to remain high.

Secondary Government Bond Market

In contrast to the sluggishness in the primary market, the secondary G-bond market in 2025 maintained vibrant liquidity, with total transaction value reaching VND 3.64 quadrillion, up 28.9% compared to 2024. Of which, outright transactions reached VND 2.63 quadrillion, a 39% increase, setting a record high with an average daily transaction value of over VND 7.3 trillion. By the end of 2025, the 10Y G-bond yield settled at approximately 4.04%, the highest level since March 2023 and approaching US bond yields.

Corporate Bond Market

According to data from the HNX, as of January 28, the market recorded 533 private placement corporate bond issuances in 2025, with a total issuance value of VND 537.4 trillion, representing a 15.4% increase compared with 2024. Among these, the banking sector accounted for more than 65% of total new issuance in 2025, marking a 25% YoY increase. This trend also reflects current market conditions, as deposit growth remained subdued, prompting banks to step up funding through the issuance of valuable papers. Looking ahead to 2026, the corporate bond market is expected to maintain stable growth and evolve more selectively and transparently, supported by strong medium- to long-term funding demand and improving investor confidence. However, primary issuance yields are likely to face upward pressure, amid tightening banking credit headroom and a projected uptick in deposit rates, particularly during the first half of the year.

Table 1: Bond market situation

	2022	2023	2024	2025	2026F
Primary Government bond yield (10Y)	4.80%	2.20%	2.77%	4.00%	4.35%
Secondary Government bond yield (10Y)	4.89%	2.22%	2.96%	4.04%	4.40%
Corporate bond interest rate (%)	10.89%	8.15%	7.26%	8.13%	8 – 9.0%
Interbank interest rate (%ON)	4.97%	0.20%	2.65%	3.30%	4.5 - 5.0%

Sources: HNX, PHS compiled