

# Summary

## 2025 Snapshot – A Selective Recovery

Theme	Key metric	2025 value	Trend	Implication
Supply	Corporate bond market size	VND1.43tn	Solid increase (+10.6% YoY)	Visible recovery
	New issuance	VND624tn	Strong increase (+32% YoY)	Funding channel reopens
	Private placements	Dominant share (~91%)	Strong increase (+31% YoY)	Institutional/professional-investor market
Demand	Investor mix	Institution-dominated	Stable	Institutions drive flows
	Secondary liquidity	VND6tn/day	Solid increase (+23% YoY)	Liquidity returning
Risk	Maturity pressure	VND147tn	Down (-20% YoY)	Maturity risk easing
	Early redemption	VND348tn	Strong increase (+37% YoY)	Debt restructuring accelerates
	Late-payment bond ratio	1.3%	Low level (vs 1.3% in 2024)	Late-payment risk cools
	Principal recovery rate on late payments	43.4%	Improved (vs 28.5% in 2024)	Resolution framework improves
	Sectors to watch	Real Estate, Energy/Utilities, and Infrastructure/Construction	High risk	Selective approach required
Rates	10Y Government bond yield	4.0%	Slight increase (+1.23 pts YoY)	Benchmark rates remain elevated
	Class-A corporate bond yield	6.5%	Slight increase (+0.5 ppt YoY)	Moves with benchmark rates
	Govt bond–Class A corporate bond spread	330 bps	Slight narrowing (-64 bps YoY)	Confidence improves
	Class-C corporate bond yield	13.5%	Slight increase (+1 ppt YoY)	Higher risk premium required
	Govt bond–Class C corporate bond spread	1,030 bps	Slight narrowing (-14 bps YoY)	Confidence remains weak for high-risk names

Sources: HNX, VBMA, VIS Rating, Aseansc compilation

# Summary

## 2026 Outlook – A Quality-led Recovery

### Tailwinds

#### Macro backdrop supports a new cycle

**GDP growth 9.0–10.0%**

Improving economic growth supports corporate cash-flow recovery. Late-payment risk is easing, and the market is starting to accept higher risk appetite for issuers with sound repayment capacity.

#### Market size expands

**VND749tn**

**+20% YoY**

New issuance is expected to accelerate as refinancing demand rises. Investor appetite will concentrate in bonds with transparent structures and disciplined credit safeguards.

#### Confidence recovery becomes more tangible



Debt resolution and stronger transparency should reduce secondary-market discounts and reopen funding access for quality issuers.

### Headwinds

#### 2026 “Maturity Wall”

Total volume  
VND233tn

Real Estate  
61%

Heavy repayment pressure forces companies to prioritize settling old obligations over new investment. This is the key bottleneck for growth.

#### Class-C risk differentiation

Class-C corporate bond spread vs 5Y  
Government bond  
remains at a record high

Fragmented liquidity and fragile sentiment make it difficult for high-risk issuers to access new funding, forcing repeated restructuring/rollover.

#### Localized rather than systemic risk



The market no longer fears a system-wide domino effect, but focuses on specific risk pockets: highly leveraged issuers, weak cash flow, and dependence on asset sales.

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## 1. Corporate bond fundamentals

-  **Debt instrument:** Companies borrow from investors and commit to paying principal and interest on schedule.
-  **Return profile:** typically 2–4 ppts above bank deposit rates.
-  **Creditor status:** Investors rank ahead of shareholders in liquidation.
-  **Scheduled cash flow:** Coupons are pre-defined, but remain conditional on the issuer's solvency; default/late-payment risk can disrupt cash flows.



## Why allocate to corporate bonds?



## 2. Suitable investor profile

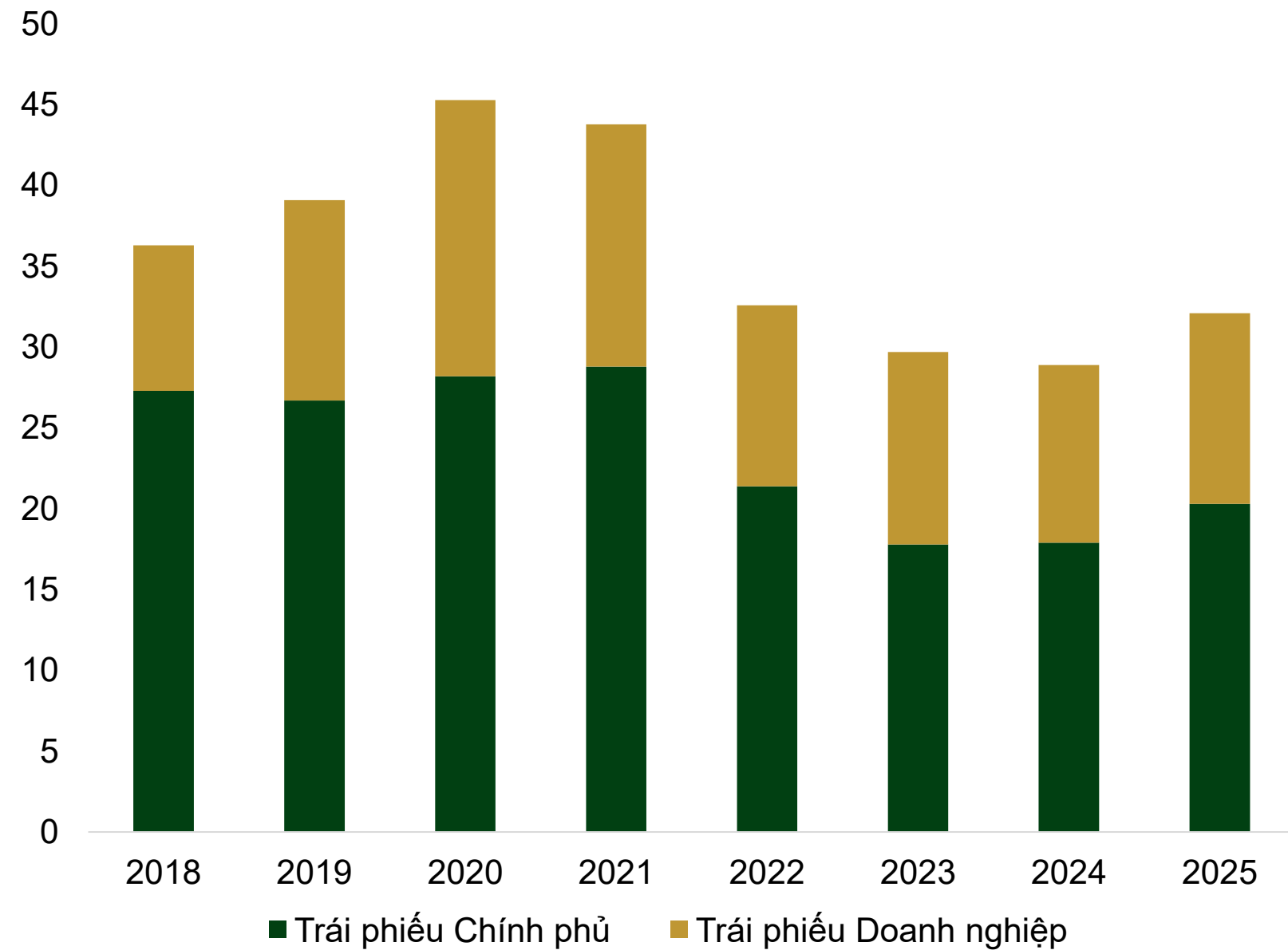


***Corporate bonds suit medium-term investors seeking stable income.***

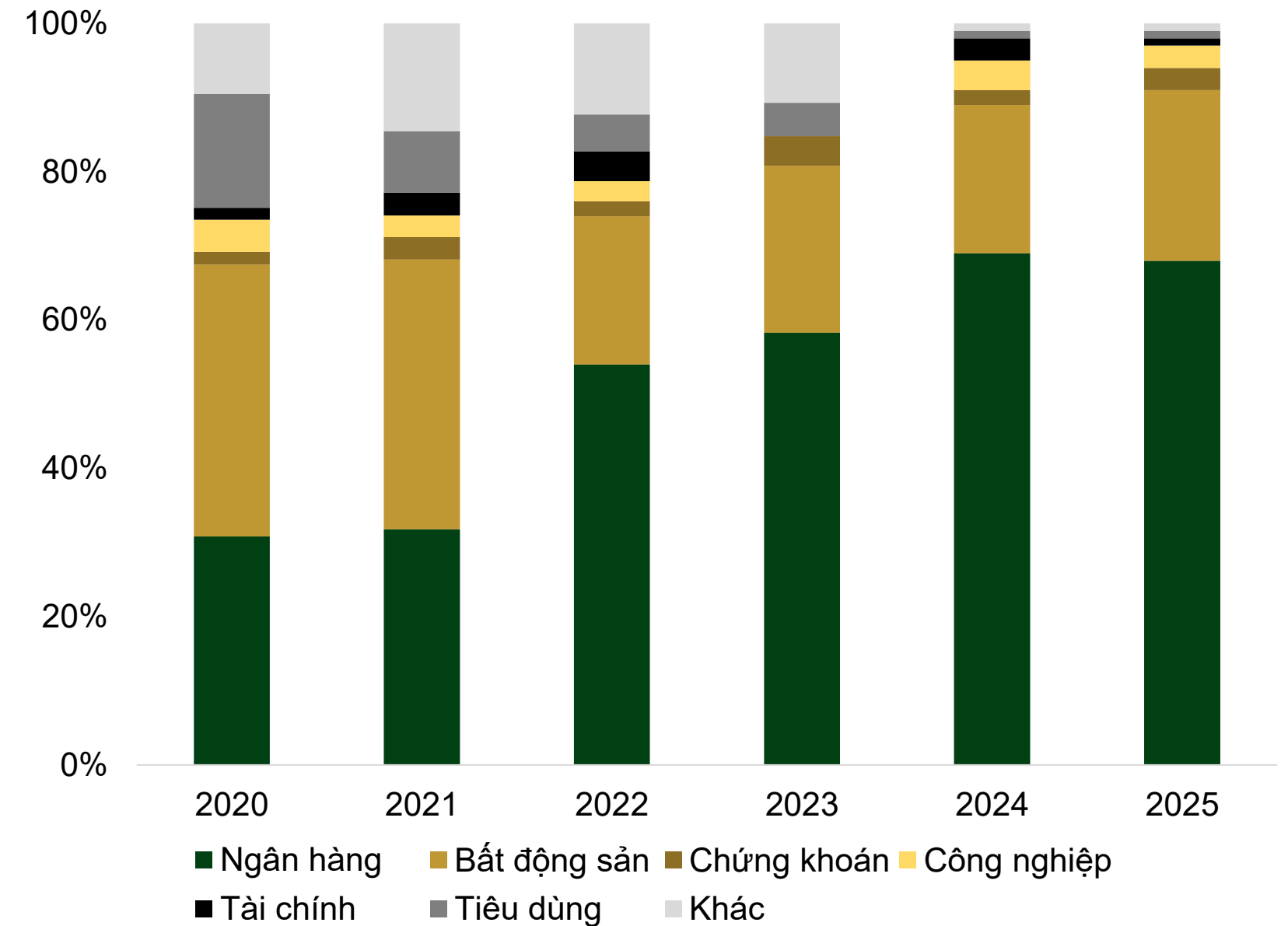
- ✓ **Idle capital: 3–5-year horizon with no urgent liquidity need.**
- ✓ **Income need: prefers periodic coupon payments.**
- ✓ **Moderate risk tolerance: safer than equities but higher return than deposits.**
- ✓ **Professional: basic capability to assess issuer credit risk.**

## 3. Current state of Vietnam's bond market

Vietnam's total bond market reached VND3.7 quadrillion by end-2025, equivalent to 32.1% of GDP, including Government bonds at 20.3% of GDP and corporate bonds at 11.8% of GDP.



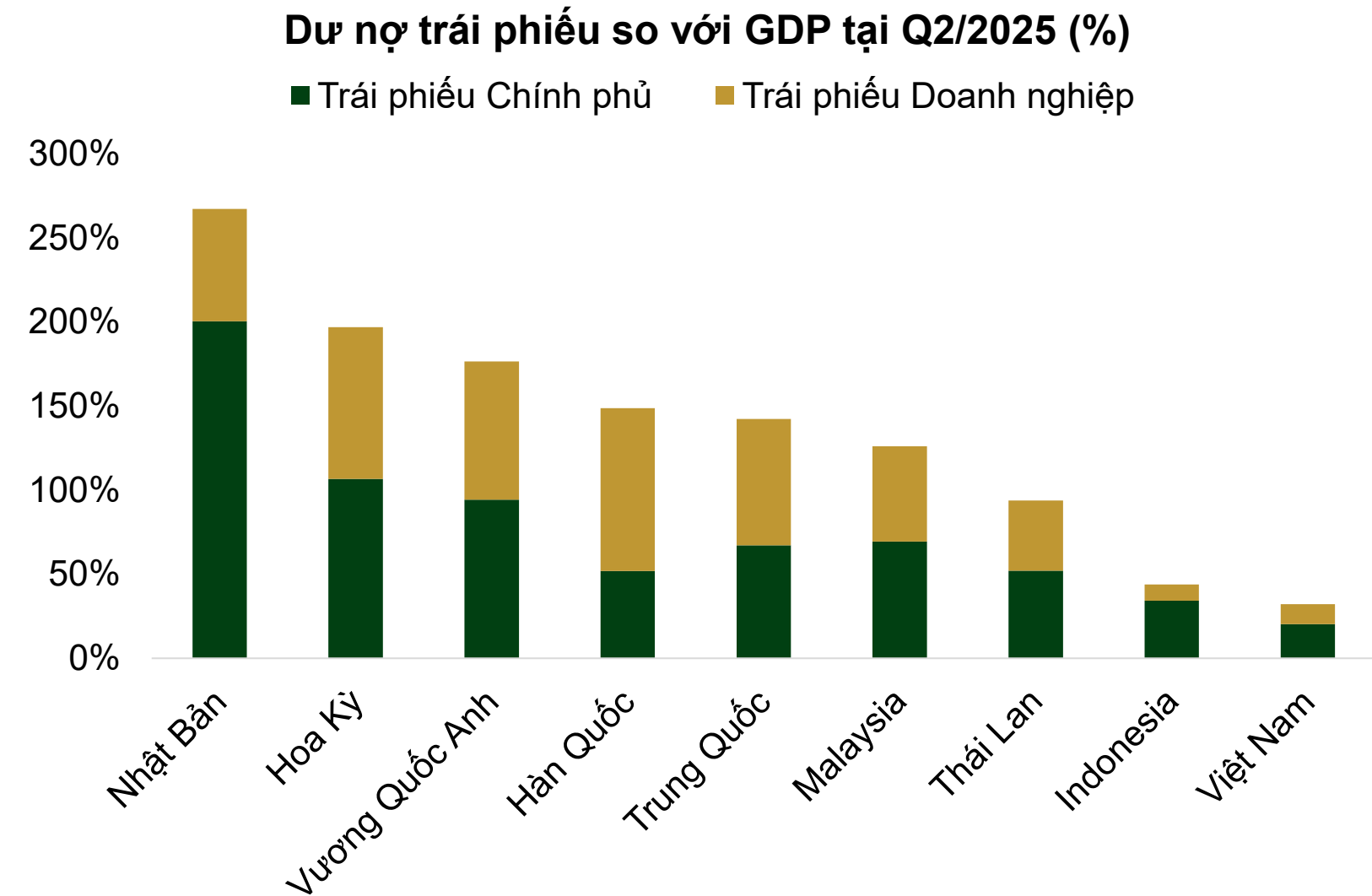
Banks remained the largest issuers, accounting for 68% of total issuance in 2025, followed by real estate at 22.9%; other sectors accounted for only 9.1%.



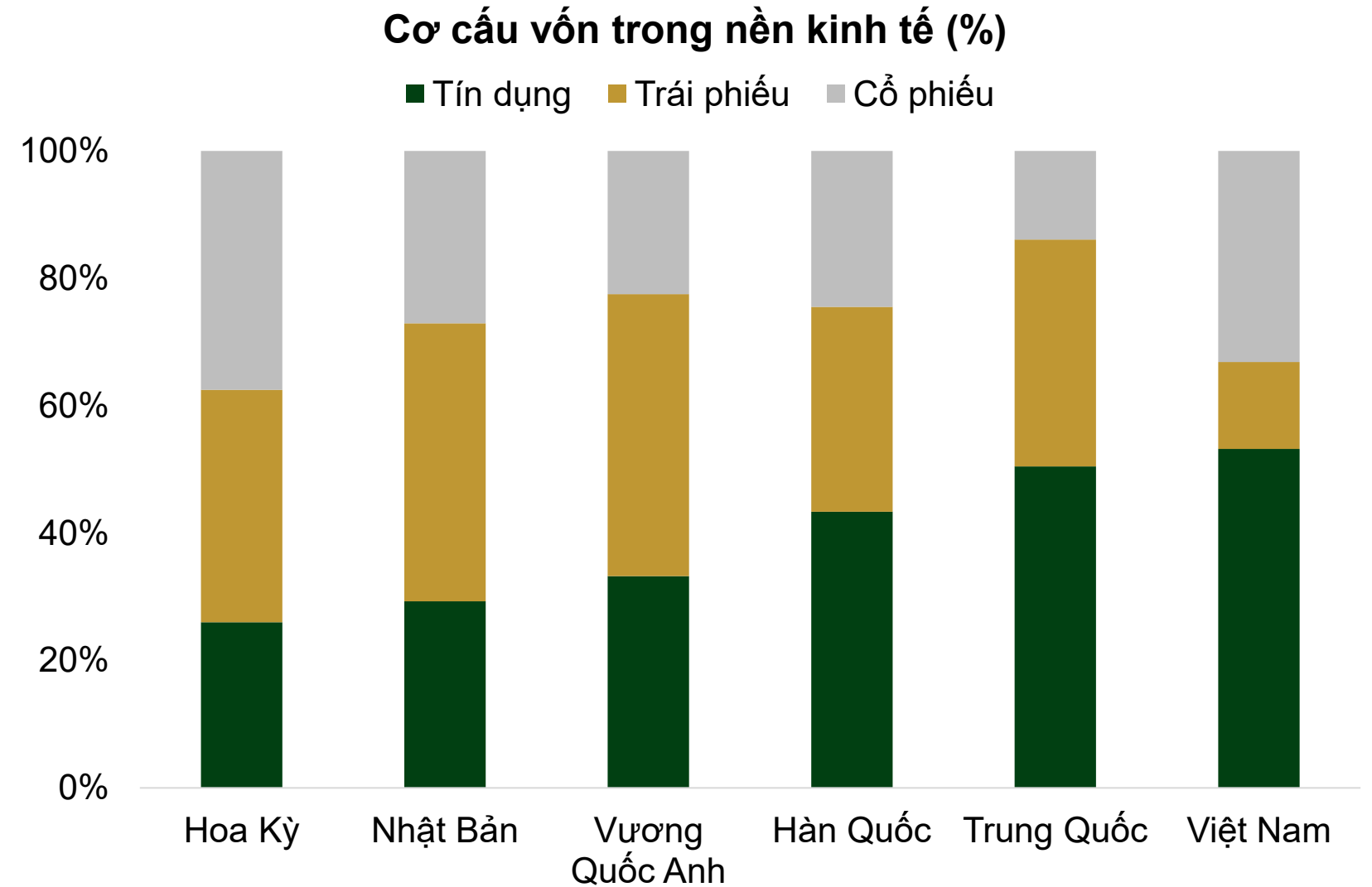
Sources: HNX, VBMA, Aseansc compilation

## 4. Domestic bond market growth headroom

Vietnam's bond market remains small relative to GDP compared with developed markets.



The economy remains highly dependent on bank credit, while bond financing still contributes a low share of funding.



Vietnam targets sustained high economic growth, which should drive rising demand for production investment, infrastructure expansion, and corporate funding. While the Government bond market is relatively developed at around 20% of GDP with solid liquidity, the corporate bond market is only around 12% of GDP, far below many international markets. The Government targets corporate bond outstanding value of at least 20% of GDP by 2025 and 25% by 2030.

Sources: BIS, IMF, VBMA, Aseansc compilation



## II. Tailwinds Supporting the Corporate Bond Market

*Please open an account at ASEAN Securities to access the full report.*



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### III. Headwinds Weighing on the Corporate Bond Market

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## 1. Corporate bond classification

### Classification by capital structure

Payment seniority determines recovery value in default.



**SENIOR SECURED BONDS:** Backed by specific assets (real estate, machinery). Lowest risk.



**SENIOR UNSECURED BONDS:** General debt obligation. Common among large banks.



**TIER-2 CAPITAL BONDS:** Subordinated to senior debt. Typically offer higher yields to compensate for risk.

### Classification by embedded terms

Embedded terms alter expected cash flows and investor risk.



**CALLABLE:** Issuer can redeem early. Investors face reinvestment risk when rates fall.



**PUTABLE:** Investor can sell the bond back to the issuer when rates rise. Offers better buyer protection.



**CONVERTIBLE:** Can be converted into shares, combining debt stability with equity upside.

## 2. Credit rating framework

Category	Rating (S&P/Fitch)	Risk profile	Target investors
Investment Grade	<b>AAA to A-</b>	Very low risk. Strong repayment capacity.	Insurers, banks.
Medium investment grade	<b>BBB+ to BBB-</b>	Stable profile but macro-sensitive.	Investment funds, professional individual investors.
Speculative (High Yield)	<b>BB+ to B-</b>	High risk. Repayment capacity depends on market conditions.	Risk funds, aggressive investors.
Default	<b>C to D</b>	Defaulted or near default.	Distressed-debt investors.

### Why focus on ratings before yield?

- |   |  |   |   |   |
|---|--|---|---|---|
| <p><b>1</b></p> <p>Ratings reflect the issuer’s credit profile.</p> | <p><b>2</b></p> <p>Credit rating agencies can access issuer-level internal data.</p> | <p><b>3</b></p> <p>Investment-grade bonds have historically very low default rates.</p> | <p><b>4</b></p> <p>Ratings help investors price the appropriate spread.</p> | <p><b>5</b></p> <p>Standardized ratings enable cross-sector issuer comparisons.</p> |
|---|--|---|---|---|

## 3. Investor eligibility in the corporate bond market

Criteria	Public offering	Private placement
Eligible buyers	All individuals and institutions.	Professional investors only.
Regulatory control	SSC approval (very stringent).	HNX receives filings; issuer is responsible.
Disclosure	Public and highly transparent.	Private, available only to buyers.
Par value	Typically VND100,000.	Typically VND100,000,000 or multiples thereof.
Purpose	For leading, reputable companies.	For companies needing quick funding for specific projects.
Trading venue	Stock exchange, similar to equities.	Private corporate bond trading system at HNX

Bond type	Individual investors	Institutional investors
Public offering bonds	No restriction. Any individual with a securities account can buy.	No restriction. All legally incorporated entities can buy.
Private placement bonds	Must be a professional securities investor. Specifically:	Must be a professional securities investor, including:
	1. Holds a securities practicing certificate.	1. Commercial banks, finance companies, insurers.
	2. Listed securities portfolio of at least VND2bn on average over the latest six months, excluding borrowed funds.	2. Companies with paid-in charter capital above VND100bn.
	3. Latest-year taxable income of at least VND1bn.	3. Investment funds and international financial institutions.

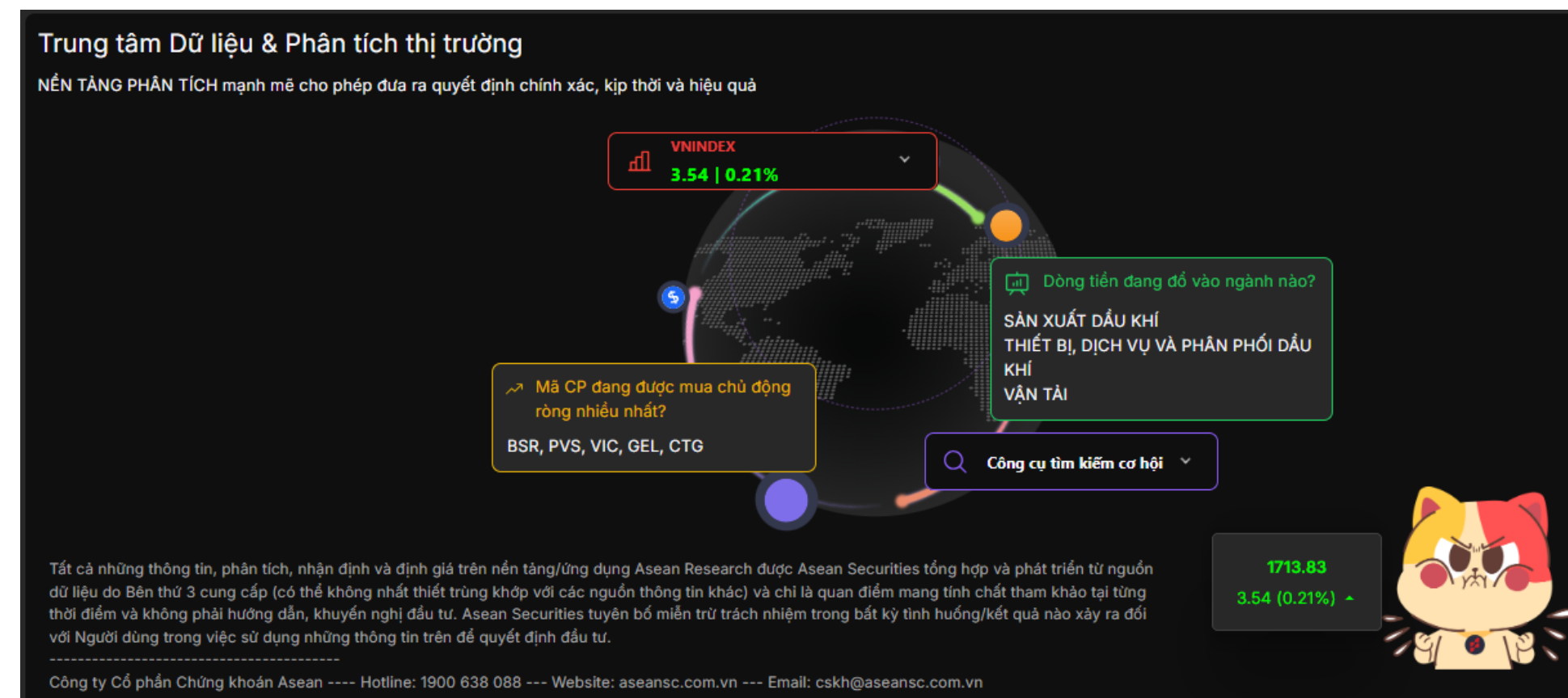
Source: ASEANSC compilation

- Please open an account at ASEAN Securities to access the full report.
- Investors can join the Zalo advisory group at:



Mở Zalo, bấm quét QR để quét và xem trên điện thoại

- Investors can access the market data & analytics center at: <https://research.aseansc.com.vn/>



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