

VIETNAM WEEKLY BOND MARKET & INDEXES

CONTENTS

1. Headlines
2. Vietnam Macro Indicators
3. Vietnam Bond Market
4. Auction information
5. Comments & Recommendation

HEADLINES**Macro Economy**

- ◆ Vietnam's Dung Approves Plan for Tighter Policy to Fight Prices. Vietnam will restrain lending growth and narrow the budget deficit as Prime Minister Nguyen Tan Dung seeks to curb inflation and revive investor confidence in an economy that has devalued its currency four times in 15 months.
- ◆ Vietnam will cut money supply (M2) growth to 15-16 percent this year from an initial target of 21-24 percent, the government said on Thursday, part of a series of steps to curb double-digit annual inflation.
- ◆ Vietnam Raises Rates for Second Time in a Week as Dung Battles Inflation.

Import—Export

- ◆ The Viet Nam Food Association (VFA) on Tuesday announced price increases for export rice, the fourth adjustment in prices in 2011.
- ◆ Vietnam imported \$103 million worth of 6,117 complete built unit (CBU) automobiles in January, sharply rising 88% on-year for value and 80% for quantity.
- ◆ Vietnam's trade deficit expected to fall \$3-4 billion for reduction in money supply.
- ◆ Importers benefit from US credit programmes. Two Export Credit Guarantee Programmes run by the US are expected to help Vietnamese importers gain access to capital at preferential interest rates.
- ◆ Vietnamese company to export high-tech toys to US.

Bond News

- ◆ Vietnam Bond Yields Climb on Outlook for Inflation. Vietnamese bonds fell for a second day, sending yields to the highest level in more than eight months, after a government official said this year's inflation target of 7 percent will be difficult to meet. The dong dropped.
- ◆ Hanoi Stock Exchange (HNX) has reported the tender results of G-bond held on February 18 via the northern bourse. Hanoi Stock Exchange (HNX) has reported the tender results of G-bond held on February 18 via the northern bourse. The total registering volume in all terms was bigger than the offering volume. The total successful auction value reached nearly 5.884 trillion dong, equalling to 84 percent of the total offering volume.

Others

- ◆ Annual inflation in Vietnam raced to its highest level in two years in February, with consumer prices jumping 12.31 percent from a year earlier, adding urgency to the government's efforts to stabilise the ailing economy.
- ◆ Customs sector to provide better service. The customs sector will shorten the time it takes to complete procedures and set up hotlines for consumers to facilitate more trade, investment and tourism.
- ◆ While the power price in Vietnam is about to rise a record 15.28 percent as of this March, the Electricity Moderation Department reported a total shortage of about 1.78 billion kWh from March to June.

HEADLINES**Markets Gold**

- ◆ Local gold prices on February 24 fell by between VND30,000 and VND100,000 to VND37.55-VND37.67million/tael though global gold prices rose to settle at \$1,414 an ounce. Dollar prices fell VND50 to VND20,070 in the black market.
- ◆ Exchange rate adjustment accelerates gold purchasing power. Explaining the continued gold price increases in mid February 2011, analysts say the gold price in the world has been escalating, while the demand in the domestic market increased sharply after the State Bank of Vietnam devaluated the dong by 9.3 percent.
- ◆ High export taxes may hurt gold production.

Banking—Finance

- ◆ Vietnam to tell state firms to sell Dollars -report. Vietnam is requiring major state-owned companies to sell all their foreign currency to banks, according to a report on a government website on Thursday, in an effort to support the beleaguered dong VND=VN.
- ◆ Dong deposit rate up to nearly 20pct/yr. As reported by the State Bank of Vietnam (SBV) on February 23, the dong saving rate benchmark in the market seemed to remain unchanged from previous weeks and commonly at 13.5-14 percent per year. However, according to the statistics, so many commercial banks are launching promotion programmes with very huge valuable gifts to attract depositors.

Markets Oil-Gas & Petroleum

- ◆ Domestic retail prices of petrol will rise by VND2,900/liter to VND19.300/liter from 10 a.m on 24 Feb.
- ◆ Oil products, import taxes cut to zero percent.
- ◆ Ministries hesitant to approve price increases, petroleum market chaotic. The petroleum market is still not at peace, despite the strong announcements by the management agencies that the supply is not short and the threats that the filling stations which sell petrol in dribs and drabs will have licenses revoked.
- ◆ The Ministry of Industry and Trade has confirmed there would be enough fuel to meet the needs of production and domestic consumption this year.

Real Estate

- ◆ Decline in office rental rate averages about 40pct in the last three years.
- ◆ The dollar price increase has made real estate investors anxious and real estate developers worried sick. Meanwhile, the house prices are predicted to increase sharply in 2011.
- ◆ The total floor space of Thu Thiem New Urban Area in Ho Chi Minh City's District 2 will be revised up to 7.7 million square meters, a 33 percent increase over the 2005 plan. It will accommodate 160,000 residents.
- ◆ Phuc Duc starts construction on Lai Thieu trade centre in Q1.

VIETNAM MACRO INDICATORS

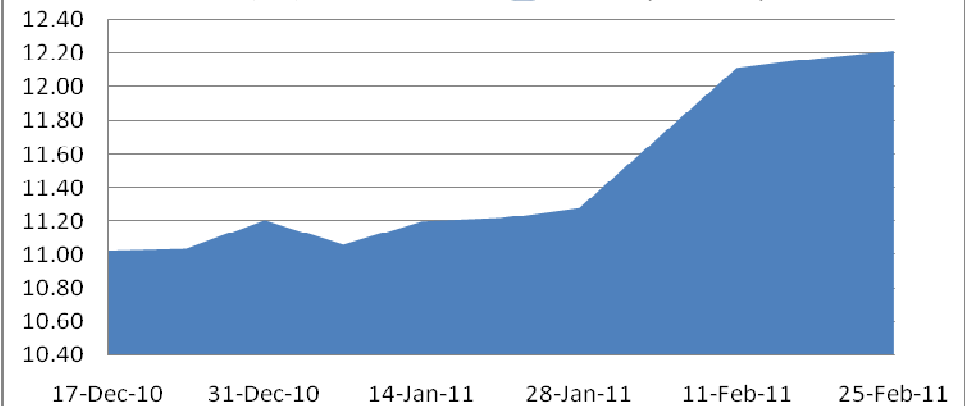
Macro Indicators

Date	Q4/2010	Q3/2010	Pct change
GDP (Bill VND)	1,980,914	1,364,196	45.21%
CPI	116.39	110.88	4.97%
Export (Mill USD)	71,629	51,500	39.09%
Import (Mill USD)	84,003	60,080	39.82%
Trade Deficit (Mill USD)	-12,374.2	-8,580	44.22%
FDI (Thousand USD)	17,229,625	11,406,500	51.05%

Date	Jan-2011	Jan-2010	Pct change
CPI	118.41	105.57	12.16%
Export (Mill USD)	6,000	4,900	22.45%
Import (Mill USD)	7,000	6,200	12.90%
Trade deficit (Mill USD)	-1,000	-1,300	-23.08%

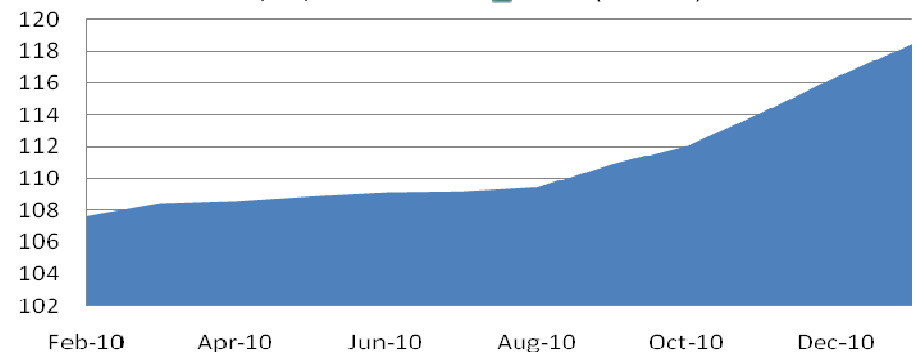
Vietnam Monetary Condition Index

02/25/2011 12.21 ▲ 0.0438 (0.3602%)



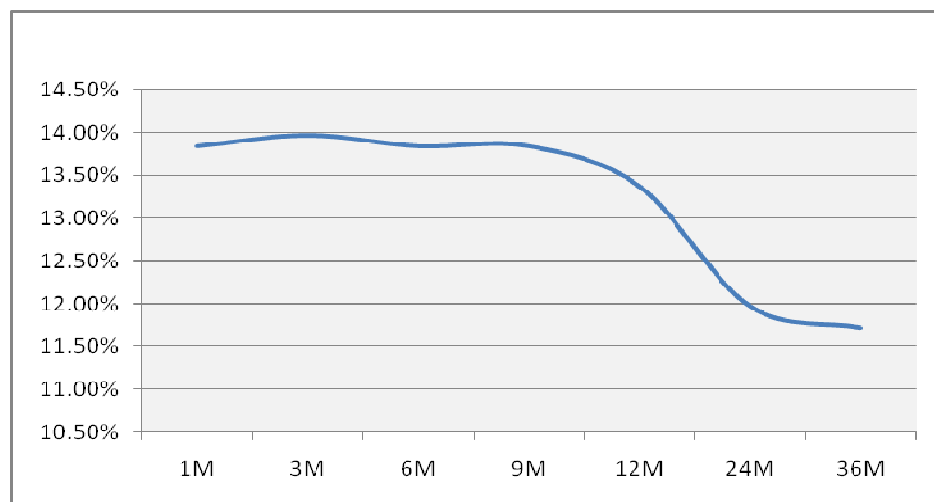
Vietnam CPI

28/01/2011 118.41 ▲ 2.02 (1.735%)



Vietnam Weekly Bond Market & Indexes

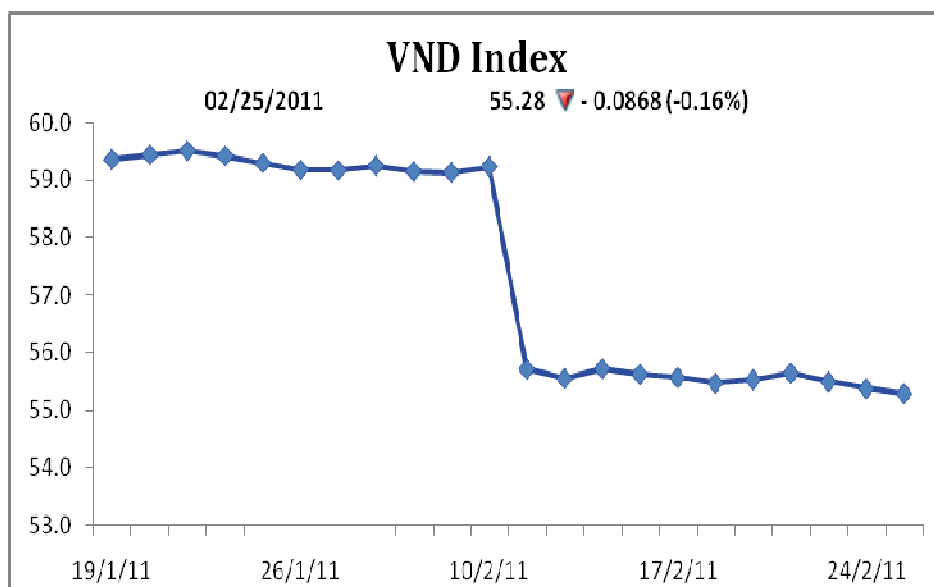
Average Vietnam Banks' Interest Rates



Yield Curve	1M	3M	6M	9M	12M	24M	36M
VCB	14.00%	14.00%	14.00%	14.00%	14.00%	12.00%	12.00%
ACB	13.88%	13.88%	13.88%	13.88%	14.00%	11.40%	10.90%
Vietinbank	14.00%	14.00%	14.00%	14.00%	11.50%	11.50%	11.00%
BIDV	13.50%	14.00%	13.50%	13.50%	14.00%	13.00%	13.00%
Average	13.85%	13.97%	13.35%	13.35%	12.88%	11.98%	11.73%

Source: VCB. ACB. Vietinbank. BIDV

VND Index



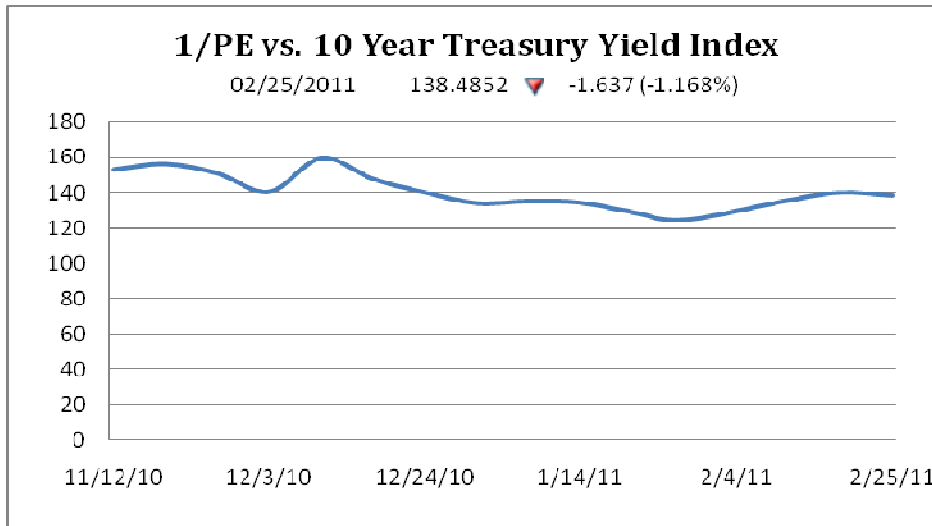
Date	Market movers				
2/25/2011	USD	20,888	▼	(2.00)	-0.01%
2/25/2011	EUR	28,852	▲	108.00	0.38%
2/25/2011	JPY	255	▲	0.30	0.12%
2/25/2011	CNY	3,174	▼	(0.00)	0.00%
2/25/2011	TWD	701	▼	(0.80)	-0.11%
2/25/2011	SGD	16,362	▲	39.00	0.24%
2/25/2011	KRW	19	▲	0.11	0.61%

Your Success. Our Passion

WOORI CBV Securities JSC

The WOORI CBV Index family and reports are now available on Bloomberg Terminal at CBNV <GO> and Thomson Reuters at <WCBV>

P/E - 10 year Treasury Yield Index



1/PE vs. 10-Year Treasury Yield Index is the metric of bond investor confidence. comparing return on two common investment channels. stock and bond. If the return on stock or 1/PE increases (with EPS constant in one quarter). showing that stock price or stock demand decreases and therefore. we can interpret that cash is flowing into bond market. and vice versa. The rise of the index implies that bond investors are more confident.

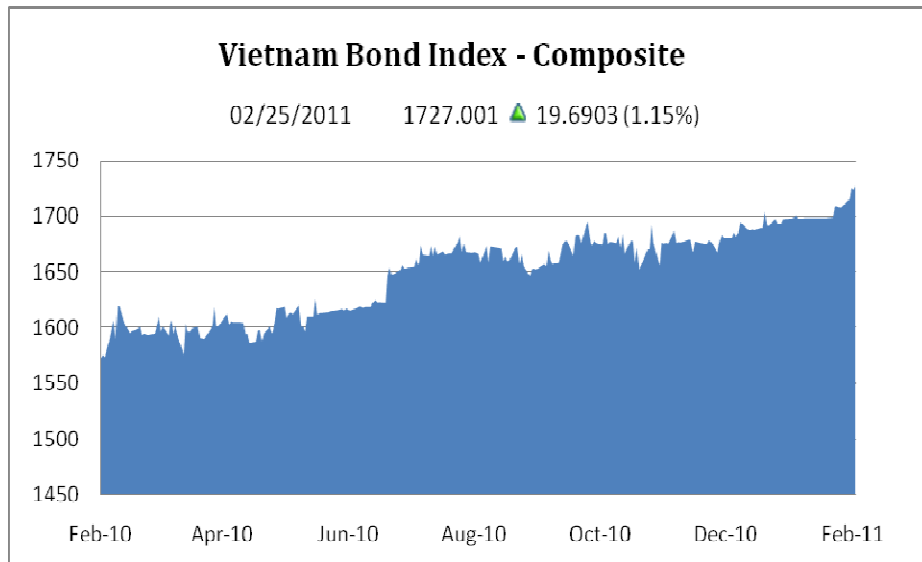
Consumer Confidence Index

Indexes	Dec-10	Sep-10	Change	% of change
VN Consumer Confidence Index	146.84	131.17	15.67	10.67%
VN Consumer Present Confidence Index	138.91	128.05	10.85	7.81%
VN Consumer Future Expectation Index	152.12	133.25	18.87	12.41%

Vietnam consumers showed strong belief in brilliant economic condition as recorded in a survey on December 2010 by Woori CBV, relatively Vietnam Consumer Confidence Index rose sharply by 15.67 point or 10.67%. In which, the present index went up by 7.81%, and the future expectation one climbed by 12.41%. These are ever largest increase levels of the indexes. Reasons for this remarkable advance may come from the fact that many bad news has released recently and already took effect on the economy, then future must be expected better. In addition, government also took actions to stabilize macro economic condition such as limiting interest rates, attempting to reduce the rates, and controlling inflation. GDP of 2011 was targeted to increase 7 - 7.5%. These affect positively consumers' expectation.

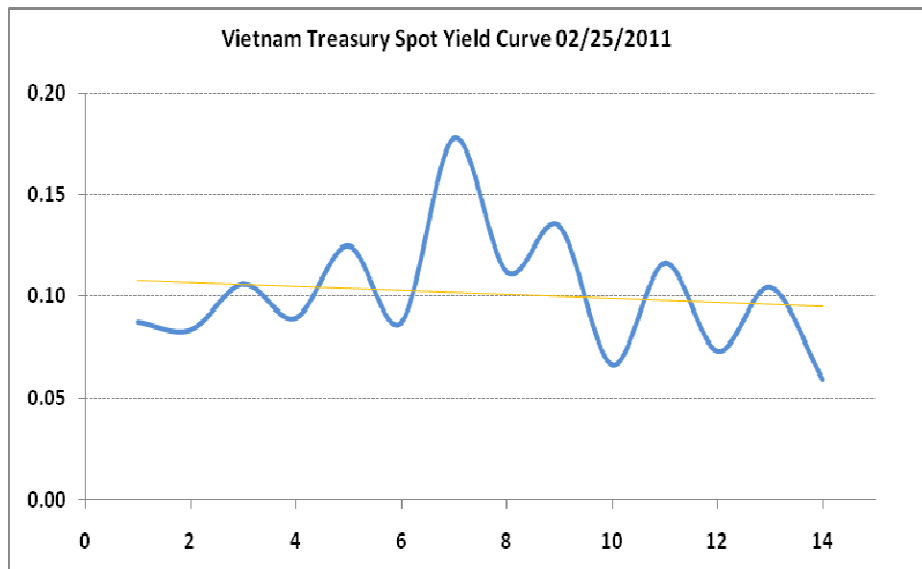
As a result, people tend to spend more in Q1 of 2011. Manufacturing companies might have a plan to produce more, and service companies might increase target sales for 2011.

Vietnam Bond Index



Name	Value	Change
Vietnam Bond Index - Corporate	1,222.74	■ 0.00 0.00%
Vietnam Bond Index - Government	1,735.93	▲ 20.73 1.21%
Vietnam Bond Index - Composite	1,727.00	▲ 19.69 1.15%
Vietnam Bond Index - Treasury	1,775.85	▲ 22.15 1.26%
Vietnam Bond Index - Municipal	1,339.72	■ 137.45 11.43%
Vietnam Bond Index - Financials	1,187.72	■ 0.00 0.00%
Vietnam Bond Index - Utilities	1,284.66	■ 0.00 0.00%
Vietnam Bond Index - Industrials	1,248.79	■ 0.00 0.00%
Vietnam Bond Index - 1-3 Year Treasury	1,539.22	▲ 70.95 4.83%
Vietnam Bond Index - 3-5 Year Treasury	1,684.46	▲ 24.02 1.45%
Vietnam Bond Index - 5-7 Year Treasury	1,129.40	▲ 0.05 0.00%
Vietnam Bond Index - 7-10 Year Treasury	1,713.75	▼ -1.32 -0.08%
Vietnam Bond Index - 10-15 Year Treasury	1,619.30	■ 0.00 0.00%

Vietnam Treasury Spot Yield Curve



Name	Value	Change
Vietnam 1 Year Zero-coupon Treasury Spot Yield	0.087	▲ 0.0137 18.63%
Vietnam 2 Year Zero-coupon Treasury Spot Yield	0.083	▼ -0.0037 -4.26%
Vietnam 3 Year Zero-coupon Treasury Spot Yield	0.106	▲ 0.0057 5.67%
Vietnam 4 Year Zero-coupon Treasury Spot Yield	0.090	▲ 0.0041 4.80%
Vietnam 5 Year Zero-coupon Treasury Spot Yield	0.125	▼ -0.0011 -0.86%
Vietnam 6 Year Zero-coupon Treasury Spot Yield	0.087	▼ -0.0008 -0.92%
Vietnam 7 Year Zero-coupon Treasury Spot Yield	0.178	▼ -0.0007 -0.41%
Vietnam 8 Year Zero-coupon Treasury Spot Yield	0.112	▼ -0.0015 -1.36%
Vietnam 9 Year Zero-coupon Treasury Spot Yield	0.135	▼ -0.0006 -0.48%
Vietnam 10 Year Zero-coupon Treasury Spot Yield	0.066	▼ -0.0003 -0.39%
Vietnam 11 Year Zero-coupon Treasury Spot Yield	0.116	▼ -0.0003 -0.29%
Vietnam 12 Year Zero-coupon Treasury Spot Yield	0.073	▼ -0.0002 -0.31%
Vietnam 13 Year Zero-coupon Treasury Spot Yield	0.105	▼ -0.0005 -0.46%
Vietnam 14 Year Zero-coupon Treasury Spot Yield	0.059	▼ -0.0002 -0.38%

Trading Summary on Secondary

Trading date	Total Volume	Total Value (VND)
02/21/2011	14,200,000	1,406,584,800,000
02/22/2011	3,200,000	339,611,600,000
02/23/2011	4,000,000	413,012,000,000
02/24/2011	7,200,000	737,518,000,000
02/25/2011	620,000	67,332,000,000
Total	29,220,000	2,964,058,400,000

Auction Calendar

Offering Com- pany	Type of issue	Type of auction	Maturity	Maturity Date	Offering value	Auction Date
-----------------------	------------------	--------------------	----------	------------------	----------------	--------------

No plan

Updated: 02/25/2011

Auction Results

Issuers	Maturity	Date of Auction	Winning Volume	Coupon	Yield	Lowest Yield	Highest Yield	Ceiling Yield
State Treasury—Ministry of Finance	3 year	2/24/2011	125,000,000,000	0.00	11.00	10.99	12.00	11.00
State Treasury—Ministry of Finance	5 year	2/24/2011	700,000,000,000	11.20	11.39	11.19	12.00	11.40
State Treasury—Ministry of Finance	10 year	2/24/2011	0	11.50	0.00	11.60	14.00	11.50
Vietnam Bank of Social Policies	2 year	2/21/2011	3,000,000,000,000	0.00	11.00	11.00	11.00	11.00
Vietnam Bank of Social Policies	3 year	2/21/2011	0	0.00	0.00	0.00	0.00	0.00
Vietnam Bank of Social Policies	5 year	2/21/2011	300,000,000,000	0.00	11.50	11.50	11.50	11.50

Auction Results

Issuers	Maturity	Date of Auction	Winning Volume	Coupon	Yield	Lowest Yield	Highest Yield	Ceiling Yield
State Treasury—Ministry of Finance	2 year	2/18/2011	1,000,000,000,000	11.00	10.90	10.80	12.00	10.90
State Treasury—Ministry of Finance	3 year	2/18/2011	2,000,000,000,000	11.10	11.00	10.90	11.30	11.00
State Treasury—Ministry of Finance	5 year	2/18/2011	1,853,500,000,000	11.20	11.20	10.90	11.50	11.20
State Treasury—Ministry of Finance	10 year	2/18/2011	1,030,000,000,000	0.00	11.50	11.50	13.00	11.50
State Treasury—Ministry of Finance	2 year	02/11/2011	1,800,000,000,000	11.00	10.90	10.50	12.50	10.90
State Treasury—Ministry of Finance	3 year	02/11/2011	2,000,000,000,000	11.10	11.00	10.60	13.00	11.00
State Treasury—Ministry of Finance	5 year	02/11/2011	850,000,000,000	0.00	11.20	11.10	13.50	11.20
State Treasury—Ministry of Finance	2 year	01/26/2011	1,000,000,000,000	0.00	11.00	10.60	12.25	11.00
State Treasury—Ministry of Finance	3 year	01/26/2011	1,000,000,000,000	0.00	11.00	11.00	12.50	11.10
State Treasury—Ministry of Finance	3 year	12/09/2010	0	0.00	0.00	0.00	0.00	9.55

Corporate Bonds

Issuers	Maturity	Issuing Date	Total Value	Yield (%)	Type
Saconbank Securities Company (SBS)	na	01/18/2011	200,000,000,000	13.5%	na
Saconbank Securities Company (SBS)	1 year	12/13/2010	300,000,000,000	na	na
Saconbank Securities Company (SBS)	1 year	11/30/2010	300,000,000,000	na	na
Saconbank Securities Company (SBS)	1 year	11/15/2010	100,000,000,000	na	na
Ocean Hospitality (OCH)	3 year	10/25/2010	2,000,000,000,000	14	Normal
HAGL Joint Stock Company	3 year	10/08/2010	530,000,000,000	15.2	Normal
Vinafco Joint Stock Company (VFC)	1 year	09/30/2010	150,000,000,000	8	Convertible
Sacombank Securities Companies	1 year	09/22/2010	400,000,000,000	13	Normal
Thu Duc house development J.S.C (code TDH-HOSE)	3 year	11/01/2010	600,000,000,000	7	Convertible
Habubank	1 year	09/16/2010	1,050,000,000,000	10.49	Convertible
HAMICO Dong Nam A export J.S.C Corporation	2 year	08/01/2010	63,000,000,000	8.00	Convertible
Na Rì HAMICO	2 year	08/01/2010	350,000,000,000	8.00	Convertible
Maritime Bank	Not available	07/14/2010	3000,000,000,000	na	Normal
Thu Duc house development J.S.C (code TDH-HOSE)	3 year	07/01/2010	600,000,000,000	7.00	Normal
Vietnam House J.S.C	1 year	07/01/2010	40,000,000,000	4.00	Normal

COMMENTS & RECOMMENDATION

- ♦ *Trading value of Vietnam Listed Bond Market was VND 2,964 billion this week, increased VND 1,600 billion in comparison with it last week. On Monday, trading value was quite high, took 50% value of the whole week. VBI- Composite rose by 19.69 point, relative to 1.15%.*
- ♦ *The primary market witnessed the unsuccessful auctions of treasuries as 41% of bidding value was issued by Vietnam Bank of Social Policies, and 13.75% of bidding value was issued by State Treasury - Ministry of Finance. The 10-year yield required was higher than its ceiling yield by 0.1%. Especially, there was no registration for 3-year treasuries.*
- ♦ *High inflation pressure, contractionary policies, fluctuation of gold price and exchange rate were main snapshot of current economy. This causes negative effect to bond market.*

Contact Information

For further information regarding this report, please contact

Research Team

Woori CBV Securities Corporation

14 Tran Binh Trong, Hoan Kiem District, Hanoi, Vietnam

Call center: 1900-571-563

Disclaimer

This report is issued and distributed by Woori CBV Securities Corporation for the general information of institutional and professional investors. Information and opinions presented in this document have been obtained from sources we believed to be reliable, but we make no guarantee as to its accuracy or completeness. The use of Vietnam Securities Indices and data in this report is permitted and licensed to Woori CBV Securities Corporation by Vietnam Securities Index Co. an independent research house and Bloomberg Finance L.P. This document should not be considered as an offer or the solicitation of an offer to purchase or subscribe for any investment. The financial instruments contained or referred to in this report may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investments.

© Copyright 2007-2008 Woori CBV Securities Corporation. ALL RIGHTS RESERVED. No part of this publication may be copied, reproduced, published or redistributed by any person for any purpose without the prior written permission of Woori CBV Securities Corporation. Please cite sources when quoting.