

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**

- ◆ Ministry of Finance announced it started to budget 27 trillion dong to raise the minimum salary from 730,000 dong to 830,000 dong per month starting from May 1.
- ◆ Controlling credit growth to stabilize macro economy. The State Bank of Vietnam (SBV) will keep credit growth at below 20 percent, instead of the current 23 percent to implement the Government's Resolution 11 on curbing inflation, stabilizing macro economy and ensuring social welfare.
- ◆ Experts anticipate inflation under 10 percent in 2011.
- ◆ Vietnam will repay 86 trillion dong (\$4.11 billion) in debts this year, according to the Ministry of Finance which has estimated budget revenues and expenditures for 2011.

Import—Export

- ◆ The Ministry of Finance(MoF) cuts import tax on sugar to 15%.
- ◆ Vietnam's export to EU market may face more hardships in 2011. The EU economy has been improved, it has still not reached the stability. In addition, at present, the EU market is also offering technical barriers for imported goods.
- ◆ Vietnam motorbike import plunges in Feb. Vietnam motorbikes import is estimated to plunged to \$8 million worth of 5,000 units February, dipping \$20 million for value and 11,600 units for quantity from January.
- ◆ The Vietnam Chamber of Commerce and Industry held a seminar in Hanoi on March 2 to discuss negotiating a free trade agreement between Vietnam and the European Union.

Bond News

- ◆ Vina Capital invests 140b dong in SII. Saigon Real Estate Infrastructure Investment Joint Stock Co (SII) recently announced to issue 1.4 million convertible bonds worth 140 billion dong to Vina Capital-run Vietnam Infrastructure Enterprise Ltd (VEIL).
- ◆ Hanoi Stock Exchange (HNX) has announced to organise an auction for one trillion dong of corporate bonds issued by Vietnam Expressway Investment and Development Corp (VEC).
- ◆ Vietnamese bonds had the biggest weekly drop since November after inflation accelerated to a two- year high in February, raising speculation the central bank will further increase interest rates. The dong gained.

Others

- ◆ Industrial output up 17.7pct in Feb. During the first two months this year, Vietnam's industrial production value is estimated to reach 130.9 trillion dong, rising 14.6 percent against the same period last year.
- ◆ Wave of input material price increases puts businesses in a whirl.
- ◆ Vietnam may not have to cut electricity in dry season: MOIT
- ◆ Small mobile network providers find it hard to raise number of subscribers.
- ◆ Thac Ba Hydropower JSC aims to produce 315m KWh in 2011.

HEADLINES**Markets Gold**

- ◆ March 3: Vietnam gold, Dollar rise on global impact

1) Bid and ask of Thang Long gold bullion, a product of Bao Tin Minh Chau were listed at VND37.62 million/tael and VND37.75 million/tael for bid and ask.

2) Spot gold was little changed at \$1,433.60 an ounce, after striking a record high of \$1,440.10 in the previous session. U.S. gold futures edged down 0.2 percent at \$1,434.20.

- ◆ In local money market, dollars are quoted at VND21,500 –VND 21,650 for bids and ask respectively, down VND150. The dong has been steadily gained since Feb 24 after the Prime Minister said at an online meeting that Vietnam will require state-own firms to sell dollars to banks.

Banking—Finance

- ◆ Increasing reserve requirement at present is not realistic. Governor of the State Bank of Vietnam (SBV) Nguyen Van Giau again affirmed that SBV would not increase the required reserve ratio at this time.
- ◆ Commercial banks have been ordered by the State Bank of Vietnam to report on the foreign currency deposits of 99 major State-owned enterprises by the end of this week.
- ◆ Mar 4: Vietnam Dong turns round to fall in black market.
- ◆ Banks' policies to tighten purse-strings may cause shocks to property market. Commercial banks have been told to restrict lending to non-production sectors in 2011, and experts have every reason to believe that the real estate market will meet bigger difficulties in 2011 than in 2010.

Markets Oil-Gas & Petroleum

- ◆ Fuel prices should have been raised much higher, the Ministry of Finance said in a statement.
- ◆ The Ministry of Industry and Trade (MoIT) has ordered local fuel importers to boost fuel supply by importing 25% of the whole year quota in the first quarter.
- ◆ Retail gas prices extend rising momentum. The retail prices of domestic gas has increased by between VND9,000-VND10,000 per 12 kilo cylinder to around VND329,000 per cylinder from 7.30 a.m today due to higher world prices.

Real Estate

- ◆ Banks' policies to tighten purse-strings may cause shocks to property market. Commercial banks have been told to restrict lending to non-production sectors in 2011, and experts have every reason to believe that the real estate market will meet bigger difficulties in 2011 than in 2010.
- ◆ Affordable flats to hit market. Nearly 3,000 apartments for low-income earners in the capital are expected to go on sale on March 5 with an aim to reduce the pressure on housing accommodations.
- ◆ Capital property burns a big hole in the pocket. Hanoi continues to be one of the most expensive cities in Asia for renting a two bed-room property. According to ECA International's latest accommodation report, Hanoi was ranked sixth and Ho Chi Minh City the 11th most expensive in Asia during 2010 for renting apartments.

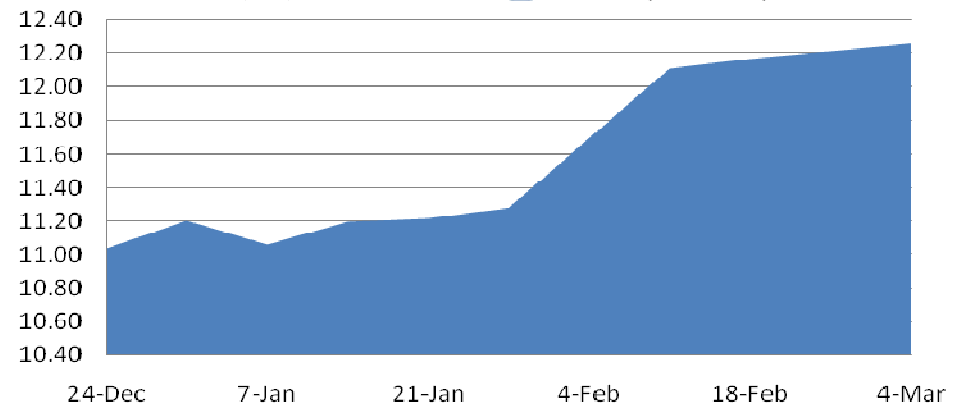
VIETNAM MACRO INDICATORS
Macro Indicators

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%

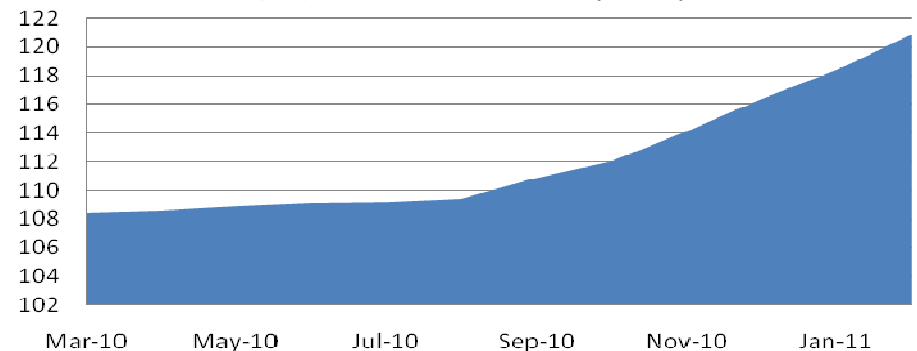
Date	Feb-2011	Jan-2011	Pct change
CPI	120.89	118.41	2.09%
Export (Mill USD)	6,341	6,000	5.68%
Import (Mill USD)	7,168	7,000	2.40%
Trade deficit (Mill USD)	-827	-1,000	-17.30%

Vietnam Monetary Condition Index

03/04/2011 12.26 ▲ 0.0446 (0.3652%)

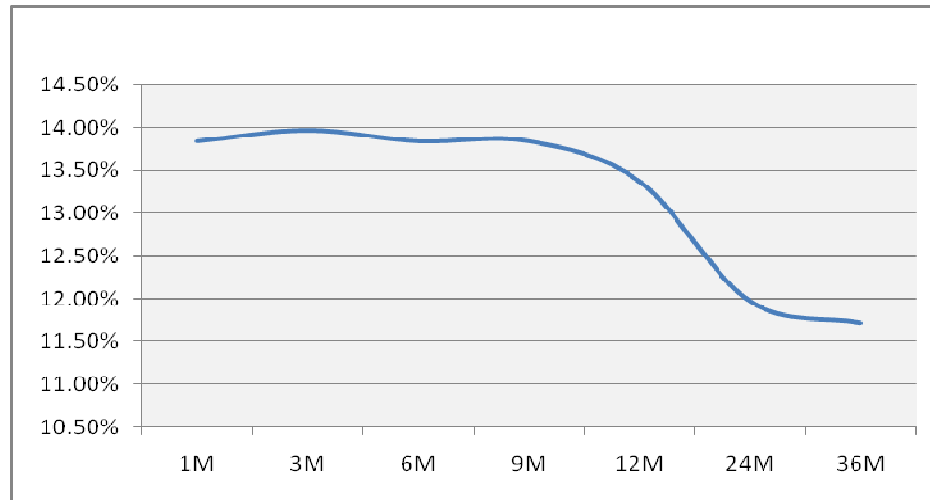

Vietnam CPI

03/04/2011 120.41 ▲ 2.48 (2.09%)



Vietnam Weekly Bond Market & Indexes

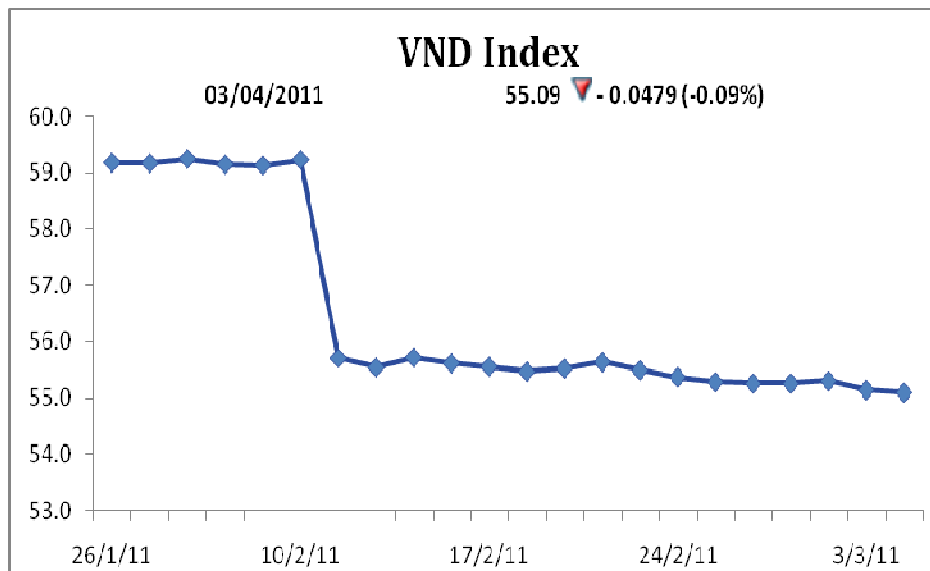
Average Vietnam Banks' Interest Rates



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



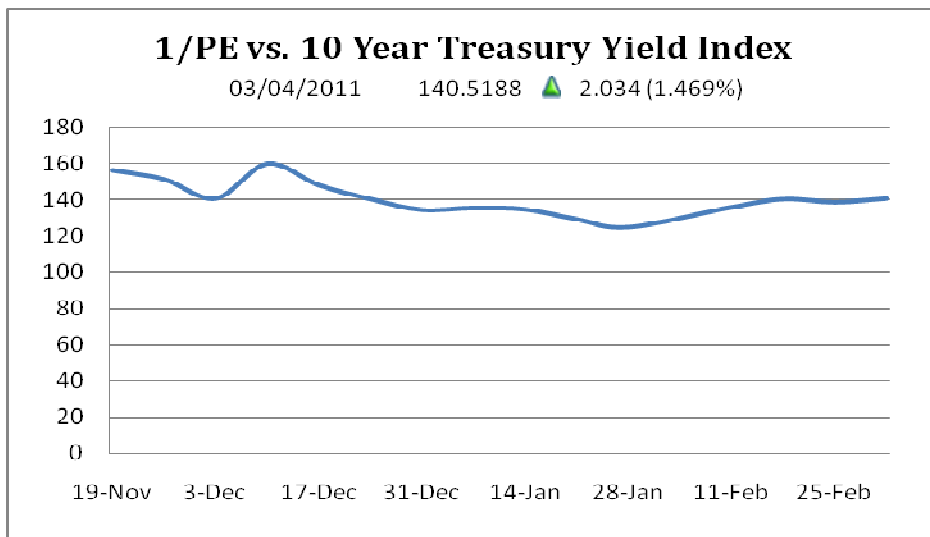
Date	Market movers				
3/4/2011	USD	20,875	▼	(15.00)	-0.07%
3/4/2011	EUR	29,117	▲	172.00	0.59%
3/4/2011	JPY	253	▼	(1.57)	-0.61%
3/4/2011	CNY	3,176	▲	0.33	0.01%
3/4/2011	TWD	711	▲	4.23	0.60%
3/4/2011	SGD	16,463	▲	8.00	0.05%
3/4/2011	KRW	19	▲	0.07	0.38%

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

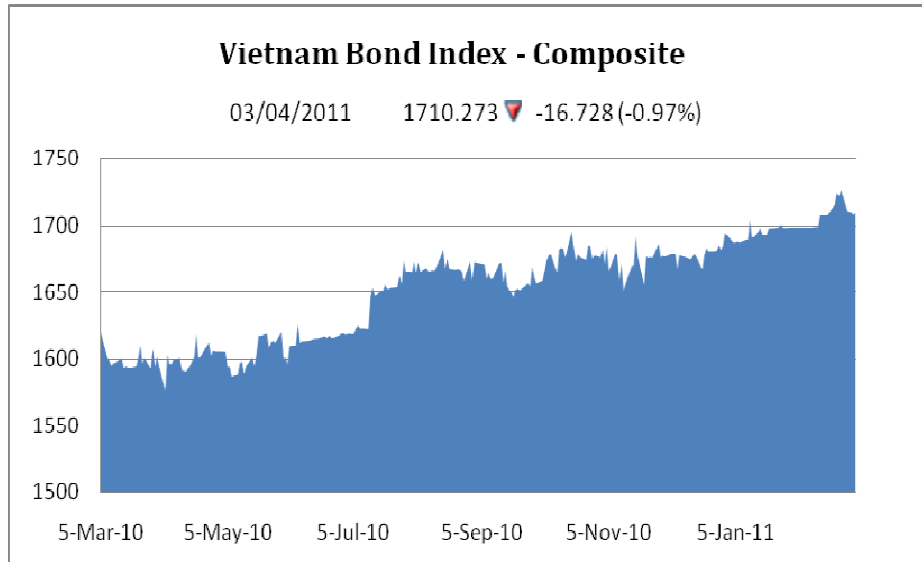
Indexes	Dec-10	Sep-10	Change	% of change
VN Consumer Confidence Index	146.84	131.17	15.67	10.67%
VN Consumer Present Confidence Index	138.91	128.05	10.85	7.81%
VN Consumer Future Expectation Index	152.12	133.25	18.87	12.41%

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.

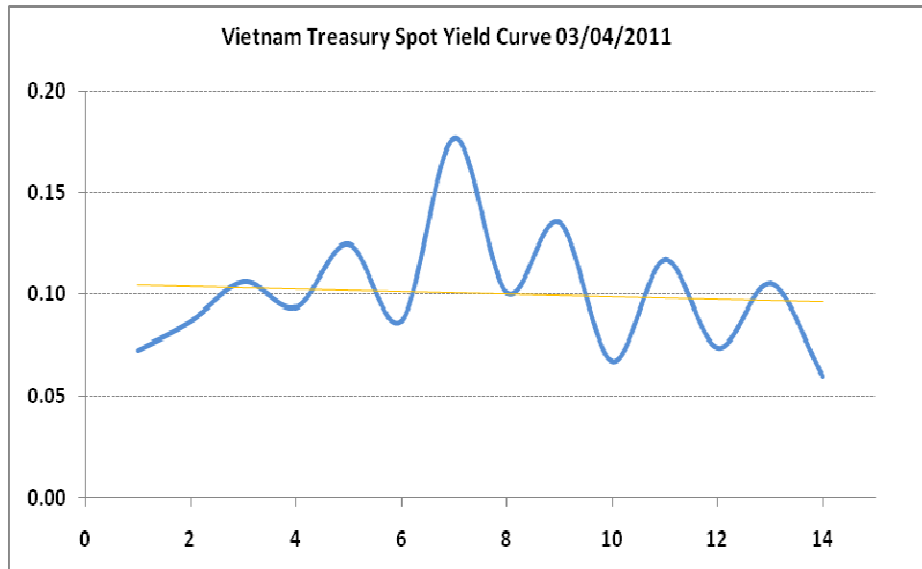
Vietnam Weekly Bond Market & Indexes

Vietnam Bond Index



Name	Value	Change
Vietnam Bond Index - Corporate	1,222.24	▼ -0.50 -0.04%
Vietnam Bond Index - Government	1,718.34	▲ 0.92 0.05%
Vietnam Bond Index - Composite	1,710.27	▲ 0.85 0.05%
Vietnam Bond Index - Treasury	1,757.05	▲ 0.98 0.06%
Vietnam Bond Index - Municipal	1,187.27	▼ 8.96 0.76%
Vietnam Bond Index - Financials	1,187.01	▼ -0.71 -0.06%
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	1,472.81	▲ 5.80 0.40%
Vietnam Bond Index - 3-5 Year Treasury	1,700.93	▲ 15.76 0.94%
Vietnam Bond Index - 5-7 Year Treasury	1,129.45	▲ 0.05 0.00%
Vietnam Bond Index - 7-10 Year Treasury	1,679.50	▼ -34.25 -2.00%
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	0.073	▼ -0.0147 -16.86%
Vietnam 2 Year Zero-coupon Treasury Spot Yield	0.086	▲ 0.0032 3.90%
Vietnam 3 Year Zero-coupon Treasury Spot Yield	0.106	▲ 0.0003 0.24%
Vietnam 4 Year Zero-coupon Treasury Spot Yield	0.093	▲ 0.0040 4.45%
Vietnam 5 Year Zero-coupon Treasury Spot Yield	0.125	▼ -0.0003 -0.20%
Vietnam 6 Year Zero-coupon Treasury Spot Yield	0.087	▼ -0.0001 -0.09%
Vietnam 7 Year Zero-coupon Treasury Spot Yield	0.177	▼ -0.0011 -0.60%
Vietnam 8 Year Zero-coupon Treasury Spot Yield	0.101	▼ -0.0107 -9.61%
Vietnam 9 Year Zero-coupon Treasury Spot Yield	0.136	▲ 0.0011 0.78%
Vietnam 10 Year Zero-coupon Treasury Spot Yield	0.067	▲ 0.0005 0.81%
Vietnam 11 Year Zero-coupon Treasury Spot Yield	0.117	▲ 0.0007 0.60%
Vietnam 12 Year Zero-coupon Treasury Spot Yield	0.074	▲ 0.0005 0.64%
Vietnam 13 Year Zero-coupon Treasury Spot Yield	0.106	▲ 0.0010 0.96%
Vietnam 14 Year Zero-coupon Treasury Spot Yield	0.060	▲ 0.0005 0.80%

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>

Trading Summary on Secondary

Trading date	Total Volume	Total Value (VND)
02/28/2011	5,800,000	585,560,200,000
03/01/2011	2,620,000	285,770,000,000
03/02/2011	4,200,000	429,101,400,000
03/03/2011	6,720,000	673,109,960,000
03/04/2011	0	0
Total	19,340,000	1,937,541,560,000

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	03/03/2011	125,000,000,000	11.00	11.00	10.95	12.70	11.00
State Treasury—Ministry of Finance	5 year	03/03/2011	0	11.20	0.00	12.30	13.00	11.20
State Treasury—Ministry of Finance	10 year	03/03/2011	20,000,000,000	11.50	11.50	11.50	11.50	11.50
Vietnam Expressway Corporation	5 year	03/02/2011	0	0.00	0.00	0.00	0.00	11.50
Vietnam Expressway Corporation	10 year	03/02/2011	0	0.00	0.00	0.00	0.00	11.60
Vietnam Expressway Corporation	15 year	03/02/2011	0	0.00	0.00	0.00	0.00	11.60

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>

Corporate Bonds

Issuers	Maturity	Issuing Date	Total Value	Yield (%)	Type
Saconbank Securities Company (SBS)	1 year	02/25/2011	200,000,000,000	13.5	na
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 1,937 billion this week, reduced by VND 1,000 billion in comparison with it last week. Averagely, one trading section was around VND 300 to 600 billion, except for Friday, which had no trading at all.
- ♦ The primary market kept the continuous unsuccessful auctions of treasuries as only 2.42% of bidding value was issued by State Treasury - Ministry of Finance. This level was even lower than the previous week. The unsuccessful issues mainly belonged to the long-term bond group. In contrast, the corporate bond market was more dynamic with a lot of convertible bonds issued by Saigon Real Estate Infrastructure Investment Joint Stock Co (SII), REE, THV, and Vincom.
- ♦ Even the government had some actions to control inflation such as regulating deposit interest rates' ceiling at 14% in law, limit credit growth rate at 20%, and so on. The financial market still reacted negatively. There is almost no signal for positive change in Vietnam Bond Listed 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.