**Weekly information on banking operations (May 14-18, 2018)**

**1. Forex market:**

The buying and selling VND/USD exchange rates quoted by commercial banks were on an upward trend. By May 18, 2018, the exchange rate was 22,745/22,815 VND/USD (up by 15 VND/USD in comparison with the final day of the previous week).

The State Bank of Vietnam will continue to conduct synchronous measures and monetary policy to stabilize the forex market and exchange rate within the set band.

**2. Mobilizing and lending rates:**

**2.1. Mobilizing rates:**

*- VND mobilizing rates:* The rates were commonly 0.6 – 1% p.a for demand and below 1-month terms, 4.3 – 5.5% p.a for 1 month to below 6 month terms, 5.3 – 6.5% p.a for 6 to below 12 month terms; and 6.5 – 7.3% p.a for 12 month plus term.

*- USD mobilizing rates:* The USD mobilizing rates were commonly 0% p.a for individuals and economic institutions**.**

**2.2. Lending rates:**

*- VND lending rates:* Currently, the average rates were commonly 6.0 – 9.0% p.a for short-term loans; 9.0 – 11.0% p.a for medium and long-term loans .

*- USD lending rates* were commonly 2.8% – 6.0% p.a. The rates were 2.8 – 4.7% p.a for short-term and 4.5 – 6.0% p.a for medium- and long-term loans.

**3. Inter-bank transaction turnover:**

**3.1. Transactions:**

According to reports from credit institutions and foreign bank branches, the total amount of transactions in the inter-bank market reached about VND 163,782 billion, an average of VND 32,756 billion/day, a decrease of VND 6,522 billion/day compared with the week of May 7-11, 2018; while the USD amount was equivalent to VND 88,148 billion, an average of VND 17,630 billion/day, a decrease of VND 3,590 billion/day compared to the previous week.

Most VND transactions were overnight and 1-week terms (accounting for 46% and 30% of the total amount of VND transactions respectively). Transactions in USD were mostly overnight and 1-week terms, accounting for 67% and 22% of the total amount of USD transactions respectively.

**3.2. The average inter-bank interest rates:**

- *For VND transactions:* As compared to the previous week, the average inter-bank interest rates were on upward and downward trend. Specifically, the inter-bank interest rates for below 2 week-terms decreased by 0.15% to 0.26% p.a while increased by 0.25 percentage point p.a and 0.45 percentage point p.a for 1 month terms and 3 month terms respectively.

*- For USD transactions:* The average inter-bank interest rates fluctuated up and down as compared to the previous week. Specifically, the inter-bank interest rates for overnight term remained at around 1.76% p.a, while the rates for 1-week and 2-month terms were slightly down by 0.01% and 0.05% percentage point , respectively. On the contrary,the rate for 2 week-term increased by 0.03 percentage poin p.a.

The specific average inter-bank interest rates were as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Term | Over night | 1 week | 2 weeks | 1 month | 3 months | 6 months | 9 months |
| VND | 1.18 | 1.28 | 1.42 | 1.81 | 3.24 | 3.32 | - |
| USD | 1.76 | 1.84 | 1.94 | 2.20 | 2.49 | 3.12 | 3.93 |

The State Bank of Vietnam

Translated by Thoa Le