**Weekly Bulletin on Banking Operations (March 4 -8, 2019)**

**1. Forex market and exchange rates:**

The buying and selling exchange rates quoted on the commercial banks’ websites were stable at VND 23,150/23,250 against the USD on the first four days of the week, then slightly increased and was quoted at VND 23,160/23,260 on the last day of the week (up by 10 VND/USD for both buying and selling exchange rates as compared to the last day of the previous week).

The State Bank of Vietnam (SBV) continued to conduct synchronous measures and manage the monetary policy to stabilize the forex market and the exchange rates within the set band.

**2. Mobilization and lending interest rates:**

**2.1. Mobilization interest rates:**

- The mobilization interest rates in VND: The common rates were between 0.5% p.a – 1% p.a for demand and below 1-month term deposits, 4.5% p.a – 5.5% p.a for 1-month to below 6-month terms, 5.5% p.a – 6.5% p.a for 6-month to below 12-month terms; and 6.6% – 7.3% p.a for 12-month plus terms.

- The mobilization interest rates in USD: The common mobilization interest rate in USD was 0% p.a for both individuals’ and institutions’ deposits.

**2.2. Lending rates:**

- The lending interest rates in VND: The common average rates were between 6.0 – 9.0% p.a for short-term loans; 9.0% p.a – 11.0% p.a for medium and long-term loans.

- The lending interest rates in USD: The common rates were between 2.8% – 6.0% p.a. The rates were 2.8% p.a – 4.7% p.a for short-term loans and 4.5 – 6.0% p.a for medium and long-term loans.

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

**3.1. Transactions:**

According to the reports submitted by the credit institutions and the foreign bank branches, the total amount of transactions in the inter-bank market within the week reached approximately VND 274,042 billion, an average of VND 54,808 billion/day, a decrease of VND 2,751 billion/day as compared to the week of February 25 –March 1st, 2019; meanwhile the transaction amount in USD was equivalent to VND 110,046 billion, an average of VND 22,009 billion/day, a decrease of VND 357 billion/day as compared to the previous week.

Most VND transactions were for overnight and 1-week terms (accounting for 61% and 27% of the total amount of VND transactions respectively). The transactions in USD were mostly for overnight and 1-week terms, accounting for 66% and 22% of the total amount of USD transactions respectively.

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

- For transactions in VND: As compared to the previous week, the average inter-bank interest rates were on the downward trend for most terms. Specifically, the inter-bank interest rates for overnight, 1-week and 1-month terms were down by 0.13 percentage points p.a, 0.05 percentage points p.a and 0.08 percentage points p.a to 4% p.a, 4% p.a and 4.48% p.a respectively.

- For transactions in USD: The average inter-bank interest rates were relatively stable, with slight fluctuations around the rates of the previous week. Specifically, the inter-bank interest rates for overnight, 1-week and 1-month terms was down to 2.45% p.a; 2.54% p.a and 2.76% p.a respectively.

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Term | Overnight | 1-week | 2-week | 1-month | 3-month | 6-month | 9-month |
| VND | 4.00 | 4.00 | 4.08 | 4.48 | 4.62 | 5.46 | 4.66 |
| USD | 2.45 | 2.54 | 2.62 | 2.76 | 2.86 | 3.61 | - |

Translated by MH