**Weekly Bulletin on Banking Operations (October 15-19, 2018)**

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

The buying and selling exchange rates quoted on the commercial banks’ websites slightly increased from VND 23,295/23,375 against the USD during the first two days of the week to VND 23.295/23.385 against the USD on the following two days, and it was quoted at VND 23,300/23,390 against the USD on the last day of the week (down by 05 VND per USD for buying and up by VND 05 per USD for selling 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 0.6 – 1% p.a for demand and below 1-month term deposits, 4.3 – 5.5% p.a for 1-month to below 6-month terms, 5.3 – 6.5% p.a for 6-month to below 12-month terms; and 6.5 – 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 – 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 – 4.7% p.a for short-term 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 144,169 billion, an average of VND 28,834 billion/day, a decrease of VND 196 billion/day as compared to the week of October 08 - 12, 2018; meanwhile the transaction amount in USD was equivalent to VND 89,817 billion, an average of VND 17,964 billion/day, a decrease of VND 990 billion/day as compared to the previous week.

Most VND transactions were for overnight and 1-week terms (accounting for 41% and 24% of the total amount of VND transactions respectively). The transactions in USD were mostly for overnight and 1-week terms, accounting for 65% and 23% of the total amount of USD transactions respectively.

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

- For transactions in VND: The inter-bank interest rates for overnight and 1-week terms were slightly up by 0.29 and 0.20 percentage points to 3.22% p.a and 3.36% p.a; the rate for 1 – month term reduced by 0.45 percentage points to 3.99% p.a respectively.

- For transactions in USD: the average inter-bank interest rates were on a slight downward trend. Specifically, the inter-bank interest rates for 1 week and 1-month terms decreased by 0.01 percentage points, 0.08 percentage points to 2.28% and 2.47% p.a respectively; the rate for overnight term increased by 0.01 percentage points, to 2.22% p.a,.

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 | 3.22 | 3.36 | 3.49 | 3.99 | 4.35 | 4.39 | - |
| USD | 2.22 | 2.28 | 2.36 | 2.47 | 2.68 | 2.84 | 2.45 |

Translated by MH