## A. Equity

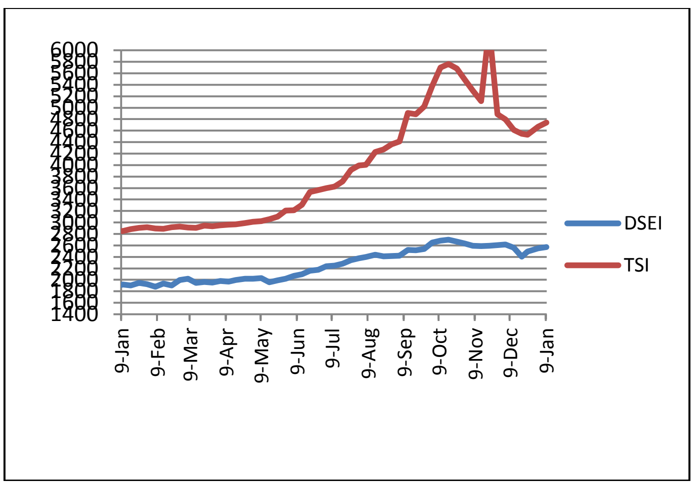
### Market Performance

Both indices closed the week in green. The DSEI gained to close the week at 2,568.71 points (+0.78%). While the TSI closed 1.52% up at 4,740.24 points supported by the gains on DCB, TCC, Swala, Simba, TBL and TOL counters.

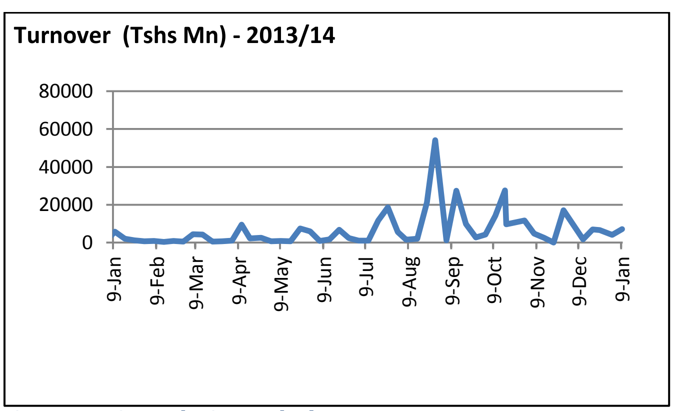
The week registered a significant increase in Turnover (TZS 7,160 million), +78.73% from TZS 4,006 million, last week. However, activity levels declined with number of shares traded dropping to 1,337,390 shares (-13.29%) in comparison to the previous week's 1,542,418 shares.

The Banking segment Index settled at 3,513.16 points (-0.10%) weaker than previous week due to the loss in the NMB(-0.29%) counter. The Industrial & Allied Index strengthened to 6,185.10 points (+2.27%) buoyed by TCC, Simba, TOL, Swala and TBL counters that closed at TZS 16,590; TZS 4,300; TZS 580; TZS 745 and TZS 14,500.

Market Performance




***Source: DSE and TSL Analysis***




***Source: DSE and TSL Analysis***

## WEEKLY MARKET COMMENTARY

## 05th Jan 2015 – 09th Jan 2015

### Statistics – Equity

| Total - Week Ending | Jan-02 2015 | Jan-09 2015 | % Change |
|---|---|---|---|
| **Market** | | | |
| Turnover in Million (TZS) | 4,006 | 7,160 | +78.73% |
| Volume of Shares in '000 | 1,542 | 1,337 | -13.29% |
| DSEI | 2,548.90 | 2,568.71 | +0.78% |
| TSI | 4,669.39 | 4,740.24 | +1.52% |
| **Banks, Finance & Services** BI | 3,516.54 | 3,513.16 | -0.10% |
| **Industrial and Allied** IA | 6,047.82 | 6,185.10 | +2.27% |

***Source: DSE***

### Outlook:

Activities slowed down this week compared to the previous week, however, turnover greatly improved. We expect increase in activities in the coming week, supported by both local and foreign investors.

The 2-year Treasury bond this week was highly oversubscribed by 112%, which gives an indication of the high investors interest on the Government paper.

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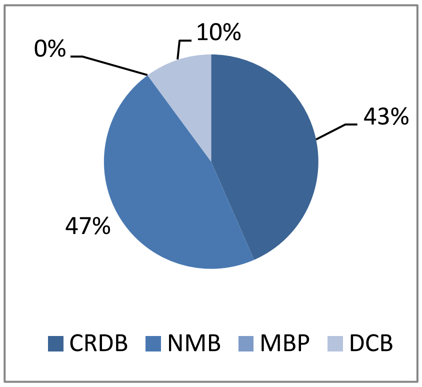
**Bank, Finance & Investment Sector (BI)**

Banking segment was less active compared to the Industrial and Allied segment this week. The segment contributed 6% of the total turnover and 49% of the market activity.




CRDB counter was the most active counter on the Banking segment this week. The counter transacted 428,034 shares closing the week at TZS 430 per share.

DCB followed with 57,893 shares that exchanged hands during the week, closing the week up at TZS 755 per share.

NMB had 56,611 shares that were transacted during the week. The counter closed the week at TZS 3,490 per share.

There were no transactions on the MBP counter this week.

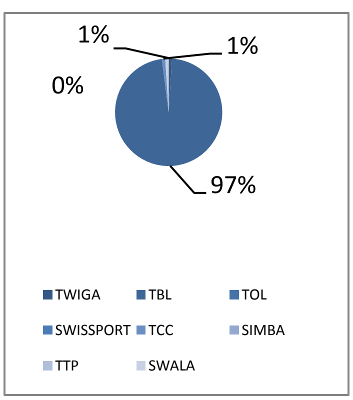
**Industrial and Allied Sector (IA)**

The Industrial & Allied segment was more active compared to Banking Segment this week.

TBL was the most active counter on this segment this week with 441,686 shares traded closing the week at TZS 14,500 per share.

Swala followed with 119,580 shares transacted closing the week at a price of TZS 745 per share, (higher than the previous week's)

TOL closed the week higher at TZS 580 this week, trading a total of 12,024 shares.



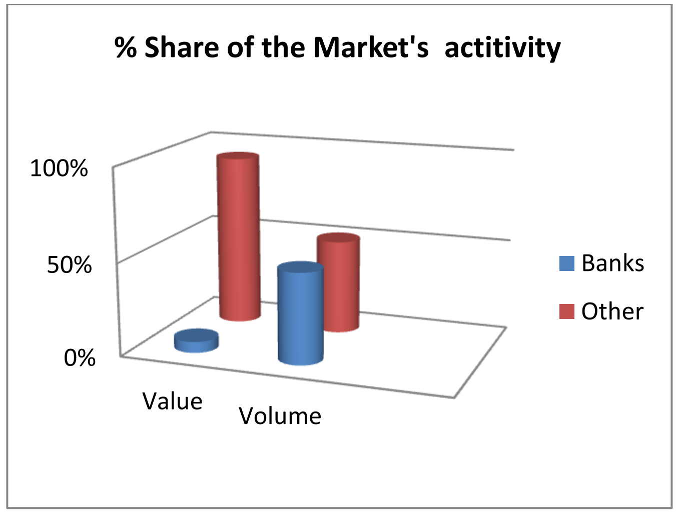

Twiga transacted 8,827 shares, closing the week at TZS 4,000 per share.

Simba counter traded 6,070 shares, closing the week up at TZS 4,300 per share.

TCC traded 5,145 shares at prices of TZS 16,000; TZS 16,500 and TZS 16,590 per share.

Swissport had 1,520 shares that were transacted at prices of TZS 5,000 and TZS 5,010 per share.

There were no activities on the PAL and Tatepa counters during the week.




***Source: DSE and TSL Analysis***

**Banking Sector Share Prices (in TZS)**

| Counter | 02.01.2015 | 09.01.2015 | %Changes |
|---|---|---|---|
| **DCB** | 720.00 | 755.00 | +0.70% |
| **NMB** | 3,500.00 | 3,490.00 | -0.29% |
| **CRDB** | 430.00 | 430.00 | 0.00% |
| **MBP** | 600.00 | 600.00 | 0.00% |
| **MKCB** | 1,500.00 | 1,500.00 | 0.00% |

***Source: DSE and TSL Analysis***

**IA Share Prices (in TZS)**

| Counter | 02.01.2015 | 09.01.2015 | % Changes |
|---|---|---|---|
| **TOL** | 550.00 | 580.00 | +5.45% |
| **TBL** | 14,090.00 | 14,500.00 | +2.91% |
| **TTP** | 650.00 | 650.00 | 0.00% |
| **PAL** | 475.00 | 475.00 | 0.00% |
| **TCC** | 16,300.00 | 16,590.00 | +1.78% |
| **SIMBA** | 4,250.00 | 4,300.00 | +1.18% |
| **TWIGA** | 4,000.00 | 4,000.00 | 0.00% |
| **SWISSPORT** | 5,100.00 | 5,010.00 | -1.76% |
| **SWALA** | 700.00 | 745.00 | +6.43% |

***Source: DSE and TSL Analysis***

## B. Fixed Income Securities

### Primary Market

This week's 2-year Government bond was oversubscribed by 112.40%. Yield increased to 15.2507% compared to 14.8336%, the previous 2-year bond auction held on 29th Oct 2014. The auction results are as depicted below:

| | |
|---|---|
| Highest Bid /100 | 88.0684 |
| Lowest Bid /100 | 80.6500 |
| Minimum Successful Price/100 | 86.9146 |
| Weighted Average Price for Successful Bids | 87.5909 |
| Weighted Average Yield to Maturity | 15.2507 |
| Weighted Average Coupon Yield | 8.9279 |
| Amount Offered Tshs (000,000) | 55,000.00 |
| Amount Tendered Tshs (000,000) | 116,818.30 |
| Undersubscribed (+) / Oversubscribed (-) Tshs (000,000) | -61,818.30 |
| Successful Amount Tshs (000,000) | 68,067.00 |

### Secondary Market

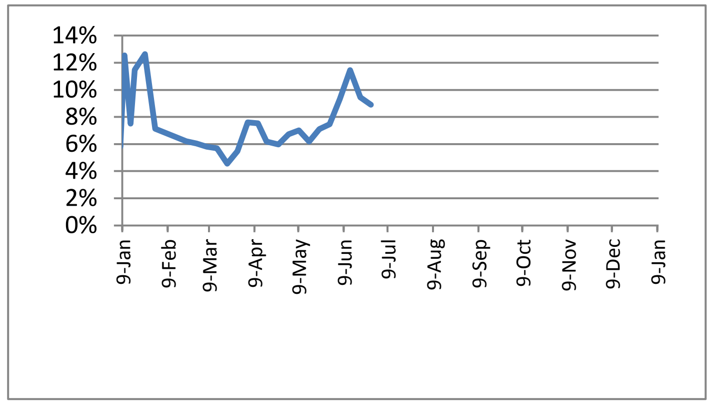
Bonds worth TZS 7.50 billion exchanged hands during the week in the secondary market as depicted below:

| Tenor | Face Value (Tshs.) | Price/100 |
|---|---|---|
| 9.18% Five-Year | 2.7bln | 77.6190 |
| 9.18% Five-Year | 2.7bln | 79.7983 |
| 7.82% Two-Year | 2.1bln | 95.1477 |

### Money Market

The Interbank rate towards the end of the week decreased slightly to 12.19%, from 12.33% recorded in the previous week as shown in the chart below:

**Interbank Borrowing Rates (WAR)**

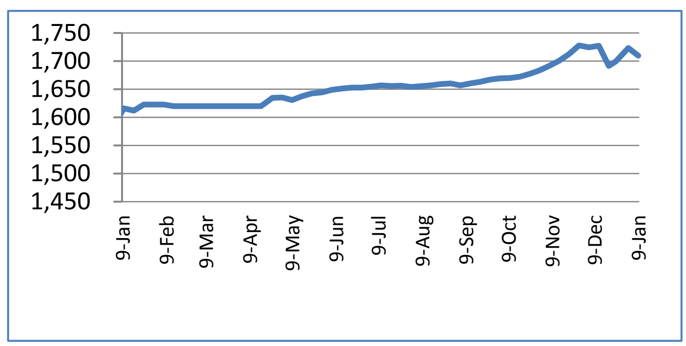



***Source: BOT***

## C. Foreign Exchange

This week, the shilling lost ground against all the major currencies as indicated in the chart and table below:

**Foreign Exchange – TZS/USD**




***Source: BOT***

**Foreign Exchange Market – Four weeks trend**

| | 19-Dec 2014 | 24-Dec 2014 | 02-Jan 2014 | 09-Jan 2015 |
|---|---|---|---|---|
| **TZS/USD** | 1,691.70 | 1,699.37 | 1,723.25 | 1,709.56 |
| **TZS/GBP** | 2,643.71 | 2,638.01 | 2,686.11 | 2,576.31 |
| **TZS/KES** | 18.71 | 18.82 | 18.99 | 18.76 |

***About the Weekly Update report:***
*Our Weekly Update consists of a combination of our valuation update and a discussion about a piece of news or a general theme that called our attention and that we think might be useful for investors. Our valuation update includes: (1) weekly stock performances, (2) valuation matrix, and (3) selected financials from our earnings models. The contents hereto are for information purposes only and all statements are therefore without any responsibility whatsoever on the part of Tanzania Securities limited*