WEEKLY MARKET COMMENTARY

10th Nov 2014 – 14th Nov 2014

A. Equity

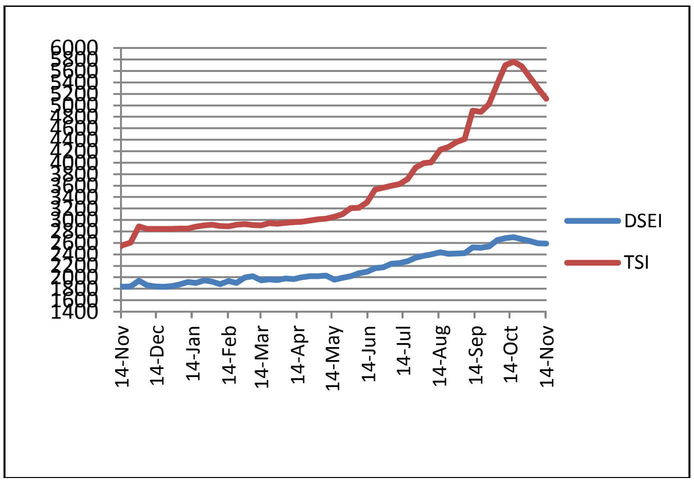
Market Performance

Indices this week closed at red, as DSEI closed at 2,589.32 points, (-0.37%) while the TSI ended the week at 5,116.93 points (-2.13%) dragged down by the loss on TOL, TBL, SIMBA and NMB counters that closed the week at TZS 500, TZS 15,500, TZS 4,620 and TZS 4,000 respectively.

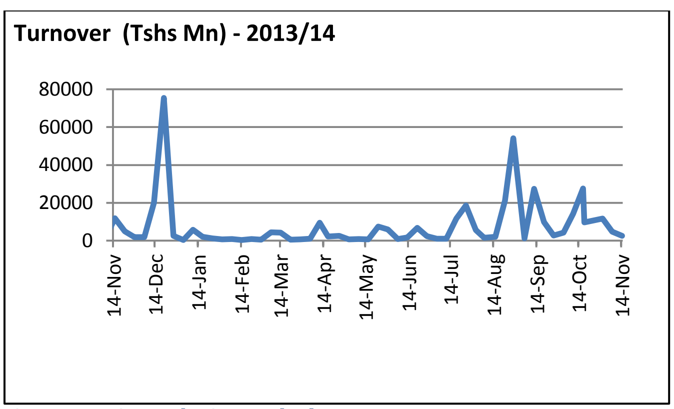
Week on week turnover decreased to TZS 2,649 million, -44.55% compared to TZS 4,777 million recorded the previous week. Shares traded fell to 4,360,274 shares (-35.38%) compared to last week's 6,747,296 shares.

In this week Banking segment Index weakened (-6.50%) to close the week at 4,054.07 points. Similarly, the Industrial & Allied Index fell to close the week at 6,514.39 points (-2.20%).

Market Performance



Source: DSE and TSL Analysis



Source: DSE and TSL Analysis

Statistics – Equity

Total - Week Ending	Nov-07 2014	Nov-14 2014	% Change
Market			
Turnover in Million (TZS)	4,777	2,649	-44.55%
Volume of Shares in '000	6,747	4,360	-35.38%
DSEI	2,596.17	2,586.32	-0.37%
TSI	5,299.95	5,116.93	-2.13%
Banks, Finance & Services BI	4,336.10	4,054.07	-6.50%
Industrial and Allied IA	6,660.99	6,514.39	-2.20%

Source: DSE

Outlook:

Activities slowed down this week accompanied by loss on some counters. This has been attributed to low demand on the usual active counters.

We expect to see improvement in the coming week particulary on the BI segment with support from both local and foreign investors.

Interbank borrowing rate drop slightly to 9.41% signaling improvement in liquidity condition among commercial banks.

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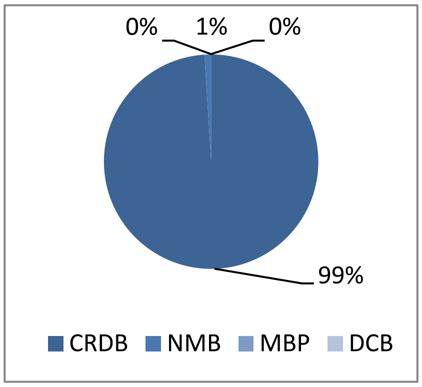
Bank, Finance & Investment Sector (BI)

In this week the Banking segment was less active compared to the previous week but with more active compared to the Industrial and Allied segment. The segment contributed 86% of the total turnover and 97% of the market activity.



CRDB counter maintained its lead on this segment and on the whole bourse in general. The counter transacted 4,173,126 shares closing the week at TZS 510 per share.

NMB followed with 37,844 shares that exchanged hands during the week, closing the week up at TZS 4,000 per share.

There were no transactions on the MBP and DCB counters this week.

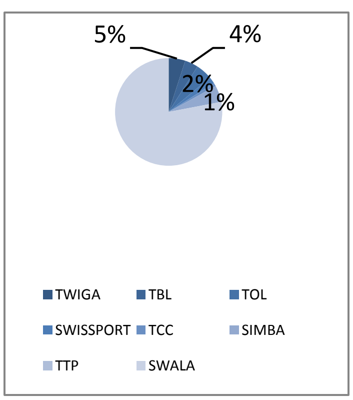
Industrial and Allied Sector (IA)

Industrial & Allied segment was less liquid compared to Banking Segment this week. Swala took the lead with 116,250 shares traded closing the week down at TZS 1,500 per share.

Twiga followed with 8,053 shares transacted at TZ 4,500 per share

TOL lost to TZS 500 this week, trading a total of 7,905 shares.

Simba also lost to 4,620 in this week, trading 7,243 shares that exchanged hands during the week.

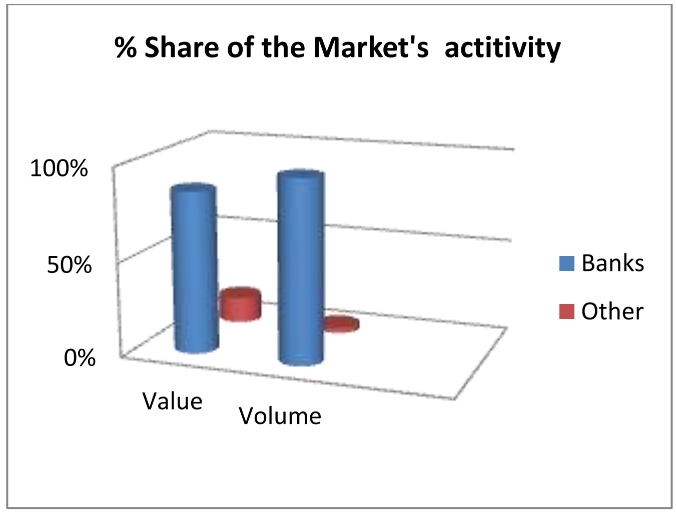


TBL followed with 5,546 shares, closing at TZS 15,500 lower compared to that of last week

Swissport mainted price of TZS 5,000 per share, transacting a total of 3,007 shares.

TCC counter traded 1,300 shares. This week the counter price slightly rose to TZS 16,300 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	07.11.2014	14.11.2014	%Changes
DCB	620.00	630.00	+1.61%
NMB	4,440.00	4,000.00	-9.91%
CRDB	510.00	510.00	0.00%
MBP	600.00	600.00	0.00%

Source: DSE and TSL Analysis

IA Share Prices (in TZS)

Counter	07.11.2014	14.11.2014	% Changes
TOL	565.00	500.00	-11.5%
TBL	16,000.00	15,500.00	-3.13%
TTP	650.00	650.00	0.00%
PAL	475.00	475.00	0.00%
TCC	16,200.00	16,300.00	+0.62%
SIMBA	5,000.00	4,620.00	-7.6%
TWIGA	4,500.00	4,500.00	0.00%
SWISSPORT	5,000.00	5,000.00	0.00%
SWALA	1,600.00	1,500.00	-6.25%

Source: DSE and TSL Analysis

B. Fixed Income Securities

Primary Market

This week's 7-year Government bond was oversubscribed by 19.78%. Yield increased to 15.9656% compared to 15.7457% of the previous 7-year bond auction held on 03rd September 2014.

The auction result is as depicted in the table below;

1	Redemption Date	14/Nov/2021
2	No. of Bids Received	32
3	No. of Successful Bids	29
4	Highest Bid /100	79.0000
5	Lowest Bid /100	66.2300
6	Minimum Successful Price/100	71.4180
7	Weighted Average Price for Successful Bids	75.7147
8	Weighted Average Yield to Maturity	15.9656
9	Weighted Average Coupon Yield	13.3131
10	Amount Offered Tshs (000,000)	60,000.00
11	Amount Tendered Tshs (000,000)	71,869.00
12	Undersubscribed (+) / Oversubscribed (-) Tshs (000,000)	-11,869.00
13	Successful Amount Tshs (000,000)	66,639.00

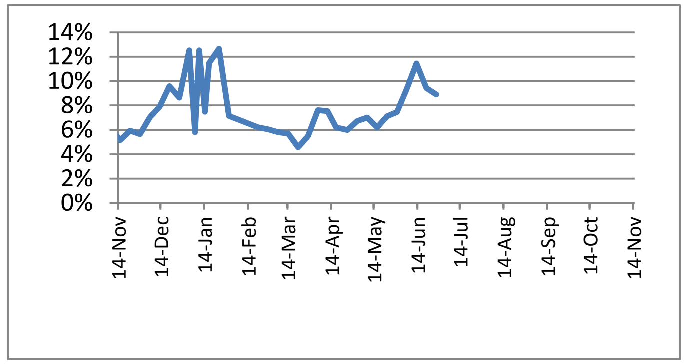
Secondary Market

There was no government security traded on the secondary market this week.

Money Market

The Interbank rate towards the end of the week decreased to 9.41%, from 9.59% recorded in the previous week as shown in the chart below:

Interbank Borrowing Rates (WAR)

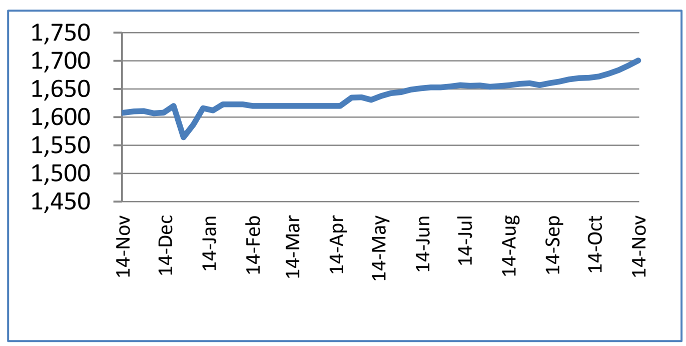


Source: BOT

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

	24-Oct 2014	31-Oct 2014	07-Nov 2014	14-Nov 2014
TZS/USD	1,677.13	1,683.39	1,691.67	1,700.57
TZS/GBP	2,687.09	2,693.18	2,696.61	2,676.95
TZS/KES	18.82	18.84	18.85	18.82

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