WEEKLY MARKET COMMENTARY

16th Feb 2015 – 20th Feb 2015

A. Equity

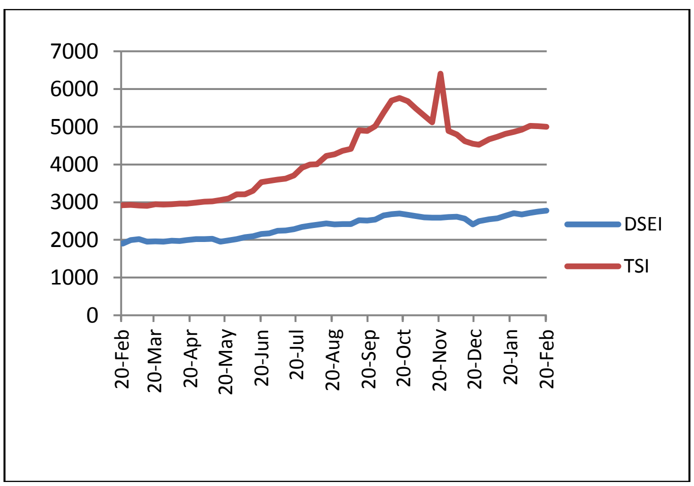
Market Performance

This week the bourse experience a huge jump on both turnover and volume with DSEI closed in green, while TSI at red. The DSEI closed at 2,774.19 points (+0.97% higher), while the TSI ended the week at 4,999.35 points (-0.40%) pulled down by loss on DCB, CRDB; MKCB, TOL; TWIGA and SWALA which lose by TZS 10; TZS 20; TZS 200; TZS 50; TZS 30 and TZS 50 respectively.

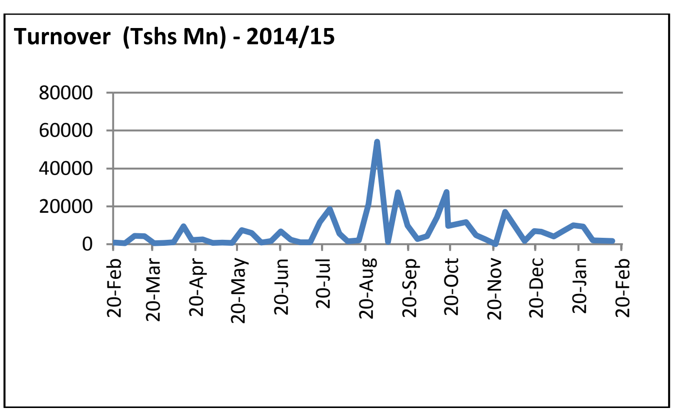
Week to week turnover increased to TZS 43,182.10 million (+2,455.15%) compared to TZS 1,690.00 million recorded in the the previous week. Similarly, shares traded improved to 4,186,749 shares (+36.15%) compared to last week's 1,773,004 shares.

Banking segment Index weakened (-0.1.35%) to close the week at 4,165.23 points dragged down by a lost posted on the DCB (-1.11%), CRDB (-4.04%), and MKCB (-13.33%). On the Industrial & Allied, Index edged south to close the week at 6,208.07 points (-0.02%) dragged down by losses on TOL (-8.33%), TWIGA (-0.77%) and SWALA (-7.69%).

Market Performance



Source: DSE and TSL Analysis



Statistics – Equity

Total - Week Ending	Feb-13 2015	Feb-20 2015	% Change
Market			
Turnover in Million (TZS)	1,690	43,182.10	+2,455.15
Volume of Shares in '000	1,773	4,187	+36.15
DSEI	2,747.60	2,774.19	+0.97
TSI	5,019.34	4,999.35	-0.40
Banks, Finance & Services BI	4,222.08	4,165.23	-1.35
Industrial and Allied IA	6,207.06	6,208.07	-0.02

Source: DSE

Outlook:

This week the market depicted a huge increase in turnover and volume. The large increase was resulted from large volumes of TBL shares which exchange hands during the week. The foresee more activities in the coming week with continued support from both local and foreign investors particulary on the IA segment.

This week's Government bond auction received an oversubscription of 89.7% which is a good indication of high investors' appetite on the medium-term government paper. We expect to see a favourably high subscription in the coming Treasury bill as the money market is expected to remain liquid.

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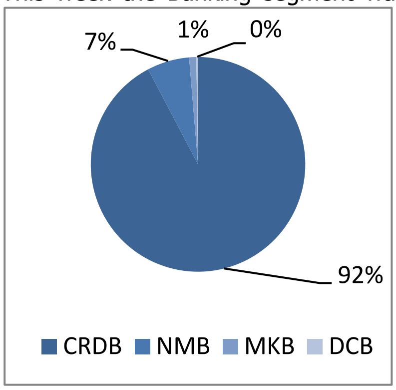
Source: DSE and TSL Analysis

Bank, Finance & Investment Sector (BI)

This week the Banking segment was less liquid compared to the Industrial and Allied segment. The segment contributed 0.75% of the total turnover and 25% of the market activity.



This week CRDB counter was the most active counter on the Banking segment. The counter transacted 987,760 shares closing the week up at TZS 475 per share.

NMB followed with 68,184 shares that exchanged hands during the week, maintaining a price of TZS 4,290 per share.

Mkombozi Bank had 11,530 shares that transacted during the week. The counter closed the week at TZS 1,300 per share. DCB had 2,820 shares traded to close the week at TZS 890 per share.

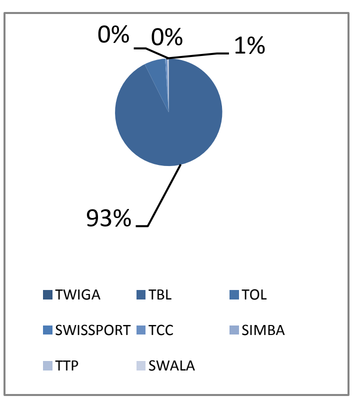
There were no transactions on the MBP counter this week.

Industrial and Allied Sector (IA)

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

TBL was the most active counter on this segment this week with 2,893,865 shares traded, closing the week at TZS 14,500 per share.

TOL followed with the 197,134 shares transacted, closing the week at TZS 550.



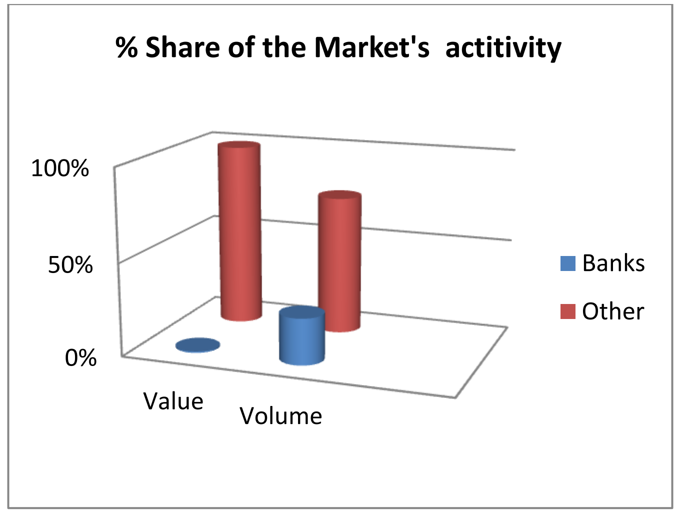
TCC followed with 15,393 shares transacted, closing the week at a price of TZS 17,000 per share.

Swala closed the week at TZS 600 this week, trading a total 0f 10,330 shares.

Swissport transacted 5,277 shares, closing the week at TZS 5,330 per share.

Twiga counter traded 2,706 shares, closing the week down at TZS 3,890 per share. while Simba traded 2,630 shares closing at a price of TZS 4,400 per share.

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



Source: DSE and TSL Analysis

Banking Sector Share Prices (in TZS)

Counter	13.02.2015	20.02.2015	%Changes
DCB	900.00	890.00	-1.11%
NMB	4,290.00	4,290.00	0.00%
CRDB	495.00	475.00	-4.04%
MBP	600.00	600.00	0.00%
MKCB	1,500.00	1,300.00	-13.33%

Source: DSE and TSL Analysis

IA Share Prices (in TZS)

Counter	13.02.2015	20.02.2015	% Changes
TOL	600.00	550.00	-8.33%
TBL	14,500.00	14,500.00	0.00%
TTP	650.00	650.00	0.00%
PAL	470.00	470.00	0.00%
TCC	17,000.00	17,000.00	0.00%
SIMBA	4,310.00	4,400.00	+2.09%
TWIGA	3,920.00	3,890.00	-0.77%
SWISSPORT	5,300.00	5,330.00	+0.57%
SWALA	650.00	600.00	-7.69%

Source: DSE and TSL Analysis

B. Fixed Income Securities

Primary Market

This week's 5-year Government bond was oversubscibed by 89.76%. The Government intends to raise TZS 62.0bln but received bids worth TZS 117.7 bln. However, the amount accepted was TZS 62.0 bln. Yield drop to 15.26% compared to 15.99% of the previous 5-year bond auction held in October 2014.
The auction results are as depicted below:

Highest Bid /100	81.5618
Lowest Bid /100	72.5056
Minimum Successful Price/100	77.5460
Weighted Average Price for Successful Bids	79.2247
Weighted Average Yield to Maturity	15.2600
Weighted Average Coupon Yield	11.5873
Amount Offered Tshs (000,000)	62.000.00
Amount Tendered Tshs (000,000)	117,656.40
Undersubscribed (+) / Oversubscribed (-) Tshs (000,000)	55,656.40
Successful Amount Tshs (000,000)	62,000.00

Secondary Market

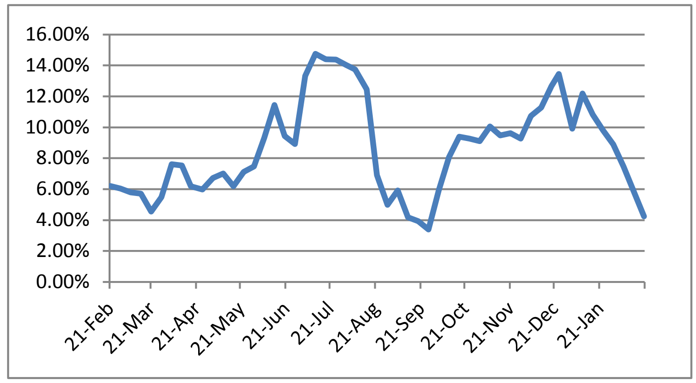
Bonds worth TZS 21.80 billion exchanged hands in 6 deals during the week in the secondary market as depicted below:

Tenor	Face Value (Tshs.)	Price/100
9.18% 5-Year	3.0bln	82.2182
10.08% 7- Year	4.5bln	84.6073
9.18% 5-Year	4.0bln	82.0131
9.18% 5-Year	3.0bln	80.5532
9.18% 5-Year	5.0bln	84.0814
11.44% 10-year	2.3bln	75.2943

Money Market

The Interbank rate towards the end of the week decreased further to 4.24%, from 5.86% recorded in the previous week as shown in the chart below:

Interbank Borrowing Rates (WAR)

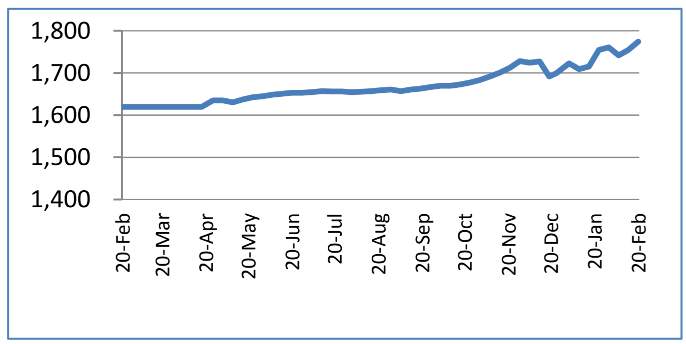


Source: BOT

C. Foreign Exchange

This week, the shilling gained ground against the USD as indicated in the chart and table below:

Foreign Exchange – TZS/USD



Source: BOT

Foreign Exchange Market – Four weeks trend

	23-Jan 2014	30-Jan 2014	13-Feb 2014	20-Feb 2015
TZS/USD	1,715.38	1,760.78	1,754.93	1,774.65
TZS/GBP	2,605.49	2,659.13	2,784.78	2,737.76
TZS/KES	18.78	19.02	19.16	19.40

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