WEEKLY MARKET COMMENTARY
16th March 2015 – 20th March 2015

A. Equity

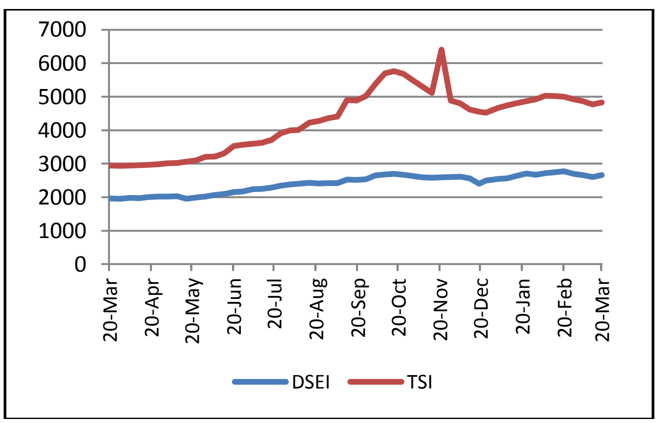
Market Performance

Both weekly turnover and activity in the market were higher in compared to the last week's trading. Turnover jumped to TZS 9,066.63 million from last week's TZS 8,133.46 million. However activity levels gained to 11,567,312 shares from 8,961,464 shares recorded in the previous week.

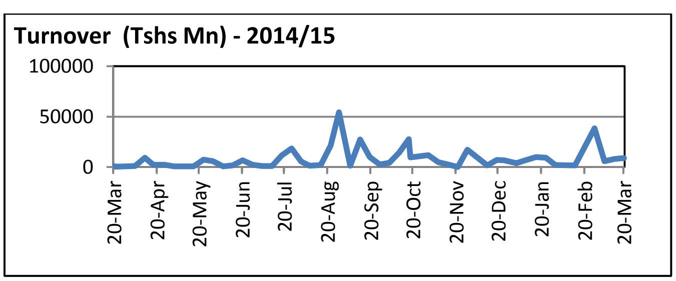
Both indices (DSEI and TSI) edged north. The DSEI edged up by (+2.20%) to settled at 2,655.59 points, while the TSI increased by (+1.16%) to close at 4,826.68 points, mainly pulled up by CRDB, TBL, TCC, Simba, Twiga and Swiss port counters which gain by TZS 5, 500, 20, 40, 30 and 100 respectively.

The Banking segment Index slightly dropped to 3,458.341 points (-1.63%) dragged down by a loss on the DCB (-0.58%) , and NMB (-3.05%). Industrial & Allied Index ended the week at 6,333.29 points (+2.25%) higher than last week supported by gain on TBL (+3.45%), TCC(+0.12%), Simba (+0.90%), Twiga (+0.80%) and Swissport (+1.54%).

Shares Indices



Source: DSE and TSL Analysis



Source: DSE and TSL Analysis

Statistics – Equity

Total - Week Ending	**March-13 2015**	**March-20 2015**	**% Change**
Market			
Turnover in Million (TZS)	8,133.46	9,066.63	+11.47%
Volume of Shares in '000	8,961.46	11,567.31	+29.1%
DSEI	2,598.35	2,655.59	+2.20%
TSI	4,771.49	4,826.68	+1.16%
Banks, Finance & Services BI	3,515.51	3,458.34	-1.63%
Industrial and Allied IA	6,194.1	6,333.29	+2.25%

Source: DSE

Outlook:

Activities improved this week, which saw stock turnover jumping by over 10 percent. The market continued to witness price changes particularly for companies which have released their audited accounts. This trend is expected to persist in the coming week.

Looking ahead, we foresee moderate activities in the coming week coupled with sharp price changes for companies which expect to make dividend annoucement.

This week's 2 year bond was oversubscribed giving indication of high investors appetite on the lowest tenure government bond. We expect to see similar reflection in the coming Treasury bill auction set for next week.

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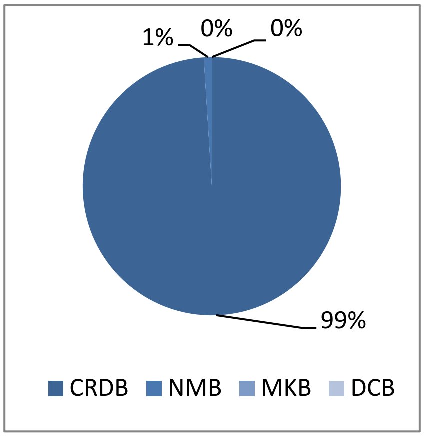
Bank, Finance & Investment Sector (BI)

This week the Banking segment was more liquid on market activity and turnover compared to the Industrial and Allied segment. The segment contributed 52% of the total turnover and 97% of the market activity.



This week CRDB counter was the most active counter on the Banking segment. The counter transacted, 11,149,555 shares closing the week at TZS 405 per share.

NMB followed with 62,257 shares that exchanged hands during the week and close at a price of TZS 3,500 per share.

DCB had 7,200 shares that transacted during the week. The counter closed the week at TZS 855.00 per share.

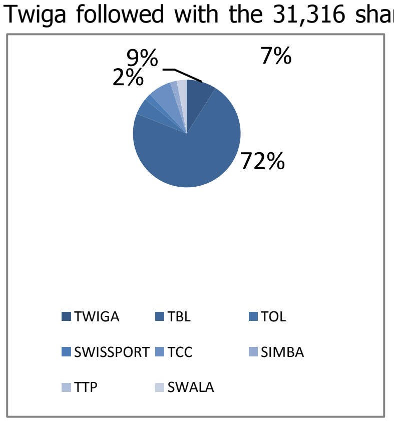
There was no activities on the MKCB and MBP counter this week.

Industrial and Allied Sector (IA)

The Industrial & Allied segment was less liquid on market activity and turnover compared to Banking Segment this week.

TBL was the most active counter on this segment this week with 251,592 shares traded, closing the week at TZS 15,000 per share.

Twiga followed with the 31,316 shares transacted, closing the week at TZS 3,800

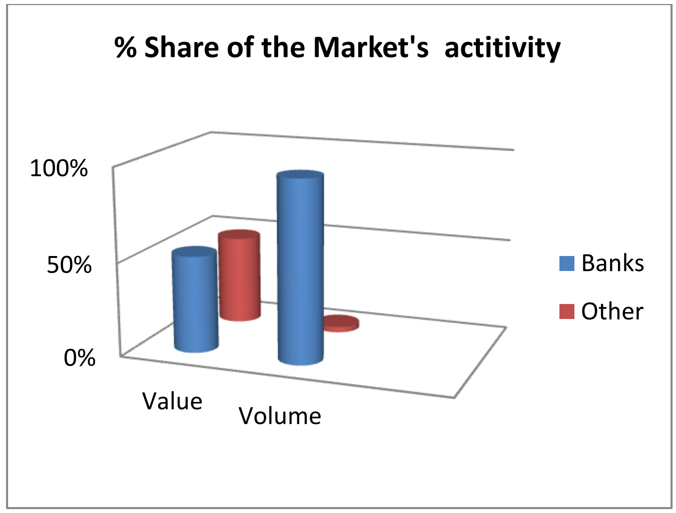


TCC had 24,048 shares transacted, closing the week at a price of TZS 17,030 per share.

TOL closed the week at TZS 17,640, trading a total of 560 shares.

Swala transacted 11,790 shares, closing the week at TZS 550 per share. Swiss port counter traded 6,394 shares, closing the week at TZS 6,600 per share. Simba traded 5,320 shares, closing at a price of TZS 4,500 per share. TATEPA traded 200 shares, closing the week at TZS 650 per share.

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



Source: DSE and TSL Analysis

Banking Sector Share Prices (in TZS)

Counter	13.03.2015	20.03.2015	%Changes
DCB	860.00	855.00	-0.58%
NMB	3,610.00	3,500.00	-3.05%
CRDB	400.00	405.00	+1.25%
MBP	600.00	600.00	0.00%
MKCB	1,250.00	1,250.00	0.00%

Source: DSE and TSL Analysis

IA Share Prices (in TZS)

Counter	13.03.2015	20.03.2015	% Changes
TOL	570.00	560.00	-1.75%
TBL	14,500.00	15,000.00	+3.45%
TTP	650.00	650.00	0.00%
PAL	470.00	470.00	0.00%
TCC	17,010.00	17,030.00	+0.12%
SIMBA	4,460.00	4,500.00	+0.90%
TWIGA	3,770.00	3,800.00	+0.80%
SWISSPORT	6,500.00	6,600.00	+1.54%
SWALA	600.00	550.00	-8.33%

Source: DSE and TSL Analysis

B. Fixed Income Securities

Primary Market

This week's 2-year Government bond was oversubscribed by 259.92%. The government intended to raise TZS 55.0 bln, but receiveing bids worth TZS 197.69 bln. However, the government mantain its target of TZS 55.0bln. Yield decreased to 12.29% compared to 15.25%, the previous 2-year bond auction held on 07th January 2015.

The auction result is as depicted in the table below;

Highest Bid /100	94.4331
Lowest Bid /100	85.7050
Minimum Successful Price/100	91.1272
Weighted Average Price for Successful Bids	92.2786
Weighted Average Yield to Maturity	12.2915
Weighted Average Coupon Yield	8.4743
Amount Offered Tshs (000,000)	55,000.00
Amount Tendered Tshs (000,000)	197,691.20
Undersubscribed (+) / Oversubscribed (-) Tshs (000,000)	142,961.20
Successful Amount Tshs (000,000)	55,000.00

Secondary Market

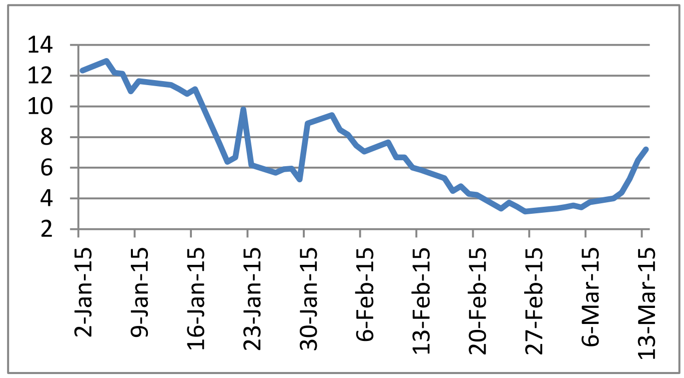
Bonds worth TZS 13.25 billion exchanged hands in 6 deals during the week in the secondary market as depicted below:

Tenor	Face Value (Tshs.)	Price/100
10.08% 7-Year	2.5bln	80.8662
10.08% 7- Year	3bln	78.4064
13.50% 15-Year	0.5bln	79.4996
10.08% 7-Year	2.25bln	81.5858
13.50% 15- Year	3bln	80.3560
11.44% 10-year	2bln	78.8989

Money Market

The Interbank rate towards the end of the week increased to 8.0% from 7.2% recorded in the previous week as shown in the chart below:

Interbank Borrowing Rates (WAR)

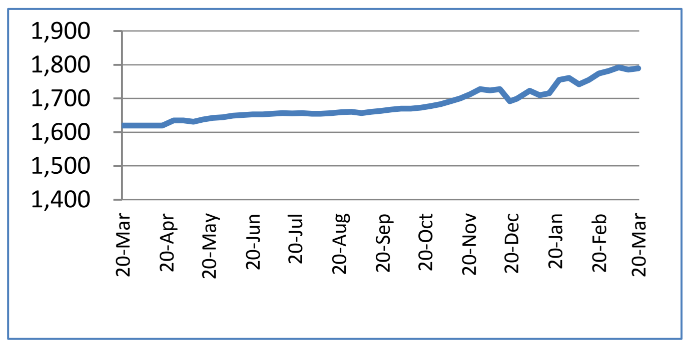


Source: BOT

C. Foreign Exchange

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

Foreign Exchange – TZS/USD



Source: BOT

Foreign Exchange Market – Four weeks trend

	27-Feb 2015	06-March2015	13-March 2015	20-March 2015
TZS/USD	1,781.46	1,791.76	1,785.99	1,789.39
TZS/GBP	2,759.92	2,731.18	2,675.15	2,658.06
TZS/KES	19.48	19.66	19.48	19.46

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