WEEKLY MARKET COMMENTARY

17th Nov 2014 – 21st Nov 2014

A. Equity

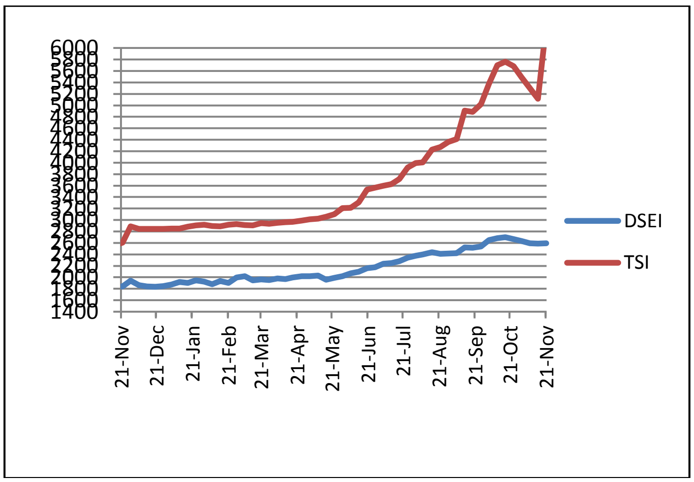
Market Performance

This week DSEI edged north closing at 2,591.00 points, (+0.18%) while the TSI ended the week on closed red closing at 5,038.45points (-1.53%) resulted from loss on CRDB, NMB, SWALA, and TBL counters that closed the week at TZS 500, TZS 3,950, TZS 1,300 and TZS 14,990 respectively.

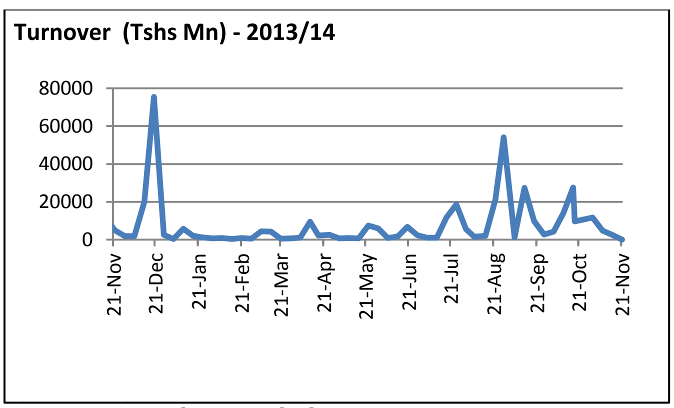
Week on week turnover increased to TZS 3,559 million, +34.36% compared to TZS 2,649 million recorded the previous week. Shares traded fell to 980,941 shares (-77.52%) compared to last week's 4,360,274 shares.

In this week Banking segment Index weakened (-1.42%) to close the week at 3,996.55 points. Similarly, the Industrial & Allied Index fell to close the week at 6,404.92 points (-1.68%).

Market Performance



Source: DSE and TSL Analysis



Source: DSE and TSL Analysis

Statistics – Equity

Total - Week Ending	Nov-14 2014	Nov-21 2014	% Change
Market			
Turnover in Million (TZS)	2,649	3,559.14	+34.36%
Volume of Shares in '000	4,360	980	-77.52%
DSEI	2,586.32	2,591.00	+0.18%
TSI	5,116.93	5,038.45	-1.53%
Banks, Finance & Services BI	4,054.07	3,996.55	-1.42%
Industrial and Allied IA	6,514.39	6,404.92	-1.68%

Source: DSE

Outlook:

The bourse witnessed improvement in turnover this week despite the fall in volume transacted. The fear of a continuous price down fall on some counters has triggered a sell decision to majority of investors, creating a temporarily high pressure on the supply side.

We expect to see moderate activities in the coming week as we move toward end of month, with some investors liquidate part of their holdings ready for year end holidays.

This week the Treasury bill experience unexpectedly undersubcription, which might be attributed to the changes in liquidity level.

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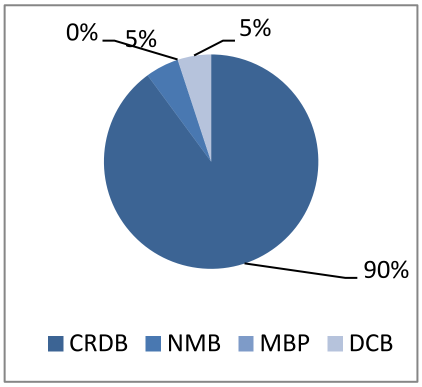
Bank, Finance & Investment Sector (BI)

In this week again Banking segment was less active compared to the previous week even display lesser active compared to the Industrial and Allied segment. The segment contributed 39% of the total turnover. and 3% of the market activity.



CRDB counter this week also maintained its lead on this segment as it traded more than the rest of the counters in this sector. The counter transacted 344,876 shares closing the week at TZS 500 per share.

NMB followed with 17,755 shares that exchanged hands during the week, closing the week up at TZS 3,950 per share.

DCB followed with 20,860 shares that transtracted during the week, as it closed the week with TZS 660 per share.

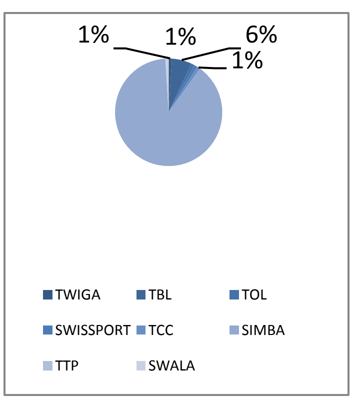
There were no transactions on the MBP counter this week.

Industrial and Allied Sector (IA)

During this week Industrial & Allied segment was more liquid compared to Banking Segment. Simba took the lead with 535,622 shares traded closing the week at TZS 5,000 per share.

TBL followed with 35,414 shares transacted closing the week at TZS 14,990 per share

TOL closed at TZS 500 this week, trading a total of 8,910 shares.

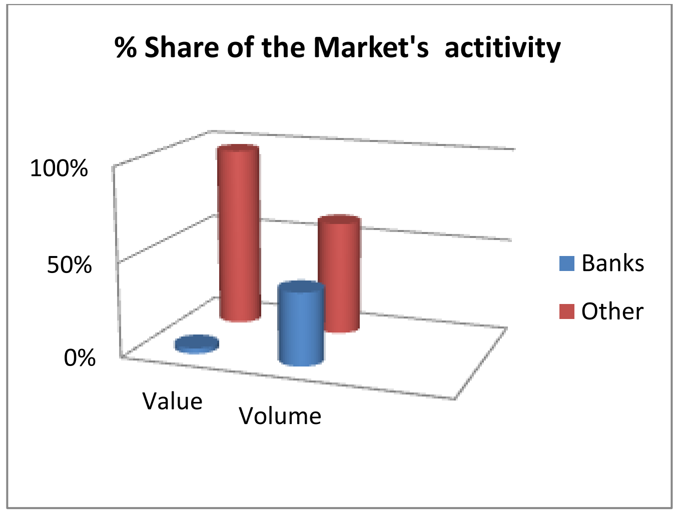


Twiga during this week closed at 4,500 trading 6,316 shares that exchanged hands during the week.

TCC followed with 6,100 shares, closing at TZS 16,300

Swissport closed the week with the gain as it closes at the price of TZS 5,090 per share, transacting a total of 3,938 shares.

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	14.11.2014	21.11.2014	%Changes
DCB	630.00	660.00	+4.76%
NMB	4,000.00	3,950.00	-1.25%
CRDB	510.00	500.00	-1.96%
MBP	600.00	600.00	0.00%

Source: DSE and TSL Analysis

IA Share Prices (in TZS)

Counter	14.11.2014	21.11.2014	% Changes
TOL	500.00	550.00	+10.00%
TBL	15,500.00	14,990.00	-3.29%
TTP	650.00	650.00	0.00%
PAL	475.00	475.00	0.00%
TCC	16,300.00	16,300.00	+0.00%
SIMBA	4,620.00	5,000.00	+8.23%
TWIGA	4,500.00	4,500.00	0.00%
SWISSPORT	5,000.00	5,090.00	+1.80%
SWALA	1,500.00	1,300.00	-13.33%

Source: DSE and TSL Analysis

B. Fixed Income Securities

Primary Market

This week's the Government through BOT auctioned Treasury Bill worth TZS 135 billion. The auctioned results shows undersubscription of 27.6%.

The auction result is as depicted in the table below;

Auction No. 916 Held On 19/Nov/2014						
		35 Days	91 Days	182 Days	364 Days	TOTAL
1	Due Date	26/Dec/2014	20/Feb/2015	22/May/2015	20/Nov/2015	-
2	No. of Bids	2	9	55	80	146
3	Successful Bids	2	9	55	80	146
4	Highest Bid/100	99.52	97.13	94.00	87.52	-
5	Lowest Bid/100	99.40	96.85	93.10	85.07	-
6	Minimum Successful Price/100	99.40	96.85	93.10	85.07	-
7	Weighed Average Price (WAP) for successful Bid	99.49	97.00	93.44	87.06	-
8	Weighted Average Yield (WAY) % per Annum	5.32	12.42	14.09	14.90	14.25
9	Amount Offered TZS (000,000)	3,000	32,000	45,000	55,000	135,000
10	Total Tendered TZS (000,000)	4,000.00	1,873.09	25,530.94	66,341.44	97,745.47
11	Undersubscribed(+) Oversubscribed(-) TZS(000,000)	1,000.00	30,126.91	19,469.06	11,341.44	37,254.53
12	Successful Bids TZS(000,000)	4,000.00	1,873.09	25,530.94	66,341.44	97,745.47

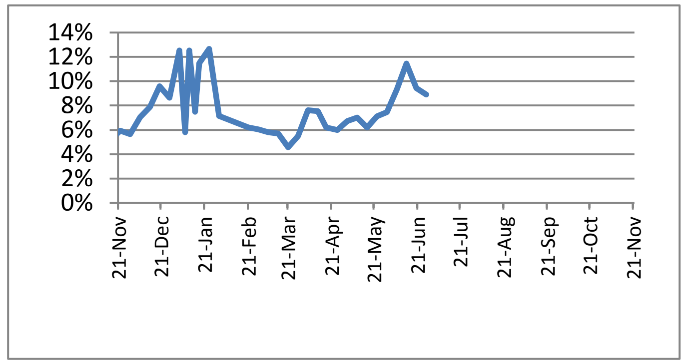
Secondary Market

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

Money Market

The Interbank rate towards the end of the week increased to 9.63%, from 9.41% recorded in the previous week as shown in the chart below:

Interbank Borrowing Rates (WAR)

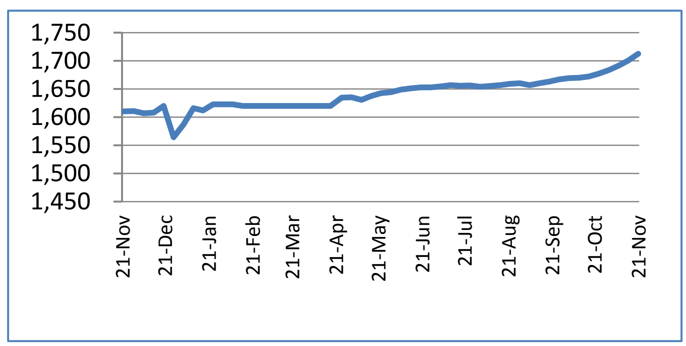


Source: BOT

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

	31-Oct 2014	07-Nov 2014	14-Nov 2014	21-Nov 2014
TZS/USD	1,683.39	1,691.67	1,700.57	1,712.44
TZS/GBP	2,693.18	2,696.61	2,676.95	2,689.21
TZS/KES	18.84	18.85	18.82	19.01

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