Tanzania Securities Limited
Stock Brokers | Investment Advisers | Fund Managers
MEMBER OF THE DAR ES SALAAM STOCK EXCHANGE

WEEKLY MARKET COMMENTARY

19th May 2014 – 23rd May 2014

A. Equity

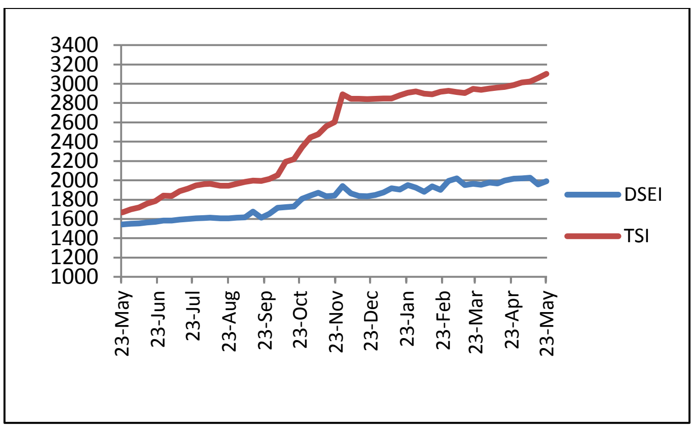
Market Performance

The week registered a significantly higher turnover of TZS 7,446 mln, +867% from TZS 770 million, last week. Similarly, activity levels increased with shares traded rising to 20,853,013 shares (+3123%) in comparison to the previous week's 647,688 shares.

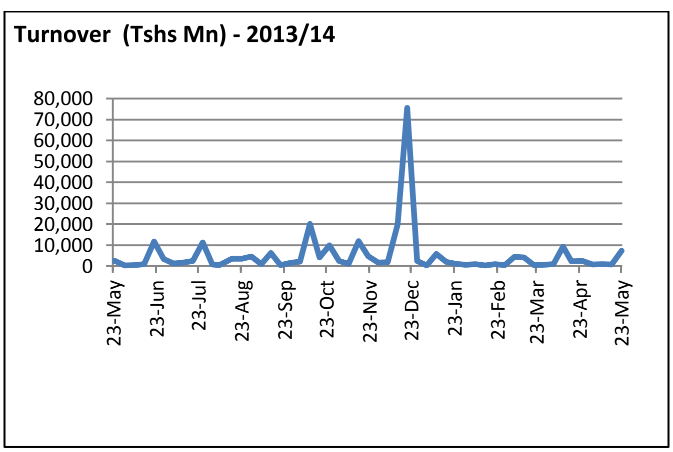
The Dar es Salaam Stock Exchange Index (DSEI) closed the week in green, at 1,989.40 points (+1.71%) while All Share Index (TSI) ended the week at 3,012.40 points (+1.41%), supported by NMB, TBL, TOL, and TCC counters that gained TZS 180; TZS 80; TZS 50; TZS 20 and TZS 100 to close the week at TZS 3,160; TZS 8,180; TZS 450 and TZS 10,100 per share respectively.

The Banking segment Index strengthened to settle at 2,942.03 points, 2.60% up from 2,867.41 points at close of week last week. The Industrial & Allied Index also grew to 3,599.45 points from last week's 3,570.37 points (+0.81%) mainly due to the rise on prices of TBL, TOL and TCC counters.

Market Performance



Source: DSE and TSL Analysis



Source: DSE and TSL Analysis

Statistics – Equity

Total - Week Ending	May-16 2014	May-23 2014	% Change
Market			
Turnover in Million (TZS)	770	7,446	+867%
Volume of Shares in '000	647	20,853	+3123%
DSEI	1,955.91	1,989.40	+1.71%
TSI	3,059.22	3,102.40	+1.41%
Banks, Finance & Services BI	2,867.41	2,942.03	+2.60%
Industrial and Allied IA	3,570.37	3,599.45	+0.81%

Source: DSE

Outlook:

This week activity levels were up, due to large blocks of CRDB shares traded at TZS 320. The support was mainly from foreign investors who continued to show interest on CRDB shares and some counters under the IA segment.

Looking ahead, we foresee a continued activities on the CRDB, TBL and TOL counters. Activities are expected to be moderate in other counters as supply will continue to be on a lower side.

Despite the fact that there has been a decrease in liquidity level, the Treasury Bills auction results witnessed 74% oversubscription. This is possibly due to the high invetsors' preference on short term investments. We also anticipate a similar result in the Treasury bond auction set for next week.

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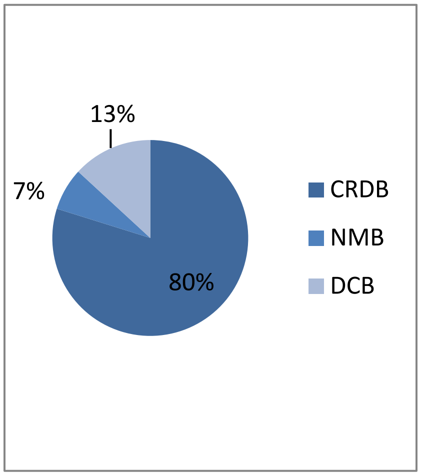
Bank, Finance & Investment Sector (BI)



This week the banking segment posted a massive increase in turnover. The increase was brought about by the pre-arranged transaction on CRDB counter that traded 20,000,000 shares at a price of TZS 320. The Banking sector contributed 96% of total turnover and 99% of the market activity.

CRDB was the most active counter with a volume of 20,391,396 shares traded at a prices of TZS 310 and TZS 320

NMB counter traded 186,426 shares at prices of TZS 3,100 and TZS 3,160(which it closed the week at) per share.

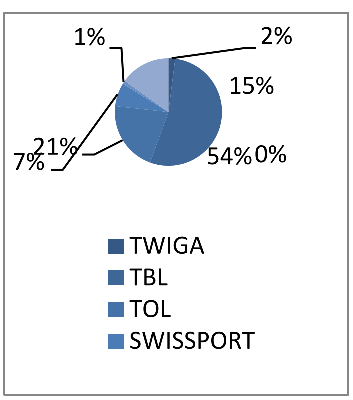
DCB counter closed the week up at TZS 490 moving a volume of 91,175 shares.

There was no activities on the MBP counter this week.

Industrial and Allied Sector (IA)

This week TOL was the most active counter on the Industrial and Allied segment. The counter traded 132,000 shares at TZS 450.

TBL counter followed with 18,400 shares transacted at prices of TZS 8,160, TZS 8,180 and closed the week at TZS 8,200 per share.



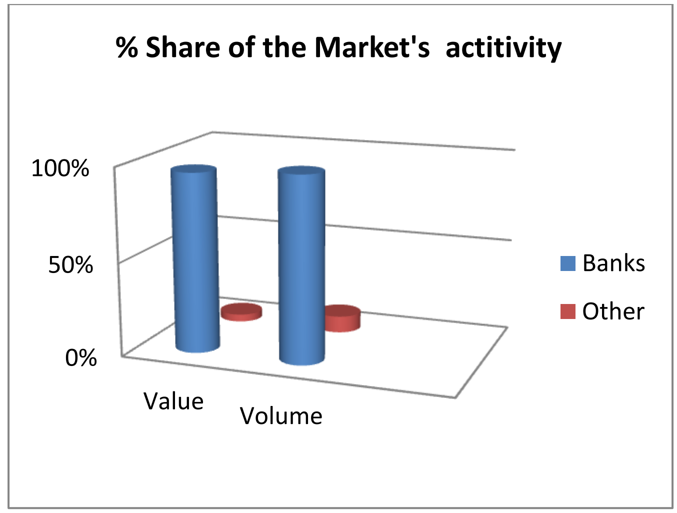
Simba counter had 18,350 shares that exchanged hands at a price of TZS 2,420 per share.

Swissport counter remained flat transacting 7,806 shares at a price of TZS 2,700.

Twiga counter had 2,860 shares traded at TZS 2,440 per share.

TCC closed the week up at TZS 10,100 transacting 400 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	16.05.2014	23.05.2014	%Changes
DCB	480.00	490.00	+2.08%
NMB	2,980.00	3,160.00	+6.04%
CRDB	325.00	310.00	-4.62%
MBP	600.00	600.00	0.00%

Source: DSE and TSL Analysis

IA Share Prices (in TZS)

Counter	16.05.2014	23.05.2014	% Changes
TOL	400.00	400.00	0.00%
TBL	8,120.00	8,200.00	+0.99%
TTP	650.00	650.00	0.00%
PAL	475.00	475.00	0.00%
TCC	10,000.00	10,100.00	+1.00%
SIMBA	2,420.00	2,420.00	0.00%
TWIGA	2,460.00	2,440.00	-0.81%
SWISSPORT	2,700.00	2,700.00	0.00%

Source: DSE and TSL Analysis

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B. Fixed Income Securities

Primary Market

The Treasury bill that was auctioned this week experienced an oversubscription of 74%. The Weighted Average Yield per annum decreased from 12.74% in the previous auction of 7th May 2014 to 12.60% this week. The Government accepted TZS 194 billion, despite collecting bids worth TZS 235 billion.

The auction result is as depicted in the table below;

	35 Days	91 Days	182 Days	364 Days
Minimum Successful Price/100	99.35	97.32	93.73	87.94
Weighted Average Price (WAP) for successful Bid	99.35	97.34	93.90	88.42
Weighted Average Yield (WAY) % per Annum	6.82	10.95	13.04	13.13
Amount Offered TZS (000,000)	5,000	30,000	45,000	55,000
Total Tendered TZS (000,000)	21,000.00	45,906.68	59,868.81	108,501.0
Undersubscribed(+) Oversubscribed(-) TZS(000,000)	16,000.00	15,906.68	14,868.81	53,501.00
Successful Bids TZS(000,000)	5,000.00	30,000.00	53,241.19	106,431.0

Secondary Market

Treasury Bonds worth TZS 16.00 billion exchanged hands in the secondary market during the week at prices indicated in the table below:

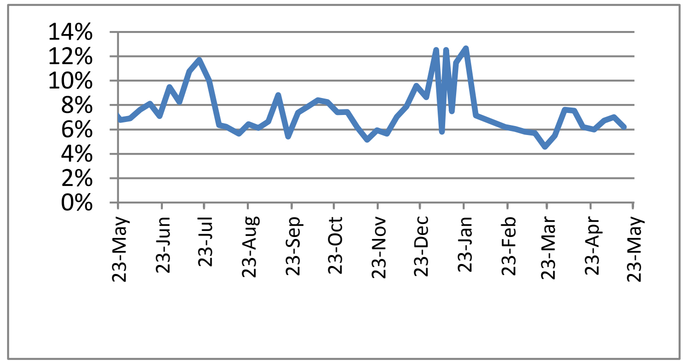
Tenor	Face Value (Tshs.)	Price/100
9.18% Five-Year	3.00bln	91.3600
13.50% Fifteen-Year	5.00bln	97.2000
11.44% Ten-Year	2.00bln	79.6400
7.82% Two-Year	3.00bln	91.3600
9.18% Five-Year	3.00bln	88.7600

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.

Money Market

The overnight rate towards the end of this week was 7.11%, higher than the 6.19% rate of the previous week's, as depicted in the chart below:

Interbank Borrowing Rates (WAR)

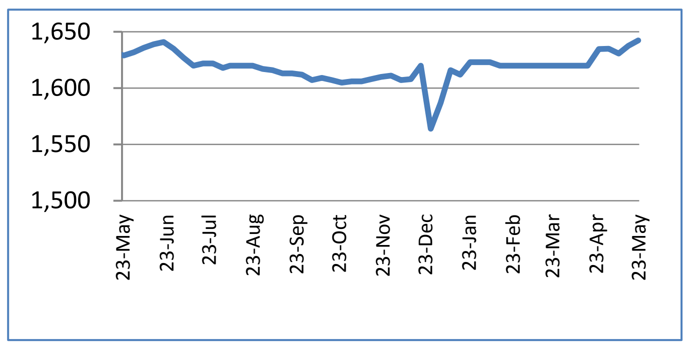


Source: BOT

C. Foreign Exchange

The shilling continues to loose ground against the USD. It closed the week at a rate of 1634-1651, as indicated in the chart and table below:

Foreign Exchange – TZS/USD



Source: BOT

Foreign Exchange Market – Four weeks trend

	02-May 2014	09-May 2014	16-May 2014	23-May 2014
TZS/USD	1,635.00	1,630.62	1,637.50	1,642.50
TZS/GBP	2,756.85	2,773.97	2,745.30	2,771.55
TZS/KES	18.79	18.77	18.73	18.67