WEEKLY MARKET COMMENTARY

20th Jan 2014 – 24th Jan 2014

A. Equity

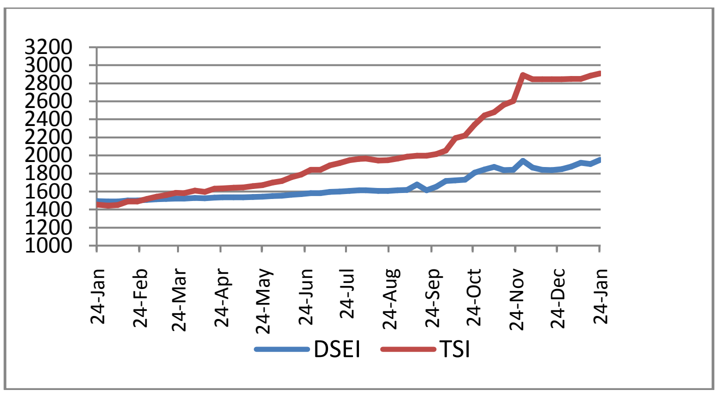
Market Performance

The week registered a relatively lower turnover of TZS 1,185 mln, -42.34% from TZS 2,055 million, last week. Similarly, activity levels decreased with shares traded falling to 1,156,423 shares (-26.97%) in comparison to the previous week's 1,583,595 shares. Foreign investor's participation was 49% during the week .

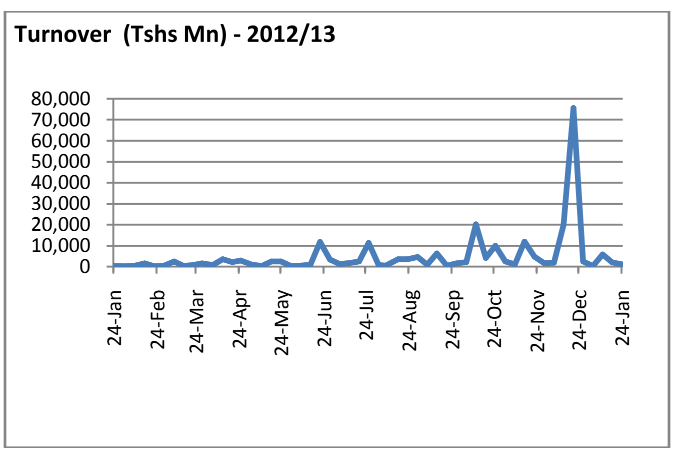
The Dar es Salaam Stock Exchange Index (DSEI) closed the week in green, at 1,949.14 points (+2.41%) while The All Share Index (TSI) ended the week at 2,907.27 points (+0.89%), supported by NMB, CRDB, Swissport, Simba and TCC counters that gained TZS 20; TZS 10; TZS 20; TZS 20and TZS 200 to close the week at TZS 2,660; TZS 300; TZS 2,700 and TZS 8,800 per share respectively.

The Banking segment Index strengthened to settle at 2,592.57 points, 1.60% up from 2,551.73 points at close of week last week. The Industrial & Allied Index also grew to 3,476.53 points from last week's 3,457.60 points (+0.55%) mainly due to the rise on prices of Simba and TCC counters.

Market Performance



Source: DSE and TSL Analysis



Source: DSE and TSL Analysis

Statistics – Equity

Total - Week Ending	Jan-17 2014	Jan-24 2014	% Change
Market			
Turnover in Million (TZS)	2,055	1,185	-42.34%
Volume of Shares in '000	1,583	1,156	-26.97%
DSEI	1,903.34	1,949.14	+2.41%
TSI	2,881.71	2,907.27	+0.89%
Banks, Finance, & Services BI	2,551.73	2,592.57	+1.60%
Industrial and Allied IA	3,457.60	3,476.53	+0.55%

Source: DSE

Outlook:

There are signs of a continual improvement of liquidity levels in the market. We, therefore anticipate investors to continue coming in the market as the year rolls-on. We envisage a sustained foreign investors' demand on the banking counters, especially NMB and CRDB.

The 10-year Treasury Bond Auction, this week was oversubscribed by 68%. We expect increasingly positive performance on the coming week's Treasury Bills Auction, due to investors' short-to-medium term preference shown in the previous auctions.

The Interbank lending rate is higher than that of the previous week signalling tight liquidity among commercial banks

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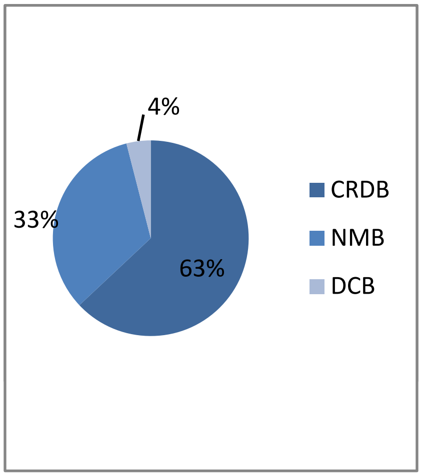
Bank, Finance & Investment Sector (BI)



This week the Banking segment was active but turnover was lower compared to the Industrial and Allied sector. The sector moved 38% of the market turnover and 89% of the total volume exchanged hands during the week.

CRDB maintained its rally for most of the week. The counter transacted 941,869 shares during the week at prices of TZS 295 and TZS 300.

NMB had 54,697 shares exchanged hands during the week at prices of TZS 2,640 and TZS 2,660.

DCB counter traded 35,877 shares at TZS 490 per share, while MBP had 900 shares traded at TZS 1,500.

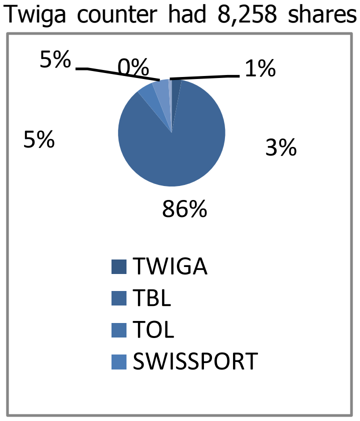
Industrial and Allied Sector (IA)

The Industrial and Allied Segment posted a higher turnover compared to the Banking sector this week.

TBL counter maintained its lead this week. The counter traded 72,656 shares during the week at prices of TZS 8,000 and TZS 8,100 per share.

Swissport counter transacted 2,600 shares with its price closing the week at TZS 2,700.

Twiga counter had 8,258 shares transacted at a price of TZS 2,660.

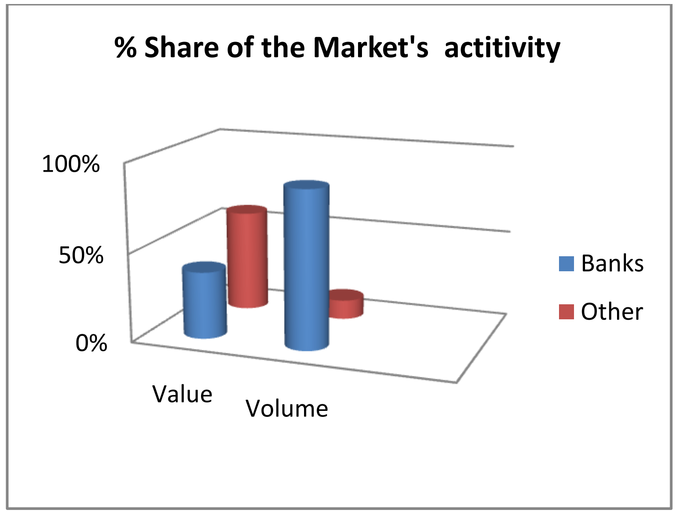


3,930 shares of TCC, were transacted with its price closing the week at TZS 8,800 per share.

Simba counter had 2,036 shares traded at TZS 2,340 and TZS 2,360.

Tatepa counter had 400 shares traded at TZS 650 while TOL counter had 300 shares traded at TZS 310.

There were no activities the PAL counter during the week.



Source: DSE and TSL Analysis

Banking Sector Share Prices (in TZS)

Counter	17.01.2014	24.01.2014	%Changes
DCB	490.00	490.00	0.00%
NMB	2,640.00	2,660.00	+0.76%
CRDB	290.00	300.00	+3.45%
MBP	600.00	600.00	0.00%

Source: DSE and TSL Analysis

IA Share Prices (in TZS):

Counter	17.01.2014	24.01.2014	% Changes
TOL	310.00	310.00	0.00%
TBL	8,100.00	8,100.00	0.00%
TTP	650.00	650.00	0.00%
PAL	475.00	475.00	0.00%
TCC	8,600.00	8,800.00	+2.32%
SIMBA	2,320.00	2,340.00	+0.86%
TWIGA	2,660.00	2,660.00	0.00%
SWISSPORT	2,680.00	2,700.00	+0.75

Source: DSE and TSL Analysis

B. Fixed Income Securities

Primary Market

There was a ten-year bond in this week's primary market that was oversubscribed by 68%. WAYT increased to 15.84% compared to 15.96% in the previous auction on 17th October 2013.

The auction result is as depicted in the table below;

Highest Bid /100	80.0000
Lowest Bid /100	71.1100
Minimum Successful Price/100	75.7542
Weighted Average Price for Successful Bids	78.2026
Weighted Average Yield to Maturity	15.8486
Weighted Average Coupon Yield	14.6287
Amount Offered Tshs (000,000)	25,000.00
Amount Tendered Tshs (000,000)	42,002.00
Undersubscribed (+) / Oversubscribed (-) Tshs (000,000)	17,002.00
Successful Amount Tshs (000,000)	40,598.10

Secondary Market

During the week, there was a 11.44%, ten year, Treasury bond worth TZS 5.1 bln traded at a price of TZS 89.8800/100

Below are bonds on offer in the secondary market:

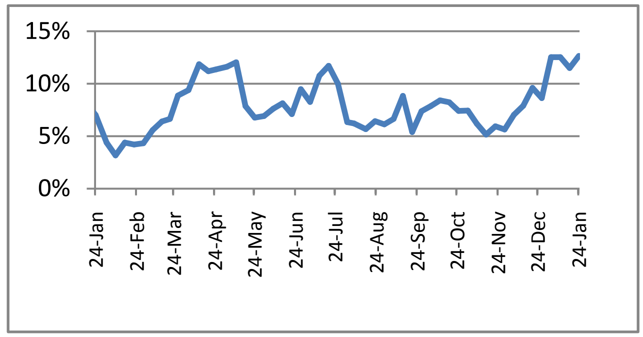
Issue Date(M/Y)	Maturity Date(M/Y)	Face Value	Tenor	Yield (ASK) %
02/2012	02/2022	0.5bn	10-year	15.60
10/2013	10/2023	2.0bn	10-year	15.20
06/2012	06/2022	1.0bn	10-year	15.60
11/2013	11/2020	3.0bn	7-year	15.10
09/2012	09/2019	1.5bn	7-year	15.30
11/2012	11/2019	2.0bn	7-year	15.30
06/2013	06/2020	1.0bn	7-year	15.40
03/2013	03/2020	3.0bn	7-year	15.20
03/2013	03/2020	1.5bn	7-year	15.20
01/2014	01/2016	1.5bn	2-year	14.50
01/2014	01/2016	1.5bn	2-year	14.50

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 12.65%, higher than 11.49% recorded last week, as depicted in the chart below:

Interbank Borrowing Rates (WAR)

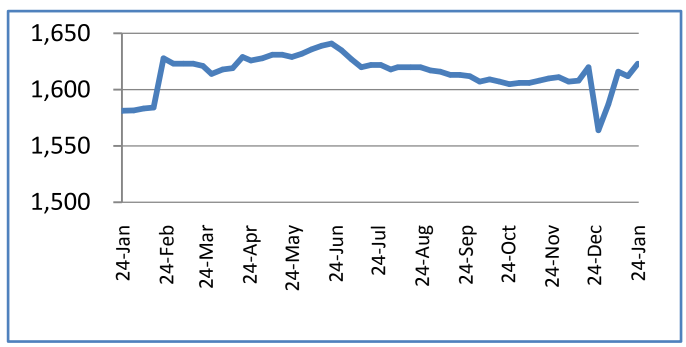


Source: BOT

C. Foreign Exchange

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

Foreign Exchange – TZS/USD



Source: BOT

Foreign Exchange Market – Four weeks trend

	03-Jan 2014	10-Jan 2013	17-Jan 2014	24-Jan 2014
TZS/USD	1,587.00	1,616.00	1,612.00	1,623.00
TZS/GBP	2,612.25	2,663.42	2,662.93	2,694.00
TZS/KES	18.23	18.63	18.79	18.89