# WEEKLY MARKET COMMENTARY

## 24th Feb 2014 – 28st Feb 2014

### A. Equity

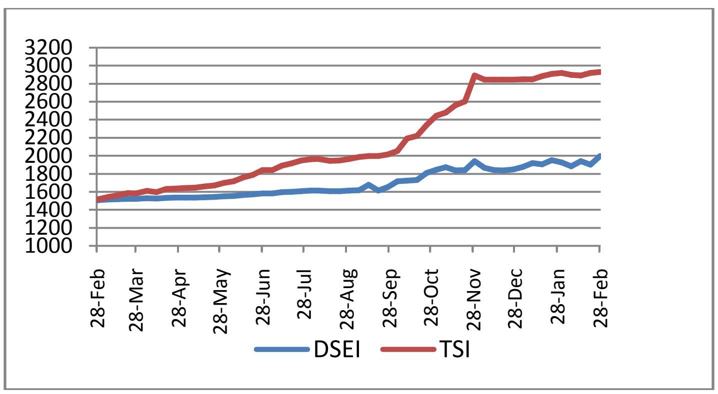
### Market Performance

Activity in the market this week was quite lower in comparison to last week's trading. Week-on-week turnover sloped down to TZS 504 mln (-46.83%) from last week's TZS 948 mln. Activity levels slowed to 706,301 shares – a sharp decline of 73.0% compared to last week's performance where 2,614,176 shares exchanged hands.

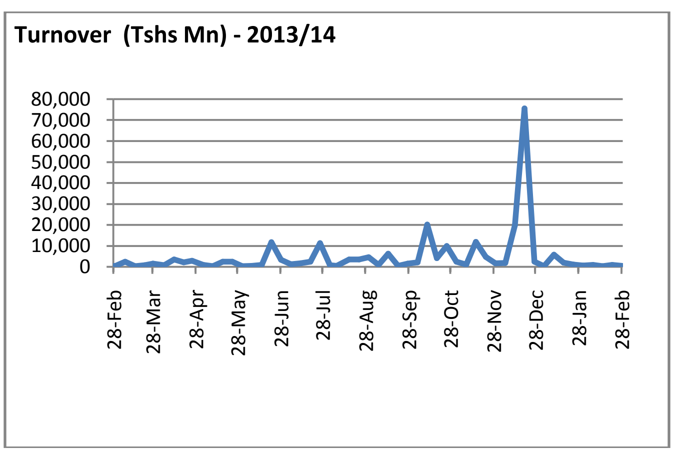
All Indices closed the week in green. The TSI settled at 2,928.29 points (+0.33%) while the DSEI closed at 1,995.32 points (+4.94%).

The Banking segment Index settled at 2,674.27 points (+1.51%) stronger than the previous week's due to gains made on the CRDB (+1.58%) and NMB (+1.50%) counters. However, the Industrial & Allied Index ended the week at 3,459.38 points, slightly lower than last week, pulled down by the Twiga counter that lost to close the week at TZS 2,500.

Market Performance




***Source: DSE and TSL Analysis***




***Source: DSE and TSL Analysis***

### Statistics – Equity

| **Total - Week Ending** | **Feb-21 2014** | **Feb-28 2014** | **% Change** |
|---|---|---|---|
| **Market** | | | |
| Turnover in Million (TZS) | 948 | 504 | -46.83% |
| Volume of Shares in '000 | 2,614 | 706 | -73.0% |
| DSEI | 1,901.44 | 1,995.32 | +4.94% |
| TSI | 2,918.80 | 2,928.29 | +0.33% |
| **Banks, Finance, & Services** BI | 2,634.56 | 2,674.27 | +1.51% |
| **Industrial and Allied** IA | 3,469.08 | 3,459.38 | -0.27% |

***Source: DSE***

### Outlook:

Looking ahead, we expect the market to maintain medium-to-high activity levels backed by improving liquidity in the economy and expected dividend announcements.

Also, in the next few weeks more listed companies will be reporting their 2nd half, 2013 results which might lead to initiation of speculative activities in the Industrial segment.

This week's Treasury bill auction results witnessed oversubscription of 269.3%. The government intended to raise TZS 130.5 bln but ended up accepting only TZS 182.10 bln of the 482.04 bln tendered. We anticipate another oversubscription in the next week's Treasury Bonds auction.

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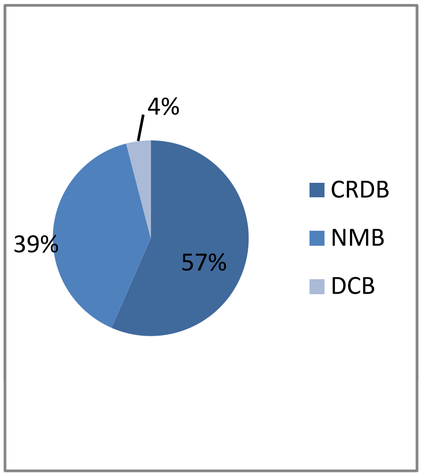
**Bank, Finance & Investment Sector (BI)**

This week the Banking segment activities was illiquid compared to the previous week. The segment contributed 66% of the total turnover and 93% of the market activity recorded during the week.




CRDB counter maintained its lead on the banking segment as it traded 582,975 shares closing the week at TZS 320.

NMB had 48,655 shares that exchanged hands during the week at a prices of TZS 2,660, TZS 2,680, TZS 2,740 and ended the week at TZS 2,700.

DCB counter traded 28,000 shares at a price of TZS 490 per share.

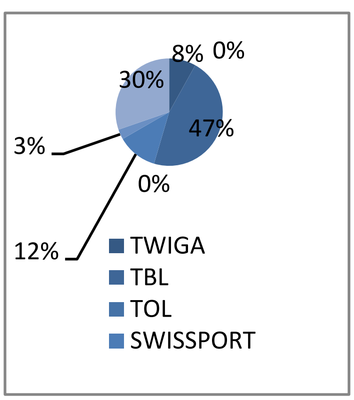
MBP counter traded 400 shares at TZS 600.

**Industrial and Allied Sector (IA)**

The Industrial and Allied Segment posted a higher turnover and volume compared to the previous week.

Simba was the most active counter in the Industrial sector, this week. The counter traded 20,600 shares during the week at prices of TZS 2,440 and TZS 2,460 per share.

TBL followed with 9,819 shares transacted at prices of TZS 8,000 and TZS 8,100.




Swissport counter had 7,740 shares transacted at a price of TZS 2,700.

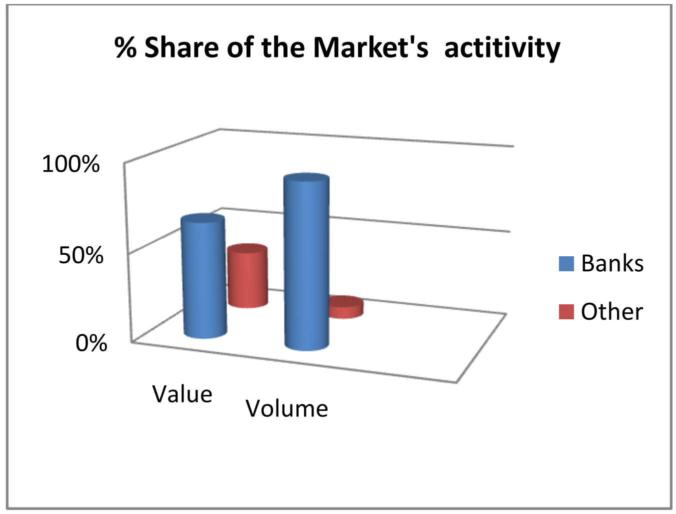
Twiga counter traded 5,400 shares and closed the week down at a price of TZS 2,500.

TOL counter had 1,700 shares traded at a price of TZS 305, higher than the previous week's.

TCC counter traded 236 shares at a price of TZS 8,820

Tatepa traded 512 shares at a price of TZS 650.

There were no activities the PAL counter during the week.




***Source: DSE and TSL Analysis***

**Banking Sector Share Prices (in TZS)**

| Counter | 21.02.2014 | 28.02.2014 | %Changes |
|---|---|---|---|
| **DCB** | 490.00 | 490.00 | 0.00% |
| **NMB** | 2,660.00 | 2,700.00 | +1.50% |
| **CRDB** | 315.00 | 320.00 | +1.58% |
| **MBP** | 600.00 | 600.00 | 0.00% |

***Source: DSE and TSL Analysis***

**IA Share Prices (in TZS)**:

| Counter | 21.02.2014 | 28.02.2014 | % Changes |
|---|---|---|---|
| **TOL** | 300.00 | 305.00 | +1.67% |
| **TBL** | 8,100.00 | 8,100.00 | 0.00% |
| **TTP** | 650.00 | 650.00 | 0.00% |
| **PAL** | 475.00 | 475.00 | 0.00% |
| **TCC** | 8,800.00 | 8,820.00 | +0.23% |
| **SIMBA** | 2,440.00 | 2,460.00 | +0.82% |
| **TWIGA** | 2,580.00 | 2,500.00 | -3.10% |
| **SWISSPORT** | 2,700.00 | 2,700.00 | 0.00% |

***Source: DSE and TSL Analysis***

## B. Fixed Income Securities

### Primary Market

This week the Government through BOT auctioned Treasury bills worth TZS 130.5 billion. The auction results show an oversubscription of 269.3%. Yields for the 91-days, 182-days and 364-days eased down. The yield on the 35-day tenor eased up to 7.33%.

The auction result is as depicted in the table below;

| | 35 Days | 91 Days | 182 Days | 364 Days |
|---|---|---|---|---|
| Minimum Successful Price/100 | 99.25 | 96.78 | 93.54 | 87.79 |
| Weighted Average Price (WAP) for successful Bid | 99.30 | 96.80 | 93.61 | 87.93 |
| Weighted Average Yield (WAY) % per Annum | 7.33 | 13.26 | 13.70 | 13.77 |
| Amount Offered TZS (000,000) | 500 | 30,000 | 45,000 | 55,000 |
| Total Tendered TZS (000,000) | 1,000 | 109,511 | 144,670 | 226,860.0 |
| Undersubscribed(+) Oversubscribed(-) TZS(000,000) | 4,000.00 | -79,511 | -99,670.3 | -171,860 |
| Successful Bids TZS(000,000) | 1,000.00 | 30,000 | 45,000.00 | 106,105.00 |

### Secondary Market

Bonds worth TZS 10.0 billion exchanged hands during the week in the secondary market as depicted below:

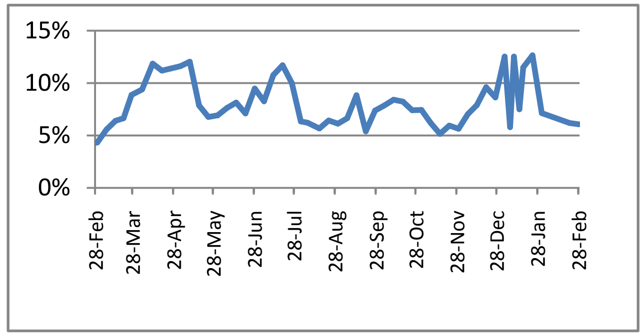
| Tenor | Face Value (Tshs.) | Price/100 |
|---|---|---|
| 11.44% Ten-Year | 6.0bn | 83.9330-84.1010 |
| 9.18% Five-Year | 2.0bn | 88.1000 |
| 10.08% Seven-Year | 1.0bln | 80.7000 |
| 10.08% Seven-Year | 1.0bln | 82.8750 |

***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 dropped further to 6.05% compared to 6.2% recorded last week, as depicted in the chart below:

**Interbank Borrowing Rates (WAR)**

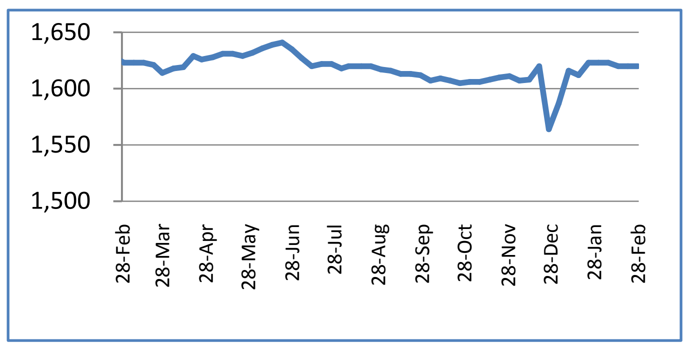



***Source: BOT***

## C. Foreign Exchange

This week, the shilling remained stable against the USD as indicated in the chart and table below:

**Foreign Exchange – TZS/USD**




***Source: BOT***

**Foreign Exchange Market – Four weeks trend**

| | 07-Feb 2014 | 14-Feb 2013 | 21-Feb 2014 | 28-Feb 2014 |
|---|---|---|---|---|
| **TZS/USD** | 1,623.00 | 1,620.00 | 1,620.00 | 1,620.00 |
| **TZS/GBP** | 2,650.00 | 2,698.50 | 2,707.50 | 2,707.50 |
| **TZS/KES** | 18.83 | 18.80 | 18.90 | 18.80 |