



Tanzania Securities Limited

Stock Brokers | Investment Advisers | Fund Managers

MEMBER OF THE DAR ES SALAAM STOCK EXCHANGE

A. Equity

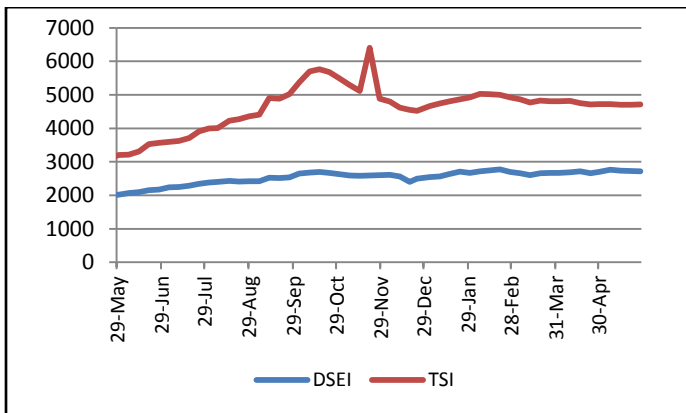
Market Performance

Turnover and activity this week recorded a weaker performance. The weekly turnover was TZS 7,207.71 million, a (-90.23%) a decline from previous week's turnover of TZS 73,788.64 million. Likewise, shares traded dropped to 1,517,444 Shares compared to last week's 6,631,121 shares.

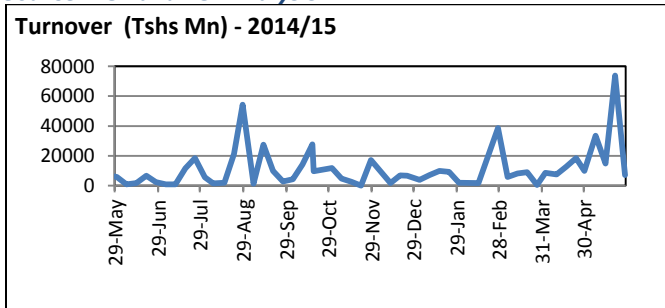
The DSEI depreciated towards the end of the week, closed at 2,715.23 lower by -0.52% points. The TSI continued with the recovery went up to 4,714.76 points (+0.15%), pulled up by gain on prices of Swiss port and CRDB by 5,710 and 430.

The Banking segment Index strengthened from last week's to 3,579.09 points (+0.39%) on the backdrop of a gain posted on CRDB counter(+1.18). Industrial & Allied Index remained flat to 6,069.87 points due to some counters.

Shares Indices



Source: DSE and TSL Analysis



Source: DSE and TSL Analysis

WEEKLY MARKET COMMENTARY 25th May 2015 – 29th May 2015

Statistics – Equity

| Total - Week Ending | May 22 2015 | May-29 2015 | % Change |
|--------------------------------------|-------------|-------------|----------|
| Market | | | |
| Turnover in Million (TZS) | 73,788.64 | 7,207.71 | -90.23% |
| Volume of Shares in '000 | 6,631,121 | 1,517,444 | -77.12% |
| DSEI | 2,729.48 | 2,715.23 | -0.52% |
| TSI | 4,707.70 | 4,714.76 | +0.15% |
| Banks, Finance & Services | | | |
| BI | 3,565.09 | 3,579.09 | +0.39% |
| Industrial and Allied | | | |
| IA | 6,069.87 | 6,069.87 | 0.00% |

Source: DSE

Outlook:

We foresee a continued upside trajectory with profit taking motives by investors keen to cash on the price surge currently witnessed buoyed by dividend announcements in some counters.

The 2-year Treasury Bond results of this week's auction witnessed lower preference in government securities by investors. Although the yield to maturity was higher than the last similar auction, there was an undersubscription by 7.56 percent, which may indicate liquidity issues amongst investors. We envisage seeing the same trend on the next Wednesday's Treasury Bills Auction.

The Interbank Money Market front has yields/rates continuing with an upward trend, signaling liquidity tightness in the market.

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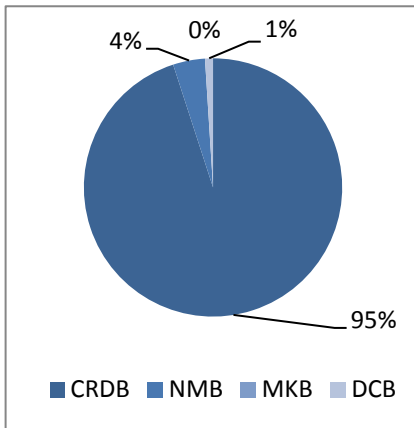
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Bank, Finance & Investment Sector (BI)

The Banking segment was more liquid this week on market activity and less liquid on turnover compared to the Industrial and Allied segment. The segment contributed 8% of the total turnover and 69% of the market activity.



This week CRDB counter was the most active counter on the Banking segment. The counter transacted

994,361 shares closing the week at TZS 430 per share.

NMB followed with 47,047 shares that exchanged hands during the week and closed at a price of TZS 3,500 per share.

DCB had 6,614 shares that transacted during the week. The counter closed the week at TZS 700.00 per share.

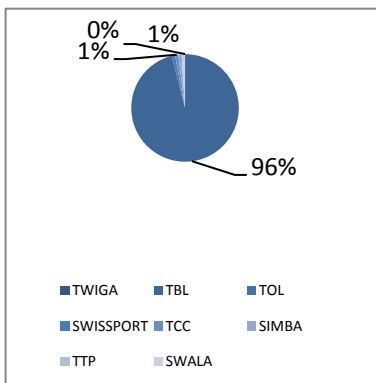
MKCB had 120 shares transacted closed the week at TZS 1,200 per share. There was no activities on MBP counter.

Industrial and Allied Sector (IA)

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

TBL was the most active counter on this segment this week with 449,160 shares traded, closing the week at TZS 14,500 per share.

Swala followed with 5,850 shares transacted, closing the week at TZS 550.



Swiss port had 3,647 shares transacted, closing the week at a price of TZS 5,710 per share.

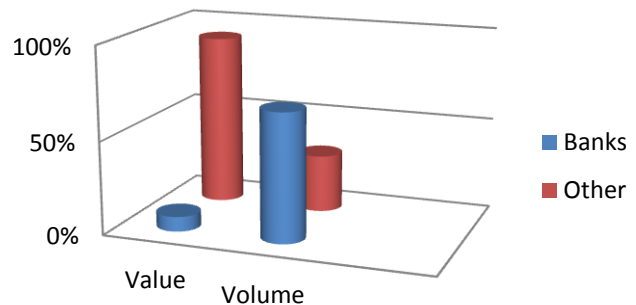
Simba closed the week at TZS 3,810 trading a total of 3,570 shares.

TCC transacted 3,524 shares, closing the week at TZS 16,500 per share.

TOL counter traded 2,230 shares, closing the week at TZS 585 per share. Twiga counter traded 1,321 shares, closing the week at TZS 3,500 per share.

There were no activities on the PAL and TTP counter.

% Share of the Market's activity



Source: DSE and TSL Analysis

Banking Sector Share Prices (in TZS)

| Counter | 22.05.2015 | 29.05.2015 | %Changes |
|---------|------------|------------|----------|
| DCB | 700.00 | 700.00 | 0.00% |
| NMB | 3,600.00 | 3,530.00 | -1.94% |
| CRDB | 425.00 | 430.00 | +1.18% |
| MBP | 600.00 | 600.00 | 0.00% |
| MKCB | 1,200.00 | 1,200.00 | 0.00% |

Source: DSE and TSL Analysis

IA Share Prices (in TZS)

| Counter | 22.04.2015 | 29.05.2015 | % Changes |
|-----------|------------|------------|-----------|
| TOL | 585.00 | 585.00 | 0.00% |
| TBL | 14,500.00 | 14,500.00 | 0.00% |
| TTP | 650.00 | 650.00 | 0.00% |
| PAL | 470.00 | 470.00 | 0.00% |
| TCC | 16,500.00 | 16,500.00 | 0.00% |
| SIMBA | 3,810.00 | 3,810.00 | 0.00% |
| TWIGA | 3,500.00 | 3,500.00 | 0.00% |
| SWISSPORT | 5,600.00 | 5,710.00 | +1.96% |
| SWALA | 550.00 | 550.00 | 0.00% |

Source: DSE and TSL Analysis



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B. Fixed Income Securities

Primary Market

This week's 2-year Government bond yield increased to 14.01% compared to 12.29%, the previous 2- year bond auction held on 18th March 2015 was undersubscribed by 7.56%. The government intended to raise TZS 55.0 bln, but receiving bids worth TZS 50.84 bln. However, the government maintain its target by accepting only TZS 50.84bln.

The auction result is as depicted in the table below;

| | |
|---|-----------|
| Highest Bid /100 | 92.8651 |
| Lowest Bid /100 | 86.4534 |
| Minimum Successful Price/100 | 86.4534 |
| Weighted Average Price for Successful Bids | 89.4835 |
| Weighted Average Yield to Maturity | 14.0107 |
| Weighted Average Coupon Yield | 8.7390 |
| Amount Offered Tshs (000,000) | 55,000.00 |
| Amount Tendered Tshs (000,000) | 50,844.50 |
| Undersubscribed (+) / Oversubscribed (-) Tshs (000,000) | 4,155.50 |
| Successful Amount Tshs (000,000) | 50,844.50 |

Secondary Market

Bond worth TZS 16.18 billion exchanged hands during the week in the secondary market as depicted below:

| Tenor | Face Value (Tshs.) | Price/100 |
|----------------|--------------------|-----------|
| 13.50% 15-Year | 6bln | 80.5534 |
| 11.44% 10-Year | 1.66bln | 75.4893 |
| 10.08% 7-Year | 1.5bln | 78.8502 |
| 9.18% 5-Year | 1bln | 86.4582 |
| 9.18% 5-Year | 3bln | 88.5604 |
| 10.08% 7-Year | 0.02bln | 92.0791 |
| 10.08% 7-Year | 2bln | 83.3492 |
| 10.08% 7-Year | 1bln | 65.5614 |

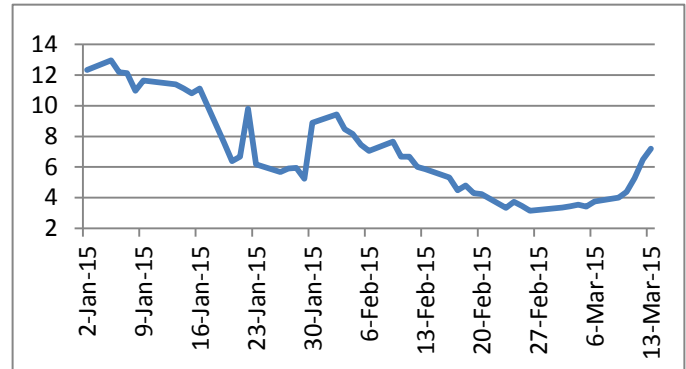
About the Weekly Update report:

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 Interbank rate towards the end of the week increase to 7.88% from 5.00% recorded in the previous week as shown in the chart below:

Interbank Borrowing Rates (WAR)

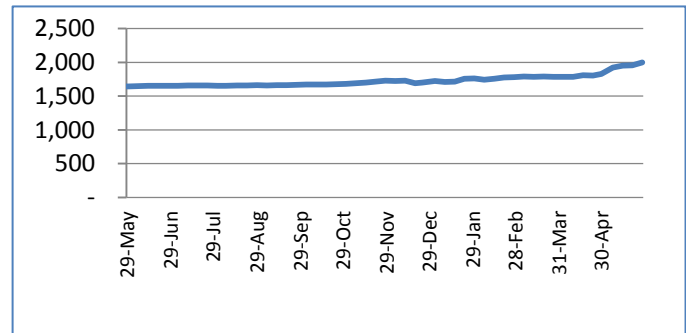


Source: BOT

C. Foreign Exchange

The shilling continued to loose ground against the greenback as indicated in the chart and table below:

Foreign Exchange – TZS/USD



Source: BOT

Foreign Exchange Market – Four weeks trend

| | 30-April 2015 | 08-May 2015 | 15-May 2015 | 22-May 2015 |
|----------------|---------------|-------------|-------------|-------------|
| TZS/USD | 1,921.12 | 1,950.19 | 1,954.47 | 1,997.15 |
| TZS/GBP | 2,924.33 | 3,079.74 | 3,064.01 | 3,049.75 |
| TZS/KES | 20.14 | 20.30 | 20.21 | 20.44 |