



Tanzania Securities Limited

Stock Brokers | Investment Advisers | Fund Managers

MEMBER OF THE DAR ES SALAAM STOCK EXCHANGE

A. Equity

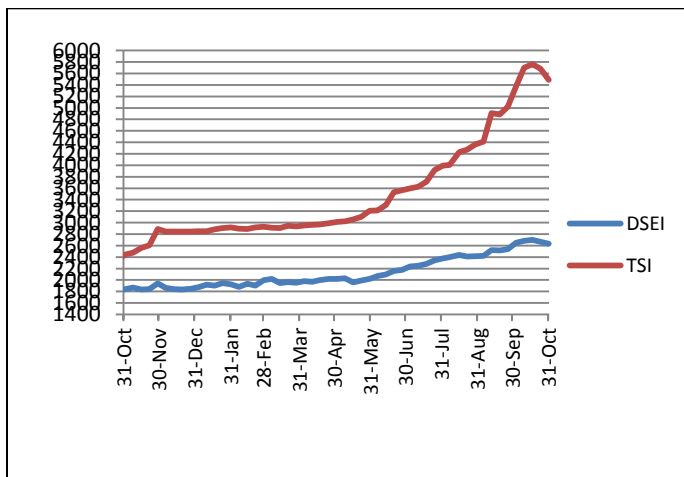
Market Performance

Indices closed the week in red. The DSEI ended the week 1.35% lower at 2,632.05 points while TSI closed the week at 5,486.68 points (-3.43%) dragged down by losses made on the TBL, TCC, Swala, Twiga, NMB, and Simba counters of -11.5%; -3.6%; -11.3%; -1.5%; -2.1%; and -11.3%; respectively.

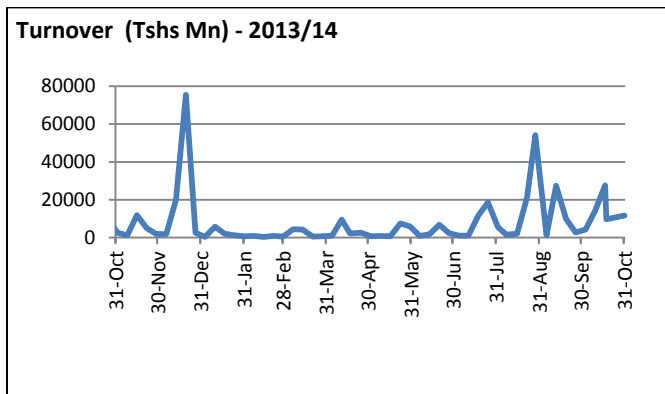
The week recorded a stronger performance than last week's. The weekly turnover was TZS 11,766 million, a substantial improvement from the previous week's turnover of TZS 9,731 million. Activity levels were also up 1.2x with 6,069,678 shares traded from last week's number of 5,123,545 shares.

The Banking segment Index weakened to close the week at 4,415.22 points, dragged down by NMB counter. The Industrial & Allied Index also lost (-4.36%) to close at 6,952.53 points brought down by Twiga, Swala, Simba, TCC and TBL counters.

Market Performance



Source: DSE and TSL Analysis



Source: DSE and TSL Analysis

WEEKLY MARKET COMMENTARY

27th Oct 2014 – 31st Oct 2014

Statistics – Equity

Total - Week Ending	Oct-24 2014	Oct-31 2014	% Change
Market			
Turnover in Million (TZS)	9,731	11,766	+20.91%
Volume of Shares in '000	5,123	6,069	+18.47%
DSEI	2,668.18	2,632.05	-1.35%
TSI	5,681.77	5,486.68	-3.43%
Banks, Finance & Services			
BI	4,482.89	4,415.22	-1.51%
Industrial and Allied			
IA	7,269.48	6,952.53	-4.36%

Source: DSE

Outlook:

Indices dropped this week due to price decreases in some counters amid increase in supply. The counters that lost most were Swala, Simba and TBL. Despite the down fall, turnover and activities improved, driven mostly by BI segment which seems to have price growth prospects.

The 2-year Treasury Bond's yield was slightly higher than the last auction, and there was an oversubscription by 52% indicating high demand in the market. We envisage seeing the same trend on the next Wednesday's Treasury Bills Auction.

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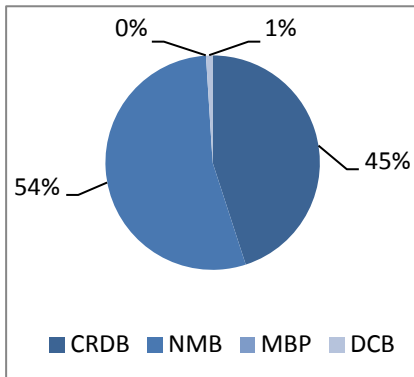
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Bank, Finance & Investment Sector (BI)

This week the Banking segment was more active compared to the previous week but illiquid compared to the Industrial and Allied segment. The segment contributed 90% of the total turnover and 28% of the market activity.



CRDB counter was the most active counter on the segment this week. The counter transacted 5,351,477 shares closing the week at TZS

500 per share.

NMB had 129,456 shares that exchanged hands during the week, closing the week down at TZS 4,620 per share.

DCB counter traded 51,521 shares, closing up at TZS 600 per share.

MBP counter traded 1,000 shares at a price of TZS 600 per share.

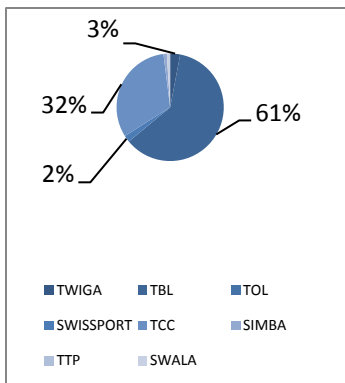
Industrial and Allied Sector (IA)

Industrial & Allied segment was more liquid compared to Banking Segment this week.

TBL was the top mover with 325,190 shares traded closing the week down at TZS 16,000 per share.

TCC followed with 177,530 shares transacted at TZS 17,760; TZS 16,210; TZS 16,300 and closed the week at TZS 16,180 per share.

Twiga lost to TZS 4,500 this week, trading a total of 54,680 shares.



TOL had 50,000 shares that exchanged hands during the week. The counter's price gained to TZS 575 per share.

Swissport counter's price remained constant at TZS 5,060 per share, transacting a total of 33,905 shares.

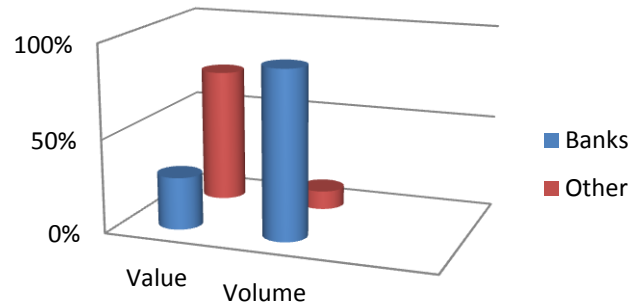
Swala's price continued to depreciate this week also.

The counter closed the week at TZS 1,650, transacting 28,437 shares.

Simba counter traded 17,033 shares. The counter's price lost to close the week at TZS 5,500 per share.

There were no activities on the PAL and Tatepa counters during the week.

% Share of the Market's activity



Source: DSE and TSL Analysis

Banking Sector Share Prices (in TZS)

Counter	24.10.2014	31.10.2014	%Changes
DCB	560.00	600.00	+7.14%
NMB	4,720.00	4,620.00	-2.12%
CRDB	500.00	500.00	0.00%
MBP	600.00	600.00	0.00%

Source: DSE and TSL Analysis

IA Share Prices (in TZS)

Counter	24.10.2014	31.10.2014	% Changes
TOL	500.00	575.00	+15.00%
TBL	17,840.00	16,000.00	-11.50%
TTP	650.00	650.00	0.00%
PAL	475.00	475.00	0.00%
TCC	16,780.00	16,180.00	-3.58%
SIMBA	6,200.00	5,500.00	-11.29%
TWIGA	4,570.00	4,500.00	-1.53%
SWISSPORT	5,060.00	5,060.00	0.00%
SWALA	1,860.00	1,650.00	-11.29%

Source: DSE and TSL Analysis



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B. Fixed Income Securities

Primary Market

This week, the government auctioned a 2-year bond in the primary market. The Government intended to raise TZS 55.00 billion. However, they received bids amounting TZS 83.58 billion. WAY increased to 14.8336% from 14.1190% in the last auction on 21st Aug 2014.

Highest Bid /100	90.0421
Lowest Bid /100	81.5545
Minimum Successful Price/100	86.9065
Weighted Average Price for Successful Bids	88.2327
Weighted Average Yield to Maturity	14.8336
Weighted Average Coupon Yield	8.8629
Amount Offered Tshs (000,000)	55,000.00
Amount Tendered Tshs (000,000)	83,580.00
Undersubscribed (+) / Oversubscribed (-) Tshs (000,000)	-28,580.00
Successful Amount Tshs (000,000)	38,560.00

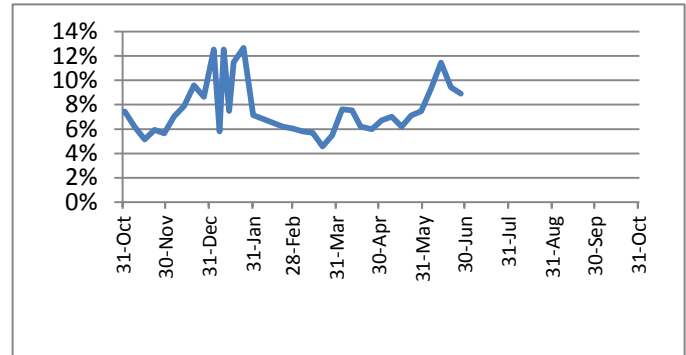
Secondary Market

There was no Treasury security traded on the secondary market during the week.

Money Market

The Overnight rate towards the end of the week decreased slightly to 9.10%, from 9.27% recorded in the previous week as shown in the chart below:

Interbank Borrowing Rates (WAR)

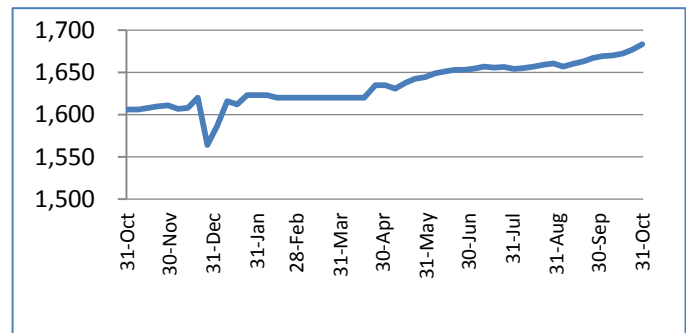


Source: BOT

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

	10-Oct 2014	17-Oct 2014	24-Oct 2014	31-Oct 2014
TZS/USD	1,670.15	1,672.51	1,677.13	1,683.39
TZS/GBP	2,701.97	2,677.10	2,687.09	2,693.18
TZS/KES	18.75	18.81	18.82	18.84

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