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

WEEKLY MARKET COMMENTARY

29th Sept 2014 – 03rd Oct 2014

A. Equity

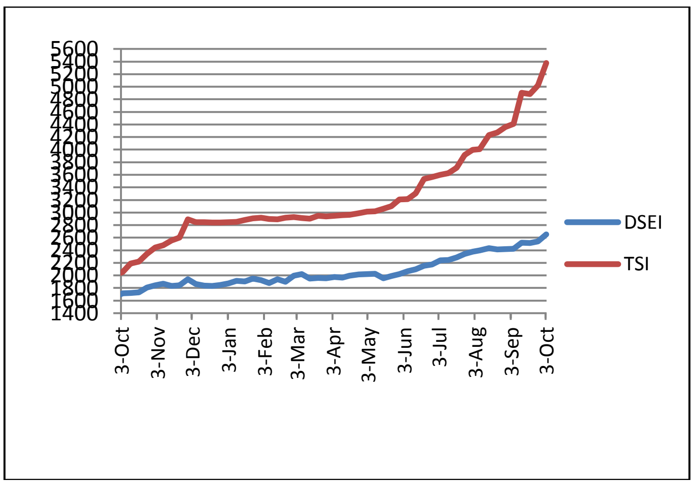
Market Performance

Turnover and activity levels this week were significantly stronger. Week-on-week, turnover improved to TZS 4,291 million, +56.26% up from the previous week's TZS 2,746 million. Whereas shares traded increased by 141.37% to 2,503,619 compared to the previous week's 1,037,236 shares.

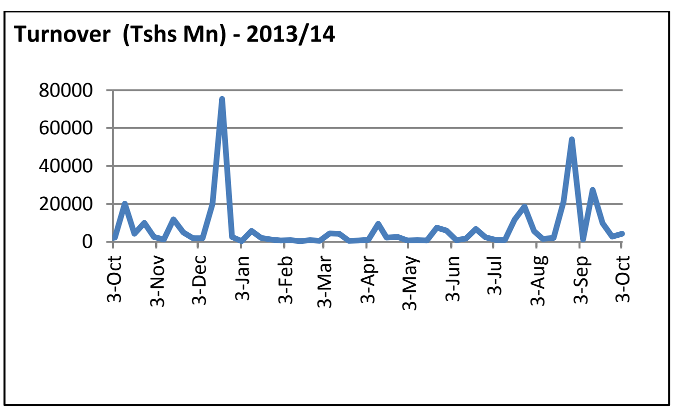
Both indices closed the week in green. The DSEI closed at 2,651.22 points (+4.41%). TSI closed at 5,375.65 points (+7.10%).

The Banking segment Index strengthened (+4.49%) to close the week at 3,903.71 points supported by the gains made on the CRDB (+3.45%) DCB (+3.00%) and NMB (+7.81%) counters. The Industrial & Allied Index also strengthened (+8.08%) to close at 7,122.57 points buoyed by TBL, TCC, Simba, Swala, Twiga and Swissport counters that gained to close at TZS 17,700; TZS 17,510; TZS 4,700; TZS 1,840; TZS 4,010 and TZS 4,300 respectively.

Market Performance



Source: DSE and TSL Analysis



Source: DSE and TSL Analysis

Statistics – Equity

Total - Week Ending	Sep-26 2014	Oct-03 2014	% Change
Market			
Turnover in Million (TZS)	2,746	4,291	+56.26%
Volume of Shares in '000	1,037	2,503	+141.37%
DSEI	2,539.15	2,651.22	+4.41%
TSI	5,019.47	5,375.65	+7.10%
Banks, Finance & Services BI	3,735.99	3,903.71	+4.49%
Industrial and Allied IA	6,590.37	7,122.57	+8.08%

Source: DSE

Outlook:

The bourse witnessed huge increases in prices in most of the counters. The change has been attributed to the increase in demand with supply maintaining its low level. We expect this trend to continue in the coming week with more interest coming from foreign investors who can now buy unlimited volumes.

The 5-Year Treasury Bond auctioned this week experienced an oversubscription of 15%, being a slight lower turnout compared to the previous 5 -year Treasury Bond auction that received 36% above the target. We expect more participation in the next week's Treasury Bills auction due to the short-term investors' preference on Government securities.

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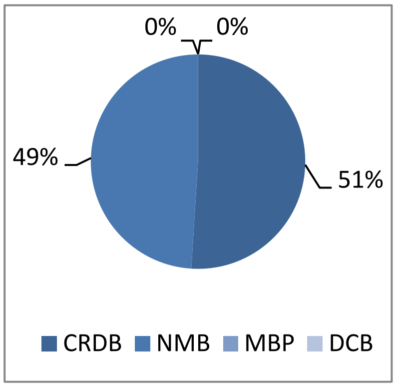
Bank, Finance & Investment Sector (BI)



The Banking Sector contributed 30% of the total turnover and 89% of the market activity recorded during the week.

CRDB counter was the most active counter on the segment this week. The counter transacted 2,073,167 shares closing the week up at TZS 345 per share.

NMB had 152,068 shares that exchanged hands during the week at prices of TZS 4,280; TZS 4,390; TZS 4,400; TZS 4,460 and closed the week at TZS 4,500 per share.

DCB counter closed the week at a price higher than the previous week's. TZS 515 per share, transacting 10,255 shares.

There were no activities on the MBP counter during the week.

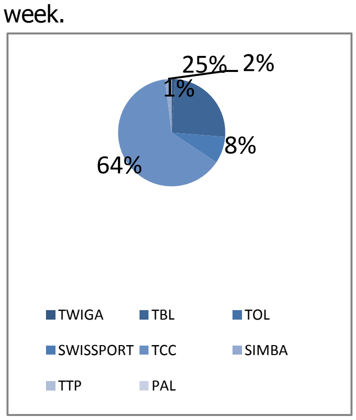
Industrial and Allied Sector (IA)

The Industrial and Allied Segment was more active this week compared to the previous week.

TCC was the most active counter this week. The counter traded 114,117 shares, closing the week up at TZS 17,510 per share.

Swissport followed with 57,186 shares transacted at prices of TZS 3,900; TZS 4,150; TZS 4,290 and TZS 4,300 per share.

TBL's price appreciated by 9.9%, closing the week at TZS 17,700 per share. The counter traded 44,626 shares during the week.

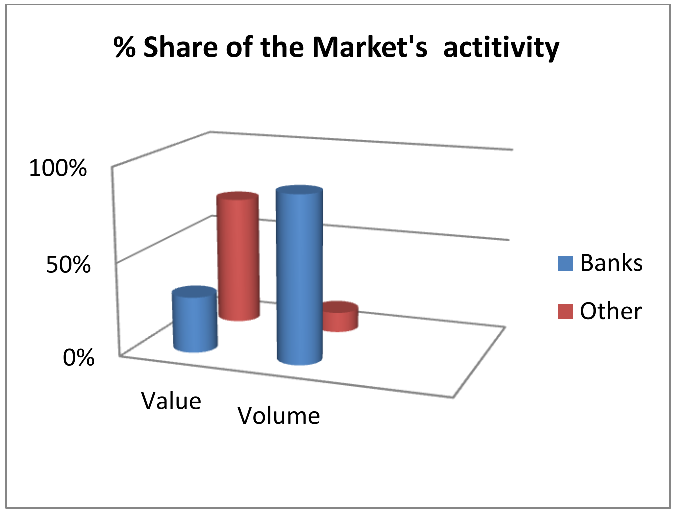


Swala counter had 11,831 shares that exchanged hands during the week. The counter's price gained by 104.4% closing the week at TZS 1,840 per share.

Simba counter traded 12,303 shares that traded at prices of TZS 4,280; TZS 4,310; TZS 4,500 and TZS 4,700 per share.

Twiga counter had 10,047 shares that exchanged hands during the week. The counter gained to close the week at TZS 4,010 per share.

TOL counter traded 4,000 shares at TZS 480 per share.



Source: DSE and TSL Analysis

Banking Sector Share Prices (in TZS)

Counter	26.09.2014	03.10.2014	%Changes
DCB	500.00	515.00	+3.00%
NMB	4,350.00	4,500.00	+3.45%
CRDB	320.00	345.00	+7.81%
MBP	600.00	600.00	0.00%

Source: DSE and TSL Analysis

IA Share Prices (in TZS)

Counter	26.09.2014	03.10.2014	% Changes
TOL	480.00	480.00	0.00%
TBL	16,100.00	17,700.00	+9.93%
TTP	650.00	650.00	0.00%
PAL	475.00	475.00	0.00%
TCC	17,000.00	17,510.00	+3.00%
SIMBA	4,110.00	4,700.00	+14.36%
TWIGA	3,790.00	4,010.00	+5.80%
SWISSPORT	3,800.00	4,300.00	+13.16%
SWALA	900.00	1,840.00	+104.44%

Source: DSE and TSL Analysis

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

B. Fixed Income Securities

Primary Market

This week the Government through BOT auctioned a Five-Year Treasury bond worth TZS 62 billion. The auction results show an oversubscription of 15.6%. Weighted Average Yield increased to 15.9993% compared to 15.6842% in the previous auction on 23rd July 2014.

The auction result is as depicted in the table below;

Highest Bid /100	79.1300
Lowest Bid /100	73.6718
Minimum Successful Price/100	74.3993
Weighted Average Price for Successful Bids	77.1206
Weighted Average Yield to Maturity	15.9993
Weighted Average Coupon Yield	11.9034
Amount Offered Tshs (000,000)	62,000.00
Amount Tendered Tshs (000,000)	71,698.20
Undersubscribed (+) / Oversubscribed (-) Tshs (000,000)	9,698.20
Successful Amount Tshs (000,000)	62,000.00

Secondary Market

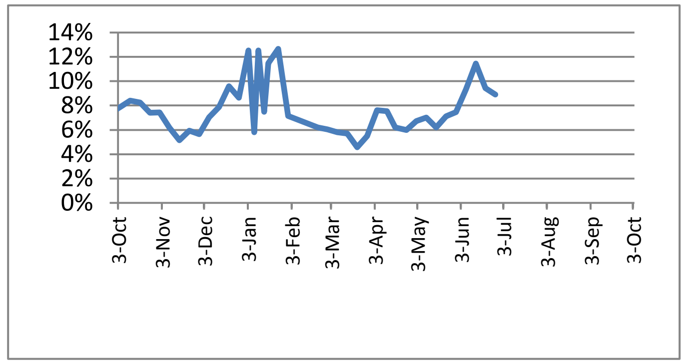
Bonds worth TZS 11.50 billion exchanged hands in the secondary market during the week with prices as indicated in the table below:

Tenor	Face Value (TZS)	Price/100
10.08% 7-Year	4.0bn	78.4422-78.6430
11.44% 10-Year	1.0bn	82.1520
10.08% 7-Year	4.5bn	80.7066
11.44% 10-Year	2.0bn	84.1032

Money Market

The Overnight rate towards the end of the week increased to 5.91%, from 3.39% recorded in the previous week as shown in the chart below:

Interbank Borrowing Rates (WAR)

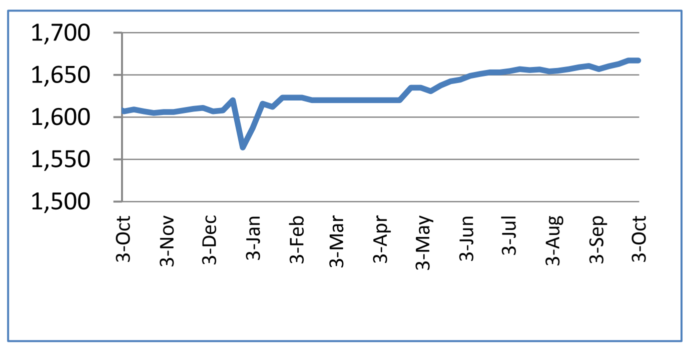


Source: BOT

C. Foreign Exchange

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

Foreign Exchange – TZS/USD



Source: BOT

Foreign Exchange Market – Four weeks trend

	12-Sep 2014	19-Sep 2014	26-Sep 2014	03-Oct 2014
TZS/USD	1,660.40	1,663.13	1,667.09	1,669.51
TZS/GBP	2,699.15	2,722.37	2,721.77	2,697.02
TZS/KES	18.69	18.68	18.70	18.70