



A. Equity

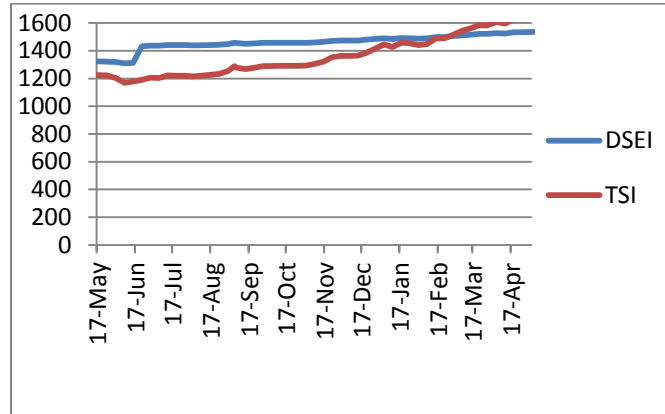
Market Performance

The market was bullish during the week buoyed by active trading on banking segment (CRDB) and the industrial segment (Twiga). Week -on-week turnover registered a substantial increase from Tshs.395 million recorded last week to Tshs.2,428 million (+514.68%). Shares traded rose to 9,089,799 shares (+478.55%) from last week's 1,571,552 shares. The week's increase in turnover and volume was mainly supported by CRDB counter that accounted 66% of the total turnover and 96% of the week's volume. Foreign investors participated significantly by Tshs.471 million (19%) of the total week's turnover.

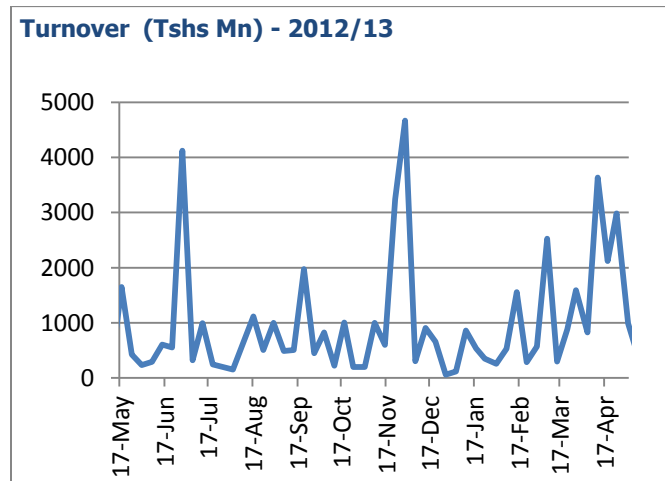
Indices edged up with both DSEI and TSI ending the week in the green. The DSEI ended the week 0.22% higher at 1,539.95 points while TSI closed the week at 1,660.15 points (+0.87%) supported by gains made in the NMB (+1.37%), CRDB (+2.82%), TTP (+9.09%) and TCC counter that gained by 0.66%. Other counters remained flat all through the week.

The Banking Segment Index strengthened further to settle at 1,517.29 points from 1,483.44 points in the previous week while the Industrial & Allied Index improved to 1,901.81 points from last week's 1,898.63 points.

Market Performance



Source: DSE and TSL Analysis



WEEKLY MARKET COMMENTARY

13th May – 17th May 2013

Statistics – Equity

Total - Week Ending	May-10 2013	May-17 2013	% Change
Market			
Turnover in Million (Tshs)	395	2,428	+514.68%
Volume of Shares in '000	1,571	9,089	+478.55%
DSEI	1,536.58	1,539.95	+0.22%
TSI	1,645.89	1,660.15	+0.87%
Banks, Finance, & Services			
BI	1,483.44	1,517.29	+2.28%
Industrial and Allied			
IA	1,898.63	1,901.81	+0.17%

Source: DSE

Outlook:

In the week ahead we expect good support on the banking segment counters notably CRDB & NMB on the backdrop of the Q1,2013 financial result recently announced where they have posted impressive performance.

This week's 10-year bond witnessed undersubscription though yields continued with upward trajectory. However, we anticipate some more interest on the next week's treasury bills auction mainly backed by short term preference sentiment that we have continuously witnessed.

Liquidity improvement in the market has pushed down the interbank borrowing rates, thus we expect the interbank borrowing rates to keep on falling.

Analyst:

Upendo Lyatuu

+255 22 211 2807

+255 655 557 733

Upendo@tanzaniasecurities.co.tz



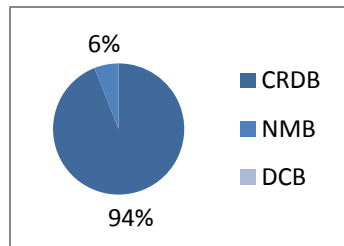
Bank, Finance & Investment Sector (BI)

The banking segment moved a significant volume of shares and high turnover during the week.

CRDB counter recorded significant gains this week. The counter gained 2.82% to end the week at Tshs.182.50 per share from last week's Tshs. 177.50 per share. 8,721,032 shares were exchanged hands in the counter (+488.53%) compared to last week where 1,481,831 shares were traded.

The counter saw significant foreign investors support that accounted for 28% of the counter's turnover.

NMB closed the week with a price of Tshs. 1,480. During the week the counter transacted 68,442 shares (+57.52%) higher than 43,450 shares of last week. Although volumes remained subdued, the count gains reflect local support buoyed by 2012 recently dividend announcement.

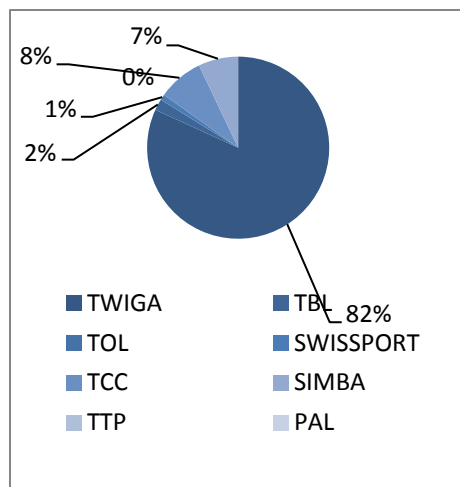


There was a small volume trade of 62,000 shares on DCB counter this week.

Industrial and Allied Sector (IA)

Twiga counter was the top mover this week with a turnover of Tshs.669.8 million from 253,699 shares, higher from last week's turnover of Tshs.26.1 million from 10,219 shares. The counter remained flat during the week.

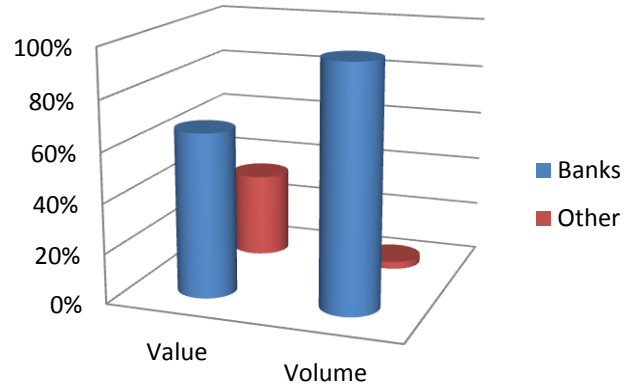
TBL moved 5,004 shares at Tshs.3,020 per share. Simba counter had 25,234 shares during the week transacted at Tshs.2,400 per share compared to 5,350 shares traded last week at Tshs.2,420 per share.



Swissport traded 4,641 shares during the week. TCC transacted 11,511 shares during the week at Tshs.6,040 from Tshs.6,000 last week. TATEPA traded 500 shares during the week at Tshs.600 (+9.09%) from

last week's Tshs.500. TOL had 200 shares during the week. There were no activities in Precision Air counters during the week.

% Share of the Market's activity



Source: DSE and TSL Analysis

Banking Sector Share Prices (in TZS)

Counter	10.05.2013	17.05.2013	%Changes
DCB	550.00	550.00	0.00%
NMB	1,460.00	1,480.00	+1.37%
CRDB	177.50	182.50	+2.82%

Source: DSE and TSL Analysis

IA Share Prices (in TZS):

Counter	10.05.2013	17.05.2013	% Changes
TOL	260.00	260.00	0.00%
TBL	3,020.00	3,020.00	0.00%
TTP	550.00	600.00	+9.09%
PAL	460.00	460.00	0.00%
TCC	6,000.00	6,040.00	+0.66%
SIMBA	2,420.00	2,400.00	+0.83%
TWIGA	2,640.00	2,640.00	0.00%
SWISSPORT	1,980.00	1,980.00	0.00%

Source: DSE and TSL Analysis



B. Fixed Income Securities

Primary Market

There was a 10-year Treasury bond market during the week. The Government intended to raise Tshs.46 billion. They received bids amounting Tshs.34.43 billion. WAYT increased from 14.2758% in the last auction [20th March 2013] to 15.2812%.

Highest Bid /100	88.1234
Lowest Bid /100	66.6892
Minimum Successful Price/100	74.1529
Weighted Average Price for Successful Bids	80.6282
Weighted Average Yield to Maturity	15.2812
Weighted Average Coupon Yield	14.1886
Amount Offered Tshs (000,000)	46,000.00
Amount Tendered Tshs (000,000)	34,425.00
Undersubscribed (+) / Oversubscribed (-) Tshs (000,000)	11,575.00
Successful Amount Tshs (000,000)	34,155.00

Secondary Market

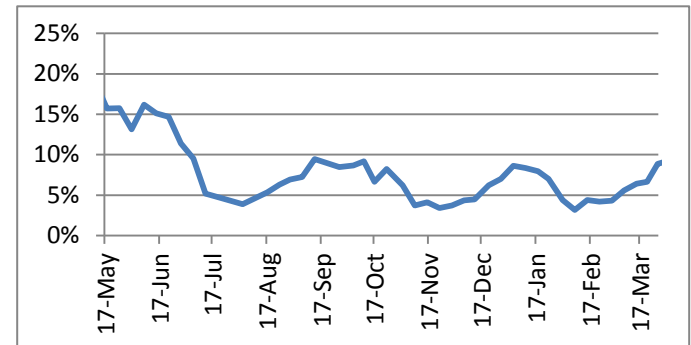
There was no primary market bonds activity during the week. However, below are bonds on offer for secondary trading:

Issue Date(M/Y)	Maturity Date(M/Y)	Face Value	Tenor	Yield (ASK) %
2/2013	2/2015	1.75bn	2 year	13.65
11/2012	11/2019	1.0bn	5 year	14.10
4/2013	4/2018	3.0bn	5 year	14.85
2/2013	2/2018	1.5bn	5 year	14.80
11/2012	11/2019	1.16bn	7 year	14.70
3/2013	3/2020	3.0bn	7 year	14.85
11/2012	11/2019	3.0bn	7 year	14.70
11/2012	11/2019	4.0bn	7 year	14.50
5/2013	5/2023	3.0bn	10 year	14.90

Money Market

Interbank borrowing rate towards the end of this week was 7.86%, lower than the 12.04% rate at the end of the week last week as depicted in the chart below:

Interbank Borrowing Rates (WAR)

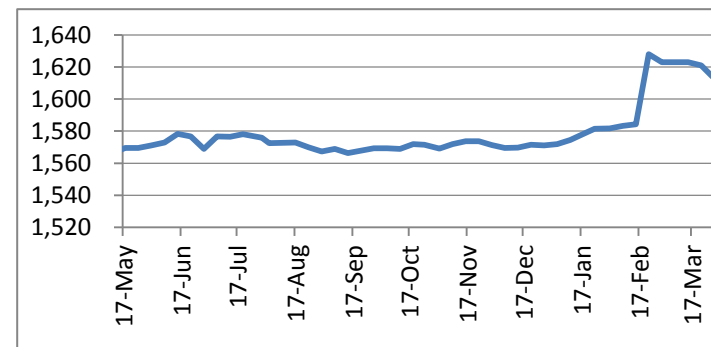


Source: BOT

C. Foreign Exchange

This week, the shilling remained stable against the US Dollar but gained against the GBP and KES as indicated in the chart and table below:

Foreign Exchange – TZS/USD



Source: BOT

Foreign Exchange – Four weeks trend

	25-Apr 2013	03-Apr 2013	10-May 2013	17-May 2013
TZS/USD	1,626.00	1,628.00	1,631.00	1,631.00
TZS/GBP	2,476.28	2,530.59	2,520.37	2,484.00
TZS/KES	19.43	19.43	19.46	19.44

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