



A. Equity

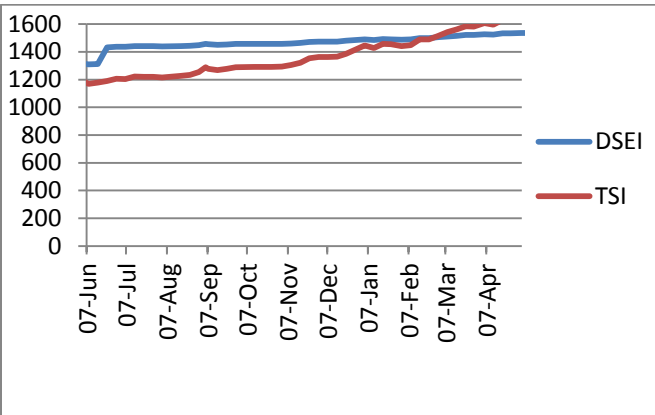
Market Performance

Week -on-week turnover increased to TZS 482 million (+53.02) compared to TZS 315 million recorded previous week. 11% of the turnover was attributed to the foreign investors. Shares traded rose to 1,510,774 shares (+56.80) from last week's 962,770 shares. The week's increase in turnover and volume was mainly supported by CRDB counter that accounted 80% of the total turnover and 93% of the week's volume.

Indices edged up with both DSEI and TSI ending the week in the green. The DSEI ended the week 0.29% higher at 1,553.49 points while TSI closed the week at 1,717.42 points (+1.12%) supported by gains made in the CRDB (+3.80%), TBL (+2.63%) and Precision Air counter that gained by 3.26%. Other counters remained flat all through the week.

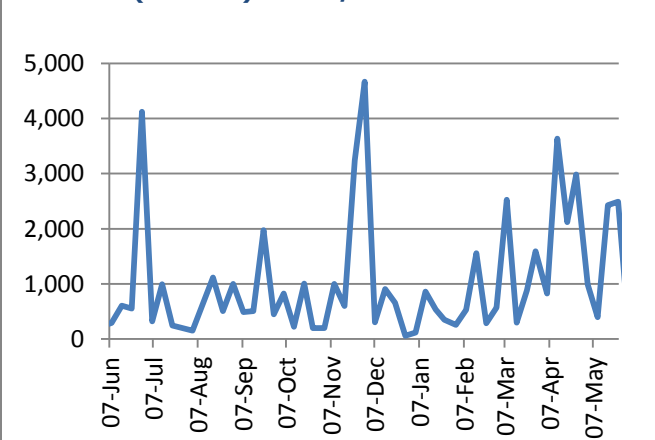
The Banking segment Index settled 1,634.07 points (+1.74%) stronger than previous week due to gains made on the CRDB counter (+3.80%). The Industrial & Allied Index gained 1.10% to end the week at 1,928.00 points buoyed by gains made on TBL and Precision Air counters.

Market Performance



Source: DSE and TSL Analysis

Turnover (Tshs Mn) - 2012/13



Source: DSE and TSL Analysis

WEEKLY MARKET COMMENTARY

03rd June – 07th 2013

Statistics – Equity

Total - Week Ending	May-31 2013	June-07 2013	% Change
Market			
Turnover in Million (Tshs)	315	482	+53.02%
Volume of Shares in '000	963	1,510	+56.80%
DSEI	1,549.00	1,553.49	+0.29%
TSI	1,698.42	1,717.42	+1.12%
Banks, Finance, & Services			
BI	1,606.08	1,634.07	+1.74%
Industrial and Allied			
IA	1,907.07	1,928.00	+1.10%

Source: DSE

Outlook:

Looking into next week, we anticipate continuing low-to-medium level of activity in the market. Banks counters are expected to record some improvement in the level of activity after the release of Q1,2013 financial results.

We anticipate further support on CRDB and NMB from foreign investors who have been dominant on the counters.

Analyst:

Upendo Lyatuu

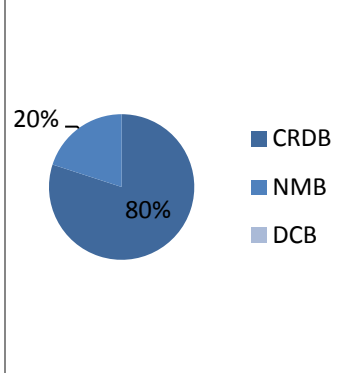
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Bank, Finance & Investment Sector (BI)



CRDB counter recorded a significant gain this week. The counter gained 3.80% to end the week at TZS 205 per share from last week's TZS 197.50 per share, the counter traded at TZS 200 and TZS 205 most of the week. 1,405,557 shares were exchanged hands in the counter (+58%) compared to last week where 887,672 shares were traded. The counter saw foreign investors' support that accounted for 15% of the counter's activity.

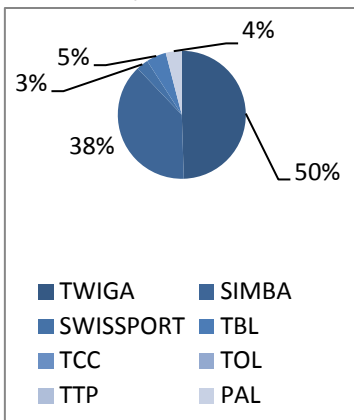
NMB closed the week with a price of TZS 1,580. During the week the counter transacted 45,716 shares slightly higher than 45,494 shares of last week.

There was no activity on DCB counter this week.

Generally, the banking sector moved a significant volume of shares during the week compared to the industrial and allied sector. 96% of the week activity and 73% of turnover was on the banking sector.

Industrial and Allied Sector (IA)

Twiga counter was the lead this week on the Industrial and Allied segment; the counter generated a turnover of TZS 64 million. 24,146 shares exchanged hands during the week mainly supported by local investors at TZS 2,640 per share. SIMBA traded 20,353 shares at a price of TZS 2,400 per share.

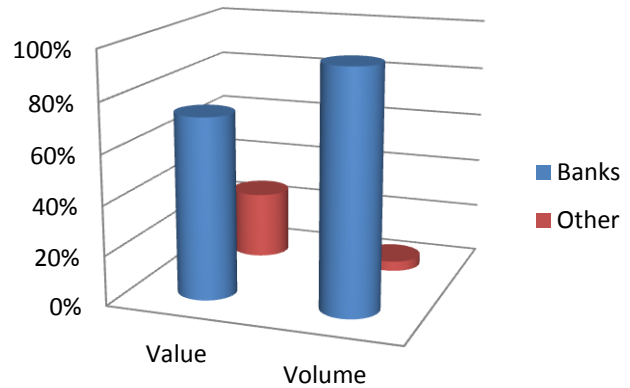


Precision Air moved 10,000 shares this week with its price gaining to TZS 475 per share. TBL counter traded 2,250 shares. the counter gained TZS 80.00 to close the week at TZS 1,980 per share.

SWISSPORT moved 1,903 shares with its price remained TZS 1,980 per share

TOL, TTP and TCC traded very minimal shares during the week.

% Share of the Market's activity



Source: DSE and TSL Analysis

Banking Sector Share Prices (in TZS)

Counter	31.05.2013	07.06.2013	%Changes
DCB	510.00	510.00	0.00%
NMB	1,580.00	1,580.00	0.00%
CRDB	197.50	205.00	+3.80%

Source: DSE and TSL Analysis

IA Share Prices (in TZS):

Counter	31.05.2013	07.06.2013	% Changes
TOL	260.00	260.00	0.00%
TBL	3,040.00	3,120.00	+2.63%
TTP	600.00	600.00	0.00%
PAL	460.00	475.00	+3.26%
TCC	6,040.00	6,040.00	0.00%
SIMBA	2,400.00	2,400.00	0.00%
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

Secondary Market

Bonds worth TZS 10.7 billion exchanged hands in the secondary market during the week with prices as indicated in the table below:

Tenor	Face Value (TZS)	Price/100
11.44% Ten-Year	0.3bn	93.8034
11.44% Ten-Year	1.0bn	76.6000
9.18% Five-Year	7.4bn	81.1400 – 86.2200
7.82% Two-Year	2.0bn	94.6434

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
5/2013	5/2015	0.05bn	2 year	13.70
11/2012	11/2019	1.0bn	5 year	14.10
2/2013	2/2018	2.0bn	5 year	14.70
11/2012	11/2019	1.16bn	7 year	14.70
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	14.80
5/2013	5/2023	0.05bn	10 year	15.00

Money Market

This week the Government through BOT auctioned Treasury bills worth TZS 135 billion. Bids submitted amounted TZS 133.59 billion. Successful bids were for TZS 133.54 billion. In comparison to the previous auction yields have increased in all maturities except for the 35-days tenor that went slightly down.

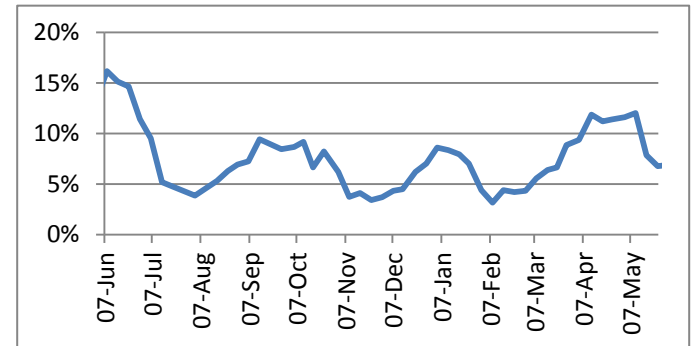
	35 Days	91 Days	182 Days	364 Days
Minimum Successful Price/100	99.39	97.05	93.49	86.50
Weighted Average Price (WAP) for successful Bid	99.42	97.12	93.49	87.36
Weighted Average Yield (WAY) % per Annum	6.04	11.91	13.97	14.51
Amount Offered TZS (000,000)	5,000	40,000	45,000	45,000
Total Tendered TZS (000,000)	6,000.00	26,827.17	43,923.50	56,849.03
Undersubscribed(+) Oversubscribed(-) TZS(000,000)	1,000.00	13,172.83	1,076.50	11,849.03
Successful Bids TZS(000,000)	6,000.00	26,827.17	43,868.50	56,849.03

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

Interbank borrowing rate towards the end of this week was 7.62%, slightly higher than the 6.91% rate at the end of the week last week as depicted in the chart below:

Interbank Borrowing Rates (WAR)

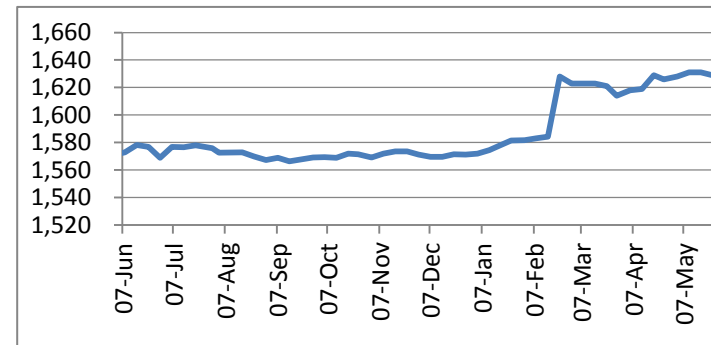


Source: BOT

C. Foreign Exchange

This week, the shilling gained some ground against the US Dollar, GBP and KES as indicated in the chart and table below:

Foreign Exchange – TZS/USD



Source: BOT

Foreign Exchange Market – Four weeks trend

	17-May 2013	24-May 2013	31-May 2013	07-Jun 2013
TZS/USD	1,631.00	1,629.00	1,632.00	1,636.00
TZS/GBP	2,484.00	2,460.66	2,482.50	2,552.52
TZS/KES	19.44	19.32	19.23	19.28