WEEKLY MARKET COMMENTARY

17th June – 21st 2013

A. Equity

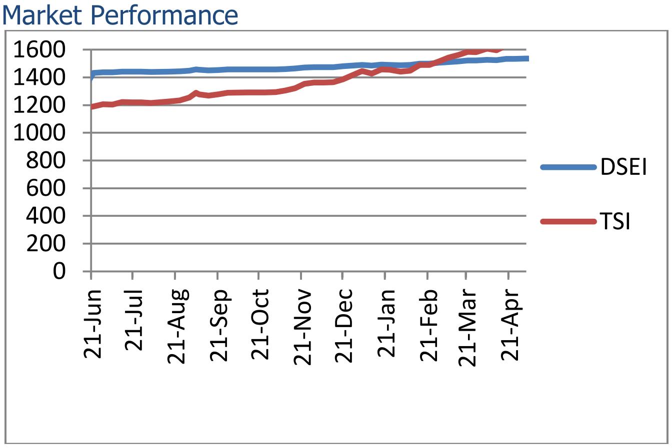
Market Performance

Turnover and activity level were northbound in the week. Activity levels were significantly stronger. Week-on-week, turnover jumped to TZS 11.8 billion (+1,098%) as shares traded increased 734% to 12,024,995 compared to the previous week's TZS 984 million in turnover and 1,441,226 shares transacted. The increase emanated mainly from TBL, CRDB, NMB and TCC counters. TBL had a pre-arranged transaction for 3,000,000 shares with a turnover of TZS 10.8 billion and CRDB a pre-arranged transaction for 7,808,500 shares with a turnover of TZS 1.9 billion.
Indices were also in the green. The DSEI settled at 1,569.71 (+0.40%) whereas the TSI closed at 1,785.99 (+1.50%).

Foreign investors' participation during the week increased significantly to 81% of the total turnover compared to 16% support recorded the previous week.

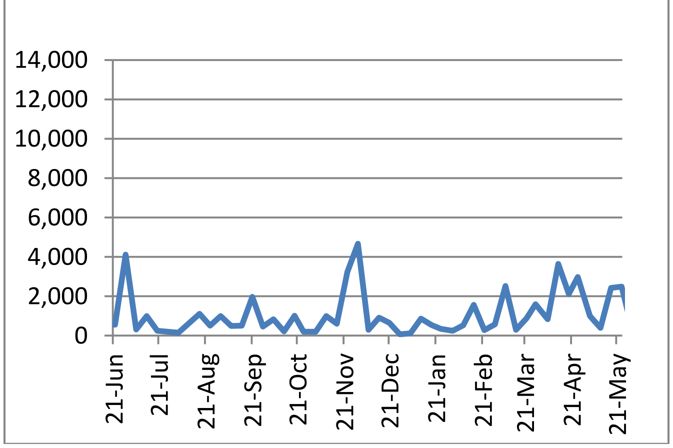
The Banking segment Index strengthened further (+3.99%) to close the week at 1,721.29 points on the backdrop of gains made on the CRDB and NMB counters (+9.30% & 1.27% respectively). The Industrial & Allied Index closed the week higher (+0.53%) at 1,994.96 points buoyed by TBL counter that gained by +1.26% to TZS 3,220.

Market Performance



Source: DSE and TSL Analysis

Turnover (Tshs Mn) - 2012/13



Statistics – Equity

Total - Week Ending	**June-14 2013**	**June-21 2013**	**% Change**
Market			
Turnover in Million (Tshs)	984	11,784	+1,097.56
Volume of Shares in '000	1,441	12,024	+734.42%
DSEI	1,563.48	1,569.71	+0.40%
TSI	1,759.65	1,785.99	+1.50%
Banks, Finance, & Services BI	1,655.32	1,721.29	+3.99%
Industrial and Allied IA	1,984.49	1,994.96	+0.53%

Source: DSE

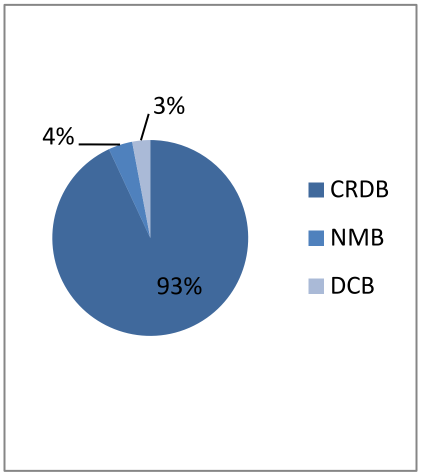
Outlook:

We expect activity to be particularly more pronounced for banks counters because of their existing room to accommodate foreign investors.

This week's Treasury Bills auction witnessed undersubscription though yields, especially for the 182-days & 364-days continued with upward trajectory. However, we anticipate some appetite on the next week's 7-year Treasury bond auction mainly backed by investors' preference sentiment on government securities that we have continuously witnessed.

Analyst:
Upendo Lyatuu
+255 22 211 2807
+255 655 557 733
Upendo@tanzaniasecurities.co.tz

Bank, Finance & Investment Sector (BI)



Banking sector was the most active segment, transacting 8,996,402 shares or 75% percent of the traded shares in the week. The activity was especially prominent on CRDB as the counter contributed 73% of the bourse's week volume. Also, the counter closed the week at TZS 235 per share, 9% above last week's closing price of TZS 215.

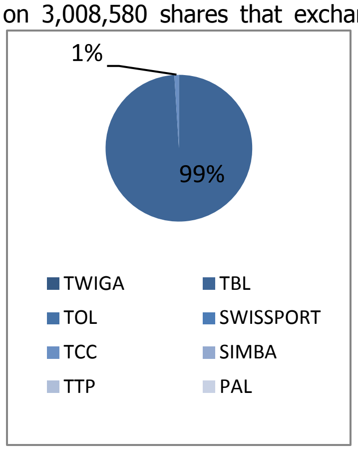
NMB closed the week with a price of TZS 1,600 (+1.27%). During the week the counter transacted 59,783 shares (- 81%) lower than 314,924 shares of last week.

DCB activities increased for the week by trading 112,892 shares at TZS 400 per share.

Generally, the banking sector moved a significant volume of shares during the week compared to the industrial and allied sector. 75% of the week activity was on the banking sector and the rest on Industrial and Allied.

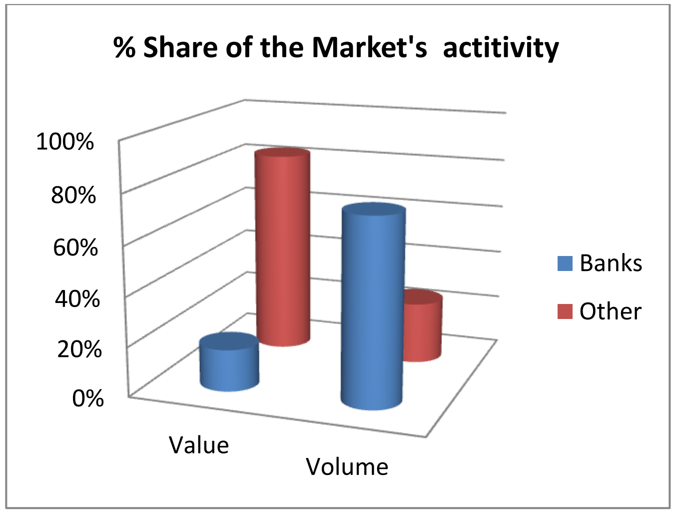
Industrial and Allied Sector (IA)

TBL counter lead this week on the Industrial and Allied segment; the counter generated a turnover of TZS 9.7 billion on 3,008,580 shares that exchanged hands during the week mainly supported by foreign investors. The counter gained 1.26% to close the week at TZS 3,220.



TCC share price remained unchanged during the week on the backdrop of small volume of 7,100 shares that transacted in the counter during the week.
SIMBA counter moved 6,990 shares at TZS 2,400 per share.
Twiga traded 3,692 shares this week with its price remaining flat. SWISSPORT had 1,831 shares and TOL 400 shares.

There were no activities on TTP, and Precision Air during the week.



Source: DSE and TSL Analysis

Banking Sector Share Prices (in TZS)

Counter	14.06.2013	21.06.2013	%Changes
DCB	400.00	400.00	0.00%
NMB	1,580.00	1,600.00	+1.27%
CRDB	215.00	235.00	+9.30%

Source: DSE and TSL Analysis

IA Share Prices (in TZS):

Counter	14.06.2013	21.06.2013	% Changes
TOL	260.00	260.00	0.00%
TBL	3,180.00	3,220.00	+1.26%
TTP	600.00	600.00	0.00%
PAL	475.00	475.00	0.00%
TCC	6,500.00	6,500.00	0.00%
SIMBA	2,400.00	2,400.00	0.00%
TWIGA	2,640.00	2,640.00	0.00%
SWISSPORT	2,000.00	2,000.00	0.00%

Source: DSE and TSL Analysis

B. Fixed Income Securities

Secondary Market

Bonds worth TZS 17.4 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	4.0bn	84.1549
11.44% Ten-Year	1.0bn	97.1203
9.18% Five-Year	2.5bn	92.0862
9.18% Five-Year	5.0bn	82.2294
9.18% Five-Year	4.9bn	88.9987

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	3.0bn	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
3/2013	3/2020	3.0bn	7 year	14.75
5/2013	5/2023	0.05bn	10 year	15.00

Money Market

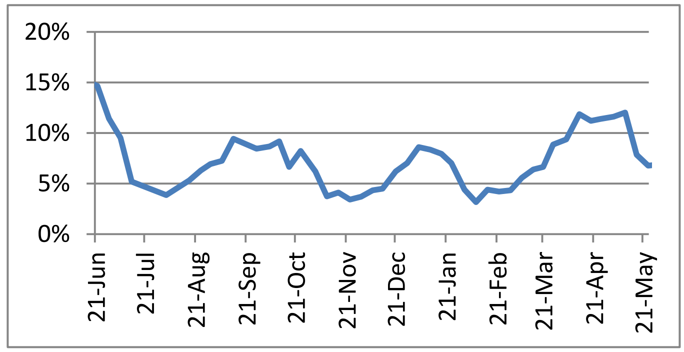
This week the Government through BOT auctioned Treasury bills worth TZS 135 billion. Bids submitted amounted TZS 108.6 billion. Successful bids were for TZS 89.6 billion. In comparison to the previous auction yields have increased in 91-days and 364-days.

	35 Days	91 Days	182 Days	364 Days
Minimum Successful Price/100	0.00	97.02	93.26	86.65
Weighted Average Price (WAP) for successful Bid	0.00	97.14	93.48	87.16
Weighted Average Yield (WAY) % per Annum	0.00	11.82	13.98	14.77
Amount Offered TZS (000,000)	5,000	35,000	45,000	50,000
Total Tendered TZS (000,000)	0.00	6,075.00	37,654.00	64,915.00
Undersubscribed(+) Oversubscribed(-) TZS(000,000)	5,000.00	28,925.00	7,346.00	14,915.00
Successful Bids TZS(000,000)	0.00	6,075.00	33,554.00	50,000.00

Money Market

Interbank borrowing rate towards the end of this week was 7.09%, slightly lower than the 8.13% rate at the end of the week last week as depicted in the chart below:

Interbank Borrowing Rates (WAR)

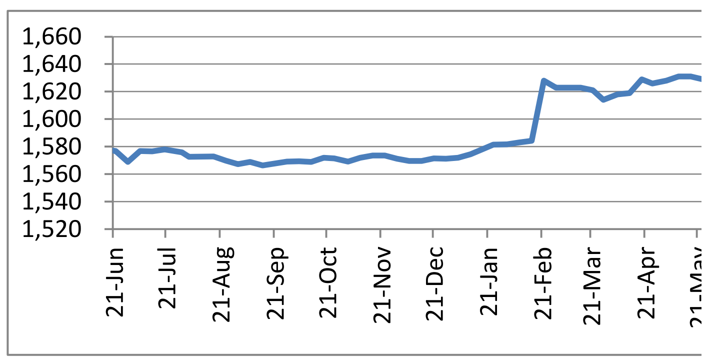


Source: BOT

C. Foreign Exchange

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

Foreign Exchange – TZS/USD



Source: BOT

Foreign Exchange Market – Four weeks trend

	31-May 2013	07-Jun 2013	14-Jun 2013	21-Jun 2013
TZS/USD	1,632.00	1,636.00	1,639.00	1,641.00
TZS/GBP	2,482.50	2,552.52	2,573.23	2,543.82
TZS/KES	19.23	19.28	19.17	19.13

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.