WEEKLY MARKET COMMENTARY

16th Sept – 20th Sept 2013

A. Equity

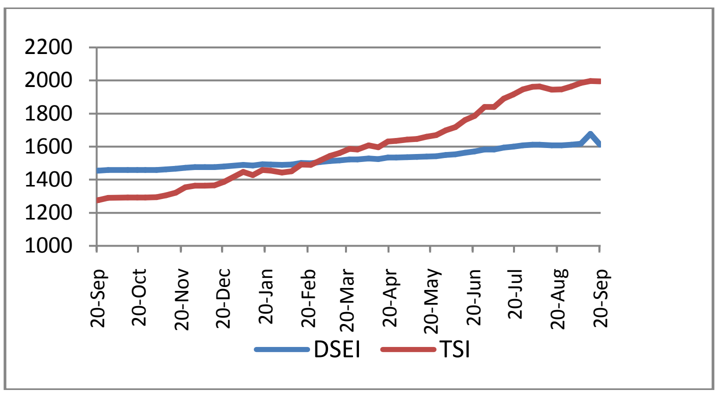
Market Performance

The bourse recorded a weaker performance in terms of turnover and activity level in comparison to last week's. The weekly turnover stood at TZS 472 million, a decline from the previous week's turnover of TZS 6,356 million. Shares traded also declined to 1,050,191 shares from 3,274,857 shares last week.

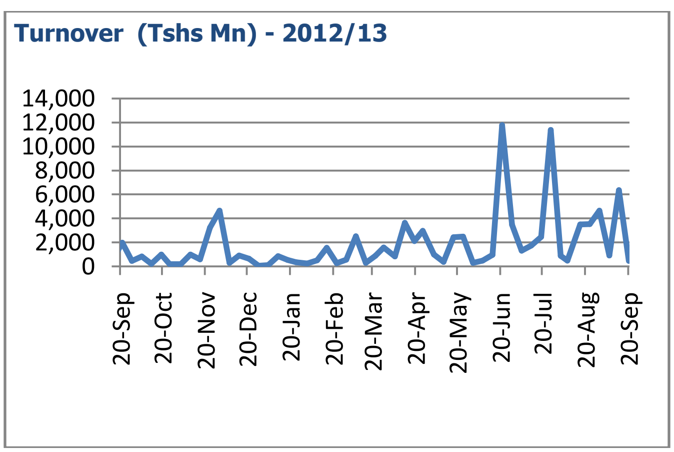
The DSEI closed 3.87% lower at 1,611.85 points while the TSI ended the week at 1,994.80 points (-0.05%) dragged down by the CRDB counter that lost TZS 5 to close at TZS 265. Foreign investors accounted for 12% of the turnover from the purchases of CRDB and NMB and DCB shares.

The Banking segment Index weakened to settle at 1,993.56 points while The Industrial & Allied Index grew to 2,200.07 points from last week's 2,192.58 points (+0.34%) mainly due to the rise on price of TBL counter.

Market Performance



Source: DSE and TSL Analysis



Statistics – Equity

Total - Week Ending	**Sep-13 2013**	**Sept-20 2013**	**% Change**
Market			
Turnover in Million (TZS)	6,356	472	-92.57%
Volume of Shares in '000	3,275	1,050	-67.92%
DSEI	1,676.76	1,611.85	-3.87%
TSI	1,995.96	1,994.80	-0.05%
Banks, Finance, & Services BI	2,007.56	1,993.56	-0.6%
Industrial and Allied IA	2,192.58	2,200.07	+0.34%

Source: DSE

Outlook:

This week's turnover dwindles as the bourse witness a lower activities in most of the counters. Foreign investors participation drop to 12%, lower than the previous week's 38.63% amid price fluctuation on the CRDB counter that used to attract foreign investors.

Looking on the coming week, we are optimistic that activities will improve particularly on the Banking Segment with an improved support from local and foreign investors.

The interbank rate fell to 5.50% toward the end of week from 8.38% in the previous week indicating a better liquidity condition among commercial banks. With that, we anticipate a positive results on the Treasury Bill auction to be conducted next week.

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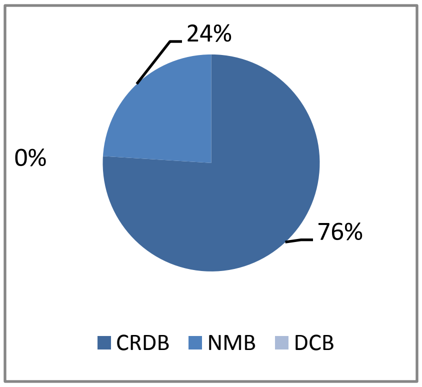
Bank, Finance & Investment Sector (BI)

The banking segment moved a larger amount volume of shares and turnover during the week compared to the Industrial and Allied sector. Banks accounted for 86% of the week's total volume traded and 62% of the market value.

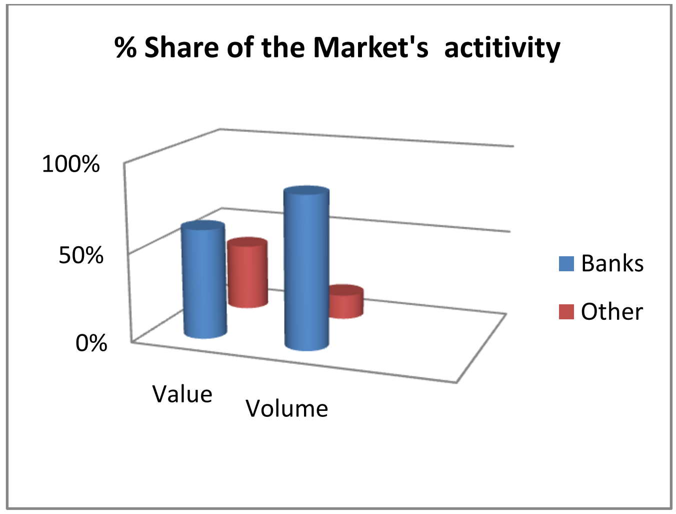


CRDB was dominated by local investors during the week. Foreign investors contributed 3% of CRDB's total turnover. The counter traded 865,883 shares at a price of TZS 265 and TZS 270 per share

NMB counter transacted 38,441 shares at a price of TZS 1,880.

DCB activities fell during the week compared to the previous week by trading of 1,416 shares at a price of TZS 490 and TZS 495 per share.

Generally, the Banking segment recorded a lower turnover and activity during the week compared to the previous week.



Source: DSE and TSL Analysis

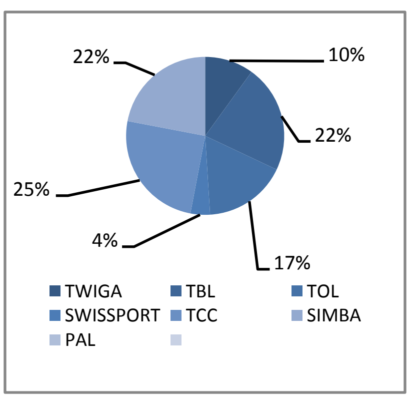
Banking Sector Share Prices (in TZS)

Counter	13.09.2013	20.09.2013	%Changes
DCB	490.00	495.00	+1.02%
NMB	1,880.00	1,880.00	0.00%
CRDB	270.00	265.00	-1.84%

Source: DSE and TSL Analysis

Industrial and Allied Sector (IA)

Industrial & Allied segment was illiquid this week compared to the previous week. The segment moved 14% of total market's activity and 38% of the total turnover.



TOL was the most active counter among the Industrial and Allied sector. TOL counter traded 100,465 shares at a price of TZS 305 per share.

Simba followed with 16,800 shares being transacted at a price of TZS 2,360 and TZS 2,400 per share. TBL closed the week at TZS 2,360 per share, moving a volume of 10,330 shares.

6,728 shares of Twiga were moved at a price of TZS 2,700 while TCC moved 6,300 shares at a price of TZS 7100.

Swissport counter moved 2,728 shares at a price of 2,320. While TTP moved 1,100 shares at TZS 650

There were no activities on the Precision counters.

IA Share Prices (in TZS):

Counter	13.09.2013	20.09.2013	% Changes
TOL	305.00	305.00	0.00%
TBL	3,740.00	3,760.00	+0.54%
TTP	650.00	650.00	0.00%
PAL	475.00	475.00	0.00%
TCC	7,100.00	7,100.00	0.00%
SIMBA	2,360.00	2,360.00	0.00%
TWIGA	2,700.00	2,700.00	0.00%
SWISSPORT	2,320.00	2,320.00	0.00%

Source: DSE and TSL Analysis

B. Fixed Income Securities

Primary Market

A 2-year Treasury Bonds was offered to the market during the week in which the Government intended to raise TZS 30.9 billion. The government accepted only TZS 30.5 billion out of TZS 53.38 billion subscribed. WAY increased slightly from 14.8162% in the last auction [24th July 2013] to 15.4230%.

Highest Bid /100	88.3620
Lowest Bid /100	84.2333
Minimum Successful Price/100	86.4534
Weighted Average Price for Successful Bids	87.2921
Weighted Average Yield to Maturity	15.4230
Weighted Average Coupon Yield	8.9584
Amount Offered Tshs (000,000)	30,900.00
Amount Tendered Tshs (000,000)	53,377.30
Undersubscribed (+) / Oversubscribed (-) Tshs (000,000)	-22,477.30
Successful Amount Tshs (000,000)	30,477.30

Secondary Market

Bonds worth TZS 6.657 billion exchanged hands in the secondary market during the week with prices as indicated in the table below:

Tenor	Face Value (Tshs.)	Price/100
9.18% - five years	3bln	87.7059 and 87.0608
9.18% - five years	1bln	87.0000
10.08% - seven years	2.657bln	94.9914

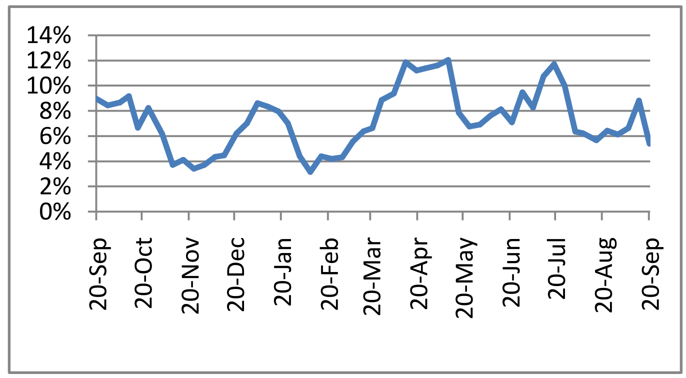
The following are bonds on offer for secondary trading;

Tenor	Face Value	Yield (ASK) %
2 year	1.75bn	13.75
7 year	1.16bn	15.00
7 year	3.0bn	15.00
7 year	4.0bn	14.75
7 year	3.0bn	15.60
7 year	3.0bn	15.65
7 year	2.0bn	15.40
7 year	8.0bn	15.40
10 year	3.0bn	15.50
10 year	0.05bn	15.10
10 year	2.5bn	15.55
10 year	3.0bn	15.50

Money Market

Interbank borrowing rate (WAR) towards the end of this week declined to 5.50%, lower than the 8.38% recorded in the previous week as depicted in the chart below:

Interbank Borrowing Rates (WAR)

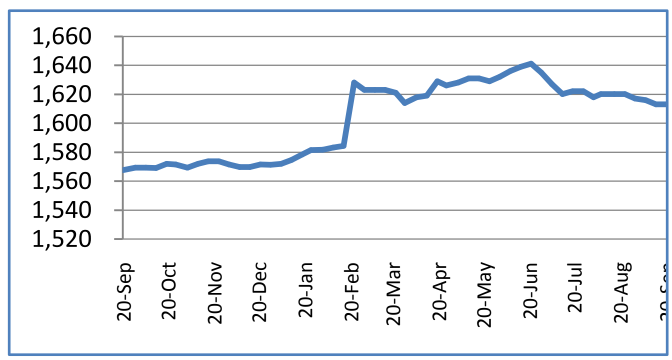


Source: BOT

C. Foreign Exchange

This week, the shilling remained stable against the USD as indicated in the chart and table below:

Foreign Exchange – TZS/USD



Source: BOT

Foreign Exchange Market – Four weeks trend

	30-Aug 2013	06-Aug 2013	13-Sep 2013	20-Sep 2013
TZS/USD	1,617.00	1,616.00	1,613.00	1,613.00
TZS/GBP	2,506.50	2,522.75	2,550.19	2,589.72
TZS/KES	18.44	18.49	18.43	18.48

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.

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