



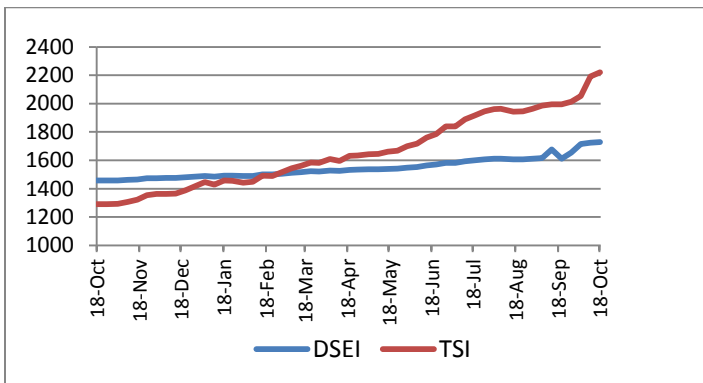
A. Equity

Market Performance

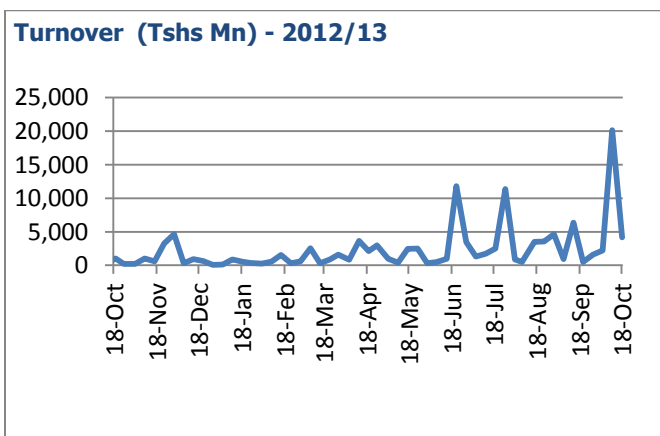
Week-on-week turnover dropped significantly to TZS 4.2 billion (-79.19%) from TZS 20.1 billion recorded last week. Activity levels also shrunk with shares traded plummeting to 2,190,395 shares (-70.22%) from 7,354,160 shares exchanged hands the previous week. This week, both indices closed in red. The DSEI closed 2.19% lower at 1,729.66 points while TSI ended the week at 2,219.64 points (-1.28%), pulled down by Simba counter's loss to close the week at TZS 2,340. However, NMB, CRDB and TBL counters gained (+1.85%; +1.85% and +2.31% respectively). Other counters remained flat throughout the week.

Banking segment Index strengthen further (1.82%) to close the week at 2,226.85 points on the backdrop of a gains posted on the NMB and CRDB counters. Similarly, the Industrial & Allied Index went up from last week's, buoyed by TBL's price increase. The segment closed at 2,449.16 (+1.03%).

Market Performance



Source: DSE and TSL Analysis



WEEKLY MARKET COMMENTARY

15th Oct – 18th Oct 2013

Statistics – Equity

Total - Week Ending	Oct-11 2013	Oct-18 2013	% Change
Market			
Turnover in Million (TZS)	20,123	4,188	-79.19%
Volume of Shares in '000	7,354	2,190	-70.22%
DSEI	1,768.43	1,729.66	-2.19%
TSI	2,191.51	2,219.64	-1.28%
Banks, Finance, & Services			
BI	2,187.14	2,226.85	+1.82%
Industrial and Allied			
IA	2,424.13	2,449.16	+1.03%

Source: DSE

Outlook:

The bourse exhibited drop in activities this week due to among other things, the public holidays on Monday and Wednesday.

We expect activities to remain moderate in the coming week despite the challenge emanating from the supply side.

The 10-year Treasury Bond results of this week's auction witnessed a low turnout of investors, an indication of short-to-medium term investments duration preference over long-term maturities.

The Government intended to raise Tshs.47.2 billion, but received bids for Tshs.28 billion and accepted bonds worth Tshs.2.7 billion.

We expect increasingly positive performance on the coming week's Treasury Bills Auction, due to investors' short-to-medium term preference shown the previous auctions.

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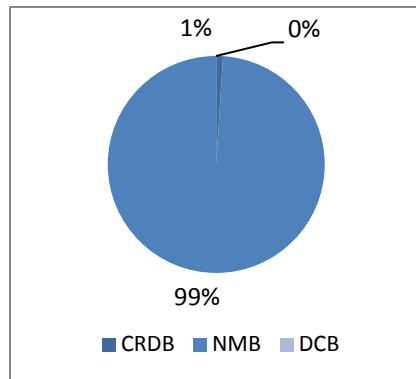
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Bank, Finance & Investment Sector (BI)

This week the Banking segment's activities and turnover were significantly active than the Industrial and Allied Segment. The sector moved 98% of the market turnover and 99% of the total volume exchanged hands during the week. CRDB counter ended the week at TZS 275 per share.



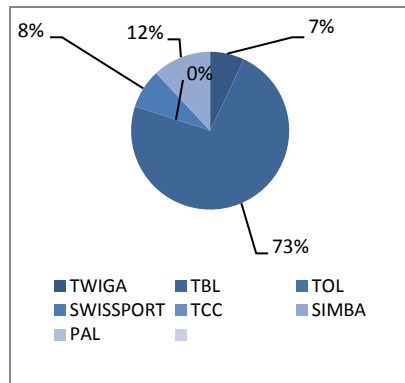
The counter moved a volume of 129,208 shares (-90%) compared to 1,271,115 shares that exchanged hands in the counter last week.

NMB accounted for 94% of the Banking & Investment activity and 99% of the market turnover for the week as it maintained demands from last week. The counter closed at TZS 2,200 per share. Activities in the counter were backed by a continued strong local support.

There were minimal activities in the DCB counter during the week. The bank moved 2,489 at TZS 490.00 per share.

Industrial and Allied Sector (IA)

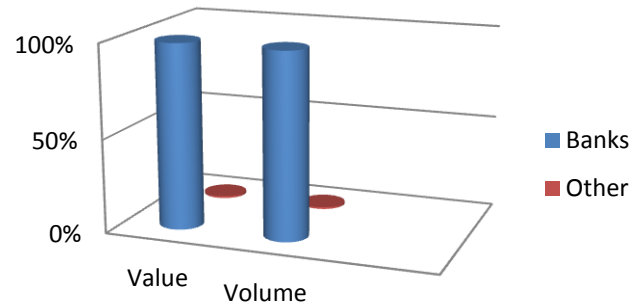
Industrial & Allied segment was illiquid this week compared to the previous week.



TBL was the most active counter among the Industrial and Allied segments. The counter maintained local support to transact 10,601 shares at price of TZS 4,420 per share. Simba ended the

week down at TZS 2,340 per share in comparison to last week. 3,344 shares were traded on the counter. Swissport remained flat to close the week at TZS 2,600 per share, moving a volume of 1,911 shares. 1,757 shares of Twiga exchanged hands at a price of TZS 2,700 while TOL moved 426 shares at a price of TZS 305.

% Share of the Market's activity



Source: DSE and TSL Analysis

Banking Sector Share Prices (in TZS)

Counter	11.10.2013	18.10.2013	%Changes
DCB	490.00	490.00	0.00%
NMB	2,160.00	2,200.00	+1.85%
CRDB	270.00	275.00	+1.85%

Source: DSE and TSL Analysis

IA Share Prices (in TZS):

Counter	11.10.2013	18.10.2013	% Changes
TOL	305.00	305.00	0.00%
TBL	4,320.00	4,420.00	+2.31%
TTP	650.00	650.00	0.00%
PAL	475.00	475.00	0.00%
TCC	8,000.00	8,000.00	0.00%
SIMBA	2,360.00	2,340.00	-0.85%
TWIGA	2,700.00	2,700.00	0.00%
SWISSPORT	2,600.00	2,600.00	0.00%

Source: DSE and TSL Analysis



B. Fixed Income Securities

Primary Market

There was a 10-year Treasury Bonds market during the week. The Government intended to raise TZS 47.2 billion. They received bids amounting TZS 28 billion. WAYT increased slightly from 15.7528% in the last auction [04th Sept 2013] to 15.9608%.

The auction result is as depicted in the table below;

Highest Bid /100	78.4362
Lowest Bid /100	72.7574
Minimum Successful Price/100	77.2490
Weighted Average Price for Successful Bids	77.7418
Weighted Average Yield to Maturity	15.9608
Weighted Average Coupon Yield	14.7154
Amount Offered Tshs (000,000)	47,200.00
Amount Tendered Tshs (000,000)	28,000.00
Undersubscribed (+) / Oversubscribed (-) Tshs (000,000)	19,200.00
Successful Amount Tshs (000,000)	2,700.00

Secondary Market

Bonds worth TZS 13.3 billion exchanged hands in the secondary market during the week with prices as indicated in the table below:

Tenor	Face Value (TZS)	Price/100
7.82% 2-Year	2.5bn	88.2610
9.18% 5-Year	1.5bn	82.4729
9.18% 5-Year	3.0bn	86.2857
10.08% 7-Year	2.5bn	78.1424
10.08% 7-Year	1.3bn	84.4074
11.44% 10-Year	2.5bn	82.2440

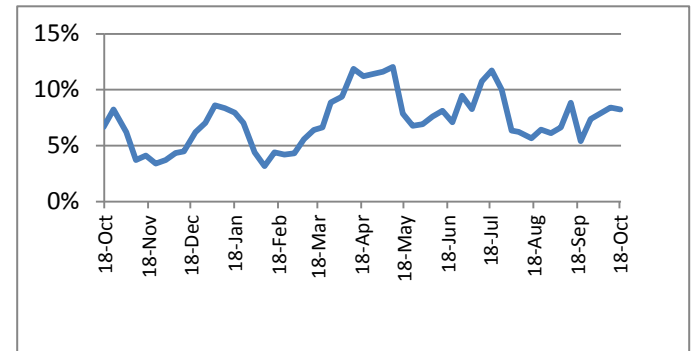
About the Weekly Update report:

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 (WAR) went down towards the end of this week from 8.40% recorded in the previous week to 8.24% as depicted in the chart below:

Interbank Borrowing Rates (WAR)

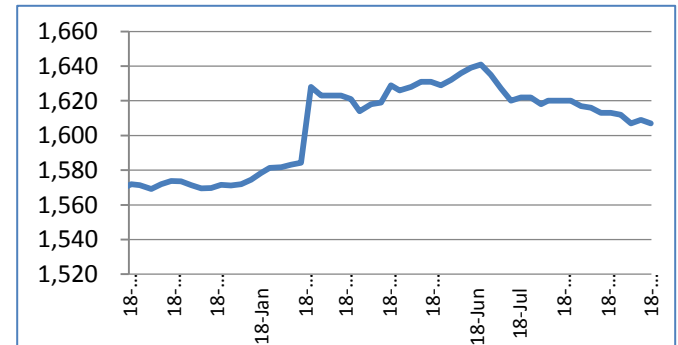


Source: BOT

C. Foreign Exchange

This week, the shilling gained slightly against the USD as indicated in the chart and table below:

Foreign Exchange – TZS/USD



Source: BOT

Foreign Exchange Market – Four weeks trend

	27-Sep 2013	04-Oct 2013	11-Oct 2013	18-Oct 2013
TZS/USD	1,612.00	1,607.00	1,609.00	1,607.00
TZS/GBP	2,590.50	2,604.81	2,571.75	2,598.21
TZS/KES	18.43	18.60	18.86	18.95