



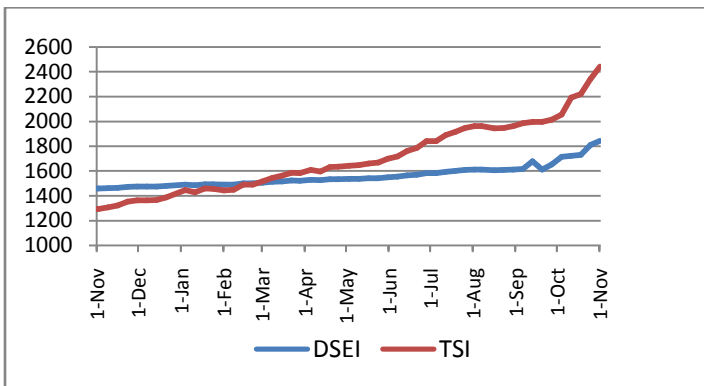
## A. Equity Market Performance

Turnover during the week was significant lower, -75.14% below last week's performance. Week-on-week turnover decreased to TZS 2,485 million from TZS 9,995 million. However, activity levels increased by 122.6% higher than volume transacted last week. A total of 7,099,569 shares were transacted, up from 3,190,932 shares traded in the previous week.

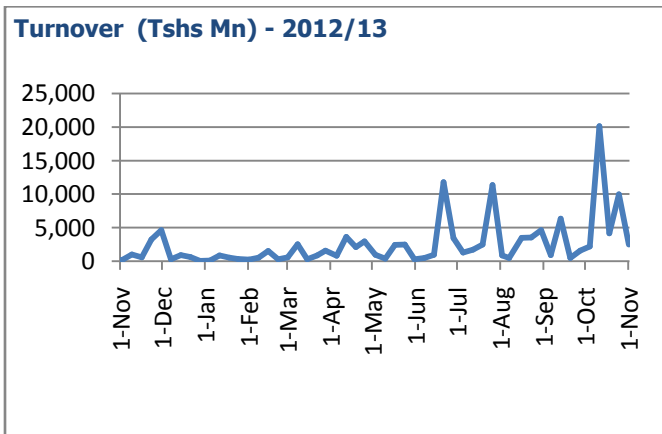
Indices closed the week in green supported by NMB, Swissport, TCC, and TBL counters that gained to close the week at TZS 2,420, TZS 2,660, TZS 8,300 and TZS 5,500 per share respectively. The DSEI gained 1.82% to 1,841.92 points. Similarly, the TSI closed 5.87% up at 2,442.49 points.

The Banking segment Index settled 2,382.29 points (+3.35%) stronger than previous week due to the gain in NMB's price from TZS 2,300 recorded end of last week to TZS 2,420 this week. The Industrial & Allied Index strengthened further to 2,755.25 points (+5.14%) buoyed by TCC, Swissport and TBL counters that gained TZS 80 TZS 20 and TZS 500 respectively.

## Market Performance



Source: DSE and TSL Analysis



## WEEKLY MARKET COMMENTARY

28th Oct – 1st Nov 2013

### Statistics – Equity

Total - Week Ending	Oct-25 2013	Nov-01 2013	% Change
<b>Market</b>			
Turnover in Million (TZS)	9,995	2,485	-75.14%
Volume of Shares in '000	3,190	7,099	+122.6%
DSEI	1,809.04	1,841.92	+1.82%
TSI	2,341.29	2,442.49	+5.87%
<b>Banks, Finance, &amp; Services BI</b>			
	2,305.14	2,382.29	+3.35%
<b>Industrial and Allied IA</b>			
	2,620.55	2,755.25	+5.14%

Source: DSE

### Outlook:

Despite improvement in activities, the bourse experienced a sharp drop in turnover. The decrease was due to inter alia lower activities on the IA counters. Activities were in small lots and supported mainly by NMB and CRDB counters. We anticipate increase in activity in the coming week particularly on the bank counters emanating from speculators anticipating favorable price movement. We also anticipate some activities on the IA particularly on the TBL and TWIGA counters. Indices are expected to head further north, hoping some active counters will continue with their current price trajectory.

The results of the five 2-year Treasury bond auctioned this week indicates an oversubscription despite the fall in the weighted average yield compared to the previous auction of the same tenure. We expect seeing similar reflection on a Treasury bills auction, Wednesday next week.

Interbank money market rate remained relatively at 7.40%.

### Analyst:

**Brenda Massay**

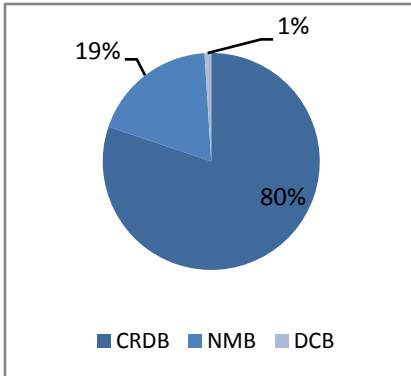
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## Bank, Finance & Investment Sector (BI)



This week the Banking segment's activities and turnover were more active compared to the Industrial and Allied sector. The sector moved 95% of the market turnover and 99% of the total volume exchanged hands

during the week. CRDB counter ended the week at TZS 280 per share, moving a volume of 6,876,505 shares.

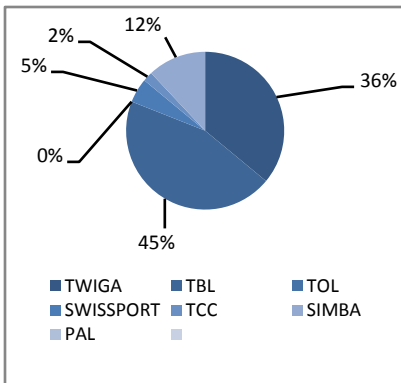
NMB counter transacted 182,778 shares at a price of TZS 2200, TZS 2,280 and TZS 2,300.

DCB counter was dominated by foreign investors during the week. The bank moved 1,900 at TZS 490 per share.

## Industrial and Allied Sector (IA)

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

Twiga was the most active counter among the Industrial and Allied segments. The counter maintained local support to transact 17,061 shares at price of TZS 2,680 per share



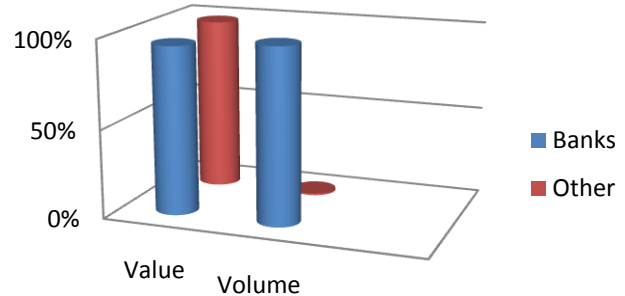
TBL ended the week up at TZS 5,500 per share in comparison to last week. 10,530 shares were traded on the counter.

Simba closed the week at TZS 2,340 per share, moving a volume of 6,628 shares.

2,242 shares of Swissport

exchanged hands at a price of TZS 2,660, while TOL moved 1,575 shares at a price of TZS 310. TCC moved 350 shares at a price of TZS 8,300 and TZS 8,240. There were no activities on Tatepa and Precision counters.

## % Share of the Market's activity



Source: DSE and TSL Analysis

## Banking Sector Share Prices (in TZS)

Counter	25.10.2013	01.11.2013	%Changes
DCB	490.00	490.00	0.00%
NMB	2,300.00	2,420.00	+5.22%
CRDB	280.00	280.00	0.00%

Source: DSE and TSL Analysis

## IA Share Prices (in TZS):

Counter	25.10.2013	01.11.2013	% Changes
TOL	310.00	310.00	0.00%
TBL	5,000.00	5,500.00	+10.00%
TTP	650.00	650.00	0.00%
PAL	475.00	475.00	0.00%
TCC	8,220.00	8,300.00	+0.97%
SIMBA	2,340.00	2,340.00	0.00%
TWIGA	2,700.00	2,680.00	-0.74%
SWISSPORT	2,640.00	2,660.00	+0.7%

Source: DSE and TSL Analysis



## B. Fixed Income Securities

### Primary Market

This week, the Central Bank issued a 2- year Treasury Bonds. The Government intended to raise TZS 30.9 billion. However, they received bids amounting TZS 131.68 billion. WAY decreased from 15.4230% in the last auction [18<sup>th</sup> Sept 2013] to 14.9969%.

Highest Bid /100	88.1301
Lowest Bid /100	85.7200
Minimum Successful Price/100	87.9759
Weighted Average Price for Successful Bids	87.9807
Weighted Average Yield to Maturity	14.9969
Weighted Average Coupon Yield	8.8883
Amount Offered Tshs (000,000)	30,900.00
Amount Tendered Tshs (000,000)	131,686.40
Undersubscribed (+) / Oversubscribed (-) Tshs (000,000)	100,786.40
Successful Amount Tshs (000,000)	30,900.00

### Secondary Market

Bonds worth TZS 25.58 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	3.0 bn	91.7500-92.2800
7.82% 2-Year	5.0bn	88.6700
11.44% 10-Year	4.92bn	91.4200
10.08% 7-Year	8.66bn	79.480-83.3600
10.08% 7-year	2.0bn	79.400
10.08% 7-year	2.0bn	79.680

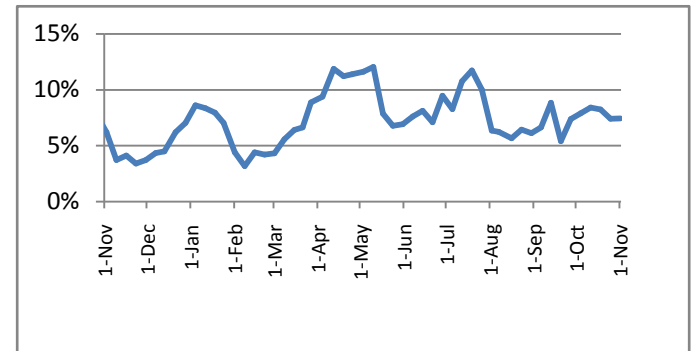
#### About the Weekly Update report:

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 slightly up towards the end of this week from 7.40% recorded in the previous week to 7.44% as depicted in the chart below:

### Interbank Borrowing Rates (WAR)

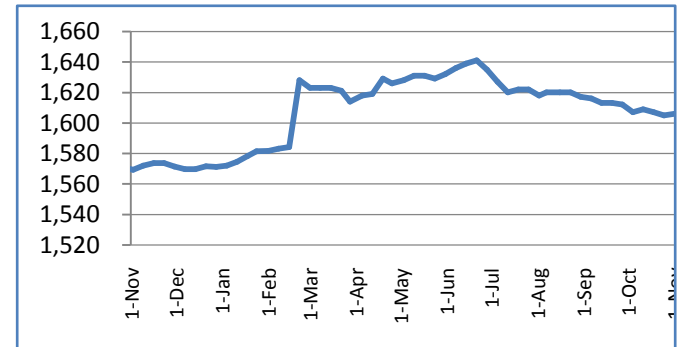


Source: BOT

## C. Foreign Exchange

This week, the shilling lost ground against the USD as indicated in the chart and table below:

### Foreign Exchange – TZS/USD



Source: BOT

### Foreign Exchange Market – Four weeks trend

	11-Oct 2013	18-Oct 2013	25-Oct 2013	01-Nov 2013
<b>TZS/USD</b>	1,609.00	1,607.00	1,605.00	1,606.00
<b>TZS/GBP</b>	2,571.75	2,598.21	2,606.69	2,576.05
<b>TZS/KES</b>	18.86	18.95	18.92	18.81