



A. Equity

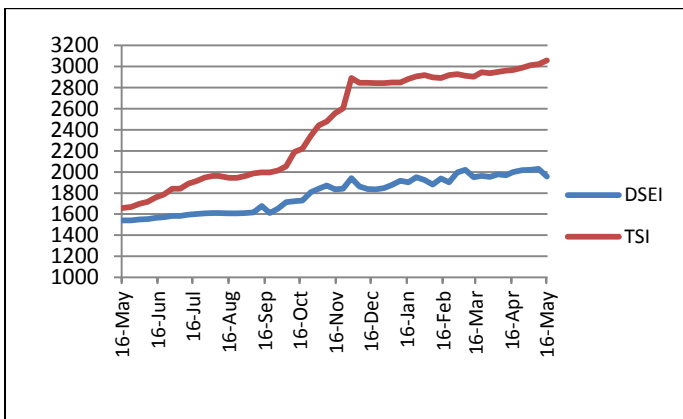
Market Performance

The market experienced a drop in turnover during the week, -15.7% below last week's turnover. Week-on-week turnover decreased to TZS 770 million from TZS 913 million recorded in the previous week. However, activity levels increased 1.1x higher than volumes transacted last week. A total of 647,688 shares were transacted, up from 588,850 shares traded in the previous week.

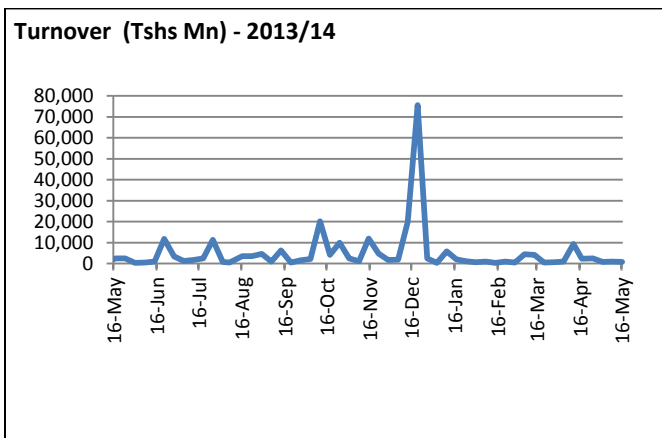
The DSEI lost 3.57% to 1,955.91 points, mainly due to the decrease in NMG price. However, the TSI closed 1.24% up at 3,059.22 points supported by the gains on CRDB and NMB counters.

The Banking segment Index settled 2,867.41 points (+3.37%) stronger than previous week due to the gains in the CRDB (+4.84%) and NMB (+2.76%) counters. The Industrial & Allied Index strengthened further to 3,570.37 points (+0.15%) buoyed by TBL counter that gained 0.25% to TZS 8,120.

Market Performance



Source: DSE and TSL Analysis



Source: DSE and TSL Analysis

WEEKLY MARKET COMMENTARY

12th May 2014 – 16th May 2014

Statistics – Equity

Total - Week Ending	May-09 2014	May-16 2014	% Change
Market			
Turnover in Million (TZS)	913	770	-15.7%
Volume of Shares in '000	588	647	+10.0%
DSEI	2,028.41	1,955.91	-3.57%
TSI	3,021.87	3,059.22	+1.24%
Banks, Finance & Services			
BI	2,773.99	2,867.41	+3.37%
Industrial and Allied			
IA	3,565.14	3,570.37	+0.15%

Source: DSE

Outlook:

The exchange experienced a lower turnover this week compared to the previous week possibly due to the continued limited supply and low liquidity in some counters.

We expect to see some price corrections in the banking segment as the market absorbs the Q1 results. This is likely to be accompanied by improvement in activity level and turnover.

The seven year Treasury bond auction result indicate a 49% oversubscription, indicating a continued investors appetite on Government papers. The improvement in liquidity has caused a drop in interbank borrowing rates which gives us a stance to project even higher subscription results in the coming Treasury bill auction.

Analyst:

Brenda Massay

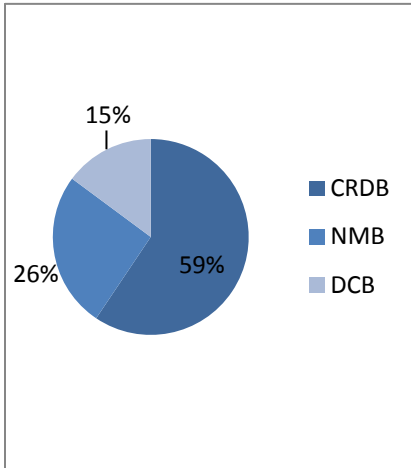
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Bank, Finance & Investment Sector (BI)



The banking segment continued with its bullish trend. This week, the segment was active and liquid compared to the Industrial segment. The Banking sector contributed 60% of total turnover and 91% of the market activity.

CRDB was the most active counter with a volume of 361,482 shares traded at a price of TZS 315, TZS 320 and TZS 325.

DCB counter traded 137,444 shares at a price of TZS 480 per share.

NMB counter closed the week at TZS 2,980 moving a volume of 90,700 shares.

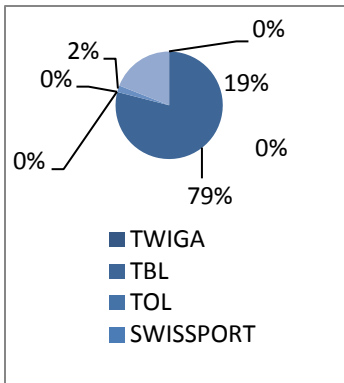
There was no activities on the MBP counter this week.

Industrial and Allied Sector (IA)

TBL counter maintained its lead on the Industrial and Allied segment. The counter traded 40,032 shares at TZS 8,100 and TZS 8,200.

Simba counter followed with 23,570 shares transacted at a price of TZS 2,420 per share.

TCC counter had 500 shares that exchanged hands at a price of TZS 10,000 per share.

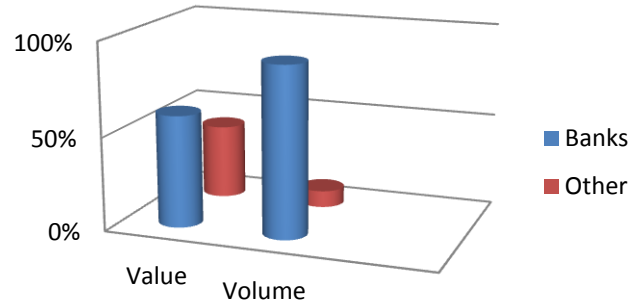


Twiga counter transacted 300 shares at a price of TZS 2,460.

Swissport counter had 141 shares traded at TZS 2,700 per share.

There were no activities on the PAL, TOL and TATEPA counters during the week.

% Share of the Market's activity



Source: DSE and TSL Analysis

Banking Sector Share Prices (in TZS)

Counter	09.05.2014	16.05.2014	%Changes
DCB	480.00	480.00	0.00%
NMB	2,900.00	2,980.00	+2.76%
CRDB	310.00	325.00	+4.84%
MBP	600.00	600.00	0.00%

Source: DSE and TSL Analysis

IA Share Prices (in TZS)

Counter	09.05.2014	16.05.2014	% Changes
TOL	400.00	400.00	0.00%
TBL	8,100.00	8,120.00	+0.25%
TTP	650.00	650.00	0.00%
PAL	475.00	475.00	0.00%
TCC	10,000.00	10,000.00	0.00%
SIMBA	2,420.00	2,420.00	0.00%
TWIGA	2,460.00	2,460.00	0.00%
SWISSPORT	2,700.00	2,700.00	0.00%

Source: DSE and TSL Analysis



B. Fixed Income Securities

Primary Market

There was a seven-year bond in this week's primary market that was oversubscribed by 49%. WAYT increased to 15.6899% compared to 15.5550% in the previous auction on 5th March 2014.

The auction result is as depicted in the table below;

Highest Bid /100	79.2000
Lowest Bid /100	63.4612
Minimum Successful Price/100	75.9412
Weighted Average Price for Successful Bids	76.6340
Weighted Average Yield to Maturity	15.6899
Weighted Average Coupon Yield	13.1534
Amount Offered Tshs (000,000)	49,000.00
Amount Tendered Tshs (000,000)	73,144.70
Undersubscribed (+) / Oversubscribed (-) Tshs (000,000)	24,144.70
Successful Amount Tshs (000,000)	49,000.00

Secondary Market

Treasury Bonds worth TZS 31.00 billion exchanged hands in the secondary market during the week at prices indicated in the table below:

Tenor	Face Value (Tshs.)	Price/100
9.18% Five-Year	1.00bln	82.4000
9.18% Five-Year	9.00bln	82.6400-82.3400
13.50% Fifteen-Year	8.00bln	84.2200-87.8200
13.50% Fifteen-Year	3.00bln	83.7500
9.18% Five-Year	3.00bln	82.4000
11.44% Ten-Year	7.60bln	86.2000

About the Weekly Update report:

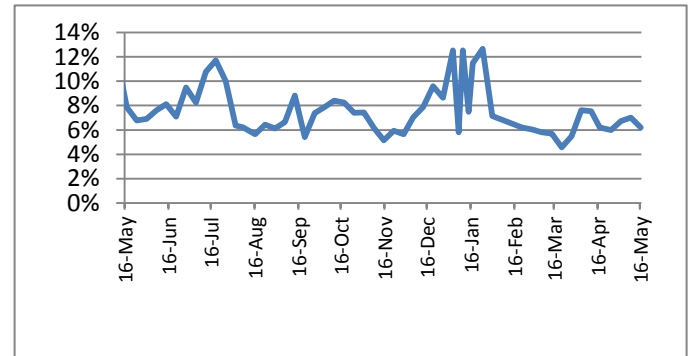
Our Weekly Update consists of a combination of our valuation update and a discussion about a piece of news or a general theme that called our attention and that we think might be useful for investors. Our valuation update includes: (1) weekly stock performances, (2) valuation matrix, and (3) selected financials from our earnings models.

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Money Market

The overnight rate towards the end of this week was 6.19%, lower than the 7.02% rate of the previous week's, as depicted in the chart below:

Interbank Borrowing Rates (WAR)

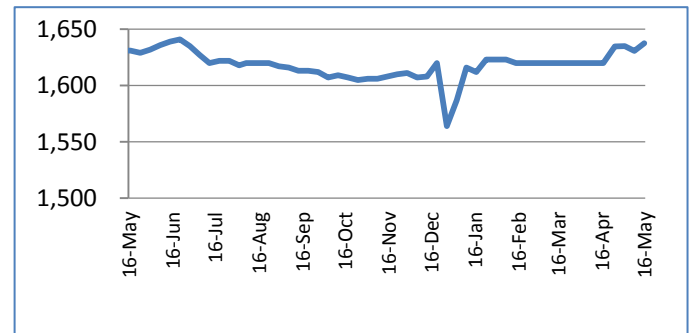


Source: BOT

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

	25-Apr 2014	02-May 2014	09-May 2014	16-May 2014
TZS/USD	1,634.79	1,635.00	1,630.62	1,637.50
TZS/GBP	2,742.02	2,756.85	2,773.97	2,745.30
TZS/KES	18.79	18.79	18.77	18.73