



## A. Equity

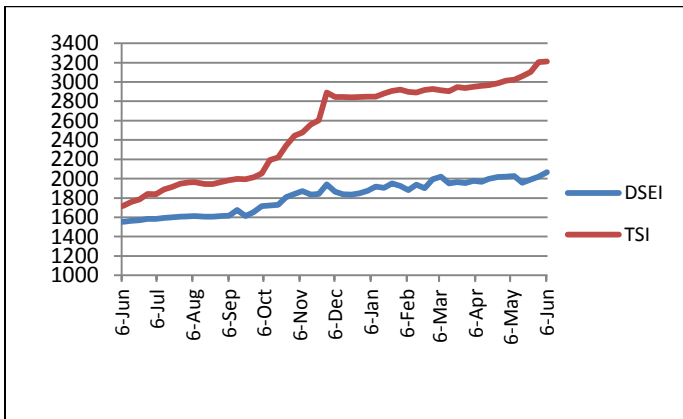
### Market Performance

Turnover during the week was significant lower, -86.36% below last week's performance. Week-on-week turnover decreased to TZS 810 million from last week's TZS 5,938 million. Likewise, activity level decreased by -97.31%, compared to the volumes transacted last week. A total of 430,521 shares were transacted, down from 16,004,683 shares traded in the previous week.

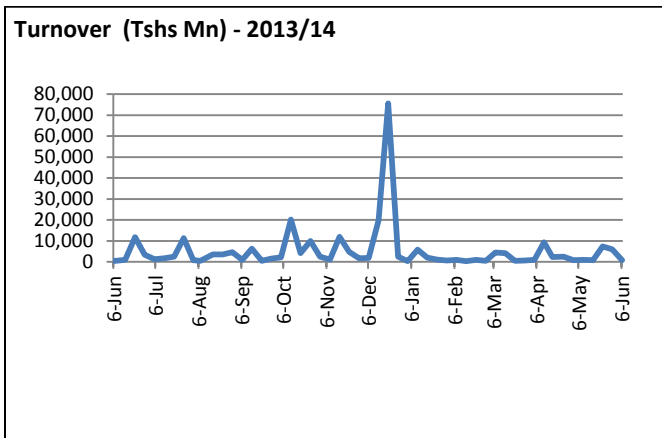
Indices closed the week in green supported by NMB counter that gained to close the week at TZS 3,360 per share. The DSEI gained 2.37% to 2,067.62 points. Similarly, the TSI closed 3.35% up at 3,212.71 points.

The Banking segment Index settled stronger than previous week due to the gain in NMB's price from TZS 3,300 recorded at the end of last week to TZS 3,360 this week. The Industrial & Allied Index weakened to 3,699.07 points (-0.39%) dragged down by the price fall on the TBL counter that closed the week at TZS 8,580.

### Market Performance



Source: DSE and TSL Analysis



Source: DSE and TSL Analysis

## WEEKLY MARKET COMMENTARY

### 02nd June 2014 – 06th June 2014

#### Statistics – Equity

Total - Week Ending	May-30 2014	June-06 2014	% Change
<b>Market</b>			
Turnover in Million (TZS)	5,938	810	-86.36%
Volume of Shares in '000	16,004	430	-97.31%
DSEI	2,019.68	2,067.62	+2.37%
TSI	3,206.25	3,212.71	+3.35%
<b>Banks, Finance &amp; Services</b>			
BI	2,959.16	2,959.16	+4.75%
<b>Industrial and Allied</b>			
IA	3,713.64	3,699.07	-0.39%

Source: DSE

#### Outlook:

We expect the market to maintain moderate activity in the coming week due to the continued limited supply in some counters.

We expect investors to be looking to invest in Swala Oil and Gas (Tanzania) Plc IPO which will open on the coming week.

The Interbank borrowing rate went up to close at 9.42%, from 7.94% recorded in the previous week..signaling some liquidity squeeze. Despite the fact that the liquidity moved unfavourably the Treasury Bill results of this week's auction witnessed a 46% oversubscription level. We expect that the market will remain bullish on the next week's Treasury Bond Auction.

#### Analyst:

##### Brenda Massay

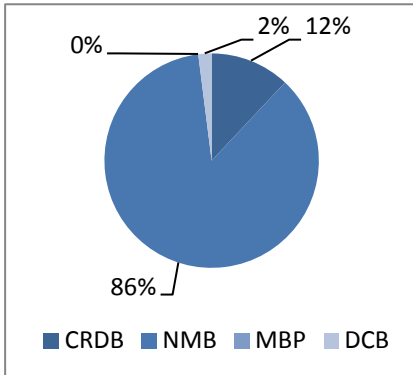
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## Bank, Finance & Investment Sector (BI)



This week the Banking segment was less active compared to the previous week. The segment contributed 70% of the total turnover and 86% of the market activity recorded during the week.

CRDB was the most active counter with a volume of 207,448

shares traded at a price of TZS 320.

NMB counter traded 141,317 shares closing the week up at TZS 3,360.

DCB's price remained flat at TZS 480. The counter moved a volume of 20,628 shares.

MBP counter traded 100 shares at a price of TZS 600.

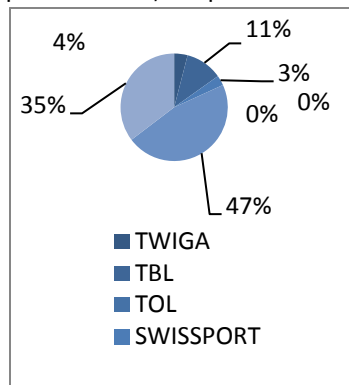
## Industrial and Allied Sector (IA)

The Industrial and Allied Segment was illiquid this week compared to the previous week.

Simba was the most active counter on the Industrial and Allied segment this week. The counter traded 36,186 shares at prices of TZS 2400 and TZS 2360.

TCC counter followed with 11,312 shares transacted at a price of TZS 10,100.

Twiga counter had 4,100 shares that exchanged hands at a price of TZS 2,440 per share.



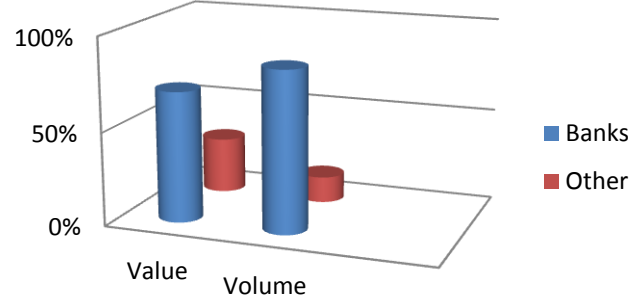
TBL counter traded 3,310 shares at a prices of TZS 8,480, TZS 8500 and TZS 8,580.

Swissport counter remained flat closing the week at TZS 2,660. The counter transacted 2,330 shares.

TOL counter traded 2000 shares at a price of TZS 500.

There were no activities on the Tatepa and PAL counter during the week.

## % Share of the Market's activity



Source: DSE and TSL Analysis

## Banking Sector Share Prices (in TZS)

Counter	30.05.2014	06.06.2014	%Changes
DCB	480.00	480.00	0.00%
NMB	3,300.00	3,360.00	+1.82%
CRDB	320.00	320.00	0.00%
MBP	600.00	600.00	0.00%

Source: DSE and TSL Analysis

## IA Share Prices (in TZS)

Counter	30.05.2014	06.06.2014	% Changes
TOL	500.00	500.00	0.00%
TBL	8,640.00	8,580.00	-0.69%
TTP	650.00	650.00	0.00%
PAL	475.00	475.00	0.00%
TCC	10,100.00	10,100.00	0.00%
SIMBA	2,360.00	2,360.00	0.00%
TWIGA	2,440.00	2,440.00	0.00%
SWISSPORT	2,660.00	2,660.00	0.00%

Source: DSE and TSL Analysis



## B. Fixed Income Securities

### Primary Market

This week the Government through BOT auctioned Treasury bills worth TZS 137 billion which recorded 46.1% oversubscription. Bids submitted amounted TZS 200 billion. However, successful bids were for TZS 105 billion. In comparison to the previous auction, yields decreased in the 91-days, 182-days and 364-days tenor. The 91-days maturity's yield declined. There was no bids for the 35-days tenor.

The auction result is as depicted in the table below;

	35 Days	91 Days	182 Days	364 Days
Minimum Successful Price/100	0.00	97.31	93.85	88.26
Weighted Average Price (WAP) for successful Bid	0.00	97.41	93.98	88.53
Weighted Average Yield (WAY) % per Annum	0.00	10.61	12.84	12.99
Amount Offered TZS (000,000)	5,000	32,000	45,000	55,000
Total Tendered TZS (000,000)	0.00	5,703.07	72,464.76	121,921.6
Undersubscribed(+)				
Oversubscribed(-) TZS(000,000)	5,000.00	26,296.93	27,464.76	66,921.63
Successful Bids TZS(000,000)	0.00	5,703.07	45,000.00	55,000.00

### Secondary Market

Treasury Bonds worth TZS 10 billion exchanged hands in the secondary market during the week at prices indicated in the table below:

Tenor	Face Value (Tshs.)	Price/100
11.44% Ten-Year	6.80bln	85.2977
11.44% Ten-Year	1.40bln	85.2977
11.44% Ten-Year	1.80bln	78.8880

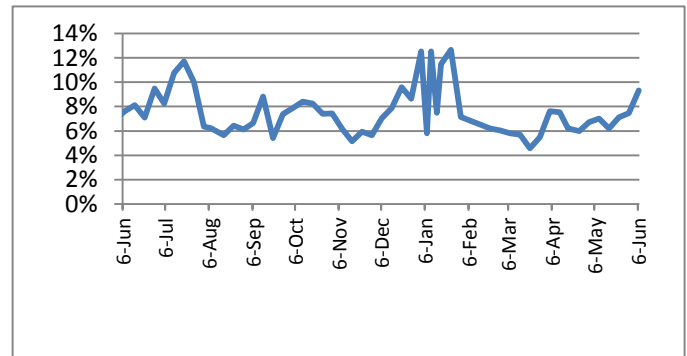
### About the Weekly Update report:

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) increased at the end of this week from 7.94% recorded in the previous week to 9.42% as depicted in the chart below:

### Interbank Borrowing Rates (WAR)

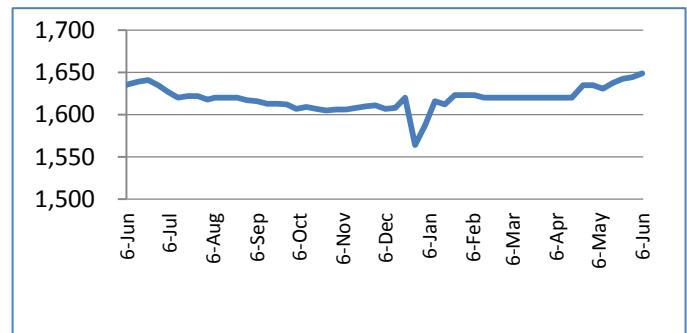


Source: BOT

## 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

	16-May 2014	23-May 2014	30-May 2014	06-Jun 2014
<b>TZS/USD</b>	1,637.50	1,642.50	1,644.42	1,648.91
<b>TZS/GBP</b>	2,745.30	2,771.55	2,749.88	2,761.83
<b>TZS/KES</b>	18.73	18.67	18.72	18.83