



## A. Equity

### Market Performance

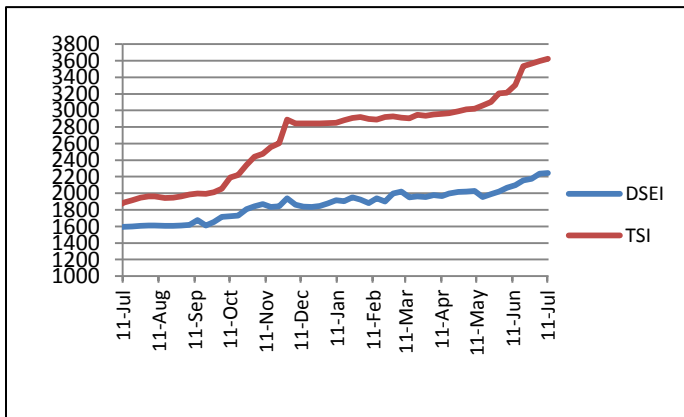
Week on week turnover increased to TZS 1,012 million 1.03x compared to TZS 979 million recorded the previous week. Likewise, shares traded gained to 1,230,021 shares (+135.6%) compared to last week's 522,214 shares.

There was no foreign investors participation on the bourse this week.

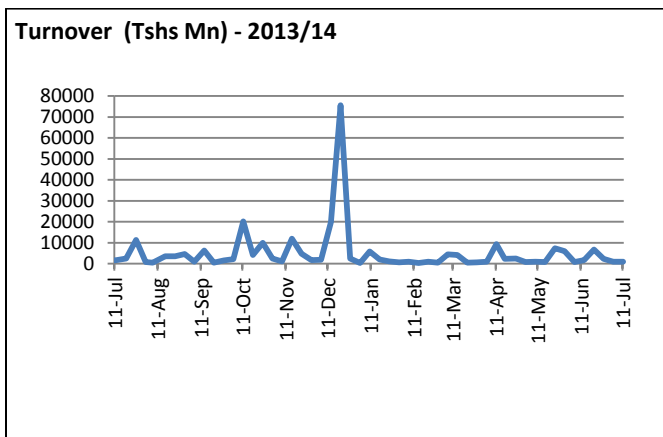
Both indices closed in green. The DSEI closed 0.31% higher at 2,245.34 points while the TSI ended the week at 3,623.01 points (+0.70%) pulled up by NMB, TBL, DCB and Simba counters gains of TZS 100, TZS 60, TZS 10 and TZS 40 respectively.

Banking segment Index strengthened (+0.72%) to close the week at 3,548.65 points on the backdrop of gains posted on the NMB(+2.50%) and DCB(+2.08%) counters. The Industrial & Allied Index also increased to close the week at 4,153.85 points (+0.71%) buoyed by gains on TBL and Simba counters.

### Market Performance



Source: DSE and TSL Analysis



Source: DSE and TSL Analysis

## WEEKLY MARKET COMMENTARY

### 08th July 2014 – 11th July 2014

#### Statistics – Equity

Total - Week Ending	July-04 2014	July-11 2014	% Change
<b>Market</b>			
Turnover in Million (TZS)	979	1,012	+3.37%
Volume of Shares in '000	522	1,230	+135.6%
DSEI	2,238.31	2,245.34	+0.31%
TSI	3,597.85	3,623.01	+0.70%
<b>Banks, Finance &amp; Services</b>			
BI	3,523.20	3,548.65	+0.72%
<b>Industrial and Allied</b>			
IA	4,124.54	4,153.85	+0.71%

Source: DSE

#### Outlook:

Looking into next week, We anticipate activity to remain modest following the continued limited supply in most of the counters. Banks counters are expected to record some improvement in the level of activity after the release of Q2,2014 financial results.

The results of the 10-year Treasury bond auctioned this week indicates 17% undersubscription This indicates low investors' appetite on long tenure Government securities.

We expect seeing an opposite reflection on the Treasury bills auction, Wednesday next week due to the investors' preference of short term Government securities.

Interbank money market rate surged to 14.76% from 13.32% in the previous week, which gives indication of further tightening in liquidity in the market.

#### Analyst:

**Brenda Massay**

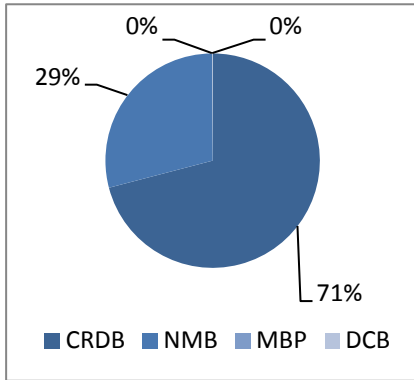
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## Bank, Finance & Investment Sector (BI)



This week the Banking segment was liquid compared to the previous week. The segment contributed 65% of the total turnover and 95% of the market activity.

CRDB was the most active counter with a volume of 1,037,198 shares traded at prices of TZS 320 and TZS

325

NMB counter traded 87,294 shares at prices of TZS 4,000 and TZS 4,100.

DCB's price increased to TZS 490, as the counter moved a volume of 10,380 shares.

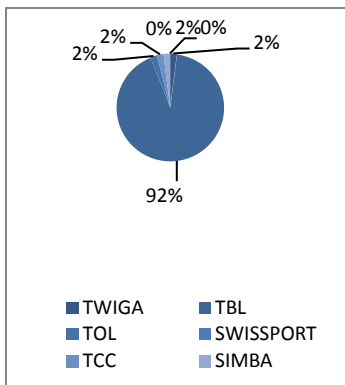
MBP counter transacted 560 shares this week at a price of TZS 600.

## Industrial and Allied Sector (IA)

The Industrial and Allied Segment was more active compared to the previous week. The segment contributed 5% of the total week's volume and 35% of the total week's turnover.

TBL was the most active counter on the Industrial and Allied segment this week. The counter traded 41,294 shares at prices of TZS 9,900 TZS 9,910 TZS 9,930 and closed at TZS 9,960.

Twiga counter followed, closing the week at TZS 2,320 with 11,130 shares transacted.



Simba counter had 10,450 shares that exchanged hands at prices of TZS 2,430 and TZS 2,440 per share.

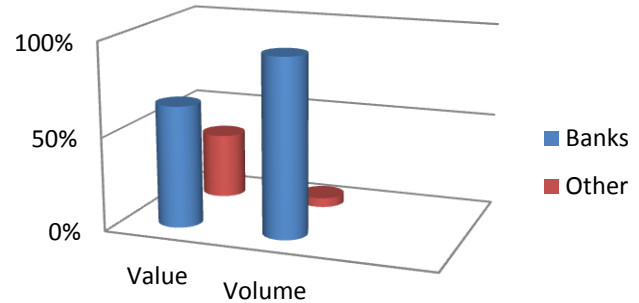
Swissport counter traded 2,365 shares at a price of TZS 2,460 per share.

TCC counter traded 500 shares to close the week at TZS 11,200.

TOL counter transacted 20 shares at TZS 490 per share while Tatepa traded 20 shares at TZS 650 per share.

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

## % Share of the Market's activity



Source: DSE and TSL Analysis

## Banking Sector Share Prices (in TZS)

Counter	04.07.2014	11.07.2014	%Changes
DCB	480.00	490.00	+2.08%
NMB	4,000.00	4,100.00	+2.50%
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	04.07.2014	11.07.2014	% Changes
TOL	490.00	490.00	0.00%
TBL	9,900.00	9,960.00	+0.61%
TTP	650.00	650.00	0.00%
PAL	475.00	475.00	0.00%
TCC	11,200.00	11,200.00	0.00%
SIMBA	2,400.00	2,440.00	+1.67%
TWIGA	2,320.00	2,320.00	0.00%
SWISSPORT	2,640.00	2,640.00	0.00%

Source: DSE and TSL Analysis



## B. Fixed Income Securities

### Primary Market

This week's 10-year Government bond was undersubscribed by 17.76%. Yield increased to 16.8200% compared to 16.4324% of the previous 10-year bond auction held on 28th May 2014.

The auction result is as depicted in the table below;

Highest Bid /100	79.2720
Lowest Bid /100	71.2988
Minimum Successful Price/100	71.2988
Weighted Average Price for Successful Bids	74.3429
Weighted Average Yield to Maturity	16.8200
Weighted Average Coupon Yield	15.3882
Amount Offered Tshs (000,000)	55,000.00
Amount Tendered Tshs (000,000)	45,230.00
Undersubscribed (+) / Oversubscribed (-) Tshs (000,000)	9,770.00
Successful Amount Tshs (000,000)	45,230.00

### Secondary Market

Bonds worth TZS 14.0 billion exchanged hands during the week in the secondary market as depicted below:

Tenor	Face Value (Tshs.)	Price/100
10.08% Seven-Year	5.0bn	88.700
9.18% Five-Year	4.0bn	91.100
7.82% Two-Year	5.0bln	80.100

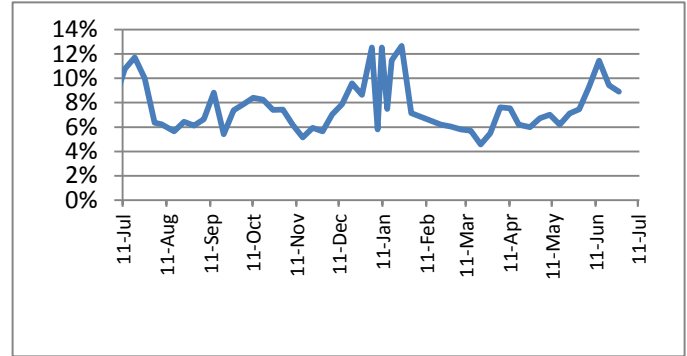
### About the Weekly Update report:

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

The overnight rate towards the end of the week increased to 14.8%, up from 13.3% recorded in the previous week as shown in the chart below:

### Interbank Borrowing Rates (WAR)

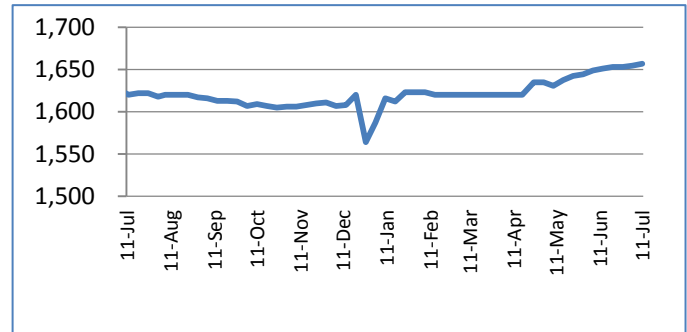


Source: BOT

## C. Foreign Exchange

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

### Foreign Exchange – TZS/USD



Source: BOT

### Foreign Exchange Market – Four weeks trend

	20-Jun 2014	27-Jun 2014	04-July 2014	11-July 2014
<b>TZS/USD</b>	1,653.08	1,653.02	1,654.71	1,656.89
<b>TZS/GBP</b>	2,815.85	2,813.95	2,833.11	2,835.43
<b>TZS/KES</b>	18.92	18.87	18.83	18.90