



A. Equity

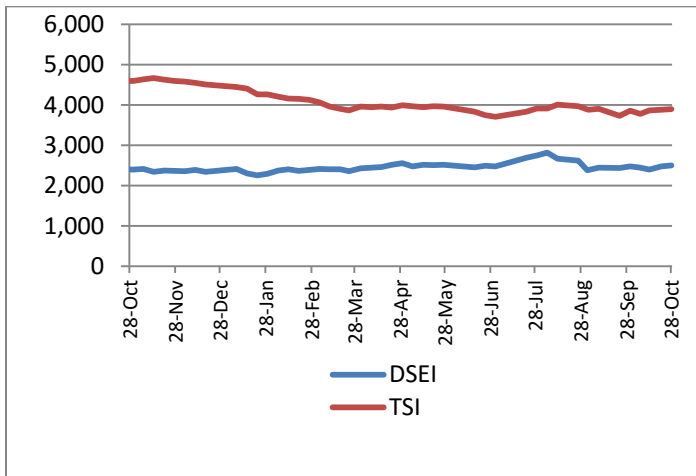
Market Performance

Week on week turnover increased significantly to TZS 5,303.99 million, 1.4x compared to TZS 3,817.02 million recorded in the previous week. Shares traded fell to 869,453 shares compared to last week's 9,863,195 shares.

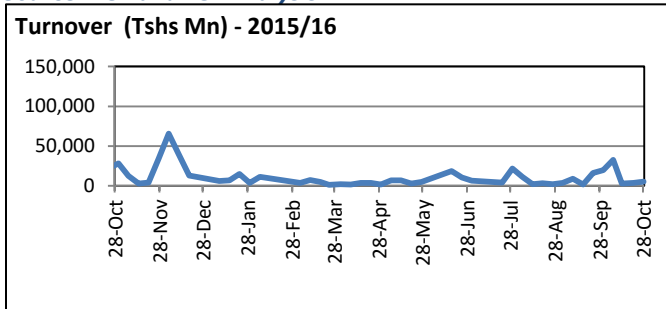
In comparison to last week, both the DSEI and TSI closed in green. The Dar es Salaam Stock Exchange Index closed the week up, at 2,501.57 points (+0.90%). The All Share Index ended the week at 3,897.44 points (+0.36%).

Banking segment Index remained flat (0.00%) to close the week at 2,773.04 points. However, the Industrial & Allied Index increased to 5,037.61 points (+0.52%) buoyed by gains in TBL counters.

Shares Indices



Source: DSE and TSL Analysis



Source: DSE and TSL Analysis

WEEKLY MARKET COMMENTARY 24th October 2016 – 28th October 2016

Statistics – Equity

| Total - Week Ending | October 28-2016 | October 21 - 2016 | % Change |
|--------------------------------------|-----------------|-------------------|----------|
| Market | | | |
| Turnover in Million (TZS) | 5,303.99 | 3,817.02 | +38.96% |
| Volume of Shares | 869,453 | 9,863,195 | -91.18% |
| DSEI | 2,501.57 | 2,479.23 | +0.90% |
| TSI | 3,897.44 | 3,883.41 | +0.36% |
| Banks, Finance & Services | 2,773.04 | 2,773.04 | 0.00% |
| BI | | | |
| Industrial and Allied | 5,037.61 | 5,011.45 | +0.52% |
| IA | | | |
| Commercial Services | 3,534.64 | 3,534.64 | 0.00% |
| CS | | | |
| Total Market Capitalisation | 21,791.22 | 21,596.89 | +0.90% |

Source: DSE

Outlook

This week CRDB, DCB, Mkombozi and Mwalimu Banks reported Q3,2016 results; CRDB Bank posted revenue of TZS 148,482 miln, DCB TZS 5,230.17 miln, Mkombozi TZS 3,586 miln and MCB TZS 3,229 miln, an increase of 2.80%, -13.89%, 24.73 and 0.00%

| Income statement(TZS in million) | CRDB Sept 30 | DCB Sept 30 | Mkombozi Sept 30 | MCB Sept 30 |
|----------------------------------|--------------|-------------|------------------|-------------|
| Net Interest Income | 109,926 | 4,328.88 | 3,218 | 3,228 |
| Non Interest Income | 38,556 | 901.29 | 368 | 1 |
| Operating Income | 2,145 | 353.00 | 353 | 547 |
| Profit After Tax | (1,999) | 247.38 | 353 | 547 |
| Basic Earnings per share | (0.77) | 3.65 | 2 | 9 |

This week's auction results of 7-year Treasury Bond witnessed a medium turnout of investors mainly due to tight liquidity in the market. The Government intended to raise TZS 138.46 billion, but amount tendered was TZS 69.58 billion. Only TZS 31.47 billion was accepted

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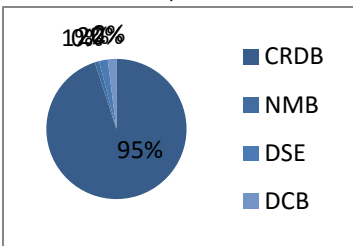
Bank, Finance & Investment Sector (BI)

The Banking segment transacted higher volume of shares but lower turnover this week. Banks accounted for 55% of the week's total volume traded and 3% of the market value.

This week CRDB counter was the active counter on the Banking segment. The counter transacted 450,080 shares and close the week at a price of TZS 250 per share.

MKCB had 288,062 shares transacted at a price of TZS 1,000 per share.

DCB traded 10,614 shares during the week. The counter closed the week at TZS 430 per share.



DSE traded 10,320 shares that transacted at a price of TZS 1,240 per share.

NMB traded 4,181 shares transacted at a price of TZS 2,750 per share.

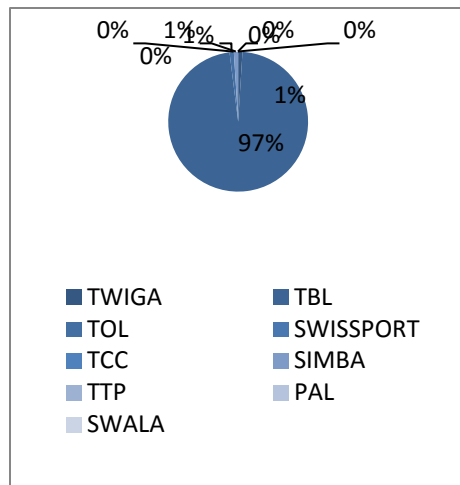
MCB traded 10 shares transacted at a price of TZS 550 per share.

There were no activities shown on MKCB, MBP and YETU counters during the week.

Industrial and Allied Sector (IA)

The industrial and Allied Segment, moved higher in turnover but lower in volumes during the week.

TBL closed the week with an upward trend to transact 386,420 shares the counter closed the week at TZS 13,300 per share



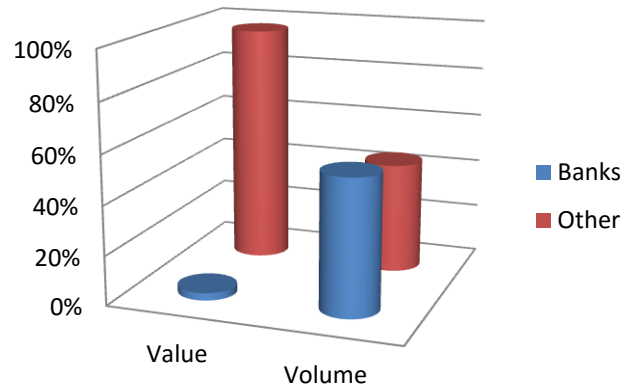
TOL followed with 2,440 shares closing the week at a price of TZS 800 per share.

Twiga transacted 1,788 shares closing the week at TZS 2,290 per share.

share

TCC counter traded 1,554 shares at TZS 11,700 per share. Swala transacted 1,000 shares at a price of TZS 500 per share. Swiss port and Simba counters traded 556 and 490 shares at TZS 6,350 and 1,860 per share.

% Share of the Market's activity



Source: DSE and TSL Analysis

Banking Sector Share Prices (in TZS)

| Counter | 28.10.2016 | 21.10.2016 | %Changes |
|---------|------------|------------|----------|
| DCB | 430.00 | 430.00 | 0.00% |
| NMB | 2,750.00 | 2,750.00 | 0.00% |
| CRDB | 250.00 | 250.00 | 0.00% |
| MKCB | 1,020.00 | 1,000.00 | +2.00% |
| MCB | 550.00 | 550.00 | 0.00% |
| MBP | 600.00 | 600.00 | 0.00% |
| YETU | 600.00 | 600.00 | 0.00% |

Source: DSE and TSL Analysis

IA Share Prices (in TZS):

| Counter | 28.10.2016 | 21.10.2016 | % Changes |
|-----------|------------|------------|-----------|
| TOL | 800.00 | 800.00 | 0.00% |
| TBL | 13,300.00 | 13,200.00 | +0.76% |
| TTP | 650.00 | 650.00 | 0.00% |
| PAL | 470.00 | 470.00 | 0.00% |
| TCC | 11,700.00 | 11,700.00 | 0.00% |
| SIMBA | 1,860.00 | 1,860.00 | 0.00% |
| TWIGA | 2,290.00 | 2,290.00 | 0.00% |
| SWISSPORT | 6,350.00 | 6,350.00 | 0.00% |
| DSE | 1,240.00 | 1,240.00 | 0.00% |

Source: DSE and TSL Analysis



No activities shown on the PAL, and TTP counters during the week.

B. Fixed Income Securities

Primary Market

There was a 7- year Treasury Bonds market during the week. The Government intended to raise TZS 138.46 billion. However, they received bids amounting TZS 69.58 billion. WAY increased slightly to 17.9215% from 17.9125 of the last 7-year auction [17thAug.2016]

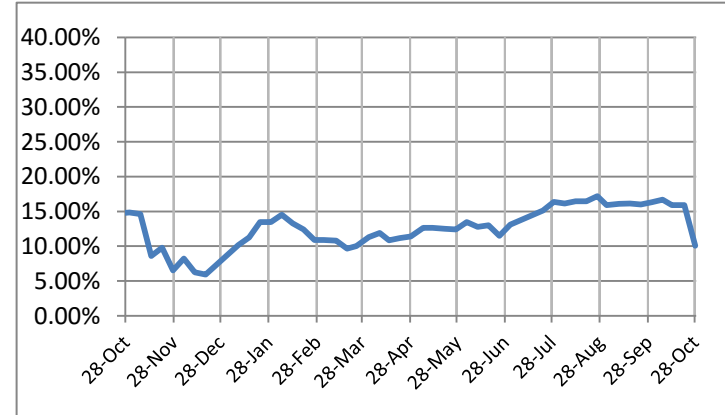
The auction result is as depicted in the table below;

| | |
|--|------------|
| Highest Bid /100 | 76.4561 |
| Lowest Bid /100 | 64.6300 |
| Minimum Successful Price/100 | 67.4130 |
| Weighted Average Price for Successful Bids | 69.3723 |
| Weighted Average Yield to Maturity | 17.9215 |
| Weighted Average Coupon Yield | 14.5303 |
| Amount Offered TZS (000,000) | 138,460.00 |
| Amount Tendered TZS (000,000) | 69,576.00 |
| Undersubscribed (+) / Oversubscribed (-) TZS (000,000) | 68,883.10 |
| Successful Amount TZS(000,000) | 31,471.60 |

Money Market

The Interbank rate towards the end of the week decreased from 15.89% to 10.05%.

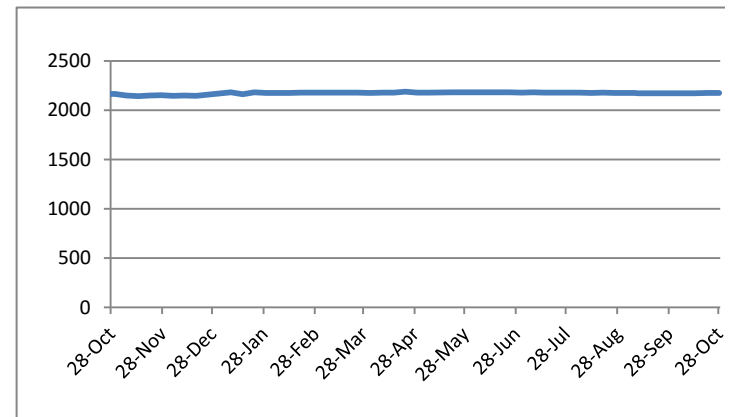
Interbank Borrowing Rates (WAR)



Source: BOT

C. Foreign Exchange

This week the shilling gain the ground against the dollar as indicated in the chart and table below:



Foreign Exchange Market – Four weeks trend

| | 07-Oct 2016 | 13-Oct 2016 | 21-Oct 2016 | 28-Oct 2016 |
|----------------|----------------|----------------|----------------|----------------|
| TZS/USD | 2,175.74 | 2,173.44 | 2,177.07 | 2,175.43 |
| TZS/GBP | 2,750.02 | 2,648.22 | 2,663.64 | 2,656.52 |
| TZS/KES | 21.48 | 21.45 | 21.47 | 21.43 |

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.