

08<sup>th</sup> June, 2018



**ORBIT SECURITIES COMPANY LTD.**

Stockbrokers / Dealers, Investment Advisers and Fund Managers  
(Member of the Dar es Salaam Stock Exchange)

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## Weekly Financial Market Report

### 1.0 CAPITAL MARKETS

#### 1.1.0 Equity Market Performance

During the week ending 08<sup>th</sup> June, 2018, the total turnover and volume declined by 29.2% and 77.2% respectively to TZS 3.74 billion (Avg. Tzs. 1.65 mil.) and 730,292 shares from TZS 5.28 billion and 3,207,444 shares traded w-o-w ending 01<sup>st</sup> June, 2018. The trading activities in the stock market were dominated by foreign participation on an average of 75.54% compared to 74.00% w-o-w and Local participation on an average of 24.66% compared 26.00% w-o-w on the buying side. On the other hand, Local participation on an average of 65.94 compared 92.83% w-o-w and foreign participation on an average of 34.07 compared to 7.17% w-o-w on the selling side of the stocks traded on the market during the week.

#### 1.1.1 Counters Activities

During the week, TBL counter dominated trading activities accounting for 95.5% of the total turnover traded on the stock market. The other remaining active counters were VODA, CRDB, NICO, DSE, SWISS, TWIGA, TCC, TOL, NMB and TOL which accounted for 4.5% of the total turnover generated during the week from the MIM segment. MBP was the only active counter on the Enterprise Growth Market (EGM) Segment during the week.

#### 1.1.2 Indices

Tanzania Share Index (TSI) closed the week down by 0.13 points at 4,176.52 points compared to 4,176.65 points in the previous week. Prices on local counters remained constant as the previous week, the slight drop of TSI compared to the previous week is a result of the relisting and inclusion of NICOL in the market and in the index computations. On the other hand, the Dar es Salaam Stock Exchange Index (DSEI) increased by 10.08 points w-o-w, closing the week at 2,316.50 points compared to 2,306.42 points in the previous week as a the result of an increase in prices of KA and KCB while EABL, JHL, ACA and NMG saw their prices decline and USL remained constant as the week before.

### 1.2.0 Weekly Summary Tables

#### 1.2.1 Market Statistics

#### 1.2.2 Top Mover of the week

Counter	Closing Price	% w/w	% YTD	Turnover TZS Mil	Volume Traded	Market Cap TZS Billion
TBL	16,400	-	+17.14	3,571.29	216,265	4,838.92
VODA	800	-	-5.88	71.08	88,888	1,792.00
CRDB	160	-	-	49.99	310,811	417.89
NICO	295	-	-	30.09	104,720	295.07

#### 1.2.3 Other Counters

Counter	Price	%w/w	% YTD	Turnover TZS Mill.	Volume Traded	Market Cap TZS Billion
<b>MIMS</b>						
DSE	1,900	-	+66.67	9.73	5,100	45.27
TCC	17,000	-	+1.19	0.15	10	1,700.00
NMB	2,750	-	-	0.02	10	1,375.00
TWIGA	1,640	-	+12.33	2.59	1,578	295.07
SWISS	3,500	-0.57	-0.57	4.08	1,180	126.00
YETU	600	-	-	0.78	390	7.27
TOL	780	-	-	0.78	100	44.88



### 1.2.4 More Trading Statistics

Description	Previous	Current	Change in %
Number of Shares Traded	3,207,444	730,292	-77.23
Market Capitalization (Bn.)	22,210.89	22,328.82	+0.53
Domestic Market Cap.	10,950.10	10,970.51	+0.19
All Share Index (ASI)	2,306.42	2,316.50	+0.44
Tanzania Share Index (TSI)	4,176.65	4,176.52	-
Local Buying Volume in %	80.67	2.30	-78.37*P
Foreign Buying Volume in %	19.33	97.70	+78.37*P
Local Selling Volume in %	92.83	2.47	-90.36*P
Foreign Selling Volume in %	7.17	97.53	+90.36*P
<b>*Percentage points</b>			

## 2.0 COLLECTIVE INVESTMENT SCHEMES

### 2.1 UNIT TRUST OF TANZANIA (UTT)

Performance of Unit Trust Schemes as at 08<sup>th</sup> June, 2018

SUB	Umoja Fund	Wekeza Maisha	Watoto Fund	Jikimu-Ex-Id TZS 3/=	Liquid Fund
Net Asset Value (TZS Mil)	227,593	1,275	3,279	21,624	28,027
Net Asset Value/Unit (TZS)	581.1853	355.4874	330.9324	128.9873	188.9884
Sale Price / Unit (TZS)	581.1853	355.4874	330.9324	128.9873	188.9884
Repurchase Price/ Unit (TZS)	575.3735	348.3776	327.6231	126.4076	188.9884

## 3.0 GOVERNMENT SECURITIES

### 3.1 Primary Market

On 06<sup>th</sup> June, 2018, BOT held an auction offering a 5 years Treasury Bond worth TZS. 90.0 billion, with a coupon rate of 9.18%. The highest bid price was 95.0321% and the minimum successful price was 87.1591%. The total tendered amount was **over-subscribed** by 4.63% of the total amount offered as the tendered amount was TZS. 94,169.50 million. However, the successful amount taken by BOT was TZS. 90.0 billion, the same amount as the offer. In the previous comparative 5 years Treasury Bond conducted on 28<sup>th</sup> March 2018, the Bank of Tanzania offered the same amount and the highest bid price was 95.7072% and minimum successful bid price was 91.8191%. The market tendered the total amount of TZS. 255,203.30 million, the tender was **over-subscribed** by 183.56% to the amount offered. However, the successful amount taken by government was TZS. 90.0 billion.

In comparison to the previous 5 years Treasury Bond auction, the weighted average yield-to-maturity (WAYTM) was 11.2951% recorded in the current auction and 11.0598% of the previous auction, a slight increase of 24 basis points.



### 3.2 Secondary Market

#### 3.2.1 Government Bond Trading

During the week, the secondary market traded 15, 10 and 7 years Treasury bond at the discounted price of 99.9660% on the higher side and discounted price of 85.1479% on the lower side, and generated a turnover of TZS. 70.36 billion worth of face value, an increase of 244% compared to the previous week ending 01<sup>st</sup> June, 2018 where 10, 5 and 2 year Treasury bond traded and the market generated a turnover of TZS 20.45 billion on the face value at the premium price of 100.0999% on the higher side and discounted to 79.4813% on the lower side. *(Source: BOT Website)*

### 4.0 MONEY MARKET

#### 4.1 Interbank Money Market (IMM)

Overnight cash rate in the Interbank Money Market closed the week ending 08<sup>th</sup> June, 2018 with an increase of 3 basis points compared to the previous week. The market closed the week with a Weighted Average Rate (WAR) of 1.63% compared to 1.60% recorded on the previous week. The rates that traded on the interbank money market at the end of the week were 1.75% on the higher side and 1.00% on the lower side. On the other hand, the rate prices were the same on higher and the lower side and the WAR was 1.60% on the previous week recorded. However, during the week under review, total trading volume was TZS 114.2 Billion (\$ 50.22 million) from TZS 130.0 Billion traded on the previous week, a decline of 12.15% of the volume. *(Source: BOT website)*

#### 4.2 Interbank Foreign Exchange Market (IFEM)

During the week ending 08<sup>th</sup> June, 2018, a total of US\$ 28.20 Million was transacted in the IFEM versus US\$ 19.80 Million that changed hands in the previous week ending 01<sup>st</sup> June, 2018, an increase of 42.4% of the traded volume. The prices during the week's trading sessions were between the high of TZS 2,276.00 and a low of TZS 2,274.00 per USD and the current weighted average rate (WAR) of TZS 2,274.42 compared to the previous week where prices traded between a high of TZS 2,285.00 and a low of TZS 2,272.90 and a weighted average rate (WAR) of TZS 2,276.91 per USD. During the week under review, the WAR slightly declined by 0.11% compared to the week before. The decrease of the WAR implies that there is a slight appreciation of Tanzanian shillings against the US dollar. *(Source: BOT website)*

#### 4.2 Foreign Exchange Market - Bank of Tanzania

The average exchange rates for major currencies against the Tanzania Shilling at the end of the week were as shown in the table below.

Currency	Previous Week	Current Week	Change in %
TZS/\$	2,265.59	2,262.91	-0.12
TZS/€	2,649.26	2,676.46	+1.03
TZS/£	3,020.25	3,031.85	+0.38
TZS/Rand	180.07	175.72	-2.42
TZS/KES	22.36	22.41	+0.22

*Source: BOT website*

During the week, the Shilling appreciated against SA Rand and US Dollar by 2.42% and 0.12% respectively, at the same time depreciating against the Euro, Sterling Pound and Kenyan Shilling by 1.03%, 0.38% and 0.22% respectively as shown in the above table.



## 5.0 NOTABLE EVENTS

### 5.1 NICOL RE-LISTED

NICOL, an investment company was re-listed on the Bourse on 6th June 2018 at the price of TZS 300/= per share. The counter was relatively active for retail investors, where at one time it touched an intra-day high of TZS 305/- then supply pressure pushed the price to close as low as TZS 270/- on 7th June 2018 before recovering to close the week at the price of TZS 295/-. In total, NICOL counter moved 104,720 shares valued at TZS 30.09mn (\$13,230) during the first three days of its trading.

The last trading price of NICOL before it was delisted was TZS. 245/- per share, as the Prospectus accompanying application for re-listing showed Net-Asset-Value (NAV) of around TZS 1,400/-. NICOL's portfolio, according to their website and the Prospectus is constituted of listed shares with NMB making over 80% of total portfolio.

Their website lists also NICOL's investment in Mwanza's Tanzania Fisheries Development Co, Ltd and Dodoma's Tanzania Meat Co. Ltd with zero (nil) value.

Going forward, NICOL performance will highly depend on the performance of constituent stocks in the portfolio. Such kind of mutual fund-related entities usually trades very close to their NAV.

**NICOL** was delisted in 2008 after a glitch in compliance by failing to provide financial statements of the company as well as those of its subsidiaries. The company applied to relist since December 2017 and got an approval from the CMSA in May 2018 after the Authority secured all relevant documents, information and the satisfaction that the company is now legally fit to relist and publicly traded on the bourse.

### 6.0 TANGA CEMENT CO. LTD. AUDITED FINANCIAL RESULTS ENDING DEC. 2017

Tanga Cement Company Limited released their 2017 financial results after cautionary note to shareholders realised on 6<sup>th</sup> June, 2018. The company also postponed their annual general meeting (AGM) that was expected to be held on 25<sup>th</sup> May, 2018 until further notice.

The topline (revenue) increased 3% to TZS 172bn (\$75.62mn) from preceding year's TZS 167bn (\$73.37mn), although a 26% jump in cost of sales ate a bigger chunk on profitability causing gross profit to plummet 46% to TZS 29bn (\$12.75mn) from TZS 54bn (\$23.74mn) in 2016.

Finance costs was another main drag on TCCL's profitability increasing by about 70% over one year period as the company borrowed heavily to finance the new integrated production line.

Despite of enjoying a deferred tax credit of Tshs 9bn (\$3.96mn) during 2017 Simba Cement recorded a loss-after-tax of TZS 26bn (\$11.43mn) compared to preceding years bottom-line (profit) of TZS 4bn (\$1.76mn) consequently posting a loss-per-share of TZS 418/- versus the preceding year's earnings-per-share of TZS 68/-.

As usual the market is yet to react to Simba Cement dismal performance as the company management "...works to achieve its short-term and long-term growth strategy" – read part of their report.



## 7.0 ANNUAL GENERAL MEETINGS

### 7.1 NMB Annual General Meeting

On the 2nd of June, 2018, the Board of Directors of National Microfinance Bank Plc. held the 18th Annual General Meeting of shareholders to report operations of the year ending 31<sup>st</sup> December, 2017 and affirm plans for the year beginning 1st January, 2018.

Major agendas of the meeting were; to receive, consider and adopt the Directors' report and audited financial statements for the year ended 31st December 2017; Dividend declaration for the financial year 2017 and Future plans.

#### 7.1.2 Dividend Declaration for the Financial Year 2017

The Board of Director proposed a dividend of TZS 64 per share amounting to TZS 32 billion for the financial year 2017. The dividend was approved by shareholders. It was noted that the dividend payout went down by 38.4% from TZS 104 per share in 2016 which amounted to TZS 52 billion.

### 7.2.0 DCB Annual General Meeting

On the 2nd of June 2018, the DCB Bank's Board of Directors conduct the 16th Annual General Meeting of shareholders at Diamond Jubilee reporting the operations result of the year ending 31st December, 2017.

Major agendas of the meeting were; to receive, consider and adopt the Directors' report and audited financial statements for the year ended 31st December 2017, to receive the Bank's short term and long-term strategy, to receive and approve the proposal for increase of share capital.

#### 7.2.1 Financial Statements for the Year Ended 31st December 2017:

The Board presented the financial statements for the financial year ending December, 2017 to shareholders that the company has been operating under a loss. During financial year under review, the bank recorded a loss of Tzs. 6.0 billion at the ending of 2017 from the loss of TZS. 3.0 billion of the previous year ending December, 2016, the loss increase by 200% which make a total loss of TZS 9.0 billion in two consecutive years. However, the total operating income increased by 2.37% to TZS 18.31 billion in 2017 from TZS. 18.74 billion in 2016. Unlike, operating expenses during the year ending December, 2017 was negative TZS. 25.64 billion from negative TZS.2.15 billion generated at the end of December, 2016. Earnings per share (basic and diluted) was negative TZS. 89/= for 2017 and negative TZS. 44/= for 2016. However, the Board of Directors did not declared any dividend for the financial year ending December, 2017.

#### 7.2.2 To Receive and Approve the Proposal for Increase of Share Capital

The Board requested the shareholders to approve the proposed increased share capital by Board member of TZS 8.0 billion through Rights issue. This investment will provide the bank with ability to comply with the regulatory requirement and take advantage of the growth opportunities especially in the microfinance and small and medium enterprises. Shareholders approve the capital. The process of Right Issue arrangement will be within 3 months and the shareholders will be notified the way forward.





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## LISTED COMPANIES' ANALYSIS

COUNTERS	IPO Price	Cl. Price	1month	52 Weeks	YTD T/over	YTD Avg Daily	YTD Volume	YTD Avg. Daily	Mkt Cap	P/B (x)	Dividend		EPS	P/E(x)	Status
	Tzs.	Tzs.	Price	Cl. Price	Tzs "000"	T/Over " 000"	Traded	Vol. Traded	Tzs. Billion	Value	Yield %	Cover			
<b>COMMERCIAL AND SERVICE (CS)</b>															
SWISSPORT	225	3,500	3,540	5,000	9,624,910	97,213	2,597,934	26,510	126.00	**4.0	4.70	2	331.5	10.56	MIMS
PAL	475	470	470	470	-	-	-	-	75.42	**0.35	-	-	(571.03)	-	MIMS
VODA	850	800	800	-	7,754,359	73,851	9,959,860	94,856	1,792.00	**3.21	1.50	1.67	83.81	9.55	MIMS
<b>BANK, FINANCE AND INVESTMENT (BI)</b>															
CRDB	150	160	180	190	7,035,725	64,548	37,137,923	340,715	417.89	**0.53	2.70	2	13.90	11.51	MIMS
NMB	600	2,750	2,750	2,750	79,504	721	311,149	317	1,375.00	**1.7	2.30	2.96	190.00	14.47	MIMS
DCB	275	380	380	400	207,068	1,991	608,761	5,853	25.77	***1.7	-	-	(4.92)	-	MIMS
MCB	500	500	500	500	138	1.30	220	3	30.91	***1.15	-	-	(15.0)	-	EGM
MBP	500	600	600	600	62,642	633	106,070	1,071	8.78	***0.58	-	-	(4.92)	-	EGM
YETU	500	600	600	600	780,000	7,156	1,300	12	7.27	***0.23	-	-	90.00	6.67	EGM
MKCB	1,000	800	830	1,000	13,660	133	20,926	203	16.49	***1.8	2.50	2.91	60.00	13.33	EGM
MUCOBA	250	400	400	400	-	-	-	-	3.26	**0.94	4.25	3.24	55.12	7.26	MIMS
DSE	500	1,900	1,700	1,120	1,171,739	11,601	753,254	7,313	45.27	**1.94	2.21	3.76	180.00	10.56	MIMS
TICL	400	450	450	-	***15,445	***329	36,098	768	32.88	-	-	-	-	-	MIMS
*NICOL	300	295	-	-	***30,096	***10,032	104,720	34,907	20.41	-	8.47	1.32	33	8.94	MIMS
<b>INDUSTRIAL AND ALLIED (IA)</b>															
TOL	500	780	780	800	471,112	4,322	604,160	5,543	44.85	2.41	-	-	29.61	26.34	MIMS
TATEPA	330	120	120	650	12,017	121	100,145	1,012	2.24	(1.06)	-	-	(60.24)	-	MIMS
TBL	550	16,400	16,000	11,000	91,953,813	851,424	6,209,829	59,971	4,838.92	**6	7.20	0.49	572	28.67	MIMS
TCC	410	17,000	16,300	11,500	8,913,745	90,957	551,085	5,623	1,700.00	***29.6	3.90	0.86	515.8	32.96	MIMS
TPCC (TWIGA)	435	1,640	1,540	2,000	6,290,475	57,711	4,213,005	38,651	295.07	**1.52	17.70	0.73	198	8.28	MIMS
TCCL (SIMBA)	300	1,020	1,200	1,600	57,947	563	56,676	550	64.94	*0.54	-	-	(232)	-	MIMS
SWALA GAS & OIL	500	500	500	500	2,126	20	4,252	40	49.98	(3.47)	-	-	(61.02)	-	EGM

\*2016 Financial Results

\*\*2017 Financial Results

\*\*\* Prorated to approximated full year results ending 2017

MMIS - Main Market Investment Segment window

EGM - Enterprises Growth Market window

\*\*\*\* TICL (Turnover & Average Daily T/over) From listing Day of March 1, 2018

\*\*\*\* NICO (Turnover & Average Daily T/over) from re-listed Date of 6th June, 2018

Source: DSE data