

28<sup>th</sup> Sept., 2018



# ORBIT SECURITIES COMPANY LTD.

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

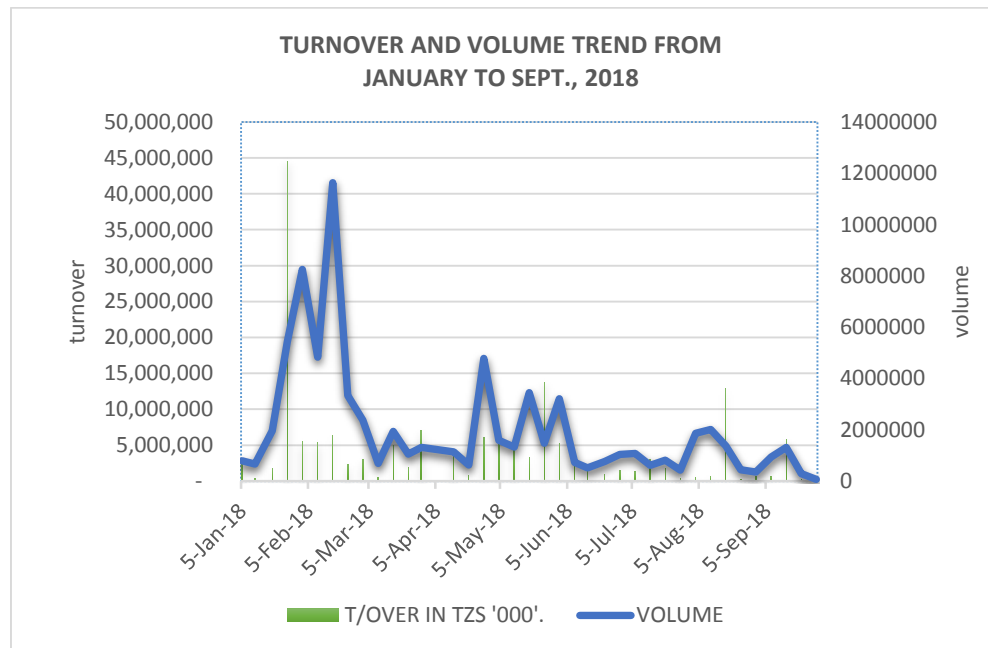
## Weekly Financial Market Report

### 1.0 CAPITAL MARKETS

#### 1.1.0 Equity Market Performance Summary

The Dar es Salaam Stock Exchange (DSE) closed the week with the mixture of upward and downward note following a 63.96% increase and 75.79% decrease w-o-w on total turnover and volume generated respectively. The stock market posted a total turnover and volume of TZS 287.17 Million and 71,396 shares respectively compared to TZS 175.14 Million and 294,875 during the preceding week. The Exchange closed the week with TBL as a top mover accounting for 54% of the total turnover followed by CRDB and TWIGA which accounted for 15% and 13% of the total turnover respectively. Other counters accounted 18% of the total market turnover. On the other hand, local investors led investments in the market by holding an average position of participation by 80.50% and 86.40% on both buy and sell side respectively, it is now three weeks consecutively local investors have been leading in local market participation.

The following graph shows week to week trend of turnover and volumes traded in the stock market since January to September, 2018.



Source of Data: DSE Web.

#### 1.1.1 Indices

Tanzania Share Index (TSI) closed the week low by 0.18%w-o-w and All Share Index (DSEI) high by 3.79%w-o-w. Tanzania Share Index (TSI) closed the week down at 3,950.14 points as a result of price depreciation on some counters such as TCCL, SWISS and DSE in domestic market. All Share Index (DSEI), which includes cross listed counters, closed up at 2,105.20 points which was a result of the price appreciation in some counters such as ACA, EABL, KA, KCB and NMG.

Below is a graph showing the weekly trend for the Tanzania Share Index (TSI) and All Share Index (DSEI) from January, 2018 to September, 2018.

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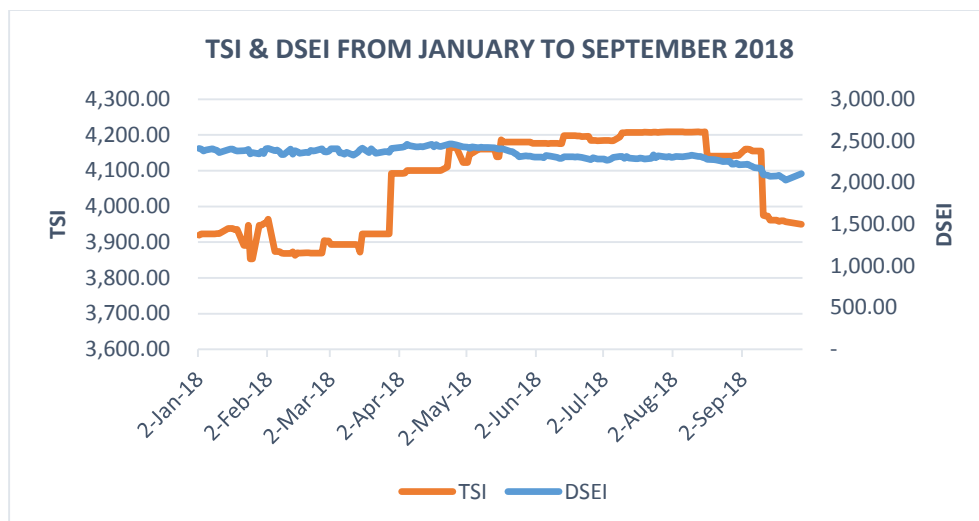
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Source of Data: DSE Web.

## 1.2 Weekly Summary Tables

### 1.2.1 Domestic Market Statistics

#### 1.2.1.1 Top Movers of the week

Counter	Closing Price	% w/w	% YTD	Turnover TZS '000'	Volume Traded	Market Cap TZS Billion
TBL	14,300	-	+2.14	155,994	11,471	4,219.30

#### 1.2.1.2 Loser of the week

Counter	Closing Price	% w/w	% YTD	Turnover TZS '000'	Volume Traded	Market Cap TZS Billion
SWISS	2,660	-14.74	-24.00	15,433	1,799	95.76
TCCL	750	-2.60	-37.50	11,805	15,914	47.75
DSE	1,780	-2.20	+56.14	19,065	10,662	42.41

#### 1.2.1.3 Other Counters

Counter	Price	% w/w	% YTD	Turnover TZS '000'	Volume Traded	Market Cap TZS Billion
CRDB	160	-	-	42,134	280,743	417.89
TPCC	2,060	-	+41.10	37,762	18,331	370.64
NICOL	310	-	+1.67	3,954	12,900	21.10
NMB	2,750	-	-	140	60	1,375.00
VODA	800	-	-5.88	880	1,100	1,792.00

#### 1.2.1.4 Cross-listed Counters

Counter	Current Price	Previous Price	% w/w	% YTD	Market Cap TZS Billion
ACA	3,810	3,520	+8.24	-32.33	1,562.43
EABL	4,280	4,060	+5.42	-20.89	3,384.51
JHL	10,600	10,600	-	+2.51	768.21
KA	210	155	+35.48	-46.84	1,193.10
KCB	910	860	+5.81	-4.21	2,703.01
NMG	1,580	1,540	+2.60	-38.04	297.90
USL	20	25	-20.00	-80.00	7.30



### 1.2.1.5 More Trading Statistics

Description	Previous	Current	Change in %
Total Turnover	175,140,295	287,166,355	+63.96
Number of Shares Traded	294,875	71,396	-75.79
Total Market Capitalization (Bn.)	19,551.53	20,292.35	+3.79
Domestic Market Cap.	10,394.68	10,375.90	-0.18
All Share Index (ASI)	2,028.35	2,105.20	+3.79
Tanzania Share Index (TSI)	3,957.29	3,950.14	-0.18
Local Buying Volume in %	93.35	9.84	-83.51*P
Foreign Buying Volume in %	6.65	90.16	+83.51*P
Local Selling Volume in %	47.11	85.97	+38.86*P
Foreign Selling Volume in %	52.89	14.03	-38.86*P
<b>*P= Percentage points</b>			

## 2.0 COLLECTIVE INVESTMENT SCHEMES

### 2.1 UNIT TRUST OF TANZANIA (UTT)

Performance of Unit Trust Schemes as at 27<sup>th</sup> September, 2018 were as follows:

SUB	Umoja Fund	Wekeza Maisha	Watoto Fund	Jikimu-Ex-Id TZS 3/=	Liquid Fund
Net Asset Value (TZS Mil)	224,052	1,220	3,289	20,551	33,961
Net Asset Value/Unit (TZS)	575.4190	367.4667	329.4888	129.3869	194.7593
Sale Price / Unit (TZS)	575.4190	367.4667	329.4888	129.3869	194.7593
Repurchase Price/ Unit (TZS)	569.6648	360.1174	326.1939	126.7992	194.7593

(Source: UTT Website)

## 3.0 GOVERNMENT SECURITIES

### 3.1 Primary Market

On 26<sup>th</sup> September 2018, BOT held 10-years Treasury bond auction, the bond carries 11.44% coupon rate. BOT offered a total amount of TZS 124.5 Billion and the market tendered a total amount of TZS 43.17 Billion, a 65% under-subscription of the amount offered as the minimum successful price was 80.5467%. The government accepted TZS 29.84 Billion below by 82% and 31% of the amount offered and amount tendered respectively. On the current auction the Weighted Average Yield (WAY) was 14.3881% down by 2.67 basis points from 14.4148% of the comparative previous auction held on 04th July, 2018.

### 3.2 Secondary Market

During the week, the 20, 15, 10, 7 and 5-years treasury bonds exchanged hands in the Treasury bond secondary market, a total face value of TZS 12.47 billion higher by 58.25% compared to the previous week's TZS 7.88 billion that was generated from 15 and 10-years bonds, the bond prices were discounted between 80.0001% on the low side and 99.3802% on the high side. During the week under view, the bourse traded a 6-year-Exim corporate bond with 15.56% coupon rate, a total face value of TZS 140.0 million at the par price of 100%. Generally, the bourse generated a total face value of TZS. 12.61 billion from both government and corporate bonds. (Source: DSE Website)



#### 4.0 MONEY MARKET

##### 4.1 Interbank Money Market (IMM)

During the week, the Interbank Money Market (IMM) volume transactions increased by 158%w-o-w to a total amount of TZS 77.5 billion (\$34 million) compared to TZS 30.0 billion recorded during the previous week. The IMM closed the week with rates of 3% on high side and 1% on the low side closing the week at a Weighted Average Rate (WAR) of 2.14% higher by 33 bps compared to 1.81% posted in the preceding week. The increase of WAR implies high demand of borrowing between banks throughout the week. (Source: BOT website)

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

During the week under review, transactions in the Interbank Foreign Exchange Market (IFEM) dwindled by 41%w-o-w to a total amount of \$14.65 million from the previous week's \$24.80 million and this implies a decline of demand of foreign funds transactions. However, the market closed the week with exchange rates at TZS 2,290.00 on the high side and TZS 2,286.50 on the low side and Weighted Average Rate (WAR) was TZS 2,288.38/USD, the shilling depreciated slightly by 0.03% compared to the previous week's USD 2,287.6/USD. (Source: BOT website)

##### 4.3 Foreign Exchange Market – Bank of Tanzania

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

Currency	Previous Week	Current Week	Δ%
TZS/\$	2,276.00	2,277.46	+0.06
TZS/€	2,677.82	2,660.19	-0.66
TZS/£	3,022.86	2,989.74	-1.10
TZS/Rand	157.34	161.35	+2.55
TZS/KES	22.57	22.56	-0.04

During the week Tanzanian Shilling weakened against USD (greenback) and South African Rand currencies by 0.06% and 2.55% respectively as shown on the above table. However, the shilling strengthened against the Euro, Pound and Kenyan shilling by 0.66%, 1.10% and 0.04% respectively.

#### 5.0 Notable Market Events

##### 5.1 TBL profit dwindles by 16% on challenging environment

The profit of the Tanzania Breweries Limited (TBL) group of Companies dropped by 16% in the first half of this year and this happened despite the brewer's shift in strategy to focus on affordable brands and packs. The company's after tax profit for six months of this year declined to TZS 64.5 billion from TZS 77.13 billion recorded in a similar period in 2017, according to a financial statement published this week. The company gave one of the reason for the slowed performance pointing out to the heavy rain between April and early June, 2018 which disrupted sales and distribution of the brewer's products. The Board has announced a second dividend of TZS 350/= which is now trading cum-dividend ending 12<sup>th</sup> Oct., 2018 and the payment will be on or about 25<sup>th</sup> Oct., 2018

##### 5.1.1 Outlook

Challenging market environment continue to affect TBL's performance, the government has recently proposed an introduction of electronic tax stamps, which, if successfully implemented may increase operating costs up to TZS 32 per litre, which may not be in line with TBL's policy to focus on affordable products. We are still seeing the company struggling to outperform its previous best performances in the medium-term. However, the Company is still spending heavily on capital goods and is currently in plans to build a USD 100 million (TZS 228bln) plant in country's capital city Dodoma.



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## LISTED COMPANIES' ANALYSIS

COUNTERS	IPO Price	Cl. Price	6 months	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	3,120	3,540	3,820	10,072,604	69,949	2,728,320	19,350	112.32	**4.0	4.70	2	331.5	9.41	MIMS
PAL	475	470	470	470	-	-	-	-	75.42	**0.35	-	-	(571.03)	-	MIMS
VODA	850	800	850	770	9,800,331	55,369	12,517,125	70,718	1,792.00	**3.21	1.50	1.67	83.81	9.55	MIMS
<b>BANK, FINANCE AND INVESTMENT (BI)</b>															
CRDB	150	160	190	175	8,185,562	46,509	44,340,550	251,935	417.89	**0.53	2.70	2	13.90	11.51	MIMS
NMB	600	2,750	2,750	2,750	80,786	464	34,524	197	1,375.00	**1.7	2.30	2.96	190.00	14.47	MIMS
DCB	275	340	380	395	207,198	1,177	609,150	3,461	25.77	**1.7	-	-	(4.92)	-	MIMS
MCB	500	500	500	500	224	1	520	3	30.91	**1.15	-	-	(15.0)	-	EGM
MBP	500	600	600	600	63	368	106,600	623	8.78	**0.58	-	-	(4.92)	-	EGM
YETU	500	600	600	600	780	490	1,300	120	7.27	**0.23	-	-	90.00	6.67	EGM
MKCB	1,000	800	830	890	24,352	30	29,818	175	16.49	**1.8	2.50	2.91	60.00	13.33	EGM
MUCOBA	250	400	400	400	6,356	39	15,915	99	3.26	**0.94	4.25	3.24	55.12	7.26	MIMS
DSE	500	1,820	1,400	1,380	1,536,845	9,258	964,550	5,741	43.36	**1.94	5.49	3.76	221.06	8.23	MIMS
TICL	400	450	N/A	N/A	****16,213	****136	38,090	320	32.88	-	-	-	-	-	MIMS
NICOL	300	305	N/A	N/A	****213,999	****3,292	786,549	12,101	21.10	-	8.52	1.32	33	1.31	MIMS
<b>INDUSTRIAL AND ALLIED (IA)</b>															
TOL	500	670	780	780	796,003	4,523	1,089,055	6,188	38.53	2.41	-	-	37.71	17.77	MIMS
TATEPA	330	120	600	650	12,747	72	106,225	604	2.24	*-1.06	-	-	(60.24)	-	MIMS
TBL	550	14,300	14,000	13,300	118,089,782	674,799	7,885,112	44,802	4,219.30	**6.9	4.80	0.71	572	28.00	MIMS
TCC	410	17,000	15,200	13,100	9,019,609	81,996	558,296	5,075	1,700.00	**8.91	2.45	1.13	454	36.00	MIMS
TPCC (TWIGA)	435	2,060	1,480	1,780	7,010,668	39,833	4,572,817	25,982	370.64	1.74	16.00	0.74	198.84	10.36	MIMS
TCCL (SIMBA)	300	1,000	1,200	1,360	78,947	449	77,676	441	63.67	**0.39	-	-	(418)	-	MIMS
SWALA GAS & OIL	500	490	500	500	26,953	144	54,866	293	52.04	(3.47)	-	-	(61.02)	-	EGM
*2016 Financial Results															
**2017 Financial Results															
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															