



Jan
2020

MONTHLY REPORT

By Research Department at Orbit Securities

IMANI MUHINGO

Head Of Department

WENDE KALINGA

Analyst

**GEOFREY
KAMUGISHA**

Analyst

EQUITIES MARKET PERFORMANCE

TURNOVER AND VOLUME

Total equity turnover for the month was TZS 45.36Bln, (\$19.7Mln), with about 76 million shares traded. January has historically been an active month on DSE, however this month, it recorded a record turnover, more than two (2) folds higher than January 2019 and December 2019 turnovers of TZS 18.4Bln and TZS 18.5Bln, (\$8.1Mln) respectively. 93% of shares traded belonged to CRDB counter. The total number of shares traded is also double that of December which was around 38 million.

MARKET CAPITALIZATION AND INDICES

The total market capitalization closed at TZS 17.5Trn (\$7.6Bln) which is 2.6% higher than the value recorded in December of TZS 17.1Trn (\$7.4Bln), a gain of TZS 444Bln. Likewise the domestic market capitalization closed 0.97% higher at TZS 9.1Trn (\$3.96Bln) against previous month's value of TZS 9Trn (\$3.92Bln). The increase in the capitalization is attributable to several counters that had price improvement during the month, including CRDB, JHL, EABL and KA. Corresponding to the market cap improvements both Market Indices; All Share Index (DSEI) and Tanzania Share Index (TSI) gained 53.53 points and 33.33 points respectively to close the month with 2,112.77 and 3,464.43 points respectively.

The Overall Market Statistics for January, 2020

84.3%

of Total Market Turnover was contributed by TBL counter

TZS 45.36 Bln

Total Equity Turn Over for the Month

93%

of shares that traded belonged to the CRDB Counter

TZS 17.5 Trn

Was the total Market Capitalization as at the end of January 2020

EQUITIES MARKET PERFORMANCE

TOP MOVERS

TBL counter claimed the top mover position this month. The counter transacted about 4 million shares worth TZS 38.2bln, equivalent to 84.3% of total market turnover for the month. Approximately 100% (TZS8.2Bln) of the TBL and 92% (TZS 6.3Bln) of CRDB transactions were executed as block trades and off- market. This implies that about 98% (TZS44.5Bln) of total market turnover for the month was generated through off-market trades.

GAINERS AND LOSERS

Three counters; CRDB, NICO and TOL had price movements during the month. CRDB was the Top and only gainer, gaining by 35 spreads from TZS 95 to TZS 130 at the end of the month. Both NICO and TOL had downward movement where NICO closed at TZS 170, down 5spreads from TZS 175 and TOL at TZS 600 down 60 spreads from TZS 660.

Equity Market Statistics

Description	DECEMBER		JANUARY		
	TZS	\$	TZS	\$	▲ %
Total Turnover (TZS)	18,520,832,585	8,052,536	45,359,428,185	19,721,491	+144.91
Number of Shares Traded	38,493,093		76,448,594		+98.60
Total Market Capitalization (Bn.)	17,096.44	7.43	17,541.08	7.63	+2.60
Domestic Market Cap (Bn.)	9,010.58	3.92	9,098.09	3.96	+0.97
All Share Index (DSEI)	2,059.21		2,112.77		+53.56pts
Tanzania Share Index (TSI)	3,431.10		3,464.43		+33.33pts
Weighted Av. Local Buying %	26.91		7.26		-19.65*p
Weighted Av. Foreign Buying %	73.09		92.74		+19.65*p
Weighted Av. Local Selling %	29.41		16.25		-13.16*p
Weighted Av. Foreign Selling %	70.59		83.75		+13.16*p
Foreign Purchases	13,536,841,462	5,885,583	42,068,104,512	18,290,480	+210.77
Foreign sales	13,074,283,600	5,684,471	37,987,868,490	16,516,465	+190.55
Net foreign Inflow/(outflow)	462,557,862	201,112	4,080,236,022	1,774,016	+782.10
*P= Percentage points					
*Pts =Index Points					

EQUITIES MARKET PERFORMANCE

MONTHLY SUMMARY TABLES

Counter	Opening Price	Closing Price	%Δ M.o.M	Turnover TZS	Volume Traded	% of Turnover	Market Cap TZS Billion
Domestic Counters							
Top movers							
TBL	10,900	10,900	-	38,232,545,600	4,722,049	84.29	3,216.11
Gainers and Losers of the Month							
CRDB	95	130	+36.84	6,836,989,950	71,360,190	15.07	339.54
NICO	175	170	-2.86	22,973,950	119,690	0.05	11.76
TOL	660	600	-9.09	3,090,000	5,150	0.01	35.51
Other Active Counters							
DSE	1,020	980	-	169,687,120	173,098	0.37	23.35
TPCC	2,000	2,000	-	66,848,600	34,899	0.15	359.85
NMB	2,340	2,340	-	18,578,560	8,294	0.04	1,170.00
SWIS	1,600	1,600	-	4,486,400	2,804	0.01	57.60
DCB	295	295	-	2,663,475	7,147	0.01	27.25
VODA	850	850	-	1,405,350	1,735	0.00	1,904.00
MKCB	780	780	-	93,600	120	0.00	16.09
TICL	385	385	-	66,500	160	0.00	28.13
TCC	17,000	17,000	-	16,200	1	0.00	1,700.00
Cross Listed Counters							
EABL	4,480	4,900	+9.37	-	-	-	3,874.79
JHL	7,900	8,200	+3.80	-	-	-	594.28
KA	45	55	+22.22	-	-	-	312.48
KCB	1,200	1,180	-1.67	-	-	-	3,505.00
NMG	900	820	-8.89	-	-	-	154.60
USL	5	5	-	-	-	-	1.82

Other Active counters

Apart from those discussed in previous sections, other nine (9) counters were active during the month making a total of thirteen (13) active counters out of 21 domestic listed companies. Overall volumes and turnovers in specific counters have improved during the month compared to the past month.

Cross-Listed Counters

East African Breweries (EABL), Jubilee Holdings (JHL) and Kenya Airways (KA) counters had positive price movements during the month. Kenya Airways was the top gainer, up 22% to TZS 55, followed by EABL up 9.3% and JHL up 3.8%. Kenya Commercial Bank (KCB) and National Media Group (NMG) posted negative price movements, where NMG was the top loser, dropping 8% followed by KCB falling by 1.6%. Uchumi Supermarkets (USL) remained unchanged.

EQUITIES MARKET PERFORMANCE

Investors participation

Foreign investors dominated both buy and sell activities by 92.7% and 83.7% respectively. Foreign purchases amounted to TZS 42.06Bln (\$18.3Mln), more than 100% increment from TZS 13.5Bln (\$5.9Mln) of previous month. Foreign investors sale amounted TZS 38.1Bln (\$16.5Mln) also more than 100% increment from previous month. Local investors contributed TZS 515Mln on buy side and TZS 328.7Mln on sell side. Net Foreign Inflow/investment amounted to TZS 4Bln (\$1.8Mln).

Cross-Listed Counters

East African Breweries (EABL), Jubilee Holdings (JHL) and Kenya Airways (KA) counters had positive price movements during the month. Kenya Airways was the top gainer, up 22% to TZS 55, followed by EABL up 9.3% and JHL up 3.8%. Kenya Commercial Bank (KCB) and National Media Group (NMG) posted negative price movements, where NMG was the top loser, dropping 8% followed by KCB falling by 1.6%. Uchumi Supermarkets (USL) remained unchanged.

BONDS MARKET PERFORMANCE

Government Bonds.

The government through the Bank of Tanzania (BOT) holds auctions every Wednesday for primary issuance of a debt instruments. The current available tenures are the 20, 15, 10, 7, 5 and 2 years bonds. All these bonds are subsequently listed on the Dar es Salaam Stock Exchange (DSE) which acts as a secondary market for the bonds.

Primary bond Market.

During the month the Government raised a total of TZS 276Bln, from a 2(two) and 15(fifteen) years bonds. Government had initially asked for TZS 246Bln and received subscriptions worth TZS 644.5Bln (collectively from both auctions), an over subscription rate of 161%.

Secondary Bond Market

The secondary market, not as active as the primary market generated a total face value turnover of TZS 75.55Bln from government bonds and TZS 75Mln from NMB corporate bond. In total the secondary market generated total of TZS 75.63Bln.

MONEY MARKET PERFORMANCE

Treasury Bills

The government raised a total of TZS 136Bln from the two treasury bills auctions conducted within the month. The public had tendered a total of TZS 174.89Bln to the total offer of TZS 214.4Bln. In general the treasury bills auctions were not as successful as the bonds, as they were undersubscribed by 18.43%. The weighted average yields (WAY) for the tenures at the end of the month stood at; 3%, 3.50, 4.22% and 5.91% for 35-days, 91-days, 182-days and 364-days bills respectively. The total weighted average yield for the bills stood at 5.80%, 12bps higher than 5.68% of previous month.

Interbank Money Market (IMM)

The volume traded on the inter-bank money market for the month amounted to TZS 423.4Bln, a marginal change from TZS 481.9Bln of previous month. Compared to previous month where the rates appeared bearish, this month, the rates showed a bullish trend, opening at 3.72% and closing at 4.15%, lower than a closing rate of 3.72% of December. Average interbank rate during the month was around 3.99%

Interbank Foreign Exchange Market (IFEM)

The foreign exchange market experienced fewer activities this month compared to previous month. The volume traded dropped by 60.2% to \$ 70.7Mln, against \$177Mln of December. The Shilling during the month had weakened against USD, where exchange rate for USD/TZS closed at 2,300.83 higher than 2,299.97 of previous month

APPENDIX

1. GOVERNMENT SECURITIES

January						December					
Tenure	Offer	Tendered	Successful	Tenure	Offer	Tendered	Successful				
Treasury bills	214.40	174.89	136.01	Treasury bills	214.4	123.12	103.82				
2 years	137.00	280.00	167.00	10 years	122	81.25	55.87				
15 years	109	189.59	109	15 years	109	102.15	97.99				
				20years	117	286.68	124				
TOTAL	460.40	644.48	412.01	TOTAL	562.40	593.20	381.68				

2. MONEY MARKET

January				December					
	Volume	AV. rate	Opening Rate	Closing Rate		Volume	AV. Rate	Opening Rate	Closing Rate
IMM (TZS Bln)	423.4	3.99	3.79	4.15	IMM (TZS Bln)	481.9	3.88	4.52	3.72
IFEM(USD Mln)	70.72	2,300.02	2,299.91	2,300.83	IFEM(USD Mln)	177.65	2,300.02	2,299.26	2,299.97

DOMESTIC LISTED COMPANIES KEY MARKET HIGHLIGHTS

	Issued shares 'Million'	IPO TZS	price	Cur. TZS	Price	EPS TZS	Dividend Yield	P/E
CRDB(2019)	2,611.83	150	150	140	46.00	5.7%	3.04	
DCB	67.83	275	275	295	15.00	0.0%	19.67	
DSE	23.82	500	500	980	73.78	3.8%	13.28	
MBP	23.10	500	500	490	34.30	3.5%	14.29	
NICO	37.80	300	300	170	81.00	3.5%	2.10	
NMB(2019)	500.00	600	600	2,340	297.00	2.8%	7.88	
PAL	160.47	475	475	400	-	0.0%	loss	
SWIS	36.00	225	225	1,600	207.20	6.5%	7.72	
TBL	294.93	550	550	10,900	419.00	6.4%	26.01	
TCC	100.00	410	410	17,000	479.00	2.6%	35.49	
TCCL	63.67	300	300	600	(179.00)	0.0%	loss	
TICL	72.96	400	400	385	5.02	0.0%	76.69	
TOL	57.56	500	500	600	45.46	2.8%	13.20	
TPCC	179.92	435	435	2,000	316.00	14.5%	6.33	
TTP	18.66	330	330	120	31.05	0.0%	3.86	
VODA	2,240.00	850	850	850	40.28	0.0%	21.10	
SWALA	99.90	500	500	0	-	0.0%		
MCB	61.82	500	500	0	(89.42)	0.0%	loss	
MKCB	20.62	1000	1000	2,020	39	0.0%	20	
MUCOBA	8.20	250	250	490	-	0.0%		
YETU	12.11	500	500	550	-	0.0%		

Imani Muhingo
Head of Research & Analytics
imani@orbit.co.tz

Geoffrey Kamugisha
Investment & Financial Analyst
geoffrey.kamugisha@orbit.co.tz

Wende Kalinga
Investment Analyst
wende@orbit.co.tz

4th Floor, Golden Jubilee
Garden Ave/Ohio St, Posta, Dar es Salaam, Tanzania
(+255) 22 211 1758
research@orbit.co.tz
orbit@orbit.co.tz
www.orbit.co.tz
Orbit Securities Co. Ltd

Important Disclosures

The information contained therein is of the date thereof based on information available to ORBIT subject to the assumptions indicated which may change without notice.

Orbit Securities Ltd policy is to update research reports as it deems appropriate, based on developments within the subject company, the sector or the market that may have material impact on the research views or opinions stated in the reports/notes. Our policy is only to publish research notes that are impartial, independent, clear, fair and not misleading.

The information, investments and/or strategies discussed in this presentation may not be suitable for all investors and where you have any concerns you should approach an investment advisor. Potential investors are responsible for making independent investigation and appraisal of the risks, benefits, appropriateness and suitability of this transaction, and ORBIT have no liability thereto.

To the extent within the context of applicable law, ORBIT do not accept liability for any loss (direct or consequential) arising from use of this presentation. You must not rely on any communication (written or oral) from us as investment advice, a recommendation to enter into a transaction (which includes the information and explanations related to the terms and conditions of a transaction) or deem it to be an assurance or guarantee as to the expected results of a transaction.

Investments discussed in this presentation may fluctuate in price or value over time and past performance is not indicative of future results. While we have taken care in preparing this presentation, we give no representation, warranty or undertaking and accept no responsibility or liability as to the accuracy or completeness of the information set out in this presentation. This presentation does not represent an offer of funding and any facility to be granted in terms of this presentation is subject to us obtaining the requisite internal and external approvals.