Weekly Market Report

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Your Partner for Growth

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WEEKLY STOCK MARKET HIGHLIGHTS

The week ended January Feb 15th , 2019 DSE recorded a total market capitalization of TZS 20,619.64 billion down by 0.35% from the week ended February 08th February 2019. Meanwhile the market posted a total turnover of TZS 1651.82 million, approximately 40% of the total of the week before. Total volume of shares traded in a week was 815,686 42% of the week before. 266 deals were recorded in the week with highest of number of deals recorded on 14th February 2019.

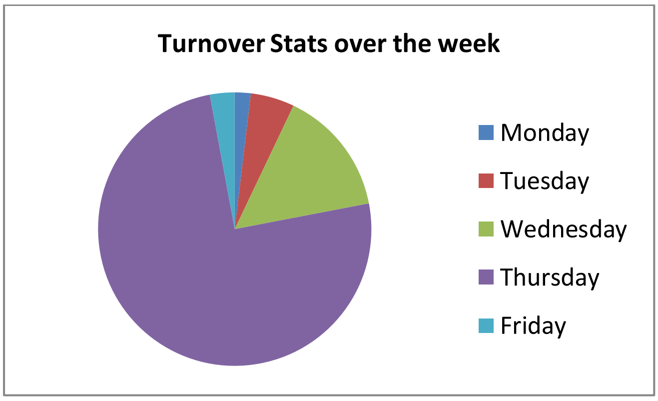

Figure 1: DSE Turnover ffrom Monday 11th Feb-Friday 15th Feb 2019

The market shows All Share Index (DSEI) closed down by 7.54 points to 2,139.21 points and Tanzania Share Index (TSI) closed down at 3,533.52 points, 1.17 points below the previous week's close. All Share Index (DSEI) opened the week at 2144.30 points and closed at 2,139.21 points while Tanzania Share Index (TSI) opened the week with 3,533.96 points and closed at 3,533.52 points..

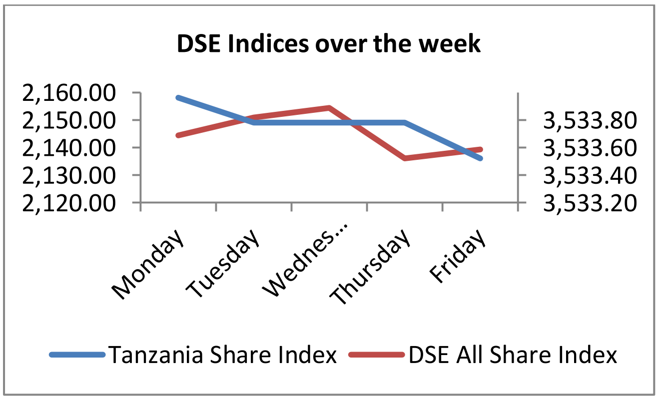

Figure 2: TSI & DSEI from Monday 11th Feb-Friday 15th Feb 2019

MONEY MARKET SUMMARY

Over the course of the week the overnight interbank WAR closed at 4.68%, slightly lower than than the 4.72% the week before, thus having gone down 4 basis points week on week basis. However, the week recorded the highest rate of 5.03%, the highest since July 2017. Both lows and highs have edged up significantly, thus indicating the modest increase in the shilling scarcity in the market.. TZS 97.55 billion was transacted over the course of the week compared to TZS 228.42 billion transacted the week before. WAR edging up confirms the increasing liquidity drain in the market at least in the short run.

EXCHANGE RATE

TZS/USD	**2272.46**	**2295.19**
TZS/KES	**22.71**	**22.89**
TZS/GBP	**2909.89**	**2940.13**
TZS/EUR	**2658.11**	**2584.84**

TANZANIA LOSSES OF TZS 222 BILLION YEARLY TO DRAUGHT

The Citizen: Tanzania is losing a staggering TZS 221.7 billion (USD 96.6 million) a year due to draught affecting maize and legumes yields, according to the lastest study. Total annual losses amount to 306,805 tones, with maize accountint for 246,823 tonnes and lugumes 59,892 tonnes, the Country Synthesis Report 2018 reveals. The looses account for 1.96% of the Gross Domest Product (GDP)---0.96% for maize and 0.69% for legumes. Findings of the report were made public on Wednesday during the official launch of conservation agriculture technologies that are aimed at reducing the impact of unfavourable weather.

The report was prepared by experts working underthe Autralian funded Sustainable Intensification of Maize-Legumes Cropping Systems for Food Security in Eastern and Southern Africa (SImlesa). The project has since 2013 been under implementaion in five African countries-Tanzania, Kenya, Ethiopia, Malawi and Mozambique.

EAC INSURANCE REGULATORS IN TALKS FOR UNIFORM POLICIES.

Business Daily: Regional insurance regulators have taken initial steps towards harmonisation of policies in the six-nation East African Community bloc in a bid to boost penetration. Heads of regulatory agencies in Kenya, Uganda, Rwanda, Tanzania and Burundi and their representatives meeting in Nairobi stressed the need to have common laws and policies for the industry to smoothen cross-border operations. This, chairman of East African Insurance Supervisory Association (EAISA) Ibrahim Kaddunabbi said this will facilitate faster growth in uptake of insurance.

"The contribution of the insurance sector to the region's gross domestic product (GDP) is still very low," Mr Kaddunabbi, also chief executive of Insurance Regulatory Authority of Uganda said in a statement. Kenya, however, trails South Africa, Namibia and Morocco where penetration levels stood at 13.76 per cent, 7.55 per cent and 3.49 per cent, respectively.

CHINA HOPES US WILL IMPLEMET CONSESUS REACHED BY XI, TRUMP

*The Guardian:*A senior party official of Communist Party of China (CPC) on Saturday expressed his hope that the United States would implemet, along with China, the consensus reached by heads of the two states, advancing bilateral ties based on coordination, cooperation and stability. Yang Jiechi, a member of thePolitical Bureau of the Communist Party of China (CPC) central committee, made the call while answering questions about China-US relations after addressing the Munich Security Conference. The world is faced with both opportunities and challenges, and all the countries need to cooperate with each other, he said that the three day 2019 edition of the conference, which runs through February 2017. According to Yang, who is the directorof the office of the Foreign Affairs Commissionof the CPC Central Committee, Predident Xi Jinping and Donal Trump hve agreed that China-US relations should be based on coordination, cooperation and stabilty and President Trump said developing an constructive and cooperative US-China relationship is his priority.

KEY MARKET DEFINITIONS

Leverage: This is the extent to which the business depends on debt to finance its assets. Generally businesses in different industries have a certain level of leverage threshold. This means beyond certain levels of leverage (debt against equity), businesses are likely to fall into financial distress. Financial institutions and especially commercial banks operate at high leverage levels more than the rest of firm in other industries due to their heavy reliance on short term borrowing while financing long term assets like mortgages. Leverage ratios are significant in determining the enterprise solvency.

Purchasing power parity; This is the concept that gauges the capacity of currencies to buy goods and sevices in foreign markets. For isntance, if say one dollar purchases one liter of petrol in Nicaragua, is it true the dollar equivalent in shillings is able to buy the same amount of fuel in Tanzania? The theory behind this takes into account inflation and ineterest rates and brings forth an important conclusion; a dollar in the US isn't the same in Tanzania. This fact helps policy makers to adjust accordingly exchange rates in order to have a better view of flow of trades among nations.

Notional amount: This is an amount on which the contractual agreement of exchange of cash flows/assets is set. Notional amount is used in determining the cash flows exchange in swap and futures contracts. In reality, if NMB enters into a plain vanila swap agreement with Citibank on TZS 30 billion, non of the banks bothers to transafer cash from its vaults to other. What will certainly leave the vaults will be the fixed interest amounts to one party and flexible interest amounts to the other part.

STOCK MARKET PRICES (CLOSES ON 15TH FEBRUARY 2019)

ACA 6,100;CRDB 135; DCB 340; DSE 1,300; EABL 4,780; JHL 9,700; KA 195; KCB 990; MBP 490; MCB 500; MKCB 800; MUCOB 400; NICO 165; NMB 2,340; NMG 1,420; PAL 400; SWALA 490; SWISS 2,340; TBL 11,700; TCC 17,000; TCCL 640; TICL 385; TOL 660; TPCC 2,060; TTP 120; USL 20; VODA 800; YETU 600.

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