Weekly Market Report

TIB RASILIMALI LIMITED
Your Partner for Growth

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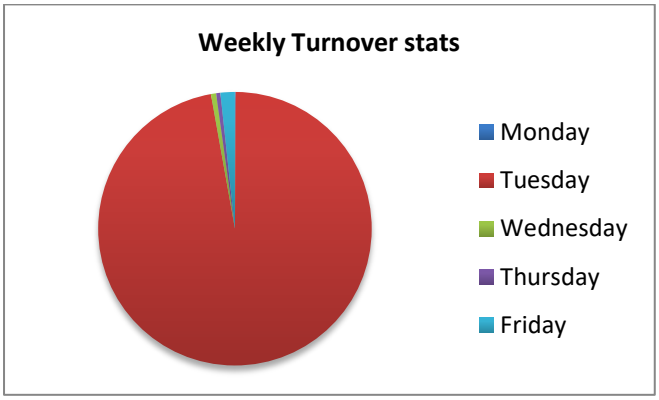
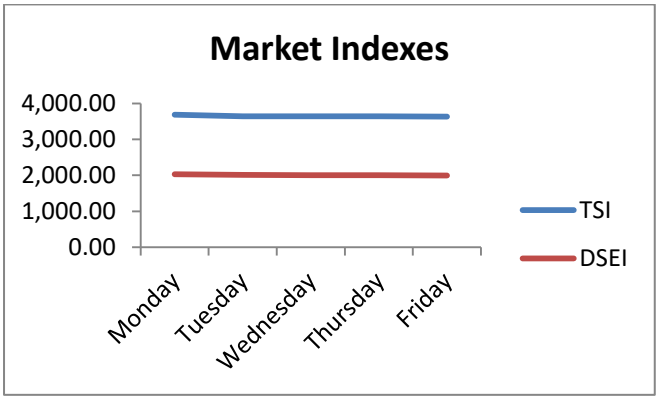
11th January 2019

WEEKLY STOCK MARKET HIGHLIGHTS

The week ended January 11th, 2019 DSE recorded a total market capitalization of TZS 19,663.68 billion down by 2.4% from the previous week. Meanwhile the market posted a total turnover of TZS 4066.55 million, a 9x increase from TZS 439.79 million of a week ended January 04th January, 2019. Total volume of shares traded in a week was 879,473 shares a 4x increase from 220,514 shares of previous week. 89 deals were recorded in the week with highest of deals recorded on 10th Thursday January 2019.



The market shows All Share Index (DSEI) closed down by 49.17 points to 1,990.85 points and Tanzania Share Index (TSI) closed lower at 3,632.10 points, 54.87 points below the last week's close. All Share Index (DSEI) opened the week at 2,025.30 points and close at 1,990.85 while Tanzania Share Index (TSI) opened the week with 3,686.97 points and closed at 3,632.10.



MONEY MARKET

The overnight WAR close on 11th January 2019 was 3.81% where TZS 19, 000 million was traded, highest and a lowest rates over the week were 4.2% and 3.00% respectively. Total volume traded over the week was TZS 112,000 million compared to TZS 81,000 million of the previous week reflecting an increase of 38%.

EXCHANGE RATE

TZS/USD	2270.40	2292.11
TZS/KES	22.32	22.52
TZS/GBP	2908.62	2938.62
TZS/EUR	2618.46	2645.79

MARKET RISK, ECONOMIC GROWTH TO DRIVE GOLD DEMAND IN 2019

The Citizen; Hong Kong: The daily rage of gold continues to compress, after trading to an intra day low of USD 1278 on Friday last week. Analysists say there is no exception as traders were able to push the market to a high of USD 1298 and low as USD 1286.70.

The World Gold Council (WGC) has said it believes gold will become even more relevant this year owing to its proven record for delivery of returns, its low correration to major asset classes, its liquidity and its risk adjusted returns.Looking ahead the council expects gold demand to benefit from from the interplay of market risk and economic growth, with key dynamics, such as financial markets instability, monetary opliy, the dollar and structural economic reforms, is likely to affect the precious metal's performance in 2019.

This forecast comes on the back of the commodity having faced signifoicant headwinds for the most of 2018. A strong dollar, rate hikes by the Fed, coupled with accommodative policy from other central banks and US economy bouyed by tax cuts, fueled positive investor sentiment and pushed US stock prices higher through the start of October.

KENYAN INTERBANK RATE HITS 8-YEAR LOW

The Citizen;Xinhua:Nairobi: The rate at which Kenyan banks borrow from each other fell to an eight-year low this week as liquidity surged in the money market. The interbank rate declined by 3.08% to 1.71% down from 4.79% at the end of the week, the Central Bank of kenya says in its weekly report. The last time the rate stood at such a low was March 30th 2011., according to the apex data.

The money market was liquid during the week partly due to government payments which offset tax payments in the week. Commercial banks excess reserves stood at usd171 million in relation to the 5.25% cash reserves requiresment. The average number of interbank deals was stable during the week at 20 with volume traded falling to USD 100 million from USD119 million.

RECESSIONS? NEVER CONSENSUS, ALWAYS HIDING IN THE PLAIN SIGHT.

The Gurdia; London – Fears that the US economy is about to slip into recession have receded quiet significantly in the last few days, thanks to Payrolls and JayPo. The red hot jobs report for December and the Fed'd Chief Jerome Powell's signal that, esentially, the central bank has the market's back, have been enough to lift some gloom and send Wall Street and bond yields shooting higher again.

The last tightening in financial conditions has been puased, and money markets are cooling on the idea that the Fed may be forced to cut rates this year or netx. Risk assets and market sentiment apound the world have roubounded too. For now at least, Wall Street is giving Main Street the benefit of the doubt. But recessions in the United States and across the developed world are never the consensus forecast among economists, so they always come as surprise. A Morgan Stanley Inestment's Ruchir Sharma notes, professional forecasters have missed every every US since such records were first kept half a century ago.

Complacency: As Nobel Laureate and New York University Professor Paul Krugman points out, long periods without shocks leads to complacency. Consumers and investors start extendsing themselves, taking risks, taking on new leverage that creates new risks. Complacenct extends to policy makers and regulators, too. Policy and regulations become too lax, allowing excesses to build and the seeds of the next blow up to be sown.Global debt, for example, hit the record USD 184 trillion at the ed of 2017 according to IMF, UP 50% from the last decade.

KEY MARKET DEFINITIONS

Reward risk ratio: Is the investment ratio that defines the relationship between the reward (gain) and risk (loss) of an investment. The higher it becomes the better. For instance when the expected gain on the stock is say 25% while the loss may be say 10%, the reward risk ratio is 2.5

Sub-prime mortgage;. Is the mortgage which is advanced to a borrower whose credit history is questionable. As a rule of thumb the return expected on this mortgage is higher than that on the prime borrowers. The 2008 financial meltdown that swept across the world, eliminating much of gloabl equity wealth, was largely due to sub-prime mortgage derivatives.

Systemic failure; Is the decline in effectiveness of institutions to deliver services as required thus triggering mass financial losses and panicks. Systemic failures are mostly brewed in the recklessness of financial industry which unquestinably translates into real eonomies thus causing mass protests, high unemployment rate and in extreme conditions political demonstrations.

STOCK MARKET PRICES (FUGURES ARE IN TZS)

ACA 5,800;CRDB 140; DCB 340; DSE 1,400; EABL 3,660; JHL 9,300; KA 200; KCB 840; MBP 500; MCB 500; MKCB 800; MUCOB 400; NICO 270; NMB 2,340; NMG 1,400; PAL 400; SWALA 490; SWISS 2,340; TBL 12,500; TCC 17,000; TCCL 640; TICL 385; TOL 660; TPCC 2,060; TTP 120; USL 20; VODA 800; YETU 600.

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