1. The Week in Review

- BOT's new forex directive to benefit retailer clients with easy access to foreign currency as efforts to curb dollar shortages continue.

Domestic Equities market recorded a subpar performance this week as Turnover, Volume and some counter prices declined. The market recorded a weekly Turnover of TZS 921.11/= million against a Volume of 0.61 million shares.

Total market capitalization increased to TZS 15,359.50/= billion, a 1.25% increase and the Domestic market capitalization decreased to TZS 10,900.77/= billion, a 0.32% decrease.

NMB was the top gaining counter this week closing at TZS 3,640/=, 4.60%% up and SWIS closing at TZS 1,540/=, 2.67% up.

TCCL was the top losing counter this week closing at TZS 1,720/=, 9.47% down, followed by CRDB closing at TZS 460/=, 8.00% down and DCB closing at TZS 180/=, 2.70% down.

TCC was a top market mover this week, recording 51.03% of total market turnover followed by CRDB with 17.88% and NMB with 13.90%.

All Shares Index (DSEI) increased by 1.25% to close at 1,841.91 points as EABL and NMG increased and Tanzania Shares Index (TSI) decreased by 0.32% to close at 4,120.18 points. Banks, Finance & Investment(BI) closed at 4,001.35 points, 0.78% down as CRDB and DCB saw a decline in counter price. Industrial and allied (IA) closed at 5,121.60 points, 0.20% down as TCCL depreciated and Commercial Service (CS) closed at 2,157.00 points, 0.08% up as SWIS increased.

Weekly Outlook

The Equities Market performance was not in tandem with our last week's expectation as Volume, Turnover and prices declined. We think the decline in Turnover and Volume was due to a decline in foreign buyers.

We forecast a further decline in prices for most counters such as Ex-dividend effect may continue to prevail, however, financial counters such as DSE might drive up market activity as investors anticipate a strong dividend.

Fixed Income

Primary market

The 10-Year Treasury bond auction results echoed our last week's predictions as the bond was undersubscribed. We forecast the upcoming 15-Year Treasury bond to underperform.

Secondary market

The secondary bond market recorded a total of 47 deals from Treasury and Corporate bond segments this week, recording a total Turnover of TZS 99.97 billion.

The 25-Year Treasury bonds recorded an average Yield of 12.87% with an average price of 99.05%, followed by the 20-Year Treasury bonds with an average yield of 13.05% and price of 105.64% and 15-Year Treasury bond recording an average yield of 11.02% and average price of 116.92%. On the corporate bond segment, NMB 3 Year bond recorded an average yield of 14.25% and price of 92.50%.

Table 1: Market Weekly data

	Last Week	This Week	Change
Turnover (TZS Millions)	4,907.11	921.11	-81.23%
Foreign Buyers (%)	96.59%	7.61%	-92.12%
Volume (Million shares)	0.94	0.61	-35.34%
Total Market Cap (TZS Bn)	15,169.33	15,359.50	+1.25%
Domestic Market Cap (TZS Bn)	10,935.75	10,900.77	-0.32%
DSEI	1,819.11	1,841.91	+1.25%
TSI	4,133.41	4,120.18	-0.32%
IA	5,131.68	5,121.60	-0.20%
BI	4,032.68	4,001.35	-0.78%
CS	2,155.32	2,157.00	+0.08%

Source: DSE, Vertex Calculations

Vertex international Securities Ltd.
Zambian High Commission Building, Cnr Ohio St./Sokoine Drive, +255 22 2116382, ahmed@vertex.co.tz

Table 2: Secondary Market Data

Bond	Average Yield	Average Price	Turnover (Bln)
NMB	14.25%	92.50%	0.042
10 Year	9.67%	112.02%	0.017
15 Year	11.02%	116.92%	23.86
20 Year	13.05%	105.64%	30.86
25 Year	12.87%	99.05%	45.19

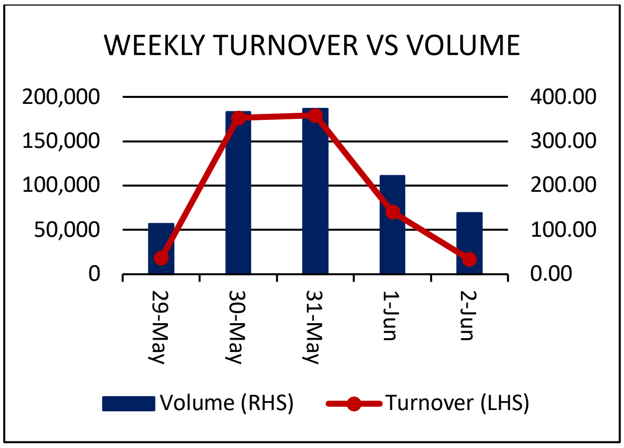
Vertex calculation, DSE

Table 3: Net Asset Value per Unit for Unit Schemes

	24-May	31-May	Change%
UMOJA	918.2301	919.6641	+0.16%
WEKEZA	784.8813	786.2574	+0.18%
WATOTO	579.6293	580.6607	+0.18%
JIKUMU	162.9080	163.2885	+0.23%
LIQUID	357.8629	358.5488	+0.19%
BOND	115.5521	115.7729	+0.19%

Source: UTT, Vertex Calculations

2. Chart of the Week



Source: DSE, Vertex Calculations.

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