

1. The Week in Review

- Initiation of multiple development projects to boost economic growth in the medium to long term

Domestic Equities recorded a subpar performance this week as performance indicators recorded a further decline. Weekly Turnover and Volume declined to TZS 1.66 billion and 3.9 million shares respectively.

Total market capitalization decreased to TZS 15,787.28/=billion, a 0.49% decrease and the Domestic market capitalization decreased to TZS 10,305.95/= billion, a 0.34% decrease.

TPCC was the top gaining counter this week Closing at TZS 3,620/=, a 0.56% increase, while CRDB was the top losing counter this week closing at TZS 380/=, a 3.80% decrease. Other counters encountered no price change closing at last week levels.

CRDB was a top market mover this week, recording 86.66% of total market turnover followed by TPCC with 8.60% and NMB with 3.91%.

All Shares Index (DSEI) decreased by 0.49% to close at 1,894.31 points and Tanzania Shares Index (TSI) decreased by 0.34% to close at 3,898.67points. Banks, Finance & Investment (BI) closed at 3,435.06points, 1.40% down. Industrial & Allied (IA) increased by 0.06% to close at 5,010.10 points and no change for commercial services at 2,147.73points.

Weekly Outlook

The market performance continued with last week downward spiral as key performance indicators slumped. We attribute this to investors' reluctance to make big decisions prior to seeing annual earnings results. We expect a slight improvement in performance late next week as Q4 results start rolling out.

a. Fixed Income

Primary market

This week's 2 – Years Treasury bond auction results echoed our last week's sentiment as subscription level declined and yields jumped. We forecast an increase in yields in the upcoming Treasury bill auction.

Secondary market

The secondary bond market recorded a total of 31 deals from both Treasury bonds and the corporate segment, reaching a total turnover of TZS 69.51 billion.

The 25 – Years Treasury bond recorded an average Yield of 12.52% with an average price of 105.26%, followed by 20 – Years Treasury bond with an average yield of 12.68% and price of 116.18% and 15 – Years Treasury bond with an average yield of 10.57% and average price of 119.67%. In the Corporate bond segment, The NMB 3 – Years bond recorded an average yield of 36.96% and price of 97.06% this week.

Most turnover was influenced by the 20 – Years Treasury bond recording 55.77% of the market turnover followed by the 15 – Years Treasury bond with 43.88%. The bond with the highest number of deals this week is the 20 – Years Treasury bond with 14 deals, followed by the 15 – Years Treasury bond with 10 deals.

Table 1: Market Weekly data

| | Last Week | This Week | Change |
|------------------------------|-----------|-----------|--------|
| Turnover (TZS Millions) | 2,646.07 | 1,663.82 | -37.1% |
| Foreign Buyers (%) | 29.70% | 3.34% | -88.8% |
| Volume (Million shares) | 4.05 | 3.85 | -4.8% |
| Total Market Cap (TZS Bn) | 15,864.48 | 15,787.28 | -0.49% |
| Domestic Market Cap (TZS Bn) | 10,341.22 | 10,305.95 | -0.34% |
| DSEI | 1,903.58 | 1,894.31 | -0.49% |
| TSI | 3,912.01 | 3,898.67 | -0.34% |
| IA | 5,006.93 | 5,010.10 | +0.06% |
| BI | 3,483.85 | 3,435.06 | -1.40% |
| CS | 2,147.73 | 2,147.73 | 0.00% |

Source: DSE, Vertex Calculations

Table 2: Weekly Average Yield Data

| TENURE | LAST WEEK | THIS WEEK | %CHANGE |
|--------|-----------|-----------|---------|
| 2 | 0.00 | 0 | 0% |
| 5 | 0.00 | 0 | 0% |
| 7 | 0.00 | 0 | 0% |
| 10 | 0.00 | 0.00 | 0% |
| 15 | 11.03 | 10.57 | -4.20% |
| 20 | 13.54 | 12.68 | -6.32% |
| 25 | 12.98 | 12.52 | -3.55% |

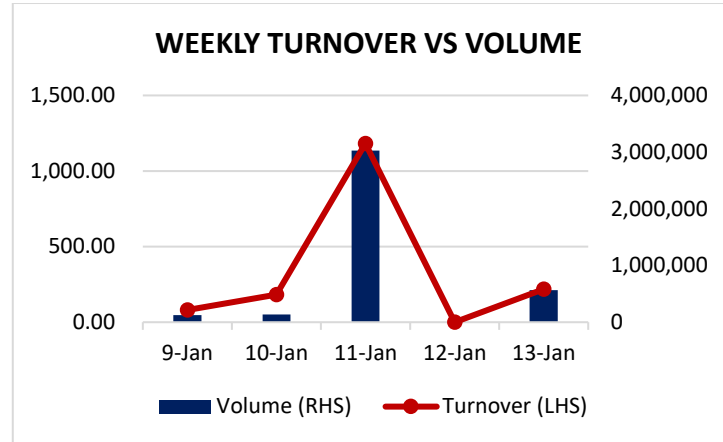
Source: DSE, Vertex Calculations

Table 3: Net Asset Value per Unit for Unit Schemes

| | 5-JAN | 11-Jan | % Change |
|--------|----------|----------|----------|
| UMOJA | 879.2772 | 880.3005 | +0.12% |
| WEKEZA | 743.9204 | 744.8302 | +0.12% |
| WATOTO | 549.0932 | 549.8715 | +0.14% |
| JIKUMU | 156.4896 | 156.7299 | +0.15% |
| LIQUID | 343.0949 | 343.576 | +0.14% |
| BOND | 113.9467 | 114.1013 | +0.14% |

Source: UTT, vertex Calculations

2. Chart of the Week



Source: DSE, Vertex Calculations

Disclaimer

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