



## 1. The Week in Review

- World bank's TZS 1.27trillion loan for infrastructure to further unlock country's investment potential and productivity
- New foreign Exchange Act to open up the Bond market and increase liquidity

### a. Equities

Equities Market posted a mixed performance as increase in prices could not inspire more trading and therefore volume and turnover decreased. The market recorded a weekly Turnover of TZS 3.68 billion from 2.36 million shares traded.

Total Market Capitalization increased to TZS 15,824.52 billion, 1.27% up and Domestic Market Capitalization increased to TZS 10,486.32 billion, 0.32% up as some Domestic and Cross Listed counters posted gains in prices.

NICO was the top market gainer, posting 4.92% gain to close at TZS 320/= followed by NMB, which gained 4.14% to close at TZS 3,020/= and DCB, which gained 2.70% to close at TZS 190/=. Top losing counters were JATU, which lost 7.32% to close at TZS 380/= followed by CRDB, which lost 2.33% to close at TZS 420/= and SIMBA, which lost 2.17% to close at TZS 1,800/=.

NMB was a top market mover, recording 77.38% of total market turnover followed by CRDB with 11.91% and SWISS with 8.42%.

All Shares Index (DSEI) increased by 1.27% to close at 1,898.37 points and Tanzania Shares Index (TSI) increased by 0.32% to close at 3,965.49 points. Banks, Finance & Investment (BI) closed at 3,497.14, 1.29% up as NMB and NICO prices increased. Industrial & Allied (IA) closed at 5,132.67 points, 0.03% down as SIMBA price decreased. Commercial Services (CS) closed at 2,133.86 points; 0.02% down as SWISS price decreased.

### Weekly Outlook

The Equities Market posted a mixed performance this week as increase in prices came at a dispense of Volume and Turnover despite an increase in foreign activity. Financial counters continued to dominate the market as we expected.

We forecast Volume and Turnover to pick up next week as we expect this week's price momentum and foreign activity to continue.

### b. Fixed Income

#### Auction Results

5 – year Bond Yield declined in this week's Auction as investors showed appetite. The bond was oversubscribed as expected, albeit by smaller margins due to current liquidity shortage in the bond market.

We expect a slight increase in yields in next week Treasury Bills' Auction following a previous week trend.

#### A commentary on The Foreign Exchange Act 2022

Following longtime discussions between the Government and Stakeholders regarding the opening up of Tanzania Economy, The Government has finally delivered on its promise as the New Foreign Exchange Act 2022 opens up Capital and Financial Accounts to the Southern Africa Development Community (SADC) countries.

We think this is a huge step towards opening up the economy and developing our capital markets, especially Treasury Bond market. The fact that SADC residents are now allowed to invest in the Tanzania Bond market will increase competitiveness, good practice and improve liquidity and price discovery.

As Tanzanians are now able to invest in SADC countries' securities, regulators, the exchange and Licensed Dealing Members have their work cut out for them to increase innovation and creativity to retain and attract investors.



We think this new Act should be followed by Credit Rating as our Economy is still not rated and we up against economies that already have ratings. We believe the Ministry of Finance is working on that.

Finally, we congratulate the Government for this huge step and we anticipate a further effort to liberalize the economy and increase growth.

**Table 1: Market Weekly data**

|                              | Last Week | This Week | Change  |
|------------------------------|-----------|-----------|---------|
| Turnover (TZS Millions)      | 6,301.86  | 3,685.74  | -41.51% |
| Foreign Buyers (%)           | 44.20%    | 52.05%    | +17.77% |
| Volume (Million shares)      | 14.32     | 2.36      | -83.51% |
| Total Market Cap (TZS Bn)    | 15,626.22 | 15,824.52 | + 1.27% |
| Domestic Market Cap (TZS Bn) | 10,453.15 | 10,486.32 | +0.32%  |
| DSEI                         | 1,874.58  | 1,898.37  | +1.27%  |
| TSI                          | 3,952.94  | 3,965.49  | +0.32%  |
| IA                           | 5,134.32  | 5,132.67  | -0.03%  |
| BI                           | 3,452.74  | 3,497.14  | +1.29%  |
| CS                           | 2,134.28  | 2,134.28  | 0.00%   |

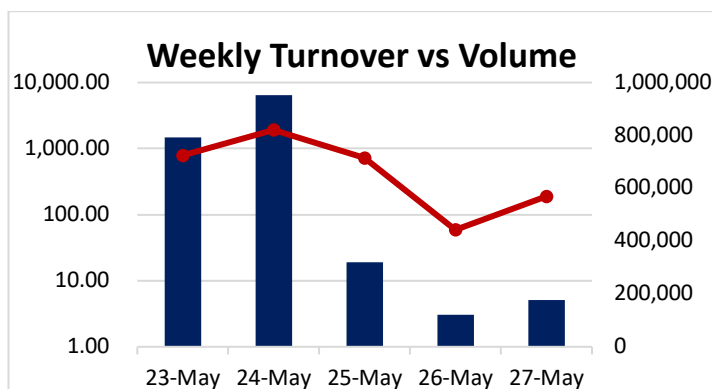
Source: DSE, Vertex Calculations

**Table 2: Net Asset Value per Unit for Unit Schemes**

|               | 19 – May | 26 – May | % Change |
|---------------|----------|----------|----------|
| Umoja Fund    | 825.7871 | 827.1547 | +0.17%   |
| Wekeza Maisha | 692.2287 | 692.7093 | +0.07%   |
| Watoto Fund   | 513.4942 | 513.9663 | +0.09%   |
| Jikimu Fund   | 154.6334 | 154.9452 | +0.20%   |
| Liquid Fund   | 317.9733 | 318.6347 | +0.21%   |
| Bond Fund     | 113.2189 | 113.7266 | +0.45%   |

Source: UTT, vertex calculations

## 2. Chart of the Week



Source: DSE, Vertex Calculations



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