

1. The Week in Review

- We expect reduced fuel prices to ease pressure on consumers' purchasing power and inflation going forward

a. Equities

Equities Market continued with a mixed performance as a surge in Volume and Turnover came at expense of prices. Weekly Turnover reached TZS 5.93 billion, 60.79% up and volume posted an increase of 8.06% to 2.36 million shares.

Total Market Capitalization decreased to TZS 15,761.77 billion, 0.40% down and Domestic Market Capitalization decreased to TZS 10,424.97 billion, 0.59% down as prices took a hit.

NICO continued to move the market, posting 7.81% gain to close at TZS 345/= followed by SWISS, which gained 5.05% to close at TZS 1,040/= and DSE, which gained 2.11% to close at TZS 1,940/=. Top losing counters were SIMBA, which lost 10.00% to close at TZS 1,620/= followed by TWIGA, which lost 7.18% to close at TZS 3,880/= and JATU, which lost 5.26% to close at TZS 360/=.

TBL was a top market mover, recording 75.91% of total market turnover followed by CRDB with 8.28% and NMB with 6.47%.

All Shares Index (DSEI) decreased by 0.40% to close at 1,890.84 points and Tanzania Shares Index (TSI) decreased by 0.59% to close at 3,942.29 points. Banks, Finance & Investment (BI) closed at 3,500.50, 0.10% up as DSE and NICO prices increased. Industrial & Allied (IA) closed at 5,074.66 points, 1.13% down as SIMBA and TWIGA prices decreased. Commercial Services (CS) closed at 2,135.96 points; 0.10% up as SWISS price increased.

Weekly Outlook

The Equities Market diverged from our last week expectation, where we expected a continuation of upward price momentum to lift up turnover and volume. Priced momentum continued; however, it took a reversed trend and Turnover and Volume increased. Taking a closer look at what happened, all the downward momentum came from Industrial counters; mainly TWIGA and SIMBA following a revelation that acquisition of the latter may take much longer time than expected.

We forecast downward price momentum to continue next week as most counters will start to trade Ex – Dividend. Turnover and Volume might also decrease.

b. Fixed Income

We expect next week's 15 – Year Treasury Bond auction to oversubscribe with a slight increase in yield.

Table 1: Market Weekly data

	Last Week	This Week	Change
Turnover (TZS Millions)	3,685.74	5,926.26	+60.79%
Foreign Buyers (%)	52.05%	80.00%	+53.70%
Volume (Million shares)	2.36	2.55	+ 8.06%
Total Market Cap (TZS Bn)	15,824.52	15,761.77	-0.40%
Domestic Market Cap (TZS Bn)	10,486.32	10,424.97	-0.59%
DSEI	1,898.37	1,890.84	-0.40%
TSI	3,965.49	3,942.29	-0.59%
IA	5,132.67	5,074.66	-1.13%
BI	3,497.14	3,500.50	+0.10%
CS	2,134.28	2,135.96	+0.10%

Source: DSE, Vertex Calculations

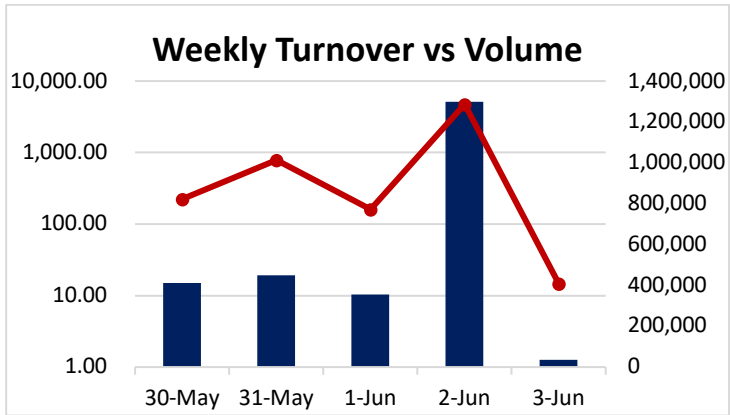
Table 2: Net Asset Value per Unit for Unit Schemes

	26 – May	2 – Jun	% Change
Umoja Fund	827.1547	828.5863	+0.17%
Wekeza Maisha	692.7093	697.0976	+0.63%
Watoto Fund	513.9663	515.0082	+0.20%
Jikimu Fund	154.9452	155.3766	+0.28%
Liquid Fund	318.6347	319.2906	+0.21%
Bond Fund	113.7266	112.9591	+0.67%

Source: UTT, vertex calculations



2. Chart of the Week



Source: DSE, Vertex Calculations



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