1. The Week in Review

- The planned TZS 70 trillion LNG project to boost the country's GDP in the medium to long term.

a. Equities

Equities market recorded a subpar performance this week as all indices closed in red, despite an increase in Volume and Turnover to 2.62 million shares and TZS 1.18 billion respectively.

Total market capitalization decreased to TZS 15,572.90/=billion, a decrease of 0.19% and Domestic market capitalization decreased to TZS 10,202.77/= billion, 0.30% down from last week.

TOL was a top gaining counter this week closing at TZS 700/=, 7.69% up, followed by CRDB, which gained 1.32% to close at TZS 385/=. SIMBA was a top losing counter, closing at TZS 1,100/=, 6.78% down, followed by TICL at TZS 160/=,5.88% down and NMB, which closed at TZS 2,920/=, 2.67% down.

CRDB was a top market mover this week, recording 76.72% of total market turnover followed by NMB with 10.18% and TPCC with 7.05%.

All Shares Index (DSEI) decreased by 0.19% to close at 1,868.58 points and Tanzania Shares Index (TSI) decreased by 0.30% to close at 3,859.64 points. Banks, Finance & Investment (BI) closed at 3286.75, 1.06% down. Industrial & Allied (IA) and Commercial Services (CS) posted a slight decline of 0.04% each to close at 5,023.30 points and 2,147.73points respectively.

Weekly Outlook

Increase in Volume and Turnover was not enough to overcome negative price movement this week as the equities market posted unsatisfactory performance.

We think this is due to a decline in foreign investors' activity as we approach this year's end, and we do not expect any huge improvement in performance next week. However, we forecast a slight recovery of prices.

b. Fixed Income

The 10 – Years Government bond auction results echoed our last week's forecast as yields continued to climb. We expect a further increase in yields in the next weeks Treasury Bill Auction.

Table 1: Market Weekly data

	Last Week	This Week	Change
Turnover (TZS Millions)	1,135.03	1,181.77	+4.12%
Foreign Buyers (%)	13.20%	2.04%	-84.53%
Volume (Million shares)	2.01	2.62	+30.27%
Total Market Cap (TZS Bn)	15,603.29	15,572.90	-0.19%
Domestic Market Cap (TZS Bn)	10,233.65	10,202.77	-0.30%
DSEI	1,872.22	1,868.58	-0.19%
TSI	3,871.32	3,859.64	-0.30%
IA	5,025.26	5,023.30	-0.04%
BI	3,321.81	3,286.75	-1.06%
CS	2,148.57	2,147.73	-0.04%

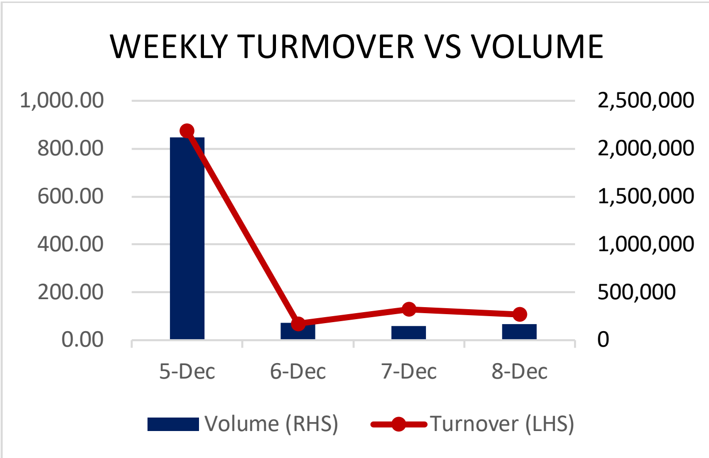
Source: DSE, Vertex Calculations

Table 2: Net Asset Value per Unit for Unit Schemes

	1-Dec	7-Dec	%Change
UMOJA	869.2364	872.5529	+0.38%
WEKEZA	737.3447	736.8561	-0.07%
WATOTO	543.8373	544.7179	+0.16%
JIKUMU	157.8632	158.1495	+0.18%
LIQUID	339.7328	340.3048	+0.17%
BOND	113.757	113.9442	+0.16%

Source: UTT, vertex calculations

2. Chart of the Week



Source: DSE, Vertex Calculations

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

Disclaimer

Past performance does not guarantee future results. Prices of securities may fall or rise rapidly or unpredictably depending on the prevailing market conditions.

This report is intended for informational purpose only and is not to be relied as an offer or solicitation of an offer to buy or sell any securities. The opinions expressed herein may change as subsequent market conditions vary. Information and views presented in this report have been obtained from sources believed by Vertex International Securities Ltd. to be reliable, but Vertex International Securities Ltd. makes no representation as to their accuracy or completeness.

Vertex International Securities Ltd accepts no liability for loss arising from the use of the material presented in this report.

This publication is confidential for the information of the addressee only and may not be reproduced in whole or in part, copies circulated, or disclosed to another party, without the prior written consent of Vertex International Securities Ltd.