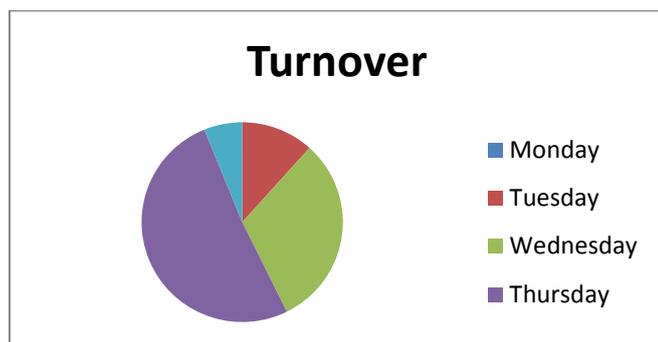
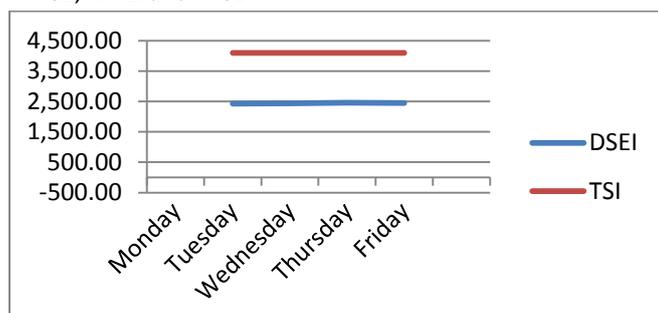


## WEEKLY STOCK MARKET HIGHLIGHTS

Over the week of 2-6<sup>th</sup> April the DSE recorded a total turnover of TZS 460mn a decrease of 93.4 percent from the previous week's turnover of TZS 6.9 bn. Total volume traded over the week was 651,232 shares compared to 1,310,948 shares the previous week a decrease by 50.3 per cent. By Friday 30<sup>th</sup> March the market capitalization of the Exchange was TZS 23.1 tr, while last week's market capitalization was 23.5 tr, reflecting an increase of 1.73 per cent.



Overall turnover was highest on Thursday with about Sh 235,473,130 traded in 83 deals with a volume of 205,557 shares. The turnover was highly influenced by local investors about 100 per cent selling and foreign investors 39.33 per cent buying. The most active stocks over the week are TBL, TCC, CRDB, VODA, DSE, SWISS, TOL, TPCC, MKCB, NMB and MCB.



## MONEY MARKET

The overnight rate for the 6<sup>th</sup> April 2018 weighted average rate (WAR) stood at 1.30% and TZS 52.5 Billion was traded showing that the banking sector is liquid. The highest and lowest rate stood at 1.50% and 1.20%. Total volume traded over the week was TZS 86 billion compared to TZS 21 billion in the previous week.

## EXCHANGE RATE

<b>TZS/USD</b>	<b>2,240.77</b>	<b>2,263.18</b>
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<b>TZS/KES</b>	<b>22.19</b>	<b>22.37</b>
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<b>TZS/GBP</b>	<b>3,144.25</b>	<b>3,176.37</b>
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<b>TZS/EUR</b>	<b>2,744.72</b>	<b>2,772.84</b>
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## BORROWERS ARE WAITING FOR CHEAPER LOANS

*The Citizen-* Despite the bank of Tanzania touting "accommodative monetary policy" recent reports have revealed that lending rates are actually going up. The policies that have been implemented by the Bank for more than a year now, aim at ensuring that there is adequate liquidity within the banking industry to support growth of credit to private sector. The BOT monthly economic review for February 2018 shows that the overall lending rate averaged 18.18 per cent compared with 16.01 per cent in January 2017, translating into an increase of more than 10 per cent. The report shows that borrowers are currently paying interest ranging from 21 per cent to 30 per cent per annum on their loans. This trend goes against the government plan to scale down cost of borrowing, which limits the credit growth to the private sector. The BOT quarterly economic bulletin for the quarter ending in December 2017 also reported a rise in the lending rate, saying it grew somewhat faster than that of deposits to an average of 17.78 per cent in fourth quarter from 15.69 per cent recorded during the corresponding period in 2016.

## DSE MARKET CAPITALIZATION PLUNGES OVER SH43 BILLION

*The Citizen-* Dar es Salaam stock exchange DSE total market capitalization fell by Sh43.47 billion to close at 23.53 trillion on Friday from Sh23.67 recorded on Thursday. The drop in total market capitalization was a result of a decrease in share prices of cross listed Kenyan companies, including Kenya airways (KA), East African breweries limited (EABL), National media group (NMG) and Kenya commercial bank (KCB). The decrease in share prices for cross-listed companies also lowered Dar es Salaam stock exchange all share index DSEI by 14.9 per cent to 2,443.5 points on Friday last week from 2,458.4 points recorded the previous day. The Tanzania share index TSI remained flat at 4,100.64 points during the period under review. DSE market report shows that Kenya Airways was a top loser after recording a decrease of 3.33 per cent in its share price to Sh290 from sh300 recorded on Thursday. EABL was second as its share price went down by 1.22 per cent to close at Sh5,560 on Friday from Sh5,730 recorded on Thursday, while KCB and NMG share price fell to Sh1,190 and Sh2,450 from Sh1,200 and Sh2,470, respectively during the period under review. During the week jubilee holdings limited was the only security which gained by 0.25 per cent from Sh 11,810 on Thursday to Sh 11,840 on Friday.

## CBK TIGHTENS THE NOOSE ON MONEY LAUNDERERS

*Business Daily*- The Central Bank of Kenya (CBK) is piling pressure and personal liability against bankers who breach anti-money laundering laws, raising the probability of bankers going to jail. Financial institutions have been reminded to raise compliance efforts under tough new money laundering guidelines. In a circular to chief executive officers of commercial banks and mortgage financiers on March 23, 2018, CBK director in charge of Bank Supervision Gerald Nyaoma orders financial institutions to implement its recently outlined policy measures against money laundering and terrorist financing. Mr Nyaoma warns that the vices pose "a major threat to the integrity of the financial sector particularly the banking sector." "In this regard the CBK has put in place the necessary regulatory framework on money laundering countering the financing of terrorism," says Mr Nyaoma.

## KEY MARKET DEFINITIONS

**Cost of capital;** is the required return necessary to make a capital budgeting project, such as building a new factory, worthwhile. Cost of capital includes the cost of debt and the cost of equity. Another way to describe cost of capital is the cost of funds used for financing a business.

**Trade war;** A negative side effect of protectionism that occurs when Country A raises tariffs on Country B's imports in retaliation for Country B raising tariffs on Country A's imports. Trade wars may be instigated when one country perceives another country's trading practices to be unfair or when domestic trade unions pressure politicians to make imported goods less attractive to consumers.

**Financial advisor;** A financial advisor provides financial advice or guidance to customers for compensation. Financial advisors, or advisers, can provide many different services, such as investment management, income tax preparation and estate planning.

## STOCK MARKET PRICES

TCCL;1,200 TCC;16,300 TICL;450 TBL;15,500 SWISS;3540 SWALA;500 PAL;470 NMG;2,450 MUCOBA;400 MKCB;830 MCB;500 MBP;600 KCB;1,190 KA;290 JHL;11,840 EABL;5,680 DSE;1,400 DCB;380 CRDB;170 ACA;4,350 TOL;780 TPCC;1580 TTP;130 USL;50 VODA;850 YETU;600

## INDUSTRY NEWS

The Tanzania cigarette company (TCC) board of directors has recommended a final total gross dividend of sh200/share. The final gross dividend will be paid on or about April 17, 2018, subject to shareholders approval at the annual general meeting to be held on March 27, 2018. Shares will trade in cum-dividend till March 26, 2018.

Audited financial results for the year ended 31 December 2017 shows that the company gross profit is Tsh65bn.

Dividend to be paid	Sh200 per share
Cum-Dividend	26 <sup>th</sup> March 2018
Payment date	17 <sup>th</sup> April 2018

## SWALA ANNOUNCES THE EXTENSION TO THE SECOND AND THIRD CLOSING DATES OF THE ORCA INVESTMENT

Swala Oil & Gas (Tanzania) plc ("Swala" or "the Company") announced that Orca Exploration Group Inc. ("Orca") has agreed to an additional extension to extend the date by which the second closing and third closing of the previously announced investment by the Company in the Orca group of up to US\$130 million must be completed from 28 March 2018 to 11 May 2018. There are no assurances given that one or more of the transactions will be completed by 11 May 2018 or that they will be completed on the terms previously disclosed.

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