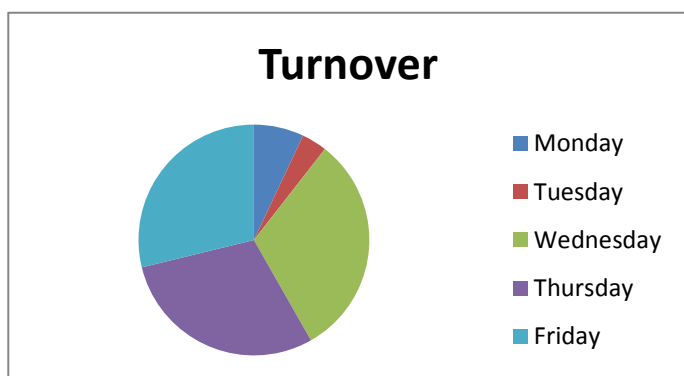
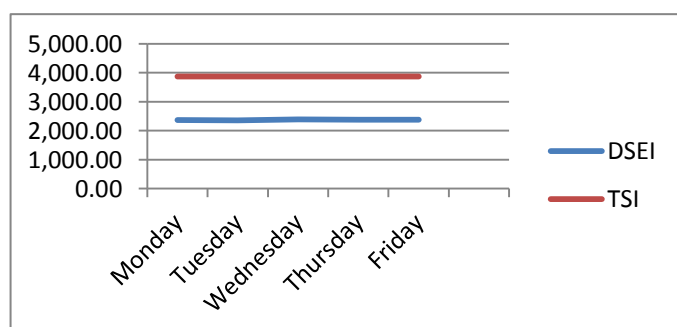


WEEKLY STOCK MARKET HIGHLIGHTS.

Over the last week the DSE total turnover was TZS 2.3bn as compared to the previous week's turnover of TZS 6.4bn, a decrease of 64 per cent. Total volume traded over the week was 3,336,626 shares compared to previous week of 11,629,178 shares, a decrease by 71 per cent. By Friday previous week the market capitalization was TZS 22.6tr, last week market capitalization was 22.9tr reflecting an increase of 1.33 per cent.



Overall turnover was highest on Wednesday with about Sh 714,975,000 turnover traded in 76 deals and volume of 568,412. The turnover was highly influenced by foreign investors about 92.93 per cent buying and local investors 100 per cent selling. The most active stocks over the week are TBL, TCC, CRDB, DSE, SWISS, SWALA, TPCC, TCCL, VODA and MKCB.



MONEY MARKET.

The overnight rate for the 23 February 2018 weighted average rate (WAR) stood at 1.62% and TZS 51.7 Billion was traded showing that the banking sector is liquid enough. The highest and lowest rate stood at 1.70% and 1.60%.

EXCHANGE RATE.

TZS/USD	2,233.00	2,255.34
TZS/KES	21.95	22.13
TZS/GBP	3,122.41	3,154.54
TZS/EUR	2,745.93	2,773.84

INTERBANK RATES FALL TO RECORD LOW AS RECOVERY TAKES SHAPE.

The Citizen- The interbank money market rate closed last week 1.62 per cent, six years record low, signalling the start of financial sector recovery after two years of tightened policy. The central bank (BOT) reports have said the continued decrease of the interbank rates was a result of the liquidity adequacy in the banking system. Analyst expect the loan rate to come down in time when accommodative monetary policy is being applied by BOT to stimulate the growth of credits to private sector. The bank of tanzania report has shown that a total of Sh135.5 billion were traded overnight last week, higher than Sh103 billion recorded during the previous week. The decrease of the rate is also a result of central bank interventions to ease liquidity shortages including the move to discount rate to nine per cent in august last year from previously 12 per cent. This was done purposely to hel spur lending and boost economic growth , the first time it has lowered borrowing cost since 2013. The interbank cash market is set to take a monetary centre stage as economy migrate to interest-rate targeting this year. Under the new monetary framework, the price of money will dwell on interbank rate unlike current that the rate are benched using govermennt securities—Treasury bills or bonds.

SHILLING DEPRECIATES 3pc IN SEVEN WEEKS.

Daily News- Pressure on shilling continues to amount as supply dwindled to depreciate by 3 per cent against US dollar in the last seven years. The shilling opened the year trading at 2,175/39 but close the last Friday session at 2,243/83 while pressure from importers was building up. The level of depreciation in the last seven weeks was similar for the amount the shilling lost for the whole of last year. CRDB bank said on its financial markets highlights that the pressure on shillings had eased after central bank intervention." The local unit still holding on at the 2,240/60 levels", the bank said last Friday. However, the bank daily report warned on further pressure in demand from traders and importers, with insufficient supply to cater to this demand. "The expectation is to see the pressure ease up towards the end of the month "the bank said, "due to local obligations to be met by various organisations in the market". NMB early this year predicted on its market digest volume 8, that the shilling may face some pressure from importers and derailing its firmness due to limited inflow." The importers are expected to come heavy to the market in Q1, 2018 with limited inflows could potentially push up the pair" NMB said. However, NMB said the bank of Tanzania's

“sporadic intervention” in the market will keep the pair buoyed. The shilling depreciation may also be the result of strong US dollar that rallied for the last 10 days to the last Thursday in the global market.

KENYANS TO PAY SH323BN INTEREST ON EUROBOND II.

Business Daily- Nairobi shrugged off a ratings downgrade and loss of access to an IMF standby credit facility to raise a Sh202 billion (\$2 billion) bond that added impetus to recent concerns over the rate at which Kenya is accumulating debt. The Eurobond, the second in a span of four years, will cost taxpayers a total of \$3.2 billion (Sh323 billion) in interest payments during its lifetime of up to 30 years, according to early calculations and the International Monetary Fund (IMF) said Kenya needs a credible plan to tackle its fiscal deficit, which is the main driver of borrowing. At Sh323 billion, the interest payments, are equivalent to the cost of building the Mombasa to Nairobi segment of the standard gauge railway, and is the clearest indicator of the high cost of borrowing from the international bond markets, which President Uhuru Kenyatta’s government has preferred over concessional loans that carry lower interest rate and can be paid on reducing balance terms. Kenya pulled through its borrowing from foreign financial markets despite last week’s credit ratings downgrade by Moody’s. More bad news came on Tuesday, after the International Monetary Fund said it had frozen Kenya’s access to a Sh150 billion (\$1.5 billion) standby facility last June, after the parties failed to agree on fiscal consolidation and delay in completing a review. The National Treasury said it had issued the bond in two Sh101 billion (\$1 billion) tranches of 10 and 30 years, at a coupon of 7.25 per cent and 8.25 per cent respectively. Interest on the 30-year tranche amounts to Sh8.3 billion (\$82.5 million) a year, and for the 10-year at Sh7.3 billion (\$72.5 million), working out to a total of \$2.48 billion and \$725 million respectively. The taxpayers will also have to pay the lenders the principal of \$2 billion at the dates of maturity in February 2028 and 2048. The value of the interest payments in shillings is also exposed to foreign exchange

risk, where fluctuations in exchange rate could push the cost of the debt higher should the shilling weaken, or lower if the shilling gains against the dollar.

KEY MARKET DEFINITIONS.

Risk tolerance; Risk tolerance is the degree of variability in investment returns that an investor is willing to withstand. Risk tolerance is an important component in investing. You should have a realistic understanding of your ability and willingness to stomach large swings in the value of his investments; if you take on too much risk, you might panic and sell at the wrong time.

Swap; A swap is a derivative contract through which two parties exchange financial instruments. These instruments can be almost anything, but most swaps involve cash flows based on a notional principal amount that both parties agree to. Usually, the principal does not change hands. Each cash flow comprises of one leg of the swap. One cash flow is generally fixed, while the other is variable that is based on a benchmark interest rate, floating currency exchange rate, or index price.

Bubble; A bubble is an economic cycle characterized by rapid escalation of asset prices followed by a contraction. It is created by a surge in asset prices unwarranted by the fundamentals of the asset and driven by exuberant market behaviour. When no more investors are willing to buy at the elevated price, a massive selloff occurs, causing the bubble to deflate.

Intrinsic value; The intrinsic value is the actual value of a company or an asset based on an underlying perception of its true value including all aspects of the business, in terms of both tangible and intangible factors. This value may or may not be the same as the current market value.

STOCK MARKET PRICES.

TCCL;1,200 TCC;14,300 TBL;14,000 SWISS;3540 SWALA;500 PAL;470 NMG;2,290 MUCOBA;400 MKCB;840 MCB;500 MBP;600 KCB;1,030 KA;350 JHL;11,130 EABL;5,540 DSE;1,600 DCB;380 CRDB;200 ACA;5,140 TOL;780 TPCC;1480 TTP;600 USL;80 VODA;850 YETU;600

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