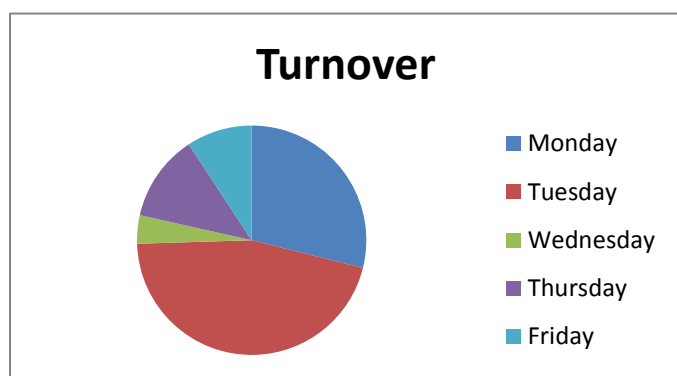
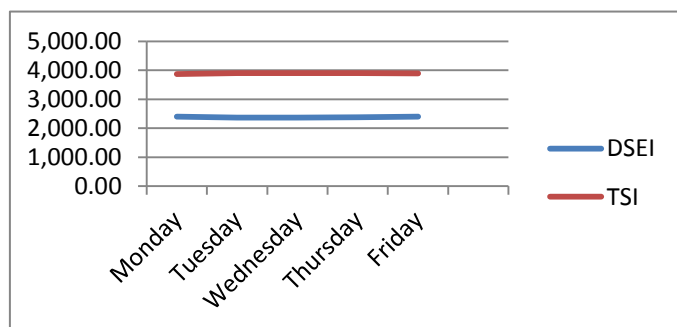


WEEKLY STOCK MARKET HIGHLIGHTS

Over the last week the DSE total turnover was TZS 2.96bn as compared to the previous week's turnover of TZS 2.3bn, an increase of 28.7 per cent. Total volume traded over the week was 2,370,489 shares compared to previous week of 3,336,626 shares, a decrease by 30 per cent. By Friday previous week the market capitalization was TZS 22.9tr, last week market capitalization was 23.1tr reflecting an increase of 0.87 per cent.



Overall turnover was highest on Tuesday with about Sh 1,352,489,620 turnover traded in 84 deals and volume of 296,196. The turnover was highly influenced by foreign investors about 98.64 per cent buying and local investors 98.20 per cent selling. The most active stocks over the week are TBL, TCC, CRDB, DSE, SWISS, TPCC, VODA, DCB and NMB.



MONEY MARKET.

The overnight rate for the 02 March 2018 weighted average rate (WAR) stood at 1.58% and TZS 39 Billion was traded showing that the banking sector is liquid enough. The highest and lowest rate stood at 2.00% and 1.20%.

EXCHANGE RATE.

TZS/USD	2,233.72	2,256.06
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TZS/KES	22.07	22.24
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TZS/GBP	3,078.74	3,109.97
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TZS/EUR	2,749.26	2,777.66
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GOVERNMENT DISMESSES MOODY'S FINDINGS.

The Citizen-The government of Tanzania has trashed Tanzania's sovereign rating published last weekend by Moody's, the renowned global credit and sovereignty rating agency. The permanent secretary in the ministry of finance and planning, Mr Dotto James confirmed that the published rating was "premature" and has no government consent. "It's true that we commissioned Moody's agency for the work; but we were still in talks with them that were yet to be concluded", Mr James said, stressing that "the report has been published without the government's clearance, so what is being circulated has no authority from our side". What Moody's had done was to come up with a rating report incorporating their own views, which seem to be unrealistic, Mr James said. Moody's stated that Tanzania had been rated B1, which indicates the "negative outlook". Also, the controversial rating indicates that Tanzania scored lower than other East African countries such as Kenya, Rwanda and Uganda who recorded a stable outlook (B2) rating. Then negative outlook by Moody's indicates that the balance of risks to the country's credit profile tilted on the downside due to an increasingly unpredictable policy environment weighing on the business climate. "Uncertainty over the regulatory environment and policy stance of the government – particularly as it relates to the mining sector – could have long-term negative impact on the country's growth potential and ability to attract foreign investment" Moody's say Tanzania economic outlook remain at similar rate over the medium term, driven by strong production in the natural resources sector – especially given the still untapped potential in large infrastructure projects. According to the latest edition of world economic forum (WEF) competitiveness report, the most problematic factor in doing business in Tanzania include access to finance, tax rates, and inadequate supply of requisite infrastructure.

SEVEN YEARS-BOND ATTRACTS TWICE AMOUNT NEEDED.

Daily News- Seven years bond auction by bank of Tanzania (BOT) last Wednesday received high investors' attention that resulted into oversubscription by over two times. The bank's auction summary shows that the debt instrument attracted bid worth 230.9bn compared to 100bn sought to be raised. Despite the oversubscription, the government retained the amount worth 150bn. The government uses the debt instrument for raising funds for implementing long term projects investments like road, railway infrastructure development. Investors continue to use substantial amount in investing in the risk free debt instrument, an initiative that has for long affected the growth of credit to the

private sector. The weighted average yield to maturity declined to 12.9 per cent from 13.97 per cent of the previous session held in December and 14.98 per cent held in October. Despite the fall in yield rate, investors' appetite for the government notes remained high. The weighted average coupon yield declined to 11.5 per cent from 12.15 percent and 12.73 per cent of the preceding two sessions of December and October respectively. Weighted average price for successfully bid was 87.01 compared to 82.92 whereas the minimum successful bid price /100 was 84.54. The lowest and highest bid was 97.00 and 77.36 respectively.

BAD BANK LOANS INCREASE SH47BN TO TOUCH SH260BN.

Business Daily- The pile of bad bank loans rose Sh47 billion to Sh259 billion in the year to December 2017, exposing the negative effect that last year's political turbulence had on the economy. The Central Bank of Kenya (CBK) says in the latest credit officer survey report for the quarter ending December 2017 that the period was marked by a slowdown in business activities, which ultimately affected the ability of businesses to service their loans. This resulted in the ratio of non-performing loans to gross loans rising to 10.56 per cent, a significant annual increase from the 9.1 per cent at the end of December 2016. The report also shows that there was a quarterly increase from the 10.44 per cent ratio recorded at the end of September last year. This was in spite of the rate cap that has put a 14 per cent ceiling on cost of loans, effectively meaning that borrowers were not failing to pay because loans had become too expensive. "The ratio of gross non-performing loans to gross loans increased from 10.44 per cent in September 2017 to 10.56 per cent in December 2017. This was attributed to a slowdown in business activities," says the report that was released this week. Borrowing, however, grew marginally pushing the gross loan book to Sh2.45 trillion at the end of December 2017, compared to Sh2.33 trillion at the end of 2016. Official statistics show that the economy grew at just 4.4 per cent in the third quarter of last year saddled by prolonged drought and a turbulent political season, making

it the slowest quarterly growth rate since the fourth quarter of 2013. As a result, thousands of Kenyans lost their jobs last year as a number of companies —including banks — reacted to falling revenues by retrenching workers. The retrenchments in turn had a knock-on effect on the ability of those who lost jobs to service their loans, including facilities taken to finance assets such as motor vehicles and mortgages. Small businesses that depend on credit to finance operations were also going through a hard time -- many having been denied access to credit and ultimately lacking ability to service old loans.

KEY MARKET DEFINITIONS

Oversubscription; is the situation where a new stock (share) issue has more buyers than there are shares to satisfy their orders. This 'excess of demand over supply' occurrence pushes the share's price higher and may motivate the issuer to bring out another issue.

Credit rating; credit rating is an evaluation of the credit risk of a prospective debtor (an individual, a business, company or a government), predicting their ability to pay back the debt, and an implicit forecast of the likelihood of the debtor defaulting. The credit rating represents an evaluation of a credit rating agency of the qualitative and quantitative information for the prospective debtor, including information provided by the prospective debtor and other non-public information obtained by the credit rating agency's analysts.

Cost of debt; Cost of debt refers to the effective rate a company pays on its current debt. In most cases, this phrase refers to after-tax cost of debt, but it also refers to a company's cost of debt before taking taxes into account. The difference in cost of debt before and after taxes lies in the fact that interest expenses are deductible.

STOCK MARKET PRICES.

TCCL;1,200 TCC;15,200 TBL;14,000 SWISS;3540 SWALA;500 PAL;470 NMG;2,360 MUCOBA;400 MKCB;830 MCB;500 MBP;600 KCB;1,030 KA;360 JHL;11,350 EABL;5,360 DSE;1,580 DCB;380 CRDB;190 ACA;5,640 TOL;780 TPCC;1480 TTP;600 USL;90 VODA;850 YETU;600

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