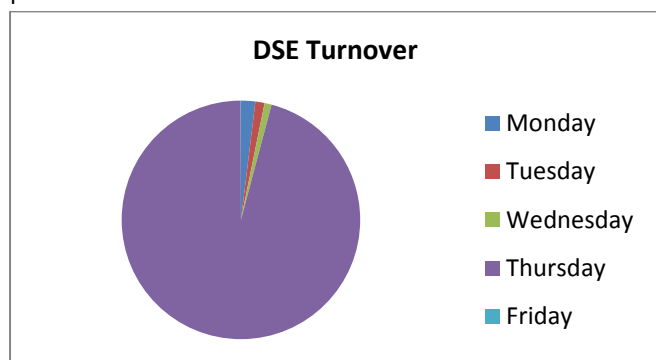
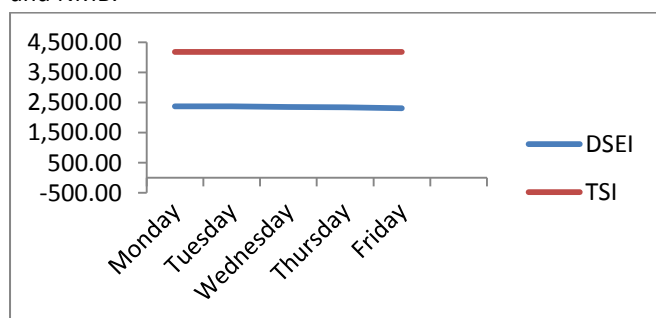


WEEKLY STOCK MARKET HIGHLIGHTS

Over the week of 21th -25th May the DSE recorded a total turnover of Tsh13.8bn a increase of 324 percent from the previous week's turnover of Tsh3.25bn. Total volume traded over the week was 1,473,147 shares compared to 3,444,842 shares the previous week, a decrease by 59 per cent. By Friday 18th May the market capitalization of the Exchange was Tsh22.31tri, while last week's market capitalization was Tsh22.25tri, reflecting a decrease of 0.27 per cent.



Overall turnover was highest on Thursday with about Tsh 13,200,651,065 traded in 36 deals with a volume of 933,627 shares. The turnover was highly influenced by foreign investors about 99.39 per cent selling and foreign investors 99.39 per cent buying. The most active stocks over the week are TBL, TCC, CRDB, VODA, DSE, SWIS, TPCC, and NMB.



MONEY MARKET

The overnight rate for the 25th May 2018 weighted average rate (WAR) stood at 1.57% and Tsh 10.14 billion was traded showing that the banking sector is liquid. The highest and lowest rate stood at 2.00% and 1.00%. Total volume traded over the week was Tsh 52.42 billion compared to Tsh 139.2 billion in the previous week.

EXCHANGE RATE

TZS/USD	2,254.31	2,276.86
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TZS/KES	22.29	22.47
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TZS/GBP	3,007.48	3,038.01
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TZS/EUR	2,631.01	2,658.00
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MARKET CAPITALIZATION SHRINKS

The Citizen- Dar es salaam stock exchange DSE market capitalization shrink by Tsh260.44 billion to Tsh22.2 trillion on Friday last week from Tsh22.5 trillion recorded on Thursday. The decrease in market capitalization was a result of a decrease of share prices among cross listed companies, including Acacia (ACA), Kenya airways (KA) National media Group (NMG), Jubilee holdings ltd (JHL), east African breweries ltd (EABL) and Kenya commercial bank (KCB). The Dse market report show that ACA share price decreased by 7.77 percent to Tsh3,800 on Friday from Tsh4,120 on Thursday followed by KA whose share price fell by 6.38 per cent to close at Tsh220 on Friday from Tsh235 recorded on Thursday. The NMG share price decreased by 1.26 per cent to Tsh2350 on Friday from Tsh2380 on Thursday, while KCB share price went down by 0.95 per cent to Tsh1040 from Tsh1050. The decrease in share prices of cross listed companies has resulted in the shrinkage of the Dar es salaam stock exchange all share index (DSEI) by 27.04 per cent to 2310.84 points from 2337.88 points, while the Tanzania share index (TSI) remained flat at 4180.08 points.

BANKS SEEN RETURNING TO CORE BUSINESS

Daily News- CREDIT to the private sector is expected to rise as banks shift focus to the core lending business from government debt instruments that have become less attractive due to falling interest rates. Banks and financial institutions are seen to shy away from government debt instruments after a drastic fall of interest rates make them less profitable. A 10-year bond auctioned by the Bank of Tanzania (BoT) on Wednesday was undersubscribed after attracting 86.8bn/- compared to 111.4bn/- offered to the market for tendering. In the session, weighted average yield to maturity improved to 13.9 per cent compared to 13.8 per cent of the 10 years bond auctioned on March this year. Weighted average coupon yield increased to 13.19 per cent compared to 13.13 per cent of the preceding session. Treasury bills auctioned last week and the previous week were also undersubscribed despite improved yield rate. Yield rates for the 364 days offer improved to 4.80 per cent compared to 4.12 per cent of the session held two weeks ago. It attracted bids worth 87.7bn/- compared to 100bn/- offered to the market for tendering. For the 182 days offer, interest rates was 2.67 per cent the same as in the preceding session. It fetched 10.8bn/- compared to 65bn/- sought to be raised by the government. Investors in the treasury bills are commercial banks, pension funds, insurance companies and some microfinance institutions. Analysts say low yield rates offered in debt instruments particularly on treasury bills is the major reason for most of

commercial banks to shift resources to its core lending businesses.

15-YEAR TENOR PRIMARY BOND SET FOR LISTING AT THE NSE

Business Daily - The May 15-year tenor primary bond that attracted less than the intended amount at Sh20.21 billion out of the Sh40 billion is set to be listed today 28th May, 2018. "The 15-year tenor received bids worth Sh20.21 billion with Central Bank of Kenya (CBK) accepting Sh12.86 billion, a performance rate of 50.54 per cent," CBK said in a notice. Analysts though foresee a tap sale or resale in the coming month. They said the results fall within market expectations. The Treasury opted for the longer-term maturity bond mainly to lengthen the debt maturity profile, generally deemed a prudent measure. Prior to the issue, market expectation was that an additional short-term paper would be on offer, which led to sell-off of shorter-duration bonds. The shorter-term bonds had been employed by banks mainly for asset-liability management. In addition, the current environment has been marked by a reduction in duration as a number of pension funds have increased their appetite for medium-term papers. As at May 18, cumulative net domestic borrowing in the current financial year was at Sh297.99 billion against a pro-rated Sh269.32 billion target. "We view that with borrowing

which is ahead of its schedule coupled with the proposed reduction in development expenditure in the supplementary budget, the government is under no borrowing duress at this point of the financial year," said analysts at Genghis Capital in a note to investors.

KEY MARKET DEFINITIONS

A bond; is a fixed income investment in which an investor loans money to an entity (typically corporate or governmental) which borrows the funds for a defined period of time at a variable or fixed interest rate. Bonds are used by companies, municipalities, states and sovereign governments to raise money and finance a variety of projects and activities.

Net present value (NPV); is the difference between the present value of cash inflows and the present value of cash outflows over a period of time. NPV is used in capital budgeting to analyse the profitability of a projected investment or project..

Working capital; Working capital, also known as net working capital, is the difference between a company's current assets, like cash, accounts receivable (customers' unpaid bills) and inventories of raw materials and finished goods, and current liabilities, like accounts payable.

STOCK MARKET PRICES

TCCL;1,200 TCC;17,000 TICL;450 TBL;16,400 SWISS;3520 SWALA;500 PAL;470 NMG;2,350 MUCOBA;400 MKCB;830 MCB;500 MBP;590 KCB;1,040 KA;220 JHL;10,980 EABL;5,240 DSE;1,740 DCB;340 CRDB;160 ACA;3,800 TOL;780 TPCC;1640 TTP;120 USL;40 VODA;800 YETU;600

INDUSTRY NEWS

NMB BANK ANNOUNCE A DIVIDEND OF Tsh 64 PER SHARE

National Microfinance bank PLC has announced the dividend for the year ended 31 December 2017; the dividend to be is Tsh 64 per share which makes a total dividend of Tsh 32 billion out of 2017 profit. The dividend announced is lower by 38 per cent from the 2016 dividend which was Tsh104 per share. The dividend of Tsh64 per share has made the Dividend yield to decline to 2.3 from 3.8 recorded in the previous years. Previous year (2016) NMB bank plc paid a dividend of Tsh52 Billion from the profit generated, while this year its Tsh32 billion lower by 38.4 per cent from the last year Dividend.

Date of announcement	May 4, 2018
Shares trading cum Dividend	May 4, 2018
Last day of trading Cum-dividend	May 24, 2018
Share start ex-dividend	May 25, 2018
Register Closing date	May 29, 2018
Payment of Dividend	On or about June 14, 2018

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