

WEEKLY WRAP-UP REPORT

All data, projections and opinions are of the date of this report and subject to change

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Key highlights:

Equity market

During the trading week ending on February 23rd, the Dar es Salaam Stock Exchange (DSE) witnessed a slight increase in turnover compared to the previous week. The overall market turnover increased to TZS 3.69 billion, marking a 10.43% increase from the previous week's TZS 3.3 billion.

High activities on the pre-arrange board notably contributed to the increased market turnover, with the TBL counter registering block trades of 156,566 shares and 200,000 at average prices of TZS 6000. And TZS 5,500 respectively. TOL traded 902,170 shares at an average price of TZS 660.

Throughout the week, TBL dominated trading activities accounting for 55.18% of the total market turnover, followed by TOL with 16.12% and CRDB with 13.22%.

Domestic stocks displayed a bullish trend during the week, with three counters experiencing positive price movements. DCB saw the most substantial gain, concluding the trading week at TZS 150 per share, reflecting a 11.11% increase. TPCC also demonstrated positive movement, with a 1.38% increase, closing the week at TZS 4,400 per share. DSE closed the week at TZS 1,860 representing a 1.09% upside,

Conversely two domestic counters lost value within the week SWISS lost 6.67% of its value to close off the week at TZS 1,120 per share while NMB ended its bull run shedding 0.85% off its value to close at TZS 4,660 per share

In terms of market capitalization, there was an overall decrease of 0.07% in the total market capitalization, ending the week at TZS 14,739.49 billion. This fall was primarily driven by the depreciation in the prices of counters such as SWISS and NMB. Similarly, the domestic market capitalization experienced a slight downtick of 0.09%, concluding with a value of TZS 11,617.11 billion.

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Key benchmark indices

- All Share Index (DSEI) closed at 1,765.96 points decreasing by 0.07%.
- Tanzania Share Index (TSI) closed at 4,385.83 points decreasing by 0.09%

Sector Indices

- Industrial & Allied Index (IA) closed at 5,209.01 points, up by 0.18%
- Bank, Finance & Investment Index closed at 4,777.6 points, down by 0.47%
- Commercial Services Index closed at 2,139.32 points, down by 0.16%

Top movers

Counter	Turnover (TZS)	% of total turnover
TBL	2,039,500,000	55.18%
TOL	595,958,220	16.12%
CRDB	488,655,710	13.22%
TPCC	392,991,860	10.63%
NMB	143,593,440	3.89%

Top Gainers

Counter	Closing price	% Change
DCB	150	▲ 11.11%
TPCC	4400	▲ 1.38%
DSE	1,860	▲ 1.09%

Top Losers

Counter	Closing price	% Change
SWIS	1120	▼ -6.67%
NMB	4660	▼ -0.85%

Market news round up

THE BANK OF TANZANIA (BOT) REVISES THE GOVERNMENT SECURITIES ISSUANCE CALENDAR FOR THE SECOND HALF OF THE FINANCIAL YEAR 2023/2024

Changes effective from 14-Feb-2024 to 30-June 2024 include:

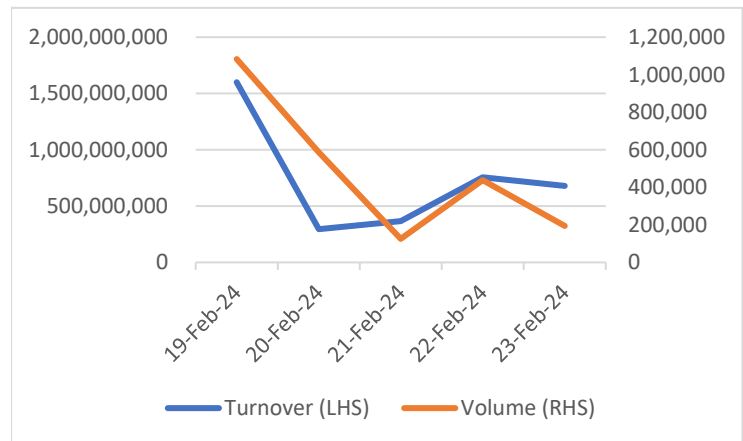
- The auction mechanism has transitioned from new issuances to the re-opening of previous issues. Re-opening involves offering Treasury bonds with identical terms and conditions as the original issue, including maturity date, security identifier, and coupon rate. The only difference will be the issue date and a different purchase price based on current market yields. The next Treasury bond auction scheduled for 21-Feb-2024 will be a re-opening of a 20 year Treasury bond no: 566, previously issued on 8-July-2021. Pricing for the bond will incorporate accrued interest to cover the period from the last coupon payment date to the settlement date. Re-openings was previously experimented with from 24-Nov-2021 but was temporarily discontinued in April 2022 due to extreme pricings and a sharp fall in yields.
- Reduction of short to medium term maturities: Removal of all three 5-year treasury bond auctions. Removal of the only 2-year treasury bond auction. Removal of one 15-year treasury bond auction, making a total of 1 auction (previously 2).
- Elongating the maturity profile: Inclusion of 1 more 10-year treasury bond auction, making a total of 2 auctions (previously 1). Addition of 2 more 20-year treasury bond auctions, making a total of 4 auctions (previously 2). Introduction of 2 additional 25-year treasury bond auctions, making a total of 3 auctions (previously 1).

Re-openings aim to enhance liquidity, facilitate price discovery of previously issued bonds, and de-fragment the bond market by limiting the number of new Treasury bonds offered. Previous fragmentation into numerous distinct issues impeded liquidity, and re-openings can create a smoother yield curve and better pricing benchmarks. This measure also aims at price stabilization by preventing spikes in yields, given the recent substantial increases in auction yields.

Reshuffling the issuance calendar by eliminating short to medium term bonds and adding long-term bonds. This is in response to the decreased demand for bonds with shorter to medium-term maturities. Out of the sixteen treasury bond auctions conducted from July 2023 to date, thirteen failed to attract subscriptions of 100% or more. Notably, only two 25-year treasury bond auctions and one 15-year treasury bond auction achieved 100% or higher subscription rates. The market's undercutting of treasury pricing also has led to sharp increases in yields.

The Week Ended	16-Feb-24	23-Feb-24	% Change
Turnover (TZS million)	3,346.72	3,695.93	▲ 10.43%
Net Foreign Inflow (TZS million)	(867.03)	(1,106.90)	▲ 27.67%
Volume of shares	1,813,072	2,428,161	▲ 33.93%
Total Market Capitalization (TZS bln)	14,749.64	14,739.49	▼ -0.07%
Domestic Market Capitalization (TZS bln)	11,627.25	11,617.11	▼ -0.09%
Outstanding Government Bond (TZS bln)	21,853.67	21,853.67	0.00%
Outstanding Corporate Bond	68.25	68.25	0.00%
Outstanding Sustainable Bond (TZS bln)	459.04	459.04	0.00%
Outstanding Sustainable Bond (USD mln)	73.00	73	0.00%
Outstanding Sukuk Bonds (TZS)	11.04	11.04	0.00%
All Shares Index (DSEI)	1,767.18	1765.96	▼ -0.07%
Tanzania Share Index (TSI)	4,389.66	4385.83	▼ -0.09%
Industrial & Allied (IA)	5,199.51	5209.01	▲ 0.18%
Banks, Finance & Investment (BI)	4,800.19	4777.6	▼ -0.47%
Commercial Services (CS)	2,142.69	2139.32	▼ -0.16%

DSE Market turnover-week ending February 23, 2024



Highlights: Debt Market

Primary market

On Wednesday 21st February 2024, the Central Bank was in the market offering TZS 137 billion to investors for a reopening of the 20-Year Treasury bond offering a 15.49 % coupon rate annually. This auction was catered for investors with more preference for long-term papers.

The auction was subscribed by 233.38% - the auction received bids totaling TZS 319.732billion and accepted bids worth TZS 272.778billion.

This is the first auction in 2024 since the Bank of Tanzania re introduced bond reopening. The 20-yr treasury bond oversubscribed receiving 233.38% subscription rate. The weighted average yield to maturity has risen by 231.27 basis points relative to the previous auction held on November 2023 from 13.5125% to 15.8252%. Average yields have been on an uptrend over the last five auctions gaining 321.33 basis points from the average yield in February 2023. Moreover, the price floor has reached 95 from 86.2322 in the previous auction in Nov 2023. This continues to reflect lessened monetary policy accommodation by the central bank to taper inflation.

	20y- 566	20y- 649	20y- 638	20y- 632
Auction date	21-Feb-2024	01-Nov-2023	21-Jun-2023	19-Apr-2023
Maturity date	08-Jul-2041	02-Nov-2043	22-Jun-2043	20-Apr-2043
Minimum price	95	86.2322	90	93
WAP	99.9198	90.3117	92.9342	94.6432
WAY	15.8252	13.5125%	13.077%	12.8506%
Offered (TZS Bn)	137.0	216.240	178.5	178.50
Tendered (TZS Bn)	319.732	117.561	139.363	123.13
Successful (TZS Bn)	272.778	107.556	138.288	103.90
Subscription rate	233.38%	54.37%	78.07%	68.98%
Acceptance rate	85.31%	91.49%	99.23%	84.38%

Secondary market

During the week ending on February 23rd, market activities witnessed a decline compared to the previous week, partly due to the allocation of liquidity to the mid-week reopening of the 20-year treasury bond. The total turnover experienced a significant drop of 47.18%, decreasing from TZS 152 billion to TZS 80.28 billion. Similarly, the number of trades saw a substantial decrease from 99 to 36.

The majority of the trading activities were concentrated on the long end of the yield curve, specifically the 25-year treasury bond maturing on April 22, 2046, which contributed to 74.73% of the total turnover.

In the corporate bond segment, activities were somewhat subdued compared to the previous week. Trades were recorded for NMB corporate bonds NMB-2022/25.T4 and NMB-2023/26.T1, with the former totaling TZS 2.5 million at an average price of 87 and the latter totaling TZS 67 million at an average price of 86.7.

Secondary market trades 19th February – 23rd February

Term	Turnover (bn)	Deals	Average price	Weighted Average yield
NMB 3y- 8.5%	0.0025	1	87.0000	17.94%
NMB 3y- 9.5%	0.0670	6	86.7001	15.67%
5y- 9.18%	5.0000	3	99.9536	11.00%
7y- 9.48%	1.5000	2	102.1037	9.64%
15y-13.50%	1.0000	2	95.0000	14.62%
20y-15.49%	1.2234	8	103.3602	15.61%
25y-12.56%	11.4886	10	91.7483	13.23%
25y-15.95%	60.0000	4	123.0507	13.42%
TOTAL	80.2815	36	98.6146	

Outlook:

Equities:

As we approach the February, there is a positive sentiment in the stock market, fueled by robust preliminary financial results for the fiscal year ending in 2023. This positivity is reflected in the year-to-date price performance of various stocks, such as TCCL (+16.98%), NICO (+16%), DCB (+15.38%), CRDB (+8.7%), and NMB (+3.56%). Regarding the overall market size, both total and domestic market capitalization have expanded, with an increase of TZS 128 billion and TZS 215 billion, respectively. Anticipating the release of full audited financials by companies, we expect potential upward movement for these stocks.

Fixed income:

The reopening of the 20-year treasury bond in the middle of the week took many investors by surprise, revealing a weighted average yield of 15.82% and a cut-off yield of 16.72%. We anticipate that this auction will establish a pricing precedent for upcoming auctions, with yields expected to rise further.

Event Calendar

Event

Treasury bill auction
25- year Treasury bond auction- 573-15.95-T2-A1
February CPI

Date

21-Feb-24
06-Mar-24
08-Mar-24

Maturing bonds

7-year Treasury bond-444-10.08-T1-A1
10- year Treasury bond- 363-11.44-T53-A1
5-year Treasury bond- 503-9.18-T77-A1
7- year Treasury bond- 451-10.08-T1-A1

Date

16-Mar-24
3-Apr-24
9-May-24
25-May-24

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Counter	Weekly Turnover					Total	Turnover %	Closing Price	Opening Price	w-o-w %	y-t-d %
	19-Feb-24	20-Feb-24	21-Feb-24	22-Feb-24	23-Feb-24						
CRDB	1,628,770	292,247,930	17,325,170	156,542,960	20,910,880	488,655,710	13.22%	500	500	0.00%	▲8.70%
DCB	70,510	33,600	1,289,450	2,096,230	1,556,750	5,046,540	0.14%	150	135	▲11.11%	▲15.38%
DSE	1,578,700	198,720	1,939,980	3,545,220	241,800	7,504,420	0.20%	1,860	1,840	▲1.09%	▲3.33%
EABL	-	-	-	-	-	-	0.00%	1,840	1,840	0.00%	▲1.10%
JATU	-	-	-	-	-	-	0.00%	265	265	0.00%	0.00%
JHL	-	-	-	-	-	-	0.00%	2,980	2,980	0.00%	▲.68%
KA	-	-	-	-	-	-	0.00%	80	80	0.00%	0.00%
KCB	-	-	-	-	-	-	0.00%	315	315	0.00%	▼ -10.00%
MBP	-	-	3,050	-	-	3,050	0.00%	305	305	0.00%	0.00%
MCB	-	3,100	3,100	-	-	6,200	0.00%	310	310	0.00%	0.00%
MKCB	-	-	25,200	-	-	25,200	0.00%	630	630	0.00%	0.00%
MUCOBA	-	4,000	4,000	-	4,000	12,000	0.00%	400	400	0.00%	0.00%
NICO	2,550,840	113,100	114,860	-	9,224,320	12,003,120	0.32%	580	580	0.00%	▲16.00%
NMB	6,644,880	-	11,986,860	42,911,440	82,050,260	143,593,440	3.89%	4,660	4,700	▼ -.85%	▲3.56%
NMG	-	-	-	-	-	-	0.00%	315	315	0.00%	▼ -1.56%
PAL	-	-	36,000	7,200	3,600	46,800	0.00%	400	400	0.00%	0.00%
SWALA	-	-	-	-	-	-	0.00%	450	450	0.00%	0.00%
SWIS	34,800	429,200	11,200	192,640	6,513,360	7,181,200	0.19%	1,120	1,200	▼ -6.67%	▼ -15.15%
TBL	939,396,000	-	104,000	550,000,000	550,000,000	2,039,500,000	55.18%	10,900	10,900	0.00%	0.00%
TCC	-	-	162,000	-	-	162,000	0.00%	17,000	17,000	0.00%	0.00%
TCCL	24,800	99,200	113,160	-	-	237,160	0.01%	2,480	2,480	0.00%	▲16.98%
TICL	283,700	164,250	231,805	23,400	188,315	891,470	0.02%	190	190	0.00%	0.00%
TOL	595,432,200	-	325,380	200,640	-	595,958,220	16.12%	660	660	0.00%	0.00%
TPCC	51,321,520	1,750,400	331,060,400	35,200	8,824,340	392,991,860	10.63%	4,400	4,340	▲1.38%	▲.92%
TTP	-	-	-	-	-	-	0.00%	120	120	0.00%	0.00%
USL	-	-	-	-	-	-	0.00%	5	5	0.00%	0.00%
VODA	911,680	36,260	932,400	-	229,400	2,109,740	0.06%	770	770	0.00%	0.00%
YETU	-	-	-	-	-	-	0.00%	510	510	0.00%	0.00%
Total	1,599,878,400	295,079,760	365,668,015	755,554,930	679,747,025	3,695,928,130	100%				

Trade Date	Bond No.	Term	New/Old Coupon	Coupon	Issue Date	Maturity Date	Amount (bn)	Deals	Dirty Price	Weighted Avg. yield	Yield
23-Feb-2024	NMB	3	NC	8.50%	26-Apr-2022	28-Dec-2025	0.00250	1	87.0000		17.94%
							0.00250	1	87.00000	17.94%	17.94%
19-Feb-2024	NMB	3	NC	9.50%	12-Dec-2023	11-Dec-2026	0.02000	1	84.2000		17.71%
20-Feb-2024	NMB	3	NC	9.50%	12-Dec-2023	11-Dec-2026	0.00500	1	82.0001		18.92%
20-Feb-2024	NMB	3	NC	9.50%	12-Dec-2023	11-Dec-2026	0.00200	1	82.0001		18.92%
20-Feb-2024	NMB	3	NC	9.50%	12-Dec-2023	11-Dec-2026	0.01000	1	82.0001		18.92%
21-Feb-2024	NMB	3	NC	9.50%	12-Dec-2023	11-Dec-2026	0.00700	1	95.0000		12.47%
21-Feb-2024	NMB	3	NC	9.50%	12-Dec-2023	11-Dec-2026	0.02300	1	95.0000		12.47%
							0.06700	6	86.7001	15.67%	16.56%
20-Feb-2024	571	5	OC	9.18%	16-Sep-2021	16-Sep-2026	2.00000	1	99.9536		11.00%
20-Feb-2024	571	5	OC	9.18%	16-Sep-2021	16-Sep-2026	1.00000	1	99.9536		11.00%
20-Feb-2024	571	5	OC	9.18%	16-Sep-2021	16-Sep-2026	2.00000	1	99.9536		11.00%
							5.00000	3	99.9536	11.00%	11.00%
20-Feb-2024	596	7	NC	9.48%	28-Apr-2022	28-Apr-2029	1.00000	1	102.3506		9.64%
20-Feb-2024	619	7	NC	9.48%	09-Nov-2022	10-Nov-2029	0.50000	1	101.8567		9.66%
							1.50000	2	102.10365	9.64%	9.65%
20-Feb-2024	564	15	OC	13.50%	02-Jun-2021	03-Jun-2036	0.80000	1	100.0000		14.00%
21-Feb-2024	459	15	OC	13.50%	14-Sep-2017	14-Sep-2032	0.20000	1	90.0000		17.10%
							1.00000	2	95.0000	14.62%	15.55%
20-Feb-2024	544	20	OC	15.49%	17-Sep-2020	24-Sep-2040	0.30000	1	100.0001		16.61%
20-Feb-2024	563	20	OC	15.49%	19-May-2021	20-May-2041	0.30000	1	100.0000		16.17%
21-Feb-2024	513	20	OC	15.49%	01-Aug-2019	01-Aug-2039	0.15000	1	110.8303		13.91%
21-Feb-2024	544	20	OC	15.49%	17-Sep-2020	24-Sep-2040	0.08600	1	90.0000		18.71%
22-Feb-2024	513	20	OC	15.49%	01-Aug-2019	01-Aug-2039	0.15000	1	110.8303		13.91%
22-Feb-2024	563	20	OC	15.49%	19-May-2021	20-May-2041	0.02500	1	101.5000		15.91%
22-Feb-2024	566	20	OC	15.49%	08-Jul-2021	08-Jul-2041	0.06660	1	100.0000		15.82%
23-Feb-2024	504	20	OC	15.49%	22-May-2019	22-May-2039	0.14580	1	113.7210		13.93%
							1.22340	8	103.3602	15.61%	15.62%
19-Feb-2024	653	25	NC	12.56%	28-Dec-2023	28-Dec-2048	0.21700	1	90.0000		14.30%
19-Feb-2024	653	25	NC	12.56%	28-Dec-2023	28-Dec-2048	0.04700	1	90.0000		14.30%
19-Feb-2024	653	25	NC	12.56%	28-Dec-2023	28-Dec-2048	8.00000	1	99.8588		12.82%
19-Feb-2024	653	25	NC	12.56%	28-Dec-2023	28-Dec-2048	0.05000	1	91.2274		14.10%
21-Feb-2024	653	25	NC	12.56%	28-Dec-2023	28-Dec-2048	0.12000	1	91.2274		14.11%
21-Feb-2024	653	25	NC	12.56%	28-Dec-2023	28-Dec-2048	0.01660	1	91.8506		14.01%
21-Feb-2024	653	25	NC	12.56%	28-Dec-2023	28-Dec-2048	1.50000	1	90.1066		14.29%
22-Feb-2024	653	25	NC	12.56%	28-Dec-2023	28-Dec-2048	0.03300	1	91.6061		14.06%
22-Feb-2024	653	25	NC	12.56%	28-Dec-2023	28-Dec-2048	1.50000	1	91.6058		14.06%
23-Feb-2024	653	25	NC	12.56%	28-Dec-2023	28-Dec-2048	0.00500	1	90.0000		14.32%

Trade Date	Bond No.	Term	New/Old Coupon	Coupon	Issue Date	Maturity Date	Amount (bn)	Deals	Dirty Price	Weighted Avg. yield	Yield
22-Feb-2024	653	25	NC	12.56%	28-Dec-2023	28-Dec-2048	0.03300	1	91.6061		14.06%
22-Feb-2024	653	25	NC	12.56%	28-Dec-2023	28-Dec-2048	1.50000	1	91.6058		14.06%
23-Feb-2024	653	25	NC	12.56%	28-Dec-2023	28-Dec-2048	0.00500	1	90.0000		14.32%
							11.48860	10	91.7483	13.23%	14.04%
19-Feb-2024	561	25	OC	15.95%	22-Apr-2021	22-Apr-2046	15.00000	1	122.4184		13.49%
19-Feb-2024	561	25	OC	15.95%	22-Apr-2021	22-Apr-2046	15.00000	1	123.6392		13.34%
20-Feb-2024	561	25	OC	15.95%	22-Apr-2021	22-Apr-2046	15.00000	1	123.6830		13.34%
20-Feb-2024	561	25	OC	15.95%	22-Apr-2021	22-Apr-2046	15.00000	1	122.4623		13.49%
							60.00000	4	123.0507	13.42%	13.42%

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