

# CRDB rally slows down, but still 3-year high

**By DAILY NEWS Reporter**

CRDB Bank share price rally slowed down slightly yesterday but still traded at almost three years high. The lender share price dropped by 9.76 per cent to 185/- yesterday from 205/- but still trades at 34 months high.

The share rally begun late last year after the bank posted a strong performance in the first three quarters and gathered tempo at the beginning of this month.

Zan Securities CEO Raphael Masumbuko said they expect CRDB to further surge and continue propelling domestic index—TSI.

“We expect a further surge in CRDB counter to continue propel the domestic market performance towards the second quarter,” Mr Masumbuko said in a recently Weekly Market Wrap-Up.

In the week ending last Friday, CRDB was a top market mover with 40.52 percent of the total market turnover. Tanzania Securities data showed that CRDB appreciated by 94.74 per cent to 185/- year’s to date. The price of CRDB almost doubled since the beginning of the year, after closing the year 2019 at 95/-.

Earlier, Orbit Securities’ Head

of Research and Analytics Imani Muhingo said appreciation of CRDB was expected since last year due to outstanding performance reported by the bank throughout the year.

“After a long due of market undervaluation of the bank, the market finally caught up to the bank’s fundamentals in January this year...,” Mr Muhingo said.

Mr Muhingo said the bullish trend “fuelled by prospects of a handsome dividend payout cemented by the bank’s annual results which reported 87 per cent growth in profits”. The bank, with a subsidiary in Burundi, registered 87 per cent Year on Year (YoY) growth in profit to 120bn/- compared to 64bn/- posted in 2018.

The last year financial performance improved profitability level to register a 2.8 per cent Return on Assets (RoA) and 14.7 per cent Returns on Equity (RoE).

Two Bloomberg analysts recommended ‘buy’ for CRDB stock at between 155/- and 220/-.

The Egyptian Financial Group-Hermes’ Holding Analyst Muammar Kassim Ismaily recommended buy for 220/- while Kenya’s Exotix Capital Faith Mwangi also recommended buy for 155/-.