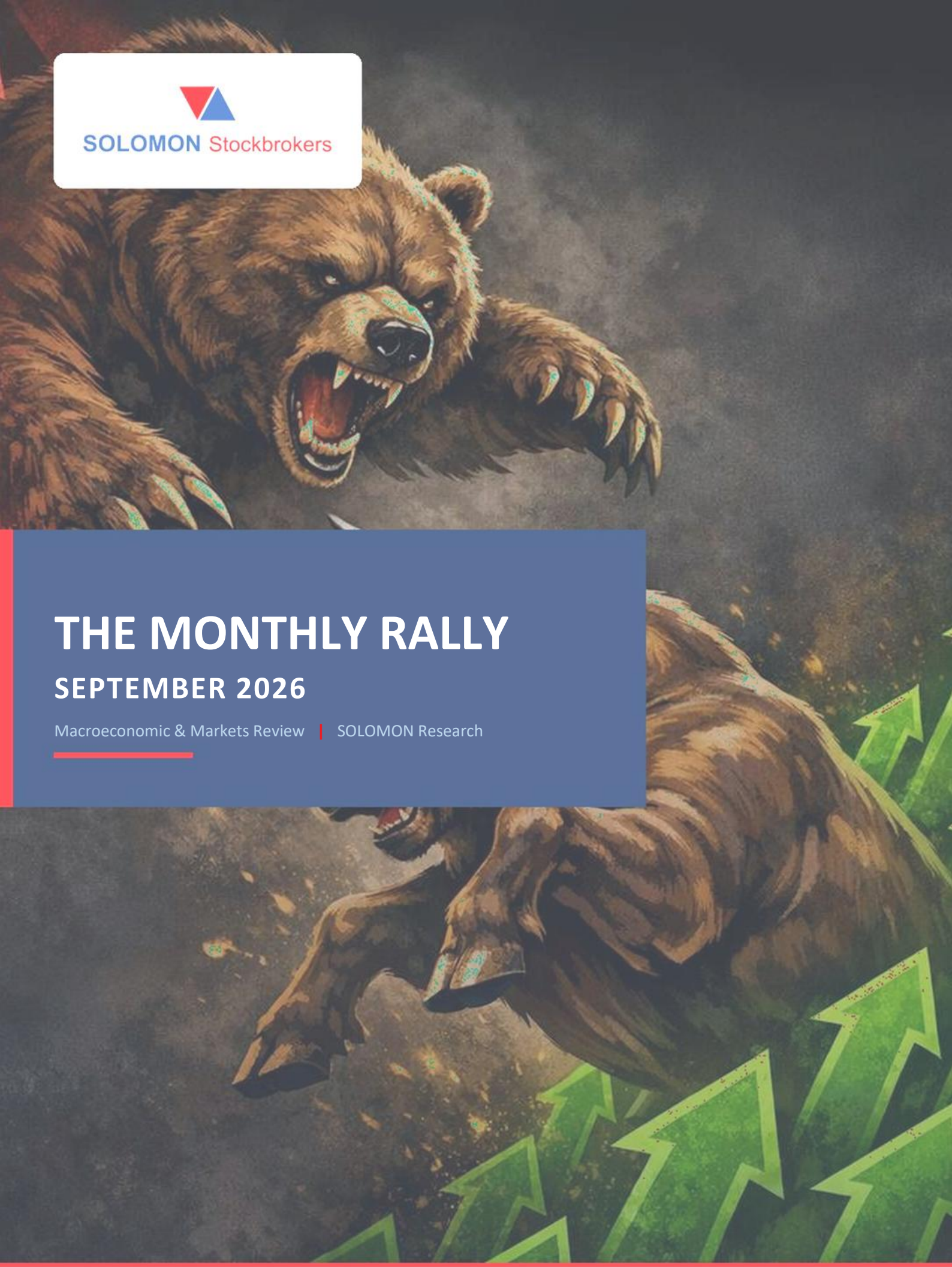
SOLOMON Stockbrokers



THE MONTHLY RALLY

SEPTEMBER 2026

Macroeconomic & Markets Review | SOLOMON Research

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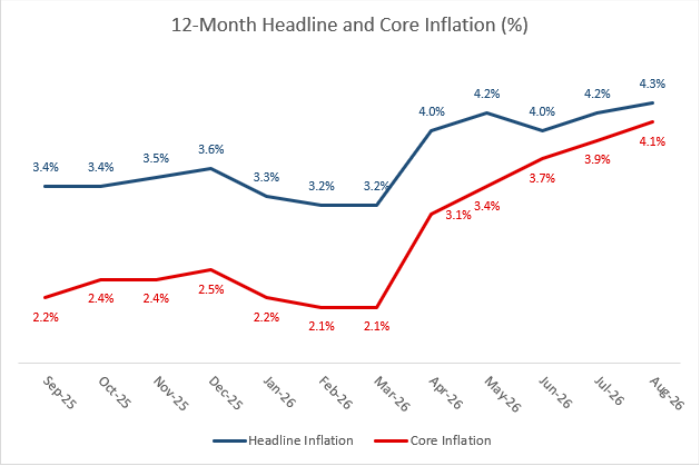
AT A GLANCE

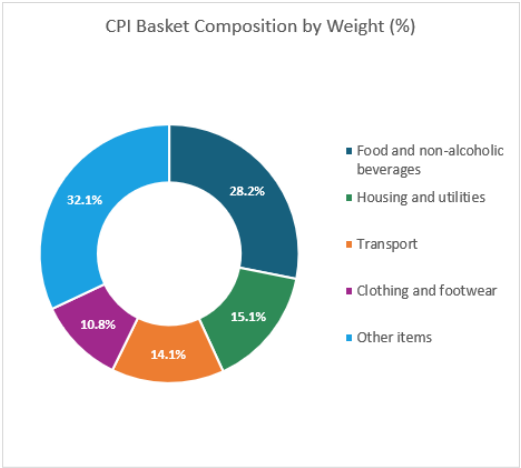
4.3%	4.1%	6.25%	33.0%	USD 91.08
Headline inflation (Aug-26)	Core inflation (Aug-26)	Central Bank Rate (Q3'26)	Private credit growth (YoY)	Brent crude avg (Aug-26)

MACROECONOMIC COVERAGE

Inflation: Underlying Pressures Are Building

12-month headline and core inflation rose from 4.2% and 3.9% respectively in Jul 26 to 4.3% and 4.1% respectively in Aug 26. This extends the upward trend that began in Apr 26: since Mar 26, headline inflation has climbed 110 basis points (from 3.2%) and core inflation has risen 200 basis points (from 2.1%), almost doubling over five months. As a result, the gap between headline and core inflation has narrowed from 1.1 percentage points in Mar 26 to just 0.2 percentage points in Aug 26. Put simply, price pressures are no longer confined to food and energy; they are working their way into the wider basket. Food and non-alcoholic beverages remain the largest group in the CPI basket (28.2% weight), followed by housing and utilities (15.1%), transport (14.1%) and clothing and footwear (10.8%). Together these four groups make up about two-thirds of the index.





Source: National Bureau of Statistics

Currency Movement: TZS Broadly Stable in September, but Year-to-Date Pressure Persists

During the month of September, the TZS remained broadly stable against hard currencies, depreciating only marginally against the USD (0.09%) and the CNY (0.35%), while appreciating against the GBP (2.51%), the EUR (2.50%) and the KES (0.14%). The gains against the GBP and EUR largely reflect the weakening of those currencies against the USD in global markets rather than TZS strength, as the implied EUR/USD cross rate fell by about 2.6% over the month. On a year to date basis, however, the TZS has come under more pressure than in 2025, depreciating by 7.96% against the USD (2025: 2.01%), 12.62% against the CNY (2025: 4.58%) and 7.29% against the KES (2025: 1.89%). In contrast, its year-to-date depreciation against the GBP (5.82%) and EUR (4.16%) is milder than the 8.94% and 14.75% recorded in the same period of 2025.

Currency	MoM* 2026	MoM* 2025	YTD** 2026	YTD** 2025
USD	▲ 0.09%	▼ 0.94%	▲ 7.96%	▲ 2.01%
GBP	▼ 2.51%	▼ 1.34%	▲ 5.82%	▲ 8.94%
EUR	▼ 2.50%	▼ 0.20%	▲ 4.16%	▲ 14.75%
CNY	▲ 0.35%	▼ 0.77%	▲ 12.62%	▲ 4.58%
KES	▼ 0.14%	▼ 0.94%	▲ 7.29%	▲ 1.89%

Source: Bank of Tanzania

Monetary Policy: Credit Momentum Accelerates Despite Tighter Stance

Indicator (YoY growth)	Aug-26	Jul-26	MoM Change	Aug-25	YoY Change
Extended Broad Money (M3)	25.5%	26.9%	▼ 1.4pp	21.0%	▲ 4.5pp
Private Sector Credit	33.0%	31.2%	▲ 1.8pp	16.2%	▲ 16.8pp

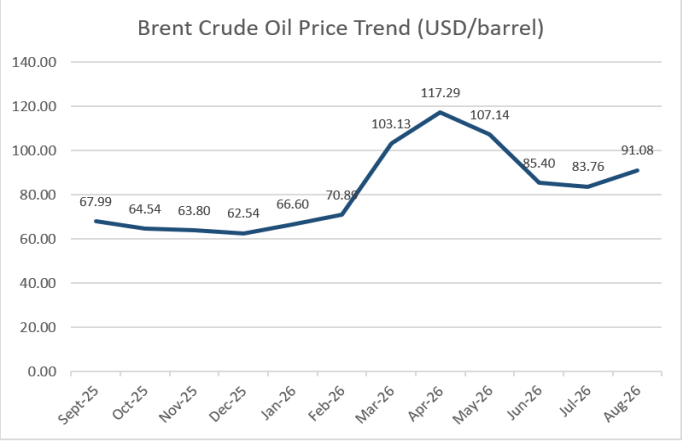
Source: Bank of Tanzania

The Bank of Tanzania raised the Central Bank Rate by 50bps to 6.25% for Q3'26 (from 5.75%), a tightening move aimed at containing imported inflationary pressures from higher energy, fertiliser and transport costs. Despite the tighter stance, monetary aggregates remained robust: M3 grew 25.5% YoY in Aug 26, easing 1.4pp from 26.9% in Jul 26 but 4.5pp above the 21.0% recorded in Aug 25. Private sector credit growth accelerated further to 33.0% YoY, up 1.8pp MoM and 16.8pp from Aug 25, its fastest pace in 14 months and the third straight month ahead of M3 growth. So far, borrowers have shrugged off the rate hike.

COMMODITIES THAT SHAPE ECONOMIES

Brent Crude Oil: Elevated Prices Re-Inflate Tanzania's Oil Import Bill

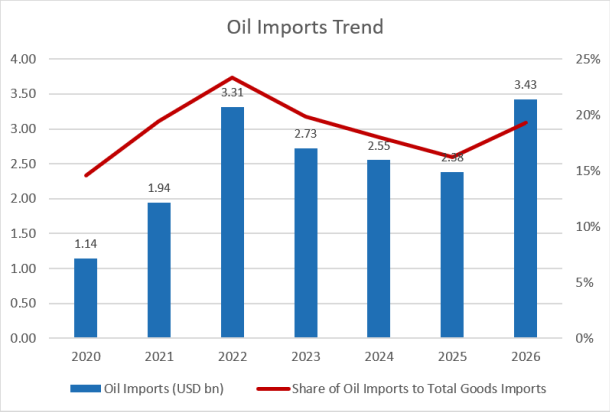
In August 2026, Brent crude oil averaged USD 91.08 per barrel, up 8.74% from USD 83.76 in July and 33.96% above USD 67.99 in September 2025. Prices remained relatively low in late 2025, reaching USD 62.54 per barrel in December, before rising sharply from USD 70.89 in February 2026 to USD 103.13 in March and peaking at USD 117.29 in April, a 65.45% increase in just two months. This sharp rise was mainly driven by military action involving the United States, Israel and Iran that began on 28 February 2026, disrupting oil shipments through the Strait of Hormuz, a key route for global oil supplies. Attacks on energy infrastructure and threats to oil tankers further disrupted supply, forcing some producers to reduce output. Although prices have since fallen by 22.35% from the April peak, they remain above the pre-rally six month average of USD 66.06 per barrel, contributing to a 12-month average of USD 82.01 per barrel.



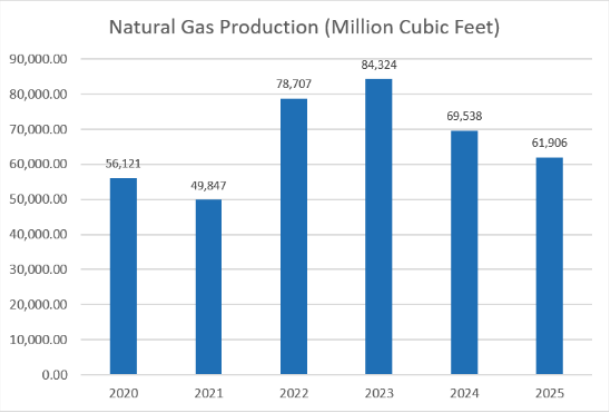
Source: U.S. EIA, Europe Brent Spot Price FOB (monthly average)

For calendar year 2025, Tanzania's oil imports were valued at USD 2.38 billion, a 6.75% decline from the USD 2.55 billion import bill of 2024 and 28.20% below the 2022 peak of USD 3.31 billion, largely reflecting softer international oil prices. As a result, oil's share of total goods imports fell to 16.21% from 17.98% in 2024, its lowest level since 2020 (14.60%). However, the price rally has reversed this gain: in the 12 months to August 2026 the oil import bill rose to USD 3.43 billion, 43.93% above the 2025 total and above the 2022 peak, pushing oil's share of goods imports back up to 19.28%.

The risk of a larger import bill and wider external deficits remain elevated. With Brent still trading around USD 91/barrel, roughly 38% above the pre-rally average, higher oil costs are likely to keep pressure on the current account, foreign exchange reserves and the shilling, and to pass through to domestic pump prices, transport costs and headline inflation. Efforts to diversify towards domestic natural gas are not yet providing an adequate cushion: gas production rose from 56,120.91 million cubic feet in 2020 to a peak of 84,324.12 million cubic feet in 2023 but has since declined by 17.53% in 2024 to 69,538.30 million cubic feet and by a further 10.98% in 2025 to 61,905.83 million cubic feet, 26.59% below the 2023 peak. This leaves a 2020–2025 Compound Annual Growth Rate (C.A.G.R) of just 1.98%. High oil prices can hurt businesses that spend heavily on fuel and imports, while creating opportunities for investors in natural gas. Investors should also consider the potential effects on inflation, the shilling and the real returns on long-term investments.



Source: Bank of Tanzania



Source: National Bureau of Statistics

COMMODITIES THAT SHAPE ECONOMIES

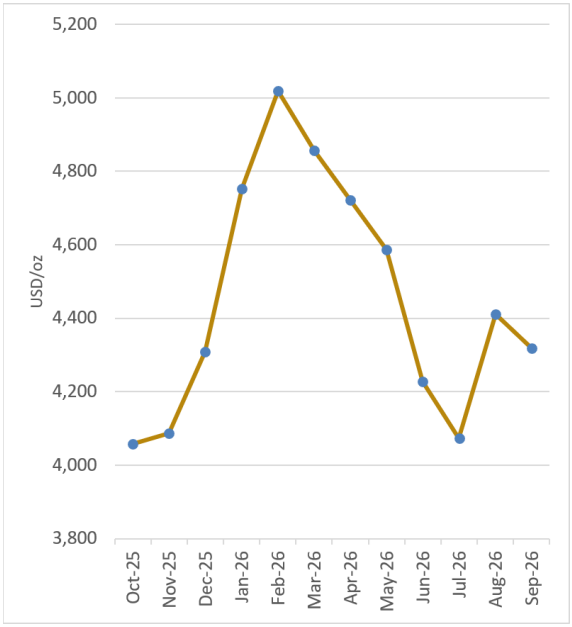
Gold: Off the Peak, but Export Earnings Hold Firm

Gold prices eased 2.09% MoM in September 2026, with the monthly average slipping from USD 4,411/ounce in August to USD 4,319/ounce, giving back part of August's 8.30% rebound. The metal remains 13.96% below its February 2026 peak of USD 5,020/ounce, which capped a 16.50% surge from the December 2025 average of USD 4,309/ounce. Since then, prices corrected for five consecutive months to a low of USD 4,073/ounce in July 2026 as investors took profits after the extended rally. Even after the pullback, gold is still 6.43% higher than in October 2025 and has averaged USD 4,451.83/ounce over the past twelve months, though it is down 9.13% from the January 2026 average of USD 4,753/ounce.

The rally has been a major windfall for Tanzania's external sector. Gold exports rose 39.02% to USD 4.75 billion in 2025 from USD 3.42 billion in 2024 and climbed further to USD 5.63 billion in the twelve months to August 2026. Gold now accounts for 47.03% of goods exports and 27.82% of total goods and services exports, up from 21.41% in 2024. With exports this concentrated, a sustained fall in prices would hit USD inflows and reserve build-up directly, while a move back towards the February highs would give the current account a further lift.

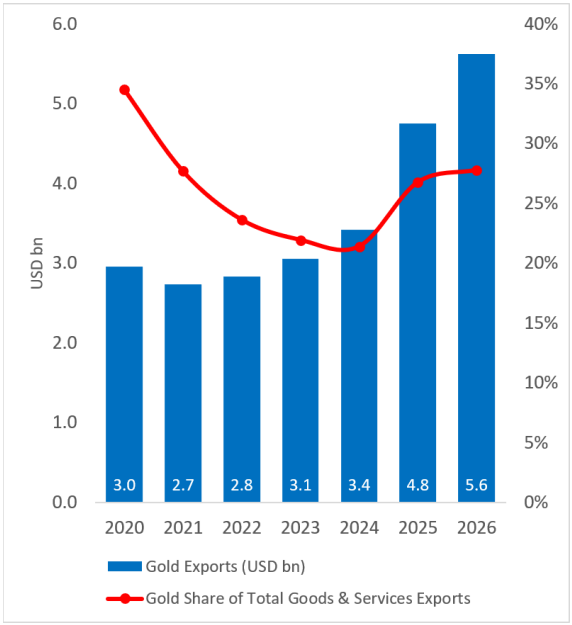
Gold Price Trend: Ounce/USD

▼ 2.09% MoM ▲ 6.43% vs Oct-25



Source: World Bank Commodity Price Data

Gold Exports Trend



Source: Bank of Tanzania

MONEY & FIXED INCOME MARKETS

Treasury Bills: T-Bill Collections Rebound, Yields Ease at the Long End

Treasury Bill collections increased by 25.69% to TZS 654.60 billion in September 2026, up from TZS 520.80 billion in August, despite both months having two auctions. The increase was mainly driven by stronger demand for the 364-Day Treasury Bill, which attracted TZS 258.00 billion in successful bids, compared with TZS 178.00 billion in August. Demand for the 91 Day bill also improved, with the Government accepting all the amount offered, compared with 71.53% in August. Overall, the proportion of the amount offered that the Government successfully raised increased from 90.20% to 96.63%. Yields moved in different directions during the month: the 364 Day yield fell by 36 basis points to 6.29%, while the 91 Day yield edged down to 3.39%. In contrast, the 182 Day and 35 Day yields increased to 5.29% and 2.52%, respectively. Compared with September 2025, yields were lower across the 35 Day, 91 Day and 182 Day bills, but the 364 Day yield was 30 basis points higher. For the third quarter of 2026 (Q3'26), total collections reached TZS 1,688.80 billion, more than four times the TZS 401.07 billion collected in Q3'25, representing a 321.07% year on year increase. Another notable change was the distribution of borrowing across different maturities. In Q3'25, the 364 Day bill accounted for over 95% of total collections, whereas its share fell to 36% in Q3'26. This indicates that investors' demand was spread more evenly across short- and longer-term Treasury Bills, supporting the Government's strategy of diversifying its borrowing across different maturities.

For investors, the lower yields on shorter term instruments may encourage a search for better returns in longer dated government securities, while the Government's ability to attract funds across maturities could help reduce reliance on a single borrowing instrument.

Amounts in Millions TZS	Successful Bids		Successful Bids to Amounts Offered	
Tenure	Sep-26	Aug-26	Sep-26	Aug-26
35-Days Treasury Bills	84,900	83,000	85.07%	83.17%
91-Days Treasury Bills	139,800	100,000	100.00%	71.53%
182-Days Treasury Bills	171,900	159,800	95.61%	100.00%
364-Days Treasury Bills	258,000	178,000	100.00%	100.00%
Total	**654,600**	**520,800**	**96.63%**	**90.20%**
Amounts in Millions TZS	**Successful Bids**		**Successful Bids to Amounts Offered**	
Tenure	**Q3'26**	**Q3'25**	**Q3'26**	**Q3'25**
35-Days Treasury Bills	267,700	2,700	89.41%	60.00%
91-Days Treasury Bills	379,600	5,700	90.51%	60.00%
182-Days Treasury Bills	426,600	8,700	85.42%	60.00%
364-Days Treasury Bills	614,900	383,971	100.00%	102.24%
Total	**1,688,800**	**401,071**	**92.13%**	**99.26%**

Source: SOLOMON Archives (Bank of Tanzania)

MONEY & FIXED INCOME MARKETS

Fixed Income Instruments: Primary Markets

Treasury Bond collections declined by 17.75% month on month to TZS 489.68 billion in September 2026, from TZS 595.38 billion in August. The decline was mainly due to the absence of the 25-year bond auction, which raised TZS 414.20 billion in August against an offer of TZS 289.93 billion. This was partly offset by the return of the 5 year and 10-year auctions. Year on year, collections fell by 13.33% from TZS 565.02 billion in September 2025. Yields remained broadly stable or declined slightly on the 5 year and 10-year bonds, while the 15 year bond yield increased by 24 basis points to 10.79%. This suggests that ample liquidity in the financial system continued to support demand for government securities, limiting the upward pressure on borrowing costs despite the Bank of Tanzania's 50 basis point increase in the Central Bank Rate (CBR) to 6.25%. In Q3 2026, Treasury Bond collections totalled TZS 1.35 trillion, down 5.01% from TZS 1.42 trillion in Q3 2025.

The decline in September bond collections largely reflects the auction schedule rather than a broad based loss of investor demand, as the absence of the 25 year bond removed a significant source of funding recorded in August. The relative stability of yields suggests that liquidity remains sufficient to support government borrowing without a substantial increase in interest rates. However, the rise in the 15 year yield indicates that investors may require slightly higher returns to commit funds over longer periods. Looking ahead, the Government's borrowing costs will depend on liquidity conditions, the mix of bonds offered and investor appetite for longer term securities. Across Treasury Bills and Bonds, the Government raised TZS 1.14 trillion against TZS 1.21 trillion offered, achieving a 94.32% collection rate. While this indicates that most of the targeted funding was secured, the shortfall suggests that investor demand did not fully match the amount offered. For investors, the relatively stable yields continue to provide income opportunities, while longer dated bonds may warrant closer monitoring as monetary policy and liquidity conditions evolve.

Treasury Bonds — Monthly

Amounts in Millions TZS	Successful Bids		Successful Bids to Amounts Offered	
Tenure	Sep-26	Aug-26	Sep-26	Aug-26
5-Year Treasury Bond	143,567	-	98.58%	0.00%
10-Year Treasury Bond	149,603	-	81.80%	0.00%
15-Year Treasury Bond	196,513	181,189	94.81%	87.42%
25-Year Treasury Bond	-	414,195	0.00%	142.86%
Total	**489,683**	**595,384**	**91.39%**	**119.75%**

Treasury Bonds — Quarterly

Amounts in Millions TZS	Successful Bids		Successful Bids to Amounts Offered	
Tenure	Q3'26	Q3'25	Q3'26	Q3'25
2-Year Treasury Bond	111,488	104,325	80.24%	99.03%
5-Year Treasury Bond	143,567	137,284	98.58%	55.81%
10-Year Treasury Bond	298,912	158,220	81.71%	108.01%
15-Year Treasury Bond	377,701	244,317	91.11%	127.37%
20-Year Treasury Bond	-	244,008	0.00%	100.00%
25-Year Treasury Bond	414,195	528,620	142.86%	100.00%
Total	**1,345,863**	**1,416,775**	**99.34%**	**96.89%**

Fixed Income Treasury Yields (as of month-end; latest auction)

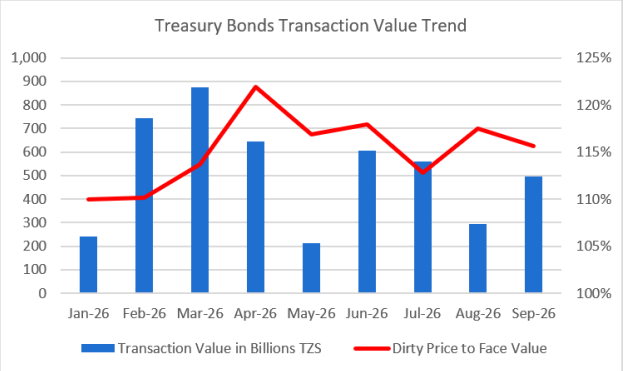
Instrument	Sep-25	Aug-26	Sep-26	MoM Change	YoY Change
35-Days Treasury Bill	6.20%	2.09%	2.52%	▲ 0.43pp	▼ 3.68pp
91-Days Treasury Bill	6.81%	3.40%	3.39%	▼ 0.01pp	▼ 3.42pp
182-Days Treasury Bill	6.56%	5.05%	5.29%	▲ 0.24pp	▼ 1.27pp
364-Days Treasury Bill	5.99%	6.65%	6.29%	▼ 0.36pp	▲ 0.30pp
2-Year Treasury Bond	12.17%	8.40%	8.40%	0.00pp	▼ 3.77pp
5-Year Treasury Bond	12.48%	9.54%	9.53%	▼ 0.01pp	▼ 2.96pp
10-Year Treasury Bond	13.74%	10.87%	10.69%	▼ 0.18pp	▼ 3.04pp
15-Year Treasury Bond	13.91%	10.55%	10.79%	▲ 0.24pp	▼ 3.12pp
20-Year Treasury Bond	13.55%	11.33%	11.33%	0.00pp	▼ 2.22pp
25-Year Treasury Bond	13.19%	11.48%	11.48%	0.00pp	▼ 1.71pp

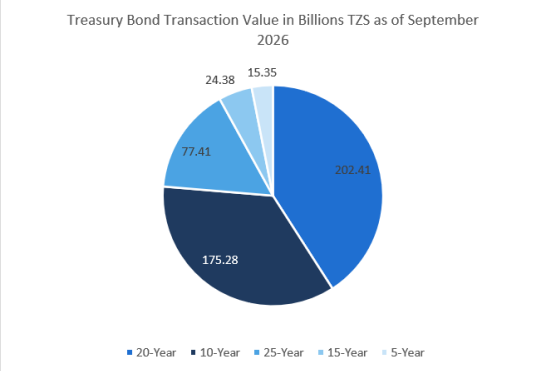
Source: SOLOMON Archives (Bank of Tanzania - auction results)

MONEY & FIXED INCOME MARKETS

Fixed Income Instruments: Treasury Bonds Secondary Markets

Secondary Market Transaction value for Treasury Bonds saw a 68.62% MoM rebound from TZS 293.45 billion in Aug 26 to TZS 494.82 billion in Sep 26. Key drivers behind this transaction growth include the 10, 15 and 20 Year Bonds whose transaction values shot up 408.05%, 947.29% and 178.16% MoM respectively to TZS 175.28 billion, TZS 24.38 billion and TZS 202.41 billion, while the 5 Year Bond climbed 562.81% to TZS 15.35 billion. Transaction heavyweights include the 20, 10 and 25 Year Bonds accounting for 40.90%, 35.42% and 15.64% of total transactions which took place during the month of September, with the 25 Year Bond being the only tenor to register a decline, down 57.36% MoM from TZS 181.53 billion to TZS 77.41 billion. No, 2-Year Bond trades were recorded in September. Weighted average yields from all bond tenures traded have seen broad based declines with the 10 and 20 Year Bonds seeing the largest falls, shedding 1.09% and 0.83% in their respective weighted average yields, while the 25 Year yield held flat at 11.21%. Despite the September rebound, secondary market transactions for Q3'26 have softened 7.63% from TZS 1.46 trillion in Q2'26 to TZS 1.35 trillion in Q3'26, bringing year to date Treasury Bond turnover to TZS 4.67 trillion.





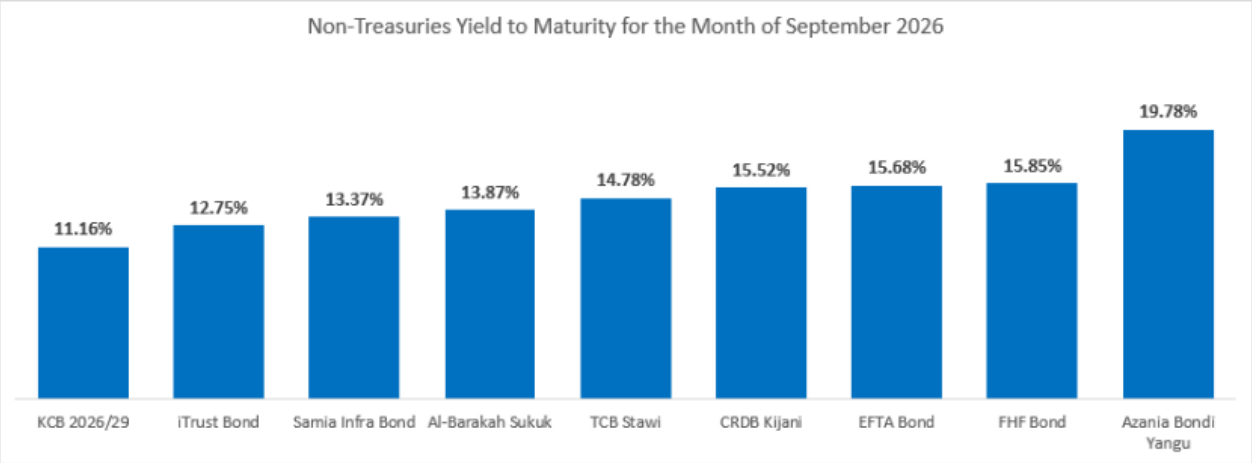
Fixed Income Treasury Yields as of	Jan-26	Aug-26	Sep-26	MoM Change	YTD Change
2-Year Treasury Bond	8.65%	12.89%	N/A	N/A	N/A
5-Year Treasury Bond	10.35%	9.83%	9.11%	▼ 0.72pp	▼ 1.24pp
10-Year Treasury Bond	10.65%	10.79%	9.70%	▼ 1.09pp	▼ 0.95pp
15-Year Treasury Bond	12.05%	10.33%	9.72%	▼ 0.61pp	▼ 2.33pp

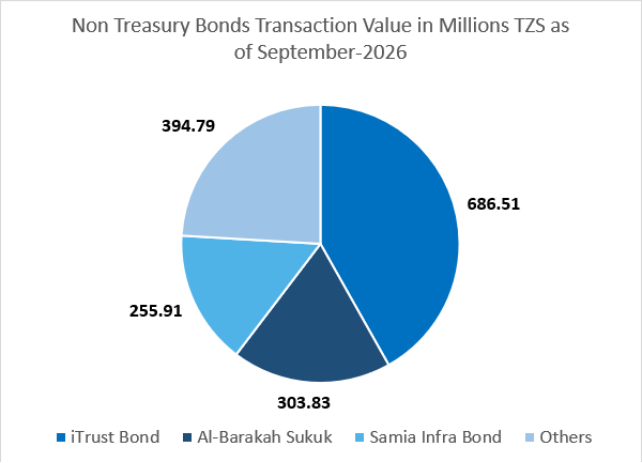
Fixed Income Treasury Yields as of	Jan-26	Aug-26	Sep-26	MoM Change	YTD Change
20-Year Treasury Bond	13.83%	11.35%	10.52%	▼ 0.83pp	▼ 3.31pp
25-Year Treasury Bond	12.47%	11.21%	11.21%	— 0.00pp	▼ 1.26pp

Source: SOLOMON Archives

Fixed Income Instruments: Non-Treasuries Secondary Markets

Non-treasury fixed income instruments followed suit, posting 114.01% MoM growth in transaction value from TZS 766.8 million as of Aug 26 to TZS 1.64 billion as of Sep 26. Spearheading this growth was the TCB Stawi Bond whose transaction value shot up nearly 6x (+490.34%) to TZS 189.5 million, alongside the Al-Barakah Sukuk and iTrust Bond whose transaction values rose 126.38% and 93.98% to TZS 303.8 million and TZS 686.5 million respectively, while the Samia Infrastructure Bond added 20.88% to TZS 255.9 million during the same period. Transaction Value Heavyweights for the month were the iTrust Bond, Al-Barakah Sukuk and Samia Infrastructure Bond which accounted for 41.83%, 18.51% and 15.59% of the corporate bond transactions that took place during the month of September. Q3'26 non-treasury transactions grew remarkably, registering a 56.75% QoQ growth closing at TZS 6.78 billion compared to TZS 4.32 billion registered in Q2'26.





Source: SOLOMON Archives

Market Commentary

- **Yields:** The face weighted YTM on non-Treasuries rose to 13.47% from 12.65% in August (+82 bp), with yields up across the actively traded names; Al-Barakah Sukuk +126 bp to 13.87%, Samia Infrastructure +83 bp to 13.37%, TCB Stawi +80 bp to 14.78%, iTrust +41 bp to 12.75% and EFTA +13 bp to 15.68%.

- **Dispersion:** Yields ranged from 11.16% (KCB Bond 2026/29) to 19.78% (Azania Bondi Yangu); the Azania print rests on a single small deal (TZS 1.62 million) and should be read as indicative rather than a market clearing level. CRDB Kijani (15.52%) and FHF (15.85%) also traded at the upper end of the curve.
- **Outlook:** Rising secondary yields alongside heavy concentration in three issues point to selective, price sensitive demand; we expect investors to keep favouring liquid, higher coupon corporate and Sukuk paper, while thin trading in smaller issues keeps price discovery uneven.

EQUITIES

Returns: Broad Based Rally Led by Telecoms and Tier One Banks

The Equities Market had a bullish sentiment during the Month of September with all of the Exchange's indices closing higher compared to the prior month. The All Share Index (DSEI) gained 4.82% to close at 4,654.42 points while the Tanzania Share Index (TSI) rose 4.47% to 10,339.85 points. The Commercial Services Index (CS) was the standout performer, surging 21.30% to 3,587.32 points, a move largely attributable to Vodacom Tanzania (VODA: +22.86%), which closed the month at TZS 1,290/share.

Banking counters continued to anchor the market, with the Banks, Finance & Investment Index (BI) advancing 3.29% to 23,382.10 points on the back of gains in CRDB Bank (CRDB: +11.74%) and KCB Group (KCB: +9.50%). However, the rally within the sector was not uniform, as DCB Commercial Bank (DCB: -14.74%), Mwalimu Commercial Bank (MCB: -5.00%) and NICO (-5.15%) retreated, with DCB giving back a significant portion of the speculative gains it recorded in late August. NMB Bank (NMB: -1.90%) traded largely flat as the market continued to absorb its post-split share price.

Market activity picked up notably, with Equities Turnover rising 59.4% MoM to TZS 233.37 billion from TZS 146.38 billion in August. Liquidity remained highly concentrated, with NMB (TZS 97.87 billion) and CRDB (TZS 91.35 billion) jointly accounting for approximately 81% of total turnover, while block trades made up 64.9% of the month's activity. Foreign investor participation rose, though foreigners were net sellers, accounting for 19.62% of selling activity against 5.04% of buying activity, resulting in a net foreign outflow of TZS 34.03 billion.

Other notable gains were seen in Afriprise Investment (AFRIPRISE: +21.60%), Nation Media Group (NMG: +12.50%), Tanzania Cigarette Company (TCC: +6.80%) and Tanga Cement (TCCL: +6.20%), while Tanzania Tea Packers (TTP: -10.42%) and Precision Air (PAL: -8.96%) led the decliners outside the banking space. Investors, in short, stuck with liquid, fundamentally sound counters and steered clear of speculative names.

On a Quarterly basis, the market closed higher across all indices, with the DSEI up 14.96% and the CS Index up 57.66%. The biggest winners of the quarter were Vodacom Tanzania (VODA: 63.29%), NMB Bank (NMB: 27.70%, split adjusted), TOL Gases (TOL: 21.92%), Nation Media Group (NMG: 21.15%) and Uchumi Holdings (USL: 20.00%), while the biggest losers were Mwalimu Commercial Bank (MCB: -57.30%), which suffered a string of limit down sessions in August, DCB Commercial Bank (DCB: -19.80%) and Mkombozi Commercial Bank (MKCB: -14.42%).

Counter	30-Jun-26	31-Aug-26	30-Sep-26	MoM Change	Q3 Change
VODA	790	1,050	1,290	▲ 22.86%	▲ 63.29%
AFRIPRISE	650	625	760	▲ 21.60%	▲ 16.92%
NMG	260	280	315	▲ 12.50%	▲ 21.15%
CRDB	2,630	2,640	2,950	▲ 11.74%	▲ 12.17%
KCB	1,940	2,000	2,190	▲ 9.50%	▲ 12.89%
TCC	12,340	12,500	13,350	▲ 6.80%	▲ 8.18%
TCCL	3,300	3,710	3,940	▲ 6.20%	▲ 19.39%
MBP	2,010	2,030	2,090	▲ 2.96%	▲ 3.98%
EABL	5,440	5,710	5,820	▲ 1.93%	▲ 6.99%
DSE	6,310	6,410	6,500	▲ 1.40%	▲ 3.01%

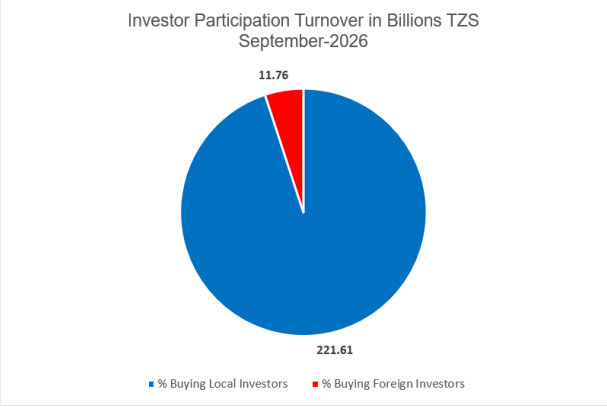
Counter	30-Jun-26	31-Aug-26	30-Sep-26	MoM Change	Q3 Change
JHL	8,650	8,650	8,700	▲ 0.58%	▲ 0.58%
JATU	265	270	270	0.00%	▲ 1.89%
KA	120	115	115	0.00%	▼ 4.17%
SWALA	450	450	450	0.00%	0.00%
USL	25	30	30	0.00%	▲ 20.00%
YETU	510	510	510	0.00%	0.00%
MKCB	4,300	3,700	3,680	▼ 0.54%	▼ 14.42%
MUCOBA	490	455	450	▼ 1.10%	▼ 8.16%
SWIS	2,690	2,530	2,500	▼ 1.19%	▼ 7.06%
TBL	9,610	9,890	9,770	▼ 1.21%	▲ 1.66%
TPCC	6,480	5,800	5,710	▼ 1.55%	▼ 11.88%
NMB*	16,210	2,110	2,070	▼ 1.90%	▲ 27.70%
TOL	1,460	1,830	1,780	▼ 2.73%	▲ 21.92%
MCB	890	400	380	▼ 5.00%	▼ 57.30%
NICO	3,600	3,880	3,680	▼ 5.15%	▲ 2.22%
PAL	340	335	305	▼ 8.96%	▼ 10.29%
TTP	460	480	430	▼ 10.42%	▼ 6.52%
DCB	505	475	405	▼ 14.74%	▼ 19.80%

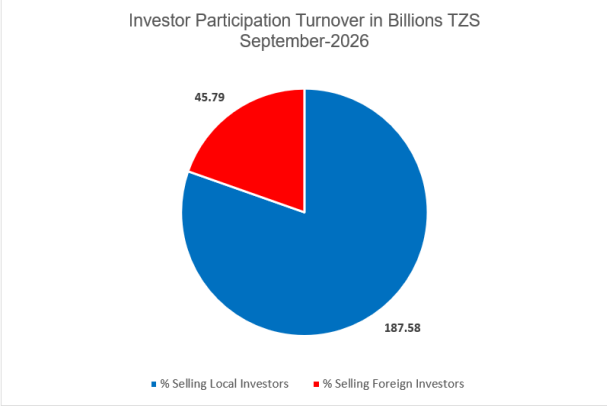
Indices	30-Jun-26	31-Aug-26	30-Sep-26	MoM Change	Q3 Change
All Share Index (DSEI)	4,048.80	4,440.47	4,654.42	▲ 4.82%	▲ 14.96%
Tanzania Share Index (TSI)	8,777.10	9,897.20	10,339.85	▲ 4.47%	▲ 17.80%
Industrial & Allied Index (IA)	4,957.64	5,021.97	5,079.55	▲ 1.15%	▲ 2.46%
Banks, Finance & Investment Index (BI)	19,676.07	22,636.93	23,382.10	▲ 3.29%	▲ 18.84%
Commercial Services (CS)	2,275.41	2,957.50	3,587.32	▲ 21.30%	▲ 57.66%

Source: Analyst Computations and SOLOMON Archives

Investor Participation: Locals versus Foreigners

Locals continued to dominate equity purchases, contributing 94.96% of the value transacted during September 2026, while foreigners stepped up on the sell side, accounting for 19.62% of selling turnover against only 5.04% of buying turnover. Foreigners remained net sellers for the ninth consecutive month of 2026, with a net sell value of TZS 34.03 billion in September, as offshore investors continued to lock in gains after a strong rally that saw the DSEI advance 4.8% MoM in September and approximately 15.0% over the third quarter, alongside potential portfolio rebalancing and hedging against currency risk on TZS denominated assets. For Q3'26, locals continued to dominate both sides of equities turnover, contributing 93.52% and 66.61% of the buy and sell sides respectively.

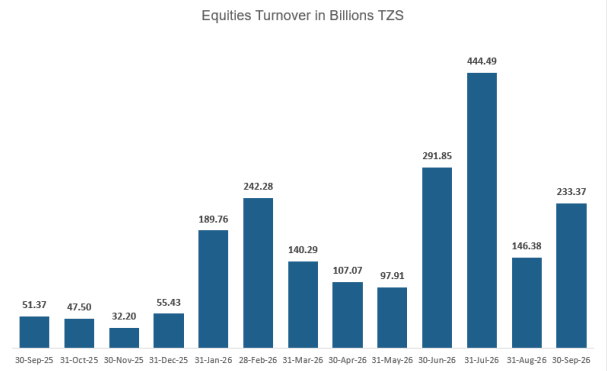




Source: SOLOMON Archives (Dar es Salaam Stock Exchange)

Monthly Turnover: Banking Blue-Chips Drive September Rebound

Equities turnover for September rebounded sharply, rising 59.43% MoM from TZS 146.38 billion recorded in Aug 26 to TZS 233.37 billion recorded in Sep 26. Activity was concentrated in the banking blue chips, with NMB (TZS 97.87 billion) and CRDB (TZS 91.35 billion) jointly accounting for 81.08% of the month's turnover, while block trades made a strong comeback, contributing 64.94% (TZS 151.55 billion) of total turnover compared to 33.76% in August. Market depth also improved, with the number of deals rising 14.08% MoM to 87,350, led by NMB whose deals climbed to 35,234 following the adjustment in its share price in August, which has made the counter more accessible to retail investors. Q3'26 transactions stood at a record TZS 824.25 billion compared to TZS 257.27 billion recorded in Q3'25, representing a 220.38% YoY growth and a 65.90% QoQ increase over Q2'26 (TZS 496.83 billion), bringing year-to-date equities turnover to TZS 1,893.40 billion. The growth continues to be supported by favourable trading rules, a growing CDS account base, resilient company fundamentals and the ongoing rebalancing of portfolios from the fixed income space towards equities by both individuals and institutions alike.



Source: SOLOMON Archives (Dar es Salaam Stock Exchange)

Quarterly Turnover: Q3'26 Sets a Record as Foreign Selling Persists

Monthly Turnover	31-Jul-26	31-Aug-26	30-Sep-26	Total
CRDB	325,662,650,850	39,385,285,000	91,351,149,040	456,399,084,890
NMB	57,795,957,630	85,337,860,060	97,867,560,600	241,001,378,290
TBL	38,370,272,390	4,783,469,820	9,744,356,820	52,898,099,030
VODA	6,729,754,595	3,839,011,930	8,603,240,370	19,172,006,895
KCB	2,321,206,520	1,803,051,770	8,763,023,040	12,887,281,330
TCCL	5,588,151,930	991,520,760	3,141,862,040	9,721,534,730
NICO	2,439,496,860	3,226,654,160	1,535,387,530	7,201,538,550
TCC	785,021,560	368,995,720	5,148,183,870	6,302,201,150
AFRIPRISE	1779667215	1145700000	2017848600	4943215815
TPCC	764630510	2038209150	859398410	3662238070
MCB	772654315	1320042500	603326300	2696023115
DCB	268242545	875513025	711770785	1855526355
TOL	143928130	269304090	1298596990	1711829210
DSE	471791700	195433710	273474130	940699540
JHL	0	209330000	522843900	732173900
MKCB	183242350	164507000	345654970	693404320
MBP	99556850	235641780	325110420	660309050
SWIS	204841020	119238360	174054510	498133890
PAL	75916300	52488825	65040330	193445455
MUCOBA	21922935	9743340	16309280	47975555
TTP	15448410	4977005	6330410	26755825
NMG	313095	98605	35475	447175

Monthly Turnover	31-Jul-26	31-Aug-26	30-Sep-26	Total
JATU	0	119200	308370	427570
Total	**444,494,667,710**	**146,376,195,810**	**233,374,866,190**	**824,245,729,710**

Source: SOLOMON Archives (Dar es Salaam Stock Exchange)

Market depth also improved, with the number of deals rising 14.1% MoM to 87,350 (Jul: 74,961; Aug: 76,568), while average daily turnover climbed to approximately TZS 10.6bn over 22 sessions/trading days from approximately TZS 7.3bn over 20 sessions in August.

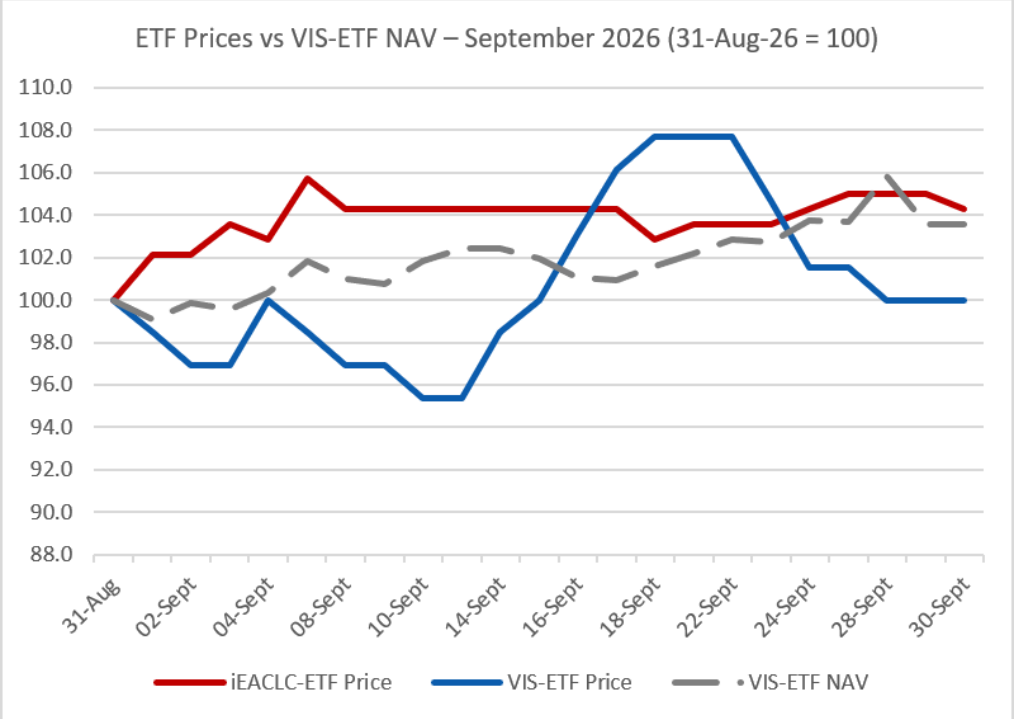
Liquidity remained heavily concentrated in the blue chips. CRDB (55.4%), NMB (29.2%) and TBL (6.4%) together accounted for 91.0% of Q3 turnover, and in September NMB (TZS 97.9bn) and CRDB (TZS 91.4bn) alone made up approximately 81% of the month's value. Block trades remain the key swing factor: after driving 80.8% of turnover in July, when CRDB alone traded TZS 325.7bn, their share dropped to 33.8% in August before recovering to 64.9% in September. Headline turnover therefore says as much about institutional crosses as it does about retail demand.

Foreign investors were net sellers in every month of the quarter, with net outflows of TZS 154.9bn in July, TZS 32.8bn in August and TZS 34.0bn in September (Q3: TZS 221.8bn). In September, foreign selling of TZS 45.8bn far outweighed foreign buying of TZS 11.8bn, yet local demand absorbed the supply comfortably.

EXCHANGE TRADED FUNDS (ETFs)

iEACLC-ETF Extends Its Rally as VIS-ETF Discount to NAV Widens

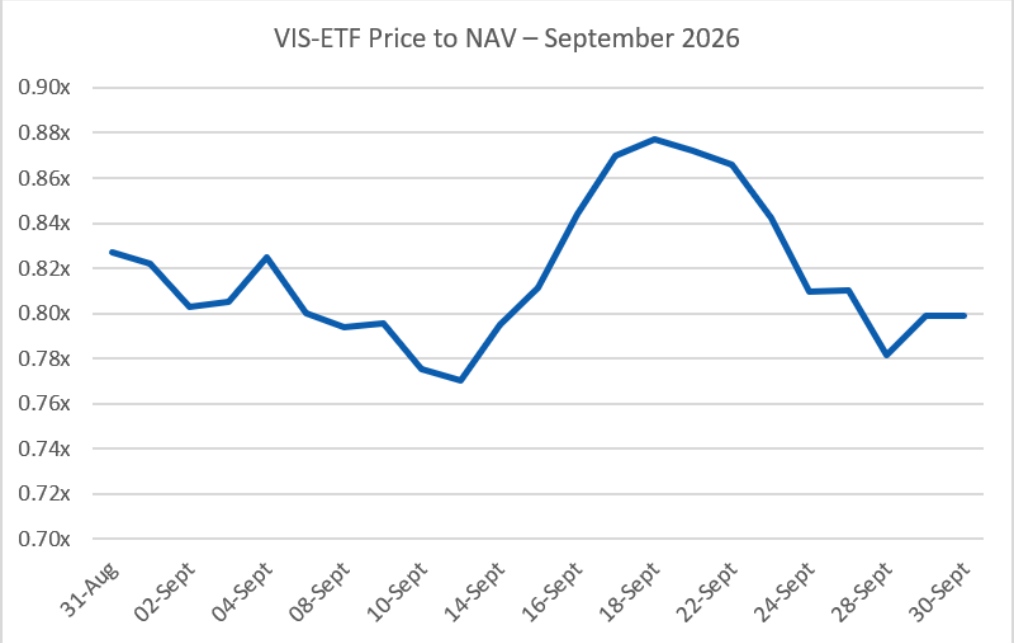
During the month of September, the iEACLC-ETF gained 4.29% MoM from TZS 1,400/share to TZS 1,460/share, extending its gain since listing (27-Jan-26) to 46.00%, while the VIS-ETF closed flat at TZS 325/share after an intra-month swing between TZS 310/share and TZS 350/share. Combined ETF market capitalisation rose 8.55% MoM to TZS 238.89 billion, driven by the iEACLC-ETF, while monthly turnover eased 1.93% MoM to TZS 11.93 billion. On the valuation front, the VIS-ETF NAV advanced 3.57% MoM from TZS 392.88/unit to TZS 406.92/unit (+51.56% YTD), outpacing its flat market price and widening the discount to NAV, with Price/NAV slipping from 0.83x to 0.80x after peaking at 0.88x on 18 Sep. At a approximately 20% discount, the VIS-ETF price has not caught up with the gains in its underlying portfolio, and we think this offers investors a reasonable entry point. Participation remained locally dominated, with local investors accounting for 98.73% of buying and 100% of selling turnover, although foreign buying ticked up to 1.27% from 0.29% in August.



Source: SOLOMON Archives (Dar es Salaam Stock Exchange)

ETF Statistics	31-Aug-26	30-Sep-26	MoM Change	YTD Change
ETF Market Cap (TZS bn)	220.08	238.89	▲ 8.55%	
Monthly Turnover (TZS bn)	12.16	11.93	▼ 1.93%	
Share Prices (TZS):				
iEACLC-ETF	1,400	1,460	▲ 4.29%	▲ 46.00%
VIS-ETF	325	325	0.00%	▼ 19.75%
Buying Participation:				
Locals	99.71%	98.73%	▼ 0.98%	
Foreigners	0.29%	1.27%	▲ 334.97%	
Selling Participation:				
Locals	100.00%	100.00%	0.00%	
Foreigners	0.00%	0.00%	-	

Source: SOLOMON Archives (Dar es Salaam Stock Exchange)



Source: SOLOMON Archives (Dar es Salaam Stock Exchange)

MARKET OUTLOOK

Fixed Income: Lock In Long End Yields; Be Selective in Corporates

A Despite the Bank of Tanzania's 0.50% increase in the Central Bank Rate (CBR), strong liquidity in the market continues to keep Treasury bond yields relatively low. However, long-term government bonds remain attractive, with 10-year to 25-year bonds offering annual yields of 10.69%–11.48%, well above the current inflation rate of approximately 4.3%–5.1%. This means investors can earn a positive return after accounting for inflation. We believe most of the decline in bond yields has already occurred, meaning further significant declines may be limited. We therefore favour buying 15-year to 25-year Treasury bonds through primary auctions, where investors can obtain better yields than those currently available in the secondary market. Meanwhile, 35-day and 91-day Treasury bills offer returns below inflation, making them more suitable for short term cash management than for growing investors' wealth. The 364-day Treasury bill remains the most attractive option for investors seeking a positive return over the short term.

In the corporate bond market, average yields rose to 13.47% in September, offering investors higher potential returns than government bonds, but with additional credit and liquidity risks. We favour more actively traded securities, particularly the iTrust Bond, Al-Barakah Sukuk and Samia Infrastructure Bond, which together accounted for approximately 76% of the month's trading value. Their relatively higher trading activity makes them easier to buy and sell compared with less frequently traded bonds. Investors should, however, be cautious about relying on unusually high quoted yields, such as the 19.78% reported for Azania Bondi Yangu. Such yields may reflect isolated trades in an illiquid market rather than prices at which investors can consistently buy or sell. Therefore for long-term Treasury bonds for relatively predictable income and carefully selected, liquid corporate bonds for investors willing to take on additional risk in pursuit of higher returns.

Equities: Momentum Into Q4, Led by Banks; Foreign Selling the Key Risk

We expect the equity market to remain well supported into Q4'26. The DSEI's 14.96% gain in Q3 and record quarterly turnover of TZS 824.25 billion reflect a structural rotation by local individuals and institutions out of fixed income, where yields have compressed, and into dividend paying equities. We expect this rotation to continue as investors position ahead of full year results and dividend announcements in early 2027.

Tier-one banks remain our preferred exposure. Private sector credit growth of 33.0% YoY and a firmer rate environment should support loan-book growth and net interest margins, while NMB's post-split pricing has broadened retail participation, with 35,234 deals in September. CRDB (+11.74% MoM) and KCB (+9.50% MoM) also carry strong momentum. We remain cautious on smaller banking counters such as DCB and MCB, which have been highly volatile following speculative trading. Vodacom's 63.29% quarterly rally has been exceptional and momentum may persist before profit taking. Tanga Cement (+19.39% in Q3) remains well placed to benefit from continued infrastructure activity and governance in position.

Key Risks to Our Outlook

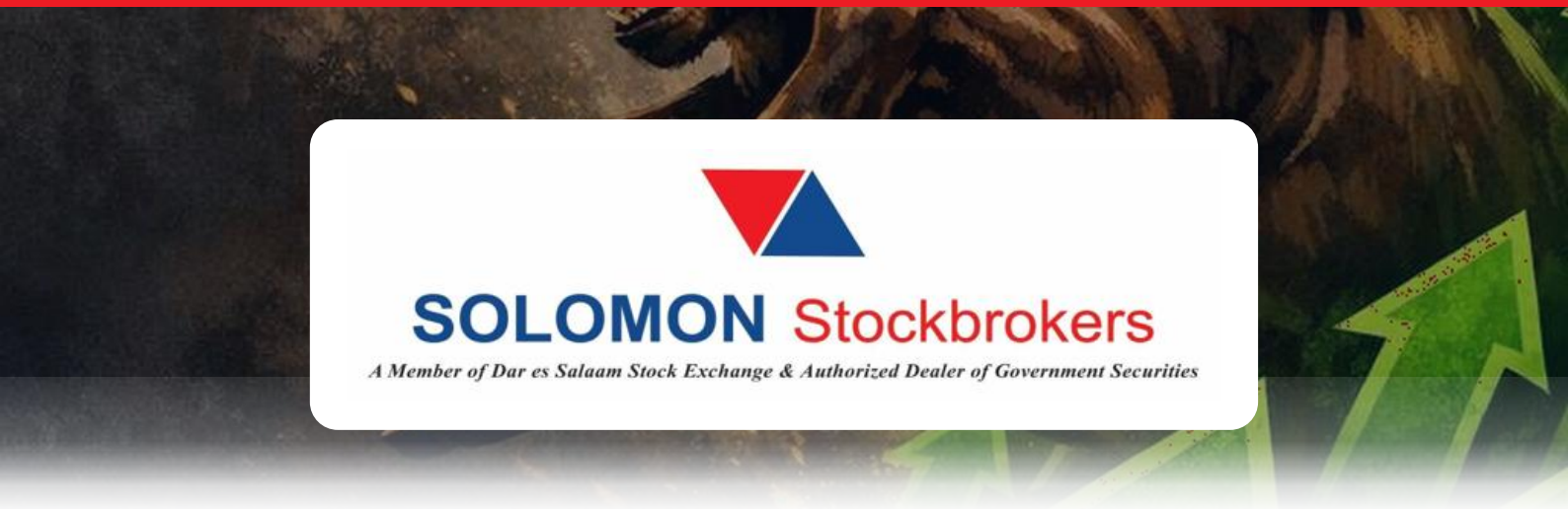
- **Oil:** A renewed rally in Brent crude would widen the import bill, add to inflation and increase pressure on the shilling.
- **Gold:** A sustained correction in gold prices would reduce export earnings and slow reserve build up, given gold's 47.03% share of goods exports.
- **Monetary policy:** Further tightening could raise funding costs, slow credit growth and weigh on bank valuations.
- **Foreign flows:** Continued foreign net selling, alongside TZS depreciation, could cap equity valuations if local demand fades.
- **Liquidity concentration:** Reliance on a few blue chip counters and block trades leaves market activity exposed to large one off transactions.

APPENDIX

Payment Schedule Fixed Income Securities					
Sheet	Bond Number	Annual Coupon Rate	Semi-Annual/Quarterly Coupon Rate	Payment Date	Interest Payment In Millions TZS
15-YEAR	613	11.15%	5.58%	01-Sep-26	2,247.42
15-YEAR	414	13.50%	6.75%	01-Sep-26	4,025.25
10-YEAR	430	11.44%	5.72%	01-Sep-26	1,967.57
15-YEAR	570	13.50%	6.75%	02-Sep-26	8,216.16
15-YEAR	388	13.50%	6.75%	03-Sep-26	3,679.52
20-YEAR	678	14.00%	7.00%	04-Sep-26	16,532.76
2-YEAR	697	9.50%	4.75%	05-Sep-26	4,509.24
15-YEAR	670	14.50%	7.25%	06-Sep-26	27,336.41
15-YEAR	543	13.50%	6.75%	10-Sep-26	8,235.97
15-YEAR	516	13.50%	6.75%	12-Sep-26	-
10-YEAR	499	11.44%	5.72%	12-Sep-26	3,505.06
20-YEAR	485	15.49%	7.75%	13-Sep-26	3,871.42
10-YEAR	472	11.44%	5.72%	14-Sep-26	9,292.01
15-YEAR	459	13.50%	6.75%	14-Sep-26	7,990.10
10-YEAR	614	10.25%	5.13%	15-Sep-26	1,569.56
5-YEAR	571	9.18%	4.59%	16-Sep-26	7,546.99
CORP	AZA	12.50%	3.13%	16-Sep-26	1,977.12
5-YEAR	671	13.00%	6.50%	20-Sep-26	12,716.22
15-YEAR	646	11.15%	5.58%	21-Sep-26	4,020.45
10-YEAR	559	11.44%	5.72%	23-Sep-26	5,447.93
20-YEAR	544	15.49%	7.75%	24-Sep-26	30,746.32
10-YEAR	531	11.44%	5.72%	24-Sep-26	7,865.95
25-YEAR	686	13.75%	6.88%	25-Sep-26	17,427.28
15-YEAR	500	13.50%	6.75%	26-Sep-26	26,055.02
20-YEAR	517	15.49%	7.75%	26-Sep-26	10,146.85
10-YEAR	486	11.44%	5.72%	27-Sep-26	2,146.69
10-YEAR	445	11.44%	5.72%	28-Sep-26	7,569.86
15-YEAR	432	13.50%	6.75%	29-Sep-26	6,248.37
20-YEAR	615	12.10%	6.05%	29-Sep-26	8,284.03
CORP	ITRUST	13.00%	3.25%	29-Sep-26	-
15-YEAR	630	11.15%	5.58%	30-Sep-26	4,541.27
10-YEAR	572	11.44%	5.72%	30-Sep-26	2,116.00

Maturities Schedule Fixed Income Securities			
Sheet Name	Bond Number	Maturity Date	Maturity Value In Millions TZS
35-Days	1204	17-Sep-2026	43,087.73
91-Days	1200	03-Sep-2026	70,522.57
91-Days	1201	17-Sep-2026	70,519.87
182-Days	1194	10-Sep-2026	73,915.55
182-Days	1195	24-Sep-2026	61,728.71
364-Days	1184	18-Sep-2026	79,477.61
5-YEAR	571	16-Sep-2026	147,131.91
10-YEAR	430	01-Sep-2026	31,273.34

Source: SOLOMON Research



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