

CRDB Bank shares price reaches an eight-months high

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Dar es Salaam. The CRDB Bank share price has risen to an eight-month high due to growing demand as investors seek to cash in on the lender's impressive profits.

A CRDB Bank share fetched Sh130 on Tuesday's trading sessions, market data show. The last time that the bank's share fetched Sh130 was in early May 2019. Since then, it went

down, reaching Sh90 at some point in November. Thus, the Sh130/share price was a 36.84 percent rise compared to a price per share of Sh95 during the last day of trading in 2019 Tuesday December 31, 2019.

CRDB Bank Group's net profit soared to Sh92.16 billion for the nine month ending September 2019 up from Sh52.25 billion during the nine months ending September 2018.

This put CRDB as the most profitable lender in the market during the period under review, recently pub-

lished financial statements show.

With the trend, analysts say investors' interest in the lender's stocks has been on the rise. "Although the performance of the fourth quarter is yet to be announced, the investors expects it will also be a good one and this explains what you see on the stock market," the director of operation at Orbit Securities Company Limited, Mr Juventus Simon, told *The Citizen*.

He said the investors were also attracted by CRDB because its share

price was reasonable.

The director of Arch Financial and Investment Advisory Limited, Mr Mazengo Kasilati, attributed the increase of the CRDB share price to the 'January effect'. The January effect is a seasonal increase in stock prices during the month of January, which is generally attributed to an increase in buying, which follows the drop in price that typically happens in December. "In December, there is always a huge supply as investors try to meet their end-of-the-year obliga-

tions. In January, investors are holding on to their shares waiting for dividends thus high demands with less supply," Mr Kasilati told *The Citizen*.

As of Tuesday January 28, the number of outstanding bids for CRDB shares reached 4.9 million - indicating that investor appetite to own the bank's shares at the Dar es Salaam Stock Exchange has been higher compared to actual shares offered for sale.

Analysts are of the view that the price will go up further as the year progresses.