

# DSE turnover rise reflects forecasts of analysts

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DAR ES SALAAM Stock Exchange (DSE) total equities market turnover rose two-thirds to a week ending last Friday and reflected stockbrokers' forecasts.

The market turnover climbed up from 956.63bn/- to 1.70bn/-, thanks to the participation of foreign investors during the week.

DSE data compiled by Zan Securities showed that foreign purchase jumped 10 times to 1.346bn/- and the remaining amount, less than 400m/-, from domestic investors.

Zan Securities Chief

Executive Officer Raphael Masumbuko said the trend matched their prediction that the turnover would continue rising in the coming weeks.

"The domestic equity market performance reflects our last week's sentiments where we forecast the turnover to continue increasing," Mr Masumbuko said through the firm's Weekly Market Wrap-ups.

The stockbrokerage firm, one of the largest, also forecast that this week's turnover would continue increasing.

"We expect the trend to continue next week," Mr

Masumbuko said through the report without giving forecast reasons.

However, another stockbrokerage firm, Orbit Securities, the largest company, said the turnover tipped to surge based on poor government paper yields that pulled away investors to look for other portfolios investment equities.

Orbit Securities said, for instance, the Treasury Bills (T-bills) rate during the last auction two weeks ago plummeted to less than deposit rates and fixed deposit receipts (FDRs) and almost at par with the infla-

tion rate at 3.97 per cent.

"Investors are looking at other options for liquidity management rather than T-bills," Orbit Securities Head of Research and Analytics Imani Muhingo said.

According to the Bank of Tanzania (BoT), the one-year overall deposit rate stood at 7.54 per cent for the year ending June.

Nevertheless, data showed that during the week ending last Friday, TBL, the largest brew-house, dominated the market share recording 71.22 per cent of the total turnover followed by TCC with 23.79 per cent.

Total Market capitalisation decreased by 0.81 per cent to 15.19tri/-, while the domestic market cap also decreased by 0.03 per cent to 9.15tri/-.

This followed the dropping of DCB Bank share lost 8.62 per cent to close at 265/-.

The DCB share price drop also affected Tanzania share index (TSI) that closed at 3,486.56 points, 0.03 per cent down.

While All Share Index (DSEI) decreased by 0.81 per cent to close at 1,829.78 points.

Likewise, debt analysts were wary of the situation

since yields continued with the down spiral path heading to the lowest level that might pushback investors to look for other portfolios.

Last week, Tanzania Securities said they remained "wary as yields are getting lower to the resistance level, this going to affect the subscription level if yields will continue declining."

On a quarterly basis in three months to June, all bonds, with an exception of a 2-year auction that was cancelled, 10-year and 15-year and 20-year yield rates fell between 0.20 per cent and over 1.50 per cent.