

DSE: Bullish outlook after mixed results in the 2021 performance



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market capitalization covering the 22-domestic listed companies also increased by three (3) percent (or Sh265 billion) during the year 2021. The total domestic market capitalization increased from Sh9.16 trillion to Sh9.43 trillion as of December 31, 2021.

The significant increase in prices in the following counters contributed largely to this increase: TANGA/SIMBA (increase by 120 percent), NICOL (up 62 percent), DSE (up 48 percent), CRDB (44 percent), and TWIGA (36 percent). Cross-listed companies whose share prices also increased during the year were: NMG (16 percent), KCB (14 percent), JHL (12 percent) and EABL (2 percent).

Even though there were declines on: DCB (whose price declined by 28 percent), JATU (18 percent), NMB (15 percent), SWISSPORT (11 percent) and YETU Microfinance (7 percent) – however the increase in prices of the above-mentioned companies outweighed the decline in prices in these companies and hence the over recorded increase of Sh715 billion (equivalent to five percent). The remaining companies' share prices remained unchanged during the year.

Liquidity

The value of transactions in the equity segment of the market declined during the year 2021. Equity trading turnover decreased from Sh591 in 2020 (even though this was largely contributed by a one-off transaction on Vodacom) to Sh104 billion in 2021. The declining is largely a result of reduced in for-

Performance	Indices	YTD	1Y	2Y
ZSE All Share (Zimbabwe)	10,997.06	310.51%	310.51%	4603.74%
LuSE All Share (Zambia)	6,059.68	54.89%	54.89%	42.10%
GSE-Composite (Ghana)	2,789.34	43.66%	43.66%	23.58%
MSE All Share (Morocco)	45,367.68	40.05%	40.05%	49.96%
BRVM-Composite (West Africa)	202.08	39.15%	39.15%	27.03%
NSX Overall (Namibia)	1,576.14	27.54%	27.54%	20.31%
JSE All Share (South Africa)	73,722.63	24.07%	24.07%	29.12%
MASI (Malawi)	13,296.29	18.35%	18.35%	9.75%
SEM All Share (Mauritius)	1,935.51	17.75%	17.75%	-3.46%
EGX 30 (Egypt)	11,897.40	10.18%	9.95%	-14.26%
NSE All Share (Kenya)	167.10	9.43%	9.43%	0.03%
USE All Share (Uganda)	1,420.69	8.46%	8.46%	-21.10%
NGX All Share (Nigeria)	42,716.44	6.07%	6.07%	59.14%
DSE All Share (Tanzania)	1,897.50	4.39%	4.39%	-7.89%

During year 2021, the Dar es Salaam Stock Exchange (DSE) market performance depicted mixed results, however largely on the positive and depicting a bullish market outlook. There was an increase in market size and liquidity in the fixed income (bonds) segment of the market, as well as the growth in market capitalization for both domestic companies and in total. On the other hand there was decline in liquidity on the equity segment of the market.

Equity (Shares) Segment Market Size

Total market capitalization -- which covers all 28 listed equity securities -- recorded a five (5) percent increase compared to the market size/investors wealth during year 2020.

The total market capitalization increased by Sh715 billion i.e., from Sh15.09 trillion in December 2020 to Sh15.81 trillion as of December 31, 2021. This follows the increases in prices for some companies as well the listing of new shares in the market.

On the same note, domestic

and trading activities in the market following the impact of Covid-19 pandemic to many global fund managers with portfolio investments in our market.

The industrial and allied sector led in liquidity creation and investment activities, contributing about 47 percent of total liquidity during the year. This was followed by the financial services sector that contributed 45 percent, while the services and allied sectors contributed about 8 percent of total market turnover.

Companies that led into liquidity creation were: TBL (Sh27 billion), NMB (Sh25 billion), CRDB (Sh21 billion), TCC (Sh15 billion), Vodacom Sh6 billion and TWIGA Cement (Sh4.8 billion). Other key counters were DSE (Sh2 billion) and Tanga Cement (Sh1.6 billion). Other counters with minimal investment

and trading activities were: Swisport (Sh0.9 billion), JATU (Sh0.8 billion), NICOL (Sh0.4 billion) and TOL Gases (Sh0.3 billion).

Fixed Income (Bonds) Segment Market Size

Total outstanding listed Government (Treasury) bonds increased by 19 percent (equivalent to Sh2.5 trillion) -- from Sh12.79 trillion as of December 2020 to Sh15.26 trillion as of December 31, 2021. Out of which outstanding corporate bonds stood at Sh128.89 billion.

Liquidity

Trading activities in the secondary market fixed income/bonds increased by 21 percent during the year. Trading turnover increased from Sh2.12 trillion that transacted during 2020 to Sh2.57 trillion in

year 2021. The increase emanated from both the increase in listing as well as the increase in the domestic investors (retail, financial institutions, and companies) to invest in the less risky financial instruments, given the economic uncertainty due to the impact of Covid-19 on businesses, trading, investment, and the economy.

The increase in financial literacy is also a contributing factor.

Comparison with Other Markets Compared to other selected stock markets in Africa, the index performance (in US\$ terms) as reported by www.african-markets.com for the period ended 31st December 2021 are as follows:

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