OVERHEATING OR REPRICING ON THE DSE:

SEARCHING FOR THE NEW NORMAL

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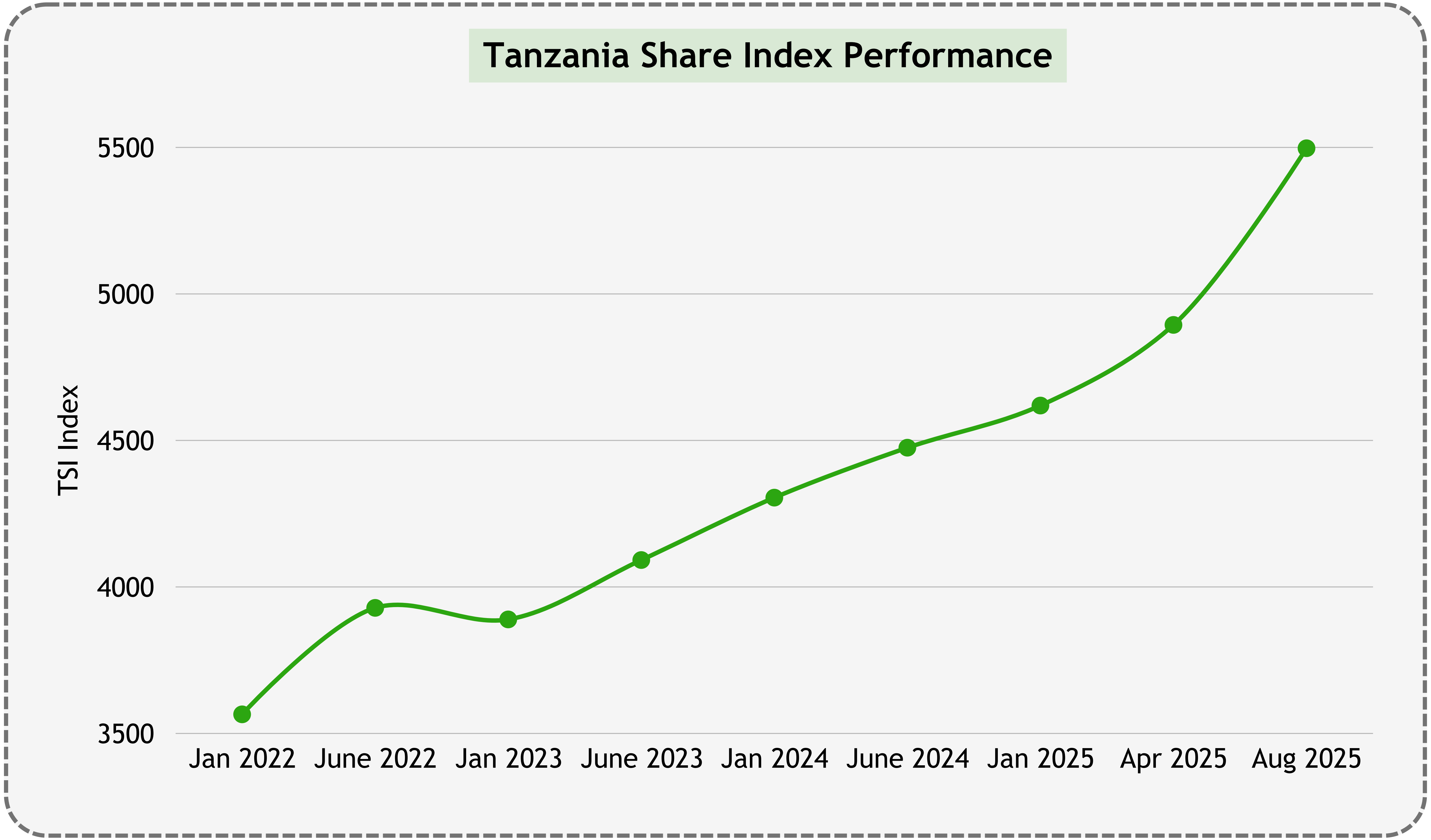
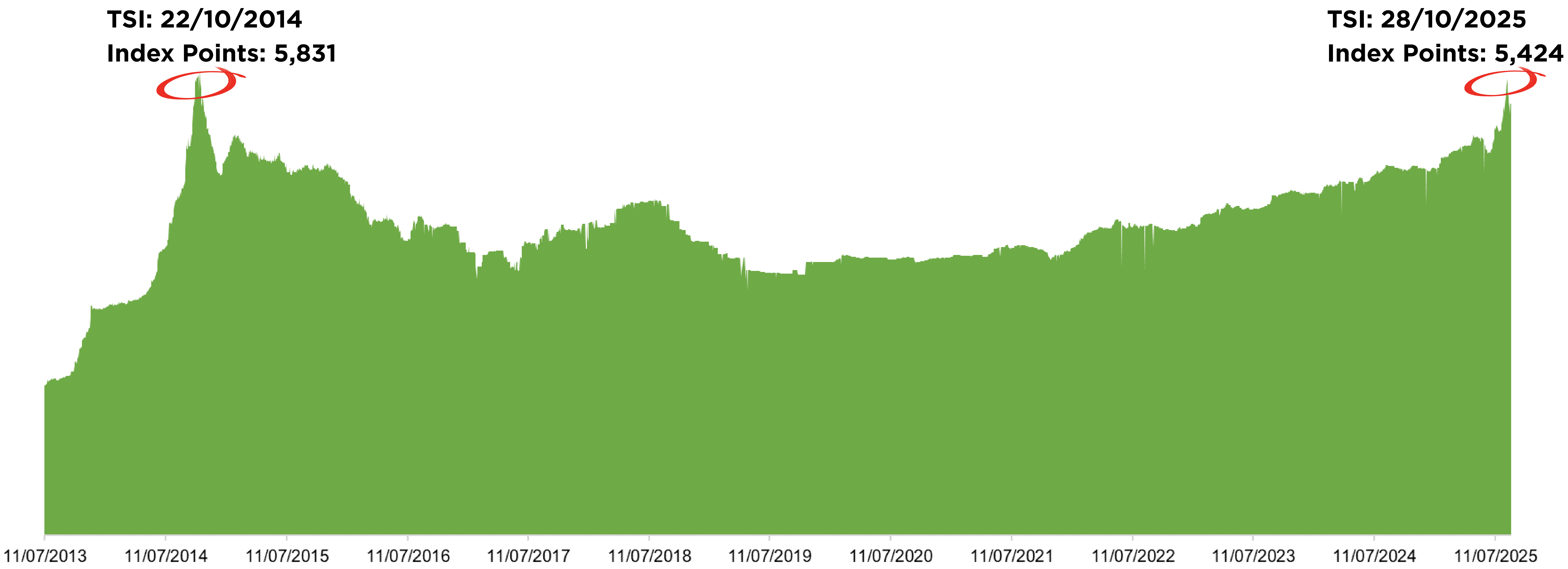
Department of Treasury and Capital Markets

Market Performance

Counter	% YTD
MKCB	385.20%
MBP	183.90%
NICO	156.30%
AFRIPRISE	139.50%
DSE	109.70%
CRDB	107.50%
SWISS	102.70%
DCB	96.30%
NMB	52.30%
TPCC	43.30%
TOL	37.30%
TCCL	30.60%
MCB	16.10%
TCC	-13.10%
VODA	-25.30%
TBL	-28.60%
PAL	-45.00%



TSI Comparison



Unlike 2014's foreign-fueled surge, the current rally is earnings-backed, driven by stronger fundamentals and deeper local participation as the TSI nears its all-time high.

01 Turnover step-up

From an average of TZS 2.1bn pre-change of DSE Trading Rules to TZS 4.4bn .

02 Volumes more than doubled

1.37m Traded Shares pre-chnge in DSE Trading Rules to → 3.19m shares/day

03 Deals nearly doubled

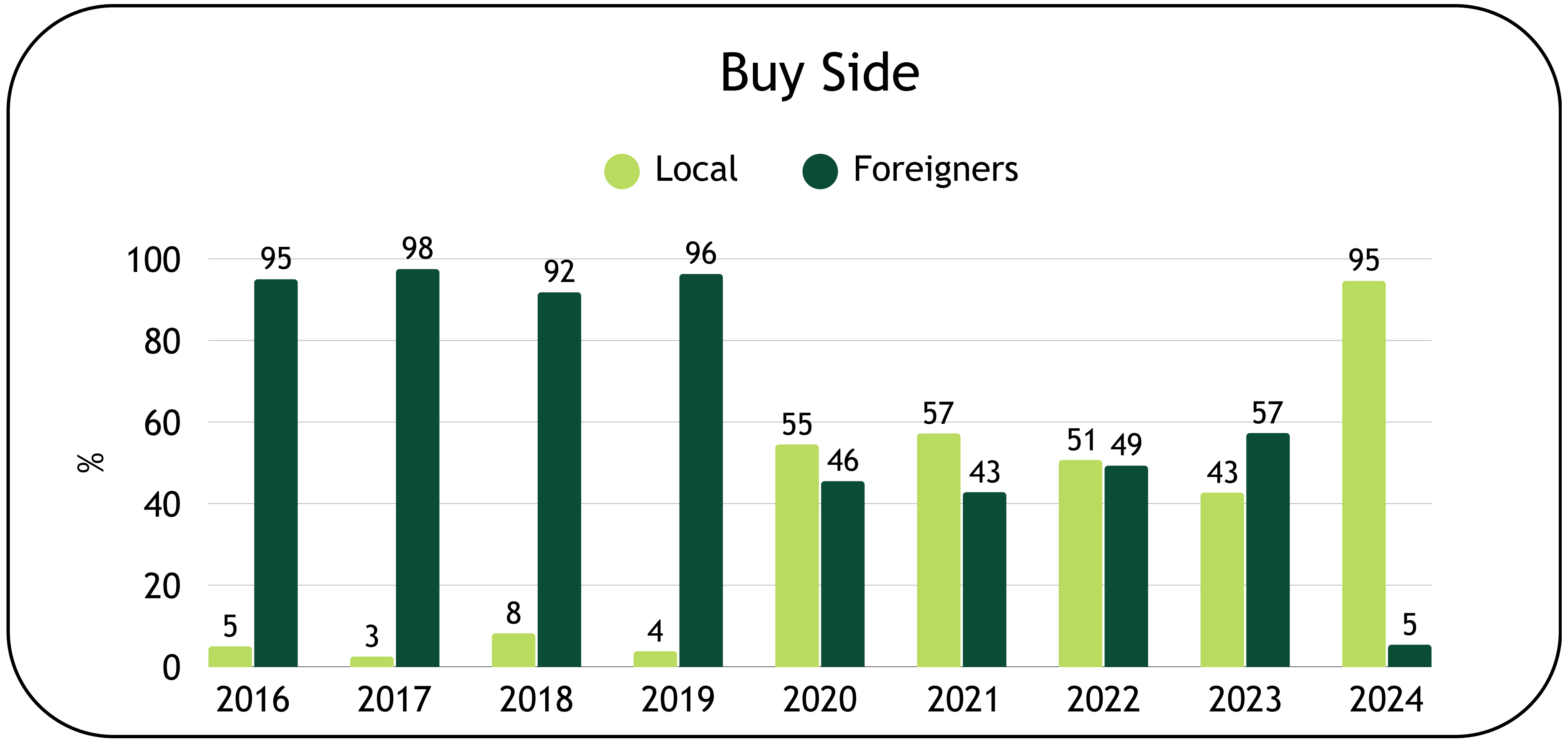
An average of 759 deals to an average of 1,448 deals per day

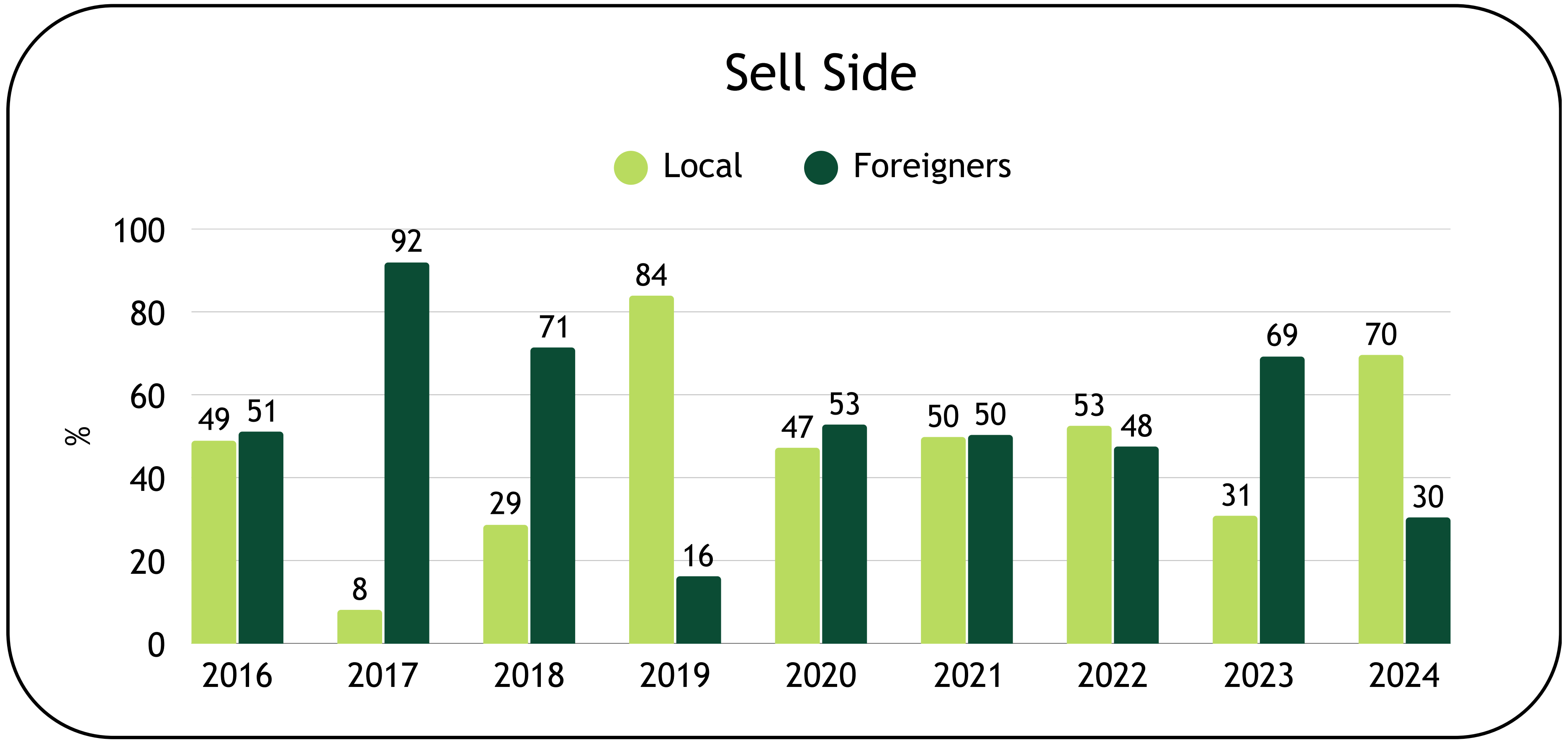
04 Bid/offer ratio jumped

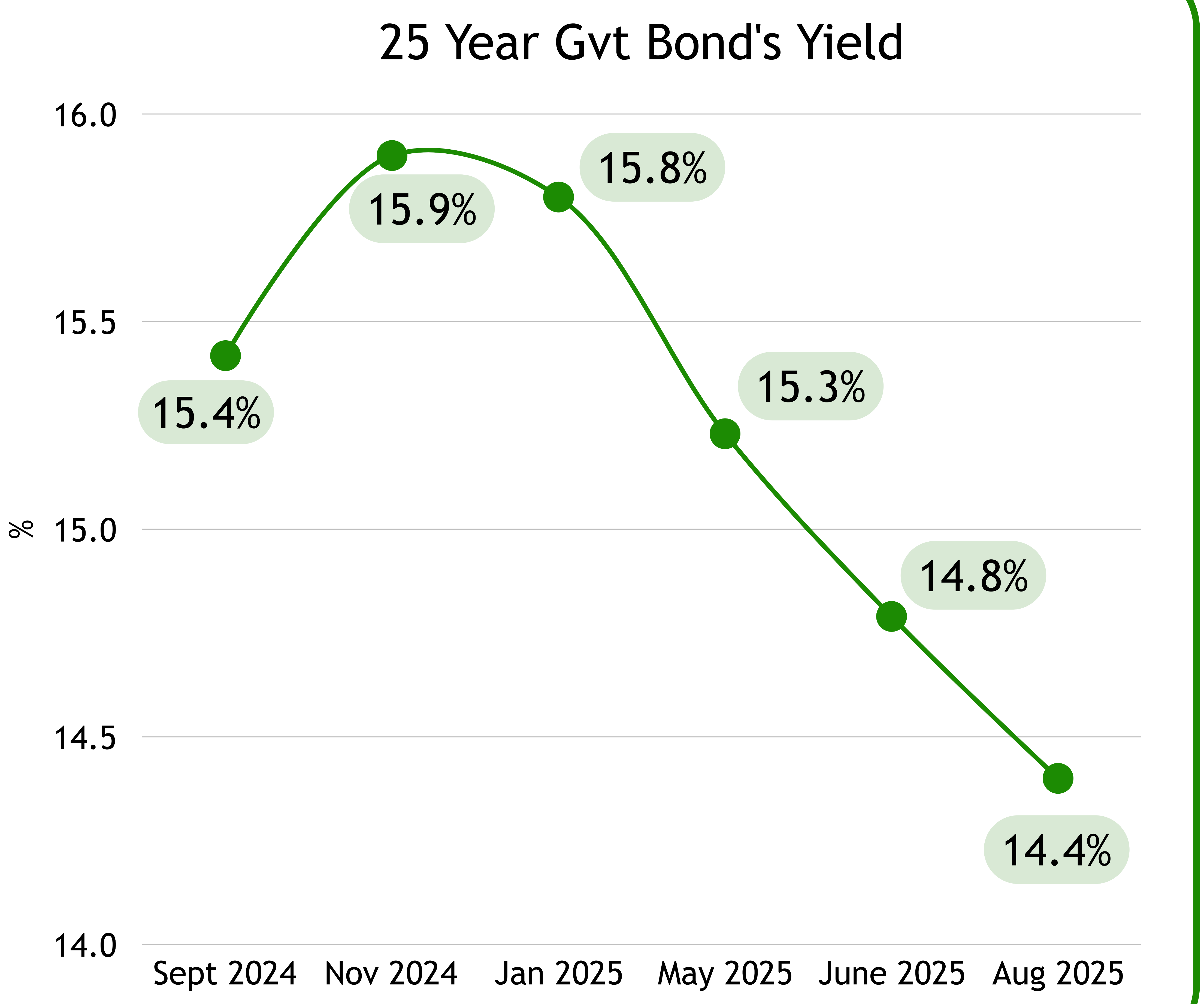
Rose from 0.39 to 2.68, with demand exceeding supply by more than 2x.

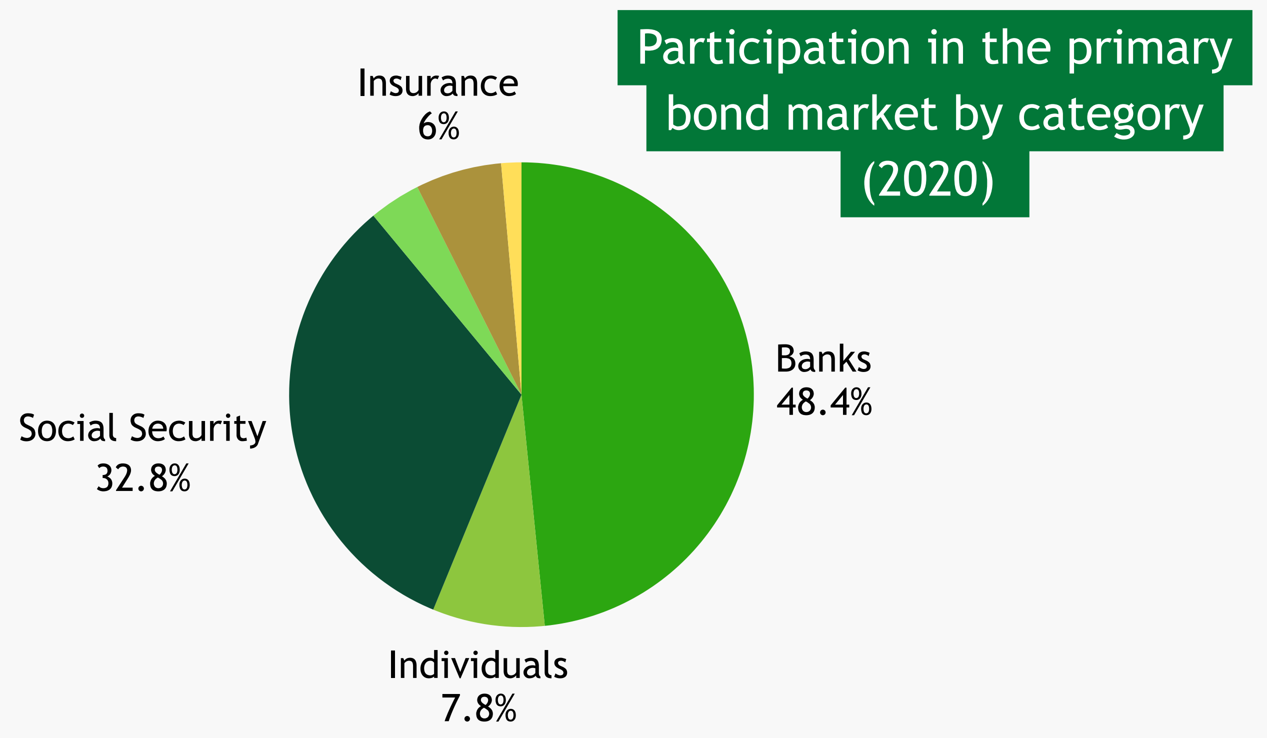
04 Market cap grew faster

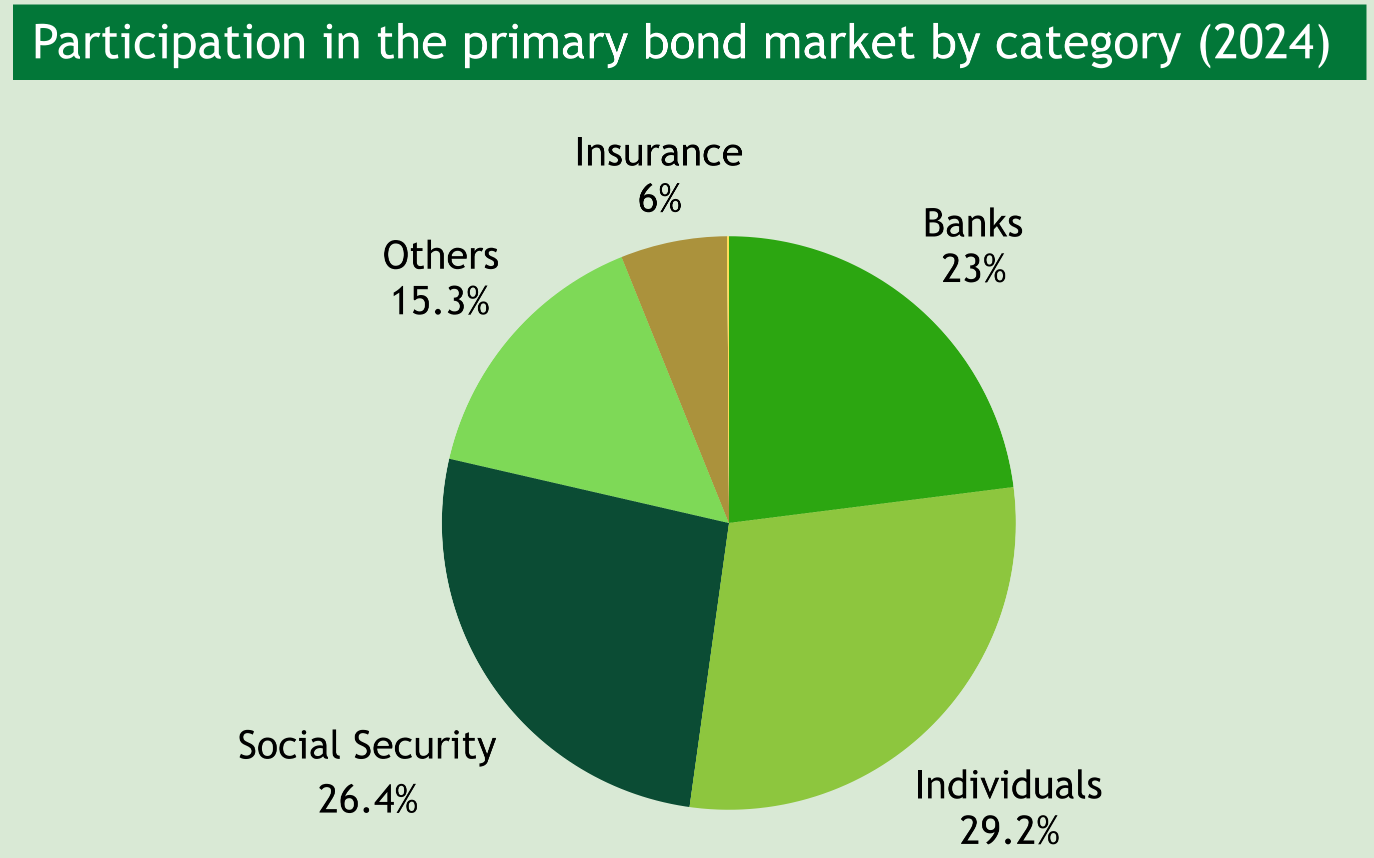
Growth was +9.6% from January to May and +12.5% from June to date.






25 Year Gvt Bond's Yield
16.0
15.5
15.0
14.5
14.0
%
15.4%
15.9%
15.8%
15.3%
14.8%
14.4%
Sept 2024
Nov 2024
Jan 2025
May 2025
June 2025
Aug 2025


Participation in the primary bond market by category (2020)
Insurance 6%
Banks 48.4%
Social Security 32.8%
Individuals 7.8%


Participation in the primary bond market by category (2024)
Insurance 6%
Banks 23%
Others 15.3%
Social Security 26.4%
Individuals 29.2%

The drivers

Trading-rule changes

It takes 100 shares for a stock price to move.

Company Fundamentals

Large caps (CRDB, NMB, TBL) all posted improved H1 2025 results. Mid caps (DSE, MKCB, MBP, NICO) also posted improved half year results

Increased Awareness

- Personal Finance Coaches, Social Media, & Mobile Trading

Flows composition

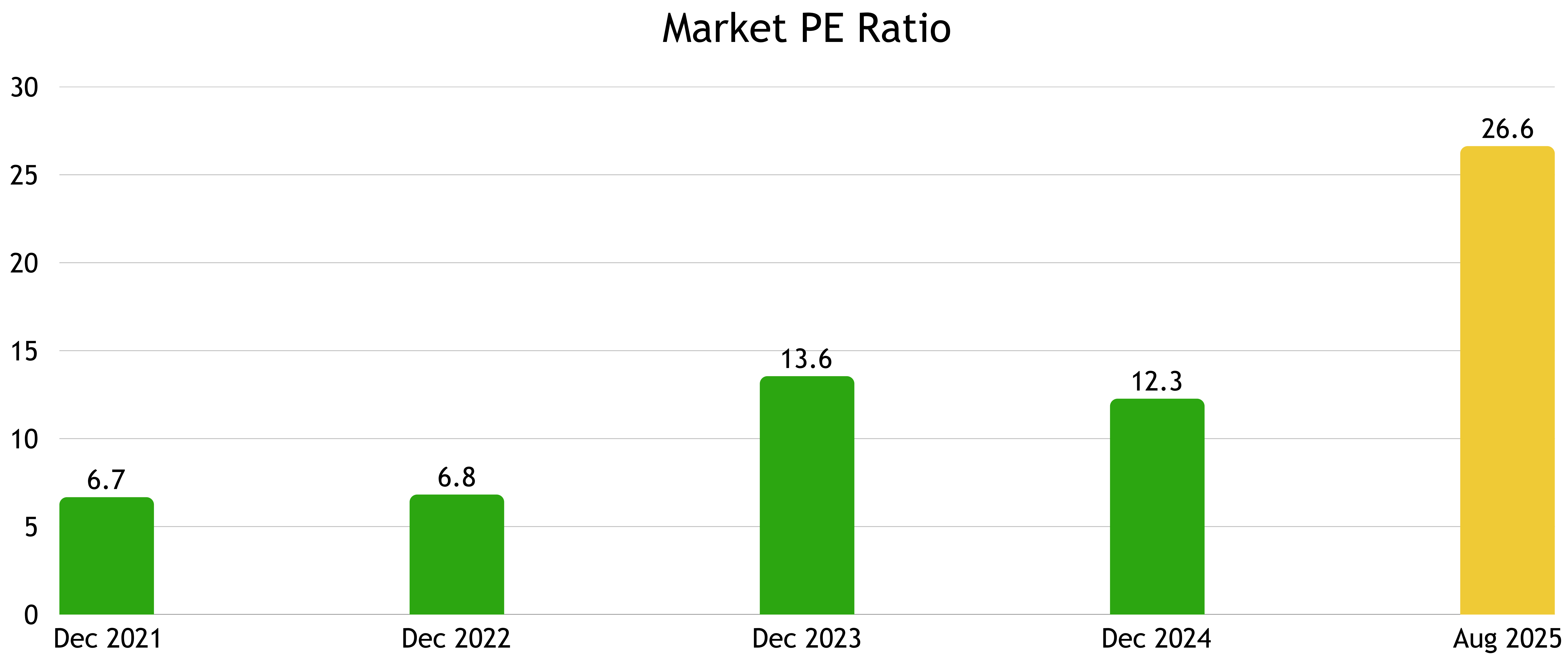
Since June, locals still dominate at 88.1%, but foreign buying has risen to ~11.9% (up from 4.1%), with their share of turnover climbing from ~12% to ~21%.

Effect of Rule Change on Price Movement

Company	Before Rules Change	After Rules Change
NMB	78,750,000	630,000
TBL	80,402,777	1,090,000
TCC	42,500,000	1,700,000
CRDB	51,583,812	79,000
VODA	43,120,006	77,000
TPCC	19,791,541	440,000
TCCL	2,865,197	180,000
SWIS	1,386,000	154,000
NICO	1,248,308	81,000
DSE	1,929,746	324,000

How the market priced earnings

CRDB BANK



Source: Bloomberg

Market	Index Name	Local %chg	USD %chg
Kenya	NSE ASI	34.06	62.89
Malawi	MSE ASI	55.06	50.03
Uganda	USE ASI	36.94	40.47
Zambia	LuSE ASI	42.6	31.49
Ghana	GSE-CI	56.17	25.88
Tanzania	DSE ASI	22.23	26.87
BRVM	BRVM-CI	28.89	21.12
Morocco	MASI	22.16	19.63
Botswana	BSE DCI	12.54	8.04
Namibia	NSX OI	10.28	8.02
Mauritius	SEM ASI	14.75	7.47
South Africa	JSE ASI	9.37	6.25
Rwanda	RSE ASI	3.58	-6.83
Nigeria	NGX ASI	37.65	-19.56
Egypt	EGX 30	19.47	-27.23
Zimbabwe	ZSE ASI	-99.9	-75.55

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Regional Performance Year to Date

- **Top performers:** Kenya, Malawi, Uganda
- **Strong gains:** Zambia, Ghana, Tanzania
- **Moderate growth:** BRVM, Morocco
- **Single-digit returns:** Botswana, Namibia, Mauritius, South Africa
- **Underperformers:** Rwanda, Nigeria, Egypt
- **Weakest:** Zimbabwe

East Africa stood out as the strongest region, while West Africa and North Africa lagged.


Q | A

Thank You

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