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T-Bill bought despite low yield

Despite shrinking yields, investors' appetite on government debt instruments continued to remain strong, after Treasury bills floated on Wednesday this week ended up being oversubscribed. According to the T-Bills auction summary published by Bank of Tanzania, yields fell to 3.92 per cent during Wednesday's auction from 4.54 per cent during the previous float held on March 21, this year. T-Bills maturing within one month have continued to fetch no yield while three months maturity yield bills fell to 2.15 per cent on Wednesday from 2.25 per cent during the March 21 float. The yield for six months maturity dropped to 3.16 per cent on Wednesday from 3.32 per cent recorded during the previous auction, while yield for one year maturity was slightly down at 5.09 per cent from 5.12 per cent recorded during the previous auction. Analysts expect the rates to fall further due to strong demand for government debt instruments, as they are more secure than any other areas of investments in financial markets. Wednesday's auction results summary shows that a total of 73 bids valued at Sh178.14 billion were tendered against an offer of Sh169 billion, an oversubscription of Sh9 billion. *"The Citizen, business zone Pg.21"*

Swala takeover planned for next month

Swala Oil & Gas PLC (Swala) has announced that Orca Exploration Group Inc (Orca) has agreed to an additional extension of the date of its acquisition investment plan as advised by the government. The acquisition plan, which will cost up to \$130 million, has been pushed back to May 11 instead of March 28, which has already passed. Late in January, the government through the Tanzania Petroleum Development Corporation (TPDC) wrote to Swala requiring it to put on hold its plans of purchasing Orca's shares. This was explained to enable the government to assess the all round up impact of the proposed acquisition plan. Swala's Chief Executive Officer, Dr David Ridge said in a statement: "We look forward to completing the approval process of the Information Memorandum that we originally filed in December 29, 2017 and which has so far benefited from comments from both the CMSA and the DSE." "On completion, the bonds shall list on the DSE and provide sophisticated investor with additional oil and gas debt instruments to complement existing portfolios" he said. *"The Citizen, business zone Pg.22"*

Firm signs supply deal with sugarcane growers

As part of its efforts to manage its working relations with Kilombero cane growers, Kilombero Sugar Company Limited and cane growers' Cooperatives have inked an agreement dubbed 'Cane Supply Agreement' (CSA) marking the commencement of another season. The CSA, which is supervised by the government through the Sugar Board of Tanzania (SBT), regulates the business relations between Kilombero Sugar Company and Kilombero growers on fundamental issues such as cane delivery guidelines, cane quality, purchase price and other significant matters. The signing was held yesterday at Kilombero Sugar Company where the Acting Director General of the Sugar Board of Tanzania (SBT), Mr Mirajis Kipande, was the Guest of Honour. Also in attendance were representatives from the Registrar of Cooperatives in the ministry of Agriculture, Sugar Board of Tanzania, Kilombero growers and Kilombero staff. *"The Citizen, business zone Pg.22"*

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