



TEL-AVIV STOCK EXCHANGE

Most Traded Stocks on the Tel Aviv Stock Exchange in 2014

Sharp Rise in Trading Volume of Pharma Stocks "Teva" and "Perrigo" Increase in Share of Stocks Included in the TA-75 Index

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In 2014, the average trading volume of stocks on the Tel Aviv Stock Exchange (TASE) declined by approx. 5% compared with the previous year, and totaled NIS 742 million per day (excluding the off-exchange volume and the volume of exchange-traded notes on the stock market).

Trading volume of the top-30 most traded stocks in 2014 amounted to 75% of the total stocks volume, similar to the trading rate of the top-30 most traded stocks in 2013, but lower than the rate recorded in 2012 (80%).

The average trading volume in dual-listed companies' stocks amounted to NIS 283 million, which represented 38% of the total trade on TASE, compared with 28% last year – a sharp rise which derived from the steep increase in the trading volumes of **Teva** and **Perrigo** stocks, and also resulting from the introduction of **ICL** into the dual-listed companies group, subsequently to the listing of its stocks on the New York Stock Exchange.

The average trading volume of high-tech companies recorded a decline from NIS 141 million in each of the years 2012 and 2013 to NIS 109 million, which led to a decrease in the trading weight of high-tech stocks from 18% last year to 15% this year.

In 2014, trade of securities of companies and partnerships in the gas and oil exploration sector continued with the downtrend, with daily trade falling from NIS 80 million and NIS 63 million in 2012 and 2013, respectively, to NIS 51 million in 2014. In view of this fact, their trading weight decreased from 8% in 2013 to 7% in 2014.

During 2014, 39 stocks were delisted from TASE, but, in 2013, total trade therein amounted to NIS 6 million, mostly in **Koor** and **Given** stocks.

The list of the top-30 most traded stocks does not include **First International Bank** and **Osem** stocks, which are included in the TA-25 Index, as well as the **Melison** stock which joined the index in December 2014.

The share of the mid-cap stocks listed on the TA-75 Index grew to 24% in 2014, compared with 20% in the previous two years.

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In 2014, the average number of stock transactions on TASE amounted 42 thousand transactions per day, compared with 44 thousand transactions in 2013.

Table No. 1: Principal Liquidity Data on TASE, 2012-2014
NIS in millions

	<u>2012</u>	<u>2013</u>	<u>2014</u>
Total daily volume on the stock market	1,077	1,172	1,213
Thereof: daily off-exchange volume on the stock market	111	128	98
TASE daily volume of stock ETNs	192	253	363

TASE average daily stock volume ⁽¹⁾⁽²⁾	765	784	742
Average daily volume of top-30 most traded stocks	614	586	557
Weight of top-30 most traded stocks	80%	75%	75%
Number of stock transactions per day (in thousands)	45	44	42
Thereof: in TA-25 stocks	23	21	18
Weight of trade in TA-25 Index stocks⁽³⁾	73%	70%	69%
Weight of trade in TA-75 Index stocks⁽³⁾	20%	20%	24%
Weight of trade in Yeter-Rest of Shares 50 Index stocks⁽³⁾	3%	5%	3%

- (1) Trading volume on TASE only, excluding trade in convertible securities, exchange-traded notes and off-exchange transactions.
- (2) Including the trading volumes of stocks delisted in the course of the year.
- (3) According to the composition of the index in the second half of every year, prior to the indices' update at the end of the year.

Prominent Changes in Liquidity in 2014 by Indices

- 23 of the 25 companies, whose stocks were included in the TA-25 Index in the second half of 2014, are on the top-30 most traded stocks list.
- Two TA-25 Index companies, whose stocks are not included in this list, are **First International Bank** (31st place) and **Osem** (35th place), whose trading volume declined concurrently with a decrease of 17% in the stock price.
- In December 2014, two stocks joined the TA-25 Index:

Frutarom, whose price rose by 66% and trading volume increased by 176% in 2014, and is positioned 15th on the most traded stocks list.

Melisron, whose trading volume leaped at the end of the year already toward its entering the TA-25 Index, and, on an annual basis, trading volume grew by 38%, concurrently with an increase of 20% in the stock price in 2014.

- Seven TA-75 Index stocks, which are included in the top-30 most traded stocks list are: **Ratio, Frutarom, Tower, Africa-Israel Investments, Oil Refineries (Bazan), Mazor Robotics and IDB Development.**
- The share of the mid-cap stocks listed on the TA-75 Index rose in 2014 to 24%, compared with 20% in the two previous years. Their share in total trade increased both due to a rise in the trading volumes of the index companies, headed by **Frutarom, Tower, Fox and Compugen**, and as a result of the inclusion in the index, at the end of 2013, of the liquid stocks: **Oil Refineries (Bazan), Mazor Robotics and B Communications.**
- The share of the stocks included in the Mid-Cap 50 Index decreased to 3.3%, compared with 4.7% in 2013.

Prominent Changes in Liquidity in 2014 by Sectors

Biomed

Following the strong public interest in biomed companies' stocks in 2013, and the doubling of the weight of trade in such stocks out of the total trading volume on TASE, 2014 saw a decline of 21% in the trading volume of the sector's stocks. Such decrease mainly stemmed from the decline in the trading volumes of the leading biomed stocks, **Opko** (-64%), **Mazor Robotics** (-25%), **Kamada** (-21%) and **Brainsway** (-52%), and also from the steep decline in the prices of most biomed stocks, following which the TA-Biomed Index lost 34%.

Another reason for the decrease in volume is the delisting of the "Given" stock in March 2014.

It should be noted that the stocks of "Mazor", "Kamada" and "Brainsway" entered the top-30 most traded stocks list in 2013, subsequently to a sharp rise both in trading volumes and in stock prices, whereas in 2014 the decrease in trading volumes was accompanied by steep price drops and led to the removal of "Kamada" and "Brainsway" from this list.

Technology

2014 saw the continued decline in overall trade in technology stocks, from NIS 112 million and NIS 84 million per day in the years 2012 and 2013, respectively, to NIS 64 million in 2014. Accordingly, the share of technology stocks went down from 15% and 11% in 2012 and 2013, respectively, to 8.6% in 2014. This decrease partially derived from the **Mellanox** stock, which had been traded in 2013 until August, and from a steep drop in the trading of **Babylon** (-78%) and **EZChip** (-46%) stocks.

Oil & Gas

2014 featured the continued downtrend in trading volumes of the gas and oil exploration sector's stocks and participation units, and total daily trade therein amounted to NIS 51 million, compared with approx. NIS 63 million, NIS 79 million and NIS 172 million in 2013, 2012 and 2011, respectively. The rate of trade in such securities out of the total trade on TASE amounted to 7%, compared with 8%, 10.4% and 14% of the total trade in 2013, 2012 and 2011, respectively.

For many partnerships, trading volumes sharply declined in 2014, subsequently to the plunge in the price of participation units in 2013. The prominent ones among these are **Shemen Oil & Gas**, **Modiin Energy** and **Glob Exploration**, whose trading volumes lost more than 85%, after the unit prices of these three dropped more than 99% since they notified of disappointing results of the wells in which they were involved.

Financial Sector

In 2014, trading volumes of banks demonstrated no material change. The stocks of the four largest banks, **Poalim**, **Leumi**, **Discount**, and **Mizrahi Tefahot** are included in the top-ten this year as well. The average trading volume for "Poalim" and "Leumi" has not changed considerably, the trading volume of the "Discount" stock gained 13%, and conversely, the trading volume of "Mizrahi Tefahot" lost 10%.

On the other hand, the insurance sector registered a loss of 16% in trading volumes. The main reason is the decrease of 44% in trade in the **Migdal Insurance** stock.

Table No. 2: Trading Volume in Stocks and Convertibles by Sectors⁽¹⁾, 2012-2014
(NIS in millions)

Name of Sector	2012		2013		2014		Change in 2014 compared with 2013
	Total	Rate	Total	Rate	Total	Rate	
Banks	142.0	18.5%	135.4	17.3%	134.8	18.2%	-0.4%
Insurance	11.3	1.5%	19.5	2.5%	16.3	2.2%	-16%
Financial services	0.5	0.1%	1.8	0.2%	2.0	0.3%	10%
Total Financial Supersector	<u>153.8</u>	20.1%	<u>156.7</u>	20.0%	153.1	20.6%	-2.3%
Biomed	28.6	3.7%	57.4	7.3%	45.2	6.1%	-21%
Technology	112.3	14.7%	83.8	10.7%	63.6	8.6%	-24%
Total High-Tech Supersector	<u>140.9</u>	18.4%	<u>141.2</u>	18.0%	<u>108.8</u>	14.7%	-23%
Commerce and services	99.2	13.0%	95.8	12.2%	88.9	12.0%	-7%
Real estate	52.6	6.9%	60.8	7.8%	63.2	8.5%	4%
Industry	180.8	23.7%	198.8	25.4%	215.4	29.0%	8%
Investment and holdings	58.9	7.7%	67.4	8.6%	61.1	8.2%	-9%
Gas and oil explorations	79.3	10.4%	63.1	8.1%	51.3	6.9%	-19%
Total Real Supersector	<u>470.7</u>	61.5%	<u>485.8</u>	62.0%	<u>479.9</u>	64.7%	-1.2%
Total volume on TASE	<u>765.4</u>	100%	<u>783.7</u>	100%	<u>741.8</u>	100%	<u>-5.3%</u>

(1) Excluding off-exchange transactions, which constituted 8% of the total volume, and excluding exchange-traded notes.

Changes in the Rating of the Most Traded Stocks in 2014

(See Table 3)

- After three years as the runner-up for the ICL stock, **Teva** reclaimed its topmost position on the most traded stocks list, with an average daily volume of NIS 84.4 million, an increase of 28% compared with the volume in 2013, concurrently with a sharp rise of 64% in stock price.
- The **ICL** stock, which headed the list in the preceding three years, descended to second place, following a decrease of 30% in average daily volume. It is noteworthy that the stock's trading volume, prior to its listing on the NYSE in September 2014, totaled NIS 45 million, whereas after commencement of the trade therein in New York, the average trading volume in Tel Aviv increased to NIS 60 million. In the first three months of the dual trade of the stock, 75% of the trade therein took place in Tel Aviv.
- **Perrigo** recorded a sharp 40% increase in average volume in 2014, subsequently to its closing of the merger and acquisition of Elan in December 2013, following which the number of stocks of the Company increased by 40%. Furthermore, in November 2014, Perrigo completed a public offering in the U.S. in the amount of \$1 billion, which raised the float by an addition of 5%.
- **Delek Group** continued its climb up the list from the 17th and 11th places in 2012 and 2013, respectively, to 8th place in 2014, after its trading volume grew by 20% with a high volatility of the stock price. In the fourth quarter, the stock registered a sharp drop of 30%, with the average volume reaching a peak of NIS 40 million per day in December; there was no substantial change in the trading volumes of the gas and oil partnerships of the Group, **Avner** and **Delek Drilling**.
- **Opko** stock descended from 7th place to 20th, following a sharp drop of 64% in trading volume, although its stock achieved a handsome yield of 34% in 2014. Even discounting the irregular trading volume of NIS 0.8 billion at the time of the stock's introduction into the TA-25 Index in October 2013, average volume suffered a loss of 44%.
- In 2014, three stocks entered the top-30 most traded list – **Frutarom**, whose average stock volume jumped to 2.8-times when the share price recorded a yield of 66% and led to the stock's introduction into the TA-25 Index as of December 2014; **Tower**, whose average volume multiplied by 2.3 with the share steeply rising 161%; and **IDB Development**, whose shares were relisted in May 2014, as part of the debt restructuring settlement of the parent company, **IDB Holdings**.
- At the same time, three high-tech companies' stocks were removed from the list – **Kamada**, whose share plunged 72% following the release of the results of clinical trials in May and September; **Brainsway**, whose stock trading volume took a fall to at least half of its peak volume in 2013; and **Babylon**, whose average volume dropped 78% concurrently with a sharp fall of 56% in the stock price, due to non-renewal of the agreement with Google, which considerably reduced the online advertising and marketing business, and due to the sale of the translation business.

Table No. 3: Trading Volume of Most Traded Stocks⁽¹⁾, 2012-2014
(NIS in millions)

Stock	2012		2013		2014		Change (%) in Volume
	Daily Volume	Rating	Daily Volume	Rating	Daily Volume	Rating	
Teva ⁽²⁾	61.7	2	65.7	2	84.4	1	28%
ICL ⁽²⁾	70.2	1	71.8	1	49.8	2	-31%
Poalim	49.3	5	46.5	4	47.2	3	2%
Bezeq	53.0	3	50.9	3	45.1	4	-12%
Leumi	52.6	4	44.6	5	42.2	5	-5%
Perrigo ^{(2) (3)}	27.5	7	27.0	6	37.9	6	40%
Discount	19.0	9	19.6	8	22.2	7	13%
Delek Group	12.4	17	17.9	11	21.3	8	19%
Mizrahi Tefahot	17.5	11	18.5	10	16.6	9	-10%
Nice ⁽²⁾	16.3	12	13.0	14	14.0	10	8%
Israel Corp.	19.8	8	19.6	9	14.0	11	-29%
Ratio L.P.	18.9	10	14.7	12	12.6	12	-15%
Avner L.P.	15.5	14	12.4	16	12.4	13	0.3%
Isramco L.P.	16.0	13	13.6	13	12.3	14	-9%
Frutarom	1.9	57	4.4	35	12.0	15	176%
Elbit Systems ⁽²⁾	10.5	19	10.1	18	10.8	16	6%
Tower ⁽²⁾	5.9	27	4.3	38	9.8	17	126%
Partner ⁽²⁾	12.9	16	10.0	19	9.3	18	-7%
Gazit Globe	9.9	21	12.9	15	9.0	19	-30%
Opko ⁽²⁾	-----	---	24.3	7	8.7	20	-64%
Delek Drilling L.P.	8.5	22	8.0	25	8.6	21	7%
Azrieli Group	7.7	23	8.2	22	8.4	22	2%
Cellcom ⁽²⁾	10.6	18	8.1	24	8.0	23	-2%
Africa Investments	10.1	20	6.1	28	6.9	24	12%
Paz Oil	4.9	29	8.2	23	6.4	25	-21%
Strauss	4.2	32	5.0	30	6.4	26	28%
Bazan	5.9	28	9.9	20	6.1	27	-38%
Mazor Robotics ⁽²⁾	0.6	100	6.9	26	5.2	28	-25%
IDB Development	---	---	---	---	4.9	29	---
Migdal Insurance	3.4	36	8.8	21	4.9	30	-44%
Total of Top-30 Most Traded Stocks in 2014	546.9		571.0		557.4		
Total Stocks					741.9		
Weight of Top-30 Most Traded Stocks					75%		

- (1) Excluding off-exchange transactions, which constituted 8% of the total volume, and excluding exchange-traded notes.
- (2) Dual-listed stock – trading volumes on the table include only the volumes on the Tel Aviv Stock Exchange.
- (3) Average volume of the old Perrigo stock and the new Perrigo stock.