



## Weekly Trading Summary: April 7 - 11, 2024

- ❖ Price decreases in most of share and bond indices.
- ❖ Against the backdrop of the escalation of tension between Israel and Iran and the Turkish embargo on the export of industrial products to Israel - the Fear Index increased reaching to 26 points at the end of this week, and the dollar has been strengthened against the shekel by 1.2%
- ❖ The Bank of Israel left the interest rate unchanged at 4.5%.
- ❖ In the tracking funds market – purchases increased of funds tracking the S&P 500 index, whereas in the funds tracking domestic share indices, mainly the Bank Shares Index and the TA-125 Index, the trend was reversed, and sales were recorded. Similarly, purchases moderated of funds tracking the domestic share indices, mainly the Tel Bond CPI-Linked Index.
- ❖ In the active funds market, the inflow of funds moderated to money market funds, as well as funds investing in bonds on the TASE.

**Trading on the TASE in the second week of April**, opened in the shadow of the escalating tension between Israel and Iran. This week, against the backdrop of the fighting in Gaza, Turkey decided to prohibit the export of dozens of products for industry in Israel, the majority intended for the construction industry, until a stop in the fighting. As a result, the import of commodities, mainly raw materials for the construction sector – is expected to be more expensive.

**The Bank of Israel announced this week (April 8) that it is leaving the interest rate in the economy unchanged at a rate of 4.5%**, this in view of recent developments, which indicate a substantial increase in the degree of geopolitical uncertainty.

In the announcement published by the Bank, it was stated that leaving the interest rate unchanged is consistent with the policy it has followed since the outbreak of the war, and focuses on stabilizing the markets and reducing uncertainty, along with price stability and support for economic activity.

**In the overseas markets**, oil and gold prices continued to rise - the price of Brent oil reached US\$ 91 per barrel and the price of gold rose to US\$ 2,335 per ounce, an increase of about 14%, each, since the beginning of the year.

This week it was announced that **the annual inflation rate in the US**, in the last 12 months, rose from 3.2% in February 2023 to **3.5%** as of the end of March. In light of inflation moving away from the target of 2%, it is increasingly likely that the interest rate in the US will not decrease even on the date of the update that will take effect on April 30.



The **TA-35** and the **TA-90** indices decreased this week by **0.4%** and **2.3%**, respectively, this at the same time as a decrease of 0.4% in the Dow Jones index and an increase of 0.3% in the S&P 500 index in the US, and a decrease of 1.4% in the STOXX 50 index in Europe (overseas data as of Wednesday).

Price decreases characterized most of the sectoral indices, led by the **TA-Biomed** and the **TA-Dual Listings** indices which decreased by **6.6%** and **4.6%**, respectively.

An exception to this were the **TA-Cleantech** index which increased by **1.3%**, the **TA Banks-5** and the **TA-Oil and Gas** indices which increased by **0.7%** each, and the **TA Investment Properties Overseas** index which increased by **0.4%**.

The **Fear Index** increased reaching to **26** points at the end of this week, compare with 24 points at the end of last week.

Price decreases characterized **the bond indices**. Price decreases were led by the **non-linked medium-term government bonds** and the **CPI-linked Long-term government bonds** which decreased by **1%**.

The **Tel Bond-Dollar** index almost did not change this week, despite the dollar has been strengthened against the shekel by **1.2%**.

**The yield to maturity of the 10-year shekel government bond** increased by 0.2% this week and reached **4.7%** at the end of the week. This is similar to the yield to maturity of the 10-year US government bond which rose by 0.25% and at the same time reached 4.6% towards the end of the week.

**In the Tracking Funds market** (ETFs and open-end funds), purchases increased of **funds tracking international share indices**, mainly the S&P 500 index, amounting to US\$ **150** million, after purchases in the amount of US\$ 105 million in the previous week.

In contrast, sales were recorded in **the funds tracking domestic share indices**, mainly the Bank Shares Index and the TA-125 Index, in the amount of US\$ **105** million, unlike the trend in the previous week when purchases were recorded in the amount of US\$ 170 million.

Purchases moderated this week of **funds tracking domestic bond indices**, in the amount of US\$ **20** million, mainly the Tel Bond-CPI-linked Shekel indices, this after purchases of US\$ 65 million in the previous week.

**In the active funds market**, inflows into **the money market funds** moderated and amounted this week to US\$ **160** million, compared with the amount of US\$ **275** million that was invested in these funds the previous week.



In addition, investments in **the active funds investing in bonds on the TASE** moderated and amounted to US\$ **35** million this week, following an amount of US\$ 50 million that was invested in these funds the previous week.

## Share Offerings

- ❖ In the shares market on the TASE this week US\$ **41** million was raised in four private allocations to classified and private investors, as detailed below:

Company Name	Sector / Activity	Amount (in \$ millions)	Public offering / Private allocation
1. Menivim REIT	Real Estate Investment Fund	25	Allocation to classified investors
2. Israel Land Development	Investment Properties in Israel	12	Allocation to classified investors
3. Cipia Vision	Technology	2	Allocation to private investors
4. Propdo	Technology	2	Allocation to classified investors and private investors

## ❖ **Zooz Power – became a dual listed company**

The cleantech company **Zooz Power**, whose shares have been traded on the TASE since March 2021, has completed a merger with the "SPAC" company Keyarch, which is traded on the NASDAQ stock exchange.

Following the merger, the SPAC company became a wholly owned subsidiary of Zooz Power, which became a dual-listed company whose shares are traded simultaneously on the NASDAQ (Symbol: ZOOZ) starting on April 5, 2024.

## Corporate Bond Offerings

- ❖ In the bond market, US\$ **641** million dollars were raised this week in four issues to the public and a private allocation to classified investors:



Company Name	Sector / Activity	Amount (in \$ millions)	Public offering / Private allocation	Listed / New Series	Linkage Type	Average Duration	Interest / Yield to maturity	Rating "Maalot"/ "Midroog" Rating
1. Delek Group	Oil & Gas	269 Estimate	Public offering	New	Non-linked	No data	6.38%	A3
2. G City	Investment Properties Overseas	133	Public offering	New	CPI-linked	6.2	4.15%	A-/A3
3. Israel Land Development	Investment Properties in Israel	121	Public offering	New	CPI-linked	5.3	4.45%	A-
4. De Lesser (foreign)	Investment Properties Overseas	82	Public offering	New	Non-linked	4.3	8.9% *	A-
5. Aura	Construction	35	Private Allocation	Listed	CPI-linked	3.3	3.0%	A3

\* The bond was issued at a price of NIS 0.995 per NIS 1 par value

## Government Bond Offerings

- ❖ This week, the **Ministry of Finance** raised US\$ **875** million by **public issue of bonds on the TASE**, of which a planned fund-raising of US\$ 4.2 billion in April, following the raising of US\$ 1,035 million in the previous week. 82% of the amount raised was in non-linked bonds, and 18% in CPI-linked bonds.
- ❖ In addition, this week the **Ministry of Finance carried out a tender for the swap** of NIS 1.3 billion par value in shekel government bonds in exchange for issuing a slightly higher amount, totaling NIS 1.4 billion par value. As part of the tender, shekel bonds for maturity in October 2024 totaling NIS **1.3** billion par value were exchanged: shekel bonds for maturity in March 2047 totaling NIS **0.7** billion par value were exchanged for shekel bonds for maturity in September 2028 totaling NIS **0.5** billion par value, and CPI-linked bonds for maturity in May 2029 totaling NIS **0.2** billion par value.

## Miscellaneous

### ❖ New Member of the TASE – Jump Trading

**Jump Trading** joined the TASE as the 24th member starting on April 9, 2024. Jump Trading is an international trading body, operating in the field of algorithmic trading, one of the leaders in Europe and serving as a market maker and liquidity provider in the world's largest stock exchanges - it joined as the third remote member of the TASE.



## ❖ Updated Macroeconomic Forecast of the Bank of Israel – April 2024

The Bank of Israel published a macroeconomic forecast, according to which: **GDP is expected to grow** by 2% in 2024 and by 5% in 2025. **Inflation** is expected to decrease to 2.7% in 2024 to 2.3% in 2025. **The monetary interest rate** is expected to be 3.75% in the first quarter of 2025.

**The budget deficit** is expected to reach 6.6% in 2024 and to decrease to 4.6% in 2025, and the **debt to GDP deficit** is expected to reach 67% in 2024 and to remain at a similar rate also in 2025.

**Regarding the global environment: growth in advanced economies** will be 1% in 2024 and 1.4% in 2025. Inflation in advanced economies will be 2.4% in 2024 and 2.2% in 2025. **The average interest rate in advanced economies** is expected to be 3.8% at the end of 2024, and 3.0% at the end of 2025.

## ❖ The Budget Deficit

Ministry of Finance data indicate that in March 2024, the government had a deficit in its budgetary activity of NIS 15.0 billion, compared with a deficit of NIS 2.7 billion in March 2023, and **the cumulative deficit over the past 12 months** amounted to NIS 117.3 billion, constituting **6.2%** of GDP - an increase of 0.6% compared with the figure in the previous month.

Contributing to the cumulative budget deficit was a negligible increase in government revenues of 0.3% in January–March 2024 compared with January–March 2023, alongside a jump in government expenditure by 38.1% in parallel (the rate of increase in expenditures, excluding war-related costs, is 12.2%).

## Share Indices

Market Value Indices	Week change	YTD change
TA-35	-0.4%	3.6%
TA-90	-2.3%	5.0%
TA-125	-1.1%	3.5%
TA-SME60	-0.6%	7.6%
Sectoral Indices	Week change	YTD change
TA-Tech-Elite	-3.2%	3.2%
TA Banks-5	0.7%	-0.8%
TA Oil & Gas	0.7%	6.5%
TA Real Estate	-1.5%	-3.5%



## Bond Indices

Index	Week change	YTD change
Tel Gov CPI-Linked	-0.5%	-1.3%
Tel Gov-SHEKEL	-0.6%	-1.9%
Tel Bond - 60	-0.1%	1.3%
Tel Bond-SHEKEL	-0.6%	0.3%

## Currencies:

Currency	Week change	YTD change
Dollar/NIS	1.2%	3.7%
Euro/NIS	0.0%	0.6%

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<p>The Tel-Aviv Stock Exchange features in March 2024:</p> <ul style="list-style-type: none"> <li>535 companies listing equities.</li> <li>522 ETFs (including 36 ETFs – cross listing).</li> <li>36 series of government bonds.</li> <li>695 series of corporate bonds.</li> <li>47 Series of TASE UP bonds.</li> <li>1,803 mutual funds.</li> </ul> <p>Market Cap. (US\$ billions):</p> <ul style="list-style-type: none"> <li>Equities - 282</li> <li>Government bonds - 172</li> <li>Corporate bonds – 124</li> </ul>	<p>The Tel Aviv Stock Exchange Ltd. was founded in September 1953. The TASE group, which consists of the stock exchange, the TASE Clearing House, TASE Nominee company and the Derivatives Clearing House, provides local and international investors with trading and clearing in securities, including stocks, corporate bonds, government bonds, index-tracking products and derivatives.</p>	<p>Companies traded in the USA and on the London Stock Exchange (Main Market) can dual list their shares on the TASE. Dual listing which does not entail significant costs, imposes no additional regulatory burden and offers continuous trading from 10:00 to 23:00 (Israeli time) for companies listed in the USA.</p> <p>There are currently 50 companies dually listed on TASE.</p>
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