



Weekly Trading Summary: April 14 - 18, 2024

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- ❖ Price decreases in the share indices and the bond indices.
- ❖ The week opened with an unprecedented rocket attack by Iran and its proxies against Israel, early Sunday morning. The attack was successfully repelled, and trading on the TASE opened and proceeded as usual.
- ❖ This week's trading was conducted against a background of growing tension in the markets towards a possible response by Israel, and fear of the expansion of fighting in the Middle East.
- ❖ Yields on 10-year government bonds in Israel increased to 4.8%.
- ❖ Fattal Holdings and Shufersal shares will be added to the TA-35 index at the time of the update of the share indices that will take effect on May 2 (end of trading day).
- ❖ The US real estate investment properties company Strawberry Fields REIT INC., whose shares are traded on the NYSE, listed its shares for trading also on the TASE starting as of April 21.
- ❖ In the tracking funds market - purchases moderated of funds tracking the S&P 500 index, while in the funds tracking domestic share and bond indices, no substantial activity was recorded this week.
- ❖ In the active funds market, the inflow of funds moderated significantly. In addition, funds were withdrawn from funds investing in bonds on the TASE, and funds were invested in funds investing in bonds overseas.

Trading on the TASE in the third week of April opened with a massive and unprecedented rocket attack by Iran and its proxies against Israel, early in the morning of April 14, 2024. The attack was quickly and successfully repelled by Israel and its ally the United States, which mobilized Britain and France for the defense and even obtained the cooperation of Jordan. Trading on the TASE opened as usual, and the flagship indices TA-35 and TA-125 rose by 0.3% each on the same day.

Following the Iranian attack, tension increased in the markets regarding Israel's retaliatory action and the expansion of fighting in the Middle East.

The **Fear Index**, which rose to 26 points on the eve of the attack, and decreased to 24 points after it was restrained, and decreased to **21** points at the end of the week.



Against the background of the security situation, the wave of price increases in the economy continues. This week it was announced that **the annual inflation rate in the economy**, in the last 12 months, rose from 2.5% in February 2023 to **2.7%** as of the end of March.

The International Monetary Fund (IMF) reduced Israel's growth forecast for 2024 from 3.1% in a previous forecast before the war, to 1.6% in the latest forecast - a slightly lower rate than the Bank of Israel's forecast of 2%.

In the overseas markets, the **European Central Bank (ECB)** announced last Thursday that it is leaving the interest rate unchanged at **4.5%**, as expectations increase for a first interest rate cut in June. In the **United Kingdom**, the inflation rate in the last 12 months has decreased slightly from 3.4% in February 2023 to **3.2%** as of the end of March. In **China growth data of 5.3%** (in annual values) in the first quarter of 2024 were published this week, after growth of 5.2% in 2023.

The price of Brent oil reached US\$ **87** per barrel towards the end of the week and **the price of gold** continued to rise to US\$ **2,383** per ounce - an increase of 12% and 14%, respectively, since the beginning of the year (commodities data correct as of Wednesday).

The TA-35 and TA-90 indices decreased this week by **1.1%** and **0.6%**, respectively, at the same time as a decrease of 2% and 3.5% in the Dow Jones and S&P 500 indices in the USA, respectively, and a decrease of 1% in the STOXX 50 index in Europe (overseas data correct as of Wednesday).

Price decreases characterized most of the sectoral indices, led by the **TA-Biomed** index which fell by **7.6%** this week. Dual-listed shares included in it contributed to the decrease of the index.

An exception to this were the **TA-Construction** and the **TA-Energy Utilities** indices which increased by **1.0%** and **0.8%** respectively this week.

At the end of the trading day on April 18, the parameters for the **semi-year update of the composition of the share** were published. On May 2, at the end of trading day, the shares of **Fattal Holdings** and **Shufersal** will be added to **the TA-35 index**, and the shares of Ashtrom Group and Shikun & Binui will be removed from the index.

Price decreases characterized **the bond indices**.

The price decreases were led by long-term **CPI-linked government bonds**, which decreased by **1.3%** this week.

The exceptions this week are the government bond indices **Tel Gov Variable** and **Tel Gov CPI-Linked 0-2** which increased by **0.25%**, each.



The yield to maturity of the 10-year shekel government bond increased by 0.1% this week and reached **4.8%** at the end of the week. This is similar to the yield to maturity of the 10-year US government bond which rose by **0.1%** and at the same time reached 4.7% towards the end of the week.

The **Tel Bond-Dollar** index decreased this week by **0.1%**, despite at the same time as the dollar strengthened against the shekel by 0.5%.

On Thursday, April 18, **on the eve of the monthly update of the corporate bond indices**, the daily turnover in bonds on the TASE amounted to US\$ **2.1** billion, of which US\$ 1.1 billion were corporate bonds.

In the Tracking Funds market (ETFs and open-end funds), there was a mixed trend: purchases moderated of **funds tracking international share indices**, mainly the S&P 500 index, amounting to US\$ **75** million, after purchases in the amount of US\$ 150 million in the previous week.

In the funds tracking domestic share indices and domestic bond indices, no material activity was recorded.

In the active funds market, inflows into **the money market funds** moderated and amounted this week to US\$ **15** million only, compared with the amount of US\$ **160** million that was invested in these funds the previous week.

Investments in **the funds investing in bonds overseas** amounted to US\$ **55** million this week, following no material activity in these funds the previous week, while there were withdrawals of US\$ **45** million from **the active funds investing in bonds on the TASE**, following inflows of US\$ **35** million that were invested in these funds the previous week.

Share Offerings / New Company

- ❖ In the shares market on the TASE this week US\$ **7** million was raised in a public offering and two private allocations:

Company Name	Sector / Activity	Amount (in \$ millions)	Public offering / Private allocation
1. Rotshtein Real Estate	Construction	6	Allocation to classified investors
2. NextFerm	FoodTech	0.5	Public offering
3. Grace Breeding	Technology	0.5	Allocation to interested parties and a lender



- ❖ **Strawberry Inc., which is traded on the NYSE, will also start trading in Tel Aviv**

Strawberry Fields REIT INC. – a US company dealing in investment real estate properties in the USA, whose shares are traded on the NYSE (Symbol: STRW), listed its shares for parallel trading on the TASE starting as of April 21. The market value of the company today reaches US\$ **429** million. Strawberry will be added to 50 dual-listing companies traded on the TASE.

Corporate Bond Offerings

- ❖ In the bond market, US\$ **106** million dollars were raised this week in two issues to the public and three private allocations 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. Paz Oil	Energy	53 (Estimate)	Public offering	New	Non-linked	No data	5.86% (maximum)	AA-
2. Zur	Investments	32	Public offering	New	Non-linked	6.7	7.6%	Unrated
3. Alon Blue Square	Investments	9	Allocation to classified investors	Listed	CPI-linked	4.4	3.3%	A+
		2		Listed	Non-linked	4.1	6.1%	A+
4. Megureit	Real Estate Investment Fund	6	Allocation to classified investors	Listed	CPI-linked	2.5	3.1%	A-
		3		Listed	CPI-linked	1.7	2.3%	A-
5. Midas Investments	Investment Properties in Israel	1	Allocation to classified investor	Listed	CPI-linked	1.8	9.8%	Unrated

- ❖ In addition, this week Bank **Leumi** raised US\$ **212** million in bonds for institutional investors, registered for trading on the TASE UP. The raising was carried out in a new series of non-linked bonds with a variable interest rate - a margin of 2.3% above the Bank of Israel interest rate, a 5.2-year average duration, unrated.

This is a **bond linked to credit risk to which the Bank is exposed** in connection with loans made by the Bank to a number of borrowers in the real estate sector. To the extent a credit event occurs, the amount associated with one or more of the relevant borrowers will be deducted from the bond principal.



Government Bond Offerings

- ❖ This week, the **Ministry of Finance** raised funds in the **issue of bonds on the TASE**, in an amount of US\$ **1,030** million, of which a fund-raising of US\$ 4.2 billion is planned in April, following the raising of US\$ 875 million in the previous week. 78% of the amount raised was in non-linked bonds, and 22% in CPI-linked bonds.
- ❖ In addition, this week the **Ministry of Finance** carried out a tender for the **swap** of NIS 1 billion par value in shekel government bonds in exchange for issuing a similar amount of bonds. As part of the tender, fixed interest shekel bonds for maturity in February 2026 totaling NIS **0.65** billion par value and fixed interest shekel bonds for maturity in November 2030 totaling NIS **0.35** par value were exchanged for variable interest shekel bonds for maturity in November 2034 totaling NIS **1.0** billion par value.

Miscellaneous

❖ Addition of COCO bonds to the Tel Bond indices - second phase

In accordance with the Board of Directors' decision to add COCO bonds to the bond indices, the second phase will take effect at the end of the trading day on April 18, 2024 (the first phase was carried out on February 28) and as part of it COCO bonds will be added to the Tel Bond-20, Tel Bond-40, Tel Bond-60 and Tel Bond-100 indices.

❖ Consumer Price Index and Apartment Prices

Data from the Central Bureau of Statistics show that the Consumer Price Index (CPI) increased by 0.6% in March 2024, and over the past 12 months (April 2023 – March 2024) the CPI increased by **2.7%**, compared with inflation of 2.5% based on previous data, and an inflation target of 1%-3%.

Data from the Central Bureau of Statistics show that apartment prices continued rising, a trend that began in the last two months of 2023, and in the months January 2024 – February 2024, apartment prices rose by 1.0% compared with the two previous months, after an increase of 1.2% based on previous data, and recorded for the first time in half a year an annual increase of 0.3% compared with the same period in the previous year, following an annual decrease of 0.6% based on previous data.

❖ Decrease in the unemployment rate

The Central Bureau of Statistics announced that the rate of employed people who are temporarily absent, due to economic or permanent reasons, from their



work decreased to 4.1% in March 2024, compared to 4.4% the previous month, and the unemployment rate without temporary absence from their work decreased to 3.1% in March 2024, compared to 3.2% in the previous month.

Share Indices

Market Value Indices	Week change	YTD change
TA-35	-1.1%	2.5%
TA-90	-0.6%	4.4%
TA-125	-1.0%	2.5%
TA-SME60	0.0%	7.7%
Sectoral Indices	Week change	YTD change
TA-Tech-Elite	-0.7%	2.5%
TA Banks-5	-1.5%	-2.3%
TA Oil & Gas	-0.5%	5.9%
TA Real Estate	0.1%	-3.4%

Bond Indices

Index	Week change	YTD change
Tel Gov CPI-Linked	-0.5%	-1.8%
Tel Gov-SHEKEL	-0.6%	-2.5%
Tel Bond - 60	-0.3%	1.0%
Tel Bond-SHEKEL	-0.5%	-0.1%

Currencies:

Currency	Week change	YTD change
Dollar/NIS	0.5%	4.2%
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"> 535 companies listing equities. 522 ETFs (including 36 ETFs – cross listing). 36 series of government bonds. 695 series of corporate bonds. 47 Series of TASE UP bonds. 1,803 mutual funds. Market Cap. (US\$ billions): Equities - 282 Government bonds - 172 Corporate bonds – 124 	<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. There are currently 50 companies dually listed on TASE.</p>
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