



## Weekly Trading Summary: July 7 – 11, 2024

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- ❖ Price increases in most of the share indices and in the bond indices.
- ❖ Trading took place against the background of high readiness on the Northern Border, and continued fighting in Gaza alongside continued negotiations for mediation between the parties in an attempt to reach an agreement.
- ❖ The Bank of Israel left the interest rate in the economy unchanged at the rate of 4.5%.
- ❖ The Fear Index decreased, and the dollar weakened in relation to the shekel.
- ❖ The yield on 10-year government bonds in Israel decreased, reaching 4.7%.
- ❖ In the tracking funds market, there were purchases of funds tracking the TA-125 and TA-90 indices, and continued purchases of funds tracking the S&P 500 index.
- ❖ In the active funds market, there was a continued flow of funds to the money market funds.

**Trading on the TASE** this week took place against the background of high readiness on the Northern Border, and continued fighting in Gaza alongside progress of negotiations for mediation between the parties in an attempt to reach an agreement in which the hostages will be returned.

Following cautious optimism about the progress of the talks, on Tuesday (July 9) there was a high turnover of shares on the TASE totaling US\$ 650 million, compared with an average turnover of US\$ 582 million since the beginning of the year.

**The Bank of Israel** announced on Monday (July 8) that it was leaving the **interest rate** unchanged at **4.5%**. In the announcement, the Bank notes that since October 7, at the macro level, the Israeli economy continues to show resilience in dealing with the challenges of the period, but the war has significant economic ramifications - continued uncertainty and a high level of risk premium - that must be dealt with.

**The Fear Index** decreased this week, reaching **16** points at the end of the week compared with 19 points at the end of the previous week. **The dollar** weakened by **2.7%** in relation to the shekel, reaching the rate of NIS 3.641 towards the end of the week.

**In overseas markets**, trading took place against the background of the publication of the results of the elections in France, publication of the **annual**



**inflation rate in the US** which decreased from 3.3% in May to **3.0% in June** and the speeches of the Fed Chairman, ending in a mixed trend in share indices on leading stock exchanges around the world.

**The price of Brent crude oil** decreased this week by 2.4%, reaching US\$ **85** per barrel, while **the price of gold** increased this week and reached US\$ **2,371** an ounce (commodity data correct as of Wednesday).

**The TA-35 and TA-90** indices increased this week by **2.6%** and **5.4%**, respectively, in parallel with an increase of 1.0% and 1.8% in the Dow Jones and the S&P 500 indices in the US, respectively, and a decrease of 0.6% in the STOXX 50 index in Europe (overseas data correct as of Wednesday).

Price increases characterized most of the sectoral indices, led by the **TA-Construction and TA-Investment Properties in Israel** indices, which increased this week by **11.1%** and **8.0%**, respectively.

Exceptions this week were the **TA-Biomed** and the **TA-Technology** indices, which decreased this week by **0.6%-0.7%**, each.

Price increases characterized **the bond indices**.

The price increases were led by the government bond index **Tel Gov-Shekel 10+**, which increased this week by **4.7%**.

**The yield to maturity of 10-year non-linked government bonds** decreased this week by 0.3%, reaching **4.7%** at the end of the week, compared with the yield to maturity of 10-year US government bonds, which reached 4.3% towards the end of the week.

An exception this week was the **Tel Bond-Dollar** index which decreased by **2.2%** this week, influenced by the weakening of the dollar in relation to the shekel.

**In the Tracking Funds market**, tracking **international share indices**, there were continued net purchases, mainly of funds tracking the S&P 500 index, totaling US\$ **180** million, after purchases of US\$ 170 million in the previous week; in the funds tracking **domestic share indices**, net purchases were recorded, mainly of funds tracking the TA-125 and TA-90 indices, in the amount of US\$ **45** million, after sales of US\$ 60 million in the previous week;

And in the funds tracking **domestic bond indices**, there were net sales this week, mainly of funds tracking the Tel Bond-60 and the Tel Bond-Shekel Yields, in the amount of US\$ **75** million after a negligible amount of sales in the previous week.

**In the active funds**, there were continued inflows to **the money market funds**, amounting to US\$ **290** million net this week, after inflows of US\$ 320 million in the previous week;

**in the active funds investing in shares overseas**, net inflows amounted to US\$ **10** million, after inflows of US\$ 15 million in the previous week; and as for **active**



**funds investing in bonds on the TASE**, no net material activity was recorded, after withdrawals of US\$ 20 million in the previous week.

## Shares Market Offerings

- ❖ This week, US\$ **10** million were raised in a public issue and a private allocation, as detailed below:

Company Name	Sector / Activity	Amount (in \$ millions)	Type of offering
1. Israel Land Development Urban Renewal	Construction	8	Private allocation
2. Blade Ranger	Technology	2	Public offering

## Corporate Bond Offerings

- ❖ This week, US\$ **597** million were raised the bond market in seven public issues, of which five offerings of commercial paper, and a private allocation to a classified investor, as detailed below:



Company Name	Sector / Activity	Amount (in \$ millions)	Public offering / Private allocation	Listed / New Series	Linkage Type	Average Duration (years)	Interest / Yield to maturity	Rating "Maalot"/ "Midroog" Rating
1. Azrieli Group	Shopping malls	173	Public offering	New	Non-linked	(*)	Margin 0.12% above Bank of Israel interest rate	P-1
2. Carasso Motors	Vehicle importer	130 (estimate)	Public offering	New	Non-linked	1.8	5.4%	AA-
3. Gav Yam	Investment Properties in Israel	81	Public offering	New	Non-linked	(*)	Margin 0.27% above Bank of Israel interest rate	A-1+
4. BIG	Shopping centers	54	Public offering	New	Non-linked	(*)	Margin 0.2% above Bank of Israel interest rate	P-1
5. AFI Properties	Investment Properties Overseas	44	Public offering	New	Non-linked	(*)	Margin 0.45% above Bank of Israel interest rate	A-1
6. Brack Capital N.V.	Investment Properties Overseas	43 (estimate)	Public offering	Listed	CPI-linked	3.3	4.5%	BBB+
7. Alon Blue Square	Investments	41 (estimate)	Public	New	Non-linked	(*)	Margin 0.6% (maximum) above Bank of Israel interest rate	A-1
8. Doral Energy	Renewable Energy	30	Private allocation	Listed	CPI-linked	4.6	4.6%	Unrated

\* One-year commercial paper

- ❖ In addition, **Pai Deposit** raised US\$ **137** million this week in the expansion of a series of **structured bonds** backed by floating-rate shekel bank deposits. The bonds are floating-rate shekels – a margin of 0.16% above the Bank of Israel interest rate, which will be paid in one installment together with the maturity of the principal in September 2033, and rated AAA by "Maalot".

### Government Bond Offerings

- ❖ The **Ministry of Finance** raised funds this week **in an issue of bonds on the TASE**, in an amount of US\$ **940** million, further to US\$ 870 million raised in



the week before. 73% of the amount raised was in non-linked bonds, and 27% in CPI-linked bonds.

- ❖ In addition, this week the **Ministry of Finance** carried out a **swap tender** for NIS **2.4** billion par value of non-linked government bonds maturing in April 2025 in exchange for: NIS **1.5** billion par value non-linked bonds for maturity in in September 2028, NIS **0.5** billion par value CPI-linked bonds for maturity in May 2029 NIS 0.5 billion, and NIS **0.4** billion par value CPI-linked bonds for maturity in August 2041.

## ETFs

- ❖ On Tuesday, July 9, trading began in a new **Migdal** ETF on the shares index - the US Chip Index Top10.
- ❖ There are currently **474** ETFs traded on the TASE, of which 278 funds tracking international share indices.

## Miscellaneous

### ❖ The increase in the budget deficit continues

Finance Ministry data indicate that in June 2024, the government had a deficit in its budgetary activity of NIS 14.6 billion, compared with a deficit of NIS 6.4 billion in May 2023, and the cumulative deficit over the past 12 months amounted to NIS 146.0 billion, representing 7.6% of GDP - an increase of 0.4% compared with the figure in the previous month.

Contributing to the cumulative budget deficit was a jump of 34.2% in government revenues in January – June 2024 (the rate of increase in expenses, excluding war-related costs, is 9.3%) alongside a small increase only of 3.3% in government revenues in January – June 2024.

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

The Bank of Israel published a macroeconomic forecast, according to which: **GDP is expected to grow** by 1.5% in 2024 and by 4.2% in 2025. **Inflation** is expected to remain unchanged at a rate of 3% in 2024, similar to the previous year, and to decrease slightly to 2.8% in 2025. **The monetary interest rate** is expected to be 4.25% in the second quarter of 2025.

**The budget deficit** is expected to reach 6.6% in 2024 and to decrease to 4.0% in 2025, and the **debt to GDP deficit** is expected to reach 67.5% in 2024 (compared with 62% in 2023) and to increase to 68.5% in 2025.



## Share Indices

Market Value Indices	Weekly change	YTD change
TA-35	2.6%	11.0%
TA-90	5.4%	4.8%
TA-125	3.2%	9.0%
TA-SME60	4.3%	6.9%
Sectoral Indices	Weekly change	YTD change
TA-Tech-Elite	-0.3%	5.1%
TA Banks-5	5.4%	10.9%
TA Oil & Gas	5.3%	12.2%
TA Real Estate	9.2%	0.5%

## Bond Indices

Index	Weekly change	YTD change
Tel Gov CPI-Linked	1.6%	-1.8%
Tel Gov-SHEKEL	1.9%	-1.1%
Tel Bond - 60	0.4%	1.5%
Tel Bond-SHEKEL	0.9%	1.6%

## Currencies:

Currency	Weekly change	YTD change
Dollar/NIS	-2.7%	0.4%
Euro/NIS	-2.2%	-1.5%

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<p>The Tel-Aviv Stock Exchange features in June 2024:</p> <ul style="list-style-type: none"> <li>536 companies listing equities.</li> <li>510 ETFs (including 37 ETFs – cross listing).</li> <li>38 series of government bonds.</li> <li>689 series of corporate bonds.</li> <li>49 Series of TASE UP bonds.</li> <li>1,733 mutual funds.</li> <li>Market Cap. (US\$ billions):</li> <li>Equities - 256</li> <li>Government bonds - 176</li> <li>Corporate bonds – 119</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. There are currently 50 companies dually listed on TASE.</p>
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