



Weekly Trading Summary: July 14 – 18, 2024

Nurit Dror, TASE Research Unit

- ❖ **Mixed trend in the share indices and price increases in the bond indices.**
- ❖ **Trading took place against the background of a high state of readiness in Israel, following an elimination attempted of some of the leadership in Gaza, and against the backdrop of continued efforts to reach an agreement in which the hostages will be returned.**
- ❖ **The TA-35 index reached an all-time high, completing an increase of 13% since the outbreak of the war.**
- ❖ **The Fear Index this week remained almost unchanged, and the dollar weakened slightly in relation to the shekel.**
- ❖ **The yield on 10-year government bonds in Israel remained almost unchanged this week, reaching 4.7%.**
- ❖ **In the tracking funds market, there were continued purchases of funds tracking the S&P 500 index.**
- ❖ **In the active funds market, the flow moderated of funds to the money market funds.**

Trading on the TASE this week took place against the backdrop of heightened security alert in Israel, following the elimination attempted of some of the Hamas leadership in Gaza last Saturday (July 13) and against the background of efforts to reach an agreement under which the hostages will be returned.

Data from the Central Bureau of Statistics published this week indicate that **the inflation rate over the preceding 12 months** will reach **2.9%** in June 2024, 0.1% higher than the previous figure, but still lower than the target ceiling of 3%.

Following cautious optimism about the progress of the talks and the continued stabilization of inflation within the target range (1%–3%), on **Monday, July 15, the TA-35 index reached an all-time high of 2,076.77** points, 13% higher than it was on the eve of the outbreak of the "Swords of Iron" War.

The Fear Index remained virtually unchanged this week, reaching **15.5** points at the end of the week compared with 16 points at the end of the previous week, and **the dollar** weakened slightly (by 0.1%) against the shekel to reach NIS **3.636** towards the end of the week.

In overseas markets, trading ended in a mixed trend in share indices on leading stock exchanges around the world.



Data released this week showed that China's economy grew at an annual rate of 4.7% in the second quarter of this year, following growth of 5.3% in the first quarter.

The European Central Bank (ECB) left the interest rate in the eurozone unchanged today (July 18) at 4.25%.

The price of Brent crude oil decreased this week by 0.4%, reaching US\$ 85 per barrel, while **the price of gold** increased this week by 3.7%, and reached US\$ 2,465 an ounce (commodity data correct as of Wednesday).

The TA-35 index decreased this week by 1.2% while the **TA-90** index increased by 1.6%, in parallel with an increase of 3.6% the Dow Jones index and a negligible change in the S&P 500 index in the US, and a decrease of 1.7% in the STOXX 50 index in Europe (overseas data correct as of Wednesday).

The **TA-Construction** and **TA-Biomed** indices stood out this week with an increase of 3.5%, each. In contrast, the **TA-Technology** index stood out this week and decreased by 2.9%, influenced by price decreases on the NASDAQ Stock Exchange (1.6% as of Wednesday) following the US administration's intention to tighten restrictions on exports of semiconductors to China.

Price increases characterized **the bond indices**.

The price increases were led by the **CPI-linked government bond indices**, which increased by up to 1.3%, and the **CPI-linked corporate bond indices** which increased this week by up to 0.8%.

The yield to maturity of 10-year non-linked government bonds remained almost unchanged this week, reaching 4.7% at the end of the week, compared with the yield to maturity of 10-year US government bonds which decreased correspondingly by 0.1%, reaching 4.1% towards the end of the week.

An exception this week was the **Tel Gov-Shekel 10+** index which decreased by 0.2% this week.

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\$ 195 million, after purchases of US\$ 180 million in the previous week; and in the funds tracking **domestic share indices**, no material net purchases were recorded, after purchases in the amount of US\$ 45 million in the previous week;

And in the funds tracking **domestic bond indices**, there were net sales this week, mainly of funds tracking the CPI-linked Tel Bond indices, in the amount of US\$ 65 million after sales in the amount of US\$ 75 million in the previous week.



In the active funds, there were moderated inflows to **the money market funds**, amounting to US\$ **130** million net this week, after inflows of US\$ 290 million in the previous week;

in the active funds investing in shares overseas, there were no material net purchases, after purchases of US\$ 15 million in the previous week; and as for **active funds investing in bonds overseas**, there were net purchases in the amount of US\$ **15** million, after net purchases of US\$ 40 million in the previous week.

Shares Market Offerings

- ❖ This week, US\$ **221** million was raised in the shares market by **OPC Energy**, in a public share offering - the largest since the offerings of the large banks "Leumi" and "Discount" in the first half of 2022.

Corporate Bond Offerings

- ❖ This week, US\$ **576** million were raised in the bond market in seven public offerings, including an initial offering made by the construction company **Geshem Lmishtaken**, and two private allocations to institutional investors by non-listed companies including the new fund-raising non-banking credit company – **Mimun Yashir Real Estate and Mortgages**, 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. G City	Investment Properties Overseas	179	Public offering	New	CPI-linked	5.2	4.24%	A / A2
2. Gav Yam Negev (non-listed company)	Investment Properties in Israel	82	Private allocation	Listed on TRADE UP	CPI-linked	4.0	3.84%	A+
3. Mimun Yashir Real Estate and Mortgages (new non-listed company)	Non-banking credit	82	Private allocation	Listed on TRADE UP	CPI-linked	3.9	4.45%	A3
4. Summit	Investment Properties Overseas	70	Public offering	New	Non-linked	(*)	Margin 0.25% above Bank of Israel interest rate	P-1
5. Mega Or	Investment Properties in Israel	51	Public offering	New	Non-linked	(*)	Margin 0.6% above Bank of Israel interest rate	A-1
6. Tadiran Group	Commerce	43	Public offering	New	Non-linked	5.5	5.85%	Aa3
7. Or Shay	Non-banking credit	30	Public	New	Non-linked	2.3	6.95%	A3
8. Geshem Lmishtaken (new)	Construction	22	Public offering	New	Non-linked	1.7	9.14%	Unrated
9. Hila Offices	Investment Properties in Israel	17 (estimate)	Public offering	New	CPI-linked	Not yet determined	5.75% (maximum)	Unrated

* One-year commercial paper

- ❖ In addition, **G.S.E. Deposits** raised US\$ 111 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 0.17% above the Bank of Israel interest rate, which will be paid in one installment together with the maturity of the principal in November 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\$ **1,165** million, further to US\$ 940 million raised in the week before. 72% of the amount raised was in non-linked bonds, and 28% in CPI-linked bonds.

Miscellaneous

- ❖ **Continued decrease in the rate of unemployment**

The Central Bureau of Statistics reported that the rate of employed persons temporarily absent from work due to economic or permanent reasons decreased to 3.6% in June 2024, compared with 4.0% in the previous month, and the unemployment rate excluding those temporarily absent from work also decreased to 3.0% in June 2024, compared with 3.3% in the previous month.

- ❖ **The Consumer Price Index and Apartment Prices**

Data from the Central Bureau of Statistics indicate that the Consumer Price Index increased by 0.1% in June 2024, and over the past 12 months (July 2023 – June 2024), the CPI increased by 2.9%, compared with the inflation target range of between 1% and 3%.

Data from the Central Bureau of Statistics indicate that the increase in apartment prices continues, a trend that began in the last two months of 2023, and in March–April 2024, home prices increased by 0.8% compared with the previous two months, and recorded an annual increase of 3.4% compared with the same period in the previous year.

- ❖ **GDP Growth Rate – First Quarter 2024**

The Central Bureau of Statistics published updated estimated data, according to which:

The growth rate in Israel in the first quarter of 2024 compared to the first quarter of 2023 decreased by 1.2%, following a decrease of 4.0% in the fourth quarter of 2023 compared with the fourth quarter of 2022.

First quarter 2024 data as well as fourth quarter 2023 data were impacted by the Swords of Iron War. They reflect the extensive mobilization of reserves, payments for alternative housing for evacuees in accordance with the government plan, the lack of a labor force in the construction industry, and more.



Share Indices

Market Value Indices	Weekly change	YTD change
TA-35	-1.2%	9.6%
TA-90	1.6%	6.5%
TA-125	-0.6%	8.4%
TA-SME60	0.7%	7.7%
Sectoral Indices	Weekly change	YTD change
TA-Tech-Elite	-1.0%	4.0%
TA Banks-5	-0.7%	10.1%
TA Oil & Gas	1.3%	13.7%
TA Real Estate	1.5%	2.0%

Bond Indices

Index	Weekly change	YTD change
Tel Gov CPI-Linked	0.9%	-0.9%
Tel Gov-SHEKEL	0.1%	-1.0%
Tel Bond - 60	0.6%	2.2%
Tel Bond-SHEKEL	0.4%	2.0%

Currencies:

Currency	Weekly change	YTD change
Dollar/NIS	-0.1%	0.2%
Euro/NIS	0.6%	-0.9%

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