



Weekly Trading Summary: July 21 – 25, 2024

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- ❖ Price increases in most of the share indices while most of the bond indices have slightly changed.
- ❖ Trading took place against the background of a high state of readiness in Israel and fears of escalation, following the Houthis' threat to retaliate against Israel strikes on strategic targets in Yemen last Saturday, and was positively affected by continued efforts to reach an agreement under which the hostages will be returned.
- ❖ The Fear Index slightly increased, and the dollar strengthened in relation to the shekel.
- ❖ The yield on 10-year government bonds in Israel remained almost unchanged this week, reaching to 4.7%.
- ❖ In the tracking funds market, there were purchases of funds tracking domestic share indices, mainly the TA-90, TA-125 and TA-Banks indices, and moderation of purchases of funds tracking the S&P 500 index.
- ❖ In the active funds market, the flow of funds increased to the money market funds.

Trading on the TASE this week began after Israel hit strategic targets in Yemen last Saturday, following a prolonged period of Houthi attempts to attack Israel, followed by Houthi threats of retaliation.

Trading took place against the backdrop of an escalation in the security situation and heightened alert throughout the country, and against the background of efforts to reach an agreement under which the hostages will be returned.

The Fear Index slightly increased this week, reaching **16** points at the end of the week compared with 15.5 points at the end of the previous week, and **the dollar** strengthened by **0.5%** against the shekel to reach NIS 3.653 towards the end of the week.

In overseas markets, trading ended in price decreases in share indices on leading stock exchanges around the world.

The TA-35 and **TA-90** indices increased this week by **0.3%** and **1.8%**, respectively, in parallel with a decrease of 2% in both the Dow Jones and the S&P 500 indices in the US, and a negligible decrease of 0.2% 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-Retail** index which increased this week by **2.3%**. Exceptions this week was the



TA-Oil & Gas index which decreased by **0.9%** and the **TA-Biomed** and **TA-Investment Properties in Israel** indices which decreased by **0.6%**, on average.

Slightly changes characterized most of the **bond indices**.

An exception were the **long-term government bond indices**, which increased by up to **0.5%**.

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. This is similar to the yield to maturity of 10-year US government bonds, which increased correspondingly by 0.1%, reaching 4.3% towards the end of the week (as of Wednesday).

In the tracking funds market, tracking **international share indices**, net purchases moderated, mainly of funds tracking the S&P 500 index and MSCI INDIA, totaling US\$ **40** million, after purchases of US\$ 195 million in the previous week;

in contrast, in the funds tracking **domestic share indices**, net purchases were recorded, mainly of funds tracking the TA-90, TA-125 and TA-Banks indices, totaling US\$ **90** million, following purchases of an immaterial amount in the previous week;

and in the funds tracking **domestic bond indices**, there was no material activity this week, after sales in the amount of US\$ 65 million in the previous week.

In the active funds market, there were increased inflows to **the money market funds**, amounting to US\$ **205** million net this week, after inflows of US\$ 130 million in the previous week; in the active funds investing in shares and bonds – on the TASE and abroad - there was no significant net activity this week.

Corporate Bond Offerings

- ❖ This week, US\$ **490** million were raised in the bond market in four public offerings and two private allocations to institutional investors, 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	273	Public offering	New	CPI-linked CPI-linked	12.3	3.67%	Aa1
		59		Listed		7.1	3.3%	AA+
2. MDG Real Estate (foreign)	Investment Properties Overseas	49	Public offering	New	Non-linked Non-linked	3.0	7.95%	Baa1
		9		Listed		1.6	10.2%	Baa2
3. Rotem Shani	Construction	43 (estimate)	Public offering	New (1)	Non-linked	Not yet determined	6.5% (2)	Unrated
4. Oron Group	Construction	28	Private allocation	Listed	Non-linked	3.0	6.8%	Baa1
5. Fattal Holdings	Hotels and tourism	27	Public offering	New	Non-linked	(*)	Margin 0.6% above Bank of Israel interest rate	P-1
6. Gabay Properties	Construction	4	Private allocation	Listed	Non-linked	1.8	5.7%	Unrated

* One-year commercial paper

(1) Each unit includes 14 option warrants for shares. Each option warrant can be converted into one share at an exercise price of NIS 26, while the share price prior to the issue was NIS 20.64.

(2) The bond was offered at a price of NIS 1.011 (minimum) per NIS 1 par value.

❖ In addition, there were three offerings this week of **structured bonds** backed by floating-rate shekel bank deposits in the amount of NIS **704** million:

- US\$ **355** million was raised by **Harel Exchange Traded Deposit** in an offering of a new series of floating-rate non-linked **bonds** – a margin of 0.12% above the Bank of Israel interest rate, to be paid in one installment together with the redemption of principal in July 2032, rated Aaa by "Midroog".
- Up to US\$ **199** million will be raised today (July 25) by **Aviad Deposits** in the company's initial public offering on the TASE. The bond issued is in floating-rate shekels – a margin of 0.14% above the Bank of Israel interest rate, to be paid in one installment together with the redemption of the principal in July 2032, rated Aaa by "Midroog".
- US\$ **149** million was raised by **Pai Deposits** in the expansion of a series of floating-rate shekel **bonds** – a margin of 0.16% above the Bank of Israel interest



rate to be paid in one installment together with the redemption of the principal in November 2033, rated AAA by "Maalot".

Government Bond Offerings

- ❖ **The Ministry of Finance** raised funds this week in **an issue of bonds on the TASE**, in the amount of US\$ **1,190** million, further to US\$ 1,165 million raised in the week before. 88% of the amount raised was in non-linked bonds and 12% in CPI-linked bonds.

Share Indices

Market Value Indices	Weekly change	YTD change
TA-35	0.3%	9.9%
TA-90	0.8%	7.4%
TA-125	0.4%	8.8%
TA-SME60	1.0%	8.8%
Sectoral Indices	Weekly change	YTD change
TA-Tech-Elite	0.2%	4.3%
TA Banks-5	0.7%	11.0%
TA Oil & Gas	-0.9%	12.7%
TA Real Estate	0.6%	2.6%

Bond Indices

Index	Weekly change	YTD change
Tel Gov CPI-Linked	0.0%	-0.8%
Tel Gov-SHEKEL	0.3%	-0.7%
Tel Bond - 60	0.0%	2.1%
Tel Bond-SHEKEL	0.0%	2.1%

Currencies:

Currency	Weekly change	YTD change
Dollar/NIS	0.5%	0.7%
Euro/NIS	-0.2%	-1.2%

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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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